Innodisk Corporation and Subsidiaries

Consolidated Financial Statements and Independent Auditor's Review Report

First Quarter of 2024 and 2023

(Stock Code: 5289)

Company address: 5F, No. 237, Section 1, Datong Road, Xizhi District, New Taipei City

Telephone: (02)7703-3000

Innodisk Corporation and Subsidiaries

Consolidated Financial Report and Independent Auditor's Review Report for the First Quarter of 2024 and 2023

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Independent Auditor's Review Report

(113) Tsai-Shen-Bao-Zi No. 24000238

To Innodisk Corporation:

Opinion

We have duly reviewed the consolidated balance sheet of Innodisk Corporation and subsidiaries (the "Group") as of March 31, 2024 and 2023, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement from January 1 to March 31, 2024 and 2023, as well as notes to the consolidated financial statements (including the summary of significant accounting policies). The management shall be responsible for preparing the financial statements fairly presented based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 "Interim Financial Reporting" recognized and released by the Financial Supervisory Commission. We are only responsible for concluding the financial statements based on the result of the review.

Scope of Review

We conducted the review in accordance with the "Review of Financial Statements" of the Auditing Standards Bulletin No. 2410. The procedures of reviewing the consolidated financial statements include inquiry (mainly with the personnel in charge of financial and accounting affairs), analytical procedures, and other review procedures. The scope of the review work is significantly smaller than that of the audit work, so we may not be able to detect all significant matters that can be identified through the audit work. Therefore, we cannot express an audit opinion.

Conclusion

In our opinion, the consolidated financial statements referred to above have not been prepared, in all material respects, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, and No. 34 "Interim Financial Reporting" of the International Accounting Standards recognized and released by the Financial Supervisory Commission, and therefore can not adequately represent the consolidated financial position of the Group as of March 31, 2024 and 2023, and the consolidated financial performance and consolidated cash flows from January 1 to March 31, 2024 and 2023.

PricewaterhouseCoopers, Taiwan

Tsui- Miao Yeh

Accountant

Chan-Yuan Tu

Previously Securities and Futures Bureau of Financial Supervisory Commission under Executive Yuan
Approval Number: Jin-Guan-Zheng-Liu-Zi No. 0960058737
Financial Supervisory Commission
Approval number: Jin-Guan-Cheng-Shen-Zi No. 1120348565

May 9, 2024

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: Thousand NTD

	Assets	Note	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
	Current assets							
1100	Cash and cash equivalents	6 (1)	$ 3,612,524	36	$ 3,557,022	38	$ 3,973,872	43
1150	Notes receivable, net	6 (4)	512	-	1,017	-	2,682	-
1170	Accounts receivable, net	6 (4)	1,549,541	15	1,333,627	14	1,416,955	15
1180	Accounts receivable -- Net from related parties	6 (4) and 7 (2)	22	-	31	-	17	-
1200	Other receivables		38,335	1	18,452	-	35,083	-
1210	Other accounts receivable -- Related parties	7 (2)	32	-	31	-	31	-
1220	Current income tax assets	6 (27)	5,218	-	4,838	-	733	-
130X	Inventories	6 (5)	1,550,805	15	1,159,248	13	1,088,047	12
1410	Prepayments		95,556	1	66,066	1	48,296	-
11XX	**Total Current Assets**		6,852,545	68	6,140,332	66	6,565,716	70
	Non-current assets							
1517	Financial assets at fair value through other comprehensive income -- Non-current	6 (2)	28,471	-	28,105	-	28,039	1
1535	Financial assets at amortized cost - Non-current	6 (3) and 8	11,206	-	11,206	-	10,706	-
1550	Investments accounted for using equity method	6 (6)	37,409	-	38,534	-	18,572	-
1600	Property, plant and equipment	6 (7) and 8	2,715,348	27	2,677,880	29	2,238,515	24
1755	Right-of-use assets	6 (8)	215,844	2	214,578	2	204,965	2
1760	Investment property -- Net	6 (10) and 8	118,172	1	118,355	1	119,124	1
1780	Intangible assets	6 (11)	40,900	1	39,375	1	41,498	1
1840	Deferred income tax assets		77,910	1	86,861	1	81,630	1
1920	Refundable deposit		6,277	-	6,354	-	5,852	-
1990	Other non-current assets - others		-	-	126	-	-	-
15XX	**Total Non-Current Assets**		3,251,537	32	3,221,374	34	2,748,901	30
1XXX	**Total Assets**		$ 10,104,082	100	$ 9,361,706	100	$ 9,314,617	100

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Balance Sheet
March 31, 2024 and December 31 and March 31, 2023

Unit: Thousand NTD

	Liabilities and Owner's Equity	Note	March 31, 2024 Amount	%	December 31, 2023 Amount	%	March 31, 2023 Amount	%
	Current liabilities							
2130	Contract liabilities -- Current	6 (20)	$ 22,524	-	$ 27,548	-	$ 36,681	1
2170	Accounts payable		1,067,573	11	730,973	8	504,914	6
2180	Accounts payable -- Related parties	7 (2)	337	-	187	-	173	-
2200	Other accounts payable	6 (12)	472,875	5	508,917	6	553,606	6
2220	Other accounts payable -- Related parties	7 (2)	-	-	114	-	-	-
2230	Current income tax liabilities	6 (27)	363,940	4	288,855	3	292,569	3
2250	Provisions -- Current	6 (16)	23,544	-	22,232	-	17,636	-
2280	Lease liabilities -- Current		31,056	-	28,001	1	23,283	-
2320	Long-term liabilities -- current portion	6 (13)	8,370	-	11,705	-	16,071	-
2399	Other current liabilities, others		8,853	-	7,174	-	6,130	-
21XX	**Total Current Liabilities**		1,999,072	20	1,625,706	18	1,451,063	16
	Non-current liabilities							
2540	Long-term borrowings	6 (13)	359,818	4	357,755	4	124,532	1
2550	Provisions -- Non-current	6 (16)	36,442	-	37,337	-	53,751	1
2570	Deferred income tax liabilities		8,388	-	3,790	-	8,613	-
2580	Lease liabilities -- Non-current		189,023	2	190,523	2	184,911	2
2645	Guarantee deposit received	7 (2)	3,343	-	3,310	-	1,587	-
25XX	**Total Non-Current Liabilities**		597,014	6	592,715	6	373,394	4
2XXX	**Total liabilities**		2,596,086	26	2,218,421	24	1,824,457	20
	Equity attributable to owners of parent							
	Share capital	6 (17)						
3110	Ordinary share capital		883,977	9	883,977	10	866,666	9
	Capital surplus	6 (18)						
3200	Capital surplus		1,428,811	14	1,416,781	15	1,377,116	15
	Retained earnings	6 (19)						
3310	Legal reserve		951,850	9	951,850	10	766,831	8
3320	Special reserve		924	-	924	-	13,147	-
3350	Undistributed earnings		4,126,866	41	3,774,896	40	4,360,023	47
	Other equity interests							
3400	Other equity interests		6,224	-	8,489	-	(933)	-
31XX	**Total equity attributable to owners of parent**		7,398,652	73	7,036,917	75	7,382,850	79
36XX	**Non-controlling interest**		109,344	1	106,368	1	107,310	1
3XXX	**Total equity**		7,507,996	74	7,143,285	76	7,490,160	80
	Material contingent liabilities and unrecognized contractual commitments	9						
	Material Events Subsequent to the Balance Sheet Date	11						
3X2X	**Total Liabilities and Equity**		$ 10,104,082	100	$ 9,361,706	100	$ 9,314,617	100

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman:Chien, Chuan-Sheng Manager: Chien, Chuan-Sheng Head of Accounting:Hsiao, Wen-Kui

Innodisk Corporation and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to March 31, 2024 and 2023

Unit: Thousand NTD
(Except for earnings per share)

	Item	Note	January 1 to March 31, 2024 Amount	%	January 1 to March 31, 2023 Amount	%
4000	Operating revenue	6 (20) and 7 (2)	$ 2,175,989	100	$ 2,260,206	100
5000	Operating cost	6 (5) and 7 (2)	(1,417,418)	(65)	(1,445,296)	(64)
5950	Gross profit from operations		758,571	35	814,910	36
	Operating expenses	6 (25) and 7 (2)				
6100	Marketing expenses		(165,360)	(7)	(158,751)	(7)
6200	General and administrative expenses		(122,075)	(6)	(121,700)	(5)
6300	Research and development expenses		(110,994)	(5)	(97,183)	(4)
6450	Expected credit impairment gains and losses	12 (2)	5,462	-	9,846	-
6000	Total operating expenses		(392,967)	(18)	(367,788)	(16)
6900	Operating profit		365,604	17	447,122	20
	Non-operating income and expenses					
7100	Interest income	6 (21)	7,983	-	4,003	-
7010	Other income	6 (22) and 7 (2)	5,554	-	5,326	-
7020	Other gains and losses	6 (23)	67,991	3	(11,960)	(1)
7050	Financing cost	6 (24)	(2,247)	-	(1,702)	-
7060	Shares of losses of associates and joint ventures accounted for using equity method	6 (6)	(1,125)	-	(1,881)	-
7000	Total non-operating income and expenses		78,156	3	(6,214)	(1)
7900	**Profit before income tax**		443,760	20	440,908	19
7950	Income tax expense	6 (27)	(90,010)	(4)	(91,965)	(4)
8200	**Net income for the year**		$ 353,750	16	$ 348,943	15
	Other comprehensive income for the year (net)					
	Items that will not be reclassified to profit or loss					
8316	Unrealized gains or losses of equity instruments measured at fair value through other comprehensive income		$ 366	-	$ 200	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		366	-	200	-
	Items that may be reclassified to profit or loss					
8361	Exchange difference arising on translation of foreign operations		(2,504)	-	(209)	-
8360	Total of Items that may be reclassified to profit or loss		(2,504)	-	(209)	-
8300	**Other comprehensive loss for the period, net of tax**		($ 2,138)	-	($ 9)	-
8500	**Total comprehensive income for the year**		$ 351,612	16	$ 348,934	15
	Profit attributable to:					
8610	owners of the parent		$ 351,970	16	$ 348,203	15
8620	Non-controlling interest		1,780	-	740	-
	Net income for the year		$ 353,750	16	$ 348,943	15
	Comprehensive income attributable to					
8710	owners of the parent		$ 349,705	16	$ 348,194	15
8720	Non-controlling interest		1,907	-	740	-
	Total comprehensive income for the year		$ 351,612	16	$ 348,934	15
	Basic earnings per share	6 (28)				
9750	Net income for the year		$ 3.98		$ 3.94	
	Diluted earnings per share	6 (28)				
9850	Net income for the year		$ 3.90		$ 3.89	

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman:Chuan-Sheng Chien   Manager: Chuan-Sheng Chien   Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Statement of Changes in Equity
January 1 to March 31, 2024 and 2023

Unit: Thousand NTD

		Equity attributable to owners of parent									
				Retained earnings			Other equity interests				
	Note	Ordinary share capital	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange difference arising on translation of foreign operations	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Non-controlling interest	Total equity
January 1 to March 31, 2023											
Balance as of January 1, 2023		$ 865,531	$ 1,356,462	$ 766,831	$ 13,147	$ 4,011,820	$ 1,207	($ 2,131)	$ 7,012,867	$ 106,570	$ 7,119,437
Net income for the year		-	-	-	-	348,203	-	-	348,203	740	348,943
Other comprehensive profit and loss for the year		-	-	-	-	-	(209)	200	(9)	-	(9)
Total comprehensive profit and loss for the year		-	-	-	-	348,203	(209)	200	348,194	740	348,934
Share-based payment	6 (15)	-	12,030	-	-	-	-	-	12,030	-	12,030
Employees exercise options	6 (17)	1,135	8,104	-	-	-	-	-	9,239	-	9,239
Exercise right of disgorgement		-	520	-	-	-	-	-	520	-	520
Balance on March 31, 2023		$ 866,666	$ 1,377,116	$ 766,831	$ 13,147	$ 4,360,023	$ 998	($ 1,931)	$ 7,382,850	$ 107,310	$ 7,490,160
January 1 to March 31, 2024											
Balance on January 1, 2024		$ 883,977	$ 1,416,781	$ 951,850	$ 924	$ 3,774,896	$ 10,354	($ 1,865)	$ 7,036,917	$ 106,368	$ 7,143,285
Net income for the year		-	-	-	-	351,970	-	-	351,970	1,780	353,750
Other comprehensive profit and loss for the year		-	-	-	-	-	(2,631)	366	(2,265)	127	(2,138)
Total comprehensive profit and loss for the year		-	-	-	-	351,970	(2,631)	366	349,705	1,907	351,612
Share-based payment	6 (15)	-	12,030	-	-	-	-	-	12,030	-	12,030
Share-based payment	6 (15)	-	-	-	-	-	-	-	-	1,069	1,069
Balance on March 31, 2024		$ 883,977	$ 1,428,811	$ 951,850	$ 924	$ 4,126,866	$ 7,723	($ 1,499)	$ 7,398,652	$ 109,344	$ 7,507,996

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman: Chuan-Sheng Chien   Manager: Chuan-Sheng Chien   Head of Accounting: Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Consolidated Cash Flow Statement
January 1 to March 31, 2024 and 2023

Unit: Thousand NTD

	Note	January 1 to March 31, 2024	January 1 to March 31, 2023
Cash flow from operating activities			
Net profit before tax for the period		$ 443,760	$ 440,908
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation charges on property, plant and equipment	6 (25)	29,978	26,970
Depreciation expenses for right-of-use assets	6 (25)	8,715	8,041
Amortization expenses on intangible assets and deferred assets.	6 (25)	6,916	6,817
Depreciation expenses of real estate investment	6 (23)	363	359
Expected loss (gain) on credit impairment	12 (2)	(5,462)	(9,846)
Recovered gain or loss on falling prices of inventory	6 (5)	(4,743)	(29,892)
Losses on scrapping of inventory	6 (5)	2,169	67
Gain on lease modifications	6 (8)	(6)	-
Interest income	6 (21)	(7,983)	(4,003)
Interest expense	6 (24)	2,247	1,702
Share-based compensation costs	6 (15)	13,099	12,030
Shares of losses of associates and joint ventures accounted for using equity method	6 (6)	1,125	1,881
Loss (gain) on disposal of property, plant and equipment	6 (23)	12	8
Changes in operating assets and liabilities			
Net change in assets related to operating activities			
Notes receivable, net		505	(117)
Accounts receivable, net		(210,489)	11,685
Accounts receivable -- Net from related parties		9	92
Other receivables		(19,217)	(29,342)
Other accounts receivable -- Related parties		(1)	21
Inventories		(388,983)	100,253
Prepayments		(29,490)	13,021
Net change in liabilities related to operating activities			
Contract liabilities -- Current		(5,024)	(5,398)
Accounts payable		336,600	(201,703)
Accounts payable -- Related parties		150	108
Other accounts payable		(29,906)	(59,491)
Other payables -- Related parties		(114)	-
Current provisions		1,312	514
Non-current provisions		(895)	1,762
Other current liabilities, others		1,679	(146)
Cash flow from operating activities		146,326	286,301
Interest received		7,317	3,479
Income taxes paid		(1,636)	(3,141)
Net cash flow from operating activities		152,007	286,639

