CyberTAN Technology Inc. and the subsidiaries
Consolidated Financial Statements and Independent Auditors' Review Report
June 30, 2024 and 2023
(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.

Independent Auditors' Review Report

(113)Cai-Shen-Bao-Zi No.24001501

To CyberTAN Technology Inc.:

Foreword

We have reviewed the consolidated balance sheet of CyberTAN Technology Inc. and the subsidiaries (hereinafter referred to as the "CyberTAN Group") as of June 30, 2024, and 2023, the consolidated statements of comprehensive income for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, as well as the consolidated statement of changes in equity and consolidated statements of cash flows for the periods from January 1 to June 30, 2024, and 2023, and the notes to the consolidated financial statements (including the summary of the material accounting policies). It is the Company's responsibility to prepare and fairly present the consolidated financial reports per the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 "Interim Financial Reporting" endorsed and issued into effect by the Financial Supervisory Commission. Our responsibility as accountants is to draw a conclusion on the consolidated financial statements based on the results of our review.

Scope

Except as stated in the Basis for Qualified Conclusion paragraph, we conducted the review in accordance with the R.O.C. Review Standard No. 2410 "Reviews of Financial Statements." The procedures performed in reviewing the consolidated financial statements include inquiries (primarily of personnel responsible for financial and accounting affairs), analytical procedures, and other review procedures. The scope of a review is significantly smaller than that of an audit. Therefore, we may not become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Basis for Qualified Conclusion

As stated in Notes 4(3) and 6(7) to the consolidated financial statements, the financial statements of some non-material subsidiaries and investees under the equity method included in the consolidated financial statements above have not been reviewed by accountants. As of June 30, 2024, and 2023, the total assets of these companies (including investments using the equity method) amounted to NTD 73,863 thousand and NTD 52,228 thousand, respectively, representing 1% and 1% of the consolidated total assets, respectively; the total liabilities amounted to NTD 171 thousand and NTD 0 thousand, respectively, representing 0% and 0% of consolidated total liabilities, respectively; the total comprehensive income (including the share of profit or loss of associates and other comprehensive income under the equity method) for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, amounted to NTD 4,260 thousand, NTD (158) thousand, NTD 4,014 thousand, and NTD (1,594) thousand, respectively, representing 8%, 0%, 5%, and 1% of the consolidated total comprehensive income.

Qualified Conclusion

Based on our review, except for the potential adjustments that might be necessary to the consolidated financial statements if the financial statements of certain immaterial subsidiaries and investments accounted for using the equity method, as described in the Basis for Qualified Conclusion paragraph, had been reviewed by accountants, nothing has come to our attention that causes us to believe that the consolidated financial statements do not present fairly, in all material respects, the consolidated financial position of the CyberTAN Group as of June 30, 2024, and 2023, and its consolidated financial performance for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, and its consolidated cash flows for the periods from January 1 to June 30, 2024, and 2023, in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed and made effective by the Financial Supervisory Commission.

PricewaterhouseCoopers Taiwan

PO-CHUAN LIN

CPA

YUNG-CHIEN HSU

FSC
Approval Reference No.: Jin-Guan-Zheng-Shen-Zi No. 1100350706
Former Securities and Futures Commission, Ministry of Finance
Approval Reference No.: (84)-Tai-Cai-Zheng-(Liu) No. 13377

August 9, 2024

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
June 30, 2024 and December 31, June 30, 2023

Unit: NTD thousand

			June 30, 2024		December 31, 2023		June 30, 2023	
	Assets	Notes	Amount	%	Amount	%	Amount	%
	Current assets							
1100	Cash and cash equivalents	6(1)	$ 1,268,035	19	$ 1,502,583	21	$ 1,715,604	24
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	1,085,473	16	904,551	13	821,000	12
1170	Accounts receivable, net	6(5)	373,945	6	806,114	11	504,719	7
1180	Accounts receivable – the related party, net	6(5) and 7	260,888	4	159,635	2	280,253	4
1200	Other receivables	7	101,483	2	44,696	1	12,237	-
1220	Income tax assets in the current period		6,935	-	5,561	-	15,721	-
130X	Inventory	6(6)	856,861	13	881,490	13	1,295,224	19
1470	Other current assets		12,960	-	19,981	-	11,606	-
11XX	**Total current assets**		3,966,580	60	4,326,224	61	4,656,364	66
	Non-current assets							
1517	Financial assets measured at fair value through profit or loss – non-current	6(3)	10,561	-	10,464	-	16,821	-
1535	Financial assets measured at amortized cost – non-current	6(4) and 8	312,528	5	308,809	4	22,504	-
1550	Investment at equity method	6(7)	543,436	8	783,537	11	929,041	13
1600	Property, plant and equipment	6(8)	1,076,525	16	900,758	13	824,850	12
1755	Right-of-use assets	6(9)	383,568	6	386,686	6	280,468	4
1780	Intangible assets		25,335	-	24,957	-	16,890	-
1840	Deferred income tax assets		112,079	2	116,459	2	95,901	1
1900	Other non-current assets	6(11)	218,791	3	216,199	3	254,677	4
15XX	**Total non-current assets**		2,682,823	40	2,747,869	39	2,441,152	34
1XXX	**Total assets**		$ 6,649,403	100	$ 7,074,093	100	$ 7,097,516	100

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Balance Sheet
June 30, 2024 and December 31, June 30, 2023

Unit: NTD thousand

	Liabilities and equity	Notes	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current liabilities							
2100	Short-term loans	6(12)	$ 60,913	1	$ 590,516	8	$ 308,256	5
2120	Financial liabilities measured at fair value through profit or loss – Current	6(2)	5,001	-	-	-	14,493	-
2130	Contract liabilities – current	6(20)	67,349	1	48,648	1	115,516	2
2170	Accounts payable		843,203	13	822,316	11	995,805	14
2180	Accounts payable – the related party	7	18,736	-	44,169	1	13,824	-
2200	Other payables		241,474	4	186,972	3	145,181	2
2220	Other payables – the related party	7	16,214	-	12,385	-	12,209	-
2230	Income tax liabilities in the current period		-	-	-	-	129	-
2250	Liability reserve – current	6(15)	3,787	-	4,345	-	5,187	-
2280	Lease liabilities – current		57,710	1	53,091	1	53,870	1
2365	Refund liabilities – current		597	-	2,795	-	5,096	-
2399	Other current liabilities -others		80,718	1	87,397	1	90,567	1
21XX	**Total current liabilities**		1,395,702	21	1,852,634	26	1,760,133	25
	Non-current liabilities							
2550	Liability reserve – non-current	6(15)	10,883	-	8,594	1	6,233	-
2570	Deferred income tax liabilities		6,436	-	6,431	-	8,551	-
2580	Lease liabilities – non-current		410,213	7	429,673	6	456,251	7
2600	Other non-current liabilities	7	6,911	-	6,832	-	6,483	-
25XX	**Total non-current liabilities**		434,443	7	451,530	7	477,518	7
2XXX	**Total liabilities**		1,830,145	28	2,304,164	33	2,237,651	32
	Equity attributable to parent company shareholders							
	Share capital	6(16)						
3110	Common stock		3,304,954	50	3,302,554	47	3,302,154	46
	Capital reserves	6(17)						
3200	Capital reserves		608,257	9	622,678	9	620,772	9
	Retained earnings	6(18)						
3310	Legal reserve		825,257	12	825,257	11	825,257	11
3320	Special reserve		155,470	2	162,392	2	162,392	2
3350	Undistributed earnings		40,390	1	28,086	-	131,581	2
	Other equity	6(19)						
3400	Other equity		(94,645)	(2)	(169,612)	(2)	(177,235)	(2)
	Treasury stocks	6(16)						
3500	Treasury stocks		(20,425)	-	(1,426)	-	(5,056)	-
31XX	**Total equity attributable to parent company shareholders**		4,819,258	72	4,769,929	67	4,859,865	68
3XXX	**Total equity**		4,819,258	72	4,769,929	67	4,859,865	68
	Major Contingent Liabilities and Commitments Made Under Unrecognized Contracts	9						
3X2X	**Total liabilities and equity**		$ 6,649,403	100	$ 7,074,093	100	$ 7,097,516	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 June 30, 2024 and 2023

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

Item		Notes	April 1 to June 30, 2024 Amount	%	April 1 to June 30, 2023 Amount	%	January 1 to June 30, 2024 Amount	%	January 1 to June 30, 2023 Amount	%
4000	Operating revenue	6(20) and 7	$ 765,466	100	$ 699,993	100	$ 1,424,541	100	$ 1,562,057	100
5000	Operating cost	6(6) (25) (26) and 7	(705,517)	(92)	(729,176)	(104)	(1,365,649)	(96)	(1,586,221)	(102)
5950	Gross profit (loss), net		59,949	8	(29,183)	(4)	58,892	4	(24,164)	(2)
	Operating expense	6(25) (26) and 7								
6100	Selling expenses		(15,700)	(2)	(10,437)	(1)	(34,966)	(2)	(24,996)	(2)
6200	Administrative expenses		(34,358)	(5)	(21,718)	(3)	(67,468)	(5)	(54,049)	(3)
6300	R&D expenses		(80,047)	(10)	(66,517)	(10)	(153,471)	(11)	(140,891)	(9)
6450	Expected credit impairment gains (losses)	12(2)	(2,473)	-	2,689	-	(956)	-	9,044	1
6000	Total operating expenses		(132,578)	(17)	(95,983)	(14)	(256,861)	(18)	(210,892)	(13)
6900	Operating losses		(72,629)	(9)	(125,166)	(18)	(197,969)	(14)	(235,056)	(15)
	Non-operating revenue and expenses									
7100	Interest revenue	6(21)	5,779	1	7,711	1	21,661	1	13,792	1
7010	Other revenue	6(22) and 7	21,901	3	20,268	3	38,713	3	42,893	3
7020	Other gains and losses	6(23)	96,825	13	21,404	3	224,620	16	(17,893)	(1)
7050	Financial Costs	6(24)	(4,830)	(1)	(5,369)	-	(15,348)	(1)	(13,915)	(1)
7060	The share of the profit or loss of affiliated companies, joint ventures recognized under the equity method	6(7)	(26,645)	(4)	(26,390)	(4)	(55,425)	(4)	(40,534)	(3)
7000	Total non-operating income and expense		93,030	12	17,624	3	214,221	15	(15,657)	(1)
7900	**Net profit (loss) before tax**		20,401	3	(107,542)	(15)	16,252	1	(250,713)	(16)
7950	Income tax benefits (expenses)	6(27)	(711)	-	8,253	1	1,837	-	28,569	2
8200	**Net profit (loss) for the current period**		$ 19,690	3	($ 99,289)	(14)	$ 18,089	1	($ 222,144)	(14)

