CyberTAN Technology Inc. and the subsidiaries
Consolidated Financial Report and Independent Auditors' Report
2023 and 2022
(Stock Code: 3062)

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

CyberTAN Technology Inc. and its subsidiaries

Declaration for Consolidated Financial Statements of Affiliated Companies

The companies to be included by the Company in the consolidated financial statements of affiliated companies in 2023 (January 1, 2023–December 31, 2023) pursuant to the Criteria Governing Preparation of Affiliation Report, Consolidated Business Report and Consolidated Financial Statement of Affiliated Enterprises are the same as those to be included in the consolidated financial statements of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated companies separately.

Declared by:

Company name: CyberTAN Technology Inc.

Responsible person: Gwong-Yih Lee

March 11, 2024

Independent Auditors' Report

(2024) Cai-Shen-Bao-Zi No.23005098

To CyberTAN Technology Inc.:

Audit opinion

We have audited the consolidated balance sheet of CyberTAN Technology Inc. and the subsidiaries (hereinafter referred to as the "CyberTAN Group") as of December 31, 2023 and 2022 and the consolidated statement of comprehensive income, consolidated statement of changes in equity, consolidated statement of cash flows, and the notes to the consolidated financial statements. (including the summary of the material accounting policies) for periods of January 1 to December 31, 2023 and 2022.

In our opinion, the major issues of said consolidated financial statements appear to have been duly worked out in accordance with the Regulations Governing the Preparation of Financial Report by Securities Issuers, International Financial Reporting Standards (IFRS), Regulations and IAS, Interpretations and Interpretation Gazettes recognized and effective upon promulgation by the Financial Supervisory Commission. The financial statements present fairly the consolidated financial position of CyberTAN Group as of December 31, 2023 and 2022, and the consolidated results of financial performance and consolidated cash flow for the periods starting from January 1 till December 31, 2023 and 2022.

Basis for Opinion

We conducted our audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the ROC Standards on Auditing. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. The personnel of the CPA Firm subject to the independence requirement have acted independently from the business operations of CyberTAN Group in accordance with the Code of Ethics for Professional Accountants of the Republic of China and with other responsibilities of the Code of Ethics performed. According to our audits and other independent auditors' report, we believe to have obtained sufficient and appropriate audit evidence in order to be used as the basis for the opinion.

Key audit matters

The "key audit matters" means that the independent auditor has used their professional judgment as the basis to audit the most important matters on the 2023 consolidated financial statements of CyberTAN Group. These matters were addressed in the content 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 those matters.

The key audit matters of the 2023 consolidated financial statements of CyberTAN Group are described as follows:

<u>Evaluation of allowance for inventory valuation loss</u>

<u>Item Description</u>

Regarding the accounting policies for the inventory valuation, please refer to Note 4(14) to the consolidated financial report; for the uncertainty to accounting estimates and assumptions, please refer to Note 5(2) to the consolidated financial report; for description of inventory accounting titles, please refer to Note 6(6) to the consolidated financial report. The balances of valuation loss regarding the inventory and allowance for inventory on December 31, 2023 were NTD 975,457 thousand and NTD 93,967 thousand, respectively.

CyberTAN Group is involved in the manufacturing and sale of communication products. The risk caused by loss on inventory devaluation or the obsolescence of inventory may be higher due to the short life cycle and severe market competition. Inventory is evaluated by CyberTAN Group on the basis of the cost and net realizable value, whichever is lower. The aforementioned loss of allowance for inventory valuation was mainly due to the inventory measured at the cost and net realizable value, whichever is lower, and identification of obsolescent or damaged inventory items. Because the large inventory amount and enormous items of CyberTAN Group as well as the objective judgments of the management concerned during the identification of obsolescent or damaged inventory belong to the field to be determined during the audit, we listed the evaluation of the loss of allowance for inventory valuation of CyberTAN Group as one of the important matters in the audit.

<u>Responsive Audit Procedures</u>

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Adopted the acquired allowance policy for inventory devaluation of CyberTAN Group during the comparative period of financial statements and evaluated the reasonableness of the allowance policy.
2. Acquired the net realizable value statement of inventory cost, randomly checked the related supporting documents, recalculated its accuracy, validated the appropriateness of the logic of the inventory aging report system used for evaluation, conducted spot checks for individual inventory numbers to confirm the degree of inventory closeout and information, and evaluated the basis of the net realizable value estimated by the management and its reasonableness.
3. Checked related information acquired during inventory taking process and inquired the management and personnel related to inventory to confirm conditions of obsolescent, remaining, older, out-of-fashion or damaged inventory neglected in the inventory details.

<u>Evaluation of the loss of accounts receivable</u>

<u>Item Description</u>

Regarding the accounting policies for the loss evaluation of accounts receivable, please refer to Note 4(11) to the consolidated financial report; for the uncertainty to accounting estimates and assumptions regarding the loss evaluation of accounts receivable, please refer to Note 5(2) to the consolidated financial report; for description of accounts receivable accounting titles, please refer to Note 6(5) to the consolidated financial report. The balances of accounts receivable (including the related party) and its allowance loss on December 31, 2023 were NTD 973,225 thousand and NTD 7,476 thousand, respectively.

CyberTAN Group regularly assesses if there is objective evidence implicating the impairment of individual accounts receivable. The assessment method includes the consideration of overdue ages of accounts receivable, customer's financial status, historical trading record and subsequent collections. The Group also calculates loss ratio based on past aging data statement and considers expected credit losses of industrial forward-looking evaluation to estimate the amount of loss allowance to be recognized. Because the estimation process involves the objective judgment of the management toward the preceding impairment evidence, the factor impacting the recognized amount of loss allowance tends to have high uncertainty, causing significant impact on the recoverable amount of accounts receivable. Therefore, we consider CyberTAN Group's evaluation of the impairment loss of accounts receivable as one of the important matters in the audit.

<u>Responsive Audit Procedures</u>

The responsive procedures executed by us for specific aspects specified in the preceding key audit matters are as follows:

1. Understand and evaluate the reasonableness of the allowance policy and procedure regarding the allowance loss of accounts receivables.
2. Acquire the aging data statement the management used to evaluate the expected credit loss ratio of accounts receivable, confirm its data source logic is consistently adopted and test relevant forms to confirm the correctness of its aging data.
3. Evaluate the reasonableness of the estimation used by management to evaluate the expected credit loss ratio of accounts receivable and acquire related supporting documents, including forward-looking adjustments, disputable accounts, status of lasting aging, subsequent collection status, financial status impacting the customer, and signs suggesting the customer is unable to pay as scheduled.

Other matters – Audit related to other CPAs

For the part of the companies invested under equity method in the aforementioned consolidated financial statements of CyberTAN Group, we have not audited the financial statements which was prepared based on different financial report structure, instead other CPAs did. Therefore, our opinions expressed on the amount listed in the said financial statements of the companies were based on the other independent auditor’ s report. The total assets (including investment under the equity method) of the companies was NTD 13,677 thousand and NTD 18,444 thousand on December 31, 2023 and 2022, accounting for 0% and 0% of the total consolidated assets, respectively. The operating revenue from January 1 to December 31, 2023 and 2022 was NTD 0 and NTD 0, accounting for 0% and 0% of the total net consolidated operating revenue.

Other matters – Parent company only financial statement

CyberTAN Group had duly worked out the 2023 and 2022 parent company only financial statement for which we, the Undersigned Certified Public Accountant, have duly worked out standard type, Audit Report with unqualified (unreserved) opinion for reference.

Responsibilities of Management and the Governance Unit with Governance of the Consolidated Financial Statements

The responsibility of management is to ensure that the consolidated financial statements are presented fairly, in all material respects, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the Financial Supervisory Commission. Additionally, management must maintain the necessary internal controls related to the consolidated financial statements to ensure that the consolidated financial statements are free of any material misstatement arising from fraud or error.

In preparing the consolidated financial statements, management is also responsible for assessing the ability of CyberTAN Group to continue as a going concern, disclosing, as applicable, matters related to ongoing concerns and using the going concern basis of accounting unless management either intends to liquidate the CyberTAN Group or to cease operations, or there is a lack of any option except for liquidation or suspension.

The governance unit (including the audit committee) of CyberTAN Group is responsible for supervising the financial reporting process.

Independent Auditors’ Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors’ report. Reasonable assurance is a high level of assurance, but is not a guarantee that any audit conducted in accordance with the ROC auditing standards will always detect a material misstatement in the consolidated financial statements when it exists. Misstatement can arise from fraud or error. If fraud or errors are considered material, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also:

1. Identify and assess the risk of material misstatement of the consolidated financial statements due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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. We acquire the necessary understanding of the internal control mechanism that is related to the audit to design an appropriate audit process for the situation at the time. The purpose of this knowledge is not to express opinions on the effectiveness of the internal control mechanism of the CyberTAN Group.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management level.
4. Based on the acquired audit evidence, we decide whether the going concern accounting basis adopted by the management is suitable, whether events that might affect the going concern capacity of CyberTAN Group exist, and whether there is major uncertainty. A conclusion will be made afterwards. 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 inappropriate, to modify our opinion. Our conclusion is based on the audit evidence acquired as of the date of the audit report. However, future events or conditions may cause the CyberTAN Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including relevant notes), 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 on the financial information of individual companies within the Group in order to express an opinion on the consolidated financial statements. The independent auditor is responsible for guiding, supervising, and implementing the audit of the Group, and also for forming an opinion on the audit of the Group.

We communicate with the governance units 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 in charge of governance with a statement that we have complied with the Code of Ethics for Professional Accountants of the Republic of China 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).

The independent auditor has used the communications with the governing unit as the basis to determine the key audit matters to be performed on the 2023 consolidated financial statements of CyberTAN Group. We clearly state all above matters in the audit report, unless the law prohibits us to publicly disclose certain matters, or under rare circumstances we decide not to include certain matters in the audit report since we can reasonably expect the resulting negative impact is greater than the public interest they bring.

Pricewaterhouse Coopers Taiwan

FENG-MIN CHUAN

CPA

HSU-YUNG CHIEN

Former Securities and Futures Bureau, Financial Supervisory Commission of Executive Yuan
Approval Reference No.: Jin-Guan-Zheng-Liu-Zi No. 0960038033
Former Securities and Futures Commission, Ministry of Finance
Approval Reference No.: (84)-Tai-Cai-Zheng-(Liu) No. 13377

March 11, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,502,583	21	$ 1,355,849	18
1110	Financial assets measured at fair value through profit or loss - current	6(2)	1,613	-	-	-
1136	Financial assets measured at amortized cost – current	6(4) and 8	904,551	13	550,441	7
1170	Accounts receivable, net	6(5)	806,114	11	1,324,474	18
1180	Accounts receivable – the related party, net	6(5) and 7	159,635	2	652,969	9
1200	Other receivables	7	44,696	1	50,804	1
1220	Income tax assets in the current period		5,561	-	14,777	-
130X	Inventory	6(6)	881,490	13	1,148,332	15
1470	Other current assets		19,981	-	9,273	-
11XX	**Total current assets**		4,326,224	61	5,106,919	68
	Non-current assets					
1517	Financial assets measured at fair value through profit or loss – non-current	6(3)	10,464	-	18,235	-
1535	Financial assets measured at amortized cost -non-current	6(4) and 8	308,809	4	22,504	-
1550	Investment at equity method	6(7)	783,537	11	965,229	13
1600	Property, plant and equipment	6(8)	900,758	13	807,507	11
1755	Right-of-use assets	6(9) and 7	386,686	6	296,273	4
1780	Intangible assets		24,957	-	18,068	-
1840	Deferred income tax assets	6(28)	116,459	2	64,320	1
1900	Other non-current assets	6(12)	216,199	3	212,159	3
15XX	**Total non-current assets**		2,747,869	39	2,404,295	32
1XXX	**Total assets**		$ 7,074,093	100	$ 7,511,214	100

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term loans	6(13)	$ 590,516	8	$ 449,955	6
2130	Contract liabilities – current	6(21)	48,648	1	57,990	1
2170	Accounts payable		822,316	11	1,038,097	14
2180	Accounts payable – the related party	7	44,169	1	22,797	-
2200	Other payables		186,972	3	194,218	3
2220	Other payables – the related party	7	12,385	-	18,007	-
2230	Income tax liabilities in the current period		-	-	10,531	-
2250	Liability reserve – current	6(16)	4,345	-	9,367	-
2280	Lease liabilities – current	7	53,091	1	55,287	1
2365	Refund liabilities – current		2,795	-	4,645	-
2399	Other current liabilities -others		87,397	1	75,865	1
21XX	**Total current liabilities**		1,852,634	26	1,936,759	26
	Non-current liabilities					
2550	Liability reserve – non-current	6(16)	8,594	1	9,144	-
2570	Deferred income tax liabilities	6(28)	6,431	-	5,573	-
2580	Lease liabilities – non-current	7	429,673	6	488,301	7
2600	Other non-current liabilities	7	6,832	-	6,570	-
25XX	**Total non-current liabilities**		451,530	7	509,588	7
2XXX	**Total liabilities**		2,304,164	33	2,446,347	33
	Equity attributable to parent company shareholders					
	Capital stock	6(17)				
3110	Common stock		3,302,554	47	3,302,154	44
	Capital reserves	6(18)				
3200	Capital reserves		622,678	9	620,772	8
	Retained earnings	6(19)				
3310	Legal reserve		825,257	11	825,257	11
3320	Special reserve		162,392	2	122,154	2
3350	Undistributed earnings		28,086	-	393,963	5
	Other equity	6(10)				
3400	Other equity		(169,612)	(2)	(199,433)	(3)
	Treasury stocks	6(17)				
3500	Treasury stocks		(1,426)	-	-	-
31XX	**Total equity attributable to parent company shareholders**		4,769,929	67	5,064,867	67
3XXX	**Total equity**		4,769,929	67	5,064,867	67
	Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	9				
	Significant Subsequent Events	11				
3X2X	**Total liabilities and equity**		$ 7,074,093	100	$ 7,511,214	100

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee   Manager: Gwong-Yih Lee   Accounting Officer: I-Wen Li