(Continued)

Innodisk Corporation and Subsidiaries
Consolidated Cash Flow Statement
January 1 to March 31, 2024 and 2023

Unit: Thousand NTD

	Note	January 1 to March 31, 2024	January 1 to March 31, 2023
Cash Flow from Investing Activities			
Acquisition of investments accounted for using equity method	6 (6)	$ -	($ 7,500)
Acquisition of property, plant and equipment	6 (29)	(70,797)	(120,772)
Acquisition of intangible assets	6 (11)	(7,980)	(4,290)
Refundable deposits (increase)		(195)	(310)
Decrease in refundable deposits		331	1
Other non-current assets -- Other decreases (increases)		126	-
Net cash used in investing activities		(78,515)	(132,871)
Cash Flow from Financing Activities			
Repayment of long-term borrowings	6 (30)	(1,473)	(180,652)
Increase in guarantee deposit received	6 (30)	20	-
Employees exercise options		-	9,239
Interest paid		(2,246)	(1,893)
Repayment of principal of lease liabilities	6 (30)	(8,005)	(7,655)
Exercise right of disgorgement		-	520
Net cash used in financing activities		(11,704)	(180,441)
Effects of changes in foreign exchange rates		(6,286)	496
Net increase (decrease) in cash and cash equivalents		55,502	(26,177)
Beginning cash and cash equivalents		3,557,022	4,000,049
Ending cash and cash equivalents		$ 3,612,524	$ 3,973,872

The accompanying consolidated financial statements are an integral part of the consolidated financial report and should be read in conjunction.

Chairman:Chuan-Sheng Chien　　Manager: Chuan-Sheng Chien　　Head of Accounting:Wen-Kui Hsiao

Innodisk Corporation and Subsidiaries
Notes to Consolidated Financial Statements
First Quarter of 2024 and 2023

Unit: Thousand NTD
(Unless otherwise specified)

I. Company history

(I) Innodisk Corporation (hereinafter referred to as the "Company") was established in March 2005. The Company and its subsidiaries (hereinafter referred to as the "Group") mainly engage in the research and development, manufacturing and sales of various types of industrial embedded storage devices.

(II) The Company passed the review by the Taipei Exchange in October, 2013 and the became officially listed on the TPEx on November 27, 2013.

II. Date and procedures for approving the financial report

This consolidated financial report was approved and issued by the board meeting on May 9, 2024.

III. Application of new standards, amendments, and interpretations

(I) The impact of adopting the newly released and revised International Financial Reporting Standards recognized and issued into effect by the Financial Supervisory Commission (FSC)

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards recognized and released by the Financial Supervisory Commission in 2024:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendment to IAS 1 "Classification of Liabilities as Current or Non-Current"	January 1, 2024
Amendment to IAS 1 "Non-Current Liabilities With Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1, 2024

The Group believes that the adoption of aforementioned standards and interpretations will not have a significant effect on the consolidated financial position and performance.

(II) Impact of the newly released and amended IFRS recognized by the FSC not yet adopted by the Company

None.

(III) IFRSs issued by the IASB but not yet recognized by the FSC

The following table summarizes the applicable newly released, corrected and amended standards and interpretations of the International Financial Reporting Standards issued by the IASB but not yet recognized by the FSC:

Newly released / corrected / amended standards and interpretations	Effective Date Issued by IASB
Amendment to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”	To be determined by the IASB
IFRS 17 - “Insurance contracts”	January 1, 2023
Amendment 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 No. 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
Amendment to IAS 21 -- "Lack of Exchangeability"	January 1, 2025

The Group believes that the adoption of aforementioned IFRSs will not have a significant effect on the consolidated financial position and performance.

IV. Summary of significant accounting policies

The principal accounting polices 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.

(I) Compliance statement

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Accounting Standards No. 34 “Interim Financial Reporting” recognized and released by the Financial Supervisory Commission.

(II) Basis of preparation

1. Other than financial assets measured at fair value through other comprehensive income, the consolidated financial statements are prepared based on historical cost.

2. The preparation of financial statements in compliance with the International Financial Reporting Standards, International Accounting Standards, and IFRIC Interpretations and announcements of interpretations (hereinafter collectively referred to as “IFRSs”) requires the use of certain critical accounting estimates. It also requires the management to exercise its judgment in the process of applying them to the Group’s accounting policies, which involves a high degree of judgment or complexity, or the significant assumptions and estimates in the consolidated financial statements. Please refer to note 5.

(III) Basis of consolidation

1. Basis for preparation of consolidated financial statements

(1) All subsidiaries are included in the Group's consolidated financial report. 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.

(2) 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.

(3) The profit and loss and the components of other comprehensive income attribute to the owners of the parent company and non-controlling interests. The total comprehensive income also attributes to the owners of the parent company and non-controlling interest, even if this results in a deficit of the non-controlling interests.

(4) Changes in the ownership interest in a subsidiary that do not result in the loss of control of the subsidiary (transactions with non-controlling interests) are treated as equity transactions, and are considered as transactions with owners. Any differences between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is directly recognized in equity.

2. Subsidiaries included in the consolidated financial report:

Name of Investor	Name of Subsidiary	Main Business Activity	Percentage of Equity Holdings			Remarks
			March 31, 2024	December 31, 2023	March 31, 2023	
Innodisk Corporation	Innodisk USA Corporation	Industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Japan Corporation	After-sales services and support of industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Europe B.V.	After-sales services and support of industrial embedded storage devices	100	100	100	
Innodisk Corporation	Innodisk Global-M Corporation	Investment holdings	100	100	100	
Innodisk Corporation	Aetina Corporation	Manufacturing and sales of industrial graphics cards	73.67	73.67	74.20	Note 1
Innodisk Corporation	Antzer Tech Co., Ltd.	Electronic parts and components manufacturing	100	100	100	
Innodisk Global-M Corporation	Innodisk Shenzhen Corporation	Industrial embedded storage devices	100	100	100	
Innodisk Europe B.V.	Innodisk France SAS	After-sales services and support of industrial embedded storage devices	100	100	100	
Aetina Corporation	Aetina USA Corporation	After-sales service and support for industrial graphics cards	100	100	100	Note 2
Aetina Corporation	Aetina Europe B.V.	After-sales service and support for industrial graphics cards	100	100	100	Note 3
Aetina Corporation	Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	100	100	-	Note 4
Aetina Corporation	Aetina Japan Corporation	After-sales service and support for industrial graphics cards	100	100	-	Note 5

For the subsidiaries above listed in the consolidated financial statements as of March 31, 2023 and 2022, their financial statements as of March 31, 2024 and 2023 have been reviewed by the Company's independent auditors. The subsidiaries listed in the consolidated financial report as of December 31, 2023 were all audited by the Company's independent auditors.

Note 1: Aetina Corporation, through a resolution of the shareholders' meeting on May 19, 2023, issued 230,000 shares from capital increase for the payment of employees' remuneration by shares, with August 21, 2023 as the ex-date for capital increase, and the shareholding ratio of the Company decreased to 73.67%.

Note 2: Aetina Corporation established its subsidiary Aetina USA Corporation in September 2021, and the capital injection has been completed on January 10, 2023.

Note 3: Aetina Corporation established its subsidiary Aetina Europe B.V. in January 2022, and the capital injection has been completed on March 13, 2023.

Note 4: Aetina Corporation established the subsidiary Aetina (Shenzhen) Artificial Intelligence Co., Ltd. in July 2023, and the capital injection has been completed on November 10, 2023.

Note 5: Aetina International Co., Ltd. established the subsidiary, Aetina Japan Corporation in October 2023, and the capital injection was completed on October 12, 2023.

3. Subsidiaries not included in the consolidated financial report: None.

4. Adjustments and treatments for subsidiaries with different accounting periods: None.

5. Significant restrictions: None.

6. Subsidiaries with material non-controlling interests to the Group: None.

(IV) 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 (hereinafter referred to as the "functional currency"). The functional currency of the Company is "New Taiwan dollar", and the functional currencies of subsidiaries are "New Taiwan dollar", "Renminbi", "US dollar", "Euro" and "Japanese yen." The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional currency.

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the spot exchange rate on the transaction or valuation date. Exchange differences resulting from the translation of such transactions are recognized as profits or losses of the period.

(2) Monetary assets and liabilities denominated in foreign currencies are evaluated and adjusted using the spot exchange rate on the balance sheet date. Exchange differences arising from the adjustment on the balance sheet date are recognized as profits or losses of the period.

(3) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are evaluated and adjusted using spot exchange rate on the balance sheet date, and the translation differences due to the adjustment are recognized as profits or losses. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are evaluated and adjusted using the spot exchange on the balance sheet date, and the translation differences due to the adjustment are recognized as other comprehensive income. For those which are not measured at fair value, they are measured by the historical exchange rate of the initial transaction date.

(4) All foreign exchange gains and losses are presented in the Consolidated Statement of Comprehensive Income under "other gains and losses."

2. Translation of foreign operations

(1) The operating results and financial positions of all the subsidiaries that have functional currencies 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 on the date of the balance sheet.

B. Income and expenses for each statement of comprehensive income are translated at the average exchange rate of the period.

C. All exchange differences due to currency translation are recognized in other comprehensive income.

(2) Goodwill and fair value adjustments arising from acquisition of a foreign entity are regarded as assets and liabilities of the foreign entity, and are translated at the closing rate of the period.

(V) Classification of current and non-current items

1. Assets that meet any of the following criteria are classified as current assets:

(1) Assets expected to be realized or intended to be sold or consumed within the normal operating cycle.

(2) Assets held mainly for trading purposes.

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

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

Those that do not meet the above criteria are considered non-current.

2. Liabilities that meet any of the following criteria are classified as current liabilities:

(1) Liabilities that are expected to be paid off within the normal operating cycle.

(2) Assets held mainly for trading purposes.

(3) Liabilities that are to be paid off within twelve months from the balance sheet date.

(4) Liabilities with no right for the repayment to be deferred until at least 12 months after the reporting period.

Those that do not meet the above criteria are considered non-current.

(VI) 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.

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

1. They refer to the assets for which a irrevocability choice is made at the time of initial recognition to recognize the fair value changes of equity investments not held for trading under other comprehensive income.

2. The Group adopts transaction-date accounting for financial assets measured at fair value through other comprehensive income which meet the regular transaction practice requirements.

3. The Group measures assets at the fair value plus transaction cost at the time of initial recognition, and subsequently measures at the fair value; changes in the fair value of equity instruments are recognized in other comprehensive income. At derecognition, the accumulated profits or losses previously recognized in other comprehensive income shall not be reclassified to profits and losses but transferred to retained earnings. When the right to receive dividends is confirmed, the economic benefits related to dividends are likely to flow in, and the amount of dividends can be measured reliably; the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

1. They refer to those that meet the following criteria at the same time:

   (1) The financial assets are held under the business model of collecting contractual cash flows.

   (2) The contract clauses allow the assets to generate contractual cash flows on specific dates solely for payments of the principal and the interest of outstanding principal.

2. On a regular way purchase or sale basis, financial assets measured at amortized cost are recognized and de-recognized using trade date accounting.

3. The Group measures financial assets at fair value plus transaction costs in the initial recognition, and subsequently recognize interest income and impairment loss by using the amortization procedure of the effective interest rate method during the circulation period. The gains or losses are recognized in the profit and loss when the assets are derecognized.

4. The Group holds time deposits that are not considered cash equivalents. Due to the short holding period, the impact of discounting is insignificant and they are measured by the amount of investment.

(IX) Accounts and notes receivable

1. They refer to accounts and receipts that have the unconditional right to receive the amount of consideration obtained from the transfer of goods or services.

2. Short-term accounts receivable and notes that have not been paid interest which are not significantly affected by discounting, and the Group measures them based on the original invoice amount.

(X) Impairment of financial assets

Regarding the financial assets measured at amortized cost, the Group considers all reasonable and supportable information (including forward-looking ones) and measures the loss allowance based on the expected 12-month credit losses for those that do not have their credit risk increased significantly since initial recognition. For those with their credit risk increasing significantly since initial recognition, the loss allowance is measured based on the expected full lifetime credit losses. For accounts receivable that do not contain significant financial components, the loss allowance is measured based on the expected amount of credit loss during the duration.

(XI) De-recognition of financial assets

A financial asset is de-recognized when the Group's rights to receive cash flows from the financial assets have expired.

(XII) Leasing arrangements (lessor) -- operating leases

Lease income from operating leases, less any incentives given to the lessee, is amortized in current profit or loss on a straight-line basis over the lease term.

(XIII) Inventories

Inventories are measured at the lower of cost or net realizable value, and the cost is determined by weighted-average method. The cost of finished goods and work-in-progress comprises raw materials, direct labor, other direct costs and related production overheads, but excludes borrowing costs. At the end of year, inventories are evaluated at the lower of cost or net realizable value. 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 estimated cost needed for completion and estimated cost needed to complete the sale.

