

**NEOUSYS TECHNOLOGY INC.  
AND SUBSIDIARIES**

**Consolidated Financial Statements**

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

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

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## **Representation Letter**

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

Company name: NEOUSYS TECHNOLOGY INC.

Chairman: Kao, Ming-Ho

Date: March 7, 2025.



安侯建業聯合會計師事務所  
KPMG

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## Independent Auditors' Report

To the Board of Directors of NEOUSYS TECHNOLOGY INC.:

### Opinion

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

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

### Basis for Opinion

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

### Key Audit Matters

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

#### 1. Revenue recognition

Please refer to note 4(n) “Revenue recognition” for accounting policy related to revenue recognition, and note 6(p) “Revenue from contracts with customers” for disclosure information about revenue recognition of the consolidated financial statements.

**Description of key audit matter:**

The main revenue of the Group comes from the researching, development, production, and sale of thermal components in the computer and related industries. Since products are highly customized, the revenue recognition is concerned by the users or receiver of the financial statements, the test for revenue recognition is a highly concerned matter when we comply the audit procedure for the financial statements of the Group.

**How the matter was addressed in our audit:**

Our principal audit procedures included obtaining the list of top-ten customers and newly-added customers for the current year to analyze whether there is an unusual situation or not, inspecting of significant new contracts and understanding terms and conditions to assess whether there are any significant abnormalities, assessing the appropriateness of accounting policies for revenue recognition (including sales returns and discounts), testing the effectiveness of the design and the implementation of internal controls of sales and performing the sales cut-off test on the period before and after the balance sheet date, to ensure sales are recognized in the appropriate accounting period.

**2. Valuation of inventories**

Please refer to Note 4(h), Note 5(a), and Note 6(d) for accounting policies, uncertainty of accounting estimates and assumptions, as well as related disclosures for inventory valuation, respectively.

**Description of key audit matter:**

The Group calculated and recognized an inventory market price decline loss by using the lower of cost or the net realizable value method, taking into consideration the technological environment of industrial computers, wherein the impact on the rapid change and the characteristics of both the industry, and a large number of materials and parts, may result in a risk on the net realizable value to be lower than the book value, in which the accounting estimate of the loss of inventory allowance against the decline price requires the subjective judgment of the management that is highly uncertain. Therefore, we considered the valuation of inventories as one of our key audit matters.

**How the matter was addressed in our audit:**

Our principal audit procedures included inspecting the write-down of inventories to ensure the forementioned loss allowances have been recognized pursuant to relevant standards; assessing the correctness of aging inventories and analyzing the variations in the corresponding period; evaluating the appropriateness of inventory valuation policies to ensure the process of inventory valuation is in conformity with the accounting policies; comparing the previous assessment of inventory impairment loss with the actual obsolescence losses to ensure the reasonableness of the inventory valuation; as well as assessing whether the disclosure of provision for inventory valuation is appropriate.

**Other Matter**

NEOUSYS TECHNOLOGY INC. has prepared its parent-company-only financial statements as of and for the years ended December 31, 2024 and 2023, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (the supervisors) are responsible for overseeing the Group's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Kuo, Hsin-Yi and Ko, Hui-Chih.

KPMG

Taipei, Taiwan (Republic of China)

March 7, 2025

#### **Notes to Readers**

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

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

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

## NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES

## Consolidated Balance Sheets

December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2024		December 31, 2023				December 31, 2024		December 31, 2023	
Assets		Amount	%	Amount	%	Liabilities and equity		Amount	%	Amount	%
<b>Current assets:</b>						<b>Current liabilities:</b>					
1100	Cash and cash equivalents (notes 6(a) and (s))	\$ 450,185	25	480,939	43	2130	Current contract liabilities (note 6(p))	\$ 24,508	1	29,816	3
1137	Current financial assets at amortised cost (notes 6(b) and (s))	23,710	1	82,904	8	2170	Accounts payable (note 6(s))	109,880	6	77,769	7
1170	Accounts receivable, net (notes 6(c), (p) and (s))	69,366	4	59,894	5	2200	Other payables (note 6(s))	111,197	6	67,521	6
1200	Other receivables (note 6(s))	7,830	-	5,957	1	2230	Current tax liabilities	41,071	2	19,762	2
130X	Inventories (note 6(d))	375,769	21	219,718	20	2250	Current provisions	3,055	-	2,380	-
1410	Prepayments	12,743	1	11,170	1	2280	Current lease liabilities (notes 6(j), (s) and (v))	14,645	1	18,543	2
1470	Other current assets (notes 6(h), (s) and 8)	99,938	6	148,208	13	2300	Other current liabilities	381	-	606	-
	<b>Total current assets</b>	<u>1,039,541</u>	<u>58</u>	<u>1,008,790</u>	<u>91</u>	2320	Total long-term liabilities, current portion (notes 6(i) and (s))	<u>28,560</u>	<u>2</u>	<u>-</u>	<u>-</u>
<b>Non-current assets:</b>						<b>Total current liabilities</b>		<u>333,297</u>	<u>18</u>	<u>216,397</u>	<u>20</u>
1536	Non-current financial assets at amortised cost (notes 6(b) and (s))	48,621	2	-	-	<b>Non-current liabilities:</b>					
1600	Property, plant and equipment (note 6(e))	643,313	36	11,762	1	2540	Total long-term borrowings (notes 6(i) and (s))	476,609	27	-	-
1755	Right-of-use assets (note 6(f))	29,035	2	48,060	4	2527	Contract liabilities (note 6(p))	3,655	-	3,000	-
1780	Intangible assets (note 6(g))	12,194	1	11,880	1	2573	Deferred tax liabilities, others (note 6(l))	2,337	-	2,278	-
1840	Deferred tax assets (note 6(l))	18,318	1	20,232	2	2580	Non-current lease liabilities (notes 6(j), (s) and (v))	<u>15,228</u>	<u>1</u>	<u>30,165</u>	<u>3</u>
1900	Other non-current assets (note 6(h))	<u>7,127</u>	<u>-</u>	<u>5,492</u>	<u>1</u>	<b>Total non-current liabilities</b>		<u>497,829</u>	<u>28</u>	<u>35,443</u>	<u>3</u>
	<b>Total non-current assets</b>	758,608	42	97,426	9	<b>Total liabilities</b>		<u>831,126</u>	<u>46</u>	<u>251,840</u>	<u>23</u>
						<b>Equity attributable to owners of parent (notes 6(m) and (n)):</b>					
						3110	Ordinary shares	<u>256,171</u>	<u>14</u>	<u>255,591</u>	<u>23</u>
						3200	Capital surplus	<u>339,072</u>	<u>19</u>	<u>337,139</u>	<u>31</u>
							Retained earnings:				
						3310	Legal reserve	77,996	4	67,505	6
						3350	Unappropriated retained earnings	<u>283,393</u>	<u>16</u>	<u>191,591</u>	<u>17</u>
							Total retained earnings	<u>361,389</u>	<u>20</u>	<u>259,096</u>	<u>23</u>
						3400	Other equity	<u>10,391</u>	<u>1</u>	<u>2,550</u>	<u>-</u>
						<b>Total equity attributable to owners of parent:</b>		<u>967,023</u>	<u>54</u>	<u>854,376</u>	<u>77</u>
						<b>Total equity</b>		<u>967,023</u>	<u>54</u>	<u>854,376</u>	<u>77</u>
<b>Total assets</b>		<u>\$ 1,798,149</u>	<u>100</u>	<u>1,106,216</u>	<u>100</u>	<b>Total liabilities and equity</b>		<u>\$ 1,798,149</u>	<u>100</u>	<u>1,106,216</u>	<u>100</u>

See accompanying notes to consolidated financial statements.



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

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**

**Consolidated Statements of Comprehensive Income**

**For the years ended December 31, 2024 and 2023**

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

		<b>2024</b>		<b>2023</b>	
		<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
4000	<b>Operating revenues (note 6(p))</b>	\$ 1,445,332	100	1,054,805	100
5000	<b>Operating costs (notes 6(d), (e), (f), (g), (k) and (q))</b>	<u>818,033</u>	<u>57</u>	<u>599,302</u>	<u>57</u>
	<b>Gross profit from operations</b>	<u>627,299</u>	<u>43</u>	<u>455,503</u>	<u>43</u>
	<b>Operating expenses (notes 6(e), (f), (g), (k) and (q)):</b>				
6100	Selling expenses	216,799	15	151,279	14
6200	Administrative expenses	87,544	6	107,154	10
6300	Research and development expenses	103,715	7	74,332	7
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9 (note 6(c))	<u>1,519</u>	<u>-</u>	<u>(11,507)</u>	<u>(1)</u>
	<b>Total operating expenses</b>	<u>409,577</u>	<u>28</u>	<u>321,258</u>	<u>30</u>
	<b>Net operating income</b>	<u>217,722</u>	<u>15</u>	<u>134,245</u>	<u>13</u>
	<b>Non-operating income and expenses (note 6(r)):</b>				
7100	Interest income	13,209	1	5,074	-
7010	Other income	1,937	-	1,842	-
7020	Other gains and losses, net	20,838	1	(4,605)	-
7050	Finance costs	<u>(5,690)</u>	<u>-</u>	<u>(1,084)</u>	<u>-</u>
	<b>Total non-operating income and expenses</b>	<u>30,294</u>	<u>2</u>	<u>1,227</u>	<u>-</u>
7900	<b>Income before income tax</b>	248,016	17	135,472	13
7951	<b>Less: Income tax expenses (note 6(l))</b>	<u>54,270</u>	<u>4</u>	<u>30,611</u>	<u>3</u>
	<b>Profit</b>	<u>193,746</u>	<u>13</u>	<u>104,861</u>	<u>10</u>
8300	<b>Other comprehensive income (note 6(m))</b>				
8360	<b>Items that may be reclassified subsequently to profit or loss:</b>				
8361	Exchange differences on translation	7,841	1	(1,821)	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Total items that may be reclassified subsequently to profit or loss</b>	<u>7,841</u>	<u>1</u>	<u>(1,821)</u>	<u>-</u>
8300	<b>Other comprehensive income (loss)</b>	<u>7,841</u>	<u>1</u>	<u>(1,821)</u>	<u>-</u>
	<b>Total comprehensive income</b>	<u>\$ 201,587</u>	<u>14</u>	<u>103,040</u>	<u>10</u>
	<b>Earnings per share (note 6(o))</b>				
9750	<b>Basic earnings per share (NT Dollars)</b>	<u>\$ 7.57</u>		<u>4.51</u>	
9850	<b>Diluted earnings per share (NT Dollars)</b>	<u>\$ 7.50</u>		<u>4.42</u>	

See accompanying notes to consolidated financial statements.

