TRANSCOM, INC.

FINANCIAL STATEMENTS AND INDEPENDENT

AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

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' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Transcom, Inc.

Opinion

We have audited the accompanying balance sheets of Transcom, Inc. (the "Company") as of December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

Cut-off of revenue

Description

Refer to Note 4(26) for accounting policies on revenue recognition.

The Company derives its revenues from the sales of microwave semiconductor devices. Sales revenue is recognized when risk and reward of the goods have been transferred upon acceptance by customers according to the terms specified in the contracts. As the revenue recognition procedure involves manual procedures and has significant impact on financial statements, we considered the cut-off of revenue a key audit matter for this year's audit.

How our audit addressed the matter

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

A. Obtained an understanding and assessed the accounting policies of revenue recognition.

B. Obtained an understanding and assessed the internal controls over revenue recognition, and tested the effectiveness of internal controls including the delivery process and the timing of revenue recognition.

C. Performed cut-off tests on sales revenue transactions that took place during a certain period before and after the balance sheet date to confirm whether revenue was recognized when risks and rewards of goods have been transferred and revenue was recognized and recorded in the proper period.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

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

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

5. Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

Yeh, Fang-Ting

Independent Accountants

Hsu, Hui-Yu

PricewaterhouseCoopers, Taiwan
Republic of China
March 12, 2024

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

TRANSCOM, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	(Adjusted) December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,141,565	43	$ 575,630	24
1136	Current financial assets at amortised cost	6(2)	120,965	4	212,960	9
1170	Accounts receivable, net	6(3) and 12(2)	210,592	8	147,267	6
1200	Other receivables		1,610	-	-	-
130X	Inventories	6(4)	453,047	17	453,114	19
1410	Prepayments		6,307	-	13,345	-
11XX	**Total current assets**		1,934,086	72	1,402,316	58
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(5)	-	-	328,575	14
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	28,194	1	-	-
1535	Non-current financial assets at amortised cost	6(2) and 8	5,437	-	5,437	-
1600	Property, plant and equipment	6(7)	457,959	17	438,179	18
1755	Right-of-use assets	6(8)	111,838	4	116,508	5
1780	Intangible assets	6(9)	8,637	1	10,490	1
1840	Deferred income tax assets	3(1) and 6(26)	33,267	2	28,227	1
1915	Prepayments for equipment	6(7)	6,504	-	13,213	1
1920	Guarantee deposits paid	6(10)	82,861	3	58,647	2
15XX	**Total non-current assets**		734,697	28	999,276	42
1XXX	**Total assets**		$ 2,668,783	100	$ 2,401,592	100

(Continued)

TRANSCOM, INC.
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	(Adjusted) December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 40,000	2	$ 40,000	1
2130	Current contract liabilities	6(19)	12,120	-	2,071	-
2150	Notes payable		730	-	18,824	1
2170	Accounts payable		18,238	1	18,055	1
2200	Other payables	6(12)	114,496	4	102,911	4
2230	Current income tax liabilities	6(26)	59,214	2	45,804	2
2250	Current provisions	6(4)(13)	25,988	1	22,909	1
2280	Current lease liabilities	6(8)	3,143	-	3,081	-
21XX	**Total current liabilities**		273,929	10	253,655	10
	Non-current liabilities					
2527	Non-current contract liabilities	6(19)	5,649	-	4,792	-
2550	Non-current provisions	6(13)	23,571	1	23,105	1
2570	Deferred income tax liabilities	3(1) and 6(26)	5,103	-	5,183	-
2580	Non-current lease liabilities	6(8)	89,947	4	93,090	4
2640	Net defined benefit liabilities - non current	6(14)	16,582	1	15,536	1
25XX	**Total non-current liabilities**		140,852	6	141,706	6
2XXX	**Total liabilities**		414,781	16	395,361	16
	Share capital	6(15)(17)				
3110	Common stock		745,637	28	678,208	28
3200	Capital surplus	6(16)(17)	969,558	36	1,023,598	43
	Retained earnings	6(18)				
3310	Legal reserve		84,921	3	59,746	2
3350	Unappropriated retained earnings		459,810	17	252,309	11
3400	Other equity interest	6(6)(17)	(5,924)	-	(7,630)	-
3XXX	**Total equity**		2,254,002	84	2,006,231	84
	Significant contingent liabilities and unrecognised contract commitments	6(17) and 9				
3X2X	**Total liabilities and equity**		$ 2,668,783	100	$ 2,401,592	100

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

TRANSCOM, INC.
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earnings per share amount)

	Items	Notes	Year ended December 31 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(19)	$ 1,250,809	100	$ 1,034,660	100
5000	Operating costs	6(4)(8)(9)(13)(14)(17)(24)(25)	(554,943)	(44)	(469,871)	(46)
5900	Net operating margin		695,866	56	564,789	54
	Operating expenses	6(8)(9)(14)(17)(24)(25), 7 and 12(2)				
6100	Selling expenses		(17,888)	(1)	(12,675)	(1)
6200	General and administrative expenses		(157,329)	(13)	(139,569)	(14)
6300	Research and development expenses		(57,849)	(5)	(46,204)	(4)
6450	Expected credit gain (loss)		2,907	-	(1,472)	-
6000	Total operating expenses		(230,159)	(19)	(199,920)	(19)
6900	Operating profit		465,707	37	364,869	35
	Non-operating income and expenses					
7100	Interest income	6(2)(20)	14,604	1	5,219	-
7010	Other income	6(5)(21)	10,287	1	19,216	2
7020	Other gains and losses	6(5)(22)	43,629	4	(64,998)	(6)
7050	Finance costs	6(8)(13)(23)	(2,987)	-	(2,503)	-
7000	Total non-operating income and expenses		65,533	6	(43,066)	(4)
7900	**Profit before income tax**		531,240	43	321,803	31
7950	Income tax expense	6(26)	(94,705)	(8)	(72,334)	(7)
8200	**Profit for the year**		$ 436,535	35	$ 249,469	24
	Other comprehensive (loss) income, net					
	Components of other comprehensive (loss) income that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligation	6(14)	($ 1,966)	-	$ 2,855	-
8316	Unrealized loss on valuation of investments in equity instruments measured at fair value through other comprehensive income	6(6)	(3,798)	(1)	-	-
8349	Income tax related to components of other comprehensive (loss) income that will not be reclassified to profit or loss	6(26)	393	-	(571)	-
8300	**Total other comprehensive (loss) income for the year**		($ 5,371)	(1)	$ 2,284	-
8500	**Total comprehensive income for the year**		$ 431,164	34	$ 251,753	24
	Earnings per share (in dollars)	6(27)				
9750	Basic		$	5.88	$	3.37
9850	Diluted		$	5.83	$	3.34

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

TRANSCOM, INC.
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

			Capital Surplus				Retained Earnings		Other Equity Interest		
	Notes	Share capital - common stock	Additional paid-in capital	Employee stock options	Employee restricted stock	Others	Legal reserve	Unappropriated retained earnings	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Unearned compensation	Total
Year ended December 31, 2022											
Balance at January 1, 2022		$ 678,288	$ 974,184	$ -	$ 61,853	$ 454	$ 35,126	$ 247,031	$ -	($ 17,611)	$ 1,979,325
Profit for the year		-	-	-	-	-	-	249,469	-	-	249,469
Other comprehensive income for the year		-	-	-	-	-	-	2,284	-	-	2,284
Total comprehensive income		-	-	-	-	-	-	251,753	-	-	251,753
Distribution of 2021 net income:											
Legal reserve	6(18)	-	-	-	-	-	24,620	(24,620)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	(221,855)	-	-	(221,855)
Capital surplus used to issue cash to shareholders	6(16)	-	(12,992)	-	-	(454)	-	-	-	-	(13,446)
Compensation cost of employee stock options	6(17)(25)	-	-	473	-	-	-	-	-	-	473
Retirement of employee restricted stocks	6(15)	(80)	-	-	80	-	-	-	-	-	-
Compensation cost of employee restricted stock	6(17)(25)	-	-	-	-	-	-	-	-	9,981	9,981
Balance at December 31, 2022		$ 678,208	$ 961,192	$ 473	$ 61,933	$ -	$ 59,746	$ 252,309	$ -	($ 7,630)	$ 2,006,231
Year ended December 31, 2023											
Balance at January 1, 2023		$ 678,208	$ 961,192	$ 473	$ 61,933	$ -	$ 59,746	$ 252,309	$ -	($ 7,630)	$ 2,006,231
Profit for the year		-	-	-	-	-	-	436,535	-	-	436,535
Other comprehensive loss for the year	6(6)	-	-	-	-	-	-	(1,573)	(3,798)	-	(5,371)
Total comprehensive income (loss)		-	-	-	-	-	-	434,962	(3,798)	-	431,164
Distribution of 2022 net income:											
Legal reserve	6(18)	-	-	-	-	-	25,175	(25,175)	-	-	-
Cash dividends	6(18)	-	-	-	-	-	-	(202,286)	-	-	(202,286)
Capitalisation of capital surplus	6(15)(16)	67,429	(67,429)	-	-	-	-	-	-	-	-
Compensation cost of employee stock options	6(17)(25)	-	-	13,389	-	-	-	-	-	-	13,389
Compensation cost of employee restricted stock	6(17)(25)	-	-	-	-	-	-	-	-	5,504	5,504
Balance at December 31, 2023		$ 745,637	$ 893,763	$ 13,862	$ 61,933	$ -	$ 84,921	$ 459,810	($ 3,798)	($ 2,126)	$ 2,254,002