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to June 30, 2024 and 2023

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

Code	Item	Notes	April 1 to June 30, 2024 Amount	%	April 1 to June 30, 2023 Amount	%	January 1 to June 30, 2024 Amount	%	January 1 to June 30, 2023 Amount	%
	Other comprehensive income									
	Items not reclassified to profit or loss									
8316	Unrealized valuation gains and loss from equity instrument investments measured at fair value through other comprehensive income	6(3)(19)	$ 2,043	-	($ 4,000)	(1)	($ 2,346)	-	($ 2,016)	-
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)(19)	13,615	2	5,428	1	22,324	1	7,509	-
8310	Total of items not reclassified to profit or loss		15,658	2	1,428	-	19,978	1	5,493	-
	Items may be reclassified to profit or loss subsequently									
8361	Exchange difference in the financial statement translation of the foreign operation	6(19)	19,948	3	(19,204)	(3)	34,400	2	5,699	-
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)(19)	580	-	(2,554)	-	11,322	1	(2,314)	-
8399	Income tax related to items may be reclassified	6(19) (27)	(3,990)	(1)	3,841	-	(6,880)	-	(1,140)	-
8360	Total of items may be reclassified to profit or loss subsequently		16,538	2	(17,917)	(3)	38,842	3	2,245	-
8300	**Other comprehensive income (net amount)**		$ 32,196	4	($ 16,489)	(3)	$ 58,820	4	$ 7,738	-
8500	**Total comprehensive income for the current period**		$ 51,886	7	($ 115,778)	(17)	$ 76,909	5	($ 214,406)	(14)
	Net profit attributable to:									
8610	Parent company shareholders		$ 19,690	3	($ 99,289)	(14)	$ 18,089	1	($ 222,144)	(14)
	The total comprehensive income attributable to:									
8710	Parent company shareholders		$ 51,886	7	($ 115,778)	(17)	$ 76,909	5	($ 214,406)	(14)
	Earnings (losses) per share	6(28)								
9750	Basic earnings (losses) per share		$ 0.06		($ 0.30)		$ 0.05		($ 0.68)	
	Diluted earnings (losses) per share	6(28)								
9850	Diluted earnings (losses) per share		$ 0.06		($ 0.30)		$ 0.05		($ 0.68)	

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 June 30, 2024 and 2023

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
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		-	-	-	-	(222,144)	-	-	-	-	(222,144)
Other comprehensive income for the current period	6(19)	-	-	-	-	-	2,245	5,493	-	-	7,738
Total comprehensive income for the current period		-	-	-	-	(222,144)	2,245	5,493	-	-	(214,406)
Appropriation and distribution of earnings in 2022:	6(18)										
Allocated special reserve		-	-	-	40,238	(40,238)	-	-	-	-	-
Share-based payment for remuneration	6(14)(19)	-	-	-	-	-	-	-	14,460	-	14,460
Repurchase of treasury shares	6(16)	-	-	-	-	-	-	-	-	(5,056)	(5,056)
Balance at June 30, 2023		$ 3,302,154	$ 620,772	$ 825,257	$ 162,392	$ 131,581	($ 77,675)	($ 76,979)	($ 22,581)	($ 5,056)	$ 4,859,865
2024											
Balance at January 1, 2024		$ 3,302,554	$ 622,678	$ 825,257	$ 162,392	$ 28,086	($ 77,986)	($ 77,483)	($ 14,143)	($ 1,426)	$ 4,769,929
Current net profit		-	-	-	-	18,089	-	-	-	-	18,089
Other comprehensive income for the current period	6(19)	-	-	-	-	-	38,842	19,978	-	-	58,820
Total comprehensive income for the current period		-	-	-	-	18,089	38,842	19,978	-	-	76,909
Appropriation and distribution of earnings in 2023:	6(18)										
Reversal of special reserves		-	-	-	(6,922)	6,922	-	-	-	-	-
Issuance of new restricted employee shares	6(14)(16)(17)(19)	2,600	3,107	-	-	-	-	-	(5,707)	-	-
Revocation of restricted employee shares	6(14)(16)(17)(19)	(200)	(261)	-	-	-	-	-	461	-	-
Share-based payment for remuneration	6(14)(19)	-	-	-	-	-	-	-	6,312	-	6,312
Disposal of investments accounted for using the equity method	6(17)(19)	-	(17,267)	-	-	(12,858)	2,374	12,858	-	-	(14,893)
Disposal of equity instrument measured at fair value through other comprehensive income	6(19)	-	-	-	-	151	-	(151)	-	-	-
Repurchase of treasury shares		-	-	-	-	-	-	-	-	(18,999)	(18,999)
Balance at June 30, 2024		$ 3,304,954	$ 608,257	$ 825,257	$ 155,470	$ 40,390	($ 36,770)	($ 44,798)	($ 13,077)	($ 20,425)	$ 4,819,258

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 June 30, 2024 and 2023

Unit: NTD thousand

	Notes	January 1 to June 30, 2024	January 1 to June 30, 2023
Cash flow from operating activities			
Net profit (loss) before tax for the current period		$ 16,252	($ 250,713)
Adjustment items			
Income/expenses items			
Depreciation expenses	6(25)	71,874	65,133
Miscellaneous expenses – depreciation expenses	6(23)	9,557	10,268
Amortization expenses	6(25)	2,988	1,739
Expected credit impairment losses (gains)	12(2)	956	(9,044)
Net loss from financial assets and liabilities at fair value through profit or loss	6(2)(23)	32,092	14,625
Interest expenses	6(24)	15,348	13,915
Miscellaneous expenses - Interest expenses	6(23)	900	1,082
Interest revenue	6(21)	(21,661)	(13,792)
Share of profit or loss from affiliated companies under the equity method	6(7)	55,425	40,534
Gains on disposal of investment accounted for using equity method	6(7)(23)	(260,445)	-
Gains on disposal of property, plant and equipment	6(23)	(201)	(2,516)
Share-based payment for remuneration	6(14)(26)	6,312	14,460
Changes of assets/liabilities related to operating activities			
Net changes of assets/liabilities related to operating activities			
Accounts receivable (including the related party)		329,935	1,201,515
Inventory		24,629	(146,892)
Other receivables		(49,900)	38,606
Other current assets		7,021	(2,333)
Other non-current assets		(1,042)	(1,456)
Net changes of liabilities related to operating activities			
Financial liabilities measured at fair value through profit or loss		(25,478)	(132)
Contract liabilities - current		18,701	57,526
Accounts payable (including the related party)		(4,546)	(51,265)
Other payables (including the related party)		62,489	(54,835)
Refund liabilities – current		(2,198)	451
Liability reserve		1,731	(7,091)
Other current liabilities		(6,679)	14,642
Advance on rent		-	60
Cash inflow from operations		284,060	934,487
Income tax paid		(1,010)	(12,453)
Net cash inflow from operating activities		283,050	922,034

(To be continued)

CyberTAN Technology Inc. and the subsidiaries
Consolidated Statement of Cash Flow
January 1 to June 30, 2024 and 2023

Unit: NTD thousand

	Notes	January 1 to June 30, 2024	January 1 to June 30, 2023
Cash flow from investing activities			
Acquisition of financial assets measured at amortized cost		($ 184,641)	($ 270,559)
Proceeds from disposal of investment under equity method	6(7)	462,396	-
Acquisition of property, plant, and equipment	6(29)	(223,385)	(74,083)
Disposal of property, plant, and equipment proceeds		201	2,843
Increase in refundable deposit		(1,550)	(41,062)
Acquisition of intangible asset		(2,429)	(412)
Interest received		14,774	13,753
Cash dividend distributed by affiliated companies recognized under the equity method	6(7)	1,478	849
Acquisition for right-of-use assets	6(29)	(6,840)	-
Net cash inflow (outflow) from investing activities		60,004	(368,671)
Cash flow from financing activities			
Decrease in short-term loans		(529,603)	(141,699)
Increases (decrease) in guarantee deposits		79	(87)
Repayment of lease principal	6(30)	(10,953)	(27,115)
Interest paid		(16,248)	(14,997)
Cost of repurchase of treasury shares		(18,999)	(5,056)
Net cash outflow from financing activities		(575,724)	(188,954)
Foreign exchange rate effect		(1,878)	(4,654)
Increase (decrease) in cash and cash equivalents in the current period		(234,548)	359,755
Balance of cash and cash equivalents, beginning		1,502,583	1,355,849
Balance of cash and cash equivalents, ending		$ 1,268,035	$ 1,715,604

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
Notes to Consolidated Financial Statements
Second Quarter in 2024 and 2023

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. The Company’s stock has been listed and traded on the Taiwan Stock Exchange since July 28, 2003.

II. Approval Date and Procedures of the Financial Statements

The consolidated financial report was released after being approved by the board of directors on August 9, 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 2024 that were approved and promulgated 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

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 newly issued, amended, and revised International Financial Reporting Standards (IFRS) and interpretations applicable for the year 2025, as endorsed by the FSC:

New, Amended, or Revised Standards and Interpretations	Effective Date per IASB
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.

(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 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments"	January 1, 2026
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be 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
IFRS 18 "Presentation and Disclosures of Financial Statements"	January 1, 2027
IFRS 19 "Subsidiaries without Public Accountability: Disclosures"	January 1, 2027
Annual Improvements to IFRS Accounting Standards—Volume 11	January 1, 2026

Except for the following, the Group has assessed that the standards and interpretations above have no significant impact on the Group's financial position and financial performance:

1. Amendments to IFRS 9 and IFRS 7 "Amendment to the Classification and Measurement of Financial Instruments," are explained as follows:

   The update specifies that for the equity instruments measured at fair value through other comprehensive income (FVOCI), their fair value should be disclosed by category, without the need to disclose fair value information for each individual instrument. In addition, the amount of fair value profit or loss recognized in other comprehensive income during the reporting period should be disclosed separately. This includes the fair value gains or losses related to investments disposed of during the reporting period and those related to investments still held at the end of the reporting period, as well as the accumulated profits or losses transferred to equity upon the disposal of investments during the reporting period.

2. IFRS 18 "Presentation and Disclosures of Financial Statements"

   IFRS 18 "Presentation and Disclosures of Financial Statements" replaces IAS 1 and updates the structure of the statement of comprehensive income, adds the disclosure of management-defined performance measures, and enhances the guidance on the organization and grouping of information in the primary financial statements and the notes.

IV. Summary of Significant Accounting Policies

The major accounting policies applied to prepare the consolidated financial statements are as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Accounting Standard 34, "Interim Financial Reporting," as endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except the following important items, the consolidated financial report was prepared based on the historical cost:

(1) Financial instruments and liabilities (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 financial statements in compliance with International Financial Reporting Standards and International Accounting Standards and Interpretations (hereinafter referred to as IFRSs) endorsed and issued into effect by the FSC requires the use of some critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. Please refer to Note 5 for details that involve a higher degree of judgment or complexity, or the critical accounting estimates and assumptions used that are significant to the consolidated financial statements.