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

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES****Consolidated Statements of Changes in Equity****For the years ended December 31, 2024 and 2023****(Expressed in Thousands of New Taiwan Dollars)**

	Retained earnings				Other equity	
	Ordinary shares	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Total equity
<b>Balance on January 1, 2023</b>	\$ 226,356	119,058	49,680	234,909	4,371	634,374
Profit for the year ended December 31, 2023	-	-	-	104,861	-	104,861
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	(1,821)	(1,821)
Comprehensive income for the year ended December 31, 2023	-	-	-	104,861	(1,821)	103,040
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	17,825	(17,825)	-	-
Cash dividends on ordinary shares	-	-	-	(130,354)	-	(130,354)
Capital increase by cash	25,050	202,524	-	-	-	227,574
Share-based payment transactions	-	9,373	-	-	-	9,373
New shares issued through employees' compensation	360	5,640	-	-	-	6,000
Employee stock options exercised	3,825	544	-	-	-	4,369
<b>Balance on December 31, 2023</b>	<u>255,591</u>	<u>337,139</u>	<u>67,505</u>	<u>191,591</u>	<u>2,550</u>	<u>854,376</u>
Profit for the year ended December 31, 2024	-	-	-	193,746	-	193,746
Other comprehensive loss for the year ended December 31, 2024	-	-	-	-	7,841	7,841
Comprehensive income for the year ended December 31, 2024	-	-	-	193,746	7,841	201,587
Appropriation and distribution of retained earnings:						
Legal reserve	-	-	10,491	(10,491)	-	-
Cash dividends on ordinary shares	-	-	-	(91,453)	-	(91,453)
Share-based payment transactions	-	1,740	-	-	-	1,740
Employee stock options exercised	580	193	-	-	-	773
<b>Balance on December 31, 2024</b>	<u>\$ 256,171</u>	<u>339,072</u>	<u>77,996</u>	<u>283,393</u>	<u>10,391</u>	<u>967,023</u>

See accompanying notes to consolidated financial statements.

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

## NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES

## Consolidated Statements of Cash Flows

For the years ended December 31, 2024 and 2023

(Expressed in Thousands of New Taiwan Dollars)

	2024	2023
<b>Cash flows from (used in) operating activities:</b>		
Profit before tax	\$ 248,016	135,472
Adjustments:		
Adjustments to reconcile profit:		
Depreciation expense	27,637	27,015
Amortization expense	4,417	2,251
Expected credit loss (gain)	1,519	(11,507)
Interest expense	5,690	1,084
Interest revenue	(13,209)	(5,074)
Share-based payments	1,740	9,373
Loss from disposal of property, plant and equipment	25	17
Unrealized foreign exchange loss (gain)	2,996	(7,435)
Gain from lease modifications	(26)	(220)
Total adjustments to reconcile profit	30,789	15,504
Changes in operating assets and liabilities:		
Changes in operating assets:		
Accounts receivable	(11,099)	27,991
Other receivables	57	(1,702)
Inventories	(156,051)	87,181
Prepayments	(1,573)	(6,504)
Other current assets	(939)	(323)
Other non-current assets	(1,186)	1,480
Total changes in operating assets	(170,791)	108,123
Changes in operating liabilities:		
Contract liabilities	(4,653)	16,909
Accounts payable	32,111	(10,279)
Other payables	43,676	(24,917)
Provisions	675	(30)
Other current liabilities	(225)	(80)
Total changes in operating liabilities	71,584	(18,397)
Total changes in operating assets and liabilities	(99,207)	89,726
Total adjustments	(68,418)	105,230
Cash inflow generated from operations	179,598	240,702
Interest received	11,279	4,188
Interest paid	(5,690)	(1,084)
Income taxes paid	(30,988)	(56,316)
Net cash flows from operating activities	154,199	187,490
Cash flows from (used in) investing activities:		
Acquisition of financial assets at amortised cost	10,573	(82,904)
Acquisition of property, plant and equipment	(637,712)	(11,453)
(Decrease) increase in refundable deposits	(449)	15
Decrease (increase) in other financial assets	50,249	(150,212)
Acquisition of intangible assets	(4,731)	(11,190)
Net cash flows used in investing activities	(582,070)	(255,744)
Cash flows from (used in) financing activities:		
Raise long-term loans	515,000	-
Repayments of long-term loans	(9,831)	-
Payments of lease liabilities	(21,174)	(19,112)
Cash dividends paid	(91,453)	(130,354)
Capital increase by cash	-	227,574
Exercise of employee share options	773	4,369
Net cash flows from financing activities	393,315	82,477
Effect of exchange rate changes on cash and cash equivalents	3,802	8,331
Net increase in cash and cash equivalents	(30,754)	22,554
Cash and cash equivalents at beginning of period	480,939	458,385
Cash and cash equivalents at end of period	\$ 450,185	480,939

See accompanying notes to consolidated financial statements.

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

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**

**Notes to the Consolidated Financial Statements**

**For the years ended December 31, 2024 and 2023**

**(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)**

**(1) Company history**

NEOUSYS TECHNOLOGY INC. (the “Company”). was incorporated in July 9, 2010 as a company limited by shares under the approval of Ministry of Economic Affairs. Its registration address is 15F., No. 868-3, Zhongzheng Rd., Zhonghe Dist., New Taipei City, Taiwan (R.O.C.). The consolidated financial statements comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The main business activities of the Company are the manufacturing, processing and trading of industrial control products, computer applications and industrial computers.

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

These consolidated financial statements were authorized for issue by the Board of Directors on March 7, 2025.

**(3) New standards, amendments and interpretations adopted:**

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

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

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

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

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

- Amendments to IAS21 “Lack of Exchangeability”

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

<b>Standards or Interpretations</b>	<b>Content of amendment</b>	<b>Effective date per IASB</b>
IFRS 18 “Presentation and Disclosure in Financial Statements”	The new standard introduces three categories of income and expenses, two income statement subtotals and one single note on management performance measures. The three amendments, combined with enhanced guidance on how to disaggregate information, set the stage for better and more consistent information for users, and will affect all the entities.	January 1, 2027
	<ul style="list-style-type: none"> <li>• A more structured income statement: under current standards, companies use different formats to present their results, making it difficult for investors to compare financial performance across companies. The new standard promotes a more structured income statement, introducing a newly defined ‘operating profit’ subtotal and a requirement for all income and expenses to be allocated between three new distinct categories based on a company’s main business activities.</li> </ul>	January 1, 2027
	<ul style="list-style-type: none"> <li>• Management performance measures (MPMs): the new standard introduces a definition for management performance measures, and requires companies to explain in a single note to the financial statements why the measure provides useful information, how it is calculated and reconcile it to an amount determined under IFRS Accounting Standards.</li> </ul>	
	<ul style="list-style-type: none"> <li>• Greater disaggregation of information: the new standard includes enhanced guidance on how companies group information in the financial statements. This includes guidance on whether information is included in the primary financial statements or is further disaggregated in the notes.</li> </ul>	

(Continued)

## NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

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

#### (4) Summary of material accounting policies:

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

##### (a) Statement of compliance

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

##### (b) Basis of preparation

###### (i) Basis of measurement

The consolidated financial statements have been prepared on a historical cost basis.

###### (ii) Functional and presentation currency

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(c) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

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

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

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

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

(ii) List of subsidiaries in the consolidated financial statements

Name of investor	Name of subsidiary	Principal activity	Shareholding		Note
			December 31, 2024	December 31, 2023	
The Company	Neousys Technology America Inc.	Sale of industrial computers	100 %	100 %	
The Company	INNOVATION PATH INT’L LTD.	General investing	100 %	100 %	
INNOVATION PATH INT’L LTD.	SYSTEM INNOVATION ENTERPRISE LTD.	General investing	100 %	100 %	
SYSTEM INNOVATION ENTERPRISE LTD.	Shanghai Neousys Technology Co., Ltd.	Sale of industrial computers	100 %	100 %	
The Company	Neousys Technology Germany GmbH	Sale of industrial computers	100 %	-	% Note

Note: Neousys Technology Germany GmbH was incorporated and capitalized on July 12, 2024.

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(d) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

- 1) an investment in equity securities designated as at fair value through other comprehensive income;
- 2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or
- 3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. Excluding foreign operations in hyperinflationary economies, the income and expenses of foreign operations, are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

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

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

(Continued)



**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

- (i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is expected to be realized within twelve months after the reporting period; or
- (iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

- (i) It is expected to be settled in the normal operating cycle;
- (ii) It is held primarily for the purpose of trading;
- (iii) It is due to be settled within twelve months after the reporting period; or
- (iv) The Group does not have the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.

