FLEXIUM INTERCONNECT, INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of FLEXIUM INTERCONNECT, INC. (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of FLEXIUM INTERCONNECT, INC. and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. Additionally, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, FLEXIUM INTERCONNECT, INC. does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,

FLEXIUM INTERCONNECT, INC.

By

Ming-Chi Cheng, Chairman

February 15, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000569

To the Board of Directors and Shareholders of Flexium Interconnect, Inc.

Opinion

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

In our opinion, based on our audits and the reports of the other auditors (please refer to *Other Matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2023 and 2022 and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with Norm of Professional Ethics for Certified Public Accountants in the Republic of China, and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on our audits and the reports of the other auditors, 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 judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Group's consolidated financial statements of the current period are stated as follows:

Key audit matter - Valuation of impairment of accounts receivable

Description

For the accounting policies on accounts receivable, please refer to Note 4(10). For the uncertainty of accounting estimates and assumptions in relation to accounts receivable, please refer to Note 5(2). For the details of net accounts receivable, please refer to Note 6(5).

The criteria that the Group uses to measure expected credit loss includes the aging of accounts receivable past due, financial situation of customers, internal credit ranking and historical transaction records. Based on this criterion, the Group estimates the amounts of allowance for accounts receivable that the Group has to provision. As the estimates are subject to management's judgement and involves uncertainty, the recoverable amount may be significantly affected. Thus, we consider the valuation of impairment of accounts receivable as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding of the Group's operation and sales customers. Assessed the reasonableness of policies and process applied in allowance for accounts receivable, including the objective evidence for the loss rate and compared whether the provision policies adopted in the different periods are consistently applied.

B. Verified the consistency between the expected credit loss in the past due period for each group applied in calculating allowance for accounts receivable and the provision policies**.**

C. Verified the accuracy of the classification for accounts receivable aging to confirm that the information in the reports is consistent with its policies.

D. Sampled and performed subsequent collection tests for material accounts receivable and evaluated their recoverability.

Key audit matter - Inventory valuation

Description

For the accounting policies on inventory valuation, please refer to Note 4(14). For the uncertainty of accounting estimates and assumptions in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(6).

The Group is primarily engaged in manufacturing and sales of flexible print circuit board which belongs to a rapidly changing industry and is easily affected by the market price. Thus, there is a higher risk of incurring inventory valuation losses or having obsolete inventory. The Group determines inventory value using the item-by-item approach and recognised at the lower of cost and net realisable value. For inventory that is over a certain age, the net realised value was calculated from the historical experience of disposing old inventories.

The determination of net realisable value for obsolete or slow-moving inventory are subject to management's judgement and involves uncertainty. Considering the Group's inventory balance and the allowance for inventory valuation losses are material to its financial statements, we consider the inventory valuation as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding of the Group's operation and industry. Assessed the reasonableness of the policy and procedures applied to recognise allowance for inventory evaluation losses and whether the accounting policy has been consistently applied in the comparative periods of financial statements.

B. Understood the Group's inventory control procedures. Participated in the annual inventory count in order to assess the effectiveness of the classification of obsolete inventory and internal control over obsolete inventory.

C. Sampled and verified the accuracy of inventory aging calculation, confirmed and verified the reasonableness of obsolete inventories identification, the basis of net realisable value valuation of inventories to assess the reasonableness of provision of allowance for inventory valuation losses.

Key audit matter - Business combination transactions

Description

On November 23, 2023, the Group acquired ordinary shares of Rafael Microelectronics, Inc. in the amount of NT$ 1,567,736 thousand through a merger transaction. The Group adopted the acquisition method to account for the business combination. Refer to Note 4(34) to the consolidated financial statements for relevant explanations. The allocation of acquisition price was valued based on the price allocation report from the external expert engaged by management. Refer to Note 6(31) for the measurement and allocation of the acquisition price to the acquired identifiable assets of the acquired company.

As the allocation of the purchase price involved important estimates by the management and the amount of mergers and acquisitions in this year was significant, we considered business combination transactions of a subsidiary as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding and assessed the internal control procedures over the Company's investment transactions, and reviewed the related documents prepared by the Board of Directors to verify whether the investment was made in accordance with related procedures.

2. Examined the merger and acquisition transaction contract, verified the payment instrument and confirmed the purchase consideration.

3. Obtained the purchase price allocation of the mergers and acquisitions, assessed the independence of the expert appointed by management, reviewed the data used in the report and assessed the appraisal methods and the significant assumptions used in the report to evaluate the reasonableness of the purchase price allocations.

Other matter – Reference to the audits of other auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for using equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in the financial statements, is based solely on the reports of the other auditors. Total assets of these subsidiaries and the balances of these investments accounted for using equity method amounted to NT$1,593,666 thousand, constituting 4% of the consolidated total assets as at December 31, 2023, and operating revenue amounted to NT$61,372 thousand, constituting 0.19% of the consolidated total operating revenue for the year then ended. Related share of loss of associates and join ventures accounted for using equity method amounted to (NT$146) thousand, constituting (0.01%) of the consolidated total comprehensive income for the periods from November 23, 2023 to December 31, 2023.

Other matter – Parent company only financial reports

We have audited and expressed an unqualified opinion with a other matter paragraph on the parent company only financial statements of Flexium Interconnect, Inc. and an unqualified opinion as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors’ responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 consolidated financial statements.

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

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

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

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

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

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

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Liao, A-Shen

Wang, Chun-Kai

Liao, A-Shen　　　　Wang, Chun-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

February 15, 2024

The accompanying consolidated financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying consolidated financial statements and 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.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

FLEXIUM INTERCONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 6,000,287	15	$ 12,653,297	27
1110	Financial assets at fair value through profit or loss - current	6(2)	1,899,473	5	892,247	2
1136	Financial assets at amortised cost - current	6(4)	2,391,202	6	1,848,360	4
1170	Accounts receivable, net	6(5)	4,783,457	12	6,029,307	13
1200	Other receivables		109,101	-	121,461	-
1220	Current tax assets		74,503	-	620	-
130X	Inventories	6(6)	3,857,923	9	4,838,714	11
1410	Prepayments		367,741	1	353,881	1
1470	Other current assets		40,220	-	451	-
11XX	**Current Assets**		19,523,907	48	26,738,338	58
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	6(3)	95,654	-	92,124	-
1550	Investments accounted for using equity method	6(7)	6,239	-	-	-
1600	Property, plant and equipment	6(8)(11)	17,407,479	43	17,389,321	38
1755	Right-of-use assets	6(9)	1,011,720	3	1,098,202	3
1780	Intangible assets	6(10)	2,044,506	5	25,597	-
1840	Deferred tax assets	6(29)	128,951	1	139,564	-
1900	Other non-current assets	6(12) and 8	77,970	-	637,522	1
15XX	**Non-current assets**		20,772,519	52	19,382,330	42
1XXX	**Total assets**		$ 40,296,426	100	$ 46,120,668	100