(III) Basis of consolidation

1. Principle for the preparation of consolidated financial statements

(1) The Group included all 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 from 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:

Investor	Subsidiaries		Equity percentage		
Name	Name	Nature of business	June 30, 2024	December 31, 2023	June 30, 2023
The Company	CyberTAN Corp (U.S.A)	Sales company	100%	100%	100%
〃	Ta Tang Investment Co., Ltd.	General investment business	100%	100%	100%
〃	CyberTAN (B.V.I) Investment Corp.	"	100%	100%	100%
〃	SonicFi INC.	Sales company	100%	100%	-
CyberTAN (B.V.I) Investment Corp.	FU HAI Technology Company Limited	Manufacturing company	100%	100%	100%
CyberTAN (B.V.I) Investment Corp.	HON YAO FU Technology Company Limited	Manufacturing company	100%	100%	100%
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	General investment business	100%	100%	100%
CyberTAN Technology (HONG KONG) Limited	Fuhongkang Technology (Shenzhen) Co., Ltd.	Manufacturing company	100%	100%	100%
CyberTAN Technology (HONG KONG) Limited	Guangzhou Fuguang Communication Technology Co., Ltd.	R&D company	100%	-	-
Fuhongkang Technology (Shenzhen) Co., Ltd.	Chongqing Hongdaofu Technology Co., Ltd.	Manufacturing company	100%	100%	100%

(1) As it does not meet the definition of a material subsidiary, its financial statements as of June 30, 2024, and 2023 have not been reviewed by accountants.
(2) 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.
(3) 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.
(4) The Group directly invested in the establishment of Guangzhou Fuguang Communication Technology Co., Ltd. on April 16, 2024, 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 FVOCI 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 position are converted to the 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 operations partially disposed or sold are affiliated companies or under joint agreements, the exchange differences under other comprehensive income will be reclassified into the current profit or loss proportionately as part of the gains or losses on the sale. However, when the Group retains partial rights in former affiliated companies or joint agreements but loses significant influence over the affiliated companies included in the foreign operation or loses joint control over the joint agreements included in the foreign operation, 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.
   (3) Primarily for trading purposes.
   (4) Assets expected to be realized within 12 months after the balance sheet date.
   (5) 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.
2. The Group listed all assets that did not comply with the following conditions as non-current assets.
   (1) Assets that match any of the following conditions shall be classified as current liabilities:
   (2) Liabilities expected to be settled in normal business cycle.
   (3) Primarily for trading purposes.
   (4) Liabilities expected to be settled within 12 months after the balance sheet date.
   (5) Entities that do not have the right to defer settlement of a liability for at least 12 months after the reporting period.

   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 FVOCI.
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 investments 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 carrying amount. 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 the asset's carrying amount resulting from the reversal must not exceed the asset's carrying amount 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) Financial liabilities measured at fair value through profit or loss

1. Refers to financial liabilities held for trading with the main purpose of repurchasing them in the near future, and derivative financial instruments that are not designated as hedging instruments by hedge accounting. When a financial liability meets one of the following conditions, the Group designates it to be measured at fair value through profit or loss at the time of initial recognition:
   (1) It is a hybrid (combined) contract; or
   (2) The measurement or recognition inconsistency can be eliminated or significantly reduced; or
   (3) It is a tool for managing and evaluating its performance on a fair value basis in accordance with documented risk management policies.
2. 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.

(XXIII) Derecognition of the financial liabilities

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

(XXIV) 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.

(XXV) 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 liabilities. The discounted amortization is then recognized as interest expenses. The future operating loss shall not be recognized in the reserve for liabilities.

(XXVI) 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.

D. The pension cost for the interim period was calculated using the actuarially determined pension cost rate at the end of the previous fiscal year from the beginning of the year to the end of the current period. If there are significant market changes and major reductions, settlements or other major one-time events after the end date, they will be adjusted and the relevant information will be disclosed in accordance with the aforementioned policies.

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.

(XXVII) Employees' share-based payment for remuneration

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.

(XXVIII) Income Tax

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.

7. The estimated average effective tax rate for the interim period is applied to the interim income tax expense to calculate the interim income before tax, and the relevant information is disclosed in accordance with the aforementioned policies.
8. When a tax rate change occurs during an interim period, the Group recognizes the effect of the change all at once in the period in which the change occurs. For income tax that is related to an item other than profit or loss, the effect of the change is recognized in other comprehensive income or equity. If the income tax is related to the item recognized in profit or loss, the effect of the change is recognized in profit or loss.

(XXIX) Share capital

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.

(XXX) 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.

(XXXI) 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 upon based on the general business trading model.
   (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 are recognized upon the delivery of the 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.

(XXXII) 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.

(XXXIII) 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 chief operating decision-maker is responsible for distributing resources to the business segments and evaluating their performance. The chief operating decision-maker of the Group, identified as the board of directors, holds this responsibility.

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 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 June 30, 2024, the book value of the Group's inventory was NTD 856,861.

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, the customer's financial status, historical trading record, and subsequent collections as the basis. The Group also calculates the loss ratio based on past aging data statements and considers the industry's forward-looking evaluation to estimate the credit loss rate. This requires subjective judgment and the reserve matrix as the basis to estimate the possible credit loss.

As of June 30, 2024, the book value of accounts receivable (including the related party) after recognizing the credit loss by the Group was NTD 634,833.

VI. Explanation of Important Accounting Titles

(I) Cash and cash equivalents

	June 30, 2024	December 31, 2023	June 30, 2023
Cash on hand and working fund	$ 312	$ 292	$ 292
Current deposit	628,211	490,749	794,846
Time deposit	219,370	522,353	246,482
Cash equivalents – repurchase bonds	420,142	489,189	673,984
Total	$ 1,268,035	$ 1,502,583	$ 1,715,604

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 deposits with original maturities over three months and those with restricted use under "Financial assets measured at amortized cost." Please refer to the description in Note 6(4).

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

Asset item	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Financial assets measured at fair value through profit or loss on a mandatory basis			
Cross currency swap	$ -	$ 1,613	$ -

Liabilities	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Financial liabilities mandatorily measured at fair value through profit or loss			
Cross currency swap	$ 5,001	$ -	$ 14,493

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

	April 1 to June 30, 2024	April 1 to June 30, 2023
Recognized in profit or loss:		
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap	($ 17,915)	($ 11,978)

	January 1 to June 30, 2024	January 1 to June 30, 2023
Recognized in profit or loss:		
Financial assets and liabilities mandatorily measured at fair value through profit or loss		
Cross currency swap	($ 32,092)	($ 14,625)

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

Derivative financial liabilities	June 30, 2024 Contract amount (Notional principal) (thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	130,200	2024.04.19-2024.07.22
	TWD(BUY)	97,800	2024.04.23-2024.07.25
	TWD(BUY)	65,200	2024.04.23-2024.07.25
	TWD(BUY)	128,400	2024.05.16-2024.08.20
	TWD(BUY)	129,120	2024.05.22-2024.08.28
	TWD(BUY)	64,540	2024.05.24-2024.08.28
	TWD(BUY)	97,200	2024.06.24-2024.09.26
	TWD(BUY)	97,200	2024.06.24-2024.09.27
	TWD(BUY)	130,360	2024.06.27-2024.09.30

Derivative financial liabilities	June 30, 2024 Contract amount (Notional principal) (thousands)		Contract term
Cross-currency swap contracts	USD(SELL)	4,000	2024.04.19-2024.07.22
	USD(SELL)	3,000	2024.04.23-2024.07.25
	USD(SELL)	2,000	2024.04.23-2024.07.25
	USD(SELL)	4,000	2024.05.16-2024.08.20
	USD(SELL)	4,000	2024.05.22-2024.08.28
	USD(SELL)	2,000	2024.05.24-2024.08.28
	USD(SELL)	3,000	2024.06.24-2024.09.26
	USD(SELL)	3,000	2024.06.24-2024.09.27
	USD(SELL)	4,000	2024.06.27-2024.09.30

Derivative financial assets	December 31, 2023 Contract amount (Notional principal) (thousands)		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

Derivative financial liabilities	June 30, 2023 Contract amount (Notional principal) (thousands)		Contract term
Current items:			
Cross-currency swap contracts	TWD(BUY)	181,200	2023.2.16-2023.8.16
	TWD(BUY)	153,000	2023.4.25-2023.10.25
	TWD(BUY)	122,800	2023.6.7-2023.12.7
	USD(SELL)	6,000	2023.2.16-2023.8.16
	USD(SELL)	5,000	2023.4.25-2023.10.25
	USD(SELL)	4,000	2023.6.7-2023.12.7

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	June 30, 2024	December 31, 2023	June 30, 2023
Non-current items:			
Equity instruments			
TWSE/TPEx unlisted stocks	$ 43,591	$ 42,987	$ 43,596
Valuation adjustment	(33,030)	(32,523)	(26,775)
Total	$ 10,561	$ 10,464	$ 16,821

1. The Group classified the equity instrument investment belonging to strategic investment as financial assets measured at FVOCI. The fair values of these investments as of June 30, 2024, December 31, 2023, and June 30, 2023, were NTD 10,561, NTD 10,464, and NTD 16,821, respectively.
2. The details of financial assets measured at FVOCI recognized in comprehensive income are as follows:

	April 1 to June 30, 2024	April 1 to June 30, 2023
Equity instrument measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	$ 2,043	($ 4,000)

	January 1 to June 30, 2024	January 1 to June 30, 2023
Equity instrument measured at fair value through other comprehensive income		
Fair value changes recognized in other comprehensive income	($ 2,346)	($ 2,016)

3. For information related to financial assets measured at FVOCI, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	June 30, 2024	December 31, 2023	June 30, 2023
Current items:			
Time deposit expired over three months	$ 1,085,473	$ 900,856	$ 821,000
Pledged time deposit	-	3,695	-
Total	$ 1,085,473	$ 904,551	$ 821,000
Non-current items:			
Ordinary corporate bonds	$ 290,000	$ 290,000	$ -
Pledged time deposit	22,528	18,809	22,504
Total	$ 312,528	$ 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 June 30, 2024, December 31, 2023, and June 30, 2023, 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

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable	$ 382,402	$ 813,590	$ 515,317
Accounts receivable – the related party	260,888	159,635	280,253
Less: Allowance loss	(8,457)	(7,476)	(10,598)
	$ 634,833	$ 965,749	$ 784,972

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) as of June 30, 2024, December 31, 2023, and June 30, 2023, were generated by the customer's contract. Also, the balance of accounts receivable from the customer's contract was NTD 1,977,443 as of January 1, 2023.
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 June 30, 2024, December 31, 2023, and June 30, 2023, was the book balance.
5. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(VI) Inventory

	June 30, 2024		
	Costs	Allowance devaluation loss	Book amount
Materials	$ 756,628	($ 86,946)	$ 669,682
Goods in process and semi-finished goods	76,543	(12,453)	64,090
Finished products	129,586	(6,497)	123,089
Total	$ 962,757	($ 105,896)	$ 856,861

	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

	June 30, 2023 Costs	Allowance devaluation loss	Book amount
Materials	$ 1,269,252	($ 69,590)	$ 1,199,662
Goods in process and semi-finished goods	44,496	(2,879)	41,617
Finished products	58,078	(4,148)	53,930
Inventory in transit	15	-	15
Total	$ 1,371,841	($ 76,617)	$ 1,295,224

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

	April 1 to June 30, 2024	April 1 to June 30, 2023
Cost of sold inventory	$ 707,703	$ 625,027
Idle production capacity	8,427	102,757
Devaluation loss (revaluation gain)	(10,613)	1,392
	$ 705,517	$ 729,176

	January 1 to June 30, 2024	January 1 to June 30, 2023
Cost of sold inventory	$ 1,327,448	$ 1,419,309
Idle production capacity	26,272	164,269
Devaluation loss	11,929	2,643
	$ 1,365,649	$ 1,586,221

From April 1 to June 30, 2024, the Group benefited from inventory decline due to gains from price recovery of inventory.