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(Except the unit of loss per share is NTD)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	6(21) and 7	$ 3,805,393	100	$ 5,753,342	100
5000	Operating cost	6(6)(26) (27) and 7	(3,795,451)	(100)	(5,466,483)	(95)
5950	Net operating gross profit		9,942	-	286,859	5
	Operating expense	6(26)(27) and 7				
6100	Selling expenses		(64,161)	(2)	(50,599)	(1)
6200	Administrative expenses		(133,474)	(3)	(161,246)	(3)
6300	R&D expenses		(291,030)	(7)	(275,649)	(5)
6450	Expected credit impairment gains (losses)	12(2)	12,166	-	(12,286)	-
6000	Total operating expenses		(476,499)	(12)	(499,780)	(9)
6900	Operating losses		(466,557)	(12)	(212,921)	(4)
	Non-operating revenue and expenses					
7100	Interest revenue	6(22)	36,050	1	21,761	1
7010	Other revenue	6(23) and 7	79,434	2	93,375	2
7020	Other gains and losses	6(24)	143,709	4	(162,238)	(3)
7050	Financial Costs	6(25) and 7	(31,864)	(1)	(37,453)	(1)
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(7)	(126,063)	(3)	(109,162)	(2)
7000	Total non-operating income and expense		101,266	3	(193,717)	(3)
7900	**Net profit before tax**		(365,291)	(9)	(406,638)	(7)
7950	Income tax benefits	6(28)	48,461	1	39,964	1
8200	**Current net loss**		($ 316,830)	(8)	($ 366,674)	(6)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NTD thousand
(Except the unit of loss per share is NTD)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income					
	Items not reclassified to profit or loss					
8311	Remeasurement of defined benefit plan	6(14)	$ 2,041	-	$ 5,438	-
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(3)(20)	(7,764)	-	(56,046)	(1)
8320	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items not reclassified to profit or loss	6(7)	2,311	-	(13,875)	-
8349	Income tax related to items not reclassified	6(28)	(408)	-	(654)	-
8310	Total of items not reclassified to profit or loss		(3,820)	-	(65,137)	(1)
	Items may be reclassified to profit or loss subsequently					
8361	Exchange difference in the financial statement translation of the foreign operation	6(20)	1,715	-	32,671	-
8370	The share of other comprehensive income of affiliated companies, joint ventures recognized under the equity method – items may be reclassified to profit or loss	6(7)(20)	562	-	12,912	-
8399	Income tax related to items may be reclassified	6(20)(28)	(343)	-	(6,535)	-
8360	Total of items may be reclassified to profit or loss subsequently		1,934	-	39,048	-
8300	**Other comprehensive income (net amount)**		($ 1,886)	-	($ 26,089)	(1)
8500	**Total comprehensive income for the year**		($ 318,716)	(8)	($ 392,763)	(7)
	Net profit attributable to:					
8610	Parent company shareholders		($ 316,830)	(8)	($ 366,674)	(6)
	The total comprehensive income attributable to:					
8710	Parent company shareholders		($ 318,716)	(8)	($ 392,763)	(7)
	Basic losses per share	6(29)				
9750	Total basic losses per share		($ 0.97)		($ 1.12)	

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee Manager: Gwong-Yih Lee Accounting Officer: I-Wen Li

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	Equity attributable to parent company shareholders									
				Retained earnings			Other equity				
	Notes	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
2022											
Balance at January 1, 2022		$ 3,286,054	$ 572,050	$ 821,042	$ 187,892	$ 701,395	($ 118,968)	($ 3,186)	$ -	$ -	$ 5,446,279
Current net loss		-	-	-	-	(366,674)	-	-	-	-	(366,674)
Other comprehensive income for the year	6(20)	-	-	-	-	12,425	39,048	(77,562)	-	-	(26,089)
Total comprehensive income for the year		-	-	-	-	(354,249)	39,048	(77,562)	-	-	(392,763)
Appropriation and allocation of earnings in 2021:	6(19)										
Allocated legal reserve		-	-	4,215	-	(4,215)	-	-	-	-	-
Reversal of special reserves		-	-	-	(65,738)	65,738	-	-	-	-	-
Allocation of cash dividends		-	-	-	-	(16,430)	-	-	-	-	(16,430)
Disposal of equity instrument measured at fair value through other comprehensive income	6(3)(20)	-	-	-	-	1,856	-	(1,856)	-	-	-
Issuance of new restricted employee shares	6(15)(17)(18)(20)	16,100	28,392	-	-	-	-	-	(44,492)	-	-
Share-based payment for remuneration	6(15)(20)	-	-	-	-	-	-	-	7,451	-	7,451
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	6(7)(18)	-	20,459	-	-	-	-	-	-	-	20,459
Disposal of investments accounted for using the equity method	6(18)(20)	-	(129)	-	-	(132)	-	132	-	-	(129)
Balance at December 31, 2022		$ 3,302,154	$ 620,772	$ 825,257	$ 122,154	$ 393,963	($ 79,920)	($ 82,472)	($ 37,041)	$ -	$ 5,064,867

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee　　Manager: Gwong-Yih Lee　　Accounting Officer: I-Wen Li

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Changes in Shareholders' Equity
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		Equity attributable to parent company shareholders									
				Retained earnings			Other equity				
	Notes	Common stock	Capital reserves	Legal reserve	Special reserve	Undistributed earnings	Exchange difference in the financial statement translation of the foreign operation	Unrealized profit or loss of financial assets measured at fair value through other comprehensive income	Employees' unearned remuneration	Treasury stocks	Total
2023											
Balance at January 1, 2023		$ 3,302,154	$ 620,772	$ 825,257	$ 122,154	$ 393,963	($ 79,920)	($ 82,472)	($ 37,041)	$ -	$ 5,064,867
Current net loss		-	-	-	-	(316,830)	-	-	-	-	(316,830)
Other comprehensive income for the year	6(20)	-	-	-	-	186	1,934	(4,006)	-	-	(1,886)
Total comprehensive income for the year		-	-	-	-	(316,644)	1,934	(4,006)	-	-	(318,716)
Appropriation and allocation of earnings in 2022:	6(19)										
Allocated special reserve		-	-	-	40,238	(40,238)	-	-	-	-	-
Issuance of new restricted employee shares	6(15)(17)(18)(20)	1,300	1,364	-	-	-	-	-	(2,664)	-	-
Revocation of restricted employee shares	6(15)(17)(18)(20)	(900)	(1,175)	-	-	-	-	-	2,075	-	-
Share-based payment for remuneration	6(15)(20)	-	-	-	-	-	-	-	23,487	-	23,487
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	6(7)(18)	-	10,953	-	-	-	-	-	-	-	10,953
Disposal of investments accounted for using the equity method	6(18)(20)	-	(9,236)	-	-	(8,995)	-	8,995	-	-	(9,236)
Repurchase of treasury shares	6(17)	-	-	-	-	-	-	-	-	(17,573)	(17,573)
Transfer of treasury stock to employees	6(17)	-	-	-	-	-	-	-	-	16,147	16,147
Balance at December 31, 2023		$ 3,302,554	$ 622,678	$ 825,257	$ 162,392	$ 28,086	($ 77,986)	($ 77,483)	($ 14,143)	($ 1,426)	$ 4,769,929

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee　　Manager: Gwong-Yih Lee　　Accounting Officer: I-Wen Li

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from operating activities			
Net loss before tax for the period		($ 365,291)	($ 406,638)
Adjustment items			
Income/expenses items			
Depreciation expenses	6(26)	121,217	94,710
Miscellaneous expenses – depreciation expenses	6(24)	20,694	20,533
Amortization expenses	6(26)	4,590	1,950
Expected credit impairment (gains) losses	12(2)	(12,166)	12,286
Net loss from financial assets at fair value through profit or loss	6(2)(24)	24,982	-
Interest revenue	6(22)	(36,050)	(21,761)
Interest expenses	6(25)	31,864	37,453
Miscellaneous expenses – Interest expenses	6(24)	2,180	2,334
Dividend revenue	6(3)(23)	-	(10,095)
Share of profit or loss from affiliated companies under the equity method	6(7)	126,063	109,162
Gains on disposal of investment accounted for using equity method	6(7)(24)	(208,691)	(4,039)
Gains on disposal of property, plant and equipment	6(24)	(2,509)	(5,748)
Share-based payment for remuneration	6(15)(27)	23,487	7,451
Impairment loss of right-of-use assets	6(11)(24)	-	218,302
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Financial assets measured at fair value through profit or loss		(26,595)	-
Accounts receivable (including the related party)		1,023,860	(944,119)
Inventory		266,842	(603,111)
Other receivables		9,126	(40,767)
Other current assets		(10,708)	(2,787)
Other non-current assets		(2,184)	(328)
Net changes of liabilities related to operating activities			
Contract liabilities - current		(9,342)	23,930
Accounts payable (including the related party)		(194,409)	401,897
Other payables (including the related party)		(22,031)	688
Refund liabilities – current		(1,850)	2,494
Liability reserve		(5,572)	4,043
Other current liabilities		11,532	41,253
Advance on rent		-	(1,087)
Cash inflow (outflow) from operations		769,039	(1,061,994)
Income tax paid		(5,322)	(6,038)
Net cash inflow (outflow) from operating activities		763,717	(1,068,032)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flow
January 1 to December 31, 2023 and 2022

Unit: NTD thousand

	Notes	January 1 to December 31, 2023	January 1 to December 31, 2022
Cash flow from investing activities			
Disposal of financial assets proceeds measured at fair value through profit or loss	6(3)	$ -	$ 1,892
Acquisition/disposal of financial assets measured at amortized cost		(640,415)	638,332
Proceeds from disposal of investment under equity method	6(7)	331,103	6,125
Acquisition of investment under equity method	6(7)	(63,042)	(95,511)
Acquisition of property, plant, and equipment	6(30)	(215,215)	(132,869)
Disposal of property, plant, and equipment proceeds		2,837	8,890
Decrease in refundable deposit		186	6,227
Acquisition of intangible asset		(11,517)	(3,689)
Interest received		33,032	21,794
Dividends received	6(3)(23)	-	10,095
Cash dividend distributed by affiliated companies recognized under the equity method	6(7)	849	2,445
Acquisition for right-of-use assets	6(30)	(126,252)	-
Net cash (outflow)inflow from investing activities		(688,434)	463,731
Cash flow from financing activities			
Increase (decrease) in short-term loans		140,561	(120,495)
Increases (decrease) in guarantee deposits		262	(1,317)
Repayment of lease principal	6(31)	(48,354)	(51,324)
Allocation of cash dividends	6(19)	-	(16,430)
Interest paid		(37,337)	(34,263)
Cost of repurchase of treasury shares	6(17)	(17,573)	-
Employee purchase of treasury shares	6(17)	16,147	-
Net cash inflow (outflow) from financing activities		53,706	(223,829)
Foreign exchange rate effect		17,745	13,654
Increase (decrease) in cash and cash equivalents in the current period		146,734	(814,476)
Balance of cash and cash equivalents, beginning		1,355,849	2,170,325
Balance of cash and cash equivalents, ending		$ 1,502,583	$ 1,355,849

Please refer to the notes of the consolidated financial statements, which constitute a part of the consolidated financial report.

Chairman: Gwong-Yih Lee　　Manager: Gwong-Yih Lee　　Accounting Officer: I-Wen Li

Unit: NTD thousand
(Unless otherwise specified)

I. Company History and Business Scope

CyberTAN Technology Inc. (hereinafter referred to as the "the Company") was established in the Republic of China. The Company and the subsidiaries (hereinafter referred to as "the Group") have mainly engaged in wired communication mechanical equipment manufacturing, electronic components manufacturing, and the R&D, development and sales of broadband internet routers, gateways, virtual private networks, firewalls, Layer 3 and Layer 4 switches, wired broadband network security routers and wireless broadband network security routers.

II. Approval Date and Procedures of the Financial Statements

The consolidated financial report was released after being approved by the board of directors on March 11, 2024.

III. New Standards, Amendments, and Interpretations Adopted

(I) Effect of adopting the new promulgated or amended IFRS endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The following table sets forth the standards and interpretations of new releases, amendments, and amendments of the IFRSs applicable in 2023 that were approved and promulgated by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IAS 1 "Disclosure of Accounting Policies"	January 1, 2023
Amendments to IAS 8 "Definition of Accounting Estimates"	January 1, 2023
Amendments to IAS 12 regarding "Deferred income tax relating to assets and liabilities arising from a single transaction"	January 1, 2023
Amendments to IAS No. 12 "International Tax Reform – Pillar 2 Template"	May 23, 2023

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2024 as approved by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IFRS 16, “Lease Liabilities in a Sale and Leaseback”	January 1, 2024
Classification of liabilities as current or non-current (Amendments to IAS 1)	January 1, 2024
Amendments to IAS 1 “Non-current liabilities with contractual clauses”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Financing Arrangements”	January 1, 2024

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and amendments to the IFRSs issued by the IASB but not yet endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between an Investor and its Associate or Joint Venture”	To be decided by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025

The Group evaluated that the above standards and interpretations applicable have no significant impact on the financial status and business results of the Group.

IV. Summary of Significant Accounting Policies

The major accounting policies applied to prepare the consolidated financial statements are as follows. Unless otherwise provided, the policies have been applied during all the presentation period.

(I) Compliance Statement

The consolidated financial report was prepared in accordance with the “Regulations Governing the Preparation of Financial Report by Securities Issuers,” and the IFRS, IAS, IFRIC and SIC (hereinafter referred to as the “IFRSs”) endorsed and issued into effect by FSC.

(II) Basis of preparation

1. Except the following important items, the consolidated financial report was prepared based on the historical cost:
   (1) Financial assets (including derivatives) measured at fair value through profit or loss based on fair value.
   (2) Financial assets measured at fair value through other comprehensive income based on fair value.

(3) Defined benefit assets stated based on the net after pension fund assets less the present value of defined benefit obligations.

2. The preparation of the financial report that complies with IFRSs requires some important accounting estimates. The application of the Group's accounting policy also requires the management to use their judgment during the process. For items involving high judgment or complexity or items involving important estimates and assumptions of the consolidated financial report, please refer to the description in Note 5.

(III) Basis of consolidation

1. Principle for the preparation of consolidated financial statements

(1) The Group included all of the subsidiaries in the consolidated financial statements. Subsidiaries mean the entities controlled by the Group (including structured entities). When the Group is exposed to the changes of remuneration participated by the entities or is entitled to changes of remuneration, and is able to influence the remuneration by virtue of its power over the entities, the Group is held controlling the entities. The subsidiaries are included in the consolidated financial statements on the date when the Group acquires the controlling power, and the consolidation shall be suspended as of the date when the Group forfeits the controlling power.

(2) Unrealized gains on transactions between the Group companies are eliminated to the extent of the Group's interest in the associates. Accounting policies of the subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(3) Elements of the income and other comprehensive income shall be vested in parent company shareholders and non-controlling equity. The total comprehensive income shall be vested in parent company shareholders and non-controlling equity, even if the non-controlling equity suffers loss.

(4) Where the changes in shareholdings of subsidiaries don't result in forfeiture of controlling power (transactions with non-controlling equity), they shall be processed as equity transactions, which are identified as the transactions with parent company shareholders. The price difference between the adjustment value of non-controlling equity and fair value of paid or collected consideration was directly recognized as equity.

(5) When the Group forfeits control over its subsidiaries, its residual investment in the subsidiaries shall be remeasured based on fair value, and identified as the fair value of financial asset recognized initially or cost of the investment in affiliated companies or joint ventures recognized initially. The price difference between the fair value and book value is stated as current income. Where the accounting treatment for the values related to the subsidiaries as stated in other comprehensive income previously is identical with the basis for the Group's direct disposition of related assets or liabilities, namely, if the gain or loss stated in other comprehensive income previously would be reclassified into profit or loss when the related assets or liabilities are disposed of, the profit or loss shall be reclassified into income from equity when the Group forfeits control over the subsidiaries.