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

TRANSCOM, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 531,240	$ 321,803
Adjustments			
Adjustments to reconcile profit (loss)			
Net (gain) loss on financial assets at fair value through profit or loss	6(5)(22)	(52,863)	65,781
Expected credit (gain) loss	12(2)	(2,907)	1,472
Loss on inventory market price decline	6(4)	20,720	17,742
Depreciation	6(7)(8)(24)	69,145	52,587
Loss (gain) on disposal of property, plant and equipment	6(22)	1,590	(493)
Amortization	6(9)(24)	2,692	3,008
Provisions	6(4)(13)	15,562	17,229
Interest income	6(20)	(14,604)	(5,219)
Dividend income	6(5)(21)	(10,154)	(18,681)
Interest expense	6(23)	2,987	2,503
Compensation cost of employee stock options	6(17)(25)	13,389	473
Compensation cost of employee restricted stock	6(17)(25)	5,504	9,981
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		-	1,142
Accounts receivable		(60,418)	(49,847)
Other receivables		(1,443)	-
Inventories		(20,653)	(137,956)
Prepayments		7,038	(2,857)
Changes in operating liabilities			
Current contract liabilities		10,049	(2,188)
Notes payable		(16,017)	860
Accounts payable		183	7,528
Other payables		28,513	3,575
Current provisions	6(13)	(12,483)	(11,676)
Non-current contract liabilities		857	-
Net defined benefit liabilities-non current		(920)	(1,012)
Cash inflow generated from operations		517,007	275,755
Dividends received		10,154	18,681
Interest received		14,604	5,219
Interest paid		(2,521)	(2,464)
Income tax paid		(86,022)	(73,723)
Net cash flows from operating activities		453,222	223,468

(Continued)

TRANSCOM, INC.
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease (increase) in current financial assets at amortised cost		$ 91,995	($ 177,960)
Acquisition of non-current financial assets at fair value through profit or loss		(1,923)	(267,765)
Proceeds from disposal of non-current financial assets at fair value through profit or loss	6(28)	383,194	-
Cash paid for acquisition of non-current financial assets at fair value through other comprehensive income		(31,992)	-
Cash paid for acquisition of property, plant and equipment	6(28)	(69,851)	(81,085)
Proceeds from disposal of property, plant and equipment		-	495
Acquisition of intangible assets	6(9)	(839)	(11,022)
Increase in prepayments for equipment		(28,290)	(46,812)
Increase in guarantee deposits paid		(24,214)	(13,013)
Net cash flows from (used in) investing activities		318,080	(597,162)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	-	10,000
Payment of lease liabilities	6(29)	(3,081)	(3,020)
Capital surplus used to issue cash to shareholders	6(16)	-	(13,446)
Payments of cash dividends	6(18)	(202,286)	(221,855)
Net cash flows used in financing activities		(205,367)	(228,321)
Net increase (decrease) in cash and cash equivalents		565,935	(602,015)
Cash and cash equivalents at beginning of year	6(1)	575,630	1,177,645
Cash and cash equivalents at end of year	6(1)	$ 1,141,565	$ 575,630

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

TRANSCOM, INC.
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Transcom, Inc. (the "Company") was incorporated on June 17, 1998 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other related regulations. The Company is primarily engaged in research, development, production, manufacturing and sale of microwave semiconductor devices, integrated circuits and their subsystems.

(2) The common stocks of the Company were originally listed on emerging stock market of the Taipei Exchange from December 19, 2012, and have been authorized to trade in Taiwan Stock Exchange since October 25, 2021.

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

These financial statements were authorized for issuance by the Board of Directors on March 12, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

New standards, interpretations and amendments as endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

Except for the following, the above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'.

The amendments require an entity to recognize deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

The Company recognizes deferred income tax assets and liabilities for all deductible and taxable temporary differences related to decommissioning liabilities and the corresponding right-of-use assets. As of December 31, 2022, the deferred income tax assets and liabilities increased both by $4,613.

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 - comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

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

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

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

B. The preparation of financial statements in conformity with IFRSs requires that use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5, "Critical accounting judgements, estimates and key sources of assumption uncertainty".

(3) Foreign currency translation

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

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

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

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

D. In the statement of comprehensive income, all foreign exchange gains and losses are presented in "Other gains and losses".

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

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

(b) Assets held mainly for trading purposes;

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

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

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

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

(b) Liabilities arising mainly from trading activities;

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

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits and bills under repurchase agreements that meet the above criteria and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) Financial assets at amortized cost

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

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial. Cash and cash equivalents pledged to others are consistent with the definition of financial assets at amortized cost.

(7) Accounts and notes receivable

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

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

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. When the cost of inventory is higher than net realizable value, a write-down is provided and recognized in operating costs. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent and recognized as deduction of operating costs.

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

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

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

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

D. The Company recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

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

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value: The changes in fair value of equity investments that were recognized in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(13) Property, plant and equipment

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

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

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Assets	Useful lives
Buildings and structures	10 ～ 27 years
Machinery and equipment	3 ～ 10 years
Transportation equipment	5 years
Other equipment	3 ～ 10 years

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

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

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

Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following: (a) the amount of the initial measurement of lease liability, and (b) an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset’s useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset and remeasure the lease liability to reflect the partial or full termination of the lease, and recognize the difference in profit or loss.

(15) Intangible assets

Computer software is stated initially at cost and amortized on a straight-line basis over its estimated useful life of 3 to 10 years.

(16) Impairment of non-financial assets

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

(17) Borrowings

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

(18) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

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

(19) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(20) Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

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

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is paid by shares, the Company calculates the number of shares based on the fair value per share estimated using a valuation technique specified in IFRS 2, 'Share-based Payment'.

(22) Employee share-based payment

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

B. Employee restricted stocks:

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

(b) Before meeting the vesting conditions, it has no right to participate in the original shareholders' distribution (subscription) of shares and dividends.

(c) For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will redeem at no consideration and retire those stocks.

(23) Income tax

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

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

C. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. However, the deferred income tax is not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.

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

E. Current income tax assets and liabilities are offset and the net amount 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.

(24) Share capital

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

(25) Dividends

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

(26) Revenue recognition

Sales of goods

A. The Company manufactures and sells microwave semiconductor devices, integrated circuits and their subsystems. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

(27) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments.

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

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have no significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand	$ 125	$ 80
Checking accounts and demand deposits	640,296	191,992
	640,421	192,072
Cash equivalents:		
Time deposits	501,144	333,623
Bills under repurchase agreement	-	49,935
	501,144	383,558
	$ 1,141,565	$ 575,630

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

B. The Company has no cash and cash equivalents pledged to others as of December 31, 2023 and 2022.

(2) Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current items:		
Time deposits with a maturity of over three months	$ 120,965	$ 212,960
Non-current items:		
Pledged time deposits	$ 5,437	$ 5,437

A. The Company recognized interest income in profit or loss on financial assets at amortized cost amounting to $6,360 and $2,071 for the years ended December 31, 2023 and 2022, respectively.

B. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was its book value.