(VII) Investment at equity method

	2024	2023
January 1	$ 783,537	$ 965,229
Disposal of investments accounted for using the equity method	(219,218)	-
Acquisition of cash dividend by affiliated companies under the equity method	(1,478)	(849)
Share in profit or loss of affiliated companies under equity method	(55,425)	(40,534)
Exchange difference in the financial statement translation of the foreign operation	13,696	(2,314)
Other equity changes (Note 6(19))	22,324	7,509
June 30	$ 543,436	$ 929,041

	June 30, 2024	December 31, 2023	June 30, 2023
Affiliated companies:			
Microelectronics Technology, Inc. (Microelectronics Technology)	$ 506,510	$ 769,860	$ 909,533
Mega Power Ventures Inc.	36,926	13,677	19,508
	$ 543,436	$ 783,537	$ 929,041

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

Name of company	Principal business place	Shareholding ratio June 30, 2024	December 31, 2023	June 30, 2023	Nature of relationship	Measurement method
Microelectronics Technology	Taiwan	13.36%	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 June 30, 2024	December 31, 2023	June 30, 2023
Current assets	$ 2,739,036	$ 3,529,793	$ 4,137,440
Non-current assets	1,874,996	1,948,608	2,020,858
Current liabilities	(2,435,744)	(2,809,723)	(3,297,572)
Non-current liabilities	(617,406)	(786,659)	(948,746)
Total net assets	$ 1,560,882	$ 1,882,019	$ 1,911,980
Shares of the affiliates' net assets	$ 208,456	$ 354,874	$ 434,325
Goodwill	306,431	428,151	491,354
Others	(8,377)	(13,165)	(16,146)
Book value of affiliated companies	$ 506,510	$ 769,860	$ 909,533

Comprehensive Income Statement	Microelectronics Technology April 1 to June 30, 2024	April 1 to June 30, 2023
Revenue	$ 501,439	$ 1,038,360
Net loss of continuing operations for the current period	($ 192,417)	($ 117,133)
Other comprehensive income (after tax)	14,808	8,378
Total comprehensive income for the current period	($ 177,609)	($ 108,755)

	Microelectronics Technology January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue	$ 932,460	$ 2,241,984
Net loss of continuing operations for the current period	($ 372,643)	($ 179,953)
Other comprehensive income (after tax)	51,506	14,329
Total comprehensive income for the current period	($ 321,137)	($ 165,624)

3. As the affiliated company important to the Group, Microelectronics Technology has an open

market quotation. Its fair value as of June 30, 2024, December 31, 2023, and June 30, 2023, was NTD 1,090,532, NTD 1,782,092, and NTD 2,414,248, respectively.

4. In the first half of 2024, the Group sold 13,865 thousand shares of affiliate Microelectronics Technology for a total sale price of NTD 462,396. This was recognized as an investment gain of NTD 260,445 accounted for under the equity method, decreasing its shareholding from 18.86% to 13.36%.
5. The Group holds 13.36% 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, 2024					
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
2024					
January 1	$ 517,404	$ 189,246	$ 62,004	$ 132,104	$ 900,758
Increase	5,161	24,172	13,234	176,660	219,227
Disposal (cost)	-	(675)	(743)	-	(1,418)
Disposal (accumulated depreciation)	-	675	743	-	1,418
Depreciation expenses	(12,152)	(42,624)	(8,848)	-	(63,624)
Reclassification (cost)	-	8,836	-	(8,836)	-
Net exchange differences	-	7,797	1,908	10,459	20,164
June 30	$ 510,413	$ 187,427	$ 68,298	$ 310,387	$ 1,076,525
June 30, 2024					
Costs	$ 884,019	$ 413,374	$ 191,619	$ 310,387	$ 1,799,399
Accumulated depreciation	(373,606)	(225,947)	(123,321)	-	(722,874)
	$ 510,413	$ 187,427	$ 68,298	$ 310,387	$ 1,076,525

	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	853	70,011	3,219	-	74,083
Disposal (cost)	(3,076)	(12,923)	(61,104)	-	(77,103)
Disposal (accumulated depreciation)	3,076	12,701	60,999	-	76,776
Depreciation expenses	(12,020)	(38,768)	(8,071)	-	(58,859)
Reclassification (cost)	-	2,692	(2,692)	-	-
Net exchange differences	-	1,811	635	-	2,446
June 30	$ 528,117	$ 219,651	$ 74,421	$ 2,661	$ 824,850
June 30, 2023					
Costs	$ 874,448	$ 387,549	$ 191,611	$ 2,661	$ 1,456,269
Accumulated depreciation	(346,331)	(167,898)	(117,190)	-	(631,419)
	$ 528,117	$ 219,651	$ 74,421	$ 2,661	$ 824,850

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:

	June 30, 2024	December 31, 2023	June 30, 2023
	Book amount	Book amount	Book amount
Land	$ 331,590	$ 334,543	$ 214,354
House	50,268	50,136	63,438
Transportation equipment	1,710	2,007	2,676
	$ 383,568	$ 386,686	$ 280,468

	April 1 to June 30, 2024	April 1 to June 30, 2023
	Depreciation expenses	Depreciation expenses

Land	$ 5,135	$ 4,335
House	3,383	3,554
Transportation equipment	371	335
	$ 8,889	$ 8,224

	January 1 to June 30, 2024	January 1 to June 30, 2023
	Depreciation expenses	Depreciation expenses
Land	$ 10,249	$ 8,670
House	6,829	7,203
Transportation equipment	729	669
	$ 17,807	$ 16,542

4. The increase in the right-of-use assets of the Group from January 1 to June 30, 2024, and 2023 were $5,061 and $0, respectively.
5. On June 28, 2023, FU HA Technology Company Limited signed a contract with the Vietnamese government to acquire the land use rights of Ho Phu Industrial Park, Bac Giang Province, Vietnam, with plans to establish a new factory there. The usage period extends from the issuance date of the land use rights certificate until May 20, 2066. The land use right was transferred on July 29, 2023, for a total consideration of NTD 133,092 (VND 100,407,437 thousand). As of June 30, 2024, the full payment has been made.
6. The following is information regarding the profit or loss items related to lease contracts:

	April 1 to June 30, 2024	April 1 to June 30, 2023
Item influencing current profit or loss		
Interest expenses of lease liabilities	$ 3,892	$ 4,298
Expenses for short-term lease contracts	366	182
Expenses for lease of low-price assets	51	51
	$ 4,309	$ 4,531

	January 1 to June 30, 2024	January 1 to June 30, 2023
Item influencing current profit or loss		
Interest expenses of lease liabilities	$ 7,825	$ 8,719
Expenses for short-term lease contracts	765	215
Expenses for lease of low-price assets	103	138
	$ 8,693	$ 9,072

7. The Group’s total cash outflow for lease from January 1 to June 30, 2024, and 2023 were NTD 19,646 and NTD 36,187, respectively.

(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. For the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, the Group recognized rental income of NTD 16,889, NTD 17,885, NTD 33,509, and NTD 35,621, respectively, based on the operating lease contracts, and there were no variable lease payments.
3. The maturity analysis of lease payment based on operating lease of the Group is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Not more than 1 year	$ 71,035	$ 66,391	$ 64,357
2 to 5 years	71,356	101,869	134,460
More than 5 years	800	971	-
Total	$ 143,191	$ 169,231	$ 198,817

(XI) Other non-current assets

	June 30, 2024	December 31, 2023	June 30, 2023
Offset against business tax payable	$ 163,936	$ 163,624	$ 162,924
Net defined benefit assets	50,251	49,521	45,227
Refundable deposits	4,604	3,054	44,303
Others	-	-	2,223
Total	$ 218,791	$ 216,199	$ 254,677

(XII) Short-term loans

Nature of loan	June 30, 2024	Interest rate interval	Collateral
Bank loans			
Credit loans	$ 60,913	6.26%	None

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

Nature of loan	June 30, 2023	Interest rate interval	Collateral
Bank loans			
Credit loans	$ 308,256	4.70%	None

(XIII) 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 deposits it 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) In February 2024, the Science Park Administration approved the Group to suspend the appropriation of the labor pension reserve.

   (3) The Group expects to contribute NTD 0 to the pension plan in 2024.

2. (1) As of July 1, 2005, the Company and its domestic subsidiaries instituted the defined contribution pension plan according to the Labor Pension Act applicable to the native employees. The Company and its domestic subsidiaries 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) The subsidiaries in China and Vietnam make monthly contributions to the endowment insurance based on a certain percentage of the local employees' total salary in accordance with the endowment insurance system stipulated by the local government and deposit them in a dedicated employee account. Employees' pensions are arranged by the government. Except for the contribution of fund on a monthly basis, the Company mentioned above shall bear no other obligations.

   (3) The principal of the pension cost recognized by the Group according to the said pension regulations for the periods from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, were NTD 6,882, NTD 6,300, NTD 13,160, and NTD 13,103, respectively.

(XIV) Share-based payment for remuneration

1. The share-based payment for remuneration agreements of the Group as of June 30, 2024, December 31, 2023, and June 30, 2023, 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 (6)
New restricted employee	2022.11.08	500 thousand shares	3 years	Descriptions (2) and

shares plan				(6)
New restricted employee shares plan	2023.08.11	100 thousand shares	3 years	Descriptions (3) and (6)
New restricted employee shares plan	2023.11.10	30 thousand shares	3 years	Descriptions (4) and (6)
New restricted employee shares plan	2024.05.10	260 thousand shares	3 years	Descriptions (5) and (6)

(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) 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 May 9, 2027.
(6) 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.
(7) The above share-based payment agreements are all settled through equity.