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FLEXIUM INTERCONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2120	Financial liabilities at fair value through profit or loss - current	6(2)	$ 49	-	$ 19,689	-
2130	Current contract liabilities	6(22)	8,125	-	-	-
2170	Accounts payable		4,023,701	10	5,319,859	12
2200	Other payables	6(13)	3,446,379	8	5,494,264	12
2230	Current income tax liabilities		1,067,997	3	1,314,117	3
2280	Current lease liabilities		27,193	-	122,782	-
2320	Long-term liabilities, current portion	6(14)(15)	1,047,888	3	4,183,228	9
2399	Other current liabilities		61,079	-	48,563	-
21XX	**Current Liabilities**		9,682,411	24	16,502,502	36
	Non-current liabilities					
2540	Long-term borrowings	6(15)	1,792,559	5	2,638,988	6
2570	Deferred tax liabilities	6(29)	1,694,029	4	1,446,418	3
2580	Non-current lease liabilities		46,416	-	558,704	1
2600	Other non-current liabilities	6(16)	23,543	-	27,176	-
25XX	**Non-current liabilities**		3,556,547	9	4,671,286	10
2XXX	**Total Liabilities**		13,238,958	33	21,173,788	46
	Equity attributable to owners of parent					
	Share capital	6(14)(17)(18)				
3110	Share capital - common stock		3,225,010	8	3,227,909	7
	Capital surplus	6(14)(19)				
3200	Capital surplus		778,955	1	1,579,870	3
	Retained earnings	6(20)				
3310	Legal reserve		2,708,045	7	2,609,073	6
3320	Special reserve		328,092	1	477,174	1
3350	Unappropriated retained earnings		18,866,116	47	17,548,594	38
	Other equity interest	6(21)				
3400	Other equity interest		(514,023)	(1)	(495,740)	(1)
31XX	**Equity attributable to owners of the parent**		25,392,195	63	24,946,880	54
36XX	**Non-controlling interests**		1,665,273	4	-	-
3XXX	**Total equity**		27,057,468	67	24,946,880	54
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 40,296,426	100	$ 46,120,668	100

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

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

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22)	$ 32,728,862	100	$ 40,070,122	100
5000	Operating costs	6(6)(10)(27)(28)	(27,875,335)	(85)	(33,247,051)	(83)
5900	Net operating margin		4,853,527	15	6,823,071	17
	Operating expenses	6(10)(27)(28)				
6100	Selling expenses		(231,512)	(1)	(275,995)	(1)
6200	General and administrative expenses		(1,069,999)	(3)	(959,217)	(2)
6300	Research and development expenses		(1,914,074)	(6)	(2,050,930)	(5)
6450	Impairment gain and reversal of impairment loss determined in accordance with IFRS 9	12(2)	(375)	-	(6,595)	-
6000	Total operating expenses		(3,215,960)	(10)	(3,292,737)	(8)
6900	Operating profit		1,637,567	5	3,530,334	9
	Non-operating income and expenses					
7100	Interest income	6(4)(23)	395,678	1	287,882	1
7010	Other income	6(24)	294,424	1	79,301	-
7020	Other gains and losses	6(2)(11)(25)	60,040	-	451,986	1
7050	Finance costs	6(26)	(59,387)	-	(37,916)	-
7060	Share of loss of associates and joint ventures accounted for using equity method	6(7)	(146)	-	-	-
7000	Total non-operating income and expenses		690,609	2	781,253	2
7900	**Profit before income tax**		2,328,176	7	4,311,587	11
7950	Income tax expense	6(29)	(272,453)	(1)	(790,030)	(2)
8200	**Profit for the year**		$ 2,055,723	6	$ 3,521,557	9
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	Other comprehensive income, before tax, actuarial losses on defined benefit plans	6(16)	$ 590	-	$ 6,779	-
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	-	-	9,054	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(21)	(185,885)	-	140,028	-
8300	**Total other comprehensive (loss) income**		($ 185,295)	-	$ 155,861	-
8500	**Total comprehensive income**		$ 1,870,428	6	$ 3,677,418	9
	Profit (loss) attributable to:					
8610	Owners of parent		$ 2,066,725	6	$ 3,521,557	9
8620	Non-controlling interests		(11,002)	-	-	-
			$ 2,055,723	6	$ 3,521,557	9
	Comprehensive income (loss) attributable to:					
8710	Owners of parent		$ 1,881,430	6	$ 3,677,418	9
8720	Non-controlling interests		(11,002)	-	-	-
			$ 1,870,428	6	$ 3,677,418	9
	Earnings per share	6(30)				
9750	Basic earnings per share		$	6.45	$	10.83
9850	Diluted earnings per share		$	6.37	$	9.94

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

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

		Equity attributable to owners of the parent									
				Retained Earnings							
	Notes	Share capital - common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Other equity interest	Treasury stocks	Total	Non-controlling interests	Total equity
Year ended December 31, 2022											
Balance at January 1, 2022		$ 3,513,309	$ 3,048,710	$ 2,417,676	$ 428,325	$ 16,799,119	($ 522,685)	$ -	$ 25,684,454	$ -	$ 25,684,454
Profit for the year		-	-	-	-	3,521,557	-	-	3,521,557	-	3,521,557
Other comprehensive income	6(21)	-	-	-	-	6,779	149,082	-	155,861	-	155,861
Total comprehensive income		-	-	-	-	3,528,336	149,082	-	3,677,418	-	3,677,418
Appropriation and distribution of 2021 earnings:											
Legal reserve		-	-	191,397	-	(191,397)	-	-	-	-	-
Special reserve		-	-	-	48,849	(48,849)	-	-	-	-	-
Cash dividends from capital surplus	6(19)	-	(1,593,170)	-	-	-	-	-	(1,593,170)	-	(1,593,170)
Share-based payments transactions	6(17)(18)(19)(21)	14,600	210,160	-	-	-	(122,137)	-	102,623	-	102,623
Purchase of treasury share	6(18)	-	-	-	-	-	-	(2,924,445)	(2,924,445)	-	(2,924,445)
Retirement of treasury share	6(18)	(300,000)	(85,830)	-	-	(2,538,615)	-	2,924,445	-	-	-
Balance at December 31, 2022		$ 3,227,909	$ 1,579,870	$ 2,609,073	$ 477,174	$ 17,548,594	($ 495,740)	$ -	$ 24,946,880	$ -	$ 24,946,880
Year ended December 31, 2023											
Balance at January 1, 2023		$ 3,227,909	$ 1,579,870	$ 2,609,073	$ 477,174	$ 17,548,594	($ 495,740)	$ -	$ 24,946,880	$ -	$ 24,946,880
Profit for the year		-	-	-	-	2,066,725	-	-	2,066,725	(11,002)	2,055,723
Other comprehensive income (loss)	6(21)	-	-	-	-	590	(185,885)	-	(185,295)	-	(185,295)
Total comprehensive income		-	-	-	-	2,067,315	(185,885)	-	1,881,430	(11,002)	1,870,428
Appropriation and distribution of 2022 earnings:											
Legal reserve		-	-	98,972	-	(98,972)	-	-	-	-	-
Special reserve		-	-	-	(149,082)	149,082	-	-	-	-	-
Cash dividends	6(20)	-	-	-	-	(799,903)	-	-	(799,903)	-	(799,903)
Cash dividends from capital surplus	6(19)	-	(799,903)	-	-	-	-	-	(799,903)	-	(799,903)
Share-based payments transactions	6(17)(18)(19)(21)	(2,899)	(972)	-	-	-	167,602	-	163,731	-	163,731
Return of unclaimed dividends to shareholders	6(19)	-	(40)	-	-	-	-	-	(40)	-	(40)
Non-controlling interests arising from a business combination		-	-	-	-	-	-	-	-	1,676,275	1,676,275
Balance at December 31, 2023		$ 3,225,010	$ 778,955	$ 2,708,045	$ 328,092	$ 18,866,116	($ 514,023)	$ -	$ 25,392,195	$ 1,665,273	$ 27,057,468