C. For more information about the Company's financial assets at amortized cost pledged to others as collateral as of December 31, 2023 and 2022, refer to Note 8, 'Pledged assets'.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2), 'Financial instruments'. The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 212,370	$ 151,952
Less: Allowance for uncollectible accounts	(1,778)	(4,685)
	$ 210,592	$ 147,267

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

	December 31, 2023	December 31, 2022
	Accounts receivable	Accounts receivable
Not past due	$ 172,411	$ 146,022
Less than 90 days	39,352	5,831
91 to 180 days	546	99
Over 181 days	61	-
	$ 212,370	$ 151,952

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of notes and accounts receivable from contracts with customers amounted to $103,247.

C. As of December 31, 2023 and 2022, the Company does not hold any collateral as security for notes and accounts receivable.

D. Information relating to credit risk is provided in Note 12(2), 'Financial instruments'.

(4) Inventories

	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Merchandise	$ 103	($ 52)	$ 51
Raw materials	190,867	(58,695)	132,172
Supplies	25,066	(8,111)	16,955
Work in progress	229,373	(3,588)	225,785
Semi-finished goods	30,266	(10,587)	19,679
Finished goods	63,659	(5,254)	58,405
	$ 539,334	($ 86,287)	$ 453,047

	December 31, 2022		
	Cost	Allowance for market price decline	Book value
Merchandise	$ 100	($ 52)	$ 48
Raw materials	189,988	(41,929)	148,059
Supplies	20,673	(1,652)	19,021
Work in progress	230,185	(7,688)	222,497
Semi-finished goods	23,579	(7,955)	15,624
Finished goods	54,156	(6,291)	47,865
	$ 518,681	($ 65,567)	$ 453,114

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$ 514,482	$ 428,411
Provisions for warranty	15,562	17,229
Whole batch damaged in production and reclassified to cost of goods sold	6,058	6,688
Allowance for inventory market price decline	20,720	17,742
Loss on physical inventory	2	49
Revenue from sale of scraps	(1,881)	(248)
	$ 554,943	$ 469,871

(5) Non-current financial assets at fair value through profit or loss

	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss	
Listed stocks	$ 391,991
Valuation adjustment	(63,416)
	$ 328,575

There was no such situation as of December 31, 2023.

A. The Company recognized net gain (loss) of $52,863 and ($65,781) on financial assets at fair value through profit or loss for the years ended December 31, 2023 and 2022, respectively (listed as "Other gains and losses").

B. For the years ended December 31, 2023 and 2022, the Company's dividend income recognized in profit or loss on financial assets mandatorily measured at fair value through profit or loss (shown as "Other income") was $10,154 and $18,681, respectively.

C. The Company has no financial assets at fair value through profit or loss pledged to others as of December 31, 2023 and 2022.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), 'Financial instruments'.

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

	December 31, 2023
Equity instruments	
Unlisted stocks	$ 31,992
Valuation adjustment	(3,798)
	$ 28,194

There was no such situation as of December 31, 2022.

A. The Company has elected to classify investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments approximately equals the carrying amount as of December 31, 2023.

B. Amounts recognized in other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	For the year ended December 31, 2023
Equity instruments at fair value through other comprehensive income	
Fair value change recognised in other comprehensive loss	($ 3,798)

There was no such situation for the year ended December 31, 2022.

C. The Company has no financial assets at fair value through other comprehensive income pledged to others as of December 31, 2023.

D. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), ‘Financial instruments’.

(7) Property, plant and equipment

At January 1, 2023	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Total
Cost	$ 190,642	$ 352,488	$ 1,250	$ 43,738	$ 588,118
Accumulated depreciation	(191)	(130,214)	(113)	(19,421)	(149,939)
	$ 190,451	$ 222,274	$ 1,137	$ 24,317	$ 438,179
2023					
At January 1	$ 190,451	$ 222,274	$ 1,137	$ 24,317	$ 438,179
Additions	6,866	40,865	2,310	805	50,846
Transferred from prepayments for equipment	8,598	25,341	1,060	-	34,999
Depreciation	(7,524)	(51,043)	(711)	(5,197)	(64,475)
Disposals－Cost	-	(11,515)	-	(5,396)	(16,911)
－Accumulated depreciation	-	11,515	-	3,806	15,321
At December 31	$ 198,391	$ 237,437	$ 3,796	$ 18,335	$ 457,959
At December 31, 2023					
Cost	$ 206,106	$ 407,179	$ 4,620	$ 39,147	$ 657,052
Accumulated depreciation	(7,715)	(169,742)	(824)	(20,812)	(199,093)
	$ 198,391	$ 237,437	$ 3,796	$ 18,335	$ 457,959

At January 1, 2022	Buildings and structures	Machinery and equipment	Transportation equipment	Other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ -	$ 281,617	$ 3,047	$ 40,753	$ 116,274	$ 441,691
Accumulated depreciation	-	(90,542)	(2,872)	(18,762)	-	(112,176)
	$ -	$ 191,075	$ 175	$ 21,991	$ 116,274	$ 329,515
2022						
At January 1	$ -	$ 191,075	$ 175	$ 21,991	$ 116,274	$ 329,515
Additions	420	45,089	1,250	7,597	36,317	90,673
Transferred from prepayments for equipment	35,151	27,821	-	1,293	2,480	66,745
Transferred after acceptance inspection	155,071	-	-	-	(155,071)	-
Depreciation	(191)	(41,711)	(288)	(6,562)	-	(48,752)
Disposals－Cost	-	(2,039)	(3,047)	(5,905)	-	(10,991)
－Accumulated depreciation	-	2,039	3,047	5,903	-	10,989
At December 31	$ 190,451	$ 222,274	$ 1,137	$ 24,317	$ -	$ 438,179
At December 31, 2022						
Cost	$ 190,642	$ 352,488	$ 1,250	$ 43,738	$ -	$ 588,118
Accumulated depreciation	(191)	(130,214)	(113)	(19,421)	-	(149,939)
	$ 190,451	$ 222,274	$ 1,137	$ 24,317	$ -	$ 438,179

A. As of December 31, 2023 and 2022, the Company's property, plant and equipment were owner-occupied.

B. For the years ended December 31, 2023 and 2022, no borrowing costs were capitalized as part of property, plant and equipment.

C. As of December 31, 2023 and 2022, no property, plant and equipment were pledged to others as collateral.

(8) Leasing arrangements－lessee

A. The Company leases land in Southern Taiwan Science Park Bureau of the Ministry of Science and Technology. Rental contracts are typically made for a period of 20 ~ 30 years. Lease terms are negotiated on an individual basis. The lease agreements do not impose covenants.

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

Carrying amount:

	December 31, 2023	December 31, 2022
Land	$ 111,838	$ 116,508

Depreciation charge:

	For the years ended December 31,	
	2023	2022
Land	$ 4,670	$ 3,835

C. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 1,889	$ 1,950
Expense on short-term lease contracts and leases of low-value assets	$ 2,813	$ 3,452

D. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $7,783 and $8,422, respectively.

(9) Intangible assets－Software

	2023	2022
At January 1		
Cost	$ 19,566	$ 8,544
Accumulated amortization	(9,076)	(6,068)
	$ 10,490	$ 2,476
For the year end December 31		
At January 1	$ 10,490	$ 2,476
Additions－acquired separately	839	11,022
Amortization	(2,692)	(3,008)
Write-off－Cost	(5,442)	-
－Accumulated amortization	5,442	-
At December 31	$ 8,637	$ 10,490
At December 31		
Cost	$ 14,963	$ 19,566
Accumulated amortization	(6,326)	(9,076)
	$ 8,637	$ 10,490

A. Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$ -	$ 12
Administrative expenses	1,354	1,156
Research and development expenses	1,338	1,840
	$ 2,692	$ 3,008

B. For the years ended December 31, 2023 and 2022, no borrowing costs were capitalized as part of intangible assets.

C. As of December 31, 2023 and 2022, no intangible assets were pledged to others as collateral.

(10) Guarantee deposits paid

	December 31, 2023	December 31, 2022
Performance guarantee	$ 60,924	$ 38,126
Warranty guarantee	20,948	19,028
Others	989	1,493
	$ 82,861	$ 58,647

(11) Short-term borrowings

Nature	December 31, 2023	Interest rate	Collateral
Bank unsecured borrowings	$ 40,000	1.89%	None

Nature	December 31, 2022	Interest rate	Collateral
Bank unsecured borrowings	$ 40,000	1.70%	None

For more information about interest expense recognized by the Company for the years ended December 31, 2023 and 2022, refer to Note 6(23), 'Finance costs'.