2. The subsidiaries covered within the consolidated financial report:

Name of investor	Name of subsidiary	Nature of business	Equity percentage December 31, 2023	Equity percentage December 31, 2022	Description
The Company	CyberTAN Corp U.S.A)	Sales company	100%	100%	
"	Ta Tang Investment Co., Ltd.	General investment business	100%	100%	
"	CyberTAN (B.V.I) Investment Corp.	"	100%	100%	
"	SonicFi INC.	Sales company	100%	-	(1)
CyberTAN (B.V.I) Investment Corp.	FU HAI Technology Company Limited	Manufacturing company	100%	-	(2)
CyberTAN (B.V.I) Investment Corp.	HON YAO FU Technology Company Limited	Manufacturing company	100%	100%	
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	General investment business	100%	100%	
CyberTAN Technology (HONG KONG) Limited	Fuhongkang Technology (Shenzhen) Co., Ltd.	Manufacturing company	100%	100%	
Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	"	100%	100%	

(1) The Group directly invested in SonicFi INC. on November 23, 2023 and acquired 100% of its equity, which was included in the consolidated financial statements from the date of investment.

(2) The Group directly invested in FU HAAI Technology Company Limited on June 12, 2023 and acquired 100% of its equity, which was included in the consolidated financial statements from the date of investment.

3. The subsidiaries that are not included in the consolidated financial statements: None.

4. Different adjustment and treatment by subsidiaries in the accounting period: None.

5. Significant restrictions: None.

6. Subsidiaries over which the Group holds important non-controlling equity: None.

(IV) Translation of foreign currency

Each item listed in the separate financial statements of the Group is measured by the currency of the primary economic environment in which the business department is situated (i.e. functional currency). The consolidated financial report was prepared in the Company's functional currency, "NTD."

1. Foreign currency transaction and balance

(1) Foreign currency transaction converts the conversion difference generated by the transaction to functional currency adopting the spot exchange rate on the date of transactions or measurement date and recognizes the difference as current profit or loss.

(2) The monetary assets and balance of liabilities in foreign currency are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by adjustment is recognized as current profit or loss.

(3) For non-monetary assets and balance of liabilities in foreign currency, those measured at fair value through profit or loss are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by the adjustment is recognized as current profit or loss. Those measured at fair value through other comprehensive income are adjusted based on the spot exchange rate evaluation on the balance sheet date and the conversion difference generated by the adjustment is recognized as another comprehensive income item. Those not measured at fair value are measured at the historical exchange rate on the initial transaction date.

(4) All exchange gain or loss is listed in “Other Profit and Loss” of profit and loss statement.

2. Translation of the foreign operation

(1) For all Group’s entities, affiliated companies and joint agreements with differences in functional currency and presentation currency, the business result and financial status is converted to presentation currency by the following method:

A. The assets and liabilities presented in each balance sheet were translated based on the exchange rates closed on every balance sheet date;

B. The profits and losses presented in each statement of comprehensive income were translated in accordance with the average exchange rates in current period; and

C. All resulting exchange differences were recognized under other comprehensive income.

(2) When the foreign operation for partial disposal or selling is a subsidiary, the accumulated exchange differences recognized under other comprehensive income are reattributed proportionally as non-controlling equity of the subsidiary. However, when the Group maintains partial rights of the former subsidiary but loses the control over the subsidiary included in the foreign operation institutions, it is conducted based on the disposal of all equity in the foreign operation institutions.

(V) Classification of assets and liabilities as current and non-current

1. Assets that match any of the following conditions shall be classified as current assets:

(1) Assets expected to be realized, intent to be sold or consumed over the normal operating cycles.

(2) Primarily for trading purposes.

(3) Assets expected to be realized within 12 months after the balance sheet date.

(4) Assets in cash or cash equivalents, except for those that are used for an exchange or to settle a liability, or otherwise remain restricted for more than 12 months after the balance sheet date.

The Group listed all assets that did not comply with the following conditions as non-current assets.

2. Assets that match any of the following conditions shall be classified as current liabilities:

(1) Liabilities expected to be settled in normal business cycle.

(2) Primarily for trading purposes.

(3) Liabilities expected to be settled within 12 months after the balance sheet date.

(4) Liabilities with settlement period which cannot be unconditionally deferred for at least 12 months after the date of the balance sheet. Liabilities under the terms that give counterparties the option to repay in the form of equity instruments and without the effect on their classification due to such terms.

The Group listed all assets that did not comply with the following conditions as non-current liabilities.

(VI) Cash equivalents

Cash equivalent includes short-term and highly liquid investments that are readily convertible to known amounts of cash with insignificant risk of changes in value. The time deposits that fall into the above definition and are intended to satisfy the short-term cash commitment shall be classified as cash equivalents.

(VII) Financial assets measured at fair value through profit or loss

1. This refers to financial assets not measured at amortized cost or measured at fair value through other comprehensive income.

2. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through profit or loss.

3. It is initially recognized at fair value by the Group while the transaction cost is recognized in profit or loss upon being incurred. Subsequent valuation is based on the fair value measurement and the resulting gain or loss is recognized as profit or loss.

(VIII) Financial assets measured at fair value through other comprehensive income

1. This refers to the irrevocable choice at initial recognition to recognize the later fair value change of the equity instrument investment held not for transaction in other comprehensive profit or loss; or at the same time, the debt instrument investment meets the following conditions:
   (1) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows or to sell.
   (2) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at fair value through other comprehensive income.

3. It is initially recognized at fair value plus the transaction cost by the Group and the subsequent valuation is measured at fair value:
   (1) The changes in fair value belonging to equity instrument investment are recognized as other comprehensive income. During derecognition, accumulated profit or loss previously recognized in other comprehensive income shall not be subsequently reclassified as profit or loss but classified as retained earnings. When the Group is entitled to collect dividends, the economic effect related to the dividend may inflow and the amount of revenue can be measured reliably. Therefore, the related dividend revenue shall be recognized as profit or loss.
   (2) The changes in fair value belonging to equity instrument investments are recognized as other comprehensive income. The impairment loss, interest income, and exchange gain or loss in foreign currency before derecognition are recognized as profit or loss. During derecognition, the accumulated profit or loss previously recognized in other comprehensive income will be reclassified from equity to profit or loss.

(IX) Financial assets measured at amortized cost

1. This refers to those meeting the following conditions at the same time:
   (1) The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows.
   (2) The contractual terms of the financial asset give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts the trade date accounting for financial assets in accordance with the general trade practice measured at amortized cost.

3. The Group measures its fair value plus transaction costs at the time of initial recognition. Subsequently, the effective interest method is adopted to recognize interest income and impairment loss in the current period according to the amortization procedure. At the time of derecognition, the loss is recognized in profit and/or loss.

4. The time deposit not complying with cash equivalents held by the Group is measured at investment amount since the impact of discounting was insignificant.

(X) Accounts receivable

1. This refers to accounts from the rights to receive consideration without any condition due to commodity transfer or labor service based on contract agreement.
2. This belongs to short-term accounts receivable with unpaid interest. The invoice payable was measured at the initial per value by the Group since the impact of discounting was insignificant.

(XI) Impairment of financial assets

For debt instrument investment measured at fair value through other comprehensive income, financial assets measured at amortized cost and accounts receivable that comprise material financial parts, after taking reasonable and supporting materials into consideration (including forward-looking ones) on each balance sheet date, the Group measures the loss allowance based on 12-month expected credit losses for those without significant increase in credit risk after initial recognition; for those with significant increase in credit risk after initial recognition, the loss allowance is measured based on the amount of the expected credit losses throughout the duration; for accounts receivable excluding material financial parts, the allowance loss is measured at the amount of the expected credit losses throughout the duration.

(XII) Derecognition of the financial assets

The Group will derecognize financial assets only in the event where the interests on a contract for financial assets-based cash flow ceased to be effective.

(XIII) Lease transactions of lessor – operating lease

The lease income from operating lease deducting any given incentives of the lessee is amortized and recognized as current profit or loss under straight-line method over the lease period.

(XIV) Inventory

Inventories are measured at the lower of cost or net realizable value while the cost is determined by weighted average method. The cost of finished product and goods in process includes material, direct manpower, other direct costs and manufacturing expenses related to production (amortized based on normal productivity) without loan cost. The item-by-item comparison method is adopted when comparing the cost or net realizable value, whichever is lower. Net realizable value is the estimated selling price in ordinary course of business less the estimated cost of completion and the estimated cost of sales balance.

(XV) Investments under the equity method – affiliated companies

1. The affiliated companies refer to the entity in which the Group has significant impact upon and often holds more than 20% of voting shares directly or indirectly. The investment of the Group in the affiliated companies adopts the equity method for disposal and is recognized based on cost upon acquisition.
2. The shares in profit or loss acquired from affiliated companies by the Group was recognized as current profit or loss and shares of other comprehensive income was recognized as other comprehensive income. In the event that the Group’s shares of loss in the affiliated companies is equal to or exceed its equity in the affiliated companies (including other unsecured receivables), the Group does not recognize further losses, unless in the event of occurrence of legal obligations, presumed obligations or within the scope that the Group made payment on behalf of the affiliated companies.
3. When changes to equity irrespective of profit and loss or comprehensive income occur

to affiliated companies with no impact on the shareholding ratio of the Group, all of changes in equity will be recognized as "capital reserves" based on the shareholding ratio by the Group.

4. The unrealized profit or loss deriving from the transactions between the Group and the affiliated companies were written off based on the equity ratio of the affiliated companies; the unrealized loss was written off unless the evidence displayed the impairment of transferred assets in such transaction. Accounting policies of the affiliated companies have been adjusted where necessary to ensure consistency with the policies adopted by the Group.
5. If the Group fails to subscribe or acquire new shares in proportion to the issuance of new shares by the affiliated enterprise, resulting in a change in the proportion of investment but still a material influence on the affiliate, the increase or decrease in the change in the net value of the equity will be the adjustment of the "capital reserves" and "investments under the equity method." If the investment ratio decreases as a result, in addition to the above-mentioned adjustment, the profit or loss recognized under other comprehensive income related to the decrease in ownership interest, and such profit or loss must be reclassified to if any, it is reclassified to profit or loss in proportion to the decrease.
6. When the Group forfeits its material influence over the affiliated companies, if the Group disposes of the affiliated companies, the accounting treatment for the values related to the affiliated companies as stated in other comprehensive income previously is identical to the basis for the Group's direct disposition of related assets or liabilities. Namely, if the gain or loss stated in other comprehensive income previously would be reclassified into income when the related assets or liabilities are disposed of, the gain or loss shall be reclassified into income from equity when the Group has no significant impact on the affiliated companies. Provided that where it still has material influence over the affiliated companies, the amount previously recognized in other comprehensive income is transferred according to the method stated above based on the proportion.
7. When the Group disposes of an affiliate, the capital surplus of the affiliate is transferred to profit or loss if the Group loses significant influence on the affiliate. If there is still significant influence, profit or loss shall be transferred in proportion to the disposal.

(XVI) Property, plant and equipment

1. Property, plant and equipment is accounted at acquisition cost at initiation and the relevant interest is capitalized during the purchase and construction period.
2. The subsequent cost is included in the book value of assets or recognized as single asset only when future economic benefits related to such item will probable inflow to the Group and the cost of such item can be measured reliably. The book value of the replaced part shall be derecognized. All other repair expenses are recognized as profit or loss upon occurring.
3. Except for land, which is not depreciated, the subsequent measurement of property, plant, and equipment adopts the cost model and the depreciation is calculated over the estimated useful lives in accordance with the straight-line method. The property, plant and equipment are depreciated and for each and every major part individually.
4. The Group at least reviews the residual value, estimated useful years and depreciation method of each asset at the end of each fiscal year. If the expected values of the residual value and useful years are different from the previous estimate or the expected consumption pattern used in future economic benefits of such asset has significant changes, it is conducted based on the accounting estimate of IFRS 8 "Accounting

Policies, Changes in Accounting Estimates and Errors" since the date of change. The useful life of each asset are as follows:

House and buildings	3 – 41 years
(The useful life of interior construction is 3–10 years)	
Machinery and equipment	3 – 10 years
Transportation equipment	5 years
Office equipment	2 – 10 years
Other equipment	2 – 5 years

(XVII) Lease transactions of lessee – right-of-use assets/lease liabilities

1. The lease asset is recognized as right-of-use assets and lease liabilities upon the date available for use by the Group. When the lease contract is a short-term lease or a low-valued underlying asset lease, the lease payment is recognized as expenses on a straight-line method within the lease period.
2. The unpaid lease payment is recognized as lease liability based on present value discounted at the Group's incremental borrowing rate of interest on the start date of lease. The lease payment belongs to fixed payment deducting any received lease incentives.

   Subsequently, it is measured at the amortized cost under the interest method, and the interest expense are recognized during the lease period. When changes in lease term or lease payment is not caused by contract modification, lease liabilities will be reevaluated and the remeasurement will be used to adjust right-of-use assets.
3. The right-of-use assets are recognized based on the cost on the starting date of the lease, the cost includes:

   (1) The original measured amount of lease liability;
   (2) Any lease payment paid before or on the starting date; and
   (3) Initial direct costs incurred.

   The subsequence is measured by cost model and the right-of-use assets provide depreciation from the starting date of lease, up to the durable life expires or the lease period expires, the earlier prevails. When the lease liabilities are reassessed, the right-of-use assets will adjust any remeasurement of the lease liabilities.
4. For the lease modification regarding the decrease in scope of the lease, the lessee will decrease the book amount of right-of-use assets to reflect partial or overall termination of the lease and will recognize the difference between it and the remeasurement amount of lease liabilities as profit or loss.

(XVIII) Intangible assets

The computer software is recognized by acquisition cost and is amortized under straight-line method based on 1 – 3 years of useful life.

(XIX) Impairment of non-financial assets

The Group will estimate the recoverable amount of the assets which show signs of impairment on the balance sheet date, and an impairment loss will be recognized if the recoverable amount falls below the asset's face value. The recoverable amount is the fair value of an asset less the disposition cost or the use value, whichever is higher. Impairment loss recognized in previous years on assets may be reversed if the basis of impairment no longer exists or is reduced. Notwithstanding, the increase in book value of the asset resulting from the reversal must not exceed the face value of the asset less depreciation or amortization without impairment.

(XX) Loans

This refers to the short-term amounts borrowed from the bank. Loans of the Group is measured based on the fair value less trading cost at the time of initial recognition. The subsequent measurement of any difference between the price deducting trading cost and redemption value, its interest expenses shall be recognized in profit or loss based on amortized procedure under effective interest method within the outstanding period.

(XXI) Accounts payable

1. This means debt generated from the purchase of materials, commodities or labor services on credit, and accounts payable due to business and non-business reasons.
2. This belongs to short-term accounts payable with unpaid interest. The invoice payable was measured at the initial per value by the Group since the impact of discounting was insignificant.