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

FLEXIUM INTERCONNECT, INC. AND SUBSIDIARIES
CONSOLIDATED 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		$ 2,328,176	$ 4,311,587
Adjustments			
Adjustments to reconcile profit (loss)			
Share-based payments	6(17)	163,731	102,623
Expected credit loss	12(2)	375	6,595
Povision for allowance for sales returns and discounts		675	110
Depreciation expense	6(8)(9)(27)	2,964,306	2,667,536
Amortization expense	6(10)(27)	33,396	16,367
Net loss on financial assets or liabilities at fair value through profit or loss	6(2)(25)	38,509	11,703
Interest expense	6(26)	59,387	37,916
Interest income	6(23)	(395,678)	(287,882)
Dividend income	6(24)	(85)	(1,892)
Share of profit of associates and joint ventures accounted for using equity method	6(7)	146	-
Losses on repurchase of corporate bonds	6(25)	16,072	-
Loss on disposal of property, plant and equipment	6(25)	3,437	18,217
(Reversal of) impairment loss on property, plant and equipment	6(11)(25)	(1,127)	74,541
Unrealized profit from sales		383	-
Changes in operating assets and liabilities			
Changes in operating assets			
(Increase) decrease in financial assets at fair value-current		(89,008)	20,205
(Increase) decrease in financial assets at amortised cost-current		(528,142)	5,477,060
Decrease in notes receivable		-	23
Decrease in accounts receivable		1,306,060	2,567,923
Decrease in other receivables		23,167	140,577
Decrease in inventories		1,372,266	363,544
(Increase) decrease in prepayments		(9,003)	136,339
Increase in other current assets		(39,753)	(207)
Changes in operating liabilities			
Increase in contract liabilities		1,551	-
Decrease in accounts payable		(1,367,675)	(584,912)
Decrease in other payable		(1,041,499)	(734,196)
Increase in other current liabilities, others		12,101	5,212
Cash inflow generated from operations		4,851,768	14,348,989
Interest received		371,842	134,191
Dividends received		85	1,892
Interest paid		(62,197)	(21,997)
Income tax paid		(597,407)	(749,431)
Net cash flows from operating activities		4,564,091	13,713,644

(Continued)

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

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets mandatorily measured at fair value through profit or loss - current		($ 3,758,777)	($ 14,061,941)
Proceeds from disposal of financial assets mandatorily measured at fair value through profit or loss - current		3,100,031	16,068,611
Acquisition of property, plant and equipment (including prepayment for equipment and for land purchases)	6(32)	(3,416,153)	(5,881,634)
Proceeds from disposal of property, plant and equipment		8,039	18,905
Acquisition of intangible assets	6(10)	(10,919)	(28,037)
Decrease in refundable deposits		249,669	51,206
Net cash outflow on acquisitions of subsidiaries		(1,081,265)	-
Interest received		82,028	152,996
Net cash flows used in investing activities		(4,827,347)	(3,679,894)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term loans	6(33)	3,292,059	886,768
Decrease in short-term loans	6(33)	(3,295,058)	(878,503)
Repayments of principal portion of lease liabilities	6(33)	(693,616)	(336,840)
Repayments of corporate bonds	6(33)	(3,157,836)	-
Repayments of long-term borrowings	6(33)	(846,429)	(414,583)
Decrease in other non-current liabilities		(3,043)	(1,854)
Payments to acquire treasury shares	6(18)	-	(2,924,445)
Cash dividends and cash dividends from capital surplus	6(19)(20)	(1,599,806)	(1,593,170)
Return of unclaimed dividends to shareholders	6(19)	(40)	-
Net cash flows used in financing activities		(6,303,769)	(5,262,627)
Effect of exchange rate changes on cash and cash equivalents		(85,985)	(14,101)
Net (decrease) increase in cash and cash equivalents		(6,653,010)	4,757,022
Cash and cash equivalents at beginning of year	6(1)	12,653,297	7,896,275
Cash and cash equivalents at end of year	6(1)	$ 6,000,287	$ 12,653,297

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

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

1. HISTORY AND ORGANISATION

(1) Flexium Interconnect, Inc. (the "Company") was incorporated under the provisions of the Company Law of the Republic of China (R.O.C.) and other relevant regulations on December 19, 1997. The Company is primarily engaged in the following: (1) manufacturing of build-up copper clad laminate; (2) manufacturing, processing, research, development, trading and repair of build-up printed circuit boards, flexible printed circuit boards, related semi-finished goods and parts; (3) manufacturing, research, development, and trading of parts for semi-finished goods of polyimide film base copper clad laminate; (4) manufacturing, processing, repair, design, trading of moulds, tools and clamping apparatuses; and (5) sale of raw materials for the products mentioned above. The Company's shares have been traded in the Taiwan Stock Exchange since September, 2003.

(2) Please refer to Note 4(3) B. for the descriptions on the primary business operations of the Company and its subsidiaries (collectively referred herein as the "Group").

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

These consolidated financial statements were authorised for issuance by the Board of Directors on February 15, 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 endorsed by FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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

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

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

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 International Accounting Standards Board
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 Group's financial condition and financial performance based on the Group'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 International Accounting Standards Board
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 International Accounting Standards Board
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 Group's financial condition and financial performance based on the Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group 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, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

(c) Defined benefit liabilities recognised 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 the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
			December 31,		
Name of investor	Name of subsidiary	Main business activities	2023	2022	Note
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT INC.	Business investment	100	100	
FLEXIUM INTERCONNECT INC.	UFLEX TECHNOLOGY CO., LTD.	Business investment	100	100	
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT INVESTMENT CO., LTD.	Business investment	100 100	100	
FLEXIUM INTERCONNECT INC.	BOOM BUSINESS LIMITED	Business investment	100	100	
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT AMERICA LLC.	Marketing supporting, and technology services	100 100	100	
FLEXIUM INTERCONNECT INC.	UNIVERSE ENERGY CO., LTD	Renewable energy self-use power generation equipment and energy technology services, etc.	100	100	Note 1
FLEXIUM INTERCONNECT INC.	RAFAEL MICROELECTRONICS, INC.	Design, manufacturing and sale of radio frequency integrated circuit (RFIC)	30	-	Note 3
FLEXIUM INTERCONNECT INC.	SUCCESS GLORY INVESTMENTS LTD.	Business investment	100	100	
FLEXIUM INTERCONNECT INC.	GRANDPLUS ENTERPRISES LTD.	Business investment	100	100	
SUCCESS GLORY INVESTMENTS LTD. and UFLEX TECHNOLOGY CO., LTD.	FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	Research, development, manufacturing and sale of new-type electronic components and devices (such as flexible printed circuit boards)	100	100	Note 2
GRANDPLUS ENTERPRISES LTD.	CHOSEN GLORY LIMITED	Business investment	100	100	
GRANDPLUS ENTERPRISES LTD.	CHAMPION BEYOND LIMITED	Business investment	100	100	
GRANDPLUS ENTERPRISES LTD.	FOREVER MASTER LIMITED	Business investment	100	100	
BOOM BUSINESS LIMITED	CLEAR SUCCESS GLOBAL LIMITED	Business investment	100	100	
CLEAR SUCCESS GLOBAL LIMITED	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	Research, development, manufacturing and sale of new-type electronic components and devices (such as flexible printed circuit boards)	100	100	

Note 1 : Established on September 6, 2022.

Note 2 : As of December 31, 2023 and 2022, the ownership percentages of SUCCESS GLORY INVESTMENTS LTD. were both 74.11%, and the ownership percentages of UFLEX TECHNOLOGY CO., LTD. were both 25.89%.

Note 3 : On November 23, 2023, the Group obtained control over the company and it was included in the consolidated financial statements. Details are provided in Note 6(31).

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

The following is information on material non-controlling interests in the Group and its subsidiaries:

		Non-controlling interest	
		December 31, 2023	
Name of subsidiary	Principal place of business	Amount	Ownership (%)
RAFAEL MICROELECTRONICS, INC. (NOTE)	TAIWAN	$ 1,665,273	70%

Note: It pertained to a subsidiary which the Group obtained control over it on November 23, 2023.