(12) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	$ 43,655	$ 36,942
Employees' compensation and directors' remuneration payable	39,986	24,222
Employee unused compensated absences bonus payable	7,739	6,500
Equipment payable	5,179	22,107
Others	17,937	13,140
	$ 114,496	$ 102,911

(13) Provisions

	For the year ended December 31, 2023				
	At January 1	Additional provisions	Used during the year	Unwinding of discount	At December 31
Warranty	$ 22,909	$ 15,562	($ 12,483)	$ -	$ 25,988
Decommissioning liabilities	23,105	-	-	466	23,571
	$ 46,014	$ 15,562	($ 12,483)	$ 466	$ 49,559

	For the year ended December 31, 2022				
	At January 1	Additional provisions	Used during the year	Unwinding of discount	At December 31
Warranty	$ 17,356	$ 17,229	($ 11,676)	$ -	$ 22,909
Decommissioning liabilities	-	23,066	-	39	23,105
	$ 17,356	$ 40,295	($ 11,676)	$ 39	$ 46,014

Analysis of total provisions:

	December 31, 2023	December 31, 2022
Current	25,988	22,909
Non-current	23,571	23,105

A. The Company provides 1~3 years warranties on certain products. Provision for warranty is estimated based on historical warranty data of those products. Liability obligations are classified as current as they are expected to be occurred within 1 year.

B. According to the land leasing contract, the Company bears dismantling, removing the asset and restoring the site obligations for the buildings on the land in the future. A provision is recognized for the present value of costs to be incurred for dismantling, removing the asset and restoring the site. It is expected that the provision will occur when the land leasing contract expired.

(14) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is not enough to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contribution for the deficit by next March. Information on the Company's aforementioned pension plan is as follows:

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 49,910)	($ 47,213)
Fair value of plan assets	33,328	31,677
Net defined benefit liability	($ 16,582)	($ 15,536)

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

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2023			
At January 1	($ 47,213)	$ 31,677	($ 15,536)
Interest (expense) income	(614)	412	(202)
	(47,827)	32,089	(15,738)
Remeasurements:			
Return on plan assets	-	117	117
Change in financial assumptions	(397)	-	(397)
Experience adjustments	(1,686)	-	(1,686)
	(2,083)	117	(1,966)
Pension fund contribution	-	1,122	1,122
At December 31	($ 49,910)	$ 33,328	($ 16,582)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
For the year ended December 31, 2022			
At January 1	($ 47,702)	$ 28,299	($ 19,403)
Interest (expense) income	(191)	114	(77)
	(47,893)	28,413	(19,480)
Remeasurements:			
Return on plan assets	-	2,175	2,175
Change in financial assumptions	2,539	-	2,539
Experience adjustments	(1,859)	-	(1,859)
	680	2,175	2,855
Pension fund contribution	-	1,089	1,089
At December 31	($ 47,213)	$ 31,677	($ 15,536)

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company’s defined benefit pension plan in accordance with the Fund’s annual investment and utilization plan and the “Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund” (Article 6: The scope of utilization for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilization of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorized by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilization Report announced by the government.

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

	For the years ended December 31,	
	2023	2022
Discount rate	1.20%	1.30%
Future salary increases	2.25%	2.25%

Assumptions regarding future mortality experience are set based on the sixth experience life table of Taiwan life insurance industry for the years ended December 31, 2023 and 2022, respectively.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 981)	$ 1,018	$ 912	($ 884)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 989)	$ 1,029	$ 929	($ 899)

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

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

(e) Expected contributions to the defined benefit pension plan of the Company for the year ending December 31, 2024 amount to $1,125.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	15,430
1-2 years		2,285
2-5 years		4,431
Over 5 years		33,028
	$	55,174

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $9,137 and $7,876, respectively.

(15) Share capital

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

	For the years ended December 31,	
	2023	2022
Beginning number of the year	67,821	67,829
Capitalization of capital surplus	6,743	-
Retirement of employee restricted stocks	-	(8)
Ending number of the year	74,564	67,821

B. To attract and retain talented employees, create maximum interests for the Company and shareholders, the shareholders during their special meeting on October 31, 2018 adopted a resolution to issue employee restricted ordinary shares at no consideration in the total amount of 1,000 thousand shares, with the effective date set on September 30, 2019. The Company set the vesting condition of employees achieving both standards of personal retain seniority and annual performance appraisal, as well as had rights to redeem at no consideration and retire all employee restricted stocks that were not meeting the vesting condition. As of December 31, 2023, the vested employee stocks amounted to 796 thousand shares.

C. As the employee restricted stocks of 8 thousand shares distributed to certain employees did not meet the vesting conditions in accordance with the terms of restricted shares in November 2022. On November 10, 2022, the Board of Directors resolved to redeem and retire those restricted stocks for capital reduction. The registration of the retirement had been completed on November 21, 2022 and share capital and capital surplus in the amount of $80 were written off.

D. On March 15, 2023, the Company's Board of Directors proposed for the Company's capital increase through capital surplus of $67,429 (NT$1 (in dollars) per share). On June 29, 2023, said capital increase was approved by the shareholders and the Company approval from the Financial Supervisory Commission. The effective date of capitalization was set on August 29, 2023.

E. As of December 31, 2023, the Company's authorized capital was $900,000 (including $50,000 reserved for employee stock options), and the paid-in capital was $745,637 (74,564 thousand shares) with par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(16) Capital surplus

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

B. On March 17, 2022, the Company's Board of Directors resolved to distribute cash from capital surplus of $13,446 (NT$0.2 (in dollars) per share).

C. On June 29, 2023, the Company's shareholders resolved to increase capital through capital surplus of $67,429 (NT$1 (in dollars) per share).

D. On March 12, 2024, the Company's Board of Directors proposed for the capital increase through capital surplus of $74,368 (NT$1 (in dollars) per share) and it has not yet been resolved by the shareholders.

(17) Share-based payment

A. Restricted stocks to employees

The Company issued 1,000 thousand shares of compensatory employee restricted stocks as approved by the Financial Supervisory Commission on January 10, 2019 and set September 30, 2019 as the grant date as resolved by the Boards of Directors. After the allocation of restricted stocks, employees receive 20% of the allocated stocks every year. The restricted shares issued by the Company cannot be sold, pledged, transferred, donated, collateralized, or disposed in any other method during the vesting period, has no right to participate in the distribution of dividends and shares in original shareholders, and has no right to attend, propose, speak and vote in the shareholders' meeting.

(a) Details of the aforementioned restricted stocks to employees are as follows (unit: thousand shares):

Restricted stocks to employees	For the years ended December 31, 2023	2022
Stocks outstanding at January 1	392	600
Stocks redeemed and retired	-	(8)
Stocks vested for the year	(196)	(200)
Stocks outstanding at December 31	196	392

(b) For transactions of restricted stocks to employees granted by the Company, the stock price was not a clear public transaction price since the Company was an emerging company at the time of granting. The Company used price-earnings ratio and price book ratio as multiples by evaluating the stock price on grant date of listed company in the similar industry and estimated the fair value amounting to NT$72.94 dollars by taking into account the restrictions of the stock. The Company recognized unearned compensation amounting to $71,853 (shown as “other equity”) for the year ended December 31, 2019. As of December 31, 2023 and 2022, the balance of the unearned compensation amounted to $2,126 and $7,630, respectively. For the years ended December 31, 2023 and 2022, the Company recognized compensation cost of employee restricted stocks amounting to $5,504 and $9,981, respectively.

B. Employee stock options

On December 9, 2022, the Company issued compensatory stock option plan of 700 units as approved by the Financial Supervisory Commission and set December 19, 2022 as the grant date as resolved by the Boards of Directors. Employees can subscribe for ordinary shares of 1,000 shares per unit of the options at a subscription price of NT$137 (in dollars) per share, which was set up based on no lower than the market price of the Company’s socks on the grant date. The exercise price would be adjusted according to specific formulas if there is any change in the Company’s ordinary shares after the issuance of stock options. The life of the options is 6 years. After 2 year from the date of grant, employees may exercise the options in accordance with certain schedules as prescribed in the option plan.