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

	2024	2023
	Quantity (thousand shares)	Quantity (thousand shares)
New restricted employee shares on January 1	1,042	1,610
Issued in the current period	260	-
Canceled in the current period	(20)	-
New restricted employee shares on June 30	1,282	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
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
New restricted employee shares plan	2024.05.10	21.95	-	-	3 years	-	-	21.95

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

	April 1 to June 30, 2024	April 1 to June 30, 2023
Equity settled	$ 3,573	$ 7,230

	January 1 to June 30, 2024	January 1 to June 30, 2023
Equity settled	$ 6,312	$ 14,460

(XV) Liability reserve

	Warranty	
	2024	2023
Balance, January 1	$ 12,939	$ 18,511
Increase in liability reserve in current period	4,213	3,009
Used liability reserve in current period	(2,482)	(7,730)
Unused amount reversed in this period	-	(2,370)
Balance on June 30	$ 14,670	$ 11,420

The analysis of liability reserve is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 3,787	$ 4,345	$ 5,187
Non-current	$ 10,883	$ 8,594	$ 6,233

The Group's reserve for warranty liabilities is estimated according to the historical warranty information of such products to estimate possible after-sale service in the future. The warranty liabilities of the Group estimated to be used in 2025 and 2026 are NTD 3,787 and NTD 10,883, respectively.

(XVI) Share capital

1. As of June 30, 2024, 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 3,304,954 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 of the period is reconciled as follows:

	2024	2023
January 1	330,255	330,215
Issuance of new restricted shares to employees	260	-
Cancellation of new restricted employee shares	(20)	-
June 30	330,495	330,215

2. The Company's board of directors resolved to issue new restricted employee shares on May 10, 2024, August 9, 2023, and November 10, 2023 (please refer to Note 6(14)). The respective issuance reference dates for the new shares were May 10, 2024, 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.
3. On August 9, 2023, the Company's board of directors resolved to cancel 90 thousand shares of restricted stock units reclaimed, reducing the capital by NTD 900 thousand. The reduction date was set as August 10, 2023, and the change of registration was completed on August 29, 2023.
4. On March 11, 2024, the Company's board of directors resolved to cancel 20 thousand shares of restricted stock units bought back, reducing the capital by NTD 200 thousand. The reduction date was set as March 11, 2024, and the change of registration was completed on March 27, 2024.
5. Treasury stocks

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

		June 30, 2024	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	848	$ 20,425

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

		June 30, 2023	
Name of Company Holding Shares	Reason for redemption	Number of shares (thousand shares)	Book amount
The Company	For transfer of shares to employees	229	$ 5,056

(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.

(XVII) 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.

2024	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	$ 59,187	$ 69,891	$ 8,968	$ 622,678
Issuance of new restricted employee shares	-	-	3,107	-	3,107
Cancellation of new restricted employee shares	-	-	(261)	-	(261)
Disposal of investments accounted for using the equity method	-	(17,267)	-	-	(17,267)
June 30	$ 484,632	$ 41,920	$ 72,737	$ 8,968	$ 608,257

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 (June 30)	$ 484,632	$ 57,470	$ 69,702	$ 8,968	$ 620,772

(XVIII) 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 2023 and 2022 coverage of net losses proposals of the Company approved by the shareholders' meetings on June 25, 2024, and June 27, 2023, respectively, are as follows:

	2023		2022	
	Amount	Dividends per share (NTD)	Amount	Dividends per share (NTD)
(Reversal) Appropriation of special reserves	($ 6,922)	$ -	$ 40,238	$ -

(XIX) Other items of interest

	Financial assets measured at fair value through other comprehensive income	Translation of foreign currency	Employees' unearned remuneration	Total
January 1, 2024	($ 77,483)	($ 77,986)	($ 14,143)	($ 169,612)
Valuation adjustment	(2,346)	-	-	(2,346)
Valuation adjustment – Affiliated companies	22,324	-	-	22,324
Valuation adjustment transferred to retained earnings – Affiliated companies	(151)	-	-	(151)
Currency translation differences:				
- Group	-	34,400	-	34,400
- Group's tax	-	(6,880)	-	(6,880)
- Affiliated companies	-	11,322	-	11,322
Issuance of new restricted employee shares	-	-	(5,707)	(5,707)
Cancellation of new restricted employee shares	-	-	461	461
Share-based payment for remuneration	-	-	6,312	6,312
Disposal of investments	12,858	2,374	-	15,232

accounted for using the equity method				
June 30, 2024	($ 44,798)	($ 36,770)	($ 13,077)	($ 94,645)

	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	(2,016)	-	-	(2,016)
Valuation adjustment – Affiliated companies	7,509	-	-	7,509
Currency translation differences:				
- Group	-	5,699	-	5,699
- Group's tax	-	(1,140)	-	(1,140)
- Affiliated companies	-	(2,314)	-	(2,314)
Share-based payment for remuneration	-	-	14,460	14,460
June 30, 2023	($ 76,979)	($ 77,675)	($ 22,581)	($ 177,235)

(XX) Operating revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023
Revenue from customer contracts	$ 765,466	$ 699,993

	January 1 to June 30, 2024	January 1 to June 30, 2023
Revenue from customer contracts	$ 1,424,541	$ 1,562,057

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:

April 1 to June 30, 2024	America Communication product	Europe Communication product	Asia Communication product	Australia Communication product	Other departments	Total
Revenue from external customer contracts	$ 389,023	$ 274,477	$ 13,309	$ -	$ 88,657	$ 765,466
April 1 to June 30, 2023	**America Communication product**	**Europe Communication product**	**Asia Communication product**	**Australia Communication product**	**Other departments**	**Total**
Revenue from external customer contracts	$ 307,808	$ 295,425	$ 22,270	$ 61,743	$ 12,747	$ 699,993
January 1 to	America	Europe	Asia	Australia		

June 30, 2024	Communication product	Communication product	Communication product	Communication product	Other departments	Total
Revenue from external customer contracts	$ 667,949	$ 468,951	$ 22,496	$ -	$ 265,145	$ 1,424,541

January 1 to June 30, 2023	America Communication product	Europe Communication product	Asia Communication product	Australia Communication product	Other departments	Total
Revenue from external customer contracts	$ 756,066	$ 604,155	$ 65,901	$ 102,733	$ 33,202	$ 1,562,057

2. Contract liabilities
   (1) The Group's balance of contract liabilities – advance sale receipts related to revenue from customer contracts recognized as of June 30, 2024, December 31, 2023, June 30, 2023, and January 1, 2023, were NTD 67,349, NTD 48,648, NTD 115,516, and NTD 57,990, respectively.
   (2) Contract liabilities at the beginning recognized in the revenue in current period

	April 1 to June 30, 2024	April 1 to June 30, 2023
Balance of the contract liabilities at the beginning recognized in the revenue in current period	$ 267	$ 3,090

	January 1 to June 30, 2024	January 1 to June 30, 2023
Balance of the contract liabilities at the beginning recognized in the revenue in current period	$ 7,561	$ 24,949

(XXI) Interest revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023
Bank deposit interest	$ 5,779	$ 7,711

	January 1 to June 30, 2024	January 1 to June 30, 2023
Bank deposit interest	$ 21,661	$ 13,792

(XXII) Other revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023
Rental revenue	$ 16,889	$ 17,885
Other revenues – others	5,012	2,383
	$ 21,901	$ 20,268

	January 1 to June 30, 2024	January 1 to June 30, 2023
Rental revenue	$ 33,509	$ 35,621
Other revenues – others	5,204	7,272

	$ 38,713	$ 42,893

(XXIII) Other gains and losses

	April 1 to June 30, 2024	April 1 to June 30, 2023
Gains on disposal of investment	$ 130,328	$ -
Foreign currency exchange gain (loss)	(12,676)	37,564
Miscellaneous expenses – interest	(450)	(541)
Miscellaneous expenses – depreciation	(4,625)	(5,135)
Loss from financial assets and liabilities at fair value through profit or loss	(17,915)	(11,978)
Gains on disposal of property, plant and equipment	201	2,258
Miscellaneous expenses	1,962	(764)
	$ 96,825	$ 21,404

	January 1 to June 30, 2024	January 1 to June 30, 2023
Gains on disposal of investment	$ 260,445	$ -
Foreign currency exchange gain	9,388	7,667
Miscellaneous expenses – interest	(900)	(1,082)
Miscellaneous expenses – depreciation	(9,557)	(10,268)
Loss from financial assets and liabilities at fair value through profit or loss	(32,092)	(14,625)
Gains on disposal of property, plant and equipment	201	2,516
Miscellaneous expenses	(2,865)	(2,101)
	$ 224,620	($ 17,893)

(XXIV) Financial Costs

	April 1 to June 30, 2024	April 1 to June 30, 2023
Interest expenses:		
Bank loans	$ 1,388	$ 1,612
Lease liabilities	3,442	3,757
Financial Costs	$ 4,830	$ 5,369

	January 1 to June 30, 2024	January 1 to June 30, 2023
Interest expenses:		
Bank loans	$ 8,423	$ 6,278

Lease liabilities	6,925	7,637
Financial Costs	$ 15,348	$ 13,915

(XXV) Additional Information on the Nature of Expense

	April 1 to June 30, 2024	April 1 to June 30, 2023
Employee benefit expenses	$ 132,667	$ 121,188
Depreciation expenses of property, plant and equipment	29,730	26,715
Depreciation expenses of right-of-use assets	6,960	6,077
Amortization expense of intangible assets	1,161	710
	$ 170,518	$ 154,690

	January 1 to June 30, 2024	January 1 to June 30, 2023
Employee benefit expenses	$ 245,873	$ 253,630
Depreciation expenses of property, plant and equipment	57,928	52,886
Depreciation expenses of right-of-use assets	13,946	12,247
Amortization expense of intangible assets	2,988	1,739
	$ 320,735	$ 320,502

(XXVI) Employee benefit expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023
Salary expenses	$ 109,762	$ 95,723
Employee stock option	3,573	7,230
Expenses for labor and health insurance	7,591	7,042
Pension expenses	6,882	6,300
Other employment expenses	4,859	4,893
	$ 132,667	$ 121,188

	January 1 to June 30, 2024	January 1 to June 30, 2023
Salary expenses	$ 201,337	$ 201,287
Employee stock option	6,312	14,460
Expenses for labor and health insurance	15,060	14,781
Pension expenses	13,160	13,103
Other employment expenses	10,004	9,999
	$ 245,873	$ 253,630

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 estimated the remuneration to employees for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, were NTD 1,449, NTD 0, NTD 1,449, and NTD 0, respectively. The estimated remuneration to directors and supervisors for all periods was NTD 0. The aforementioned amounts were recorded under salary expenses.

   From January 1 to June 30, 2024, the estimated amounts were calculated based on the profit for the period, using rates of 8.5% and 0%, respectively.

   As resolved by the board of directors, no remuneration to employees and remuneration to directors will be distributed for 2023, which is consistent with the recognized amount in the 2023 financial statements.
3. Please refer to the "Market Observation Post System" for information related to the remuneration to employees and directors of the Company approved by the board of directors.