(f) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(g) Financial instruments

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

(i) Financial assets

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

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

1) Financial assets measured at amortized cost

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

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

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

2) Fair value through other comprehensive income (FVOCI )

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

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

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

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

(Continued)

## NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

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

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

#### 3) Impairment of financial assets

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

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

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

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

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

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

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

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

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## NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

The Group considers a debt security to have low credit risk when its credit risk rating is equivalent to the globally understood definition of ‘investment grade which is considered to be BBB- or higher per Standard & Poor’s, Baa3 or higher per Moody’s or twA or higher per Taiwan Ratings’.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

The Group considers a financial asset to be in default when the financial asset is more than 180 days past due or the debtor is unlikely to pay its credit obligations to the Group in full.

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

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

- significant financial difficulty of the borrower or issuer ;
- a breach of contract such as a default or being more than 90 days past due ;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;
- it is probable that the borrower will enter bankruptcy or other financial reorganization ; or
- the disappearance of an active market for a security because of financial difficulties.

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

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

4) Derecognition of financial assets

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

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

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

4) Derecognition of financial liabilities

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

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

5) Offsetting of financial assets and liabilities

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

(h) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

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

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent expenditure

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

(iii) Depreciation

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

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

- |    |                       |           |
|----|-----------------------|-----------|
| 1) | machinery             | 1~3 years |
| 2) | office equipment      | 1~3 years |
| 3) | leasehold improvement | 1~3 years |
| 4) | other equipment       | 1-3 years |

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

(j) Leases

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

(i) As a lease

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

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

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

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

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

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

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

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

The Group has elected not to recognize right-of-use assets and lease liabilities for short-term leases of machinery. The Group recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(k) Intangible assets

(i) Recognition and measurement

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

(ii) Subsequent expenditure

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

(Continued)



**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Amortization

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

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

- |                           |           |
|---------------------------|-----------|
| 1) Computer software cost | 1~5 years |
|---------------------------|-----------|

The residual value, amortization period, and amortization method for an intangible asset with a finite useful life shall be reviewed at least annually at each fiscal year end. Any changes shall be accounted for as changes in accounting estimates.

(l) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories, contract assets, deferred tax assets and investment properties and biological assets, measured at fair value, less costs) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

At each reporting date, the Group reviews the accumulated impairment of its non-financial assets to determine whether there is any indication of reversal of impairment. If any such indication that the asset's recoverable amount is changed exists, the impairment loss will be reversed. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(m) Provisions

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

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

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(n) Revenue recognition

(i) Revenue from contracts with customers

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

1) Sale of goods

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

No element of financing is deemed present as the sales of goods are made with a credit term of 60 days, which is consistent with the market practice.

The Group reduces revenue by the amount of expected returns and recognizes a refund liability. Accumulated experience is used to estimate such returns at the time of sale at a portfolio level (expected value method). Because the number of products returned has been steady for years, it is highly probable that a significant reversal in the cumulative revenue recognized will not occur. At each reporting date, the Group reassesses the estimated amount of expected returns.

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

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

2) Financing components

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

(o) Employee benefits

(i) Defined contribution plans

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

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

The grant date of a share-based payment is the date which the board of directors authorized the price and number of a share-based payments.

(q) Income taxes

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

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

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

- (i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction (i) affects neither accounting nor taxable profits (losses) and (ii) does not give rise to equal taxable and deductible temporary differences;
- (ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- (iii) taxable temporary differences arising on the initial recognition of goodwill.

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

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

- (i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and
- (ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
  - 1) the same taxable entity; or
  - 2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

(r) **Earnings per share**

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

(s) **Operating segments**

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

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

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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Estimates and underlying assumptions are reviewed on an ongoing basis and are consistent with the Group's risk management and climate-related commitments where appropriate. Revisions to estimates are recognised prospectively in the period of the change and future periods.

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

(a) The valuation of inventory

Inventories are stated at the lower of cost or net realizable value. The Group estimates the net realizable value of inventory for normal waste, obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is determined mainly based on the assumptions of future demand within a specific time horizon. For the estimation of the valuation of inventory, please refer to note 6(d).

**(6) Explanation of significant accounts:**

(a) Cash and cash equivalents

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Cash on hand	\$ 107	82
Demand deposits	390,619	480,857
Time deposits	43,097	-
Cash equivalents-repurchase agreements collateralized by corporate bonds	<u>16,362</u>	<u>-</u>
Cash and cash equivalents in the consolidated statement of cash flows	<b><u>\$ 450,185</u></b>	<b><u>480,939</u></b>

Please refer to note 6(s) for the interest rate risk and sensitivity analysis of the financial assets and liabilities of the Group.

(b) Financial assets measured at amortized cost

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Deposit account	\$ 23,710	82,904
Foreign government bonds-USD470,000 and USD960,000 respectively	<u>48,621</u>	<u>-</u>
	<b><u>\$ 72,331</u></b>	<b><u>82,904</u></b>
Current	\$ 23,710	82,904
Non-current	<u>48,621</u>	<u>-</u>
	<b><u>\$ 72,331</u></b>	<b><u>82,904</u></b>

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

The Group held bank deposit with variable interest rates, with the weighted average interest rates of 2.96% during the year ended December 31, 2024. The bank deposit mature in 2 months,, after the reporting date.

The Group invested in U.S. 20-year government bonds on August 22 and August 28, 2024, with par values of USD470,000 and USD960,000, respectively. The coupon rate for both bonds is 4.375%, and the effective interest rates are 4.056% and 4.089%, respectively.

(c) Accounts receivable, net

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Accounts receivable	\$ 73,603	62,587
Less: Loss allowance	(4,237)	(2,693)
Accounts receivable, net	<u><u>\$ 69,366</u></u>	<u><u>59,894</u></u>

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

	<b>December 31, 2024</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 58,260	2.0666%	1,204
1 to 30 days past due	10,939	5.229%	572
31 to 90 days past due	1,550	20.903%	324
91 to 180 days past due	2,854	74.877%	2,137
	<u><u>\$ 73,603</u></u>		<u><u>4,237</u></u>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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	<b>December 31, 2023</b>		
	<b>Gross carrying amount</b>	<b>Weighted- average loss rate</b>	<b>Loss allowance provision</b>
Current	\$ 43,703	2.837%	1,240
1 to 30 days past due	17,067	5.707%	974
31 to 90 days past due	1,543	15.23%	235
91 to 180 days past due	193	84.46%	163
More than 180 days past due	81	100%	81
	<b>\$ 62,587</b>		<b>2,693</b>

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

	<b>2024</b>	<b>2023</b>
Balance at January 1	\$ 2,693	14,269
Impairment losses recognized (reversal)	1,519	(11,507)
Amounts written off	(82)	-
Foreign exchange gains (losses)	107	(69)
Balance at December 31	<b>\$ 4,237</b>	<b>2,693</b>

As of December 31, 2024 and 2023, the aforementioned accounts receivables of the Group had not been pledged as collateral.

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

(d) Inventories

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Raw materials	\$ 252,660	104,766
Work in progress	109,016	76,019
Finished goods	14,093	38,933
	<b>\$ 375,769</b>	<b>219,718</b>

Operating costs for inventory related expenses and losses recognized for the years ended December 31, 2024 and 2023, were as follows:

	<b>2024</b>	<b>2023</b>
Cost of selling inventory	\$ 826,029	595,204
(Reversal of write-downs)write-down of inventories	(12,599)	(2,557)
Losses on inventory scrap	4,620	6,688
Inventory surplus	(17)	(33)
Operating costs	<b>\$ 818,033</b>	<b>599,302</b>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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The Group reversed previous inventory write-downs of \$12,599 thousand and \$2,557 thousand in 2024 and 2023, respectively, because some inventories which were previously provided with allowance for valuation loss were subsequently sold. Additionally, the Group recognized losses on inventory scrap of \$4,620 thousand and \$6,688 thousand in 2024 and 2023, respectively.

As of December 31, 2024 and 2023, the aforementioned inventory of the Group had not been pledged as collateral.

(e) Property, plant and equipment

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

	<u>Land</u>	<u>Machinery</u>	<u>Office equipment</u>	<u>Leasehold improvement</u>	<u>Other equipment</u>	<u>Construction in progress</u>	<u>Total</u>
<b>Cost:</b>							
Balance on January 1, 2024	\$ -	7,520	4,775	14,687	646	-	27,628
Additions	437,657	2,722	27	600	-	196,706	637,712
Disposals	-	-	(598)	-	-	-	(598)
Effect of movements in exchange rates	-	24	235	113	-	-	372
Balance on December 31, 2024	<u>\$ 437,657</u>	<u>10,266</u>	<u>4,439</u>	<u>15,400</u>	<u>646</u>	<u>196,706</u>	<u>665,114</u>
Balance on January 1, 2023	\$ -	5,357	2,811	8,642	647	-	17,457
Additions	-	2,590	2,794	6,069	-	-	11,453
Disposals	-	(433)	(772)	-	-	-	(1,205)
Effect of movements in exchange rates	-	6	(58)	(24)	(1)	-	(77)
Balance on December 31, 2023	<u>\$ -</u>	<u>7,520</u>	<u>4,775</u>	<u>14,687</u>	<u>646</u>	<u>-</u>	<u>27,628</u>
<b>Depreciation:</b>							
Balance on January 1, 2024	\$ -	3,795	4,090	7,499	482	-	15,866
Depreciation for the year	-	1,705	330	4,177	53	-	6,265
Disposals	-	-	(573)	-	-	-	(573)
Effect of movements in exchange rates	-	24	217	2	-	-	243
Balance on December 31, 2024	<u>\$ -</u>	<u>5,524</u>	<u>4,064</u>	<u>11,678</u>	<u>535</u>	<u>-</u>	<u>21,801</u>
Balance on January 1, 2023	\$ -	3,371	1,644	4,526	382	-	9,923
Depreciation for the year	-	850	3,248	2,973	101	-	7,172
Disposals	-	(433)	(755)	-	-	-	(1,188)
Effect of movements in exchange rates	-	7	(47)	-	(1)	-	(41)
Balance on December 31, 2023	<u>\$ -</u>	<u>3,795</u>	<u>4,090</u>	<u>7,499</u>	<u>482</u>	<u>-</u>	<u>15,866</u>
<b>Carrying amounts:</b>							
Balance on December 31, 2024	<u>\$ 437,657</u>	<u>4,742</u>	<u>375</u>	<u>3,722</u>	<u>111</u>	<u>196,706</u>	<u>643,313</u>
Balance on December 31, 2023	<u>\$ -</u>	<u>3,725</u>	<u>685</u>	<u>7,188</u>	<u>164</u>	<u>-</u>	<u>11,762</u>