(a) Details of the number of options and weighted average exercise price of compensatory stock option plan for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31,			
	2023		2022	
Stock options	Number of options (unit)	Weighted average exercise price	Number of options (unit)	Weighted average exercise price
Options outstanding at January 1	700		-	
Options granted during the year	-		700	
Options outstanding at December 31	700	122.1	700	137
Options exercisable at December 31	-	—	-	—

(b) The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Weighted average information and fair value of each factor are as follows:

Grant date	December 19, 2022
Dividend rate	—
Expected price volatility	50.21%
Risk-free interest rate	1.02%～1.06%
Expected option life	4～5.5 years
Weighted-average fair value (per share)	NTD$54.25 (in dollars)

(c) The compensation cost recognized for the above employee stock options for the years ended December 31, 2023 and 2022 were $13,389 and $473, respectively.

(18) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset accumulated deficit from prior years, then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. The Company may then appropriate or reverse a certain amount as a special reserve according to the relevant regulations. The remainder, if any, may be appropriated along with the accumulated unappropriated earnings, shall be proposed by the Board of Directors and resolved by the shareholders as bonus to shareholders. The Board of Directors is authorised to resolve the distribution of the abovementioned earnings, legal reserve and capital surplus which distributed in the form of cash, by the resolution adopted by the majority vote at its meeting attended by two-thirds of the total number of directors, and then reported it to the shareholders; the proposal of appropriation shall be approved by the shareholders according to the regulations if dividends would be distributed by issuing new shares. The Company's dividend distribution policy aligns with the current and future development plan by taking into account of factors such as investment environment and capital needs, along with the consideration of shareholders' interest. Every year, the dividend must not be less than 40% of the distributable earnings. However, in the case where accumulated distributable earnings is less than 10% of paid in capital, the Company may choose not to distribute dividends. The bonus can be distributed in cash or shares, among which the cash dividend must not be less than 10% of the appropriated dividend.

B. The appropriations of 2022 and 2021 earnings were resolved by the Board of Directors on March 15, 2023 and March 17, 2022, respectively.

Details of the above resolutions are as follows:

	For the years ended December 31,			
	2022		2021	
	Amount	Dividend per share (in dollars)	Amount	Dividend per share (in dollars)
Legal reserve	$ 25,175	$ -	$ 24,620	$ -
Cash dividends	202,286	3.0	221,855	3.3
	$ 227,461	$ 3.0	$ 246,475	$ 3.3

C. On March 12, 2024, the Company's Board of Directors resolved the appropriations of 2023 earnings as follows:

	For the year ended December 31, 2023	
	Amount	Dividend per share (in dollars)
Legal reserve	$ 43,496	$ -
Special reserve	3,798	-
Cash dividends	297,471	4.0
	$ 344,765	$ 4.0

For information about earnings appropriation, which was approved by the Board of Directors, refer to the website of "Market Observation Post System".

(19) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 1,250,809	$ 1,034,660

A. The Company derives revenue from the transfer of goods at a point in time. Revenue from contracts with customers are disaggregated in major product lines. Details are provided in Note 14, Segment Information.

B. Contract liabilities

(a) The Company has recognized revenue-related contract liabilities related to the contract revenue of $17,769, $6,863 and $9,051 as of December 31, 2023, December 31, 2022 and January 1, 2022, respectively.

(b) The revenue recognized that were included in the contract liability balance at the beginning of 2023 and 2022 amounted to $1,215 and $3,513 for the years ended December 31, 2023 and 2022, respectively.

(20) Interest income

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest income from bank deposits	$ 8,244	$ 3,148
Interest income from financial assets measured at amortized cost	6,360	2,071
	$ 14,604	$ 5,219

(21) Other income

	For the years ended December 31, 2023	For the years ended December 31, 2022
Dividend income	$ 10,154	$ 18,681
Other income, others	133	535
	$ 10,287	$ 19,216

(22) Other gains and losses

	For the years ended December 31, 2023	For the years ended December 31, 2022
Gain (loss) on financial assets at fair value through profit or loss	$ 52,863	($ 65,781)
Currency exchange (loss) gain	(275)	3,050
(Loss) gain on disposal of property, plant, and equipment	(1,590)	493
Other losses	(7,369)	(2,760)
	$ 43,629	($ 64,998)

(23) Finance costs

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest expense:		
Interest expense on bank borrowings	$ 632	$ 514
Interest expense on lease liabilities	1,889	1,950
Other interest expense	466	39
	$ 2,987	$ 2,503

(24) Expenses by nature

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 156,104	$ 150,285	$ 306,389
Depreciation	57,227	11,918	69,145
Amortization	-	2,692	2,692
	$ 213,331	$ 164,895	$ 378,226

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 132,815	$ 114,740	$ 247,555
Depreciation	44,353	8,234	52,587
Amortization	12	2,996	3,008
	$ 177,180	$ 125,970	$ 303,150

(25) Employee benefit expense

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Wages and salaries	$ 132,362	$ 110,328	$ 242,690
Compensation costs of employee stock options	383	13,006	13,389
Compensation costs of employee restricted stock	337	5,167	5,504
Labor and health insurance expense	13,527	6,042	19,569
Pension costs	6,726	2,613	9,339
Directors' remuneration	-	12,206	12,206
Other personnel expenses	2,769	923	3,692
	$ 156,104	$ 150,285	$ 306,389

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Wages and salaries	$ 113,027	$ 89,214	$ 202,241
Compensation costs of employee stock options	14	459	473
Compensation costs of employee restricted stock	601	9,380	9,981
Labor and health insurance expense	11,462	5,179	16,641
Pension costs	5,799	2,154	7,953
Directors' remuneration	-	7,642	7,642
Other personnel expenses	1,912	712	2,624
	$ 132,815	$ 114,740	$ 247,555

A. As of December 31, 2023 and 2022, the Company had 291 and 249 employees, respectively, including 6 non-employee directors for both years.

B. For the years ended December 31, 2023 and 2022, the average employee benefit expense were $1,032 and $987, respectively; while the average wages and salaries were $852 and $832, respectively. The average wages and salaries has increased by 2.4% compared to prior year.

C. The remuneration of the Company's directors are determined by the Remuneration Committee based on the extent of their participation in the Company's operations, value of contribution and the general pay levels of the industry; the remuneration policy to the managers is determined based on their position, competency, contribution, operating performance of the Company in the year and future risks of the Company as submitted to the Board of Directors for resolution after being reviewed by the Remuneration Committee; the remuneration policy to the employees is determined based on their abilities, contribution to the Company and their performance, etc. The Company also conducts market salary surveys periodically to understand the current industry salary standard and timely adjusts the salary levels and salary structure, which is set as the salary evaluation basis for payments on special talents or newly added positions.

D. In accordance with the Articles of Incorporation of the Company, more than 4% of distributable profit of the current year, shall be distributed as employees' compensation in the form of shares or in cash as resolved by the Board of Directors. Qualification requirements of employees include the employees of the controlled entities or subsidiaries of the Company meeting certain specific requirements; no higher than 2% of distributable profit of the current year, shall be distributed as directors' remuneration as resolved by the Board of Directors. The appropriation of employees' compensation and directors' remuneration shall be submitted to the shareholders' meeting. If the Company has accumulated deficit, earnings shall be used to cover losses.

E. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $28,561 and $17,301, respectively; while directors' remuneration was accrued at $11,425 and $6,921, respectively. The aforementioned amounts were recognized in salary expenses. The expenses recognized for each year was accrued based on the earnings of current year and the percentage specified in the Articles of Incorporation of the Company. On March 12, 2024, the Board of Directors resolved to distribute employees' compensation and directors' remuneration of $28,561 and $11,425, respectively, and will be distributed in the form of cash.

   For 2022, the employees' compensation and directors' remuneration resolved by the Board of Directors on March 15, 2023 amounted to $18,500 and $6,912, respectively. The difference of $1,190 between the amounts resolved by the Board of Directors and the amounts recognized in the 2022 financial statements amounted to $24,222, mainly resulting from estimated amounts, had been adjusted in the profit or loss of 2023, and the employees' compensation was distributed in the form of cash.