(XXII) Derecognition of the financial liabilities

The Group will have the financial liabilities derecognized when the contractual obligation is performed, discharged, or expired.

(XXIII) Offsetting of financial assets and liabilities

The financial assets and liabilities may be offset and the net amount is presented in the balance sheet when there is a legally enforceable right to offset the recognized amounts of the financial assets and liabilities and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXIV) Liability reserve

The reserve for warranty liabilities shall be recognized when the Group has a legal or constructive obligation as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The reserve for liabilities is measured by the best estimated present value paid to settle the obligation on the balance sheet date. The discount rate adopts the pre-tax discount rate that reflects the specific risk assessment of the current market toward the time value of money and the liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the reserve for liabilities.

(XXV) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at non-discounted amount expected to be paid, and stated as expenses when the relevant services are provided.

2. Pension

   (1) Defined appropriation plan
   Under the defined contribution plan, every contribution made to the pension fund is recognized as pension cost in the period occurred using the accrual basis. The prepaid contribution may be stated as assets, insofar as it may be refunded in cash or the future payment is reduced.

   (2) Defined benefit plan

A. The net obligation under the defined benefit pension plan is converted to the present value based on the future benefit earned from the services provided by the employees under various benefit plans in the current period or in the past, and the present value of defined benefit obligations on the balance sheet date less the fair value of the planned assets. An actuary uses the Projected Unit Credit Method to estimate defined benefit obligations each year. The discount rate is based on the market yield rate of government bonds (on the balance sheet date) that have the same currency exposure and maturity date as the obligations on the balance sheet date.

B. The remeasurement generated from the defined benefit plan is stated as other comprehensive income in the period when it is incurred, and presented in the retained earnings.

C. Expenses related to the service cost in the previous period are immediately recognized in profit or loss.

3. Severance benefits

Severance benefits are provided to employees upon termination of employment prior to the normal retirement date or when an employee accepts the Company's offer of benefits in exchange for termination of employment. The Group recognizes severance benefits as expenses when the offer of benefits can no longer be withdrawn, or the related reorganization costs are recognized, whichever occurs earlier. Benefits that are not expected to be settled in full within 12 months of the balance sheet date should be discounted.

4. Remuneration to employees and directors

The remuneration to employees and directors/supervisors shall be recognized as expenses and liabilities only when legal or constructive obligation and the value thereof may be estimated reasonably. Subsequently, if the actual distributed amount resolved is different from the estimate, the difference shall be treated as a change in accounting estimate. If the remuneration to employees is paid with stock shares, the basis for calculating the number of shares shall be the closing price on the day preceding the day of resolution made by the shareholders' meeting.

(XXVI) <u>Employees' share-based payment for remuneration</u>

New restricted employee shares:

1. Remuneration costs are recognized over the vesting period on the basis of the fair value of the equity instrument given on the grant date.
2. If the right to participate in the distribution of dividends is not restricted, and employees do not need to return the dividends they have received if they resign during the vested period, then on the date of dividend declaration, the part of dividends to employees who are expected to resign during the vested period is recognized as remuneration cost according to the fair value of the dividends.
3. Employees do not have to pay the price to acquire new restricted employee shares. If the employee resigns during the vested period, the Company will buy back the shares at the price paid, in accordance with the terms and conditions of the issuance regulations. The estimated price to be paid will be recognized as compensation costs and liabilities on the grant date.

(XXVII) <u>Income Tax</u>

1. The income tax expenses consist of current income tax and deferred income tax. The

income tax is recognized in the profit or loss except for the income taxes relevant to the items that are recognized under other comprehensive income or directly counted into the items of equity, which are recognized under other comprehensive income or directly counted into equity respectively.

2. The Group calculates the income tax related to the current period based on the statutory tax rate or tax rate substantially enacted in the countries where the Company is operating and generating taxable income on the balance sheet date. The management shall evaluate the status of the income tax return within the statutory period defined by the related income tax laws, and shall be responsible for the income tax expected to be paid to the tax collection authority. Income tax will be levied on any undistributed earnings. This will be stated in the year following the year in which the earnings were generated, once the motion for allocation of earnings is approved at a shareholders' meeting.

3. Deferred tax is stated based on the temporary differences between taxation basis for assets and liabilities and the face value thereof on the consolidated balance sheet using the balance sheet method. The deferred income tax liabilities resulting from the initial recognition of goodwill shall not be recognized. The deferred income tax resulting from the initial recognition of assets or liabilities in a transaction (exclusive of business merger) shall not be recognized if, at the time of the transaction, it does not affect accounting profit or taxable income (taxable loss), and no equal taxable and deductible temporary differences are generated. All taxable provisional differences generated from investment in subsidiaries and affiliated companies, of which the time of reverse is controllable by the Group and which is not likely to be reversed in the foreseeable future, shall not be recognized. The deferred income tax assets and liabilities are measured at the tax rate in the current period of which the assets are expected to be realized or liabilities to be repaid. The tax rate shall be based on the tax rate and tax laws already legislated or substantially legislated at the end of the reporting period.

4. Deferred income tax assets shall be recognized, insofar as temporary difference is very likely to credit against future taxable income, and deferred income tax assets which are recognized and unrecognized shall be reevaluated on each balance sheet date.

5. Current income tax assets and liabilities are offset and the net amount is reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

6. Unused tax credits derived from purchase of equipment or technology, R&D expenditure and equity investment can be added to deductible temporary differences and recognized as deferred tax assets, to the extent that the Company is likely to earn taxable income to offset against.

(XXVIII) Capital stock

1. Common share is classified as equity. The net amount directly attributable to new shares issuing or additional cost of stock option is recognized as deduction of proceeds in the equity after deducting income tax.

2. When the Company repurchases the outstanding shares, the consideration paid, including any directly attributable incremental cost, shall be recognized as a deduction

of shareholders' equity after tax. When the repurchased shares are subsequently reissued, the difference between the consideration received, net of any directly attributable incremental costs and the effect of income tax and the carrying amount is recognized as an adjustment to shareholders' equity.

(XXIX) Allocation of dividends

The dividends allocated to the Company's shareholders are recognized in the financial report upon allocation of dividends resolved by the shareholders' meeting or resolved specially by the board of directors of the Company. The distributed cash dividend is recognized as a liability, and the distributed stock dividend is recognized as a stock dividend to be distributed and reclassified as common shares on the date of new share issuance.

(XXX) Recognition of revenue

1. Sale of goods
   (1) The Group researches and develops, manufactures and sells products related to wire communication and wireless broadband network. The sales revenue is recognized upon the transfer of product control to the customer, i.e. the timing when the product is delivered to the buyer, the buyer has the discretionary power regarding the selling channels and prices of product and the Group has no unfulfilled contract obligations that may affect the reception of such product by the buyer. When the product is delivered to the specified location, the risk of obsolescence and loss is transferred to the buyer and the buyer accepts the product based on the sales contract or there is objective evidence indicating all acceptance standards has been met, the commodity delivery is thus completed.
   (2) The sales revenue of communication products is recognized by net amount of contract price deducting estimated sales discount. Generally, the sales discount for the customer is calculated based on accumulated sale volume of 12 months. The Group adopts expected value method to estimate sales discount based on historical experience. The revenue amount is recognized only within the scope of height may not result in significant reversal and the estimate is updated on each balance sheet date. As of the balance sheet date, the estimated sales discount payable to the customer related to the sales is recognized as refund liabilities. The collection conditions of trading are agreed based on general business trading mode.
   (3) The Group provides standard warranty for products sold and has responsibility to provide refund for products with defect, which is recognized in reserve for liabilities upon sales.
   (4) The accounts receivable is recognized upon the delivery of product to the customer because the Group has unconditional rights to contract proceeds from that time and can collect consideration from the customer after that time.
2. Cost of acquiring customer contract

   The Group expected to recover the additional cost generated from the acquisition of customer contract. However, the related contract term is less than one year so such cost shall be recognized in expenses when incurred.

(XXXI) Government grants

The government subsidies shall be stated at fair value when it is reasonable to ensure that an enterprise will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively. If the government subsidies, in nature, are intended to compensate the expenses incurred by the Group, the government subsidies shall be stated as the current income on a systematic basis when the related expenses are incurred.

(XXXII) Business segment

The Group's business segment information adopts the same reporting method as the internal management report provided for the main operating decision maker. The main operating decision maker is responsible for distributing resources to business segment and evaluate their performance. The main operating decision maker of the Group is identified to be the board of directors.

V. Major Sources of Uncertainty in Significant Accounting Judgments, Estimates, and Assumptions

When preparing the consolidated financial report of the Group, the management decided on the adopted accounting policy by their judgment and made accounting estimates and assumptions based on the reasonable expectation toward future events subject to current circumstances on the balance sheet date. The actual results might be different from the major accounting estimates and assumptions, so the historical experience and other factors will be considered for constant evaluation and adjustment. The risk description of the assumptions and estimates which may cause major adjustments to the book amount of assets and liabilities in the following financial year. The Company has taken into account the economic impact of COVID-19 in its critical accounting estimates and will continue to evaluate the impact of COVID-19 on its financial position and performance. The following are the description of uncertainty to significant accounting judgments, estimates and assumptions:

(I) Significant judgments on choice of accounting policy

None.

(II) Accounting estimates and assumptions

1. Valuation of inventory

Inventory shall be evaluated on the basis of the lower of the cost and net realizable value. As a result, the Group must make judgment and estimate to determine the net realizable value of the inventory on the balance sheet date. Due to the rapid transformation of technology, the Group assesses the amount of normal wearing out and phasing out of inventory or inventory with no market price and writes off the cost of inventory from net realizable value on the balance sheet date. The valuation of inventory is mainly estimated according to the product demand within a certain period in the future, therefore significant changes may occur.

As of December 31 2023, the book value of the Group's inventory was NTD 881,490.

2. Evaluation of the loss of accounts receivable

During the evaluation process for the impairment of accounts receivable, the Group uses the overdue ages of accounts receivable, customer's financial status, historical trading record and subsequent collections as the basis. The Group also calculates loss ratio based on past aging data statements and considers the industrial forward-looking evaluation to estimate credit loss rate. This requires subjective judgment and the reserve matrix as the basis to estimate the possible credit loss.

As of December 31 2023, the book value of accounts receivable (including the related party) after recognizing the credit loss by the Group was NTD 965,749.

VI. Explanation of Important Accounting Titles

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working fund	$ 292	$ 542
Current deposit	490,749	695,197
Time deposit	522,353	410,000
Cash equivalents – repurchase bonds	489,189	250,110
Total	$ 1,502,583	$ 1,355,849

1. The financial institutions trading with the Group are reputable banks and the Group trades with various financial institutions to spread the credit risk. Thus, the possibility of expected default is low.
2. The Group has reclassified time deposit with the initial maturity date over three months and limitation to item of "Financial assets measured at amortized cost." Please refer to the description in Note 6(4).

(II) Financial assets measured at fair value through profit or loss (December 31, 2022: None)

Item	December 31, 2023
Current items:	
Financial assets measured at fair value through profit or loss on a mandatory basis	
Cross currency swap	$ 1,613

1. Financial assets measured at fair value through profit or loss are recognized in the income statement as follows:

	2023
Financial assets measured at fair value through profit or loss on a mandatory basis	
Cross currency swap	($ 24,982)

2. The transactions and contracts information of derivative financial assets not entitled to the hedging accounting used by the Group are as follows:

	December 31, 2023		
Financial assets	Contract amount (Notional principal) (thousand dollars)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	95,400	2023.08.28~2024.02.27
	USD(SELL)	3,000	2023.08.28~2024.02.27

Cross-currency swap contracts

The cross-currency swap contracts entered into by the Group are to meet the needs of capital allocation. In terms of foreign currency exchange, the principal of the two currencies is swapped at the same exchange rate at the beginning and the end of the period, so there is no exchange rate risk. In terms of interest rate swap, the fixed interest rate between the two currencies is exchanged with a fixed interest rate, and there is no interest rate fluctuation risk.

3. Please refer to Note 12(3) for the fair value of financial assets measured at fair value through profit or loss.

(III) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
TWSE/TPEx unlisted stocks	$ 42,987	$ 42,994
Valuation adjustment	(32,523)	(24,759)
Total	$ 10,464	$ 18,235

1. The Group classified the equity instrument investment belonging to strategic investment as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2023 and 2022 were NTD 10,464 and NTD 18,235, respectively.
2. Due to the need for capital expenses, the Group sold A10 Networks. Inc. with fair value of NTD 1,892 in 2022.
3. The details of financial assets measured at fair value through other comprehensive income recognized in profit or loss and comprehensive income are as follows:

	2023	2022
Equity instrument measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	($ 7,764)	($ 56,046)
Dividend income held at the end of current period recognized in profit or loss	$ -	$ 10,088
Dividend income recognized in profit or loss derecognized in the current period	—	7
	$ -	$ 10,095
Accumulated gain recognized in retained earnings due to derecognition	$ -	$ 1,856

4. For information related to financial assets measured at fair value through other comprehensive income, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time deposit expired over three months	$ 900,856	$ 550,000
Pledged time deposit	3,695	441
Total	$ 904,551	$ 550,441
Non-current items:		
Ordinary corporate bonds	$ 290,000	$ -
Pledged time deposit	18,809	22,504
Total	$ 308,809	$ 22,504

1. Without taking into account the collaterals or credit enhancement held by the Group, for the financial assets measured at amortized cost that best represents the Group, the maximum amount of credit risk exposure as of December 31, 2023 and 2022 was the book balance.
2. For pledged financial assets measured at amortized cost by the Group, please refer to Note 8.
3. The Group's investments in time deposits and ordinary corporate bonds are with financial institutions of good credit quality with a very low likelihood of default expected.