As of December 31, 2024 and 2023, the property, plant and equipment of the Group had been pledged as collateral for loans and financing facilities. Please refer to note 8.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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(f) Right-of-use assets

	<u><b>Buildings</b></u>
Cost:	
Balance at January 1, 2024	\$ 111,496
Additions	6,285
Disposals	(11,896)
Effect of movements in exchange rates	<u>1,089</u>
Balance at December 31, 2024	<u><b>\$ 106,974</b></u>
Balance at January 1, 2023	\$ 75,916
Additions	42,126
Disposals	(6,371)
Effect of movements in exchange rates	<u>(175)</u>
Balance at December 31, 2023	<u><b>\$ 111,496</b></u>
Accumulated depreciation and impairment losses:	
Balance at January 1, 2024	\$ 63,436
Depreciation for the year	21,372
Disposals	(7,523)
Effect of movements in exchange rates	<u>654</u>
Balance at December 31, 2024	<u><b>\$ 77,939</b></u>
Balance at January 1, 2023	\$ 46,440
Depreciation for the year	19,843
Disposals	(2,690)
Effect of movements in exchange rates	<u>(157)</u>
Balance at December 31, 2023	<u><b>\$ 63,436</b></u>
Carrying amount:	
Balance at December 31, 2024	<u><b>\$ 29,035</b></u>
Balance at January 1, 2024	<u><b>\$ 48,060</b></u>

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(g) Intangible assets

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

	<u>Computer software cost</u>
Costs :	
Balance at January 1, 2024	\$ 21,624
Additions	<u>4,731</u>
Balance at December 31, 2024	<u><b>\$ 26,355</b></u>
Balance at January 1, 2023	\$ 10,434
Additions	<u>11,190</u>
Balance at December 31, 2023	<u><b>\$ 21,624</b></u>
Accumulated amortization and impairment losses :	
Balance at January 1, 2024	\$ 9,744
Amortization for the year	<u>4,417</u>
Balance at December 31, 2024	<u><b>\$ 14,161</b></u>
Balance at January 1, 2023	\$ 7,493
Amortization for the year	<u>2,251</u>
Balance at December 31, 2023	<u><b>\$ 9,744</b></u>
Carrying amount:	
Balance at December 31, 2024	<u><b>\$ 12,194</b></u>
Balance at December 31, 2023	<u><b>\$ 11,880</b></u>

(h) Other current assets and other non-current assets

The other current assets others and other non current assets of the Group were as follows:

	<u>December 31, 2024</u>	<u>December 31, 2023</u>
Restricted assets	\$ 500	500
Other financial assets	98,175	147,384
Temporary payments	36	-
Other current assets	1,227	324
Refundable deposits	5,941	5,492
Other non-current assets	<u>1,186</u>	<u>-</u>
	<u><b>\$ 107,065</b></u>	<u><b>153,700</b></u>
Current	\$ 99,938	148,208
Non-current	<u>7,127</u>	<u>5,492</u>
	<u><b>\$ 107,065</b></u>	<u><b>153,700</b></u>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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Other financial assets are mainly buyback bonds that do not meet the definition of cash and cash equivalent; and restricted assets are mainly fixed deposits with pledges. Please refer to note 8.

(i) Long-term loans

	<b>December 31, 2024</b>
Unsecured bank loans	\$ 7,000
Secured bank loans	498,169
Less : current portion	<u>(28,560)</u>
Total	<b><u>\$ 476,609</u></b>
Unused long-term credit lines	<b><u>\$ -</u></b>
Range of interest rates	<b><u>1.98%~2.22%</u></b>

(i) Issuance of loans

Loans period	2024.6.24~2044.6.24	2024.6.24~2044.6.24	2024.6.28~2044.6.28
Interest rates	1.98%	1.98%	2.22%
Amount of loans	\$ 400,000	80,000	35,000
Repayment method	Monthly principal and interest amortization	Monthly principal and interest amortization	Monthly principal and interest amortization with a one-year principal repayment grace period.

(ii) Collateral of loans

The long-term borrowings of the Group as of December 31, 2024, amounting to \$28,000 thousand were guaranteed by the Small and Medium Enterprise Credit Guarantee Fund of Taiwan (TSMEG). The remaining borrowings were secured by assets pledged as collateral for loans and financing facilities, please refer to notes 8.

(j) Lease liabilities

Group's lease liabilities were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Current	<b><u>\$ 14,645</u></b>	<b><u>18,543</u></b>
Non-current	<b><u>\$ 15,228</u></b>	<b><u>30,165</u></b>

For the maturity analysis, please refer to note 6(s).

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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The amounts recognized in profit or loss for leases were as follows:

	<b>2024</b>	<b>2023</b>
Interest on lease liabilities	\$ <u>890</u>	<u>1,083</u>
Expenses relating to leases of low-value assets	\$ <u>1,998</u>	<u>1,799</u>

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

	<b>2024</b>	<b>2023</b>
Total cash outflow for leases	\$ <u>24,062</u>	<u>21,994</u>

(i) Real estate leases

The Group leases land and buildings for its office space. The leases of office space typically run for a period of 2 to 3 years.

(ii) Other leases

The Group leases office equipment such as photocopiers, which are leases of low-value items. The Group elects to apply the exemption from recognition and does not recognize the related right-of-use assets and lease liabilities for these leases.

(k) Employee benefits

(i) Defined contribution plans

The Group allocates 6.00% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The domestic companies of the Group which pension costs incurred from the contributions to the Bureau of the Labor Insurance amounted to \$8,605 thousand and \$7,277 thousand for the years ended December 31, 2024 and 2023, respectively.

The overseas subsidiaries of the Group which pension costs recognized in accordance with local government regulations amounted to \$4,200 thousand and \$3,469 thousand for the years ended December 31, 2024 and 2023, respectively.

(l) Income taxes

(i) Income tax expense

The components of income tax in the years 2024 and 2023 were as follows:

	<b>2024</b>	<b>2023</b>
Current tax expense	\$ 52,297	32,020
Deferred tax expense (benefit)	<u>1,973</u>	<u>(1,409)</u>
Income tax expense	\$ <u>54,270</u>	<u>30,611</u>

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Reconciliation of income tax and profit before tax for 2024 and 2023 is as follows.

	<b>2024</b>	<b>2023</b>
Profit excluding income tax	<b>\$ 248,016</b>	<b>135,472</b>
Income tax using the Company's domestic tax rate	\$ 49,603	27,094
Effect of tax rates in foreign jurisdiction	5,173	648
Non-deductible expenses	1	-
The amount of foreign tax deduction has exceeded the maximum limit	-	1,553
Over-estimation from prior periods	(655)	(188)
Additional tax on undistributed earnings	148	1,504
Total	<b>\$ 54,270</b>	<b>30,611</b>

(ii) Deferred tax assets and liabilities

1) Recognized deferred tax assets and liabilities

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

Deferred Tax Liabilities:

	<b>Investment income recognized under equity method</b>	<b>Unrealized foreign exchange loss</b>	<b>Total</b>
Balance at January 1, 2024	\$ 2,278	-	2,278
Recognized in profit or loss	(540)	599	59
Balance at December 31, 2024	<b>\$ 1,738</b>	<b>599</b>	<b>2,337</b>
Balance at January 1, 2023	\$ 6,515	-	6,515
Recognized in profit or loss	(4,237)	-	(4,237)
Balance at December 31, 2023	<b>\$ 2,278</b>	<b>-</b>	<b>2,278</b>

Deferred Tax Assets:

	<b>Allowance for inventory valuation and obsolescence losses</b>	<b>Unrealized gain from downstream transaction</b>	<b>Unrealized foreign exchange loss</b>	<b>Others</b>	<b>Total</b>
Balance at January 1, 2024	\$ 13,108	2,591	1,487	3,046	20,232
Recognized in profit or loss	(2,622)	2,608	(1,487)	(413)	(1,914)
Balance at December 31, 2024	<b>\$ 10,486</b>	<b>5,199</b>	<b>-</b>	<b>2,633</b>	<b>18,318</b>
Balance at January 1, 2023	\$ 11,955	6,243	634	4,228	23,060
Recognized in profit or loss	1,153	(3,652)	853	(1,182)	(2,828)
Balance at December 31, 2023	<b>\$ 13,108</b>	<b>2,591</b>	<b>1,487</b>	<b>3,046</b>	<b>20,232</b>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
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2) Unrecognized deferred tax liabilities

The Group is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2024 and 2023. Also, the management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Temporary differences associated with investments in subsidiaries	<b>\$ 144,443</b>	<b>121,953</b>
Unrecognized deferred tax liabilities	<b>\$ 28,889</b>	<b>24,391</b>

(iii) Assessment of tax

The Company's tax returns for the years through 2022 were assessed by the R.O.C. tax authority.