(XXVII) Income Tax

1. Income tax benefits

   (1) Components of income tax benefits:

	April 1 to June 30, 2024	April 1 to June 30, 2023
Income tax in the current period:		
Income tax generated from the current income	$ 302	$ 748
Overestimated income tax in previous years	-	(11)
Total income tax in the current period	302	737
Deferred income tax:		
Initial occurrence and reversal of temporary difference	409	(8,990)
Total deferred income tax	409	(8,990)
Income tax expenses	$ 711	($ 8,253)

	January 1 to June 30, 2024	January 1 to June 30, 2023
Income tax in the current period:		
Income tax generated from the current income	$ 686	$ 1,185
Overestimated income tax in previous years	(27)	(11)
Total income tax in the current period	659	1,174
Deferred income tax:		

Initial occurrence and reversal of temporary difference	(2,496)	(29,743)
Total deferred income tax	(2,496)	(29,743)
Income tax benefits	($ 1,837)	($ 28,569)

(2) Income tax related to other comprehensive income:

	April 1 to June 30, 2024	April 1 to June 30, 2023
Exchange differences on the translation of the foreign operation	($ 3,990)	$ 3,841

	January 1 to June 30, 2024	January 1 to June 30, 2023
Exchange differences on the translation of the foreign operation	($ 6,880)	($ 1,140)

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

(XXVIII) Earnings (losses) per share

	April 1 to June 30, 2024		
	After-tax income	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 19,690	328,954	$ 0.06
Diluted earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 19,690	328,954	
Impacts of dilutive potential common shares			
Remuneration to employees	-	45	
Restricted stock	-	755	
Impacts of net profit attributable to the parent company's common stock shareholders plus potential common stocks	$ 19,690	329,754	$ 0.06

	April 1 to June 30, 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	($ 99,289)	328,593	($ 0.30)

	January 1 to June 30, 2024		
	After-tax income	Weighted average outstanding shares (thousand shares)	Earnings per share (NTD)
Basic earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 18,089	329,051	$ 0.05
Diluted earnings per share			
Net profit attributable to the parent company's common stock shareholders	$ 18,089	329,051	
Impacts of dilutive potential common shares			
Remuneration to employees	-	45	
Restricted stock	-	716	
Impacts of net profit attributable to the parent company's common stock shareholders plus potential common stocks	$ 18,089	329,812	$ 0.05

	January 1 to June 30, 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	($ 222,144)	328,599	($ 0.68)

For the periods from April 1 to June 30, 2023, and from January 1 to June 30, 2023, the Company recorded a net loss, resulting in the potential common shares having an anti-dilutive effect, so the diluted loss per share was not calculated.

(XXIX) Supplementary information on cash flow

Partial cash payment investment activities:

	January 1 to June 30, 2024	January 1 to June 30, 2023
Purchase of land use rights	$ -	$ -
Add: Payables at beginning of period	6,840	-
Cash paid in current period	$ 6,840	$ -

	January 1 to June 30, 2024	January 1 to June 30, 2023
Purchase of property, plant and equipment	$ 219,227	$ -
Add: payables for equipment, beginning	4,158	-
Cash paid in current period	$ 223,385	$ -

(XXX) Changes in liabilities from financing activities

	Lease liabilities	
	2024	2023
January 1	$ 482,764	$ 543,588
Changes in cash flow from financing activities	(10,953)	(27,115)
Other non-cash changes	(12,119)	-
Impact of changes in exchange rate	8,231	(6,352)
June 30	$ 467,923	$ 510,121

Besides lease liabilities, the Group's changes in liabilities from financing activities for the periods from January 1 to June 30, 2024, and 2023 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
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	〃
Garuda Technology Co., Ltd. and its subsidiaries	〃
Pan-International Industrial Corp.	〃

(II) Significant transactions with the related party

1. Operating revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023
Sale of goods:		
Affiliated companies	$ -	$ 1,164
Other related parties		
-CloudNetwork	275,127	277,691
-Belkin	-	80,505
- Others	7,460	191
Total	$ 282,587	$ 359,551

	January 1 to June 30, 2024	January 1 to June 30, 2023
Sale of goods:		
Affiliated companies	$ 1,057	$ 1,164
Other related parties		
-CloudNetwork	470,212	557,389
-Belkin	-	150,527
- Others	19,044	252
Total	$ 490,313	$ 709,332

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

	April 1 to June 30, 2024	April 1 to June 30, 2023
Purchase of commodities:		
Affiliated companies	$ 496	$ 455
Other related parties	34,331	37,597
Total	$ 34,827	$ 38,052

	January 1 to June 30, 2024	January 1 to June 30, 2023
Purchase of commodities:		
Affiliated companies	$ 618	$ 41,472
Other related parties	72,087	75,314
Total	$ 72,705	$ 116,786

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

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts receivable – the related party			
Affiliated companies	$ -	$ -	$ 620
Other related parties			
-Cloud Network	254,267	159,628	211,944
-Belkin	-	-	67,689
- Others	6,621	7	-
Total	$ 260,888	$ 159,635	$ 280,253

4. Other receivables

	June 30, 2024	December 31, 2023	June 30, 2023
Other receivables – the related party			
Affiliated companies			
- Microelectronics Technology and its subsidiaries	$ 65,877	$ 35,316	$ 3,721
Other related parties	2,400	879	880
Total	$ 68,277	$ 36,195	$ 4,601

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

5. Accounts payable

	June 30, 2024	December 31, 2023	June 30, 2023
Accounts payable – the related party			
Affiliated companies	$ 499	$ 19,485	$ 670
Other related parties	18,237	24,684	13,154
Total	$ 18,736	$ 44,169	$ 13,824

6. Other payables

	June 30, 2024	December 31, 2023	June 30, 2023
Other payables – the related party			
Affiliated companies	$ 877	$ 399	$ 148
Other related parties	15,337	11,986	12,061
Total	$ 16,214	$ 12,385	$ 12,209

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

7. Processing expenses

	April 1 to June 30, 2024	April 1 to June 30, 2023
Other related parties	$ 978	$ 931
	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	$ 1,544	$ 1,891

8. Labor service fee

	April 1 to June 30, 2024	April 1 to June 30, 2023
Other related parties	$ 630	$ 607
	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	$ 1,230	$ 1,142

9. Freight costs

	April 1 to June 30, 2024	April 1 to June 30, 2023
Other related parties	$ 2,395	$ 308
	January 1 to June 30, 2024	January 1 to June 30, 2023
Other related parties	$ 7,146	$ 4,110

10. Rental revenue

	April 1 to June 30, 2024	April 1 to June 30, 2023
Affiliated companies		
- Microelectronics Technology and its subsidiaries	$ 14,806	$ 16,492
Other related parties		
- Hon Hai and its subsidiaries	2,008	646
Total	$ 16,814	$ 17,138

	January 1 to June 30, 2024	January 1 to June 30, 2023
Affiliated companies		
- Microelectronics Technology and its subsidiaries	$ 29,665	$ 32,995
Other related parties		
- Hon Hai and its subsidiaries	3,694	1,735
Total	$ 33,359	$ 34,730

The Group leased property, plant and equipment to the related party for the periods from January 1 to June 30, 2024, and 2023, The rent price per square meter has no significant difference with those of the non-related party. The rent is collected every quarter.

11. Deposit received

	June 30, 2024	December 31, 2023	June 30, 2023
Affiliated companies			
- Microelectronics Technology and its subsidiaries	$ 5,765	$ 5,765	$ 5,765
Other related parties	690	611	263
Total	$ 6,455	$ 6,376	$ 6,028

12. Other transactions

The related party, Gwong-Yih Lee, served as the joint guarantor of bank loans and joint writer of guaranteeing invoices by the Company for the periods from January 1 to June 30, 2024, and 2023.

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

	April 1 to June 30, 2024	April 1 to June 30, 2023
Short-term employee benefits	$ 5,042	$ 5,625
Benefits after severance/retirement	131	155
Total	$ 5,173	$ 5,780
	January 1 to June 30, 2024	January 1 to June 30, 2023
Short-term employee benefits	$ 10,279	$ 16,121
Benefits after severance/retirement	262	284
Total	$ 10,541	$ 16,405

VIII. Pledged Assets

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

	Book value			
Asset item	June 30, 2024	December 31, 2023	June 30, 2023	Purpose of collateral
Time deposit (listed financial assets measured at amortized cost - current and non-current)	$ 22,528	$ 22,054	$ 22,504	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 June 30, 2024, the Group's total contract price of the signed construction project was NTD 811,733 (VND 645,000,000 thousand), of which NTD 310,388 was paid and NTD 501,345 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

	June 30, 2024	December 31, 2023	June 30, 2023
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	10,561	10,464	16,821
Financial assets measured at amortized cost	3,406,956	3,729,442	3,400,620
	$ 3,417,517	$ 3,741,519	$ 3,417,441
Financial liabilities			
Financial liabilities measured at fair value through profit or loss			
Financial liabilities mandatorily measured at fair value through profit or loss	$ 5,001	$ -	$ 14,493
Financial liabilities measured at amortized cost	1,187,451	1,663,190	1,481,758
Lease liabilities	467,923	482,764	510,121
	$ 1,660,375	$ 2,145,954	$ 2,006,372

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:

	June 30, 2024					
				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	$ 23,475	32.450	$ 761,764	2%	$ 12,188	$ -
RMB : NTD	2,145	4.445	9,535	2%	153	-
USD : VND	1,239	25,856.574	40,206	2%	643	-
Financial liabilities						
Monetary items						
USD : NTD	19,464	32.450	631,607	2%	10,106	-
USD : VND	11,211	25,856.574	363,797	2%	5,821	-

December 31, 2023

(Foreign currency: functional currency)	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis: Range of change	Sensitivity analysis: Impact on profit or loss	Sensitivity analysis: Impact on other comprehensive income
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	5,587.500	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	-

June 30, 2023

(Foreign currency: functional currency)	Foreign currency (thousand dollars)	Exchange rate	Book amount (NTD)	Sensitivity analysis: Range of change	Sensitivity analysis: Impact on profit or loss	Sensitivity analysis: Impact on other comprehensive income
Financial assets						
Monetary items						
USD : NTD	$ 29,275	31.140	$ 911,624	2%	$ 14,586	$ -
RMB : NTD	2,150	4.282	9,206	2%	147	-
USD : RMB	34	7.257	1,059	2%	17	-
USD : VND	849	23,954	26,438	2%	423	-
Financial liabilities						
Monetary items						
USD : NTD	31,658	31.140	985,830	2%	15,773	-

D. The Group's total amount of all exchange loss (including the realized and unrealized) from monetary items due to the significant impact of exchange rate fluctuation for the periods from April 1 to June 30, 2024, and 2023, and from January 1 to June 30, 2024, and 2023, were (NTD 12,676), NTD 37,564, NTD 9,388, and NTD 7,667, 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 for the periods from January 1 to June 30, 2024, and 2023, would increase or decrease by NTD 106 and NTD 168 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 June 30, 2024, December 31, 2023, and June 30, 2023, the Group does not have creditor's right which was written off with means of recourse.