(V) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 813,590	$ 1,344,116
Accounts receivable – the related party	159,635	652,969
Less: Allowance loss	(7,476)	(19,642)
	$ 965,749	$ 1,977,443

1. For aging analysis of accounts receivable (including the related party), please refer to Note 12(2).
2. The balances of accounts receivable (including the related party) on December 31, 2023 and 2022 were generated by the customer's contract. Also, the balance of accounts receivable from the customer's contract was NTD 1,045,610 as of January 1, 2022.
3. The accounts receivable (including the related party) of the Group does not include collaterals.
4. Without taking into account the collaterals or credit enhancement held by the Group, for the accounts receivable that best represents the Group, the maximum credit risk exposure amount as of December 31, 2023 and 2022 was the book balance.
5. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(VI) Inventory

	December 31, 2023		
	Costs	Allowance devaluation loss	Book amount
Materials	$ 863,331	($ 82,070)	$ 781,261
Goods in process and semi-finished goods	53,263	(8,214)	45,049
Finished products	58,863	(3,683)	55,180
Total	$ 975,457	($ 93,967)	$ 881,490

	December 31, 2022		
	Costs	Allowance devaluation loss	Book amount
Materials	$ 951,994	($ 56,611)	$ 895,383
Goods in process and semi-finished goods	94,423	(8,093)	86,330
Finished products	174,744	(9,270)	165,474
Inventory in transit	1,145	—	1,145
Total	$ 1,222,306	($ 73,974)	$ 1,148,332

The inventory cost recognized in expenses in current period by the Group:

	2023	2022
Cost of sold inventory	$ 3,526,638	$ 5,406,163
Idle production capacity	248,820	42,773
Devaluation loss	19,993	17,547
	$ 3,795,451	$ 5,466,483

(VII) Investment at equity method

	2023	2022
January 1	$ 965,229	$ 964,044
Increase in investment at equity method	63,042	95,511
Disposal of investments accounted for using the equity method	(131,648)	(2,215)
Investments under the equity method – changes in the equity of affiliated companies	10,953	20,459
Acquisition of cash dividend by affiliated companies under the equity method	(849)	(2,445)
Share of other comprehensive income from affiliated companies under the equity method	(1,447)	8,075
Share in profit or loss of affiliated companies under equity method	(126,063)	(109,162)
Exchange difference in the financial statement translation of the foreign operation	562	12,912
Other equity changes (Note 6(20))	3,758	(21,950)
December 31	$ 783,537	$ 965,229

	December 31, 2023	December 31, 2022
Affiliated companies:		
Microelectronics Technology, Inc. (Microelectronics Technology)	$ 769,860	$ 946,785
Mega Power Ventures Inc.	13,677	18,444
	$ 783,537	$ 965,229

1. The basic information about affiliated companies important to the Group is stated as follows:

Company name	Principal business place	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022	Nature of relationship	Measurement method
Microelectronics Technology	Taiwan	18.86%	22.72%	Invested company under the equity method by the Company	Equity method

2. The summarized financial information of affiliated companies important to the Group is stated as follows:

Balance Sheet	Microelectronics Technology December 31, 2023	Microelectronics Technology December 31, 2022
Current assets	$ 3,529,793	$ 4,501,789
Non-current assets	1,948,608	2,039,261
Current liabilities	(2,809,723)	(3,325,623)
Non-current liabilities	(786,659)	(1,137,822)
Total net assets	$ 1,882,019	$ 2,077,605
Shares of the affiliates' net assets	$ 354,874	$ 471,949
Goodwill	428,151	491,354
Others	(13,165)	(16,518)
Book value of affiliated companies	$ 769,860	$ 946,785

	2023	2022
Revenue	$ 3,353,797	$ 4,482,301
Net loss of continuing operations for the year	($ 619,758)	($ 486,410)
Other comprehensive income (after tax)	22,409	74,454
Total comprehensive income for the year	($ 597,349)	($ 411,956)

3. As the affiliated company important to the Group, Microelectronics Technology has open market quotation. Its fair value on December 31, 2023 and 2022 were NTD 1,782,092 and NTD 2,122,267, respectively.

4. The Group invested in Tai Yang Corporation using the equity method. In March 2022, new shares were issued by the Company in accordance with the shareholding ratio, and the Company's shareholding decreased from 22.96% to 22.77%. A capital reserve of NTD 20,459 was recognized.

5. In 2022, the Group sold 120 thousand shares of affiliate Microelectronics Technology Inc. for a total sale price of NTD 6,125. This was recognized as an investment gain of NTD 4,039 accounted for under the equity method, decreasing its shareholding from 22.77% to 22.72%.

6. In 2023, the Group sold 8,760 thousand shares of affiliate Microelectronics Technology Inc. for a total sale price of NTD 331,103. This was recognized as an investment gain of NTD 208,691 accounted for under the equity method. Additionally, Microelectronics Technology Inc. issued new shares in December 2023, and the Group did not subscribe in accordance with the shareholding ratio, resulting in a decrease in the shareholding ratio. The recognized capital reserve was NTD 10,953, and the shareholding was reduced from 22.72% to 18.86% in the current period.

7. The Group holds 18.86% of Microelectronics's shares, which is the single largest shareholder of such company. However, the shareholding does not exceed half of total shares and does not exceed the majority vote of the shareholders present at the meeting. Also, the Group has no control over the financial affairs, operation and personnel guidelines of Microelectronics Technology without any actual guidance of relevant

activities. Therefore, it is determined that the Group has no control over such company but only significant impact thereof.

(VIII) Property, plant and equipment

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2023					
Costs	$ 873,595	$ 325,288	$ 252,142	$ 2,661	$ 1,453,686
Accumulated depreciation	(334,311)	(141,161)	(170,707)	-	(646,179)
	$ 539,284	$ 184,127	$ 81,435	$ 2,661	$ 807,507
2023					
January 1	$ 539,284	$ 184,127	$ 81,435	$ 2,661	$ 807,507
Increase	2,187	78,855	3,577	134,754	219,373
Disposal (cost)	(3,076)	(17,645)	(73,039)	-	(93,760)
Disposal (accumulated depreciation)	3,076	17,422	72,934	-	93,432
Depreciation expenses	(24,067)	(64,254)	(19,834)	-	(108,155)
Reclassification (cost)	-	3,129	(398)	(2,731)	-
Net exchange differences	-	(12,388)	(2,671)	(2,580)	(17,639)
December 31	$ 517,404	$ 189,246	$ 62,004	$ 132,104	$ 900,758
December 31, 2023					
Costs	$ 878,858	$ 360,766	$ 177,425	$ 132,104	$ 1,549,153
Accumulated depreciation	(361,454)	(171,520)	(115,421)	-	(648,395)
	$ 517,404	$ 189,246	$ 62,004	$ 132,104	$ 900,758

	House and buildings	Machinery and equipment	Others	Unfinished construction and equipment to be inspected	Total
January 1, 2022					
Costs	$ 872,743	$ 275,127	$ 281,476	$ 7,138	$ 1,436,484
Accumulated depreciation	(309,500)	(185,493)	(218,141)	-	(713,134)
	$ 563,243	$ 89,634	$ 63,335	$ 7,138	$ 723,350
2022					
January 1	$ 563,243	$ 89,634	$ 63,335	$ 7,138	$ 723,350
Increase	852	97,706	34,311	-	132,869
Disposal (cost)	-	(64,637)	(70,152)	-	(134,789)
Disposal (accumulated depreciation)	-	62,346	69,301	-	131,647
Depreciation expenses	(24,811)	(12,822)	(18,808)	-	(56,441)
Reclassification (cost)	-	4,890	-	(4,890)	-
Net exchange differences	-	7,010	3,448	413	10,871
December 31	$ 539,284	$ 184,127	$ 81,435	$ 2,661	$ 807,507
December 31, 2022					
Costs	$ 873,595	$ 325,288	$ 252,142	$ 2,661	$ 1,453,686
Accumulated depreciation	(334,311)	(141,161)	(170,707)	-	(646,179)
	$ 539,284	$ 184,127	$ 81,435	$ 2,661	$ 807,507

The property, plant, and equipment of the Group were not provided as collateral or capitalized interest.

(IX) Lease transactions – Lessee

1. The underlying assets leased by the Group include land, buildings and transportation equipment. The term of lease contract is usually 3 to 20 years. The lease contract adopts individual negotiation and includes various different terms and conditions. Besides the rented assets shall not be used as loan guarantee, there were no other restrictions.
2. The lease terms of parking space rented by the Group are less than 12 months, and the underlying leased assets of low value are water dispensers and photocopiers.
3. The following information is the book value and recognized depreciation expenses of right-of-use assets:

	December 31, 2023		December 31, 2022	
	Book amount		Book amount	
Land	$	334,543	$	223,024
House		50,136		69,904
Transportation equipment		2,007		3,345
	$	386,686	$	296,273

	2023		2022	
	Depreciation expenses		Depreciation expenses	
Land	$	18,669	$	17,340
House		13,750		40,794
Transportation equipment		1,337		668
	$	33,756	$	58,802

4. The increase in right-of-use asset of the Group in 2023 and 2022 were NTD 133,092 and NTD 7,092, respectively.
5. On June 28, 2023, FU HA Technology Company Limited signed a contract with the Vietnamese government to acquire the land use right of Ho Phu Industrial Park, Bac Giang Province, Vietnam. on May 20, 2013, the land use right was transferred on July 29, 2023 for a total consideration of NTD 133,092 (VND 100,407,437 thousand), which has been paid as of December 31, 2024 The outstanding balance was NTD 126,252, and the unpaid amount was NTD 6,840 (other payables listed).
6. The following is information regarding the profit or loss items related to lease contracts:

	2023		2022	
Item influencing current profit or loss				
Interest expenses of lease liabilities	$	17,009	$	18,643
Expenses for short-term lease contracts		206		288
Expenses for lease of low-price assets		240		208
	$	17,455	$	19,139

7. The Group's total cash outflow of lease in 2023 and 2022 were NTD 65,809 and NTD 70,463, respectively.
8. For the impairment of right-of-use assets, please refer to Note 6(11).

(X) Lease transactions – Lessor

1. The underlying assets leased by the Group is the building and the term of lease contract is usually 1 to 20 years. The lease contract adopts individual negotiation and includes various different terms and conditions. To ensure the use condition of the leased assets, it is often required that the lessee shall not use the leased assets for loan guarantee.
2. The Group recognized NTD 71,533 and NTD 73,660 of rent revenue based on the operating lease contract in 2023 and 2022, respectively, and there were no variable lease payments.
3. The maturity analysis of lease payment based on operating lease of the Group is as follows:

	December 31, 2023	December 31, 2022
Not more than 1 year	$ 66,391	$ 33,496
2 to 5 years	101,869	-
More than 5 years	971	-
Total	$ 169,231	$ 33,496

(XI) Impairment of non-financial assets (2023: None)

4. The impairment loss recognized by the Group in 2022 was NTD 218,302, as follows:

	2022
	Recognized in current profit and loss
Impairment loss – Right-of-use assets	$ 218,302

5. Due to the impact of the China–US trade war, the Group ceased production activities at the mainland China factory in 2022 and moved the entire production line to Vietnam. As the current factory is idle with no possibility of cash inflow, resulting in impairment, the Group adjusted the carrying amount based on the recoverable amount, and recognized an impairment loss of NTD 218,302.

(XII) Other non-current assets

	December 31, 2023	December 31, 2022
Offset against business tax payable	$ 163,624	$ 163,386
Net defined benefit assets	49,521	45,227
Refundable deposits	3,054	3,241
Others	-	305
Total	$ 216,199	$ 212,159

(XIII) Short-term loans

Nature of loan	December 31, 2023	Interest rate interval	Collateral
Bank loans			
Credit loans	$ 590,516	4.50%～6.15%	None

Nature of loan	December 31, 2022	Interest rate interval	Collateral
Bank loans			
Credit loans	$ 449,955	3.70%～5.61%	None

(XIV) Pension

1. (1) The Company has established regulations for retirement with welfare in accordance with the Labor Standards Act. These regulations apply to the years of service for full-time employees before the implementation of the Labor Pension Act on July 1, 2005. The employees continued to adopt the Labor Standards Act after the Labor Pension Act came into effect. Employees who meet the retirement requirements will be paid the pension based on their years of service and average salary or wage of the last six (6) months prior to retirement. Two units are accrued for each year of service for the first 15 years and one unit is accrued for each additional year thereafter, up to a maximum of 45 units. The company contributes 2% of the total salary on a monthly basis to the pension fund and deposit at the special pension account under the title of the Pension Reserve Monitoring Committee Taiwan the Bank of Taiwan. Before the end of the fiscal year, the Company calculates the balance of the said labor pension fund account. If the pension account balance is insufficient to pay for the pension of employees expecting to meet the retirement conditions in the following year, the spread amount shall be deposited by the Company in a lump sum before the end of March in the following year.

(2) The amount recognized in the balance sheet is stated as follows:

	December 31, 2023	December 31, 2022
Current values of the ascertained fringe benefit obligations	($ 20,103)	($ 22,845)
Fair values of the planned assets	69,624	68,072
Net defined benefit assets	$ 49,521	$ 45,227

(3) Changes in the net defined benefit assets are as follows:

	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Net defined benefit assets
2023			
Balance, January 1	($ 22,845)	$ 68,072	$ 45,227
Service cost in the current period	(100)	-	(100)
Interest (expenses) revenue	(285)	896	611
Service cost in the previous period	1,639	-	1,639
	(21,591)	68,968	47,377
Remeasurement amount:			
Return on plan assets (Excluding amount included in interest income or expenses)	-	553	553
Effects of changes in financial assumptions	(212)	-	(212)
Adjustment through experience	1,700	-	1,700
	1,488	553	2,041
Pension contributed	-	103	103
Balance, December 31	($ 20,103)	$ 69,624	49,521

	Current values of the ascertained fringe benefit obligations	Fair values of the planned assets	Net defined benefit assets
2022			
Balance, January 1	($ 23,162)	$ 62,623	$ 39,461
Service cost in the current period	(96)	-	(96)
Interest (expenses) revenue	(161)	437	276
	(23,419)	63,060	39,641
Remeasurement amount:			
Return on plan assets (Excluding amount included in interest income or expenses)	-	4,864	4,864
Effects of changes in financial assumptions	1,323	-	1,323
Adjustment through experience	(749)	-	(749)
	574	4,864	5,438
Pension contributed	-	148	148
Balance, December 31	($ 22,845)	$ 68,072	$ 45,227

(4) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilization plan and Article 6 of the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund" (The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.) The utilization of the fund is supervised by Supervisory Committee for Labor Pension Reserve. With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Any deficits thereof shall be made up by the national treasury upon approval of the competent authority. As the Company was not entitled to participate in operation and management of the Fund, it was not impossible for the Company to disclose the classification of fair value of the planned assets in accordance with Paragraph 142 of No. 19 of IAS. For the fair value of the total assets under the fund on December 31, 2023 and 2022, please refer to the labor pension fund utilization report published by the government each year.

(5) Actuarial hypotheses about pension are summarized as follows:

	2023	2022
Discount rate	1.20%	1.35%
Future raise rate	3.00%	3.00%

The hypotheses of future mortality rate are estimated based on the statistics published by each country and experience.

Due to the change in principal actuarial assumptions adopted, the affected present value of the defined benefit obligation is as follows:

	Discount rate		Future raise rate	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 386)	$ 398	$ 391	($ 380)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 493)	$ 511	$ 501	($ 487)

Said analysis of sensitivity refers to the analysis of the effect produced by any change of single hypothesis under the circumstance that the other hypotheses remain unchanged. In practice, a lot of changes in hypotheses might be linked with each other. The analysis of sensitivity adopted the same method used for calculation of net pension liability on the balance sheet.

The methods and hypotheses used by the analysis of sensitivity prepared in the current period are identical with those used in the previous period.

(6) The Company schedules to contribute NTD 0 to the pension plan in 2023.