(m) Capital and other equity

(i) Ordinary shares

As of December 31, 2024 and 2023, the Group's authorized capital both amounted to \$500,000 thousand. In addition, the Group issued 25,617 thousand and 25,559 thousand shares ordinary shares, with a par value of \$10 per share, amounting to \$256,171 thousand and \$255,591 thousand, respectively.

The Group issued 36 thousand shares, amounting to \$6,000 thousand, as employee remuneration, with the base date set on July 21, 2023, based on the resolution approved during the board meeting held on May 24, 2023.

On May 12 and July 21, 2023, the Group's employees subscribed 218 thousand and 164 thousand shares of common stock, at the exercise prices of \$10 and \$13.32 per share, totaling \$2,185 thousand and \$2,184 thousand, with the base dates set on May 12 and July 21, 2023, respectively.

For its initial public offering, the Group issued 2,505 thousand shares, of which, the public offering price amounted to \$82 per share and bidding auction price amounted to \$95.01 per share. The entire issued shares above had a par value of \$10 per share, totaling \$227,574 thousand, with the base date set on November 7, 2023, based on the resolution approved during the board meeting held on July 21, 2023.

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On March 13, 2024, the Group's employees subscribed to 58 thousand shares of common stock, at an exercise price of \$13.32 per share, for a total amount of \$773 thousand, with the base date set on March 13, 2024.

(ii) Capital surplus

The balances of capital surplus as of December 31, 2024 and 2023, were as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Share capital	\$ 334,647	334,182
Employee share options	4,425	2,957
	<b><u>\$ 339,072</u></b>	<b><u>337,139</u></b>

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(iii) Retained earnings

The Company's article of incorporation stipulates that Company's net earnings should first be used to offset the prior years' deficits, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, and then any remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval. The Company's Board of Directors is authorized to distribute cash dividends, and then report to the board of shareholders.

The distribution of cash dividends requires an approval from the Company's board before reporting it at the shareholders' meeting.

1) Legal reserve

According to the R.O.C. Company Act the Company must retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of total capital. When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Special reserve

In accordance with Permit No. 1010012865 as issued by the Financial Supervisory Commission on April 6, 2012, a special reserve equal to the debit balance of unrealized loss on financial instruments in the stockholders' equity is appropriated from unappropriated retained earnings pursuant to Article No.41 of the Securities and Exchange Act. When appropriating a special reserve for the first time, it is initially appropriated from current earnings and any deficiency is appropriated from the undistributed earnings of prior years. For the second year and years thereafter, the increase or decrease in the balance of unrealized loss on financial instruments in subsequent year, as shown in the statement of changes in stockholders' equity, is either subject to further appropriation for special reserve, or reversed to retained earnings.

3) Earnings distribution

Earnings distribution for 2023 and 2022 was decided by the resolution adopted, at the general meeting of shareholders held on March 13, 2024 and March 24, 2023, respectively. The relevant dividend distributions to shareholders were as follows:

	2023		2022	
	Amount per share	Total amount	Amount per share	Total amount
Dividends distributed to ordinary shareholders:				
Cash	\$ 3.57	<u>91,453</u>	5.70	<u>130,354</u>

The amount of \$123,481 thousand in cash dividends from the 2024 earnings distribution was approved by the Board of Directors on March 7, 2025.

(iv) Other equity accounts, net of tax

	Exchange differences on translation of foreign financial statements
Balance on January 1, 2024	\$ 2,550
Exchange differences on translation of foreign financial statements, net of tax	7,841
Balance on December 31, 2024	<u>\$ 10,391</u>
Balance on January 1, 2023	\$ 4,371
Exchange differences on translation of foreign financial statements, net of tax	(1,821)
Balance on December 31, 2023	<u>\$ 2,550</u>

(Continued)



**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(n) Share-based payment

(i) Employee stock option plan

As of December 31, 2024 and 2023, the Group had the following share-based payment arrangements:

	Equity-settled		
	Employee stock options	Employee stock options	Employee stock options
Fair value at grant date	2020.04.01	2022.01.01	2024.12.11
Number of shares granted	563 thousand shares	525 thousand shares	500 thousand shares
Contract term	4 years	4 years	5 years
Recipients	Employee	Employee	Employee
Vesting conditions	1.After 18 months from the expiration of fair value at grant date, the employee may exercise up to 50% of the number of employee stock options. 2.After 36 months from the expiration of fair value at grant date, the employee may exercise up to 100% of the number of employee stock options.	1.After 18 months from the expiration of fair value at grant date, the employee may exercise up to 50% of the number of employee stock options. 2.After 36 months from the expiration of fair value at grant date, the employee may exercise up to 100% of the number of employee stock options.	1.After 24 months from the expiration of fair value at grant date, the employee may exercise up to 40% of the number of employee stock options. 2.After 36 months from the expiration of fair value at grant date, the employee may exercise up to 70% of the number of employee stock options. 3.After 48 months from the expiration of fair value at grant date, the employee may exercise up to 100% of the number of employee stock options.

1) Determining the fair value of equity instruments granted

The Group used the Black-Scholes pricing model in measuring the fair value of the share-based payment at the grant date as follows:

	2024			2022		2020	
	Employee stock options	Employee stock options	Employee stock options	Employee stock options	Employee stock options	Employee stock options	Employee stock options
	Vesting term (24 months)	Vesting term (36 months)	Vesting term (48 months)	Vesting term (18 months)	Vesting term (36 months)	Vesting term (18 months)	Vesting term (36 months)
Fair value at grant date	84.17	85.77	87.20	4.69	5.17	7.83	8.23
Share price at grant date	162.00	162.00	162.00	-	-	-	-
Exercise price	89.10	89.10	89.10	22.00	22.00	19.00	19.00
Expected volatility (%)	35.98 %	35.61 %	35.10 %	26.64 %	26.27 %	24.54 %	24.63 %
Expected life (years)	3.50	4.00	4.50	2.75	3.50	2.75	3.50
risk-free interest rate (%)	1.48 %	1.50 %	1.52 %	0.49 %	0.52 %	0.40 %	0.40 %

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Relevant information of employee stock option plans

Details of the employee stock options are as follows:

	<b>2024</b>		<b>2023</b>	
	<b>Employee stock options</b>		<b>Employee stock options</b>	
	<b>Weighted</b>	<b>Number of</b>	<b>Weighted</b>	<b>Number of</b>
	<b>average</b>	<b>options</b>	<b>average</b>	<b>options</b>
	<b>exercise price</b>		<b>exercise price</b>	<b>options</b>
Outstanding at January 1	13.32	310	15.11	723
Granted during the year	89.10	500	-	-
Forfeited during the year	-	-	(11.71)	(31)
Exercised during the year	(13.32)	(58)	(11.44)	(382)
Outstanding at December 31	63.66	<u>752</u>	13.32	<u>310</u>
Exercisable at December 31	13.18	<u>15</u>	13.32	<u>73</u>

3) Compensation cost

The Company's compensation cost for the year 2024 and 2023 due to stock option plan were \$1,740 thousand and \$752 thousand.

(ii) Shares of capital increase by cash reserved for employee subscription

The Group conducted a cash capital increase by issuing new shares, of which, 375 thousand of the total shares were reserved for employees subscription, with the approval of the board on July 21, 2023.

The aforesaid information on the share-based payment was as follow:

	<b>Equity-settled</b>
	<b>Shares of capital increase by</b>
	<b>cash reserved for</b>
	<b>employee subscription</b>
Fair value at grant date	2023.11.07
Number of shares granted	375 thousand shares
Contract term	9 days
Recipients	All employee
Vesting conditions	Immediately vested

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

1) Parameter of the fair value of equity instruments granted

The Group used the Black-Scholes pricing model in measuring the fair value of its share-based payment at the grant date, with the parameter as follows:

	<b>2023.11.07</b>
	<b>Shares of capital increase by cash reserved for employee subscription</b>
	<b>Immediately vested</b>
Fair value at grant date	\$ 22.99
Share price at grant date	104.97
Exercise price	82
Expected volatility (%)	43.14%
Risk-free interest rate (%)	1.07%

2) Relevant information of employee stock option

Details of the employee stock options are as follows:

	<b>2024</b>	
	<b>Shares of capital increase by cash reserved for employee subscription</b>	
	<b>Weighted average exercise price</b>	<b>Number of options</b>
Outstanding at January 1	\$ -	-
Granted during the year	82.00	375
Forfeited during the year	-	-
Exercised during the year	(82.00)	(375)
Outstanding at December 31	-	-
Exercisable at December 31	-	-

3) Compensation cost

The Company's compensation cost for the year 2023 due to stock option plan was \$8,621 thousand.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(o) Earnings per share

The details on the calculation of basic earnings per share and diluted earnings per share are as follow :

(i) Basic earnings per share

	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders of the Company	<u><u>\$ 193,746</u></u>	<u><u>104,861</u></u>
	<b>2024</b>	<b>2023</b>
Issued ordinary shares at 1 January	\$ 25,559	22,636
Effect of employee share bonus	-	16
Effect of exercise of share options	47	236
Effect of issuance of new shares by cash capital increased	-	377
Weighted average number of ordinary shares at 31 December	<u><u>25,606</u></u>	<u><u>23,265</u></u>
Basic earnings per share	<u><u>\$ 7.57</u></u>	<u><u>4.51</u></u>