Summarised financial information of the subsidiaries:

Balance sheets

	RAFAEL MICROELECTRONICS, INC.
	December 31, 2023
Current assets	$ 1,293,032
Non-current assets	2,373,519
Current liabilities	(187,342)
Non-current liabilities	(250,907)
Total net assets	$ 3,228,302

Statements of comprehensive income

	RAFAEL MICROELECTRONICS, INC.
	November 23, 2023 to December 31, 2023
Revenue	$ 61,372
Profit before income tax	(22,031)
Income tax profit	6,313
Loss for the period	(15,718)
Other comprehensive income, net of tax	-
Total comprehensive income for the period	($ 15,718)

Statements of cash flows

	RAFAEL MICROELECTRONICS, INC.
	November 23, 2023 to December 31, 2023
Net cash used in operating activities	($ 20,083)
Net cash used in investing activities	(4)
Net cash used in financing activities	(978)
Effect of exchange rates on cash and cash equivalents	(108)
Increase (decrease) in cash and cash equivalents	(21,173)
Cash and cash equivalents, beginning of period	457,000
Cash and cash equivalents, end of period	$ 435,827

(4) <u>Foreign currency translation</u>

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

A. Foreign currency transactions and balances

(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 recognised 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 recognised 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 recognised 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 recognised 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) All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) 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 realised, 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 realised 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 settle 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.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) 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 amortised 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 recognised and derecognised using settlement date accounting.

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

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

(8) 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 Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

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

C. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

The changes in fair value of equity investments that were recognised 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 recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(9) Financial assets at amortised cost

The Group'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.

(10) Accounts and notes receivable

A. Accounts and notes receivable entitle the Group 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.

(11) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Group recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises 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 Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Group derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Group has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Group has not retained control of the financial asset.

(13) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, 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 realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(15) Investments accounted for using equity method / associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate's equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group's ownership percentage of the associate, the Group recognises the Group's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for under the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

(16) Property, plant and equipment

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

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

C. Land is not depreciated. Other 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:

Buildings	2 ~ 50 years
Machinery equipment	2 ~ 15 years
Transportation equipment	2 ~ 15 years
Office equipment	3 ~ 10 years
Other equipment	2 ~ 10 years

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

A. Leases are recognised 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 Group. For short-term leases or leases of low-value assets, lease payments are recognised 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 Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised 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) Any lease payments made at or before the commencement date.

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 recognised as an adjustment to the right-of-use asset.

(18) Intangible assets

A. Computer software:

Computer software is stated initially at its cost and are amortised on a straight-line basis over their estimated useful life.

B. Masks, trademarks and patents:

Masks acquired separately, trademarks and patents are stated at historical cost. Masks, trademarks and patents acquired in a business combination are recognised at fair value at the acquisition date. Masks, trademarks and patents all have a finite useful life and are amortised on a straight-line basis over their estimated useful lives as follows:

	Masks	Trademarks	Patents
Useful lives	3 years	7 years	5 ~ 10 years

C. Goodwill arises in a business combination accounted for by applying the acquisition method.

D. Customer relations are amortised on a straight-line basis over their estimated useful lives of 10 years.

(19) Impairment of non-financial assets

A. The Group 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 recognised 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 amortised historical cost would have been if the impairment had not been recognised.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(20) Borrowings

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

(21) 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.

(22) Financial liabilities at fair value through profit or loss

A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges or financial liabilities at fair value through profit or loss. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss at initial recognition:

(a) Hybrid (combined) contracts; or

(b) They eliminate or significantly reduce a measurement or recognition inconsistency; or

(c) They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management policy.

B. At initial recognition, the Group measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Group subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(23) Derecognition of financial liabilities

A financial liability is derecognised when the obligation under the liability specified in the contract is discharged or cancelled or expires.

(24) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(25) Financial liabilities and equity instruments

Bonds payable

Convertible corporate bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Group’s common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Group classifies the bonds payable and derivative features embedded in convertible corporate bonds on initial recognition as a financial asset, a financial liability or an equity instrument ('capital surplus-stock warrants') in accordance with the substance of the contractual arrangement and the definitions of a financial asset, a financial liability and an equity instrument. Convertible corporate bonds are accounted for as follows:

A. Call options and put options embedded in convertible corporate bonds are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.

B. Bonds payable of convertible corporate bonds is initially recognised at fair value and subsequently stated at amortised cost. Any difference between the proceeds and the redemption value is accounted for as the premium or discount on bonds payable and presented as an addition to or deduction from bonds payable, which is amortised in profit or loss as an adjustment to the 'finance costs' over the period of bond circulation using the effective interest method.

C. Conversion options embedded in convertible corporate bonds issued by the Group, which meet the definition of an equity instrument, are initially recognised in 'capital surplus-stock warrants' at the residual amount of total issue price less amounts of 'financial assets or financial liabilities at fair value through profit or loss' and 'bonds payable-net' as stated above. Conversion options are not subsequently remeasured.

D. Any transaction costs directly attributable to the issuance of convertible corporate bonds are allocated to the liability and equity components in proportion to the allocation of proceeds.

E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The book value of common shares issued due to the conversion shall be based on the adjusted book value of the abovementioned liability component plus the book value of capital surplus - stock warrants.

(26) Non-hedging derivatives

Non-hedging derivatives are initially recognised at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognised in profit or loss.

(27) 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 recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

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 Group in current period or prior periods. The liability recognised 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 high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

C. Employees' and directors' remuneration

Employees' remuneration and directors' remuneration are recognised 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 Group calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(28) 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 recognised 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-market 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 recognised is based on the number of equity instruments that eventually vest.

B. For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognised in profit or loss.

C. Employee restricted shares:

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

(b) The issued employee restricted shares before meeting the vesting conditions are not entitled to appropriation of earnings (including but not limited to dividend, bonus and the distribution rights of capital surplus) and share options of cash capital increase.

(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 without consideration and retire those stocks.

(29) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate 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 tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or 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 tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred 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 tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred 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 recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred 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 realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(30) Share capital

A. 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.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(31) Dividends

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 when they are approved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(32) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells flexible printed circuit board products and sale of radio frequency integrated circuit (RFIC). 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 channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler'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 Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue from these sales is recognised based on the price specified in the contract, net of the estimated volume discounts and sales discounts and allowances.

(c) A receivable is recognised 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.

B. Sales of services

The Group provides commissioned design services. Service revenue is recognised by measuring the performance obligation’s progress towards completion based on the contract during the period of service rendering. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(33) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(34) Business combinations

A. The Group uses the acquisition method to account for business combinations. The consideration transferred for an acquisition is measured as the fair value of the assets transferred, liabilities incurred or assumed and equity instruments issued at the acquisition date, plus the fair value of any assets and liabilities resulting from a contingent consideration arrangement. All acquisition-related costs are expensed as incurred. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. For each business combination, the Group measures at the acquisition date components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to the proportionate share of the entity’s net assets in the event of liquidation at either fair value or the present ownership instruments’ proportionate share in the recognised amounts of the acquiree’s identifiable net assets. All other non-controlling interests should be measured at the acquisition-date fair value.

B. The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the identifiable assets acquired and the liabilities assumed is recorded as goodwill at the acquisition date. If the total of consideration transferred, non-controlling interest in the acquiree recognised and the fair value of previously held equity interest in the acquiree is less than the fair value of the identifiable assets acquired and the liabilities assumed, the difference is recognised directly in profit or loss on the acquisition date.

(35) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker 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 consolidated financial statements requires management to make critical judgements in applying the Group'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 a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The above information is addressed below:

(1) Critical judgements in applying the Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Expected credit losses for accounts receivable

The Group shall measure the loss allowance at an amount equal to lifetime expected credit losses for accounts receivable. When assessing expected credit losses, the Group must use judgements to determine the influence factors for the collectibility of accounts receivable such as customers' operation conditions and historical transaction records which may influence the payment abilities of customers also consider the time value of money and future economic conditions to estimate reasonable and supporting information. The aforementioned judgements and considerations may all have significant impacts on the measurement outcome of expected credit losses.

B. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Group must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Group evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand and revolving funds	$ 1,692	$ 1,157
Checking accounts and demand deposits	2,170,633	1,750,328
	2,172,325	1,751,485
Cash equivalents:		
Time deposits	3,610,689	8,813,668
Bonds sold under repurchase agreements	217,273	2,088,144
	3,827,962	10,901,812
	$ 6,000,287	$ 12,653,297

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

B. The Group has no cash and cash equivalents pledged to others as collaterals.

C. The above time deposits and bonds sold under the repurchase agreement with original maturities of less than three months were classified as cash equivalents.

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

Items	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 384,606	$ 16,074
Forward foreign exchange contracts	32,931	590
Structured certificates of deposit	1,518,806	881,831
	1,936,343	898,495
Valuation adjustments	(36,870)	(6,248)
	$ 1,899,473	$ 892,247
Current items:		
Financial liabilities held for trading		
Forward foreign exchange contracts	$ 49	$ 15,920
Financial liabilities designated as at fair value through profit or loss		
Put options of convertible bonds	-	3,769
	$ 49	$ 19,689

A. The Group recognised net loss of $38,509 and $11,703, respectively, for the years ended December 31, 2023 and 2022.

B. The Group entered into contracts relating to derivative financial assets which were not accounted for under hedge accounting. The information is listed below:

	December 31, 2023	
Derivative Financial Assets	Contract Amount (notional principal)	Contract Period
Current items:		
Structured certificates of deposit	RMB 50,000 thousand	2023.10~2024.01
Structured certificates of deposit	RMB 50,000 thousand	2023.11~2024.02
Structured certificates of deposit	RMB 100,000 thousand	2023.11~2024.01
Structured certificates of deposit	RMB 50,000 thousand	2023.11~2024.02
Structured certificates of deposit	RMB 100,000 thousand	2023.12~2024.03
Forward foreign exchange contracts	USD 63,000 thousand	2023.11~2024.03
Forward foreign exchange contracts	USD 10,000 thousand	2023.12~2024.01
Derivative Financial Liabilities		
Forward foreign exchange contracts	USD 8,000 thousand	2023.12~2024.02

	December 31, 2022	
Derivative Financial Assets	Contract Amount (notional principal)	Contract Period
Current items:		
Structured certificates of deposit	RMB 50,000 thousand	2022.12~2023.01
Structured certificates of deposit	RMB 150,000 thousand	2022.12~2023.03
Forward foreign exchange contracts	USD 21,000 thousand	2022.12~2023.01
Derivative Financial Liabilities		
Forward foreign exchange contracts	USD 134,000 thousand	2022.12~2023.04

C. The Group has no financial assets at fair value through profit or loss pledged to others as collaterals.

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

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Unlisted stocks	$ 118,215	$ 88,215
Valuation adjustments	(22,561)	3,909
	$ 95,654	$ 92,124

A. The Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $ 95,654 and $92,124, respectively, as at December 31, 2023 and 2022.

B. Amounts that the Group recognised in other comprehensive income for the years ended December 31, 2023 and 2022 in relation to the financial assets at fair value through other comprehensive income were $0 and $9,054, respectively.

C. The Group has no financial assets at fair value through other comprehensive income pledged to others as collaterals.

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items		
Time deposits maturing in excess of three months	$ 2,391,202	$ 1,848,360

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	For the years ended December 31,	
	2023	2022
Interest income	$ 104,525	$ 22,341

B. The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

C. The Group has no financial assets at amortised cost pledged to others as collateral.

(5) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 4,815,207	$ 6,037,039
Less: Allowance for doubtful accounts	(30,334)	(6,991)
Allowance for sales returns and discounts	(1,416)	(741)
	$ 4,783,457	$ 6,029,307

A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Up to 90 days	$ 4,768,390	$ 6,009,293
91 to 180 days	215	22
181 to 365 days	-	3,879
Over one year	46,602	23,845
	$ 4,815,207	$ 6,037,039

The above ageing analysis was based on overdue dates.

B. As of December 31, 2023 and 2022, and January 1, 2022, the balances of receivables from contracts with customers amounted to $4,815,207, $6,037,039 and $8,604,962, respectively.

C. The Group does not hold collateral as security for accounts receivable.

D. As at 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 Group’s accounts receivable were $4,783,457 and $6,029,037, respectively.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 792,277	$ 1,022,962
Work in process and semi-finished goods	1,007,115	1,156,590
Finished goods	2,058,531	2,659,162
	$ 3,857,923	$ 4,838,714

The cost of inventories recognised as expenses and losses for the years ended December 31, 2023 and 2022, was $27,875,335 and $33,247,051, respectively, including the amount of $66,415 for the year ended December 31, 2023 that the Group reversed from a previous inventory write-down and accounted for as reduction of cost of goods sold because the related inventories were scrapped or sold, as well as the amount of $59,286 for the year ended December 31, 2022 that the Group wrote down from cost to net realisable value accounted for as increase of cost of goods sold.

(7) Investments accounted for using equity method

	December 31, 2023	
Joint ventures	Book values	Shareholding ratio
Aluksen Hongxin Technology Co., Ltd.	$ 6,239	49%

Note: It was acquired by the Group on November 23, 2023 through a merger transaction. Details are provided in Note 6(31).

A. As of December 31, 2023, the Group has no significant joint ventures.

B. The carrying amount of the Group’s interests in all individually immaterial joint ventures amounted to $6,239 and the Group’s share of the operating results are summarised below:

	November 23, 2023 to December 31, 2023
Loss for the period from continuing operations (total comprehensive loss)	($ 146)

(8) Property, plant and equipment

A. Book values of property, plant and equipment are as follows:

	December 31, 2023	December 31, 2022
Land	$ 5,946,707	$ 4,949,953
Buildings	3,100,089	3,228,749
Machinery	7,732,744	8,357,672
Research and development equipment	11,641	-
Transportation equipment	6,849	5,886
Office equipment	2,907	1,481
Other equipment	421,533	447,204
Construction in progress and equipment under acceptance	184,809	398,376
	$ 17,407,279	$ 17,389,321

B. Changes in property, plant and equipment are as follows:

	For the year ended December 31, 2023					
Cost	Opening net book amount	Additions and transfer	Deduction	Acquired from business combinations	Effects of exchange rate changes	Closing net book amount
Land	$ 4,949,953	$ 782,648	$ -	$ 214,306	$ -	$ 5,946,907
Buildings	4,756,581	14,418	-	99,320	(45,927)	4,824,392
Machinery	18,154,534	1,807,615	(179,316)	3,149	(162,397)	19,623,585
Research and development equipment	-	-	-	27,402	(62)	27,340
Transportation equipment	29,484	2,603	(4,017)	3,650	(236)	31,484
Office equipment	14,942	-	-	5,523	(58)	20,407
Other equipment	1,002,349	212,289	(29,381)	-	(16,139)	1,169,118
Construction in progress and equipment under acceptance	398,376	(212,871)	-	-	(696)	184,809
	$ 29,306,219	$ 2,606,702	($ 212,714)	$ 353,350	($ 225,515)	$ 31,828,042

	For the year ended December 31, 2022				
Cost	Opening net book amount	Additions and transfer	Deduction	Effects of exchange rate changes	Closing net book amount
Land	$ 2,407,376	$ 2,542,577	$ -	$ -	$ 4,949,953
Buildings	3,783,042	967,082	(8,475)	14,932	4,756,581
Machinery	14,343,197	3,995,317	(273,710)	89,730	18,154,534
Transportation equipment	26,515	3,568	(849)	250	29,484
Office equipment	14,533	200	-	209	14,942
Other equipment	708,821	315,654	(28,673)	6,547	1,002,349
Construction in progress and equipment under acceptance	2,859,891	(2,497,058)	-	35,543	398,376
	$ 24,143,375	$ 5,327,340	($ 311,707)	$ 147,211	$ 29,306,219