(7) Until December 31, 2023, the weighted average duration of the pension plan has been 9 years. The maturity analysis on pension contribution is as follows:

Less than 1 year	$ 3,474
1–2 years	590
2–5 years	1,793
Over 5 years	16,188
	$ 22,045

(8) In 2023 and 2022, the pension cost recognized by the Company in accordance with the above regulations were both $0.

2. (1) As of July 1, 2005, the Company instituted the defined contribution pension plan according to the “Labor Pension Act” applicable to the native employees. The Company shall contribute the amount equivalent to 6% of the monthly salary of respective native employees to the individual pension accounts of the employees at Labor Insurance Bureau, with respect to the labor pension system under the “Labor Pension Act” chosen by employees. Retired employees may claim for pension disbursement in accordance with the status of their individual accounts and the cumulative contribution in the account through monthly payment or in lump sum.

(2) Hongdaofu and Fuhongkang contribute specific ratio of the local employees’ total salary as the fund of endowment insurance on a monthly basis according to the endowment insurance system regulated by the government of the People’s Republic of China. The contribution ratio was 14% in 2023 and 2022. The pension of each employee is arranged by the government. Except for the contribution of fund on a monthly basis, the Group shall bear no other obligations.

(3) The principal of the pension cost recognized by the Group according to the said pension regulations were NTD 12,007 and NTD 14,330 in 2023 and 2022, respectively.

(XV) Share-based payment for remuneration

1. The share-based payment for remuneration agreements of the Group in 2023 and 2022 were as follows:

Type of agreement	Grant date	Amount given	Contract period	Criteria for vesting
New restricted employee shares plan	2022.09.13	1,110 thousand shares	3 years	Descriptions (1) and (5)
New restricted employee shares plan	2022.11.08	500 thousand shares	3 years	Descriptions (2) and (5)
New restricted employee shares plan	2023.08.11	100 thousand shares	3 years	Descriptions (3) and (5)
New restricted employee shares plan	2023.11.10	30 thousand shares	3 years	Descriptions (4) and (5)

(1) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on September 12, 2025.

(2) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 7, 2025.

(3) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on August 10, 2026.

(4) According to different lengths of continued service by employees (ranging from one to three years), new restricted employee shares will be exercised in batches at ratios of 40%, 30%, and 30%, with the expiration date on November 9, 2026.

(5) The new restricted employee shares issued by the Group are issued without consideration and may not be transferred during the vesting period. However, they are not restricted in terms of voting rights or the right to participate in dividend distributions. If an employee resigns during the vested period, he/she must return the shares, but not the dividends received.

(6) The above share-based payment agreements are all settled through equity.

2. The details of the above share-based payment agreements are shown below:

	2023	2022
	Quantity (thousand shares)	Quantity (thousand shares)
New restricted employee shares on January 1	1,610	-
Issued in the current period	130	1,610
Canceled in the current period	(90)	-
New restricted employee shares on December 31	1,650	1,610

3. The Group's share-based payment transactions granted on the grant date are valued using the fair value of the estimated stock options, which is calculated as the grant date stock price minus the exercise price. Relevant information is as follows:

Type of agreement	Grant date	Stock price	Fulfillment price	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per unit
New restricted employee shares plan	2022.09.13	29.70	-	-	3 years	-	-	29.70
New restricted employee shares plan	2022.11.08	23.05	-	-	3 years	-	-	23.05

Type of agreement	Grant date	Stock price	Fulfillment price	Expected volatility	Expected duration	Expected dividends	Risk-free rate	Fair value per unit
New restricted employee shares plan	2023.08.11	20.05	-	-	3 years	-	-	20.05
New restricted employee shares plan	2023.11.10	21.95	-	-	3 years	-	-	21.95

4. The expenses generated from share-based payment transactions are as follows:

	2023	2022
Equity settled	$ 23,487	$ 7,451

(XVI) Liability reserve

	Warranty	
	2023	2022
Balance, January 1	$ 18,511	$ 14,468
Increase in liability reserve in current period	9,679	17,889
Used liability reserve in current period	(12,881)	(13,846
Unused amount reversed in this period	(2,370)	-
Balance, December 31	$ 12,939	$ 18,511

The analysis of liability reserve is as follows:

	December 31, 2023	December 31, 2022
Current	$ 4,345	$ 9,367
Non-current	$ 8,594	$ 9,144

The Group's reserve for warranty liabilities is estimated according to the historical warranty information of such product to estimate possible after-sale service in the future. The warranty liabilities of the Group estimated to be used in 2024 and 2025 are NTD 4,345 and NTD 8,594 respectively.

(XVII) Capital stock

1. As of December 31, 2023, the Company's authorized capital was NTD 5,000,000 which was divided into 500,000 thousand shares (including 14,000 thousand shares exercisable under employee stock options). The paid-in capital was NTD 3,302,554 at NTD 10 per share. All shares issued by the Company were paid in full.

The Company's outstanding common stock at beginning and ending is reconciled as follows:

	2023	2022
January 1	330,215	328,605
New restricted employee shares	130	1,610
Cancellation of new restricted employee shares	(90)	-
December 31	330,255	330,215

2. The Company's board of directors resolved to issue new restricted employee shares on May 9, 2022 (please refer to Note 6(15)). The respective issuance reference dates for the new shares were September 13, 2022 and November 8, 2022. Employees did not need to pay to acquire the new restricted employee shares. The rights and obligations of the common shares issued this time are the same as other previously issued common stocks, except for the restriction on the transferability of shares, until the vested conditions are met by the employees.
3. The Company's board of directors resolved to issue new restricted employee shares on August 9 and November 10, 2023 (please refer to Note 6(15)). The respective issuance reference dates for the new shares were August 11, 2023 and November 10, 2023. Employees did not need to pay to acquire the new restricted employee shares. The rights and obligations of the common shares issued this time are the same as other previously issued common stocks, except for the restriction on the transferability of shares, until the vested conditions are met by the employees.
4. On August 9, 2023, the Company's board of directors resolved to cancel 90 thousand shares of restricted stock units bought back, reducing the capital by $900. The reduction date was set as August 10, 2023 and the change of registration was completed on August 29, 2023.
5. Treasury stocks

(1) Reasons for the redemption of shares and their quantities:

		December 31, 2023	
Name of Company Holding Shares	Reason for redemption	Number of shares	Book amount
The Company	For transfer of shares to employees	65	$ 1,426

(2) Pursuant to the Securities and Exchange Act, the amount of the outstanding shares repurchased by the Company shall not exceed ten percent of the total number of issued shares. The total amount of the repurchased shares shall not exceed 10% of the Company's retained earnings plus the premium of the outstanding shares and the realized capital stock.

(3) According to the Securities and Exchange Act, the treasury stock held by the Company shall not be pledged and shall not be entitled to the rights of shareholders before transfer.

(4) Pursuant to the Securities and Exchange Act, shares repurchased due to transfer of shares to employees shall be transferred within five years from the repurchase date. Failure to transfer the shares within this period will be treated as if the Company has not issued the shares, and the company must proceed to change registration to cancel the shares. For the repurchased shares to protect the Company's credit and shareholders' rights and interests, a change of registration shall be made to cancel the

shares within six months from the date of repurchase.

(5) In 2023, the treasury shares transferred to the Company's employee shares amounted to NTD 16,147, totaling 730,000 shares.

(XVIII) Capital reserves

According to the Company Act, for the capital reserves including shares issued at premium excessing the par value and the gains in the form of gifts, besides covering losses, the Company shall distribute the capital reserve by issuing new shares or in cash in proportion to the original shareholding ratio of the shareholders when the Company incurs no loss. In addition, according to relevant regulation of Securities and Exchange Act, the capital surplus mentioned above that can be capitalized annually shall not exceed 10% of the total paid-in capital. When the reserve is insufficient to cover the capital losses, the Company shall not use capital reserve for offset.

	2023				
	Stock premium	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	Total
January 1	$ 484,632	$ 57,470	$ 69,702	$ 8,968	$ 620,772
Issuance of new restricted employee shares	-	-	1,364	-	1,364
Redemption of new restricted employee shares	-	-	(1,175)	-	(1,175)
Disposal of investments accounted for using the equity method	-	(9,236)	-	-	(9,236)
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	-	10,953	-	-	10,953
December 31	$ 484,632	$ 59,187	$ 69,891	$ 8,968	$ 622,678

	2022				
	Stock premium	Changes in net worth of equity of affiliated companies and joint ventures recognized under equity method	New restricted employee shares	Others	Total
January 1	$ 484,632	$ 37,140	$ 41,310	$ 8,968	$ 572,050
Issuance of new restricted employee shares	-	-	28,392	-	28,392
Disposal of investments accounted for using the equity method	-	(129)	-	-	(129)
Changes in equity of affiliated companies are not recognized in accordance with the shareholding percentage	-	20,459	-	-	20,459
December 31	$ 484,632	$ 57,470	$ 69,702	$ 8,968	$ 620,772

(XIX) Retained earnings

1. If the Company has profit at the year's final accounting, it shall first be used to pay the income tax and make up any cumulative losses in accordance with laws, and 10% of the balance shall be appropriated as legal reserve, unless the existing legal reserve reaches the amount of the Company's paid-in capital. The rest of the balance shall be

used for provision/reversal of special reserves pursuant to laws. The residual balance, if any, shall be added to cumulative undistributed earnings. The Board of Directors shall draft a proposal for allocation of the residual balance plus the undistributed earnings, and submit the same to the shareholders' meeting to resolve whether shareholder bonuses shall be distributed.

2. The Company authorizes the Board of Directors to make a resolution with respect to payment of all or part of the distributable dividends, bonuses, capital reserves or legal reserves in cash by a majority vote at a meeting attended by over two-thirds of the directors and report such payment to the shareholders' meeting without being subject to the resolution of the shareholders' meeting referred to in the preceding paragraph.

3. The dividend policy of the Company is as follows: CyberTAN is currently at the growth stage. Its policy for distribution of bonuses to shareholders must be based on the current and future investment environment, funding needs, domestic and international competition, capital budget and other factors, and must take into account shareholders' interests and CyberTAN's long-term financial plan. Bonuses to shareholders shall be allocated from the accumulated distributable earnings and shall be no less than 15% of the distributable earnings of the current year. No distribution is required if the distributable earnings of the current year are less than 3% of the paid-in capital. Cash dividends shall account for no less than 10% of the bonuses to shareholders.

4. The legal reserve shall not be used unless for covering losses or issuing new shares or in cash in proportion to the original shareholding ratio of the shareholders. The new shares or cash allocated shall be no more than 25% of the paid-in capital.

5. Pursuant to laws, when allocating earnings, the Company shall provide the special reserve from the credit balance under other equities on the balance sheet date in the current year. The Company may then allocate the earnings. If the credit balance under other equities is reversed, the reversed amount may be included into the allocable earnings.

6. The 2022 and 2021 earnings distribution proposals of the Company approved by the shareholders' meetings on June 27, 2023 and June 24, 2022, respectively, are as follows:

	2022		2021	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
Allocated legal reserve	$ -		$ 4,215	
Appropriation (reversal) of special reserves	40,238		(65,738)	
Distributed cash dividends for shareholders	-	-	16,430	0.05
Total	$ 40,238		($ 45,093)	

7. As of March 11, 2024, the board of directors had not approved the proposal of 2023 earnings distribution.

(XX) Other items of interest

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2023	($ 82,472)	($ 79,920)	($ 37,041)	($ 199,433)
Valuation adjustment	(7,764)	-	-	(7,764)
Valuation adjustment – Affiliated companies	3,758	-	-	3,758
Valuation adjustment transferred to retained earnings – Affiliated companies	8,995	-	-	8,995
Currency translation differences:	-,	-	-	
- Group	-,	1,715	-	1,715
- Group's tax	-,	(343)	-	(343)
- Affiliated companies	-,	562	-	562
Issuance of new restricted employee shares	-,	-	(2,664)	(2,664)
Cancellation of new restricted employee shares	-,	-	2,075	2,075
Share-based payment for remuneration	-,	-	23,487	23,487
December 31, 2023	($ 77,483)	($ 77,986)	($ 14,143)	($ 169,612)

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2022	($ 3,186)	($ 118,968)	$ -	($ 122,154)
Valuation adjustment	(56,046)	-	-	(56,046)
Tax of valuation adjustment	434	-	-	434
Valuation adjustment – Affiliated companies	(21,950)	-	-	(21,950)
Valuation adjustment transferred to retained earnings	(1,856)	-	-	(1,856)
Valuation adjustment transferred to retained earnings – Affiliated companies	132	-	-	132
Currency translation differences:				
- Group	-,	32,671	-	32,671
- Group's tax	-,	(6,535)	-	(6,535)
- Affiliated companies	-,	12,912	-	12,912
Issuance of new restricted employee shares	-,	-	(44,492)	(44,492)
Share-based payment for remuneration	-,	-	7,451	7,451
December 31, 2022	($ 82,472)	($ 79,920)	($ 37,041)	($ 199,433)

(XXI) Operating revenue

	2023	2022
Revenue from customer contracts	$ 3,805,393	$ 5,753,342

1. Details of revenue from customer contracts

   The revenue of the Group is mainly from providing products transferred in certain timing and the revenue can be classified by the following main product lines and geographical area:

2023	America Communication product	Europe Communication product	Asia Communication product	Australia Communication product	Other departments	Total
Revenue from external customer contracts	$ 1,854,045	$ 928,672	$ 98,021	$ 103,402	$ 821,253	$ 3,805,393

2022	America Communication product	Europe Communication product	Asia Communication product	Australia Communication product	Other departments	Total
Revenue from external customer contracts	$ 3,643,359	$ 1,377,322	$ 289,930	$ 200,360	$ 242,371	$ 5,753,342

2. Contract liabilities

   (1) The Group's balance of contract liabilities – advance sale receipts related to revenue from customer contract recognized on December 31, 2023, December 31, 2022 and January 1, 2022 were NTD 48,648, NTD 57,990 and NTD 34,060, respectively.