(ii) Diluted earnings per share

	<b>2024</b>	<b>2023</b>
Profit attributable to ordinary shareholders of the Company (basic)	<u><u>\$ 193,746</u></u>	<u><u>104,861</u></u>
Profit attributable to ordinary shareholders of the Company (diluted)	<u><u>\$ 193,746</u></u>	<u><u>104,861</u></u>
Weighted average number of ordinary shares (basic)	25,606	23,265
Effect of employee share bonus	204	441
Effect of exercise of share options	13	14
Weighted average number of ordinary shares (diluted) at December 31	<u><u>25,823</u></u>	<u><u>23,720</u></u>
Diluted earnings per share	<u><u>\$ 7.50</u></u>	<u><u>4.42</u></u>

(p) Revenue from contracts with customers

(i) Details of revenue

	<b>2024</b>	<b>2023</b>
Primary regional markets:		
Europe	\$ 449,508	333,576
America	429,274	326,973
Mainland China	206,325	162,230
Taiwan	141,169	77,708
Other Asia	218,964	154,234
Others	92	84
	<u><u>\$ 1,445,332</u></u>	<u><u>1,054,805</u></u>

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<u>2024</u>	<u>2023</u>	
Major products:			
Revenue from sales of Fanless industrial PC	\$ 573,380	493,218	
Revenue from sales of AI computing computer	595,424	353,876	
Revenue from sales of Vertical market application computers	168,487	137,004	
Revenue from sales of peripheral products and services	<u>108,041</u>	<u>70,707</u>	
	<u><u>\$ 1,445,332</u></u>	<u><u>1,054,805</u></u>	
(ii) Contract balances			
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Accounts receivable	\$ 73,603	62,587	90,578
Less: allowance for impairment	<u>(4,237)</u>	<u>(2,693)</u>	<u>(14,269)</u>
Total	<u><u>\$ 69,366</u></u>	<u><u>59,894</u></u>	<u><u>76,309</u></u>
	<u>December 31, 2024</u>	<u>December 31, 2023</u>	<u>January 1, 2023</u>
Contract liabilities	<u><u>\$ 28,163</u></u>	<u><u>32,816</u></u>	<u><u>15,907</u></u>

The contract liabilities primarily relate to the advance consideration received from product sales, which will be transferred to revenue when the related products are delivered to customers.

For details on accounts receivables and allowance for impairment, please refer to note 6(c).

The amount of revenue recognized for the years ended December 31, 2024 and 2023 that was included in the contract liability balance at the beginning of the period were \$29,675 thousand and \$12,602 thousand, respectively.

(q) Employee and directors' remuneration

In accordance with the articles of incorporation the Company should contribute no less than 1% of the profit as employee remuneration and less than 1% as directors' remuneration when there is profit for the year. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For the years ended December 31, 2024 and 2023, the Company estimated its employees' remuneration amounting to \$36,596 thousand and \$17,380 thousand, respectively; and its directors' remuneration amounting to \$1,600 thousand and \$1,000 thousand, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding the remuneration to employees and directors of each period, multiplied by the percentage of remuneration to employees and directors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expenses during 2024 and 2023, and were distributed entirely in cash. For further information, please refer to the MOPS website. There was no difference between the actual and estimated amounts in 2024 and 2023.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(r) Non-operating income and expenses

(i) Interest income

The details of interest income were as follows:

	<b>2024</b>	<b>2023</b>
Interest income from bank deposits	\$ 6,742	5,019
Other interest income	<u>6,467</u>	<u>55</u>
	<b><u>\$ 13,209</u></b>	<b><u>5,074</u></b>

(ii) Other income

The details of other income were as follows:

	<b>2024</b>	<b>2023</b>
Government grants	\$ 1,434	976
Other income	<u>503</u>	<u>866</u>
	<b><u>\$ 1,937</u></b>	<b><u>1,842</u></b>

(iii) Other gains and losses

The details of other gains and losses were as follows:

	<b>2024</b>	<b>2023</b>
Losses on disposals of property, plant and equipment	\$ (25)	(17)
Gain from lease modifications	26	220
Foreign currency exchange gain (losses)	22,987	(4,523)
Others	<u>(2,150)</u>	<u>(285)</u>
	<b><u>\$ 20,838</u></b>	<b><u>(4,605)</u></b>

(iv) Finance costs

The details of finance costs were as follows:

	<b>2024</b>	<b>2023</b>
Amortization interest of lease liabilities	\$ 890	1,083
Interest of bank loans	4,800	-
Other finance costs	<u>-</u>	<u>1</u>
	<b><u>\$ 5,690</u></b>	<b><u>1,084</u></b>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(s) Financial instruments

(i) Categories of financial instruments

1) Financial assets

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Financial assets at amortized cost (loans and receivables)		
Cash and cash equivalents	\$ 450,185	480,939
Financial assets at amortised cost	72,331	82,904
Accounts receivable	69,366	59,894
Other receivables	7,830	5,957
Other financial assets	<u>98,175</u>	<u>147,384</u>
Total	<b><u>\$ 697,887</u></b>	<b><u>777,078</u></b>

2) Financial liabilities

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Financial liabilities at amortized cost		
Long-term borrowings (including current portion)	\$ 505,169	-
Accounts payable	109,880	77,769
Other payables	111,197	67,521
Lease liabilities	<u>29,873</u>	<u>48,708</u>
Total	<b><u>\$ 756,119</u></b>	<b><u>193,998</u></b>

(ii) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk. December 31, 2024 and 2023, the Group's exposure to credit risk and the maximum exposure were mainly from accounts receivable and other receivables, the amount is \$77,196 thousand, \$65,851 thousand respectively.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

2) Concentration of credit risk

The major customers of the Group are centralized in the high-tech computer industry. To minimize credit risk, the Group periodically evaluates the Group's financial positions and the possibility of collecting accounts receivables. Besides, the Group monitors and reviews the recoverable amount of the accounts receivables to ensure the uncollectible amount are recognized appropriately as impairment loss. As of December 31, 2024 and 2023, the accounts receivable of the Group were from multiple customers. Thus, credit risk is not significantly centralized.

3) Credit risk of receivables

For credit risk exposure of notes and accounts receivables, please refer to note 6(c).

Other financial assets at amortized cost includes other receivables.

All of other receivables are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 months expected losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(g). For the years ended December 31, 2024 and 2023, no allowance for impairment were provided because there was no indication of credit-impaired for other receivables.

(iii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	<u>Carrying amount</u>	<u>Contractual cash flows</u>	<u>Within 6 months</u>	<u>6-12 months</u>	<u>1-2 years</u>	<u>2-5 years</u>	<u>More than 5 years</u>
<b>December 31, 2024</b>							
Non-derivative financial liabilities							
Long-term borrowings (including current portion)	\$ 505,169	(603,047)	(14,629)	(23,496)	(46,992)	(96,207)	(421,723)
Accounts payable	109,880	(109,880)	(109,880)	-	-	-	-
Other payables	111,197	(111,197)	(111,197)	-	-	-	-
Lease liabilities	29,873	(30,565)	(8,814)	(6,284)	(10,980)	(4,487)	-
	<u>\$ 756,119</u>	<u>(854,689)</u>	<u>(244,520)</u>	<u>(29,780)</u>	<u>(57,972)</u>	<u>(100,694)</u>	<u>(421,723)</u>
<b>December 31, 2023</b>							
Non-derivative financial liabilities							
Accounts payable	\$ 77,769	(77,769)	(77,769)	-	-	-	-
Other payables	67,521	(67,521)	(67,521)	-	-	-	-
Lease liabilities	48,708	(50,187)	(9,791)	(9,566)	(16,425)	(14,405)	-
	<u>\$ 193,998</u>	<u>(195,477)</u>	<u>(155,081)</u>	<u>(9,566)</u>	<u>(16,425)</u>	<u>(14,405)</u>	<u>-</u>

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Currency risk

1) Exposure to foreign currency risk

The Group's significant exposure to foreign currency risk were as follows:

	December 31, 2024			December 31, 2023			
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD	
<u>Financial assets</u>							
<u>Monetary items</u>							
USD	\$	2,912	32.785	95,470	3,183	30.705	97,734
<u>Financial liabilities</u>							
<u>Monetary items</u>							
USD		1,535	32.785	50,325	1,179	30.705	36,201

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, loans and borrowings and accounts and other payables that are denominated in foreign currency. A weakening of 1% of the NTD against the USD as of December 31, 2024 and 2023 would have increased the net income before tax by \$451 thousand and \$615 thousand, respectively. The analysis assumes that all other variables remain constant. The analysis is performed on the same basis for 2024 and 2023.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2024 and 2023, foreign exchange loss (including realized and unrealized portions) amounted to \$22,987 thousand and \$4,523 thousand, respectively.

(v) Interest rate analysis

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

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date is outstanding throughout the year. The rate of change is expressed as the interest rate increasing range of or decreasing by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible range of interest rate changes. If the interest rate had increased / decreased by 1%, the Group's net income before tax would have increased / decreased by \$5,052 thousand for the year ended December 31, 2024 with all other variable factors remaining constant.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

Since the Group did not have any borrowing at variable rates, the Group's net income before tax would not be affected by the change in interest rates for the year ended December 31, 2023.