(XIV) Investments accounted for under equity method -- Associates

1. Associates refer to entities over which the Group has significant influence but is not in control. In general, they refer to associates in which the Group holds more than 20% of their voting shares directly or indirectly. The Group accounts for its investment in associates using the equity method, and the investment is initially recognized at cost.
2. The Group recognizes the profits and losses upon the acquisition of an associate as the current profit and loss. The share of other comprehensive income after the acquisition is recognized as 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 will not recognize further losses, unless it has incurred legal or constructive obligations or make payments on behalf of the associate.
3. If an associate has changes in equity not due to profit or loss or other comprehensive income, and such changes does not affect the Group's shareholding in the associate, the Group will recognize all such changes in equity as "capital surplus" according to the shareholding percentage.
4. Unrealized gains from transactions between the Group and associates are eliminated to the extent of the Group's share of equity in the associates. Unrealized losses are also eliminated unless there is evidence that the assets transferred from the transaction is impaired. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. In the event that an associate issues new shares and the Group does not subscribe to or acquire the new shares in proportion, which results in a change to the Group's shareholding percentage but the Group still maintains a significant influence on the

associate, the adjustment to the "capital surplus" and "investments accounted for using equity method" is made for the increase or decrease of the Group's share of equity interest. If the investment percentage is reduced, in addition to the above adjustments, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionally on the same basis as would be required if the relevant assets or liabilities were disposed of.

6. When the Group loses its significant influence on an associate, the remaining investment in the associate is re-measured at fair value, and the difference between the fair value and the book value is recognized as profit or loss in the current period.

7. When the Group disposes of an associate, if it loses the significant influence on the associate, the accounting treatment for all amounts previously recognized in other comprehensive income in relation to the associate is the same as that the Group directly dispose of related assets or liabilities. That is, if an interest or loss previously recognized as other comprehensive income or loss is reclassified as income or loss upon disposal of related assets or liabilities, then when the significant influence on the associate is lost, the interest or loss is reclassified as income or loss from equity. If there is still significant influence over the associate, only the amount previously recognized in other comprehensive income will be transferred out in the abovementioned manner.

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

1. Property, plant and equipment are initially recognized at cost.

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will likely 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.

3. Property, plant and equipment are subsequently measured at cost. Except for land which is not depreciated, other items are depreciated using the straight-line method based on the estimated useful life. 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.

4. The Group reviews the assets' residual values, useful lives and depreciation methods at the end of each fiscal year. If the estimates of the residual values and useful lives are different from the previous estimates, or the expected pattern of consumption of future economic benefits embodied in the assets has changed significantly, then from the date of change, it shall be handled in accordance with the provisions of International Accounting Standards No. 8 "Changes and Errors in Accounting Policies and Accounting Estimates" regarding accounting estimate changes.

   The estimated useful lives of property, plant and equipment are as follows:

Buildings and structures	2 years to 50 years
Machinery and equipment	1 year to 8 years
Office equipment	2 years to 6 years
Others	1 year to 6 years

(XVI) <u>Leasing agreements (lessee) - right-of-use assets/lease liabilities</u>

1. Leases are recognized as right-of-use assets and lease liabilities on the date when the leased assets are available for use by the Group. For short-term leases or leases of low-value assets, lease payments are recognized as expenses on a straight-line basis over the

lease term.

2. Lease liabilities are recognized at the present value of lease payments that have not yet been paid on the lease commencement date, discounted at the Group's incremental borrowing rate. Lease payments refer to fixed payments minus any lease incentives that can be collected.

   The Company subsequently measures the lease liability at amortized cost using the interest method, and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of re-measurement 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.

3. At the commencement date, the right-of-use asset is recognized at cost comprising the amount of 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 service life or the end of lease term. When the lease liability is remeasured, the amount of re-measurement is recognized as an adjustment to the right-of-use asset.

4. For lease modifications that reduce the scope of the lease, the lessee reduces the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognizes in profit or loss the difference between this amount and the remeasurement amount of the lease liability.

(XVII) Investment property

Investment properties are initially measured at cost, and may be subsequently measured using a cost model. Except for land, the depreciation of service life is recognized on a straight-line basis which is about 24 to 41 years.

(XVIII) Intangible assets

1. Computer software

   Recognized by the acquisition cost and amortized on a straight-line basis with an estimated service life of 1 to 8 years.

2. Trademarks and patent rights

   Trademarks and patent rights acquired as a result of a business combination are recognized at fair value on the acquisition date. Trademarks and patent rights are assets with a finite useful life and are amortized at the estimated useful life of three years on a straight line basis.

3. Goodwill

   Goodwill is measured in a business combination using the acquisition method.

(XIX) Impairment of non-financial assets

1. On the balance sheet date, the Group estimates the recoverable amount of assets with signs of impairment. When the recoverable amount is lower than their carrying amount, impairment losses are recognized. The recoverable amount is the higher of an asset's fair value less disposal cost 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 amortized historical cost would have been if the

impairment had not been recognized.

2. Goodwill is regularly estimated for its recoverable amount. An impairment loss is recognized when the recoverable amount is lower than its carrying amount. The goodwill impairment loss will not be reversed in subsequent years.

3. Goodwill is allocated to cash-generating units for the purpose of conducting impairment testing. The allocation identified based on the operating segment, and the goodwill is allocated to cash-generation units or groups of cash-generation units expected to benefit from the business combination that generates goodwill.

(XX) Borrowings

Refers to long- and short-term funds borrowed from banks. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(XXI) Accounts and notes payable

1. They refer to debts incurred as a result of the purchase of raw materials, goods or services, and notes payable due to business and non-business purposes.

2. Short term accounts and notes payable with no interest paid are not significantly affected by discounting, and the Group measures them based on the original invoice amount.

(XXII) De-recognition of financial liabilities

The Group derecognizes financial liabilities when the obligations specified in the contract are fulfilled, cancelled or expired.

(XXIII) Offset between financial assets and liabilities

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

(XXIV) Provision for liabilities

Liability reserve (which is for warranty) is a present statutory or deferred obligation as a result of a past event. It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision should be the best estimate of the expenditure required to settle the present obligation at the balance sheet date. Future operating losses shall not be recognized as liability reserves.

(XXV) Employee benefits

1. 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 expenses in that period when the employees render service.

2. Pensions

   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.

3. Remuneration of employees and directors

   Remunerations for employees and directors 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 subsequent actually distributed amounts shall be treated as accounting estimate changes. If employee compensation is distributed by shares, the Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(XXVI) Employee share-based payments

The share-based payment agreement for delivery of equity is a transaction in which employees' labor service received as consideration for the Company's equity instrument at fair value, and it is recognized as compensation costs during the vesting period, and the equity is adjusted accordingly. The fair value of equity instrument shall reflect the effects of vesting and non-vesting conditions of market value. The recognized remuneration costs are adjusted in accordance with the expected service conditions to be met and the non-vesting market value conditions, until the final recognized amount is recognized with the vesting amount on the vesting date.

(XXVII) Income tax

1. Tax expenses for the period comprises current and deferred taxes. 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.

2. The Group calculates current income tax based on tax rates that have been enacted or substantially enacted on the balance sheet date in the country where its operations and taxable income are generated. 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.

3. Deferred income tax is recognized, using the balance sheet method, recognizing temporary differences arising from the tax basis of assets and liabilities and their carrying amounts on the balance sheet. Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income 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 income tax asset is realized or the deferred income tax liability is settled.

4. Deferred tax assets are recognized within the scope that the temporary difference is likely to be used to offset future taxable income, and both unrecognized and recognized deferred tax assets are revalued on each balance sheet date.

5. When there is a legal enforcement right to offset the recognized amount of current income tax assets and liabilities against each other, and there is an intention to settle or simultaneously realize the assets and liabilities on a net basis, the current income tax assets and current income tax liabilities shall offset each other. When there is a legal

enforcement right to offset current income tax assets and current income tax liabilities, and deferred income tax assets and liabilities are generated by the same taxpayer or a different taxpayer with the income tax levied by the same tax authority, but each entity intends to settle the assets and liabilities on a net basis or simultaneously realize the assets and liabilities, deferred income tax assets and liabilities are offset against each other.

6. The income tax expenses during the interim period are calculated using the estimated annual average effective tax rate applied to the pre-tax profit and loss during the interim period, and relevant information is disclosed in accordance with the aforementioned policies.

(XXVIII) Share capital

Common stocks 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.

(XXIX) Dividend distribution

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 dividends to be distributed and transferred to be common stocks on the record date of issuance of new shares.

(XXX) Revenue recognition

1. The Group develops, manufactures and sells various products related to industrial storage devices and memory modules. The sales revenue is recognized when the control of products is transferred to customers. That is, once products are delivered to customers, the customers have discretion on the channel and price of product sales, and the Group has no outstanding performance obligations that may affect customers' acceptance of the products. The delivery of products occurs when products are shipped to a designated location and the risk of obsolescence and loss has been transferred to customers, and the customers accept the products in accordance with the sales contract or have objective evidence that all criteria have been met.

2. The payment terms of sales transactions are usually payment in advance or monthly settlement 30 to 90 days. With respect to the contracts signed between the Group and customers, the time interval between the transfer products or services promised to customers and the customers' payment has not exceeded one year, so the Group has not adjusted the transaction price to reflect the time value of money.

3. Sales revenue is recognized as the net after subtracting sales discounts from the contract price. The Group estimates possible sales discounts based on past experience and different contract conditions, and recognizes the refund liabilities accordingly.

4. The Group provides warranty for products sold, and has the obligation to repair product defects; these are recognized as liability provisions when goods are sold.

5. Accounts receivable is recognized when goods are delivered to the customer. The Group has unconditional rights to the contract price, and will be able to collect the amount from the customer after the time has passed.

(XXXI) Operation Department

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

(XXXII) Government subsidies

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attached to the government grant and that the grant will be received. If the nature of government subsidies is to compensate the Group for expenses incurred, the government subsidies are recognized in profit or loss on a systematic basis in the period in which the related expenses are incurred.

V. Critical accounting judgments and key sources of estimation and uncertainty

In the Group's preparation of the consolidated financial statements, the management has used its judgment to determine the accounting policies to be adopted, and based on the current situation on the balance sheet date, has made accounting estimates and assumptions based on reasonable expectations for future events. Significant accounting estimates and assumptions may differ from the actual results, and continuous evaluation and adjustment will be made based on historical experience and other factors. Such estimates and assumptions have a risk of causing an adjustment to the carrying amounts of assets and liabilities in the next financial year. Please see the following explanation of critical accounting judgments and key sources of estimation and uncertainty:

(I) Critical judgments adopted by the accounting policies

The critical judgments adopted in the Group's accounting policies have been assessed to be free from significant uncertainty.

(II) Significant Accounting Estimates and Assumptions

Inventory Evaluation

During the inventory valuation, the Group needs to use judgment to evaluate the wear and tear, obsolescence and market sales value of the inventory to estimate the net realizable value, and write down the inventory cost to the net realizable value. Technological changes, environmental changes and sales conditions will change the inventory value, further affecting its valuation.

The book value of the Group's inventory as of March 31, 2024 is detailed in note 6(5).

VI. Contents of significant accounts

(I) Cash and cash equivalents

	March 31, 2024	December 31,2023	March 31, 2023
Cash:			
Cash on hand and working capital	$ 1,389	$ 1,225	$ 1,118
Checking accounts and demand deposits	1,925,635	1,970,297	2,137,254
Cash equivalents:			
Time deposits	1,685,500	1,585,500	1,835,500
	$ 3,612,524	$ 3,557,022	$ 3,973,872

1. The Group transacts with a variety of financial institutions with high credit quality to diversify the credit risk, so the probability of counterparty default is remote.
2. The Group has transferred restricted bank deposits to non-current financial assets measured at amortized cost. Please refer to note 8 for details.

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

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current items:			
Equity instruments			
Domestic listed stocks - Preferred stock	$ 29,970	$ 29,970	$ 29,970
Valuation adjustment	(1,499)	(1,865)	(1,931)
	$ 28,471	$ 28,105	$ 28,039

1. The Group chooses to classify equity instruments of strategic investment nature as financial assets measured at fair value through other comprehensive income.
2. Please refer to the consolidated statement of comprehensive income for the details of the financial assets measured at fair value through other comprehensive income, which are recognized in the comprehensive profit and loss of the Group.
3. The Group has not provided financial assets measured at fair value through other comprehensive income as pledged collateral.
4. Please refer to note 12(3) for relevant fair value information.

(III) Financial assets measured at amortized cost

	March 31, 2024	December 31, 2023	March 31, 2023
Non-current items:			
Pledged time deposits	$ 11,206	$ 11,206	$ 10,706

1. 1. Please refer to Note 6(21) for the recognized interest income from financial assets measured at amortized cost.
2. Please refer to note 8 for the Group's provision of financial assets at amortized cost as pledged collateral.

(IV) Notes and accounts receivable

	March 31, 2024	December 31, 2023	March 31, 2023
Notes receivable	$ 512	$ 1,017	$ 2,682
Less: Loss allowance	-	-	-
	$ 512	$ 1,017	$ 2,682
Accounts receivable	$ 1,550,102	$ 1,339,613	$ 1,429,484
Account receivable - Related parties	22	31	17
	1,550,124	1,339,644	1,429,501
Less: Loss allowance	(561)	(5,986)	(12,529)
	$ 1,549,563	$ 1,333,658	$ 1,416,972

1. Please refer to note 12(2) for the aging analysis and the related credit risk information on notes and accounts receivable.
2. As of March 31, 2024, December 31, 2023 and March 31, 2023, all notes receivable and accounts receivable were generated from contracts with customers. The balance of notes and accounts receivable as of January 1, 2023 were NT$$1,444,073.
3. The Group does not held any collateral for the aforementioned notes and accounts receivable.

(V) Inventories

	March 31, 2024		
	Cost	Loss allowance for falling prices	Book value
Raw materials	$ 1,225,378	($ 144,300)	$ 1,081,078
Work in process	269,688	(26,944)	242,744
Finished goods	204,146	(27,670)	176,476
Merchandise	58,389	(7,882)	50,507
	$ 1,757,601	($ 206,796)	$ 1,550,805

	December 31, 2023		
	Cost	Loss allowance for falling prices	Book value
Raw materials	$ 885,869	($ 155,352)	$ 730,517
Work in process	235,190	(22,909)	212,281
Finished goods	210,156	(25,154)	185,002
Merchandise	39,572	(8,124)	31,448
	$ 1,370,787	($ 211,539)	$ 1,159,248

	March 31, 2023		
	Cost	Loss allowance for falling prices	Book value
Raw materials	$ 832,548	($ 181,103)	$ 651,445
Work in process	252,943	(23,159)	229,784
Finished goods	215,950	(38,001)	177,949
Merchandise	36,034	(7,165)	28,869
	$ 1,337,475	($ 249,428)	$ 1,088,047

1. No pledged collaterals.are provided for the inventories above.
2. Cost of inventories recognized as loss by the Group.