	For the year ended December 31, 2023					
Accumulated depreciation and impairment	Opening net book amount	Additions	Deduction	Acquired from business combinations	Effects of exchange rate changes	Closing net book amount
Buildings	$ 1,527,832	$ 205,713	$ -	$ 12,776	($ 22,018)	$ 1,724,303
Machinery	9,796,862	2,366,197	(170,561)	1,992	(103,649)	11,890,841
Research and development equipment	-	609	-	14,669	421	15,699
Transportation equipment	23,598	2,840	(3,936)	2,292	(159)	24,635
Office equipment	13,461	412	-	3,777	(150)	17,500
Other equipment	555,145	230,115	(27,868)	-	(9,807)	747,585
	$ 11,916,898	$ 2,805,886	($ 202,365)	$ 35,506	($ 135,362)	$ 14,420,563

	For the year ended December 31, 2022				
Accumulated depreciation and impairment	Opening net book amount	Additions	Deduction	Effects of exchange rate changes	Closing net book amount
Buildings	$ 1,282,690	$ 238,788	($ 8,475)	$ 14,829	$ 1,527,832
Machinery	7,771,169	2,215,110	(238,304)	48,887	9,796,862
Transportation equipment	21,310	2,934	(849)	203	23,598
Office equipment	12,993	276	-	192	13,461
Other equipment	416,214	162,807	(26,957)	3,081	555,145
	$ 9,504,376	$ 2,619,915	($ 274,585)	$ 67,192	$ 11,916,898

C. No borrowing costs were capitalized as part of property, plant and equipment for the years ended December 31, 2023 and 2022.

D. Impairment information about the property, plant and equipment is provided in Note 6(11).

E. The Group did not have property, plant and equipment pledged to others as collaterals.

F. Property, plant and equipment were not classified as operating leases assets.

(9) Leasing arrangements - lessee

A. The Group leases various assets including land, buildings and business vehicles. Rental contracts are typically made for periods of 1 to 50 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used for leasing, subleasing, selling or any action affecting the ownership of the lessor.

B. Short-term leases with a lease term of 12 months or less comprise of certain machinery and equipment, business vehicles and accommodations.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 186,569	$ 195,608
Buildings	825,034	901,852
Transportation equipment (Business vehicles)	117	742
	$ 1,011,720	$ 1,098,202

	For the years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 6,064	$ 6,078
Buildings	151,731	113,941
Transportation equipment (Business vehicles)	625	2,143
	$ 158,420	$ 122,162

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $79,239 and $946,505, respectively.

E. Information on profit or loss in relation to lease contracts is as follows:

	For the years ended December 31,	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 871	$ 1,078
Expense on short-term lease contracts	47,911	72,172

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $742,398 and $410,090, respectively.

(10) Intangible assets

A. Changes in intangible assets are as follows:

	2023						
	Trademarks and licences	Patents	Computer software	Masks	Customer relations	Goodwill	Total
At January 1	$ -	$ -	$ 25,597	$ -	$ -	$ -	$ 25,597
Additions-acquired separately	-	5	10,914	-	-	-	10,919
Acquired from business combinations	105,000	403,000	30,937	37,838	619,000	845,629	2,041,404
Amortization	(1,250)	(3,500)	(16,821)	(6,667)	(5,158)	-	(33,396)
Effects of exchange rate changes	-	-	(18)	-	-	-	(18)
At December 31	$ 103,750	$ 399,505	$ 50,609	$ 31,171	$ 613,842	$ 845,629	$ 2,044,506

	2022
	Computer software
At January 1	$ 13,914
Additions-acquired separately	28,037
Amortization	(16,367)
Effects of exchange rate changes	13
At December 31	$ 25,597

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

	For the years ended December 31,	
	2023	2022
Operating costs	$ 273	$ 511
General and administrative expenses	10,046	10,734
Research and development expenses	23,077	5,122
	$ 33,396	$ 16,367

(11) Impairment of non-financial assets

A. In 2022, the changes in product structures and replacement of existing product equipment resulted in an impairment. The Group wrote down the carrying amount of the asset based on the recoverable amount and recognised an impairment loss accordingly. As of December 31, 2022, the Company recognised impairment loss amounting to $74,541. The recoverable amount is the fair value of those property, plant and equipment less costs of disposal, estimated in accordance with the income approach. The fair value is classified as a level 3 fair value. For the year ended December 31, 2023, the Group recognised a gain on reversal of impairment of $1,127 due to the reversal of impairment loss from selling those machinery equipment.

B. Details of impairment losses recognised by the Group are as follows:

	January 1, 2023	Additions	Effects of exchange rate changes	December 31, 2023
Machinery	$ 63,189	$ (1,127)	($ 899)	$ 61,163
Other equipment	10,421	-	(165)	10,256
	$ 73,610	($ 1,127)	($ 1,064)	$ 71,419

	January 1, 2022	Deduction	Effects of exchange rate changes	December 31, 2022
Machinery	$ -	$ 64,037	($ 848)	$ 63,189
Other equipment	-	10,504	(83)	10,421
	$ -	$ 74,541	($ 931)	$ 73,610

(12) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayment for land purchases	$ -	$ 116,165
Prepayment for equipment	35,596	232,039
Refundable deposits	40,620	289,318
Long-term prepayments	1,754	-
	$ 77,970	$ 637,522

Information about the refundable deposits that were pledged to others as collaterals is provided in Note 8.

(13) Other payables

	December 31, 2023	December 31, 2022
Processing fees payable	$ 929,901	$ 1,377,533
Wages and salaries payable	700,775	647,855
Payables on employees' compensation and remuneration to directors	130,288	125,000
Payables on machinery and equipment	596,299	1,718,358
Other payables	1,089,116	1,625,518
	$ 3,446,379	$ 5,494,264

(14) Bonds payable

	December 31, 2023	December 31, 2022
Third overseas unsecured convertible bonds	$ -	$ -
Fourth overseas unsecured convertible bonds	201,564	3,359,400
Less: Discount on bonds payable	(105)	(22,601)
	201,459	3,336,799
Less: current portion		
(Shown as long-term liabilities, current portion)	(201,459)	(3,336,799)
	$ -	$ -

A. The terms of the Third overseas unsecured convertible bonds issued by the Company are as follows:

(a) On January 22, 2019, the Company issued 0% coupon, 3-year unsecured convertible bonds in the amount of US$100 million. Except for the Company's bonds that were redeemed, repurchased and retired or had their conversion rights exercised by the bondholders (the "bondholders"), the bonds are repayable in full by cash at face value at maturity. Redemption price at maturity would be translated into NTD at the fixed exchange rate of 30.838, then translate the NTD into USD using the currency rate on that day for repayment. The bonds were traded in the Singapore Exchange Limited since January 22, 2019.

(b) Except for the bond redeemed early, repurchased and retired, bonds that were converted by their bondholders and the mandatory stop transfer period regulated by law and agreed in the bond indenture separately, the bondholders have the right to ask for conversion of the bonds into common shares of the Company in accordance with the relevant regulation and the bond indenture during the period from the date after 90 days of the bonds issue to 10 days before the maturity date, or on the day that the bondholders exercise the put option, or the fifth business day before the issue company exercise the early redemption.

As at January 22, 2022, the bonds with face value in the amount of US$ 100,000 thousand had been converted into 39,725 thousand shares of common stocks (shown as 'Share capital-common stock' of $397,252 and 'capital surplus, additional paid-in capital arising from bond conversion' of $2,767,823).