   (2) Contract liabilities at the beginning recognized in the revenue in current period

	2023	2022
Balance of the contract liabilities at the beginning recognized in the revenue in current period	$ 26,862	$ 16,333

(XXII) Interest revenue

	2023	2022
Bank deposit interest	$ 36,050	$ 21,761

(XXIII) Other revenue

	2023	2022
Rental revenue	$ 71,533	$ 73,660
Dividend revenue	-	10,095
Other revenues – others	7,901	9,620
	$ 79,434	$ 93,375

(XXIV) Other gains and losses

	2023	2022
Gains on disposal of investment	$ 208,691	$ 4,039
Gains on disposal of property, plant and equipment	2,509	5,748
Financial liabilities loss measured at fair value through profit or loss	(24,982)	-
Miscellaneous expenses – depreciation	(20,694)	(20,533)
Miscellaneous expenses – interest	(2,180)	(2,334)
Foreign currency exchange gain (loss)	(15,733)	74,939
Impairment loss of right-of-use assets	-	(218,302)
Miscellaneous expenses	(3,902)	(5,795)
	$ 143,709	($ 162,238)

(XXV) Financial Costs

	2023	2022
Interest expenses:		
Bank loans	$ 17,035	$ 21,144
Lease liabilities	14,829	16,309
Financial Costs	$ 31,864	$ 37,453

(XXVI) Additional Information on the Nature of Expense

	2023	2022
Employee benefit expenses	$ 444,014	$ 363,726
Depreciation expenses of property, plant and equipment	96,116	44,546
Depreciation expenses of right-of-use assets	25,101	50,164
Amortization expense of intangible assets	4,590	1,950
	$ 569,821	$ 460,386

(XXVII) Employee benefit expenses

	2023	2022
Salary expenses	$ 347,248	$ 311,056
Employee stock option	23,487	7,451
Expenses for labor and health insurance	42,717	38,909
Pension expenses	12,007	14,330
Other employment expenses	18,555	16,868
	$ 444,014	$ 388,614

1. According to the Articles of Incorporation, if there is a profit after the annual closing, the Company shall allocate 7%–9% thereof as remuneration to employees. However, the earnings must first be used to offset any cumulative losses, if any, before being distributed to the employees and directors as their remuneration at the percentage.
2. The Company did not recognize employee and director remuneration due to losses incurred in 2023 and 2022.
   As resolved by the board of directors, no remuneration to employees and remuneration of directors and supervisors will be distributed for 2022, which is consistent with the recognized amount in the 2022 financial statements.
3. Please refer to the “Market Observation Post System” for information related to the

remuneration to employees, directors, and supervisors of the Company approved by the board of directors and resolved by a shareholders' meeting.

(XXVIII) Income Tax

1. Income tax benefits

(1) Components of income tax benefits:

	2023	2022
Income tax in the current period:		
Income tax generated from the current income	$ 1,861	$ 13,953
Additional tax levied on the undistributed earnings	645	371
Underestimated (overestimated) income tax in previous year	1,065	(7,655)
Total income tax in the current period	3,571	6,669
Deferred income tax:		
Initial occurrence and reversal of temporary difference	(52,032)	(46,633)
Total deferred income tax	(52,032)	(46,633)
Income tax benefits	($ 48,461)	($ 39,964)

(2) Income tax related to other comprehensive income:

	2023	2022
Exchange differences on the translation of the foreign operation	($ 343)	($ 6,535)
Remeasurement of defined benefit obligation	(408)	(1,088)
Changes in fair value of financial assets changed by fair value through other comprehensive income	-	434
	($ 751)	($ 7,189)

2. Relation between income tax and accounting profit:

	2023	2022
Income tax calculated based on net loss before tax at the statutory tax rate	($ 78,848)	($ 111,247)
Excluded expenses by the tax laws	26,294	19,362
Exemption by the tax laws	(41,738)	(997)
Realizable evaluation changes of deferred income tax assets	44,121	60,202
Underestimated (overestimated) income tax in previous year	1,065	(7,655)
Additional tax levied on the undistributed earnings	645	371
Income tax benefits	($ 48,461)	($ 39,964)

3. The amount of deferred income tax assets and liabilities due to temporary difference are shown in the following:

	2023				
	January 1	Recognized into profit and/or loss	Recognized in other comprehensive net profit	Exchange difference	December 31
Temporary difference:					
- Deferred income tax assets:					
Loss on inventory valuation	$ 575	($ 195)	$ -	$ -	$ 380
Warranty reserve	3,702	(1,113)	-	-	2,589
Refund liabilities	929	(370)	-	-	559
Bonus payable for unused vacation	1,435	-	-	-	1,435
Foreign investment losses under equity method	38,342	49,490	-	-	87,832
Exchange differences on the translation of the foreign operation	15,779	-	(343)	-	15,436
Unrealized exchange loss	3,558	4,670	-	-	8,228
Subtotal	$ 64,320	$ 52,482	($ 343)	$ -	$ 116,459
- Deferred income tax liabilities:					
Remeasurement of defined benefit plan	($ 5,573)	($ 450)	($ 408)	$ -	($ 6,431)
Total	$ 58,747	$ 52,032	($ 751)	$ -	$ 110,028

	2022				
	January 1	Recognized into profit and/or loss	Recognized in other comprehensive net profit	Exchange difference	December 31
Temporary difference:					
- Deferred income tax assets:					
Loss on inventory valuation	$ 5,501	($ 5,021)	$ -	$ 95	$ 575
Warranty reserve	2,893	809	-	-	3,702
Refund liabilities	430	499	-	-	929
Bonus payable for unused vacation	1,684	(255)	-	6	1,435
Foreign investment losses under equity method	-	38,342			38,342
Exchange differences on the translation of the foreign operation	22,314	-	(6,535)	-	15,779
Unrealized exchange loss	2,585	973	-	-	3,558
Subtotal	$ 35,407	$ 35,347	($ 6,535)	$ 101	$ 64,320
- Deferred income tax liabilities:					
Foreign investment at equity method	($ 10,312)	$ 10,312	$ -	$ -	$ -
Remeasurement of defined benefit plan	(4,420)	(65)	(1,088)	-	(5,573)
Unrealized exchange gain	(1,039)	1,039	-	-	-
Profit or loss of Gain from financial assets valuation at fair value	(434)	-	434	-	-
Subtotal	($ 16,205)	$ 11,286	($ 654)	$ -	($ 5,573)
Total	$ 19,202	$ 46,633	($ 7,189)	$ 101	$ 58,747

4. The validity period and unrecognized deferred income tax assets of Group's unused income tax losses are as follows:

December 31, 2023					
Region	Year of occurrence	Declared/ Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year
Taiwan	2021	$ 96,111	$ 96,111	$ 96,111	2031
Taiwan	2022	65,944	65,944	65,944	2032
Taiwan	2023	184,348	184,348	184,348	2033
China	2019	109,737	109,737	109,737	2024
China	2020	158,663	158,663	158,663	2025
China	2021	114,426	114,426	114,426	2026
China	2022	272,017	272,017	272,017	2027
China	2023	26,941	26,941	26,941	2028

December 31, 2023					
Region	Year of occurrence	Declared/ Approved	Amount not yet deducted	Amount of unrecognized deferred income tax assets	Final deduction year
Taiwan	2021	$ 105,350	$ 105,350	$ 105,350	2031
Taiwan	2022	68,176	68,176	68,176	2032
China	2018	99,169	99,169	99,169	2023
China	2019	109,737	109,737	109,737	2024
China	2020	158,663	158,663	158,663	2025
China	2021	114,426	114,426	114,426	2026
China	2022	272,017	272,017	272,017	2027

5. The Company's profit-seeking business income tax have been certified by the tax authority up until 2021.

(XXIX) Losses per share

	2023		
	After-tax income	Weighted average outstanding shares (thousand shares)	Losses per share (NTD)
Basic losses per share			
Net loss for the period attributable to the parent company's common stock shareholders	($ 316,830)	327,962	($ 0.97)

	2022		
	After-tax income	Weighted average outstanding shares (thousand shares)	Losses per share (NTD)
Basic losses per share			
Net loss for the period attributable to the parent company's common stock shareholders	($ 366,674)	328,605	($ 1.12)

The Company had a net loss in 2023 and 2022, and the inclusion of the potential common shares will have an anti-dilutive effect, so the diluted loss per share is not calculated.

(XXX) Supplementary information on cash flow

1. Partial cash payment investment activities:

	2023	2022
Purchase of land use rights	$ 133,092	$ -
Less: payables at end of period	(6,840)	-
Cash paid in current period	$ 126,252	$ -

	2023	2022
Purchase of property, plant and equipment	$ 219,373	$ 132,869
Less: payables for equipment, ending	(4,158)	-
Cash paid in current period	$ 215,215	$ 132,869

2. Financing activities that do not affect cash flow:

	2023	2022
Exchange difference in the financial statement translation of the foreign operation	$ 1,934	$ 39,048
Unrealized losses of financial assets measured at fair value through other comprehensive income	($ 4,006)	($ 77,562)

(XXXI) Changes in liabilities from financing activities

	Lease liabilities	
	2023	2022
January 1	$ 543,588	$ 584,367
Changes in cash flow from financing activities	(48,354)	(51,324)
New in current period	-	7,092
Other non-cash changes	(6,078)	-
Impact of changes in exchange rate	(6,392)	3,453
December 31	$ 482,764	$ 543,588

Besides lease liabilities, the Group's changes in liabilities from financing activities in 2023 and 2022 were changes in cash flow from financing without any non-cash changes. Please refer to the consolidated statement of cash flow.

VII. Transactions of the Related Party

(I) Name of the related party and relationship

Name of the related party	Relationship with the Group
Gwong-Yih Lee	Key management of the Group (Note)
TSE-TSAN CHEN	Key management of the Group (Note)
Microelectronics Technology, Inc. and its subsidiaries	Affiliated companies
Hon Hai Precision Industry Co., Ltd. and its subsidiaries	Other related parties
FOXCONN Technology Co., Ltd. and its subsidiaries	〃
Fitipower Integrated Technology Inc.	〃
Innolux Corporation and the subsidiaries	〃
Garuda Technology Co., Ltd. and the subsidiaries	〃
Pan-International Industrial Corp.	〃
Fuyu Precision Component Co., Ltd. and Subsidiaries	〃

Note: On April 6, 2022, the Group's Chairman changed from Tse-Tsan Chen to Gwong-Yih Lee.

(II) Significant transactions with the related party

1. Operating revenue

	2023	2022
Sale of goods:		
Affiliated companies	$ 32,343	$ -
Other related parties		
- Cloud Network	880,149	1,284,331
- Belkin	156,603	856,573
- Others	329	20,357
Total	$ 1,069,424	$ 2,161,261

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, the selling prices of the Group to the aforementioned related parties are similar to the selling prices to ordinary customers. The mode of collection adopts NET 20 days and the collection period is O/A 120 days. The mode of collection for general customer is O/A 60 days.

2. Purchase

	2023	2022
Purchase of commodities:		
Affiliated companies	$ 112,934	$ 70,017
Other related parties	174,789	332,000
Total	$ 287,723	$ 402,017

Except for transactions with no similar transactions to follow, where the transaction terms are negotiated and determined by both parties, all other transactions of the Group involve purchasing from related parties at prevailing market prices. The mode of collection adopts NET 30 days and the collection period is O/A 120 days. The mode of collection for general vendors is O/A 60 days.

3. Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable – the related party		
Affiliated companies	$ -	$ 1,331
Other related parties		
-Cloud Network	159,628	581,506
- Others	7	70,132
Total	$ 159,635	$ 652,969

4. Other receivables

	December 31, 2023	December 31, 2022
Other receivables – the related party		
Affiliated companies		
- Microelectronics Technology and its subsidiaries	$ 35,316	$ 37,457
Other related parties	879	1,954
Total	$ 36,195	$ 39,411

Other receivables from the related party mainly are the purchase amount on behalf of the related party and rental revenue.

5. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable – the related party		
Affiliated companies	$ 19,485	$ 8,949
Other related parties	24,684	13,848
Total	$ 44,169	$ 22,797

6. Other payables

	December 31, 2023	December 31, 2022
Other payables – the related party		
Affiliated companies	$ 399	$ 218
Other related parties	11,986	17,789
Total	$ 12,385	$ 18,007

Other payables to the related party mainly are payables of processing fee, labor service fee and freight.

7. Lease transactions – Lessee

(1) The Group rented buildings from FOXCONN Technology Co., Ltd. The tern of lease contract is 10 years and the rent is paid at the end of each month.

(2) Lease liabilities

A. Ending balance:

	December 31, 2023	December 31, 2022
Other related parties	$ -	$ -

B. Interest expenses:

	2023	2022
Other related parties	$ -	$ 21

8. Processing expenses

	2023	2022
Other related parties	$ 3,070	$ 5,501

9. Labor service fee

	2023	2022
Other related parties	$ 2,488	$ 1,323

10. Property transaction

(1) Acquisition of property, plant, and equipment

	2023	2022
Other related parties	$ -	$ 659

(2) Disposal of property, plant, and equipment

	2023		2022	
	Disposal proceeds	Disposal gain	Disposal proceeds	Disposal gain
Other related parties	$ -	$ -	$ 1,492	$ 954

(3) Acquisition of financial assets

	Account item	Number of shares traded	Target traded	2023 Price of acquisition
Affiliated companies - Microelectronics Technology	Investment at equity method	2,212 thousand shares	Amount paid in shares	$ 63,042

	Account item	Number of shares traded	Target traded	2022 Price of acquisition
Affiliated companies - Microelectronics Technology	Investment at equity method	1,837 thousand shares	Amount paid in shares	$ 95,511

11. Freight costs

	2023	2022
Other related parties	$ 22,411	$ 39,733

12. Rental revenue

	2023	2022
Affiliated companies - Microelectronics Technology and its subsidiaries	$ 66,082	$ 66,088
Other related parties	5,004	6,046
Total	$ 71,086	$ 72,134

The Group leased property, plant and equipment to the related party in 2023 and 2022. The rent price per square meter has no significant difference with those of the non-related party. The rent is collected every quarter.

13. Deposit received

	December 31, 2023	December 31, 2022
Affiliated companies - Microelectronics Technology and its subsidiaries	$ 5,765	$ 5,765
Other related parties	611	349
Total	$ 6,376	$ 6,114

14. Other transactions

The related parties, Gwong-Yih Lee and Tse-Tsan Chen, served as the joint guarantors of bank loans and joint writers of guaranteeing invoice by the Company in 2023 and 2022.

(III) Information on the remuneration to the key management:

	2023	2022
Short-term employee benefits	$ 30,515	$ 18,753
Benefits after severance/retirement	570	471
Total	$ 31,085	$ 19,224

VIII. Pledged Assets

The details of the Group's assets provided as collateral are as follows:

	Book value		
Asset item	December 31, 2023	December 31, 2022	Purpose of collateral
Time deposit (listed financial assets measured at amortized cost)	$ 22,504	$ 22,945	Guarantee deposits of superficies, guarantees for customs duties

IX. Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts

(I) Contingency

None.

(II) Commitments

As of December 31, 2023, the total contract price of the signed construction project was NTD 774,000 (VND 64,500,000 thousand), of which NTD 125,473 was paid and NTD 648,527 was yet to be paid.

X. Losses Due to Major Disasters

None.

XI. Significant Subsequent Events

None.

XII. Others

(I) Capital Management

The Group's capital management objective is intended to protect the Group's continued operation and maintain optimal capital structure to reduce capital cost and provide remuneration to the shareholder. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce liabilities.

(II) Financial instruments

1. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets measured at fair value through profit or loss on a mandatory basis	$ 1,613	$ -
Financial assets measured at fair value through other comprehensive income		
Selection of specified equity instrument investment	10,464	18,235
Financial assets measured at amortized cost	3,729,442	3,960,282
	$ 3,741,519	$ 3,978,517

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities measured at amortized cost	$ 1,663,190	$ 1,729,644
Lease liabilities	482,764	543,588
	$ 2,145,954	$ 2,273,232

Note: The financial assets carried at amortized cost including cash and cash equivalents, financial assets measured at amortized cost, accounts receivables (including the related party), other receivables and guaranteed deposits paid; the financial liabilities measured at amortized cost include the short-term loans, accounts payable (including the related party), other payables (including the related party) and deposits received.