H. The Group adopted the business indicators of the National Development Council for future forward-looking considerations to adjust the established loss ratio based on certain periods of history and current information to estimate the allowance loss of the accounts receivable (including the related parties). The provision matrices as of June 30, 2024, December 31, 2023, and June 30, 2023, are as follows:

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
June 30, 2024						
Expected loss ratio	0.25%	21.25%	21.28%	21.31%	100%	
Total book value	$ 634,693	$ 6,763	$ 93	$ 94	$ 1,647	$ 643,290
Allowance loss	5,333	1,437	20	20	1,647	8,457

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
112 年 12 月 31 日						
Expected loss ratio	1.26%	1.38%	1.50%	1.92%	100%	
Total book value	$ 959,767	$ 11,015	$ 12	$ -	$ 2,431	$ 973,225
Allowance loss	7,288	152	-	-	36	7,476

	Undue	Overdue 1–30 days	Overdue 31–60 days	Overdue 61–90 days	Overdue more than 90 days	Total
June 30, 2023						
Expected loss ratio	0.21%	20.19%	20.25%	20.31%	100%	
Total book value	$ 792,214	$ 791	$ 44	$ 2,521	$ -	$ 795,570
Allowance loss	9,917	160	9	512	-	10,598

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

	June 30, 2024 Accounts receivable	December 31, 2023 Accounts receivable	June 30, 2023 Accounts receivable
Undue	$ 634,693	$ 959,767	$ 794,700
Within 30 days	6,763	11,015	870
31–60 days	93	12	-
61-90 days	94	-	-
90 days and above	1,647	2,431	-
	$ 643,290	$ 973,225	$ 795,570

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:

	2024 Accounts receivable (including the related party)	2023 Accounts receivable (including the related party)
January 1	$ 7,476	$ 19,642
Provision (reversal) of impairment loss	956	(9,044)
Foreign exchange rate effect	25	-
June 30	$ 8,457	$ 10,598

(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 June 30, 2024	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 690	$ 5,765	$ -	$ 456
Lease liabilities	71,528	67,555	194,067	194,595
	$ 72,218	$ 73,320	$ 194,067	$ 195,051

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 June 30, 2023	Within 1 year	Within 1 to 2 years	Within 2 to 5 years	Over 5 years
Deposit received	$ 263	$ -	$ 5,765	$ 456
Lease liabilities	61,134	77,310	169,428	203,576
	$ 61,397	$ 77,310	$ 175,193	$ 204,032

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:

June 30, 2024	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 10,561	$ 10,561
Recurring fair value liability:				
Financial liabilities measured at fair value through profit or loss	$ -	($ 5,001)	$ -	($ 5,001)
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
June 30, 2023	Level 1	Level 2	Level 3	Total
Recurring fair value assets:				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 16,821	$ 16,821
Recurring fair value liability:				
Financial liabilities measured at fair value through profit or loss	$ -	($ 14,493)	$ -	($ 14,493)

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 levels 1 and 2 between January 1 to June 30, 2024 and 2023.
5. The following table shows the changes in level 3 from January 1 to June 30, 2024 and 2023:

	Equity instruments	
	2024	2023
January 1	$ 10,464	$ 18,235
Loss recognized under other comprehensive income	(2,346)	(2,016)
Foreign exchange rate effect	2,443	602
June 30	$ 10,561	$ 16,821

6. There was no transfer into or out of level 3 from January 1 to June 30, 2024 and 2023.
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 June 30, 2024	Evaluation technology	Unobservable major input	Relationship between input and fair value
Non-derivative equity instruments:				
Stocks of venture capital companies	$ 10,561	Net asset value method	N/A	N/A
	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 June 30, 2023	Evaluation technology	Unobservable major input	Relationship between input and fair value
Non-derivative equity instruments:				
Stocks of venture capital companies	$ 16,821	Net asset value method	N/A	N/A

XIII. Noted Disclosures

(I) Information related to material transactions

1. Loaning of funds to others: Please refer to Attachment I.
2. Endorsement and guarantee made for others: None.
3. Marketable securities held at the ending of the period (excluding investments in subsidiaries, affiliated companies, and joint venture): Please refer to Attachment II.
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 III.
5. Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital: Please refer to Attachment IV.
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 V.
8. Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital: Please refer to Attachment VI.
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 VII.

(II) Information related to reinvested enterprises

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

(III) Information about investment in Mainland China

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

(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

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.

CyberTAN Technology Inc. and its subsidiaries

Loans of funds to others

January 1 to June 30, 2024

Attachment I

Unit: NTD thousand

(Unless otherwise specified)

Serial No. (Note 1)	Company providing the loan	Borrower	Transaction (Note 2)	Whether it is a related party	Current maximum amount (Note 3)	Ending balance (Note 8)	Actual drawn amount	Interest rate interval	Nature of loans (Note 4)	Business transaction amount (Note 5)	Reason for the necessity of short-term financing (Note 6)	Appropriated allowance for allowance loss amount	Collateral		Max. amount permitted to a single borrower (Note 7)	Total Lending Limit (Note 7)	Remarks
													Name	Value			
0	CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	Other receivables – loans provided to others	Yes	$ 325,450	$ 324,500	$324,500	4.50%	2	-	Operating turnover	-	-	-	481,925	1,927,703	Note 7

Note 1: The description of the number column is as follows:

(1). “0” for issuer.

(2). Each invested company is numbered in sequential order starting from 1.

Note 2: Items such as accounts receivable from affiliated companies, amounts due from related parties, shareholder transactions, prepayments, and temporary payments, should be included in this column if they are of a lending nature.

Note 3: The maximum balance of loans to others in the current year.

Note 4: The nature of the loan should be filled in if it is a business transaction or if there is a need for short-term financing.

(1) Please fill in “1” for those who have business transactions.

(2) Fill in “2” if there is a need for short-term financing.

Note 5: If the nature of the loaning of funds is for business transactions, the business transaction amount shall be filled in. The business transaction amount refers to the business transaction amount between the loaning company and the loaning party in the most recent year.

Note 6: If the nature of the loan is in need of short-term financing, the reason for the need for the loan and the use of the fund by the borrower should be explained, such as repayment of loan, purchase of equipment, and business turnover.

Note 7: According to the Company’s Procedures for Loans of Funds to Others, for the Company’s lending funds to companies or firms in need of short-term financing, the total amount of the loan may not exceed 40% of the Company’s net worth limit. In addition, the amount of loans made by the Company as a whole to a single enterprise is limited to 10% of the Company’s net worth.

Note 8: If the public company submits the loaning of funds to the board of directors for the resolution of the board of directors on a case-by-case basis in accordance with Article 14-1, paragraph 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the amount resolved by the board of directors shall be included in the disclosed balance even if the funds have not yet been disbursed, to reveal the risk undertaken.
However, if the funds are repaid subsequently, the balance after repayment should be disclosed to reflect the adjustment of risk. If a public company has authorized its chairman to make loans in installments or revolving funds within a year within a certain period of time through a resolution pursuant to Article 14, paragraph 2 of the Regulations,

Even if the funds are repaid subsequently, the loan may be extended again, so the amount of funds lending approved by the board of directors should be used as the balance of the announcement and declaration.

CyberTAN Technology Inc. and its subsidiaries

Securities – Ending (Excluding Those Controlled by Invested Subsidiaries, Affiliated Companies and Joint Ventures)

June 30, 2024

Attachment II

Unit: NTD thousand
(Unless otherwise specified)

				End of period				
Holding company	Type and name of securities (Note 1)	Relationship with the issuer of securities (Note 2)	Account title	Number of shares	Book amount (Note 3)	Shareholding ratio	Fair value	Remarks (Note 4)
CyberTAN Technology Inc.	Solutionsoft Systems, Inc.	-	Investment in equity instruments measured at fair value through other comprehensive income	2,500,000	$ -	5.25%	$ -	-
〃	Shin Kong Life Insurance unsecured cumulative subordinated corporate bonds	-	Financial assets measured at amortized cost – non-current	-	290,000	-	290,000	-
CyberTAN (B.V.I) Investment Corp.	Innovation Works Limited	-	Investment in equity instruments measured at fair value through other comprehensive income	41,755	10,561	2.71%	10,561	-
Ta Tang Investment Co., Ltd.	Protop Technology Co., Ltd.	-	〃	142,408	-	0.06%	-	-

Note 1: The securities referred to in the table means the stocks, bonds, beneficiary certificates within the “Financial Instruments: Recognition and Measurement” of IAS 39 and other securities deriving from these items.

Note 2: This column is not required if the issuer of the securities is not a related party.

Note 3: Where fair value measurement is used, please fill in the “book value” column with the book value after the valuation adjustment of the fair value and deduction of any accumulated loss; otherwise, please complete the column with the initial acquisition cost or the book value of the amortized cost net of the accumulated loss.

Note 4: For any securities in the table that are provided as a guarantee, pledged for loans, or restricted pursuant to any agreement, the number of stocks provided for guarantee or pledged for loans, the amount of the guarantee or pledge, or the restrictions shall be indicated in the Remarks.

CyberTAN Technology Inc. and its subsidiaries

Accumulated amount of the same marketable security purchased or sold reaching NTD 300 million or more than 20% of the paid-in capital:

January 1 to June 30, 2024

Attachment III

Unit: NTD thousand

(Unless otherwise specified)

Buying/selling company	Type and name of securities (Note 1)	Account title	Counterparty of the transaction (Note 2)	Relationship (Note 2)	Beginning of period		Buy (Note 3)		Sold (Note 3)				End of period	
					Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Carrying cost	Disposal gain or loss	Number of shares	Amount
CyberTAN Technology Inc.	Microelectronics Technology, Inc.	Long-term investment under equity method	Trading sold in open market	Affiliated companies of the Company	47,522,756	$769,860	-	$ -	13,865,000	$462,396	$219,218	$260,445	33,657,756	$506,510

Note 1: The securities referred to in the table means the stocks, bonds, beneficiary certificates and marketable securities derived from the above items.

Note 2: For investments accounted for under the equity method for marketable securities, these two columns should be filled in and the rest can be left blank.

Note 3: The cumulative purchase and sale amounts should be calculated separately according to the market price of NTD 300 million or 20% of the paid-in capital.

Note 4: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

CyberTAN Technology Inc. and its subsidiaries

Amount on acquisition of property reaching NTD 300 million or more than 20% of the paid-in capital

January 1 to June 30, 2024

Attachment IV

Unit: NTD thousand

(Unless otherwise specified)

						If the trading counterparty is a related party, the information of the previous transfer							
Company acquiring real estate	Property name	Date of occurrence	Transaction amount	Payment status	Counterparty of the transaction	Relationship	Owner	Relationship with the issuer	Date of transfer	Amount	Basis for price determination	Purpose of acquisition and usage	Other agreed terms
FU HAI Technology Company Limited	Plant (recognized in unfinished construction and equipment pending inspection)	Q4 2023	$ 811,737	$ 310,388	Tung Hui Co., Ltd.	-	-	-	-	$ -	Mutually agreed by both parties	Plant; under construction	-

Note 1: If the acquired assets are subject to appraisal according to regulations, the appraisal result should be indicated in the "Basis for price determination" column.