(vi) Fair value of financial instruments

1) Fair value hierarchy

The financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Group's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value and lease liabilities, disclosure of fair value information is not required:

<b>December 31, 2024</b>					
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 450,185	-	-	-	-
Financial assets at amortised cost	72,331	-	-	-	-
Accounts receivable	69,366	-	-	-	-
Other receivables	7,830	-	-	-	-
Other financial assets	98,175	-	-	-	-
<b>Total</b>	<b>\$ 697,887</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Financial liabilities at amortized cost					
Accounts payable	\$ 109,880	-	-	-	-
Other payables	111,197	-	-	-	-
Lease liabilities	29,873	-	-	-	-
Long-term borrowings (including current portion)	505,169	-	-	-	-
<b>Total</b>	<b>\$ 756,119</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>December 31, 2023</b>					
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial assets measured at amortized cost					
Cash and cash equivalents	\$ 480,939	-	-	-	-
Financial assets at amortised cost	82,904	-	-	-	-
Accounts receivable	59,894	-	-	-	-
Other receivables	5,957	-	-	-	-
Other financial assets	147,384	-	-	-	-
<b>Total</b>	<b>\$ 777,078</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

	<b>December 31, 2023</b>				
	<b>Book Value</b>	<b>Fair Value</b>			<b>Total</b>
		<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	
Financial liabilities at amortized cost					
Accounts payable	\$ 77,769	-	-	-	-
Other payables	67,521	-	-	-	-
Lease liabilities	48,708	-	-	-	-
Total	<u>\$ 193,998</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

(t) Financial risk management

(i) Overview

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

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

The following likewise discusses the Group's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Board has established the Chairman's office and Group operations center, which are responsible for developing and monitoring the Group's risk management policies.

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

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

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iii) Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customer.

1) Accounts and other receivables

The Group has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Group's standard payment and delivery terms and conditions are offered. The Group's review includes external ratings, when available, and, in some cases, bank references. Purchase limits are established for each customer and represent the maximum open amount without requiring approval from the Group; these limits are reviewed regularly. No collateral required for accounts and other receivable. Customers that fail to meet the Group's benchmark creditworthiness may transact with the Group only on a prepayment basis.

Clients who transaction with the Group has few experiences on default losses. When monitoring customers' credit risk, customers are grouped according to its credit characteristics, including whether it is an individual or a legal entity, geographical distinction, industry, aging schedule, maturity date and previously existing financial difficulties. Customers who are rated as high risk are classified as restricted and these customers may transact with the Group only on a prepayment basis.

The Group established an impairment allowance that represents its estimate of incurred losses in respect of accounts and other receivables, as well as investments. Major components of this impairment allowance are specific losses related to individually significant exposure and collective losses which have incurred but have not been identified. The collective losses are based on historical payment experience of similar financial assets.

2) Investments

The exposure to credit risk for the bank deposits, fixed income investments, and other financial instruments is measured and monitored by the Group's finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group's policy is to provide financial guarantees only to wholly owned subsidiaries.

As of December 31, 2024 and 2023, the Group did not provide financial guarantees to other third parties.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(iv) Liquidity risk

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

The Group depend its accounting policy to cost its products and services, which assists it in monitoring cash flow requirements and optimizing its cash return on investments. The Group aims to maintain the level of its cash and cash equivalents at an amount in excess of expected cash flows on financial liabilities over the succeeding 60 days. This excludes the potential impact of extreme circumstances that cannot reasonably be predicted, such as natural disasters.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

The Group buys and sells derivatives, and also incurs financial liabilities, in order to manage market risk. All such transactions are carried out within the guidelines set by the Board of Directors.

1) Currency risk

The Group is exposed to currency risk on sales, purchases, and borrowings that are denominated in a currency other than the respective functional currencies of the Group's entities, primarily the NTD, USD, and CNY. The currencies used in these transactions are the NTD, USD, and CNY.

Loan interest is denominated in the currency of the loan. Generally, the currency of the borrowings is the same as the currency of the cash flows from operating activities, which is mainly NTD and USD. As a result, economic hedging is provided, and without signing derivatives, so the Group doesn't apply hedge accounting.

2) Interest rate risk

The Group holds floating interest rate of assets and liabilities, and thus suffer from cash flow interest rate risk exposure. The detail of floating interest rate of the Group's assets and liabilities, please refer to note "liquidity risk management".

3) Other market price risk

The Group doesn't sign merchandise contract except for meeting the expected consumption and sales demand.

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(u) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence, and to sustain the future development of the business. The capital includes ordinary shares, capital surplus and retained earnings. The Board monitors the return on capital and controls the level of common stock dividends.

The Group monitors funds by regularly review debt-to-equity ratio. As of December 31, 2024 and 2023, the Group's debt-to-equity ratio is as follows:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Total liabilities	\$ 831,126	251,840
Less: cash and cash equivalents	(450,185)	(480,939)
Net debt	<u>\$ 380,941</u>	<u>(229,099)</u>
Total equity	<u>\$ 967,023</u>	<u>854,376</u>
Adjusted equity	<u>\$ 1,347,964</u>	<u>625,277</u>
Debt-to-equity ratio	<u>28.26 %</u>	<u>(36.64)%</u>

The change in the debt-to-equity ratio of the Group on December 31, 2024, was primarily due to the Group's acquisition of medium and long-term loans of \$515,000 thousand in 2024, resulting in an increase in total liabilities.

(v) Investing and financing activities not affecting current cash flow

	<b>January 1, 2024</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>December 31, 2024</b>
			<b>Acquisition</b>	<b>Foreign exchange movement</b>	<b>Changes in lease payments</b>	
Lease liabilities	\$ 48,708	(21,174)	6,285	453	(4,399)	29,873
Total liabilities from financing activities	<u>\$ 48,708</u>	<u>(21,174)</u>	<u>6,285</u>	<u>453</u>	<u>(4,399)</u>	<u>29,873</u>

  

	<b>January 1, 2023</b>	<b>Cash flows</b>	<b>Non-cash changes</b>			<b>December 31, 2023</b>
			<b>Acquisition</b>	<b>Foreign exchange movement</b>	<b>Changes in lease payments</b>	
Lease liabilities	\$ 29,691	(19,112)	42,126	(20)	(3,977)	48,708
Total liabilities from financing activities	<u>\$ 29,691</u>	<u>(19,112)</u>	<u>42,126</u>	<u>(20)</u>	<u>(3,977)</u>	<u>48,708</u>

**(7) Related-party transactions**

(a) Parent company and ultimate controlling company

The Company is both the parent company and the ultimate controlling party of the Group.

(Continued)

**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Key management personnel compensation

Key management personnel compensation comprised:

	<b>2024</b>	<b>2023</b>
Short-term employee benefits	\$ 31,223	27,202
Post-employment benefits	1,185	905
Share-based payments	4,201	-
	<b>\$ 36,609</b>	<b>28,107</b>

(8) Pledged assets:

The carrying values of pledged assets were as follows:

<b>Pledged assets</b>	<b>Object</b>	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Property, plant and equipment	Bank loans	\$ 576,000	-
Bank drafts (listed on other current assets)	Payment guarantee and tariff guarantee	500	500
Total		<b>\$ 576,500</b>	<b>500</b>

(9) Commitments and contingencies:

	<b>December 31, 2024</b>	<b>December 31, 2023</b>
Acquisition of property, plant and equipment	\$ 58,441	-
Acquisition of intangible assets	18,500	4,336
Total	<b>\$ 76,941</b>	<b>4,336</b>

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

	<b>For the year ended December 31</b>					
	<b>2024</b>			<b>2023</b>		
	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>	<b>Cost of Sale</b>	<b>Operating Expense</b>	<b>Total</b>
<b>By item</b>						
Employee benefits						
Salary	42,865	239,880	282,745	30,657	167,876	198,533
Labor and health insurance	4,025	18,889	22,914	3,389	16,880	20,269
Pension	2,059	10,746	12,805	1,608	9,138	10,746
Remuneration of directors	-	1,600	1,600	-	1,000	1,000
Others	1,995	10,913	12,908	1,399	8,206	9,605
Depreciation	10,674	16,963	27,637	9,526	17,489	27,015
Amortization	-	4,417	4,417	-	2,251	2,251

(Continued)

## NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

#### (13) Other disclosures:

##### (a) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

- (i) Loans to other parties: None
- (ii) Guarantees and endorsements for other parties: None
- (iii) Securities held as of December 31, 2024 (excluding investment in subsidiaries, associates and joint ventures):

(In Thousands of New Taiwan Dollars)

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest percentage of ownership (%)	Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value		
The Company	Government bonds : United States Department of The Treasury		Non-current financial assets at amortised cost	-	16,027	- %	14,880	- %	
The Company	United States Department of The Treasury		Non-current financial assets at amortised cost	-	32,594	- %	30,394	- %	

- (iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

- (v) Acquisition of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
Neusys Technology Inc.	Jian 8th Road Factory	113.06.27	597,300	597,300	He quan Investment Co., Ltd.	Non-related party				-	Contract	Operational purpose	None

- (vi) Disposal of individual real estate with amount exceeding the lower of NT\$300 million or 20% of the capital stock: None

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

(In Thousands of New Taiwan Dollars)

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase (Sale)	Amount	Percentage of total purchases(sales)	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	Neusys Technology America Inc.	Parent-subsiidiary	(Sales)	(294,772)	(24.21)%	O/A 60 days	-	-	65,268	61.43%	Note
Neusys Technology America Inc.	The Company	Parent-subsiidiary	Purchase	294,772	95.22%	O/A 60 days	-	-	(65,268)	(98.70)%	Note
The Company	Shanghai Neusys Technology Co., Ltd.	Parent-subsiidiary	(Sales)	(84,147)	(6.91)%	O/A 90 days	-	-	16,493	15.52%	Note
Shanghai Neusys Technology Co., Ltd.	The Company	Parent-subsiidiary	Purchase	84,147	49.77%	O/A 90 days	-	-	(16,493)	(96.37)%	Note

Note: The transaction has already been written off in the consolidated financial statement.