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

(26) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current income tax:		
Income tax incurred in current year	$ 98,391	$ 78,274
Tax on unappropriated earnings	1,215	-
Prior year’s income tax over estimation	(174)	(1,916)
Total current income tax	99,432	76,358
Deferred income tax:		
Origination and reversal of temporary differences	(4,727)	(4,024)
Income tax expense	$ 94,705	$ 72,334

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

	For the years ended December 31,	
	2023	2022
Remeasurement of defined benefit obligations	($ 393)	$ 571

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 106,248	$ 64,361
Effect of items disallowed by tax regulation	(12,584)	9,889
Tax on unappropriated earnings	1,215	-
Prior year's income tax over estimation	(174)	(1,916)
Income tax expense	$ 94,705	$ 72,334

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

	For the year ended December 31, 2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
—Deferred tax assets:				
Allowance for doubtful accounts	$ 633	($ 633)	$ -	$ -
Loss on inventory market value decline	13,113	4,144	-	17,257
Unused compensated absences	1,300	248	-	1,548
Pension	3,894	-	393	4,287
Unrealized loss on foreign currency exchange	92	171	-	263
Product warranty obligations	4,582	616	-	5,198
Decommissioning liabilities interest	4,613	101	-	4,714
	$ 28,227	$ 4,647	$ 393	$ 33,267
—Deferred tax liabilities:				
Pension	($ 258)	($ 184)	$ -	($ 442)
Unrealized gain on foreign currency exchange	(312)	89	-	(223)
Decommissioning depreciation	(4,613)	175	-	(4,438)
	($ 5,183)	$ 80	$ -	($ 5,103)
	$ 23,044	$ 4,727	$ 393	$ 28,164

	For the year ended December 31, 2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Allowance for doubtful accounts	$ 922	($ 289)	$ -	$ 633
Loss on inventory market value decline	9,565	3,548	-	13,113
Unused compensated absences	1,207	93	-	1,300
Pension	4,409	56	(571)	3,894
Unrealized loss on foreign currency exchange	27	65	-	92
Product warranty obligations	3,471	1,111	-	4,582
Decommissioning liabilities interest	-	4,613	-	4,613
	$ 19,601	$ 9,197	($ 571)	$ 28,227
－Deferred tax liabilities:				
Pension	$ -	($ 258)	$ -	($ 258)
Unrealized gain on foreign currency exchange	(10)	(302)	-	(312)
Decommissioning depreciation	-	(4,613)	-	(4,613)
	($ 10)	($ 5,173)	$ -	($ 5,183)
	$ 19,591	$ 4,024	($ 571)	$ 23,044

D. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of March 12, 2024.

(27) Earnings per share ("EPS")

	For the year ended December 31, 2023			
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	EPS (in dollars)	
Basic earnings per share				
Profit attributable to ordinary shareholders	$ 436,535	74,222	$ 5.88	
Diluted earnings per share				
Profit attributable to ordinary shareholders	$ 436,535	74,222		
Assumed conversion of all dilutive potential ordinary shares				
Employees' compensation	-	197		
Employee stock options		140		
Restricted stock to employees	-	322		
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 436,535	74,881	$ 5.83	

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 249,469	73,969	$ 3.37
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 249,469	73,969	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	163	
Restricted stock to employees	-	517	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 249,469	74,649	$ 3.34

A. The abovementioned weighted average number of ordinary shares outstanding has been adjusted to proportional increase in capital for the year ended December 31, 2023.

B. The Company's employee stock options issued for the year ended December 31, 2022 did not have a significant dilutive effect on earnings per share, and thus it was not disclosed.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31, 2023	For the years ended December 31, 2022
(a)Proceeds from disposal of financial assets at fair value through profit or loss	$ 383,361	$ -
Less: Discount on service charge receivables (Other receivables)	(167)	-
Cash received from disposal of financial assets at fair value through profit or loss	$ 383,194	$ -

	For the years ended December 31, 2023	For the years ended December 31, 2022
(b)Purchase of property, plant and equipment	$ 50,846	$ 90,673
Add: Beginning balance of notes payable	2,077	1,618
Beginning balance of payable on equipment (Other payables)	22,107	12,978
Less: Ending balance of notes payable	-	(2,077)
Ending balance of payable on equipment (Other payables)	(5,179)	(22,107)
Cash paid for acquisition of property, plant and equipment	$ 69,851	$ 81,085

B. Investing activities with no cash flow effects:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Prepayments for equipment reclassified to property, plant and equipment	$ 34,999	$ 66,745

(29) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2023	$ 40,000	$ 96,171	$ 136,171
Changes in cash flow from financing activities	-	(3,081)	(3,081)
At December 31, 2023	$ 40,000	$ 93,090	$ 133,090

	Short-term borrowings	Lease liabilities	Liabilities from financing activities-gross
At January 1, 2022	$ 30,000	$ 93,396	$ 123,396
Changes in cash flow from financing activities	10,000	(3,020)	6,980
Changes in cash flow from other non-financing activities	-	5,795	5,795
At December 31, 2022	$ 40,000	$ 96,171	$ 136,171

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
CHIAN-SERN CHANG	Chairman of the Board

(2) Significant transactions and balances with related parties

Endorsements and guarantees provided from related parties：

	December 31, 2023	December 31, 2022
CHIAN-SERN CHANG	$ 100,000	$ 100,000

(3) Key management compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$ 43,622	$ 34,093
Share-based payment	6,766	3,721
Post-employeement benefits	643	513
	$ 51,031	$ 38,327

8. PLEDGED ASSETS

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

Asset pledged	Book value December 31, 2023	Book value December 31, 2022	Purpose of collateral
Pledged time deposites (Note)	$ 5,437	$ 5,437	Performance gurantee

(Note) Listed as ‘Non-current financial assets at amortized cost’.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

(1) As of December 31, 2023 and 2022, the Company's remaining balance due for construction in progress and prepayments for equipment were $7,075 and $33,863, respectively.

(2) For restricted stock to employees and employee share options, refer to Note 6(15), 'Share capital' and Note 6(17), 'Share-based payment'

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce the level of debt.

(2) Financial instruments

A. Details of the Company's financial instruments.

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 328,575
Investments in equity instruments designated at fair value through other comprehensive income	$ 28,194	$ -
Financial assets at amortized cost		
Cash and cash equivalents	$ 1,141,565	$ 575,630
Current financial assets at amortized cost	120,965	212,960
Accounts receivable	210,592	147,267
Other receivables	1,610	-
Non-current financial assets at amortized cost	5,437	5,437
Guarantee deposites	82,861	58,647
	$ 1,563,030	$ 999,941

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ 40,000	$ 40,000
Notes payable	730	18,824
Accounts payable	18,238	18,055
Other payables	114,496	102,911
	$ 173,464	$ 179,790
Lease liability (current and non-current)	$ 93,090	$ 96,171

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The Company's overall financial risk management policies focuses on financial market unpredictability and seeks to minimize potential adverse effects on the Company's financial condition and financial performance.

(b) Risk management is carried out by Finance division of the Company under policies approved by the Board of Directors. Finance division identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

(i) The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various currency. Foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

(ii) Management has set up a policy to require the Company to manage their foreign exchange risk against their functional currency. The Company is required to hedge their entire foreign exchange risk exposure with the Finance division. Foreign exchange risk arises when future commercial transactions or recognized assets or liabilities are denominated in a currency that is not the entity's functional currency. As the Company offsets these market risks by matching the foreign currency assets and liabilities positions and their payment periods, the Company hedges foreign exchange rate by using natural hedge.

(iii)The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 8,809	30.66	$ 270,052
Financial liabilities			
Monetary items			
USD:NTD	199	30.76	6,117

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 6,669	30.66	$ 204,475
Financial liabilities			
Monetary items			
USD:NTD	258	30.76	7,942

(iv)Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If the exchange rate of NTD to USD had appreciated/depreciated by 10% with all other factors remaining constant, the Company's net profit after tax for the years ended December 31, 2023 and 2022 would increase/decrease by $21,115 and $15,723, respectively.

(v)The total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022 amounted to ($275) and $3,050, respectively.

II. Price risk

(i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(ii) The Company's investments in equity securities issued by domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 2% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $－ and $6,572, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $564 and $－, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

About interest rate risk of sensitivity analysis, if the borrowing interest rate had increased/decreased by 10% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by $50 and $41, respectively. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable, financial assets at amortized cost and guarantee deposits based on the agreed terms.

II. For banks and financial institutions, only those with excellent credit quality are accepted. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings. The utilisation of credit limits is regularly monitored.

III. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

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

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is low.

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

(i) It becomes probable to their financial difficulties.

(ii) Default or delinquency in interest or principal repayments.

V. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

VI. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights.

VII. The Company classifies customer's accounts receivable in accordance with customer types. The Company applies the modified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.

VIII. The Company used the forecastability of reference interest rate set by the financial industry and the wireless communication industry-related research reports to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 90 days past due	91~180 days past due	Over 181 days past due	Total
At December 31, 2023					
Loss rate	0.03% ~3.18%	0.03% ~8.44%	51.44%	100.00%	
Total book value	$ 172,411	$ 39,352	$ 546	$ 61	$212,370
Loss allowance	915	521	281	61	1,778
At December 31, 2022					
Loss rate	0.03% ~3.35%	0.03% ~8.33%	50.28%	100.00%	
Total book value	$ 146,022	$ 5,831	$ 99	$ -	$151,952
Loss allowance	2,040	2,546	99	-	4,685

IX. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
At January 1	$ 4,685	$ 3,213
Expected credit (gain) loss	(2,907)	1,472
At December 31	$ 1,778	$ 4,685

X. The counterparties and performing parties of the financial assets at amortized cost and guarantee deposits paid held by the Company are financial institutions or government organizations with good credit quality, thus, the possibility of default is remote and the credit risk is insignificant.

(c) Liquidity risk

I. Cash flow forecasting is performed in Finance division of the Company. Finance division monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. Finance Division invests surplus cash in interest bearing current accounts and bills with repurchase agreement, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2023 and 2022, the Company held money market position of $1,141,565 and $575,630, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

III. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 60,000	$ 60,000

IV. The table below analyzes the Company's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 40,317	$ -	$ -	$ -
Notes payable	730	-	-	-
Accounts payable	18,238	-	-	-
Other payables	114,496	-	-	-
Lease liabilities	4,970	4,970	14,908	92,714

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 40,136	$ -	$ -	$ -
Notes payable	18,824	-	-	-
Accounts payable	18,055	-	-	-
Other payables	102,911	-	-	-
Lease liabilities	4,970	4,970	14,908	97,683

V. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. Financial instruments not measured at fair value

The carrying amount of the Company's financial instruments not measured at fair value (including cash and cash equivalents, current financial assets at amortized cost, accounts receivable, other receivables, non-current financial assets at amortized cost, guarantee deposits, short-term borrowings, notes payable, accounts payable, and other payables) are approximate to their fair values.

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

(a)The related information on the nature of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 28,194	$ 28,194

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Listed Stock	$328,575	$ -	$ -	$328,575

(b) Listed stocks held by the Company are measured using their closing prices as their fair values (that is, Level 1).

(c) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the balance sheet date.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

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

	Equity instrument
At January 1	$ -
Acquired during the year	31,992
Loss recognized in other comprehensive income	(3,798)
At December 31	$ 28,194

There was no such situation for the year ended December 31, 2022.

F. The valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently evaluating any other necessary adjustments to the fair value.

G. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 28,194	Market comparable companies	Price to book ratio multiple	1.93%~4.25%	The higher the price to book ratio multiple, the higher the fair value

There was no such situation as of December 31, 2022.

H. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of other comprehensive income at the year ended December 31, 2023 from financial assets categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio multiple	±5%	$ -	$ -	$ 1,433	($ 1,423)

13. SUPPLEMENTARY DISCLOSURES

According to the regulatory requirement, only information related to the year ended December 31, 2023 is disclosed.

(1) Significant transactions information

A. Loans to others: None

B. Provision of endorsements and guarantees to others: None

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 1.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Refer to table 2.

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

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

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

J. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): None.

(3) Information on investments in Mainland China

None.

(4) Major shareholders information

Refer to table 3.

14. SEGMENT INFORMATION

(1) General information

The Company operates business only in a single industry. The chief operating decision-maker who allocates resources and assesses performance of the Company as a whole, has identified that the Company has only one reportable operating segment.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of operating segments based on pre-tax income excluding non-recurring income. For details of operating segments' accounting policies, refer to Note 4.

(3) Information about segment

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the years ended December 31, 2023	For the years ended December 31, 2022
Segment revenue		
Revenue from external customers	$ 1,250,809	$ 1,034,660
Interest income	14,604	5,219
Depreciation and amortization	71,837	55,595
Other gains and losses	43,629	(64,998)
Finance costs	(2,987)	(2,503)
Income from segment	531,240	321,803
Segment assets	2,668,783	2,401,592
Capital expenditure - non-current	79,975	148,507
Segment liabilities	414,781	395,361

(4) Reconciliation for segment

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The segment profit (loss), total assets and total liabilities provided to the chief operating decision-maker are measured in a manner consistent with those in the financial statements. Therefore, such reconciliation is not required.

(5) Information on products and services

Revenue from external customers is mainly from research, development, production, manufacturing and sale of microwave semiconductor devices, integrated circuits and their subsystems. Details of revenue are as follows:

	For the years ended December 31,	
	2023	2022
Microwave amplifiers and modules	$ 970,677	$ 826,418
Microwave subsystems and their self-produced components	264,928	180,699
Field-effect transistor components	8,714	15,797
Microwave integrated circuits components	3,361	5,477
Others	3,129	6,269
	$ 1,250,809	$ 1,034,660

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 1,166,463	$ 584,938	$ 972,316	$ 578,390
Israel	49,796	-	33,099	-
China	10,983	-	10,642	-
USA	8,877	-	9,135	-
Germany	4,239	-	4,053	-
Others	10,451	-	5,415	-
	$ 1,250,809	$ 584,938	$ 1,034,660	$ 578,390

(7) Major customer information

Major customer (individually over 10% of operating revenue) information of the Company for the years ended December 31, 2023 and 2022 is as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
Company A	$ 1,054,001	All	$ 928,545	All

TRANSCOM, INC.

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

December 31, 2023

Table 1 | Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares (in thousands)	Book value	Ownership (%)	Fair value	Note
TRANSCOM, INC.	Unlisted stocks:							
	PYRAS TECHNOLOGY INC.	—	Non-current financial assets at fair value through other comprehensive income	1,000	10,330	5.03%	10,330	—
	JC TECHNOLOGY INC.	—	〃	1,428	17,864	8.69%	17,864	—

TRANSCOM, INC.

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 2 Expressed in thousands of NTD

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
TRANSCOM, INC.	Plant	Septmeber, 2020	$ 178,800	$ 178,800	Key Lead Construction Co., Ltd.	—	—	—	—	$ -	Negotiation	For use in operations	—

TRANSCOM, INC.

Major shareholders information

December 31, 2023

Table 3

Expressed in shares

	Number of shares	
Name of the key shareholder	Common stock	Ownership (%)
Qing Li Fang-Wang	5,019,166	6.73%

Note: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.
The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the difference in the calculation basis.

TRANSCOM, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash:		
Cash on hand		$ 125
Checking Deposits		171
Demand Deposits－New Taiwan dollar		629,741
－Foreign Currency	Including USD339 thousand @30.655	10,384
		640,421
Cash equivalents：		
Time Deposits－New Taiwan dollar	Maturity date: January 22, 2024 to March 25, 2024	
	Interest rates: 1.1% ~ 1.35%	354,000
－Foreign Currency	Including USD4,800 thousand @30.655 Maturity date: January 16, 2024 to March 28, 2024	
	Interest rates: 5.15% ~ 5.68%	147,144
		501,144
		$ 1,141,565

TRANSCOM, INC.
STATEMENT OF CURRENT FINANCIAL ASSETS AT AMORTIZED COST
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Name	Description	Number Of Sheets	Par Value	Gross Value	Interest rate	Book Value	Accumulated Impairment	Footnote
Time deposits with maturity over three months	—	—	$ 120,965	$ 120,965	1.30%～5.16%	$ 120,965	$ -	—

TRANSCOM, INC.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount
Company A	Accounts receivable	$ 178,260
Company B	〃	12,975
Others (individually less than 5%)	〃	21,135
		212,370
Less: Allowance for doubtful accounts		(1,778)
		$ 210,592

TRANSCOM, INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount: Cost	Amount: Net Realizable Value	Footnote
Merchandise	—	$ 103	$ 117	(Note)
Raw materials	—	190,867	195,737	〃
Supplies	—	25,066	25,539	〃
Work in progress	—	229,373	284,284	〃
Semi-finished goods	—	30,266	29,270	〃
Finished goods	—	63,659	124,894	〃
		539,334	$ 659,841	
Less: Allowance for market price decline		(86,287)		
		$ 453,047		

Note: Refer to Note 4(10) 'Inventories' for the way the Company determines net realizable value of inventories.