	January 1 to March 31, 2024	January 1 to March 31, 2023
Cost of inventory sold	$ 1,414,695	$ 1,468,572
Gain on reversal of inventories	(4,743)	(29,892)
Loss on scrapping of inventory	2,169	67
Others	5,297	6,549
	$ 1,417,418	$ 1,445,296

Because the Group sold the inventory whose valuation loss was recognized, the allowance for impairment loss reduced, and thus a price recovery gain was generated.

(VI) Investments accounted for using equity method

	March 31, 2024		December 31, 2023		March 31, 2023	
	Amount	Shareholding percentage	Amount	Shareholding percentage	Amount	Shareholding percentage
Affiliates:						
Millitronic Co., Ltd.	$ 25,575	32.16%	$ 26,256	32.16%	$ 4,977	35.55%
Sysinno Technology Inc.	11,834	42.95%	12,278	42.95%	13,595	42.95%
	$ 37,409		$ 38,534		$ 18,572	

From January 1 to March 31 in 2024 and 2023, the Group's share of profits (losses) from affiliates recognized by the equity method was NT$(1,125) and NT$(1,881), respectively, as recognized in the financial statements audited by the Company's independent auditors.

1. Sysinno Technology Inc. increased its capital by NT$17,500 in cash on March 21, 2023; the Company participated in the capital increase with NT$7,500 and obtained 300,000 shares, resulting in a decrease in our shareholding ratio to 42.95%.

2. Millitronic Co., Ltd. increased its capital by cash of NTD 70,000 on December 19, 2023. The Company participated in the capital increase with NT$19,361 and acquired 1,382,944 shares, so the Company's shareholding decreased from 33.55% to 32.16%. The difference from the net worth of equity is increased by $2,994 for "capital surplus" and "investment under equity method", respectively.

3. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had no significant associates, and the consolidated book value of individual non-significant associates were NT$37,409, NT$38,534 and NT$18,572, respectively. Their operating results are summarized as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Profit (loss) from continuing operations	($ 1,125)	($ 1,881)
Other comprehensive income or loss (net)	-	-
Total comprehensive profit and loss for the year	($ 1,125)	($ 1,881)

(blank below)

(VII) Property, plant and equipment

	2024										
	Land			Buildings and structures			Machinery and equipment	Office equipment	Unfinished construction and equipment pending acceptance	Others	Total
	For self use	For lease	Subtotal	For self use	For lease	Subtotal	For self use	For self use	For self use	For self use	
January 1											
Cost	$ 818,813	$ 213,475	$ 1,032,288	$ 1,059,117	$ 109,359	$ 1,168,476	$ 342,453	$ 78,969	$ 446,960	$ 129,926	$ 3,199,072
Accumulated depreciation and impairments	-	-	-	(164,279)	(1,356)	(165,635)	(232,068)	(49,363)	-	(74,126)	(521,192)
	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880
January 1	$ 818,813	$ 213,475	$ 1,032,288	$ 894,838	$ 108,003	$ 1,002,841	$ 110,385	$ 29,606	$ 446,960	$ 55,800	$ 2,677,880
Addition	-	-	-	1,397	-	1,397	627	3,488	55,025	4,123	64,660
Reclassification	-	-	-	-	-	-	564	-	(997)	433	-
Disposal	-	-	-	-	-	-	(8)	(4)	-	-	(12)
Depreciation expense	-	-	-	(9,493)	(678)	(10,171)	(10,714)	(4,866)	-	(4,227)	(29,978)
Net exchange difference	639	-	639	1,976	-	1,976	5	63	-	115	2,798
March 31	$ 819,452	$ 213,475	$ 1,032,927	$ 888,718	$ 107,325	$ 996,043	$ 100,859	$ 28,287	$ 500,988	$ 56,244	$ 2,715,348
March 31											
Cost	$ 819,452	$ 213,475	$ 1,032,927	$ 1,063,435	$ 109,359	$ 1,172,794	$ 343,361	$ 79,567	$ 500,988	$ 132,272	$ 3,261,909
Accumulated depreciation and impairments	-	-	-	(174,717)	(2,034)	(176,751)	(242,502)	(51,280)	-	(76,028)	(546,561)
	$ 819,452	$ 213,475	$ 1,032,927	$ 888,718	$ 107,325	$ 996,043	$ 100,859	$ 28,287	$ 500,988	$ 56,244	$ 2,715,348

	2023						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Unfinished construction and equipment pending acceptance	Others	Total
	For self use	For self use	For self use	For self use	For self use	For self use	
January 1							
Cost	$ 818,658	$ 1,033,833	$ 324,396	$ 72,451	$ 220,157	$ 98,940	$ 2,568,435
Accumulated depreciation and impairments	-	(137,282)	(191,254)	(43,944)	-	(57,445)	(429,925)
	$ 818,658	$ 896,551	$ 133,142	$ 28,507	$ 220,157	$ 41,495	$ 2,138,510
January 1	$ 818,658	$ 896,551	$ 133,142	$ 28,507	$ 220,157	$ 41,495	$ 2,138,510
Addition	-	1,970	2,819	3,818	112,093	6,348	127,048
Disposal	-	-	-	(8)	-	-	(8)
Depreciation expense	-	(8,745)	(10,041)	(5,033)	-	(3,151)	(26,970)
Net exchange difference	(63)	(7)	2	16	-	(13)	(65)
March 31	$ 818,595	$ 889,769	$ 125,922	$ 27,300	$ 332,250	$ 44,679	$ 2,238,515
March 31							
Cost	$ 818,595	$ 1,045,031	$ 327,219	$ 74,833	$ 332,250	$ 107,928	$ 2,705,856
Accumulated depreciation and impairments	-	(155,262)	(201,297)	(47,533)	-	(63,249)	(467,341)
	$ 818,595	$ 889,769	$ 125,922	$ 27,300	$ 332,250	$ 44,679	$ 2,238,515

1. Please refer to note 8 for the information on the collateral provided by the Group with its property, plant and equipment.
2. The Group had no capitalization of interest from property, plant and equipment from January 1 to March 31, 2024 and 2023.

(VIII) Leasing arrangements - lessee

1. The underlying assets leased by the Group include land, buildings and company vehicles, with the lease contract periods for buildings and company vehicles from 1 to 9 years. The land for the plant site in Taiwan is leased from Hsinchu Science Park, and the lease contract has a term of 20 years. The Company enjoys the priority of lease, with an expected lease period of 50 years. Lease contracts are negotiated separately and include a variety of terms and conditions. There are no restrictions for the leased assets, except that they cannot be used as loan collaterals.

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

	Land	Buildings	Company vehicles	Total
January 1, 2024	$ 168,613	$ 41,715	$ 4,250	$ 214,578
Addition	-	11,871	2,204	14,075
Early termination of leases	-	(4,509)	-	(4,509)
Depreciation expense	(1,662)	(6,140)	(913)	(8,715)
Effects of changes in foreign exchange rates	-	363	52	415
March 31, 2024	$ 166,951	$ 43,300	$ 5,593	$ 215,844

	Land	Buildings	Company vehicles	Total
January 1, 2023	$ 175,260	$ 27,702	$ 4,521	$ 207,483
Addition	-	3,583	1,853	5,436
Depreciation expense	(1,662)	(5,487)	(892)	(8,041)
Effects of changes in foreign exchange rates	-	49	38	87
March 31, 2023	$ 173,598	$ 25,847	$ 5,520	$ 204,965

3. The information on profit and loss items related to lease contracts is as follows:

Items affecting current profit and loss	January 1 to March 31, 2024	January 1 to March 31, 2023
Interest expenses on lease liabilities	$ 667	$ 636
Lease modification loss (gain)	(6)	-

4. From January 1 to March 31, 2024 and 2023, other than the cash outflow from lease-related expenses mentioned in note 6(8)3 above, please refer to note 6(30) for details of the amount of cash outflow arising from the repayment of lease liabilities.

(IX) Leasing arrangements - lessor

1. The Group leases out assets such as land and buildings, with the periods of lease contracts from 1 to 6 years, and the terms of lease contracts are negotiated separately. In order to preserve the condition of leased assets, the Group usually requires lessees not to sublet, sublease or pledge all or part of the underlying leased assets.

2. Please refer to 6(22) for the rental income recognized by the Group based on operating lease contracts.

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

	March 31, 2024	December 31, 2023	March 31, 2023
2023	$ -	$ -	$ 4,137
2024	11,858	15,536	1,110
2025	13,058	11,285	778
2026	1,699	1,437	194
2027 and afterwards	1,899	1,874	-
	$ 28,514	$ 30,132	$ 6,219

(X) Investment property

	2024		
	Land	Buildings and structures	Total
January 1			
Cost	$ 86,909	$ 44,468	$ 131,377
Accumulated depreciation and impairments	-	(13,022)	(13,022)
	$ 86,909	$ 31,446	$ 118,355
January 1	$ 86,909	$ 31,446	$ 118,355
Depreciation expense	-	(363)	(363)
Net exchange difference	84	96	180
March 31	$ 86,993	$ 31,179	$ 118,172
March 31			
Cost	$ 86,993	$ 44,588	$ 131,581
Accumulated depreciation and impairments	-	(13,409)	(13,409)
	$ 86,993	$ 31,179	$ 118,172

	2023		
	Land	Buildings and structures	Total
January 1			
Cost	$ 86,688	$ 44,153	$ 130,841
Accumulated depreciation and impairments	-	(11,523)	(11,523)
	$ 86,688	$ 32,630	$ 119,318
January 1	$ 86,688	$ 32,630	$ 119,318
Depreciation expense	-	(359)	(359)
Net exchange difference	75	90	165
March 31	$ 86,763	$ 32,361	$ 119,124
March 31			
Cost	$ 86,763	$ 44,260	$ 131,023
Accumulated depreciation and impairments	-	(11,899)	(11,899)
	$ 86,763	$ 32,361	$ 119,124

1. Rental income and direct operating expenses of investment property:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Rental income from investment property	$ 1,672	$ 1,677
Direct operating expenses incurred by investment property that generates rental income for the period	$ 450	$ 417

2. The fair values of the investment property held by the Group as of March 31, 2024, December 31, 2023 and March 31, 2023 were NT$171,034,NT$172,026 and NT$181,714, respectively. The abovementioned fair value is obtained from the market price assessments and actual transaction prices of similar properties in the vicinity of the relevant assets.

3. Please refer to note 8 for the information on the collateral provided by the Group with its Investment property.

4. The Group had no capitalization of interest from investment property from January 1 to March 31, 2024 and 2023.

(XI) Intangible assets

	2024				
	Patent	Computer software	Trademark rights	Goodwill	Total
January 1					
Cost	$ 6,000	$ 119,037	$ 3,000	$ 12,464	$ 140,501
Accumulated amortization and impairments	(5,333)	(93,126)	(2,667)	-	(101,126)
	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375
January 1	$ 667	$ 25,911	$ 333	$ 12,464	$ 39,375
Additions - from separate acquisition	-	7,980	-	-	7,980
Amortization expense	(500)	(6,166)	(250)	-	(6,916)
Net exchange difference	-	-	-	461	461
March 31	$ 167	$ 27,725	$ 83	$ 12,925	$ 40,900
March 31					
Cost	$ 6,000	$ 127,017	$ 3,000	$ 12,925	$ 148,942
Accumulated amortization and impairments	(5,833)	(99,292)	(2,917)	-	(108,042)
	$ 167	$ 27,725	$ 83	$ 12,925	$ 40,900

	2023				
	Patent	Computer software	Trademark rights	Goodwill	Total
January 1					
Cost	$ 6,000	$ 99,750	$ 3,000	$ 12,466	$ 121,216
Accumulated amortization and impairments	(3,333)	(72,099)	(1,667)	-	(77,099)
	$ 2,667	$ 27,651	$ 1,333	$ 12,466	$ 44,117
January 1	$ 2,667	$ 27,651	$ 1,333	$ 12,466	$ 44,117
Additions - from separate acquisition	-	4,290	-	-	4,290
Amortization expense	(500)	(6,067)	(250)	-	(6,817)
Net exchange difference	-	1	-	(93)	(92)
March 31	$ 2,167	$ 25,875	$ 1,083	$ 12,373	$ 41,498
March 31					
Cost	$ 6,000	$ 101,193	$ 3,000	$ 12,373	$ 122,566
Accumulated amortization and impairments	(3,833)	(75,318)	(1,917)	-	(81,068)
	$ 2,167	$ 25,875	$ 1,083	$ 12,373	$ 41,498

1. Breakdown of amortization of intangible assets:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Operating cost	$ 297	$ 438
Marketing expenses	16	43
General and administrative expenses	2,845	3,047
Research and development expenses	3,758	3,289
	$ 6,916	$ 6,817

2. Goodwill is allocated to the cash-generating units of the Group:

	March 31, 2024	December 31, 2023	March 31, 2023
Innodisk USA Corporation	$ 11,394	$ 10,933	$ 10,842
Others	1,531	1,531	1,531
	$ 12,925	$ 12,464	$ 12,373

Goodwill is allocated to cash-generating units identified by the Group. The recoverable amount is evaluated based on the value in use which is calculated based on the estimated cash flow before taxes.

The Group calculated that the recoverable amount exceeds the carrying amount based on the value in use, so there is no impairment of goodwill. The calculation of value in use mainly considers gross margin, growth rate and discount rate.

The management determines the budgeted gross margin based on past performance and the expectations for market development. The weighted average growth rate used is consistent with the industry's reported forecast. The adopted discount rate is a pre-tax rate and reflects the specific risks of the related operating units.

3. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group had not pledged intangible assets as collaterals.