Note 2: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

Note 3: The date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of board of directors resolution, or other date that can confirm the counterpart and amount of the transaction, whichever date is earlier.

CyberTAN Technology Inc. and its subsidiaries

Purchase/Sale Amount of Transactions with Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital

January 1 to June 30, 2024

Attachment V

Unit: NTD thousand

(Unless otherwise specified)

			Transaction				Circumstances and Reasons where transaction terms differ from general transactions (Note 1)		Notes/accounts receivable (payable)		
Purchase (sale) company	Counterparty	Relationship	Purchase (sale)	Amount	Percentage to total purchase (sales)	Credit Term	Unit price	Credit Term	Balance	Percentage of total notes and accounts receivable (payable)	Remarks (Note 2)
CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	Subsidiary of the Company	Purchase	1,217,538	44.81%	Payment term: O/A 90 days	$ -	Payment term for regular customers: O/A 60 days	$ -	0.00%	-
〃	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	Sale	469,927	(32.99%)	Collection term: Net 75 days	-	For regular customers, payment is due 60 days after the end of the month.	253,826	39.98%	-

Note 1: If the conditions of trading with related parties are different from those of regular transactions, the difference and the reasons thereof shall be indicated in the “unit price” and “loan period” columns.

Note 2: In case of receipts in advance or prepayments, the reasons, agreed terms and conditions, amount, and the difference from regular transactions shall be indicated in the Remarks.

Note 3: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

CyberTAN Technology Inc. and its subsidiaries

Accounts receivable from the related party reaching NTD 100 million or more than 20% of the paid-in capital

June 30, 2024

Attachment VI

Unit: NTD thousand

(Unless otherwise specified)

Company stating in receivables	Counterparty	Relationship	Balance of accounts receivable from related parties (Note 1)	Turnover rate	Overdue accounts receivable from related parties Amount	Overdue accounts receivable from related parties Treatment	Subsequent recovered amount of accounts receivable from related parties	Appropriated allowance for allowance loss amount
CyberTAN Technology Inc.	Cloud Network Technology Singapore Pte. Ltd.	Other related parties	$ 253,826	2.27%	$ -	-	$ 213,260	$ 305
〃	HON YAO FU Technology Company Limited	Subsidiary of the Company	1,075,157 (Other receivables listed in the table) (Note 3)	-	-	-	278,904	-

Note 1: Please list the amount of notes/accounts receivable, other receivables, etc., from related parties, respectively.

Note 2: The paid-in capital means that of the parent company. For the shares of any issuer without a par value or where the par value per share is not NTD 10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity attributable to the owner of the parent company shown in the balance sheet.

Note 3: Refers to receivables from the purchase of raw materials

CyberTAN Technology Inc. and its subsidiaries

Business relationship and major transactions between parent company and subsidiaries and among subsidiaries and amounts

January 1 to June 30, 2024

Attachment VII

Unit: NTD thousand
(Unless otherwise specified)

				Transaction			
No. (Note 1)	Trader	Counterparty	Relationship with trader (Note 2)	Title	Amount	Trading conditions	Percentage in total consolidated operating revenue or assets (Note 3)
0	CyberTAN Technology Inc.	HON YAO FU Technology Company Limited	1	Purchase	$ 1,217,538	Payment term: O/A 90 days; payment term for regular customers: O/A 60 days.	85.47%
〃	〃	〃	1	Other receivables	1,075,157	Collection term: O/A 60 days; collection term for general customers: O/A 60 days.	16.17%
1	Fuhongkang Technology (Shenzhen) Co., Ltd.	CyberTAN Corp.(U.S.A)	3	Other receivables	29,327	Collection term: O/A 90 days; collection term for general customers: O/A 30–90 days.	0.44%

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the “No.” column. This column shall be completed as follows:

(1) 0 is reserved for the parent company.

(2) Each subsidiary is numbered in sequential order starting from 1.

Note 2: The relationship with the related parties is classified into three categories as follows. It is only necessary to mark the type. (Repeated disclosure is not necessary for the same transaction between the parent company and its subsidiaries or between the subsidiaries.) In case of the transaction in the form of parent company to a subsidiary, for example, if the parent company has disclosed the transaction, the subsidiary is not necessary to disclose the same repeatedly; in case of the transaction in the form of subsidiary to subsidiary, if a subsidiary has disclosed the transaction, the other subsidiary is not necessary to disclose the same.)

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: To calculate the percentage of the transaction amount in total consolidated operating revenue or assets, the share of the balance at the end of the period in the total consolidated assets is used as the basis of the calculation under the item of assets/liabilities; the share of the interim accumulated amount in the total consolidated operating revenue is used as the basis for the calculation under the item of profit/loss.

Note 4: The disclosure criteria are for transaction amounts that reach NTD 10 million or more.

CyberTAN Technology Inc. and its subsidiaries
Name and Territory of Invested Companies and Other Relevant Information (Excluding Invested Companies in China)
January 1 to June 30, 2024

Attachment VIII

Unit: NTD thousand
(Unless otherwise specified)

Name of investor	Name of invested company (Note 1, 2)	Territory	Main business operation	Initial investment amount: End of current period	Initial investment amount: End of last year	Shareholding at the end of the period: Number of shares	Shareholding at the end of the period: Ratio	Shareholding at the end of the period: Book amount	Current profit or loss of the invested company (Note 2(2))	Investment gains and losses recognized in the current period (Note 2(3))	Remarks
CyberTAN Technology Inc.	CyberTAN Corp.(U.S.A)	USA	Sales of wired and wireless communication equipment	$ 18,165	$ 18,165	600,000	100.00%	$ 55,128	$ 1,802	$ 1,802	-
〃	Ta Tang Investment Co., Ltd.	Taiwan	General investment business	100,000	100,000	10,000,000	100.00%	211,095	1,611	1,611	-
〃	CyberTAN (B.V.I) Investment Corp.	British Virgin Islands	General investment business	1,165,967	980,013	37,043,717	100.00%	493,705	(124,432)	(124,315)	-
〃	SonicFi INC.	Taiwan	Sales of wired and wireless communication equipment	5,000	5,000	500,000	100.00%	5,004	1	1	-
〃	Microelectronics Technology, Inc.	Taiwan	Design, manufacturing and sale of terrestrial microwave communication products	945,765	1,334,727	33,657,756	13.36%	506,510	(372,643)	(55,313)	-
〃	Mega Power Ventures Inc.	Taiwan	General investment business	14,000	14,000	1,400,000	25.00%	36,926	(450)	(112)	-
CyberTAN (B.V.I) Investment Corp.	CyberTAN Technology (HONG KONG) Limited	Hong Kong	General investment business	220,741	211,072	-	100.00%	107,638	(19,524)	(19,524)	-
〃	HON YAO FU Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	277,119	277,119	-	100.00%	(104,479)	(105,487)	(105,369)	-
〃	FU HAI Technology Company Limited	Vietnam	Development, manufacturing and sale of high-end routers	465,545	277,405	-	100.00%	482,338	(4,912)	(4,912)	-

Note 1: When the listed company has set up any holding company overseas and used the consolidated financial statements as the main financial statements pursuant to local laws, the information on overseas invested companies may be disclosed only to the extent that the information is related to the holding company.
Note 2: Otherwise, the table shall be completed as follows:
(1) The "name of invested company," "territory," "main business operation," "original investment amount" and "shareholding at the end of the period" columns should be completed sequentially based on the Company's (listed company's) investment and each of its reinvestments in directly or indirectly controlled-invested companies. The relationship (subsidiary or sub-subsidiary) of each invested company with the Company (listed company) should be indicated in the Remarks.
(2) The "current profit (loss) of invested company" column should be filled in with the amount of the current profit/loss of each invested company.
(3) The "profit (loss) from investments recognized in the current period" column should be filled in only with the amount, recognized by the Company (listed company), of the profit/loss from direct investments in each subsidiary and of the profit/loss of each invested company valued under the equity method, and it is not necessary to provide other profits/losses. When providing "the recognized amount of the current profit/loss from direct investments in each subsidiary," it should ensure that the current profit/loss amount of each subsidiary includes any profit/loss from reinvestments that shall be recognized in accordance with regulations.

CyberTAN Technology Inc. and its subsidiaries
Information on Investments in Mainland China – Basic Information
January 1 to June 30, 2023

Attachment IX

Unit: NTD thousand
(Unless otherwise specified)

Name of Chinese invested company	Main business operation	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of the current period	Amount of investments remitted or recovered in current period: Remittance	Amount of investments remitted or recovered in current period: Recovery	Accumulated amount of investments from Taiwan at the end of the current period	Current profit or loss of the invested company	The Company's shareholding ratio of direct or indirect investment	Investment gains and losses recognized in the current period (Note 2(2)B)	Investment book value – ending	Profit received from investments as of the end of the current period	Remarks
Fuhongkang Technology (Shenzhen) Co., Ltd.	Development, manufacturing and sale of high-end routers	$ 168,188	(2)	$ 212,868	$ -	$ -	$ 212,868	($ 19,524)	100%	($ 19,524)	$ 107,638	$ -	-
Guangzhou Fuguang Communication Technology Co., Ltd.	Development of high-end routers	9,741	(2)	-	9,741	-	-	-	100%	-	9,461	-	-
Chongqing Hongdaofu Technology Co., Ltd.	Development, manufacturing and sale of high-end routers	319,108	(3)	-	-	-	-	(21,133)	100%	(21,133)	(212,695)	-	-

Name of company	Accumulated amount of investments from Taiwan to Mainland China at the end of the current period	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 4)
CyberTAN Technology Inc.	$212,868 (USD6,344)	$208,000 (USD6,500)	$ 2,891,554

Note 1: Investment is classified into following three categories. It is only necessary to mark the type:
(1) Engaged in direct investment in Mainland China.
(2) Reinvested in Mainland China through a company in a third area, CyberTAN Technology (HONG KONG) Limited.
(3) Others: Directly reinvested in Chinese companies through investment in the Chinese companies.

Note 2: In the "profit (loss) from investments recognized in the current period" column:
(1) An indication is needed if the investment is under preparation and there is no profit or loss.
(2) There are following three profit/loss recognition bases. The appropriate one must be indicated.
A. The financial statements audited and approved by an international accounting firm that has collaboration relationship with an accounting firm in the Republic of China
B. The financial statements reviewed by a CPA of the parent company in Taiwan
C. Others

Note 3: All amounts in the table should be stated in NTD.

Note 4: According to the letter Jing-Shen-Zi No. 09704604680 dated August 29, 2008, issued by the Ministry of Economic Affairs, the amendments to the "Investment or Technical Cooperation in the Mainland Area and the Examination Guidelines," the cumulative ceiling amount of an investment in the Mainland area shall be subject to 60% of the net value or the consolidated net value, whichever is higher.