TRANSCOM, INC.
STATEMENT OF CHANGES IN NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Addition		Decrease		Valuation adjustment	Ending Balance			
Name	Number of shares (in thousands)	Fair value	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Amount	Number of shares (in thousands)	Fair value	Collateral	Footnote
Listed stocks:											
Fubon Financial 2881	945	$ 53,203	47	$ -	(992)	($ 63,199)	$ 9,996	-	-	None	
Cathay Holdings 2882	1,071	42,832	-	-	(1,071)	(49,178)	6,346	-	-	None	
Yuanta Group 2885	2,843	61,689	43	-	(2,886)	(75,005)	13,316	-	-	None	
Megh Fhc 2886	308	9,333	2	-	(310)	(12,019)	2,686	-	-	None	
SKFH 2888	2,850	24,995	-	-	(2,850)	(25,792)	797	-	-	None	
Sinopacholdings 2890	2,434	40,771	179	1,923	(2,613)	(49,132)	6,438	-	-	None	
CTBC Holding 2891	2,070	45,747	-	-	(2,070)	(55,895)	10,148	-	-	None	
FFHC 2892	1,887	50,005	57	-	(1,944)	(53,141)	3,136	-	-	None	
		$328,575		$ 1,923		($383,361)	$ 52,863		$ -		

TRANSCOM, INC.
STATEMENT OF CHANGES IN NON-CURRENT FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Beginning Balance		Addition		Valuation adjustment	Ending Balance				
Name	Number of shares (in thousands)	Fair Value	Number of shares (in thousands)	Amount	Amount	Number of shares (in thousands)	Ownership (%)	Fair Value	Collateral	Note
Unlisted stocks:										
PYRAS TECHNOLOGY	-	$ -	1,000	$ 12,000	($ 1,670)	1,000	5.03%	$ 10,330	None	—
JC TECHNOLOGY INC.	-	-	1,428	19,992	(2,128)	1,428	8.69%	17,864	None	—
		$ -		$ 31,992	($ 3,798)			$ 28,194		

TRANSCOM, INC.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7) ‘Property, plant and equipment’.

TRANSCOM, INC.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(7) ‘Property, plant and equipment’, and refer to Note 4(13) ‘Property, plant and equipment’ for the depreciation method and useful lives of the assets.

TRANSCOM, INC.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Beginning Balance	Additions	Decreases	Ending Balance	Footnote
Land	$ 128,779	$ -	$ -	$ 128,779	—

TRANSCOM, INC.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSESTS-ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Beginning Balance	Additions	Decreases	Ending Balance	Footnote
Land	$ 12,271	$ 4,670	$ -	$ 16,941	—

TRANSCOM, INC.
STATEMENT OF CHANGES IN DEFERRED TAX ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(26), ‘Income tax’.

TRANSCOM, INC.
STATEMENT OF GUARANTEE DEPOSITS PAID
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(10), ‘Guarantee deposits paid’.

TRANSCOM, INC.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Nature	Description	December 31, 2023	Contract period	Interest rate	Loan Commitments	Collateral	Footnote
Taiwan Cooperative Bank	Unsecured borrowings	$ 40,000	2023.5.24~2024.5.24	1.89%	$ 70,000	None	—

TRANSCOM, INC.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(12), 'Other payables' .

TRANSCOM, INC.
STATEMENT OF CURRENT INCOME TAX LIABILITIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount	Footnote
Company income tax payable	$ 57,999	—
Tax on unappropriated earnings payable	1,215	—
	$ 59,214	

TRANSCOM, INC.
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Lease period	Discount rate	Balance as of December 31, 2023	Footnote
Land	—	2019.12.2～2049.12.2	2%	$ 80,094	—
〃	—	2018.10.14～2038.10.13	〃	12,996	—
				93,090	
			Less：Current portion	(3,143)	
				$ 89,947	

TRANSCOM, INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Quantity		Amount: Subtotal	Amount: Total
Sales revenue:				
Microwave amplifiers and modules	3,108	PCS	$ 970,845	
Microwave subsystems and their self-produced components	1,591	PCS	264,928	
Field-effect transistor components	55,882	PCS	8,714	
Microwave integrated circuits components	6,269	PCS	3,361	
Others	20,009	PCS	3,129	$ 1,250,977
Less: Sales returns				(168)
Operating revenue				$ 1,250,809

TRANSCOM, INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Merchandise at January 1, 2023	$ 100
Add: Merchandise purchased	174
Merchandise at December 31, 2023	(103)
Merchandise sold during the year	171
Raw materials at January 1, 2023	189,988
Add: Raw materials purchased	263,425
Semi-finished goods requisition transferred to raw materials	216,173
Finished goods requisition transferred to raw materials	338,952
Less: Transferred to expenses	(7,454)
Research requisition	(1,289)
Sale of raw materials	(724)
Losses on physical count of raw materials	(2)
Raw materials at December 31, 2023	(190,867)
Raw materials used during the year	808,202
Supplies at January 1, 2023	20,673
Add: Supplies purchased	31,481
Less: Transferred to expenses	(24,383)
Research requisition	(430)
Sale of Supplies	(25)
Supplies at December 31, 2023	(25,066)
Supplies used during the year	2,250
Direct labor	134,910
Manufacturing overhead	158,581
Manufacturing cost	1,103,943

TRANSCOM, INC.
STATEMENT OF OPERATING COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Work in progress at January 1, 2023	$ 230,185
Semi-finished goods at January 1, 2023	23,579
Less: Maintenance cost on return to factory after-sale	(13,937)
Semi-finished goods requisition transferred to raw materials	(216,173)
Sale of semi-finished goods	(1,180)
Whole batch damaged in production and reclassified to cost of goods sold	(6,058)
Research requisition	(13)
Work in progress at December 31, 2023	(229,373)
Semi-finished goods at December 31, 2023	(30,266)
Cost of finished goods	860,707
Finished goods at January 1, 2023	54,156
Add: Finished goods purchased	16
Less: Transferred to expenses	(773)
Finished goods requisition transferred to raw materials	(338,952)
Other prepayments reclassified to cost	887
Finished goods at December 31, 2023	(63,659)
Cost of production and marketing	512,382
Cost of raw materials sold	724
Cost of supplies sold	25
Cost of semi-finished goods sold	1,180
Cost of goods sold	514,482
Provisions for warranty	15,562
Whole batch damaged in production and reclassified to cost of goods sold	6,058
Allowance for inventory market price decline	20,720
Losses on physical count of inventory	2
Revenue from sale of scrap	(1,881)
Operating costs	$ 554,943

TRANSCOM, INC.
STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Depreciation	—	$ 57,227	—
Consumable expenses	—	33,291	—
Insurance expense	—	13,603	—
Utilities expense	—	12,286	—
Others (individually less than 3%)	—	42,174	—
		$ 158,581	

TRANSCOM, INC.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount		Footnote
Wages and salaries	—	$	7,437	—
Commissions expense	—		2,965	—
Traveling expense	—		2,342	—
Advertisement expense	—		2,244	—
Others (individually less than 3%)	—		2,900	—
		$	17,888	

TRANSCOM, INC.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Wages and salaries	—	$ 97,312	—
Depreciation	—	8,555	—
Insurance expense	—	5,552	—
Others (individually less than 3%)	—	45,910	—
		$ 157,329	

TRANSCOM, INC.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Wages and salaries	—	$ 38,571	—
Contracted research expense	—	6,589	—
Depreciation	—	3,100	—
Research material expense	—	1,941	—
Insurance expense	—	1,863	—
Others (individually less than 3%)	—	5,785	—
		$ 57,849	

TRANSCOM, INC.
STATEMENT OF INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(20), 'Interest income'.

TRANSCOM, INC.
STATEMENT OF OTHER GAINS AND LOSSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(22) ‘Other gains and losses’.

TRANSCOM, INC.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES IN THE CURRENT PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(24) ‘Expense by nature’ and Note 6(25) ‘Employee benefit expense’.