(XII) Other accounts payable

	March 31, 2024	December 31, 2023	March 31, 2023
Payroll and bonus payable	$ 244,382	$ 304,206	$ 216,590
Remunerations payable to employees and directors	125,903	97,981	194,014
Accrued expenses	74,554	73,781	68,883
Payable on machinery and equipment	10,629	16,766	59,077
Others	17,407	16,183	15,042
	$ 472,875	$ 508,917	$ 553,606

(XIII) Long-term loans

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2024
Borrowing with installment repayments				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.25%	None	$ 229,000
Innodisk Europe B.V.				
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	1.15%	None	10,338
Chinatrust Commercial Bank Credit loan	From March 15, 2019 to March 15, 2024; an extension was applied for the current period from March 15, 2024 to February 28, 2029. The principal and interest are paid on a quarterly basis each year.	1.15%	None	4,134
Aetina Corporation				
Chinatrust Commercial Bank Secured borrowings	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	0.94%	Please see Note 8 for details.	88,599
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	1.09%	None	36,117
				368,188
Less: Long-term loans, current portion				(8,370)
				$ 359,818

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	December 31, 2023
Borrowing with installment repayments				
Innodisk Corporation				
E.Sun Commercial Bank Credit loan	The borrowing period is from August 23, 2023 to August 15, 2033; the grace period for the principal is two years, and the interest is paid monthly.	1.25%	None	$ 229,000
Innodisk Europe B.V.				
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 8, 2023 to December 8, 2028; the principal is amortized annually and the interest is paid quarterly.	1.15%	None	10,194
Chinatrust Commercial Bank Credit loan	The borrowing period is from March 15, 2019 to March 15, 2024; the principal is amortized annually and the interest is paid quarterly.	1.15%	None	4,078
Aetina Corporation				
Chinatrust Commercial Bank Secured borrowings	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	0.94%	Please see Note 8 for details.	89,649
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	1.09%	None	36,539
				369,460
Less: Long-term loans, current portion				(11,705)
				$ 357,755

Type of borrowing	Borrowing period and payment method	Range of interest rate	Collateral	March 31, 2023
Borrowing with installment repayments				
Innodisk Europe B.V.				
Chinatrust Commercial Bank Credit loan	The borrowing period is from December 10, 2018 to December 10, 2023; the principal is amortized annually and the interest is paid quarterly.	1.15%	None	$ 9,944
Chinatrust Commercial Bank Credit loan	The borrowing period is from March 15, 2019 to March 15, 2024; the principal is amortized annually and the interest is paid quarterly.	1.15%	None	3,979
Aetina Corporation				
Chinatrust Commercial Bank Secured borrowings	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	0.94%	Please see Note 8 for details.	90,000
Chinatrust Commercial Bank Credit loan	The borrowing period is from November 24, 2021 to November 24, 2041; the grace period for the principal is two years, and the interest is paid monthly.	1.09%	None	36,680
				140,603
Less: Long-term loans, current portion				(16,071)
				$ 124,532

Please refer to Note 6(24) for the Group’s interest expense recognized in profit or loss.

(XIV) Pensions

1. The Company and its domestic subsidiaries have established a defined contribution pension plan under the Labor Pension Act covering all regular employees with ROC nationality. Under the New Plan, the Company and its domestic subsidiaries contribute 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.

2. The overseas subsidiary, Innodisk Global-M Corporation, has not formulated employee pension measures, and there is no mandatory requirement by local laws and regulations. Innodisk USA Corporation, Innodisk Europe B.V., Innodisk Japan Corporation, and Aetina Japan Corporation adopt the defined contribution pension plan, and the Company has no further obligation other than appropriating a certain percentage of the local employee's total salary on a monthly basis.

3. Innodisk Shenzhen Corporation and Aetina (Shenzhen) Artificial Intelligence contribute monthly a certain percentage of the total salary of the local employees to the pension insurance benefits in accordance with the pension insurance system stipulated by the government of the People's Republic of China. The pension of each employee is coordinated and arranged by the government. Other than the monthly contributions, the Group has no further obligations.

4. From January 1 to March 31, 2024 and 2023, the pension cost recognized by the Group in accordance with the measures above r was NT$12,967 and NT$11,833, respectively.

(XV) Share-based payment

1. Share-based payment agreement of the Company

(1) The Company's board meeting resolved on November 8, 2018 to issue the first batch of employee stock option certificates for 2018, and establish the share subscription measures. A total of 3,000,000 units of employee stock options was to be issued, and each unit of stock option might subscribe to 1 share; the measures became effective on December 11, 2018, and the Company processed the issuance of employee stock options on January 29, 2019.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - A	2019.1.29	3,000 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

(2) The Company's board meeting resolved on July 6, 2022 to issue the first batch of employee stock option certificates for 2022, and establish the share subscription measures. A total of 3,500,000 units of employee stock options was to be issued, and each unit of stock option might subscribe to 1 share; the measures became effective on July 26, 2022, and the Company processed the issuance of employee stock options on August 5, 2022.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee stock option plan - B	2022.8.5	3,500 thousand	4 years	Note	Equity delivery

		shares			

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

(3) On November 16, 2023, the board meeting of Aetina Corporation, the Company's subsidiary, resolved to issue the first batch of employee stock options for 2023, and establish the share subscription measures. A total of 1,383,000 units of employee stock options was to be issued, and each unit of stock option might subscribe to 1 share; the Company processed the issuance of employee stock options on December 22, 2023.

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions	Delivery method
Employee Stock Option Plan - Aetina	2023.12.22	1,383 thousand shares	4 years	Note	Equity delivery

Note: Employees with 2 are more years of service are entitled to 50%; those with 3 or more years of service are entitled to 100%.

2. Detailed information of the share-based payment arrangement above

	January 1 to March 31, 2024					
	Innodisk				Aetina	
	Employee stock option plan - A		Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)
Options outstanding as of January 1	-	-	3,362	156.84	1,383	16.04
Share options granted this period	-	-	-	-	-	-
Share options foregone this period	-	-	(14)	156.84	(20)	16.04
Share options exercised this period	-	-	-	-	-	-
Share options expired this period	-	-	-	-	-	-
Options outstanding as of March 31	-	-	3,348	156.84	1,363	16.04
Options exercisable as of March 31	-		-		-	

	January 1 to March 31, 2023					
	Innodisk				Aetina	
	Employee stock option plan - A		Employee stock option plan - B		Employee stock option plan	
	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)	Number of stock options (thousand shares)	Weighted average strike price (NT$)
Options outstanding as of January 1	123	81.40	3,455	168.00	-	-
Share options granted this period	-	-	-	-	-	-
Share options foregone this period	(10)	81.40	(29)	168.00	-	-
Share options exercised this period	(113)	81.40	-	-	-	-
Share options expired this	-	-	-	-	-	-

period						
Options outstanding as of March 31	-	81.40	3,426	168.00	-	-
Options exercisable as of March 31	-		-		-	-

3. The stock options of the Company from January 1 to March 31, 2024 have not been exercised.

   The weighted-average share price of the stock options exercised from January 1 to March 31, 2023 was NT$221.28.

4. The expiration date and exercise price of stock options outstanding as of the balance sheet date are as follows:

   (1) The Company

		March 31, 2024	
Approved issue date	Expiration date	Number of Shares (thousand shares)	Strike price (NT$)
August 5, 2022	August 5, 2026	3,348	156.84

		December 31, 2023	
Approved issue date	Expiration date	Number of Shares (thousand shares)	Strike price (NT$)
August 5, 2022	August 5, 2026	3,362	156.84

		March 31, 2023	
Approved issue date	Expiration date	Number of Shares (thousand shares)	Strike price (NT$)
August 5, 2022	August 5, 2026	3,426	168.00

   (2) Aetina Corporation, the Company's subsidiary

		March 31, 2024	
Approved issue date	Expiration date	Number of Shares (thousand shares)	Strike price (NT$)
December 22, 2023	December 31, 2027	1,363	16.04

		December 31, 2023	
Approved issue date	Expiration date	Number of Shares (thousand shares)	Strike price (NT$)
December 22, 2023	December 21, 2027	1,383	16.04

   March 31, 2023: None.

5. For the Company and its subsidiary, Aetina Corporation, the share-based payment transactions granted on the grant date used the binomial evaluation model and the Black-Scholes option evaluation model to estimate the fair value of the stock option. The information is as follows:

Type of arrangement	Grant date	Stock price (NT$)	Strike price (NT$)	Expected volatility	Expected duration	Expected dividend	Risk-free rate	Weighted average fair value per unit (NT$)
Employee Stock Option Plan-Innodisk-A	2019.1.29	105.50	105.50	34.34%	4 years	NA	0.61%	26.4442
Employee stock option plan-Innodisk-B	2022.8.5	168.00	168.00	30.62%	3.25 years	NA	0.95%	38.5462
Employee Stock Option Plan - Aetina	2023.12.22	22.00	16.04	36.77%	3.25 years	NA	1.13%	8.7668

6. Expenses incurred on share-based payment transactions are shown below:

Equity delivery

	January 1 to March 31, 2024	January 1 to March 31, 2023
The Company	$ 12,030	$ 12,030
Subsidiary of the Company - Aetina	1,069	-
	$ 13,099	$ 12,030

(XVI) Provisions

	2024	2023
Balance on January 1	$ 59,569	$ 69,111
Provisions used for the period	(3,997)	(3,154)
Provision added this period	4,414	5,430
Balance on March 31	$ 59,986	$ 71,387

The analysis of provisions is as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
Current	$ 23,544	$ 22,232	$ 17,636
Non-current	36,442	37,337	53,751
	$ 59,986	$ 59,569	$ 71,387

The Company's provisions for warranty liabilities are mainly related to sales of industrial storage devices and memory modules. The provisions for warranty liabilities are estimated based on the historical warranty information of the products.

(XVII) Share capital

1. As of March 31, 2024, the Company's authorized capital was NT$1,000,000, divided into 100,000 thousand shares (including 10,000 thousand shares of employee share options), and the paid-in capital was NT$883,977 with a par value of NT$10 per share. All proceeds from shares issued have been collected. The adjustment to the number of the Company's ordinary shares outstanding are as follows: (unit: share) (unit: shares)

	2024	2023
January 1	88,397,642	86,553,081
Employees exercise options	-	113,500
March 31	88,397,642	86,666,581

2. The ordinary shares issued due to the exercise of employee stock options from January 1 to March 31, 2023 were 113,500 shares, and the share capital change has been registered.

(XVIII) Capital surplus

In accordance with the Company Act, any capital surplus arising from paid-in capital in excess of the par value on issuance of common stocks 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 Securities and Exchange Act requires that the amount of capital surplus to be capitalized, as above, should not exceed 10% of paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2024						
	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Changes in net value of equities of associates and joint ventures recognized by using the equity method	Employee stock options	Others	Total
January 1	$ 1,315,986	$ 802	$ 25,386	$ 2 ,994	$ 62,674	$ 8 ,939	$ 1,416,781
Share-based payment	-	-	-	-	12,030	-	1 2,030
Lapsed options	-	-	-	-	(492)	4 92	-
March 31	$ 1,315,986	$ 802	$ 25,386	$ 2,994	$ 74,212	$ 9 ,431	$ 1,428,811

	2023					
	Issue of shares at premium	Difference between acquisition or disposal price and carrying value of equity in subsidiaries	Changes in ownership interests in subsidiaries recognized	Employee stock options	Others	Total
January 1	$ 1,302,829	$ 802	$ 24,806	$ 23,320	$ 4,705	$ 1,356,462
Share-based payment	-	-	-	12,030	-	12,030
Employees exercise options	13,157	-	-	(5,053)	-	8,104
Exercise right of disgorgement	-	-	-	-	520	520
Lapsed options	-	-	-	(1,464)	1,464	-
March 31	$ 1,315,986	$ 802	$ 24,806	$ 28,833	$ 6,689	$ 1,377,116

(XIX) Retained earnings

1. According to the Company's Articles of Incorporation, the earnings in the final accounts are distributed in the order as follows:

   (1) Paying taxes.

   (2) Making up for past losses.

   (3) Allocating 10% as legal reserve. If the legal reserve has reached the total share capital, no further allocations will be conducted. Special reserve is then allocated or reversed in accordance with the law or regulations of the authority.

   (4) With respect to the balance and the accumulated undistributed earnings of the previous year, the board proposes an earnings distribution to the shareholders' meeting for resolution.

   Dividend policy: The Company considers future needs for business operations, long-term financial planning and shareholders' interest in the dividend policy. As the Company is currently in the growing stage, considering the future capital expenditure budget and the need for cash, the annual cash dividends will not be less than 10% of the total of cash and stock dividends. The Company's surplus distribution and shareholders equity shall not be less than 30% of the current year's surplus.

2. Except for covering the accumulated loss or issuing new shares or cash to shareholders in proportion to their shareholdings, the legal reserve shall not be used for any other purposes. The legal reserve used for the issuance of new shares or cash to shareholders in proportion to their shareholdings is permitted is limited to the portion in excess of 25% of the Company's paid-in capital.

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

4. The Company's distribution of earnings

   The Company's earnings distribution for 2023 approved by the board meeting on February 22, 2024, and the earnings distribution for 2022 approved by the shareholders' meeting on May 31, 2023 are as follows:

	2023		2022	
	Amount	Dividends per share (NT$)	Amount	Dividends per share (NT$)
Legal reserve allocated	$ 114,762		$ 185,019	
(Reversal) appropriation of special reserve	(924)		(12,223)	
Stock dividends	17,680	0.20	17,311	0.20
cash dividends	901,656	10.20	1,194,433	13.80
	$ 1,033,174		$ 1,384,540	

   As of May 9, 2024, the Company's distribution of earnings for 2023 has not yet been approved by the shareholders' meeting. Therefore, the dividend payable is not reflected in the consolidated financial statements.