(c) The conversion price is set up according to the terms of the bonds and is subject to adjustments when the anti-dilution provisions occur. The conversion price was set at NT$83.95 (in dollars) per share on issuance. If the conversion price reset according to the terms is higher than the original conversion price of current year, then the conversion price will not be adjusted. At the time of conversion, the principal of the bond is multiplied by the fixed exchange rate of 30.838 agreed on the pricing date as the numerator, and the conversion price at the time of conversion is used as the denominator to calculate the number of shares convertible into common stocks. As at January 22, 2022, the conversion price was adjusted to NT$75.88 (in dollars) per share.

(d) The rules of put options are as follows:

i. The bondholders have no right to ask for whole or partial redemption of the bonds, except the following:

(i) Except for the bond redeemed early, repurchased and retired, bonds that were converted by their bondholders, the bondholders have right to ask for whole or partial redemption of the bonds with an added interest rate of 0.425% per annum (compounded semi-annually) on the face value as the premium which is equivalent to 100.8527% of the face value (the "early redemption price for the bondholders"), after two years from the issue date.

(ii) If the Company's common shares are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days, the bondholders have right to ask for only whole redemption of the bonds with an added interest rate of 0.425% per annum on the face value as the premium (the "early redemption amount").

(iii) If any changes occurs to the Company's controlling power as defined in the bond indenture (the "bond indenture"), the bondholders have right to ask for only whole redemption of the bonds.

ii. The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders' requests by the Company shall in accordance with the procedures of the bond indenture. The early redemption price for the bondholders and the early redemption amount of bonds shall be paid on the payment date defined in the bond indenture by cash.

iii. The early redemption price for the bondholders and the early redemption amount of bonds shall be translated into NTD at the fixed exchange rate of 30.838, then translate the NTD into USD using the currency rate on that day for repayment.

(e) The rules of redemption are as follows:

i. For the period starting 2 years from the issue date until the maturity date, if the closing price (If the ex-right or the ex-dividend incurred, the adoption of the closing price shall be imputed to the price before ex-right and ex-dividend during the transaction date of the ex-right or the ex-dividend to the effective date of the ex-rights) of the issuing company's common shares converted to USD using the currency exchange rate of the day on the Taiwan Stock Exchange reaches 130% of the total amount of the early redemption price multiply conversion price on that day (using the fixed currency exchange rate on the price settlement date to convert to USD) divided by the face value for 30 consecutive business days, the issuing company has the right to redeem all or part of bonds at the early redemption price.

ii. If over 90% of the outstanding bonds' is redeemed, converted repurchased or retired, the Company can redeem all the bonds that are still outstanding at the early redemption price.

iii. If changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the bonds, the Company can redeem all the bonds at the early redemption price in accordance with the bond indenture. And the bondholders have no right to ask the issuing company covers the extra tax and expense for their nonparticipation of the redemption.

iv. The early redemption amount of bonds shall all be translated into NTD at the fixed exchange rate of 30.838, then translate the NTD into USD using the currency rate on that day for repayment.

(f) Under the terms of the bonds, all bonds redeemed (including from secondary market), matured and converted will be retired and not to be reissued.

(g) Regarding the issuance of convertible bonds, the equity conversion options amounting to $246,517 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. As of January 22, 2022, the balance of "capital surplus - share options" after adjusting the amount converted into common stock is $0. The non-equity redeem options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets and liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The annual effective interest rate of the bonds payable after separation is 3.335%

B. The terms of the Fourth overseas unsecured convertible bonds issued by the Company are as follows:

(a) On January 25, 2021, the Company issued 0% coupon, 3-year unsecured convertible bonds in the amount of US$120 million. Except for the Company's bonds that were redeemed, repurchased and retired or had their conversion rights exercised by the bondholders (the "bondholders"), the bonds are repayable in full by cash at face value at maturity. Redemption price at maturity would be translated into NTD at the fixed exchange rate of 27.995, then translate the NTD into USD using the currency rate on that day for repayment. The bonds were traded in the Singapore Exchange Limited since January 25, 2021.

(b) Except for the bond redeemed early, repurchased and retired, bonds that were converted by their bondholders and the mandatory stop transfer period regulated by law and agreed in the bond indenture separately, the bondholders have the right to ask for conversion of the bonds into common shares of the Company in accordance with the relevant regulation and the bond indenture during the period from the date after 90 days of the bonds issue to 10 days before the maturity date, or on the day that the bondholders exercise the put option, or the fifth business day before the issue company exercise the early redemption. As of December 31, 2023, the book value of the convertible corporate bonds redeemed by the Company due to the bondholders exercising put options amounted to USD 112,800 thousand..

(c) The conversion price is set up according to the terms of the bonds and is subject to adjustments when the anti-dilution provisions occur. The conversion price was set at NT$136.00 (in dollars) per share on issuance. If the conversion price reset according to the terms is higher than the original conversion price of current year, then the conversion price will not be adjusted. At the time of conversion, the principal of the bond is multiplied by the fixed exchange rate of 27.995 agreed on the pricing date as the numerator, and the conversion price at the time of conversion is used as the denominator to calculate the number of shares convertible into common stocks. As at December 31, 2023, the conversion price was adjusted to NT$116.84 (in dollars) per share.

(d) The rules of put options are as follows:

i. The bondholders have no right to ask for whole or partial redemption of the bonds, except the following:

(i) Except for the bond redeemed early, repurchased and retired, bonds that were converted by their bondholders, the bondholders have the right to ask for whole or partial redemption of the bonds with an added interest rate of 0% per annum on the face value as the premium after two years from the issue date.

(ii) If the Company's common shares are unlisted from the Taiwan Stock Exchange or ceased trading over 30 consecutive business days, the bondholders have the right to ask for only whole redemption of the bonds with an added interest rate of 0% per annum on the face value as the premium (the "early redemption amount").

(iii) If any changes occurs to the Company's controlling power as defined in the bond indenture (the "bond indenture"), the bondholders have right to ask for only whole redemption of the bonds.

ii. The exercise of the aforementioned put options by the bondholders and the acceptance of the bondholders' requests by the Company shall in accordance with the procedures of the bond indenture. The early redemption price for the bondholders and the early redemption amount of bonds shall be paid on the payment date defined in the bond indenture by cash.

iii. The early redemption price for the bondholders and the early redemption amount of bonds shall be translated into NTD at the fixed exchange rate of 27.995, then translate the NTD into USD using the currency rate on that day for repayment.

(e) The rules of redemption are as follows:

i. For the period starting 2 years from the issue date until the maturity date, if the closing price (If the ex-right or the ex-dividend incurred, the adoption of the closing price shall be imputed to the price before ex-right and ex-dividend during the transaction date of the ex-right or the ex-dividend to the effective date of the ex-rights) of the issuing company's common shares converted to USD using the currency exchange rate of the day on the Taiwan Stock Exchange reaches 130% of the total amount of the early redemption price multiply conversion price on that day (using the fixed currency exchange rate on the price settlement date to convert to USD) divided by the face value for 30 consecutive business days, the issuing company has the right to redeem all or part of bonds at the early redemption price.

ii. If over 90% of the outstanding bonds' is redeemed, converted repurchased or retired, the Company can redeem all the bonds that are still outstanding at the early redemption price.

iii. If changes to the R.O.C.'s tax regulations occur after the issue date and cause the Company to bear more tax or to pay extra interest expenses or increase in costs for the bonds, the Company can redeem all the bonds at the early redemption price in accordance with the bond indenture. And the bondholders have no right to ask the issuing company covers the extra tax and expense for their nonparticipation of the redemption.

iv. The early redemption amount of bonds shall all be translated into NTD at the fixed exchange rate of 27.995, then translate the NTD into USD using the currency rate on that day for repayment.