2. Risk management policy

(1) Various financial risks have an impact on the daily operation of the Group, including the market risk (including the exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk. To reduce adverse impact of uncertainty on the Group's financial performance, the Group used forward exchange contracts to hedge the risk of exchange rate. The derivative tools used by the Group is for hedging purpose instead of trading or speculation.

(2) The risk management work is executed by the Group's financial department based on the policy approved by the board of directors. The Group's financial department is responsible for identifying, evaluating and hedging financial risks by the close cooperation with each business unit in the Group. The board of directors has established written principles for the overall risk management while providing written policy for certain scope and matters, such as exchange rate risk, interest rate risk, credit risk, utilization of the financial and non-financial instruments and the investment principles of remained current funds.

3. Nature and degree of important financial risk

(1) Market risk

Exchange rate risk

A. The Group is a multinational corporation. Therefore, the exchange rate risk resulted from transactions with functional currency relatively different from the Company and its subsidiaries mainly involve USD, RMB and VND. Related exchange rate risks come from the future commercial transactions and recognized assets and liabilities.

B. The management of the Group has established policy that regulates the management of the exchange rate risk which is relative to the functional currency of the Companies in the Group. Each Company shall adopt hedging policy against the overall exchange rate risk via the Group's financial department. The exchange rate risk is measured by the expected transactions with high possibility of generating USD, RMB and VND expenses which adopt forward exchange contract to reduce impact of exchange rate fluctuation on the expected purchase inventory cost.

C. The Group's business lines involved some non-functional currencies (the functional currency of the Company and some of its subsidiaries was NTD, and that of some subsidiaries is USD, RMB and VND). Therefore, the Company would be subject to the effect produced by fluctuation in foreign exchange rate. The information about assets and liabilities denominated in foreign currency exposed to significant effect produced by fluctuation in foreign exchange rate is stated as follows:

December 31, 2023						
				Sensitivity analysis		
	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Range of change	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD : NTD	$ 30,279	30.705	$ 929,717	2%	$ 14,875	$ -
RMB : NTD	2,150	4.327	9,303	2%	149	-
USD : VND	805	25,587.500	24,718	2%	395	-
Financial liabilities						
Monetary items						
USD : NTD	23,071	30.705	708,395	2%	11,334	-
USD : VND	19,617	25,587.500	602,340	2%	9,637	-

December 31, 2022						
				Sensitivity analysis		
	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Range of change	Impact on profit or loss	Impact on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD : NTD	$ 71,481	30.710	$ 2,195,182	2%	$ 35,123	$ -
RMB : NTD	2,149	4.408	9,473	2%	152	-
USD : RMB	824	6.957	25,271	2%	404	-
USD : VND	917	23,898.833	26,408	2%	423	-
Financial liabilities						
Monetary items						
USD : NTD	91,507	30.710	2,810,180	2%	44,963	-

D. The Group's total amount of all exchange loss (including the realized and unrealized) from monetary items due to significant impact of exchange rate fluctuation were NTD(15,733) and NTD(74,939) in 2023 and 2022, respectively.

Price risk

A. The Group's equity instruments exposed to price risk are the holding financial assets measured at the fair value through profit or loss and financial assets measured at the fair value through other comprehensive income. To manage the price risk of the equity instrument investment, the Group separated the investment portfolio and the separation method is based on the limited amount set by the Group.

B. The Group mainly invested in the equity instruments issued at home and abroad and the price of such equity instrument is affected by the uncertainty of the investment's future value. If the price of the equity instrument increases or decreases by 1% and all other factors remain unchanged, the other comprehensive income in 2023 and 2022 will increase or decrease by NTD 105 and NTD 182 as a result of the profit or loss in equity instrument measured at fair value through other comprehensive income.

(2) Credit risk

A. The Group's credit risk is the risk of financial loss that would be incurred by the Group if its customers or financial instrument trading counterparty fail to fulfill the contracts. This is mainly due to the trading counterparty not being able to pay the accounts payable based on the payment conditions and the contractual cash flows of debt instrument investment classified as measured at amortized cost.

B. The Group established the credit risk management in the Group's aspect. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy expressly defined internally, each business department within the Group shall conduct the management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, past experience and other factors. The individual risk limit is set by the board of directors according to the internal or external ratings. The management will also control the periodic draw down of credit limits.

C. The Group adopts IFRS 9 for presumption that when the contract payment past due for over 90 days based on the agreed payment terms, the Group takes it as a default of the contract.

D. The following presumption provided by the Group adopts IFRS 9 as the basis to determine whether the credit risk of financial instrument increases significantly after the initial recognition:

(A) When the contract payment past due for over 30 days based on the agreed payment terms, it is determined that the credit risk of financial instrument increased significantly after the initial recognition.

(B) For bond investment traded in Taipei Exchange, those financial assets with investment grading rated by any external credit rating agency on balance sheet date are considered with low credit risk.

E. The Group's indexes used to determine the debt instrument as credit impairment are as follows:

(A) Issuer has major financial difficulty or likely to wind up or proceed with other financial reorganizations;

(B) The active market of financial assets might extinguish due to financial difficulty of the issuer;

(C) Overdue or non-performance of interest or principal payment by the issuer;

(D) National or regional adverse economic changes related to the default of issuer.

F. The Group classified the customer's accounts receivable based on customer rating and the characteristics of the customer. They used the reserve matrix as the basis, with a simplified approach to estimate the expected credit losses.

G. The Group offsets the amount of recoverable financial assets which cannot be reasonably expected after the recourse procedure. However, the Group will continue the legal recourse procedure to protect the creditor's right. As of December 31, 2023 and 2022, the Group does not have creditor's right which was written off with means of recourse.

H. The Group adopted the business indicators of National Development Council for the future forward-looking considerations to adjust the established loss ratio based on certain period of history and current information to estimate the allowance loss of the accounts receivable (including the related parties). The reserve matrix on December 31, 2023 and 2022 are as follows:

	Undue	Overdue 1–90 days	Overdue 91–180 days	Overdue 181–365 days	Overdue more than 365 days	Total
December 31, 2023						
Expected loss ratio	1.26%	1.38%	1.50%	1.92%	100%	
Total book value	$ 959,767	$ 11,027	$ 2,431	$ -	$ -	$ 973,225
Allowance loss	7,288	152	36	-	-	7,476

	Undue	Overdue 1–90 days	Overdue 91–180 days	Overdue 181–365 days	Overdue more than 365 days	Total
December 31, 2022						
Expected loss ratio	0.98%	2.88%	2.94%	3.06%	100%	
Total book value	$ 1,994,497	$ 331	$ 2,257	$ -	$ -	$ 1,997,085
Allowance loss	19,566	10	66	-	-	19,642

I. The aging analysis of accounts receivable (including the related party) is as follows:

	December 31, 2023	December 31, 2022
	Accounts receivable	Accounts receivable
Undue	$ 959,767	$ 1,994,497
Within 90 days	11,027	331
91–180 days	2,431	2,257
	$ 973,225	$ 1,997,085

The aging analysis stated above was based on the number of overdue days.

J. The Group's statement of changes in the allowance loss for accounts receivable using the simplified approach is as follows:

	2023	2022
	Accounts receivable (including the related party)	Accounts receivable (including the related party)
January 1	$ 19,642	$ 7,356
(Reversed) impairment loss recognized	(12,166)	12,286
December 31	$ 7,476	$ 19,642

(3) Liquidity risk

A. The cash flow forecast is executed by each business department in the Group and summarized by the Group's finance department. The finance department of the Group supervises the forecast of the Group's current fund demand to ensure there are sufficient fund to support the operating needs.

B. The following table refers to the non-derivative financial liabilities and grouped subject to the relevant expiry dates. The non-derivative financial liabilities are analyzed based on the residual period from the date of balance sheet until the expiry date. The contractual cash flow amount disclosed in the following statement is the undiscounted amount.

Non-derivative financial liabilities				
December 31, 2023	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 262	$ 349	$ 5,765	$ 456
Lease liabilities	67,943	68,247	201,220	221,764
	$ 68,205	$ 68,596	$ 206,985	$ 222,220

Non-derivative financial liabilities				
December 31, 2022	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 6,114	$ -	$ -	$ 456
Lease liabilities	67,944	65,370	189,940	285,265
	$ 74,058	$ 65,370	$ 189,940	$ 285,721

Except for those specified above, the non-derivative financial liabilities of the Group will expire within the coming year.

(III) Fair value information

1. The levels of the valuation technique adopted to measure the fair value of the financial and non-financial instruments are defined as follows:

   Level 1: The quotation of the same asset or liability in an active market on the measurement date acquired by the enterprise (before adjustment). The active market means the market in which there are frequent and large volumes of transactions to provide the information about pricing on an ongoing basis.

   Level 2: Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of derivatives invested by the Group belongs to this level.

   Level 3: Inputs for the asset or liability that are not based on. All the equity instruments invested by the Group for which there is no active market belong to this category.

2. The following is the analysis regarding the Group's classification of the financial instruments measured at fair value based on the nature, characteristics and risks of the assets and liabilities as well as the levels of fair value:

December 31, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through profit or loss	$ -	$ 1,613	$ -	$ 1,613
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 10,464	$ 10,464
Recurring fair value liability:				
December 31, 2022	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 18,235	$ 18,235

3. The methods and assumptions used by the Group to measure fair value is as follows:

   (1) The Group's fair value inputs (i.e. Level 1) adopting the quoted market price are listed in the following based on the characteristics of the instruments:

	TWSE/TPEx listed stocks
Quoted market price	Closing price

   (2) Except for the financial instrument in the active market, the fair value of other financial instruments is based on the evaluation technology or the quotation of the counterparty. The fair value acquired through the evaluation technology can take reference from other substantial conditions and similar financial instruments' current fair value and discounted cash flow method or other evaluation technology, including

the market information that can be acquired on the date of preparing the consolidated balance sheet. The information is then used on a calculation model (such as yield curve referred by Taipei Exchange and the average quotation of Reuters commercial paper rate).

(3) When evaluating unstandardized financial instruments with low complexity such as debt instrument without active market, interest rate swap contract, exchange swap contract and options, the Group adopts evaluation technology widely used in the market participants. The parameters used by the evaluation model of such financial instruments usually are information observable in the market.

(4) The Group includes the credit valuation adjustment in the consideration for the fair value calculation of financial and non-financial instruments to reflect the credit risk of the trading counterparty and the credit quality of the Group, respectively.

4. There was no transfer between level 1 and level 2 in 2023 and 2022.

5. The following statement is the changes in level 3 in 2023 and 2022:

	Equity instruments	
	2023	2022
January 1	$ 18,235	$ 69,721
Loss recognized under other comprehensive income	(7,764)	(55,728)
Foreign exchange rate effect	(7)	4,242
December 31	$ 10,464	$ 18,235

6. There was no transfer-in and transfer-out from level 3 in 2023 and 2022.

7. For the Group's evaluation process for fair value classified as level 3, the finance department is responsible to conduct the independent fair value validation of the financial instrument. The department confirms the reasonableness of the evaluation result by making the evaluation result closer to the market status with information from independent sources, confirming the information source is independent, reliable and consistent with other resources and represents executable price, regularly calibrating evaluation model, conducting roll-back test, updating required input value and data as well as other necessary fair value adjustment for evaluation model.

8. For the evaluation model used by the measurement item of level 3 fair value, the quantitative information of unobservable major input and sensitivity analysis for the changes in unobservable major input are as follows:

	Fair value on December 31, 2023	Evaluation technology	Unobservable major input	Relationship between input and fair value
Non-derivative equity instruments: stocks of venture capital companies	$ 10,464	Net asset value method	N/A	N/A

	Fair value on December 31, 2022	Evaluation technology	Unobservable major input	Relationship between input and fair value
Non-derivative equity instruments: stocks of venture capital companies	$ 18,235	Net asset value method	N/A	N/A

XIII. Noted Disclosures

(I) Information related to material transactions

1. Loans to others: None.
2. Endorsement and guarantee made for others: None.
3. Marketable securities held at year-end (excluding investments in subsidiaries, affiliated companies, and joint venture): Please refer to Attachment I.
4. Accumulated amount of the same marketable security purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital: Please refer to Attachment 2.
5. Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital: Please refer to Attachment 3.
6. Amount on disposal of property reaching NTD 300 million or more than 20% of the paid-in capital: None.
7. Purchase/sale amount of transactions with the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment 4.
8. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment 5.
9. Engagement in derivatives trading: Please refer to Note 6(2).
10. Business relationship and major transactions between parent company and subsidiaries and among subsidiaries and amounts: Please refer to Attachment 6

(II) Information related to reinvested enterprises

Information related to the invested company, such as names and locations, etc. (excluding the invested company in China): Please refer to Attachment 7.

(III) Information about investment in Mainland China

1. Basic information: Please refer to Attachment 8.
2. Major transactions with the invested company in China either directly or indirectly with occurrence through third regions: Please refer to Attachment 9.

(IV) Major Shareholder information

Major Shareholder information: None.

XIV. Business Segment Information

(I) General information

The Company only engages in one industry and the Group’s operating decision maker, the board of directors, adopts the overall group financial statements to evaluate performance and distribute resources. Therefore, the Company is identified as a single reportable segment.

(II) Segment Information Measurement

The Group is a single reportable segment. The Group’s operating decision maker, the board of directors, adopts profit after tax in the financial statements for measurement and as the basis of performance evaluation. Therefore, the business segment information is consistent with the information of the main financial statements.

(III) Information by product type and labor service:

The Group manufactures and sells broadband network security router and wireless LAN products. The Group belongs to one industry since its product feature and manufacturing process are similar while the market and sales methods are the same. Therefore, the disclosure of industrial information is not applicable.

(IV) Information by regions

The Group's information by region in 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
America	$ 2,288,710	$ 935	$ 3,872,880	$ 1,327
Europe	932,378	-	1,377,322	-
Asia	480,958	1,475,090	302,780	1,332,680
Australia	103,347	-	200,360	-
Total	$ 3,805,393	$ 1,476,025	$ 5,753,342	$ 1,334,007

(V) Important customer information

The following are details regarding the customers of the Group whose revenue accounted for more than 10% of the revenue in the statement of comprehensive income in 2023 and 2022:

2023

Customer name	Sales amount	Ratio of revenue in statement of comprehensive income
A	$ 880,149	23.13%
B	838,037	22.02%
C	766,165	20.13%
D	471,611	12.39%
E	381,629	10.03%

2022

Customer name	Sales amount	Ratio of revenue in statement of comprehensive income
A	$ 1,915,448	33.29%
B	1,284,331	22.32%
C	856,694	14.89%
D	807,061	14.03%

(Blank)