(XX) Operating revenue

1. Segmentation of revenue from contracts with customers

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

January 1 to March 31, 2024	Industrial storage devices and memory modules					
	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	$ 619,066	$ 613,268	$ 362,860	$ 550,839	$ 29,956	$ 2,175,989

January 1 to March 31, 2023	Industrial storage devices and memory modules					
	Taiwan	Asia	Americas	Europe	Others	Total
Revenue from contracts with customers	$ 677,644	$ 676,222	$ 315,572	$ 548,447	$ 42,321	$ 2,260,206

2. Contract liabilities

(1) Contract liabilities related to contracts with customers recognized by the Group:

	March 31, 2024	December 31, 2023	March 31, 2023	January 1, 2023
Product sales contracts	$ 22,524	$ 27,548	$ 36,681	$ 42,079

(2) Contract liabilities at the beginning of the period recognized as revenue of the period

	January 1 to March 31, 2024	January 1 to March 31, 2023
Product sales contracts	$ 21,476	$ 37,476

(XXI) Interest income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Interest on bank deposits	$ 7,956	$ 3,918
Interest income from financial assets measured at amortized cost	18	77
Others	9	8
	$ 7,983	$ 4,003

(XXII) Other income

	January 1 to March 31, 2024	January 1 to March 31, 2023
Government grants	$ 55	$ -
Rental income	4,220	2,010
Others	1,279	3,316
	$ 5,554	$ 5,326

(XXIII) Other gains and (losses)

	January 1 to March 31, 2024	January 1 to March 31, 2023
Net currency exchange gain (loss)	$ 71,191	($ 11,585)
Gain (loss) on disposal of property, plant and equipment	(12)	(8)
Depreciation expenses of real estate investment	(363)	(359)
Others	(2,825)	(8)
	$ 67,991	($ 11,960)

(XXIV) Financial costs

	January 1 to March 31, 2024	January 1 to March 31, 2023
Interest expense on bank borrowings	$ 1,534	$ 1,050
Interest expenses on lease liabilities	667	636
Others	46	16
	$ 2,247	$ 1,702

(XXV) Expenses by nature

	January 1 to March 31, 2024	January 1 to March 31, 2023
Employee benefits expense	$ 390,570	$ 362,964
Depreciation charges on property, plant and equipment	$ 29,978	$ 26,970
Depreciation expenses for right-of-use assets	$ 8,715	$ 8,041
Amortization expense on intangible assets	$ 6,916	$ 6,817

(XXVI) Employee benefit expenses

	January 1 to March 31, 2024	January 1 to March 31, 2023
Payroll expenses	$ 319,845	$ 299,294
Employee stock options	13,099	12,030
Labor and health insurance fees	26,905	23,789
Pension expense	12,967	11,833
Directors' remuneration	4,741	5,897
Other employee benefit expenses	13,013	10,121
	$ 390,570	$ 362,964

1. If the Company has any balance after making up the losses according to the pre-tax profit of the current year minus the profit before distributing the remuneration of employees and directors, the following allocation shall be made:

   (1) More than 3% as employees' remuneration.

   (2) Less than 2% as directors' remuneration.

   The employee remuneration may be made in the form of shares or cash, subject to the special resolution made by the board of directors, and shall reported to a shareholders' meeting. The recipients include the employees of subordinate companies in which the Company holds more than half of the shares with voting power or the total capital of the subordinate companies.

2. The estimated amount of employees' remuneration for 2024 and from January 1 to March 31, 2023 is NT$23,100 and NT$36,000, respectively; the estimated amount of directors' remuneration is NT$4,200 and NT$5,400, respectively; these amounts are recorded as salary expenses.

   The employees' remuneration and directors' remuneration were respectively estimated and accrued at 4.95% and 0.90% of the Company's profit from January 1 to March 31, 2024.

   The employees' remuneration and directors' remuneration approved by the board meeting for 2023 were NT$84,079 and NT$13,700, respectively, which were consistent with the amounts recognized in the 2023 consolidated financial statements; the amounts have not yet been paid as of March 31, 2024.

3. Information about employees' remuneration and directors' remuneration of the Company as resolved by the board may be viewed on the Market Observation Post System.

(XXVII) Income tax

1. Income tax expense

(1) Components of income tax expense

	January 1 to March 31, 2024	January 1 to March 31, 2023
Current tax:		
Current income tax (assets) and liabilities	$ 358,722	$ 291,836
Amount of income tax not paid in the previous year	(284,269)	(210,999)
Tax underestimate (overestimate) in the previous year	(11)	1,171
Withholding and provisional tax	1,899	2,843
Total current income tax	76,341	84,851
Deferred income tax:		
Origination and reversal of temporary differences	13,549	7,743
Others:		
Effects of changes in foreign exchange rates	120	(629)
Income tax expense	$ 90,010	$ 91,965

(2) From January 1 to March 31, 2024 and 2023, the Group had no income tax related to other comprehensive income and direct debited or credited equity.

2. The Company's income tax returns have been assessed and approved by the tax authority up to 2021.

The business income taxes of the Group's domestic consolidated subsidiary Aetina Corporation have been approved by the tax authority up to 2022.

The income taxes of the Group's domestic consolidated subsidiary Antzer Tech Co., Ltd. have been approved by the tax authority up to 2022.

(XXVIII) Earnings per share

	January 1 to March 31, 2024		
	Amount after tax	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 351,970	88,398	3.98
Diluted earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 351,970	88,398	
Impact of conversion of all dilutive potential ordinary shares			
- Employees' remuneration	-	233	
- Employee stock options	-	1,631	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	$ 351,970	90,262	3.90

	January 1 to March 31, 2023		
	Amount after tax	Weighted average number of shares outstanding (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 348,203	88,391	3.94
Diluted earnings per share			
Current net profit attributable to ordinary shareholders of the parent company	$ 348,203	88,391	
Impact of conversion of all dilutive potential ordinary shares			
- Employees' remuneration	-	211	
- Employee stock options	-	824	
Current net profit attributable to ordinary shareholders of the parent company plus the impact of potential ordinary shares from conversion	$ 348,203	89,426	3.89

The aforesaid weighted average number of outstanding shares from January 1 to March 31, 2023 has been retroactively adjusted according to the ratio of capital increase from earnings for 2023.

(XXIX) Supplemental cash flow information

1. Investing activities with partial cash payments:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Purchase of property, plant and equipment	$ 64,660	$ 127,048
Add: Opening balance of payable on equipment	16,766	52,801
Less: Ending balance of payable on equipment	(10,629)	(59,077)
Cash paid during the year	$ 70,797	$ 120,772

(XXX) Changes in liabilities arising from financing activities

	2024		
	Long-term loans (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	$ 369,460	$ 218,524	$ 3,310
Repayment of borrowings	(1,473)	-	-
Increase in principal of lease liabilities	-	14,075	-
Repayment of principal of lease liabilities	-	(8,005)	-
Other non-cash transactions	-	(4,515)	-
Increase in guarantee deposit received	-	-	20
Impact of changes in foreign exchange rates	201	-	13
March 31	$ 368,188	$ 220,079	$ 3,343

	2023		
	Long-term loans (including the current portion)	Lease liabilities (current/non-current)	Guarantee deposit received
January 1	$ 321,076	$ 210,413	$ 1,586
Repayment of borrowings	(180,652)	-	-
Increase in principal of lease liabilities	-	5,436	-
Repayment of principal of lease liabilities	-	(7,655)	-
Impact of changes in foreign exchange rates	179	-	1
March 31	$ 140,603	$ 208,194	$ 1,587

VII. Related-party transactions

(I) Related parties' names and relationships

Name of the related party	Relationship with the Group
Affiliates:	
Millitronic Co., Ltd.	An entity over which the Group has significant influence
Sysinno Technology Inc.	An entity over which the Group has significant influence
Other related parties:	
I-Media Tech Co., Ltd.	The director of that company and one of the Company's directors are the same person.
Innodisk Foundation	The amount donated by the Company and the directors is more than one-third of the total fund received by the foundation.
All directors, the general manager and key executives.	The Group's key executives and governance units

(II) Significant transactions with the related parties

1. Sales of goods

(1) Operating revenue

The Group's revenue from sales of goods and services to the related parties is shown as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
An entity over which the Group has significant influence	$ 39	$ 28

The prices of products sold and services provided to the related parties from the Group are based on the agreements between the parties. The payment terms are net 25 to net 35. There are no significant differences with the non-related parties. The payment terms for non-related parties are payment in advance and net 30 to 90 days.

(2) Accounts receivable

The Group's accounts receivable from the above transactions with related parties is shown as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
An entity over which the Group has significant influence	$ 22	$ 31	$ 17

2. Purchase transactions

(1) Operating cost

Details on the Group's purchase transactions with related parties are as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
An entity over which the Group has significant influence	$ 324	$ 201
Other related parties	29	14
	$ 353	$ 215

The prices of the Group's purchase transactions with related parties are based on the agreements with such parties. The payment term is monthly settlement 30 to 90 days, which is not significantly different from those of non-related parties. The payment term for non-related parties is payment in advance, 7 days after shipment and monthly settlement 30 to 90 days.

(2) Accounts payable

The Group's accounts payment from the above transactions with related parties is shown as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
An entity over which the Group has significant influence	$ 307	$ 108	$ 158
Other related parties	30	79	15
	$ 337	$ 187	$ 173

3. Donations/operating expenses

The operating expenses arising from supporting education development, fulfilling corporate social responsibility and donations to related parties are detailed as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Innodisk Foundation	$ 1,000	$ 1,000

4. Leases and services

(1) Other income

The Group's income from leasing assets to related parties and providing administrative support and other services is detailed as follows:

	January 1 to March 31, 2024		January 1 to March 31, 2023	
	Rental income	Other income	Rental income	Other income
An entity over which the Group has significant influence	$ 249	$ 90	$ 249	$ 90

The Group's rental income from leasing out offices is negotiated with the related parties and is collected on a monthly basis.

(2) Other receivables

The Group's other accounts receivable from the above transactions with related parties is shown as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
An entity over which the Group has significant influence	$ 32	$ 31	$ 31

(3) Guarantee deposit received

The Group's deposits received from the above transactions with related parties are shown as follows:

	March 31, 2024	December 31, 2023	March 31, 2023
An entity over which the Group has significant influence	$ 146	$ 146	$ -

5. Acquisition of financial assets

January 1 to March 31, 2024: None.

Counterparty	Accounting item	Number of shares traded	Subject of transaction	January 1 to March 31, 2023 Price of acquisition
Sysinno Technology Inc.	Investments accounted for using equity method	300,000	Common stock	$ 7,500

(III) Compensation of key management personnel

	January 1 to March 31, 2024	January 1 to March 31, 2023
Short-term employee benefits	$ 15,027	$ 13,161
Post-employment benefits	291	223
Share-based payment	2,741	2,827
	$ 18,059	$ 16,211

VIII. Pledged assets

Assets pledged by the Group as collateral are as follows:

	Book value			
Assets	March 31, 2024	December 31, 2023	March 31, 2023	Purpose of collateral
Financial assets measured at amortized cost				
Non-current				
- Pledged time deposits	$ 11,206	$ 11,206	$ 10,706	Provide pledged time deposits for lease and customs tax guarantee
Land and buildings	153,031	153,375	449,282	Long-term loans
Investment property				
- Land and buildings	-	-	32,764	Long-term loans
	$ 164,237	$ 164,581	$ 492,752	

IX. Material contingent liabilities and unrecognized contractual commitments

(I) Material contingent liabilities

Not applicable.

(II) Material unrecognized contractual commitments

1. As of March 31, 2024, December 31, 2023 and March 31, 2023, the amount of endorsements and guarantees for individual entities in the Group was NT$19,596,

NT$19,323 and NT$28,133, respectively, and the amount used was NT$14,473, NT$14,272 and NT$13,923, respectively.

2. Capital expenditures that have been signed but not yet incurred

	March 31, 2024	December 31, 2023	March 31, 2023
Property, plant and equipment (note)	$ 94,745	$ 144,703	$ 270,610

Note: It was mainly due to the contractual commitment of the Company to invest in the new plant in the Yilan area of Hsinchu Science Park.

X. Losses due to major disasters

Not applicable.

XI. Material Events Subsequent to the Balance Sheet Date

Not applicable.

XII. Others

(I) Capital 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 monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. The total debt is the total liabilities reported in the Consolidated Balance Sheet. Total capital is calculated as "equity" as shown in the Consolidated Balance Sheet, plus net debt.

The Group maintained the same strategy in 2024 as in 2023. Please refer to the consolidated balance sheet for the Group's debt-to-capital ratio as of March 31, 2024, December 31, 2023 and March 31, 2023.

(II) Financial instruments

1. Types of financial instrument

   The Group's financial assets (cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial assets measured at fair value through other comprehensive income - non-current , Financial assets at amortized cost - non-current and refundable deposits) and financial liabilities (accounts payable (including related parties), other payables (including related parties), long-term borrowings (including current portion) , deposits, lease liabilities (current and non-current), please refer to the relevant information in the Consolidated Balance Sheet and Note 6.

2. Risk management policies

   (1) The Group's operations are exposed to a variety of financial risks, including the market risk (exchange rate risk, interest rate risk and price risk), credit risk and liquidity risk. The Group's overall risk management program focuses on the unpredictability of financial markets and seeks to minimize potential adverse effects on the Group's financial position and performance.

(2) Risk management is carried out by the Group’s treasury department under policies approved by the management. The Group's treasury department primarily identifies, evaluates and hedges financial risks.

3. Nature of significant financial risks and their degrees

(1) Market risk

A. <u>Exchange rate risk</u>

(A) The Group has a multinational operation and is therefore subject to the exchange rate risk arising from transactions among the different currencies of the Company and its subsidiaries which are mainly USD, RMB, JPY and Euro. The related exchange risk from future business transactions have been recognized in assets and liabilities.

(B) The Group's management has set up policies to require companies within the Group to manage the exchange rate risk of their functional currencies. Each company hedges its overall exchange rate risk through its treasury department. Exchange rate risk arises when future business transactions and recognized assets or liabilities are denominated in foreign currencies that are not the entity's function currency.