(Continued)



## NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(viii) Receivables from related parties with amounts exceeding the lower of NT\$100 million or 20% of the capital stock:

(In Thousands of New Taiwan Dollars)

Name of company	Counter-party	Nature of relationship	Ending balance (note)	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts	Note
					Amount	Action taken			
The Company	Neosys Technology America Inc.	Parent-subsidiary	65,268	Note 1	-		63,310	-	Note 2

Note 1: The calculation of turnover rate excludes other receivables from related parties.

Note 2: The transaction has already been written off in the consolidated financial statements.

(ix) Trading in derivative instruments: None.

(x) Business relationships and significant intercompany transactions:

(In Thousands of New Taiwan Dollars)

No. (note1)	Name of company	Name of counter-party	Nature of relationship (note1)	Intercompany transactions			
				Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	Neosys Technology America Inc.	1	Sales	294,772	On the basis of general conditions	20.39%
0	The Company	Neosys Technology America Inc.	1	Accounts receivable	65,268	O/A 60 days	3.63%
0	The Company	Shanghai Neosys Technology Co., Ltd.	1	Sales	84,147	On the basis of general conditions	5.82%
0	The Company	Shanghai Neosys Technology Co., Ltd.	1	Accounts receivable	16,493	O/A 90 days	0.92%
1	Shanghai Neosys Technology Co., Ltd.	The Company	2	Sales	1,581	On the basis of general conditions	0.11%

Note 1: Assigned numbers represent the following:

1. 0 represents the parent company.
2. The subsidiaries are represented numerically starting from 1.

Note 2: The terms of transactions are defined as follows:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: Intercompany relationships and significant intercompany transactions are only disclosed sales and accounts receivable. The corresponding purchases and accounts payables are not disclosed.

Note 4: The transaction has already been written off in the consolidated financial statement.

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2024 (excluding information on investees in Mainland China):

(In Thousands of New Taiwan Dollars)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount		Balance as of December 31, 2024			Highest percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
				December 31, 2024	December 31, 2023	Shares	Percentage of ownership	Carrying value				
The Company	Neosys Technology America Inc.	U.S.A	Sale of industrial computers	6,974	6,974	220,000	100.00 %	81,255	100.00 %	29,982	29,982	Note 1 and Note 2
The Company	INNOVATION PATH INT'L LTD.	Belize	Investment activities	28,671	28,671	930,000	100.00 %	88,555	100.00 %	(7,307)	(7,307)	Note 1 and Note 2
INNOVATION PATH INT'L LTD.	SYSTEM INNOVATION ENTERPRISE LTD.	Seychelles	Investment activities	29,998 (USD915)	29,998 (USD915)	915,000	100.00 %	92,060 (USD2,808)	100.00 %	(7,257) (-USD226)	(7,257) (-USD226)	Note 1 and Note 2
The Company	Neosys Technology Germany GmbH	Germany	Sale of industrial computers	17,350	-	500,000	100.00 %	16,889	100.00 %	(185)	(185)	Note 1 and Note 2

Note 1: The exchange rate of New Taiwan dollars to US dollars as of December 31, 2024 was 32.785 to 1. The average exchange rate of New Taiwan dollars to US dollars for the year ended December 31, 2024 was 32.112 to 1.

Note 2: The transaction has already been written off in the consolidated financial statements.

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## NIDEC CHAUN-CHOUNG TECHNOLOGY CORPORATION AND SUBSIDIARIES

### Notes to the Consolidated Financial Statements

(c) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of New Taiwan Dollars)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2024	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2024 (note 4)	Net income (losses) of the investee (note 4 and 7)	Percentage of ownership	Highest percentage of ownership	Investment income (losses) (note 5, 6 and 7)	Book value	Accumulated remittance of earnings in current period
					Outflow	Inflow							
Shanghai Neousys Technology Co., Ltd.	Sale of industrial computers	29,507 (USD900) Note 2	2 Note 1	29,507 (USD900)	-	-	29,507 (USD900)	(7,225) (-USD225)	100.00%	100.00%	(7,225) (-USD225)	91,831 (USD2,801)	-

Note 1: Reinvest in Mainland China by establishing investing companies which is the Group 100% owned subsidiary in third region.

Note 2: The exchange rate of New Taiwan dollars to US dollars as of December 31, 2024 was 32.785 to 1. The average exchange rate of New Taiwan dollars to US dollars for the year ended December 31, 2024 was 32.112 to 1.

Note 3: Investment income (losses) is recognized according to the financial statements audited by the CPA of the parent company.

Note 4: The transaction has already been written off in the consolidated financial statement.

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2024	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
29,507 (USD900)	29,507 (USD900)	580,214

Note : The exchange rate of New Taiwan dollars to US dollars as of December 31, 2024 was 32.785 to 1.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(d) Major shareholders:

Shareholder's Name	Shareholding	Shares	Percentage
Lian Dexin Investment Co., Ltd.		3,795,890	14.81 %
Chris Ni		3,400,055	13.27 %
Junyang Investment Co., Ltd.		3,072,703	11.99 %
James Gau		2,400,942	9.37 %
CT Hu		2,001,713	7.81 %
JustRight Investment Co., Ltd.		1,536,350	5.99 %

(i) The information on major shareholders, which is provided by the Taiwan Depository & Clearing Corporation, summarized the shareholders who held over 5% of total non-physical common stocks and preferred stocks (including treasury stocks) on the last business date of each quarter. The registered non-physical stocks may be different from the capital stocks disclosed in the financial statement due to different calculation basis.

(ii) If shares are entrusted, the above information regarding such shares will be revealed by each trustors of individual trust account. The shareholders holding more than 10% of the total shares of the company should declare insider's equity according to Securities and Exchange Act. The numbers of the shares declared by the insider include the shares of the trust assets which the insider has discretion over use. For details of the insider's equity announcement please refer to the TWSE website.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

**(14) Segment information:**

(a) Information about reportable segments and their measurement and reconciliations

The main operating activities of the Group are manufacturing, processing and trading of industrial computers, which is a single industry. The operating decision maker uses the region as the basis for the company's overall operating activities, decision making and performance evaluation, so the operating and reporting departments are distinguished by region.

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The internal management report includes profit before taxation, but not including any extraordinary activity and foreign exchange gain or losses because taxation, extraordinary activity, and foreign exchange gain or losses are managed on a group basis, and hence they are not able to be allocated to each reportable segment. In addition, not all reportable segments include depreciation and amortization of signification maker.

The operating segment accounting policies are similar to those described in note 4 “significant accounting policiescant non-cash items. The reportable amount is similar to that in the report used by the chief operating de” except for the recognition and measurement of pension cost, which is on a cash basis.

The Group treated intersegment sales and transfers as third-party transactions. They are measured at market price.

The Group’s operating segment information and reconciliation are as follows:

	December 31, 2024					
	Segment Taiwan	Segment United States	Segment Mainland China	Segment Germany	Reconciliation and elimination	Total
Revenue						
Revenue from external customers	\$ 838,809	397,549	208,974	-	-	1,445,332
Intersegment revenues	378,919	-	1,581	-	(380,500)	-
<b>Total revenue</b>	<b>\$ 1,217,728</b>	<b>397,549</b>	<b>210,555</b>	<b>-</b>	<b>(380,500)</b>	<b>1,445,332</b>
<b>Reportable segment profit or loss</b>	<b>\$ 234,884</b>	<b>43,103</b>	<b>(7,295)</b>	<b>(185)</b>	<b>(22,491)</b>	<b>248,016</b>
	December 31, 2023					
	Segment Taiwan	Segment United States	Segment Mainland China	Segment Germany	Reconciliation and elimination	Total
Revenue						
Revenue from external customers	\$ 614,644	276,080	164,081	-	-	1,054,805
Intersegment revenues	225,137	-	-	-	(225,137)	-
<b>Total revenue</b>	<b>\$ 839,781</b>	<b>276,080</b>	<b>164,081</b>	<b>-</b>	<b>(225,137)</b>	<b>1,054,805</b>
<b>Reportable segment profit or loss</b>	<b>\$ 127,876</b>	<b>23,970</b>	<b>14,443</b>	<b>-</b>	<b>(30,817)</b>	<b>135,472</b>

The measured amounts of the Group’s assets/liabilities of the reportable segments are not available for operational decision making, and therefore the measured amounts of assets/liabilities are not disclosed.

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**NEOUSYS TECHNOLOGY INC. AND SUBSIDIARIES**  
**Notes to the Consolidated Financial Statements**

(b) Product and service information

Revenue from the external customers of the Group was as follows:

<u>Product and service</u>	<u>2024</u>	<u>2023</u>
Industrial computers	\$ 1,337,291	984,098
Peripheral products and services	<u>108,041</u>	<u>70,707</u>
Total	<u><u>\$ 1,445,332</u></u>	<u><u>1,054,805</u></u>

(c) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

<u>Geographical information</u>	<u>2024</u>	<u>2023</u>
Non-current assets:		
Taiwan	\$ 681,979	65,431
United States	6,712	7,848
Mainland China	<u>2,978</u>	<u>3,915</u>
Total	<u><u>\$ 691,669</u></u>	<u><u>77,194</u></u>

Non-current assets include property, plant and equipment, right-of-use assets, intangible assets, refundable deposits, and other non-current assets, not including financial instruments, and deferred tax assets.

(d) Major customers

The Group's sales to a single customer did not reach more than 10% of operating revenues, therefore, no significant customer information was provided.