(C) The Group's operations involve certain non-functional currencies (the Company’s and certain subsidiaries’ functional currency is NTD, and for other subsidiaries, the functional currencies are Euro, USD, JPY and RMB), so it is subject to the impact of exchange rate fluctuations. The details of assets and liabilities denominated in foreign currencies whose values will be materially impacted by exchange rate fluctuations are as follows:

	March 31, 2024			
(foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate		Book value (NTD)
Financial Assets				
Monetary items				
USD : NTD	69,905	32.0000	$	2,236,960
RMB : NTD	26,097	4.4080		115,036
JPY : NTD	177,704	0.2115		37,584
EUR : NTD	186	34.4600		6,410
GBP : NTD	8	40.3900		323
Financial liabilities				
Monetary items				
USD : NTD	24,332	32.0000	$	778,624
RMB : NTD	96	4.4080		423
EUR : NTD	6	34.4600		207
JPY : NTD	7,498	0.2115		1,586
USD : RMB	4,794	7.2595		153,408

	December 31, 2023			
(foreign currency: functional currency)	Foreign currency (in thousands)	Exchange rate		Book value (NTD)
Financial Assets				
Monetary items				
USD : NTD	69,139	30.7050	$	2,122,913
RMB : NTD	24,519	4.3270		106,094
JPY : NTD	144,556	0.2172		31,398
EUR : NTD	251	33.9800		8,529
GBP : NTD	6	39.1500		235
Financial liabilities				
Monetary items				
USD : NTD	19,175	30.7050	$	588,768
RMB : NTD	170	4.3270		736
EUR : NTD	5	33.9800		170
JPY : NTD	5,944	0.2172		1,291
USD : RMB	6,714	7.0960		206,153

(foreign currency: functional currency)	March 31, 2023 Foreign currency (in thousands)	Exchange rate	Book value (NTD)
Financial Assets			
Monetary items			
USD : NTD	68,550	30.4500	$ 2,087,348
RMB : NTD	14,977	4.43100	66,363
JPY : NTD	153,439	0.2288	35,107
EUR : NTD	5,996	33.1500	198,767
GBP : NTD	5	37.6700	188
Financial liabilities			
Monetary items			
USD : NTD	12,353	30.4500	$ 376,149
RMB : NTD	283	4.4310	1,254
JPY : NTD	7,612	0.2288	1,742
USD : RMB	2,631	6.8720	80,114

(D) Please refer to note 6(23) for the total exchange gain (loss) (realized and unrealized) due to significant exchange rate fluctuations on monetary items held by the Group from January 1 to March 31, 2024 and 2023.

(E) The analysis of the Group's foreign currency market risk due to significant exchange rate fluctuations is as follows:

	January 1 to March 31, 2024		
	Sensitivity Analysis		
	Fluctuation	Effect on profit or loss	Effect on other comprehensive income
Financial Assets			
Monetary items			
USD : NTD	1%	$ 22,370	$ -
RMB : NTD	1%	1,150	-
JPY : NTD	1%	376	-
EUR : NTD	1%	64	-
GBP : NTD	1%	3	-
Financial liabilities			
Monetary items			
USD : NTD	1%	(7,786)	-
RMB : NTD	1%	(4)	-
EUR : NTD	1%	(2)	-
JPY : NTD	1%	(16)	-
USD : RMB	1%	(1,534)	-

	January 1 to March 31, 2023		
	Sensitivity Analysis		
	Fluctuation	Effect on profit or loss	Effect on other comprehensive income
Financial Assets			
Monetary items			
USD : NTD	1%	$ 20,873	$ -
RMB : NTD	1%	664	-
JPY : NTD	1%	351	-
EUR : NTD	1%	1,988	-
GBP : NTD	1%	2	-
Financial liabilities			
Monetary items			
USD : NTD	1%	(3,761)	-
RMB : NTD	1%	(13)	-
JPY : NTD	1%	(17)	-
USD : RMB	1%	(801)	-

B. Price risk

(A) The Group's equity instruments exposed to the price risk are financial assets held and recognized at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Group dispersed its investment portfolio in accordance with the limits set by the Group.

(B) The Group mainly invests in equity instruments issued by domestic companies, and the prices of such equity instruments will be affected by the uncertainty of the future values of the investment targets. If the prices of such instruments rise or fall by 1% while all other factors remain unchanged, the other comprehensive income classified as equity investments measured at fair value through other comprehensive income from January 1 to March 31, 2024 and 2023 will increase or decrease by NT$285 and NT$280, respectively.

C. Cash flow and interest rate risk of fair value

(A) The Group’s interest rate risk arises from long-term borrowings. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. Borrowings issued at floating rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at floating rates. The Group's borrowings at floating rates from January 1 to March 31, 2024 and 2023 were denominated in NTD and EUR.

(B) On March 31, 2024 and 2023, if the borrowing rate increased by 1% with all other factors remaining unchanged, the net profit before tax from January 1 to March 31, 2024 and 2023 would decrease by NT$$920 and NT$352 respectively, mainly due to the increase of borrowing interest due to floating interest rates.

(2) Credit risk

A. The credit risk of the Group is the risk of financial loss of the Group due to the inability of financial instrument customers or counterparties to perform their contractual obligations, mainly due to the inability of counterparties to pay off the notes and accounts receivable according to the terms of collection, and the contractual cash flow classified as debt instrument investment measured at amortized cost.

B. The management of credit risk is established from the Group’s perspective. 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. Internal risk control 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 management. The utilization of credit limits is regularly monitored.

C. The credit risk of the Group's investment in debt instrument measured at amortized cost refers to counterparty default on contractual obligations, leading to the Group's financial losses. 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.

D. After the Group’s consideration of the past experience, if the contract payment is overdue for more than 30 days in accordance with the agreed payment terms, the credit risk of the financial asset significantly increases since the original recognition.

E. According to the Group’s past experience in payment collection, if a contract payment is overdue for more than 180 days in accordance with the agreed payment terms, it is considered a breach of contract.

F. The Group categorizes accounts receivable from customers based on their evaluation ratings. A simplified method is used to estimate the expected credit loss based on the preparation matrix.

G. The Group has included the business indicator query system of the National Development Council and Basel Committee on Banking Supervision's forward-looking considerations to adjust the loss rate based on historical and current information for a specific period.

H. The Group uses the following indicators to determine the status of credit impairment of debt instruments:

    (A) The issuer suffers from significant financial difficulties or is likely to go into bankruptcy or financial restructuring.

    (B) The issuer suffers from financial difficulties which results in the disappearance of the active market of the financial asset.

    (C) The issuer delays or does not pay the interest or principal.

    (D) Adverse changes in national or regional economic conditions leading to the issuer's default.

I. The Group will continue to pursue legal proceedings against financial assets that have already defaulted in order to protect the rights of creditors. The Group may write off the amount of financial assets that cannot be reasonably expected to be recovered after recourse.

J. The Group has incorporated forward-looking considerations to adjust the loss rate built upon historic and current data, in order to estimate the loss allowance of notes and accounts receivables. The preparation matrix is as follows:

	Not past due	Less than 30 days past due	31 to 60 days past due	61 to 180 days past due	More than 181 days past due	Total
March 31, 2024						
Expected loss rate	0.03%~0.20%	0.03%~0.74%	0.03%~1.47%	0.03%~68.13%	100%	
Notes receivable	$ 512	$ -	$ -	$ -	$ -	$ 512
Accounts receivable	1,476,528	69,030	4,351	213	2	1,550,124
Total book value	$ 1,477,040	$ 69,030	$ 4,351	$ 213	$ 2	$ 1,550,636
Loss allowance	($ 526)	($ 28)	($ 2)	($ 3)	($ 2)	($ 561)

	Not past due	Less than 30 days past due	31 to 60 days past due	61 to 180 days past due	More than 181 days past due	Total
December 31, 2023						
Expected loss rate	0.03%~0.20%	0.03%~0.61%	0.03%~1.22%	0.03%~76.51%	100%	
Notes receivable	$ 1,017	$ -	$ -	$ -	$ -	$ 1,017
Accounts receivable	1,273,748	52,472	4,015	9,408	1	1,339,644
Total book value	$ 1,274,765	$ 52,472	$ 4,015	$ 9,408	$ 1	$ 1,340,661
Loss allowance	($ 440)	($ 34)	($ 496)	($ 5,015)	($ 1)	($ 5,986)

	Not past due	Less than 30 days past due	31 to 60 days past due	61 to 180 days past due	More than 181 days past due	Total
March 31, 2023						
Expected loss rate	0.03%	0.03%~0.46%	0.03%~2.16%	0.03%~76.96%	100%	
Notes receivable	$ 2,682	$ -	$ -	$ -	$ -	$ 2,682
Accounts receivable	1,325,000	84,838	7,328	759	11,576	1,429,501
Total book value	$ 1,327,682	$ 84,838	$ 7,328	$ 759	$ 11,576	$ 1,432,183
Loss allowance	($ 531)	($ 186)	($ 157)	($ 79)	($ 11,576)	($ 12,529)

The above is an aging report based on the number of days past due.

K. The Group's change of loss allowance for accounts receivable under a simplified method is shown below:

	2024 Accounts receivable	2023 Accounts receivable
January 1	$ 5,986	$ 22,605
Expected loss (gain) on credit impairment	(5,462)	(9,846)
Effects of changes in foreign exchange rates	37	(230)
March 31	$ 561	$ 12,529

(3) Liquidity risk

A. Cash flow forecast is performed by the operating entities within the Group and aggregated by the Group's finance department. It monitors rolling forecasts of liquidity requirements to ensure the Group has sufficient cash to meet operational needs.

B. The Group's finance department invests the remaining funds in interest-bearing demand deposits and equity securities; the instruments chosen have appropriate maturities or sufficient liquidity to correspond to the forecasts above and provide sufficient funds required. As of March 31, 2024, December 31, 2023 and March 31, 2023, the Group's positions in currency and securities markets are expected to generate immediate cash flow for liquidity risk management.

C. The Group does not have derivative financial liabilities. Non-derivative financial liabilities are grouped by relevant maturity dates and analyzed based on the remaining period from the balance sheet date to the contract maturity date. Except for those listed in the table below, they are all due within one year and their undiscounted contract cash flows are equivalent to the amounts listed in the consolidated balance sheet. The undiscounted contract cash flows of other non-derivative financial liabilities are as follows:

March 31, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-derivative financial liabilities:					
Lease liabilities (current/non-current)	$ 30,129	$ 20,958	$ 36,155	$ 169,627	$ 256,869
Long-term borrowings (including current portion)	14,396	30,258	128,436	236,019	409,109

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-derivative financial liabilities:					
Lease liabilities (current/non-current)	$ 28,501	$ 20,742	$ 34,693	$ 171,846	$ 255,782
Long-term borrowings (including current portion)	17,028	22,458	122,750	247,356	409,592

March 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Non-derivative financial liabilities:					
Lease liabilities (current/non-current)	$ 24,768	$ 14,369	$ 28,309	$ 178,342	$ 245,788
Long-term borrowings (including current	17,453	7,682	23,048	104,993	153,176

portion)

(III) Fair value information

1. The various levels of evaluation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) of the same assets or liabilities that the enterprise may acquire on the measurement date in the active market. 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 investments in TWSE and TPEx listed stocks belongs to this category.

Level 2: The directly or indirectly observable input values of assets or liabilities, except for the quotations included in level 1.

Level 3: Unobservable input values for assets or liabilities.

2. For fair value information of investment property measured at cost, please refer to note 6(10).

3. Financial instruments not measured at fair value

The Group's financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), financial instruments measured at amortized cost The carrying amount of assets-non-current, refundable deposits, accounts payable (including related parties), other payables, lease liabilities (current and non-current), long-term borrowings (including A reasonable approximation of the value.

4. Financial and non-financial instruments measured at fair value are classified by the Group based on the nature, characteristics, risks and level of fair value of assets and liabilities, and the relevant information is as follows:

(1) For those classified by the Group based on the nature of assets and liabilities, the relevant information is as follows:

March 31, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 28,471	$ -	$ -	$ 28,471
December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
- Equity securities	$ 28,105	$ -	$ -	$ 28,105
March 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Recurring fair value measurements				
Financial assets at fair value				

through other comprehensive income - Equity securities	$ 28,039	$ -	$ -	$ 28,039

(2) The methods and assumptions used by the Group to measure fair value are as follows:

A. If the Group adopts market quotations as the fair value input (i.e. Level 1), the closing price of the stocks of TWSE/TPEx listed companies shall be adopted on the balance sheet date.

B. The Group includes the adjustment of credit risk evaluation into the calculation of fair value of financial instruments and non-financial instruments to reflect the credit risk of counterparties and the credit quality of the Group.

5. The Company did not have any transfer between Level 1 and Level 2, and there was no change in Level 3 and no transfer into or out of Level 3 from January 1 to March 31, 2024 and 2023.

XIII. Supplementary Disclosures

(I) Significant transactions information

1. Extension of loans to others: None.
2. Endorsements and guarantees for others: Please refer to Schedule 1.
3. Holdings of markeSchedule securities at the end of the period (not including investments in subsidiaries, associates and joint ventures): Please refer to Schedule 2.
4. Purchase or sale of the same security with the accumulated cost reaching NT$300 million or 20% of the Company's paid-in capital: None.
5. Acquisition or disposal of real estate reaching NT$300 million or 20% of the Company's paid-in capital: None.
6. Disposal of real estate reaching NT$300 million or 20% of the Company's paid-in capital: None.
7. Amount of goods purchased or sold with related parties reaching NT$100 million or 20% of the Company's paid-in capital: Please refer to Schedule 3.
8. Receivables from related parties reaching NT$100 million or 20% of the Company's paid-in capital: Please refer to Schedule 4.
9. Engagement in derivative transactions: None.
10. Business relationships and important transactions between the parent company and subsidiaries, as well as the amounts involved: Please refer to Schedule 5.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in China): Please refer to Schedule 6.

(III) Information on investments in China

1. Basic information: Please refer to Schedule 7.

2. Major transactions that occur directly or indirectly through third-party enterprises and reinvested companies in mainland China: Please refer to Schedule 8.

(IV) Information on major shareholders

For information on major shareholders: Please refer to Schedule 9.

XIV. Operating Segments Information

(I) General information

The Group is involved in only one industry. The main business is the research, development, manufacturing and sales of industrial memory storage devices. The Group's operating decision maker evaluates the performance and allocates resources of the Group as a whole, and has identified that the Company has only one reportable operating segment.

(II) Measurement of segment information

The accounting policies of the operating segments of the Group are the same as those of the Company. The Company's operating decision maker assesses the performance of each operating segments based on the operating net profit.

(III) Information on segment profit and loss, assets and liabilities

The Group has only one reportable segment and is not required to disclose information on segment profit or loss, assets and liabilities. The accounting policies and estimates of the Company's reportable segment are the same as the significant accounting policies summarized in Note 4 and 5 and significant estimates and assumptions.

(IV) Information on reconciliation of segment profit and loss, assets and liabilities

1. Sales between segments are conducted according to the principle of transactions at fair value. The operating revenue from external customers reported to the operating decision maker is measured in a manner consistent with that in the comprehensive income statement. A reconciliation of reportable segment income to the profit before income tax from continuing operations is provided as follows:

	January 1 to March 31, 2024	January 1 to March 31, 2023
Profit (loss) of reportable segments	$ 365,604	$ 447,122
Interest income	7,983	4,003
Other income	5,554	5,326
Other gains and losses	67,991	(11,960)
Finance cost	(2,247)	(1,702)
Shares of losses of associates and joint ventures accounted for using equity method	(1,125)	(1,881)
Profit (loss) before tax from continuing operations	$ 443,760	$ 440,908

2. The amount of total assets provided to the key operation decision-makers is measured in a manner consistent with that for the assets on the balance sheet, and the Group's reportable segment assets are equal to total assets with no reconciliation required.

Innodisk Corporation and Subsidiaries

Provision of endorsements and guarantees to others

January 1 to March 31, 2024

Schedule 1

Unit: Thousand NTD
(Unless otherwise specified)

Number (Note 1)	Endorser / guarantor	Party being endorsed/ guaranteed		Endorsement and guarantee limit for a single enterprise (Note 3)	Maximum outstanding endorsement/ guarantee amount for the period (Note 4)	Outstanding endorsement/guarantee amount for the period	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Percentage of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor company	Limit on endorsements/ guarantees (Note 3)	Provision of endorsements/ guarantees by the parent company to the subsidiary	Provision of endorsements/ guarantees by the subsidiary to the parent company	Provision of endorsements/ guarantees to the party in China	Remarks
		Company name	Relationship with the endorser/ guarantor (Note 2)											
0	Innodisk Corporation	Innodik Europe B.V.	2	$ 1,479,730	$ 14,473	$ 14,473	$ 14,473	-	0.20%	$ 3,699,326	Y	N	N	
1	Innodisk Europe B.V.	Innodik France SAS	4	10,250	5,123	5,123	-	-	10.00%	25,625	N	N	N	

Note 1 : The numbers to be filled in the number column is explained as follows:
(1). Fill in 0 for the issuer.
(2). The invested companies are numbered in order starting from 1.

Note 2 : Relationships between the endorser/guarantor and the party being endorsed/guaranteed are classified into the following seven categories; fill in the number of the category:
(1). A company with business dealings.
(2). A company in which the Company directly or indirectly holds more than 50% of its voting shares.
(3). A company which directly or indirectly holds more than 50% of the voting shares of the Company.
(4). A company in which the Company directly or indirectly holds more than 90% of its voting shares.
(5). A company with mutual guarantees in accordance with the contract which is in the same industry or a joint constructor for the purpose of contracting the project.
(6). A company jointly endorsed/guaranteed by all its shareholders in proportion to their ownerships due to joint venture.
(7). Performance guarantee and joint guarantee by industry peers engaging in a house pre-sale contract in accordance with the Consumer Protection Act.

Note 3 : The total amount of endorsements and guarantees of the Company shall not exceed 50% of the Company's net worth, and the total amount to a single enterprise shall not exceed 20% of the Company's net worth.

Note 4 : The total amount of endorsements and guarantees by a subsidiary shall not exceed 50% of the subsidiary’s net worth, and the total amount to a single enterprise shall not exceed 20% of the subsidiary’s net worth.

Note 5 : Maximum outstanding balance of endorsements/guarantees in the current year.

Innodisk Corporation and Subsidiaries

Holding of marketable securities at the end of the period (excluding the controlling shares in subsidiaries, associates and joint ventures)

March 31, 2024

Schedule 2

Unit: Thousand NTD
(Unless otherwise specified)

				Period end				
Holding company	Type and name of securities	Relationship with the issuer of securities	Account of recognition	Number of Shares	Book value	Shareholding percentage	Fair value	Remarks
Innodisk Corporation	Domestic listed stocks - Preferred stock - Supreme Electronics Co., Ltd.	None	Financial assets at fair value through other comprehensive income -- Non-current	666,000	$ 28,471	2.22%	$ 28,471	

Note: The shareholding ratio is calculated based on the total number of shares of the same type issued by the investee company; the stocks of TWSE and TPEx listed companies are expressed at the closing price at the end of the period, and the stocks of non-TWSE or non-TPEx listed companies are expressed at the estimated fair value.

Innodisk Corporation and Subsidiaries

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

January 1 to March 31, 2024

Schedule 3

Unit: Thousand NTD
(Unless otherwise specified)

			Transaction				Differences in transaction terms compared with third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty name	Relationship with the endorser/ guarantor	Purchase/Sales	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Remarks
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	(Sales)	($ 272,324)	(14%)	Net 60	None	None	$ 258,505	16%	
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	(Sales)	(117,642)	(6%)	Net 60	None	None	150,615	9%	
Innodisk USA Corporation	Innodisk Corporation	Parent company	Purchase	272,324	17%	Net 60	None	None	(258,505)	(26%)	
Innodisk Shenzhen Corporation	Innodisk Corporation	Parent company	Purchase	117,642	7%	Net 60	None	None	(150,615)	(15%)	

Innodisk Corporation and Subsidiaries

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

January 1 to March 31, 2024

Schedule 4

Unit: Thousand NTD
(Unless otherwise specified)

Companies with accounts receivable	Counterparty name	Relationship with the endorser/ guarantor	Balance of account receivable from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Amount of recognized allowance for bad debts
					Amount	Action taken		
Innodisk Corporation	Innodisk USA Corporation	Subsidiary	$ 258,505	5.48	$ -	Not applicable	$ 53,324	$ -
Innodisk Corporation	Innodisk Shenzhen Corporation	Subsidiary	150,615	4.09	-	Not applicable	32,513	-

Innodisk Corporation and Subsidiaries

Significant inter-company transactions during the reporting periods and their business relationships

January 1 to March 31, 2024

Schedule 5 | Unit: Thousand NTD

Individual transactions less than NT$10 million will not be disclosed. Transactions which are disclosed as part of the parent company's transactions will not be disclosed again. | (Unless otherwise specified)

				Status of transaction			
Number	Relationship	Counterparty	Relationship	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 2)
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Sales	$ 272,324	Same with other customers	13%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Sales	117,642	Same with other customers	5%
0	Innodisk Corporation	Innodisk USA Corporation	Parent company to subsidiary	Accounts receivable	258,505	Same with other customers	3%
0	Innodisk Corporation	Innodisk Shenzhen Corporation	Parent company to subsidiary	Accounts receivable	150,615	Same with other customers	1%
0	Innodisk Corporation	Innodisk Europe B.V.	Parent company to subsidiary	Operating expenses	24,634	Same with other customers	1%

Note 1 : The business dealing information between the parent company and its subsidiaries shall be indicated in the number field respectively. The filling method of the number is as follows:
(1). Parent company is "0”.
(2). The subsidiaries are numbered in order starting from "1".

Note 2 : 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 account.

Note 3 : For details of endorsements and guarantees between the parent and subsidiaries, please refer to Schedule (1) for the description of endorsements and guarantees for others.

Innodisk Corporation and Subsidiaries

Names, locations and other information of investee companies (not including investees in China)

January 1 to March 31, 2024

Schedule 6

Unit: Thousand NTD
(Unless otherwise specified)

Name of Investor	Investee	Location	Main business activities	Initial investment amount (Note 1)		Shares held as of the end of period			Net profit (loss) of the investee for the current period	Investment income(loss) recognized by the Company for the current period	Remarks
				Balance at the end of period	End of the previous year	Number of Shares	Percentage	Book value			
Innodisk Corporation	Innodisk USA Corporation	United States	Industrial embedded storage devices	$ 140,499	$ 140,499	2,046,511	100.00	$ 104,693	($ 5,758)	($ 6,068)	
Innodisk Corporation	Innodisk Japan Corporation	Japan	After-sales services and support of industrial embedded storage devices	3,533	3,533	196	100.00	11,478	723	748	
Innodisk Corporation	Innodisk Europe B.V.	Netherlands	After-sales services and support of industrial embedded storage devices	17,802	17,802	50,000,100	100.00	51,250	1,410	1,410	
Innodisk Corporation	Innodisk Global-M Corporation	Mauritius	Investment holdings	20,154	20,154	665,000	100.00	(4,973)	(3,365)	(3,349)	
Innodisk Corporation	Aetina Corporation	Taiwan	Manufacturing and sales of industrial graphics cards	24,091	24,091	23,884,103	73.67	302,464	6,762	4,973	
Innodisk Corporation	Antzer Tech Co., Ltd.	Taiwan	Electronic parts and components manufacturing	57,133	57,133	58,400,000	100.00	31,424	1,355	604	
Innodisk Corporation	Millitronic Co., Ltd.	Taiwan	Electronic parts and components manufacturing	73,518	73,518	6,798,664	32.16	25,575	(2,117)	(680)	Note 6
Innodisk Corporation	Sysinno Technology Inc.	Taiwan	Electronic parts and components manufacturing	20,400	20,400	945,000	42.95	11,834	(1,035)	(445)	Note 5
Innodisk Europe B.V.	Innodisk France SAS	France	After-sales services and support of industrial embedded storage devices	175	175	5,000	100.00	4,483	356	356	
Aetina Corporation	Aetina USA Corporation	United States	After-sales service and support for industrial graphics cards	6,098	6,098	200,000	100.00	6,771	(4)	(4)	Note 2
Aetina Corporation	Aetina Europe B.V.	Netherlands	After-sales service and support for industrial graphics cards	-	-	100	100.00	1,573	290	290	Note 3
Aetina Corporation	Aetina Japan Corporation	Japan	After-sales service and	1,087	1,087	500	100.00	1,011	53	53	Note 4

support for industrial
graphics cards

Note 1 : Disclosed at the historical exchange rate
Note 2 : Aetina Corporation established its subsidiary Aetina USA Corporation in September 2021, and the capital injection has been completed on January 10, 2023.
Note 3 : Aetina Corporation established its subsidiary Aetina Europe B.V. in January 2022, and the capital injection has been completed on March 13, 2023.
Note 4 : Aetina Corporation established the subsidiary Aetina Japan Corporation in October 2023, and the capital injection was completed on October 12, 2023.
Note 5 : The Company injected an additional investment capital of NT$7,500 thousand to Sysinno Technology Inc. and acquired additional 300 thousand shares in March 2023.
Note 6 : The Company injected an additional investment capital of NT$19,361 thousand to Millitronic Co., Ltd. and acquired additional 1,383 thousand shares in December 2023.

Innodisk Corporation and Subsidiaries

Information on investments in China - Basic data

January 1 to March 31, 2024

Schedule 7

Unit: Thousand NTD

(Unless otherwise specified)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to China	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the year: Remitted to	Amount remitted from Taiwan to China/Amount remitted back to Taiwan for the year: Remitted back	Accumulated amount of remittance from Taiwan to China	Investee Profit or loss of the period	Ownership held by the Company (direct or indirect)	Investment income(loss) recognized by the Company for the current period (Note 2)	Investment at period end Book value	Accumulated amount of investment income remitted back to Taiwan	Remarks
Innodisk Shenzhen Corporation	Industrial embedded storage devices	$18,168 (US$600 thousands) (Note 3)	2. Innodisk Global-M Corporation	$18,168 (US$600 thousands) (Note 3)	$ -	$ -	$ 18,168 (US$600 thousands) (Note 3)	($ 3,365)	100	($ 3,365)	($ 6,809)	$ -	
Aetina (Shenzhen) Artificial Intelligence Co., Ltd.	After-sales service and support for industrial graphics cards	$1,360 (US$42 thousand) (Note 5)	1. Aetina Corporation	$1,360 (US$42 thousand) (Note 5)	-	-	$1,360 (US$42 thousand) (Note 5)	4	100	4	1,111	-	Note 6

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

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

(2). Re-investment in China through a company in a third area (please specify the company in the third area)

(3). Other methods

Note 2 : The investment income (loss) recognized in the current period is based on the company's financial statements for the same period reviewed by the Taiwan parent company's independent auditors.

Note 3 : Disclosed at the historical exchange rate

Company name	Accumulated amount of investment remitted from Taiwan to China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in China imposed by the Investment Commission of MOEA (Note 4)
Innodisk Corporation	$18,168 (US$600 thousands) (Note 3)	$18,168 (US$600 thousands) (Note 3)	$ 4,504,799
Aetina Corporation	$1,360 (US$42 thousand) (Note 5)	$1,360 (US$42 thousand) (Note 5)	$ 247,075

Note 4 : The cap is 60% of the net worth in accordance with the provisions of the (90) Tai-Cai-Zheng (I) #006130 announced by the Securities and Futures Commission, Ministry of Finance on November 16, 2001.
Note 5 : Investment amount in Aetina Corporation approved by the Investment Commission of the Ministry of Economic Affairs is USD 42 thousand.
Note 6 : Aetina Corporation established the subsidiary Aetina (Shenzhen) Artificial Intelligence Co., Ltd. in July 2023, and the capital injection has been completed on November 10, 2023.

Innodisk Corporation and Subsidiaries

Significant transactions, either directly or indirectly through a third area, with investee companies in China

January 1 to March 31, 2024

Schedule 8

Unit: Thousand NTD
(Unless otherwise specified)

	Sales (Purchases)		Property transactions		Accounts receivable / payable		Notes endorsement and guarantee or provision of collateral		Financial intermediation				
Investee in China	Amount	%	Amount	%	Balance	%	Balance at the end of the period	Purpose	Highest balance	Balance at the end of the period	Range of interest rate	Current interest rate	Others
Innodisk Shenzhen Corporation	$ 117,642	6%	$ -	-	$ 150,615	9%	$ -	-	$ -	$ -	-	$ -	-

Innodisk Corporation and Subsidiaries

Information on major shareholders

March 31, 2024

Schedule 9

Names of major shareholders	Shares	
	Number of shares held	Shareholding percentage
Rui Ding Investment Co., Ltd.	6,821,307	7.71%

Note 1 : The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

Note 2 : If a shareholder delivers his or her shares to a trust, the above information shall be disclosed by the individual trustor account opened by the trustee. As for shareholders who hold more than 10% of the shares and are required to declare the insider's equity according to the Securities and Exchange Act, the shareholding includes both their own shares and those delivered to a trust, over which they have the right to make usage decisions. Please refer to the Public Information Observation Station for information on the declaration of insider's equity.