(f) Under the terms of the bonds, all bonds redeemed (including from secondary market), matured and converted will be retired and not to be reissued.

(g) Regarding the issuance of convertible bonds, the equity conversion options amounting to $112,250 were separated from the liability component and were recognised in 'capital surplus - share options' in accordance with IAS 32. As of December 31, 2023, the balance of the account 'capital surplus - share options' was $6,375 due to the bondholders exercising their put options and the account was reversed. The non-equity redeem options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The annual effective interest rate of the bonds payable after separation is 0.6748%.

(15) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from May, 2019 to May, 2026; interest is payable monthly; principal is repayable in instalments from June, 2022.	0.55%~2.095%	None	$ 483,333
Unsecured borrowings	Borrowing period is from May, 2019 to May, 2029; interest is payable monthly; principal is repayable in instalments from June, 2022.	0.55%~2.095%	None	928,572
Unsecured borrowings	Borrowing period is from July, 2019 to July, 2026; interest is payable monthly; principal is repayable in instalments from August, 2022.	0.55%~2.095%	None	1,227,083
				2,638,988
Less: Current portion				(846,429)
				$ 1,792,559

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Unsecured borrowings	Borrowing period is from May, 2019 to May, 2026; interest is payable monthly; principal is repayable in instalments from June, 2022.	0.425%~1.970%	None	$ 683,333
Unsecured borrowings	Borrowing period is from May, 2019 to May, 2029; interest is payable monthly; principal is repayable in instalments from June, 2022.	0.425%~1.970%	None	1,100,000
Unsecured borrowings	Borrowing period is from July, 2019 to July, 2026; interest is payable monthly; principal is repayable in instalments from August, 2022.	0.425%~1.970%	None	1,702,084
				3,485,417
Less: Current portion				(846,429)
				$ 2,638,988

Details of interest expense of bank borrowings recognised in profit or loss are provided in Note6 (26).

(16) Pensions

A. Defined benefit plans

(a) The Company and its domestic subsidiaries have 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 the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 65,486)	($ 66,710)
Fair value of plan assets	52,343	51,465
Net defined benefit liability (shown as 'Other non-current liabilities')	($ 13,143)	($ 15,245)

(c) Changes in present value of defined benefit obligations 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			
Balance at January 1	($ 66,710)	$ 51,465	($ 15,245)
Interest (expense) income	(834)	654	(180)
	($ 67,544)	$ 52,119	($ 15,425)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	450	450
Experience adjustments	140	-	140
	140	450	590
Pay pension	1,918	(1,918)	-
Pension fund contribution	-	1,692	1,692
Balance at December 31	($ 65,486)	$ 52,343	($ 13,143)

	Present value of defined benefit obligations		Fair value of plan assets		Net defined benefit liability	
For the year ended December 31, 2022						
Balance at January 1	($	70,635)	$	47,059	($	23,576)
Interest (expense) income	(	459)		311	(	148)
	($	71,094)	$	47,370	($	23,724)
Remeasurements:						
Return on plan assets (excluding amounts included in interest income or expense)		-		3,610		3,610
Experience adjustments		4,384	(	1,215)		3,169
		4,384		2,395		6,779
Pension fund contribution		-		1,700		1,700
Balance at December 31	($	66,710)	$	51,465	($	15,245)

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's and domestic subsidiaries' defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation 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 utilisation 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 asset 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 Utilisation Report announced by the government.

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

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience in each territory.

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 1%	Decrease 1%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 1,619)	$ 1,678	$ 7,008	($ 6,194)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 1,933)	$ 2,011	$ 8,440	($ 7,335)

The sensitivity analysis above is based on other conditions that are unchanged but only one assumption is changed. 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 method and assumptions used for the preparation of sensitivity analysis during 2023 and 2022 are the same.

(f)Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $1,692.

(g)As of December 31, 2023, the weighted average duration of that retirement plan is 12.5 years.

B. Defined contribution plan

(a)Effective July 1, 2005, the Company and its domestic subsidiaries have 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, Taiwan-based companies of the Group contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b)The Company’s mainland China subsidiaries, have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC) are based on a certain percentage of employees’ monthly salaries and wages.

(c)The pension costs under the defined contribution pension plans of the Group for the years ended December 31, 2023 and 2022 were $340,921 and $299,263, respectively.

(17) Share-based payment

A. On August 3, 2022, July 3, 2020 and July 1, 2019, the Board of Directors of the Company has resolved to issue employee restricted shares:

(a) Details of the share-based payment arrangements are as follows:

Type of arrangement	Grant date	Number of shares granted (in thousands)	Contract period	Vesting conditions
Restricted stock transferred to employees (Note 1)	2020.08.03	2,500	3 years	Service period and performance condition (Note 3)
Restricted stock transferred to employees (Note 1)	2020.07.03	1,000	3 years	Service period and performance condition (Note 2)
Restricted stock transferred to employees (Note 1)	2019.07.01	5,500	3 years	Service period and performance condition (Note 2)

Note 1: The restricted shares issued by the Company cannot be transferred during the vesting period before meeting the vesting conditions. The right of attendance, proposal, presentation, voting and election at the shareholders' meeting are the same as the Company's issued ordinary shares, except appropriation of earnings (including but not limited to dividend, bonus and the distribution rights of capital surplus) and share options of cash capital increase. The Company has rights to take back the unvested shares at no consideration and retire the shares if employees resign during the vesting period.

Note 2: For the employees who are currently working in the Company, whose services have reached 1 year, 2 years and 3 years since the allocation of restricted shares and who achieved the target performance and have made contributions, the ceiling of accumulated vested share ratio is up to 30%, 30% and 40%, respectively.

Note 3: For the employees who are currently working in the Company, whose services have reached 1 year since the allocation of restricted shares and who achieved the target performance and have made contributions, the ceiling of accumulated vested share ratio is up to100%.

(b) Details of the share-based payment arrangements are as follows: (Shares in thousands)

	2023	2022
Employee restricted shares at January 1	2,885	2,734
Options issued for the year	-	2,500
Options retired for the year	(290)	(1,040)
Unrestriction for the year	(2,591)	(1,309)
Employee restricted shares at December 31	4	2,885

(c) Expenses incurred on share-based payment transactions amounted to $163,731 and $102,623 for the years ended December 31, 2023 and 2022, respectively.

B. The expected duration life of the employee restricted shares granted by the subsidiary, RAFAEL MICROELECTRONICS, INC., on May 5, 2021 and August 11, 2021, respectively, was three years. After 2 years from the restricted stocks granted, employees who meet certain specific requirements and achieve the performance conditions set by the Company can be vested with a certain percentage of the shares. The limited rights before employees reaching the vesting conditions are as follows:

i. Cannot sell, pledge, transfer, donate, set or dispose the restricted stocks in any other method.

ii. The rights to attend, propose, speak, vote and elect in the shareholders' meeting are executed by the Trust Depository or custodian bank according to the regulations.

iii. Cannot participate in the distribution of stocks and dividends and do not entitle the rights to subscribe shares from the capital increase.

The restricted shares are not meeting the vesting conditions if employees resign voluntarily, retire or are dismissed, which will be considered as not meeting the vesting conditions starting from the effective date, and the Company will redeem their shares at no consideration and retire the shares.

(a) The basic information of share-based payment arrangements of the subsidiary, RAFAEL MICROELECTRONICS, INC., are as follows:

Type of arrangement	Grant date	Number of shares granted (in thousands)	Contract period	Vesting conditions
Restricted stock transferred to employees	2021.08.11	38	3 years	Service period and performance condition
Restricted stock transferred to employees	2021.05.05	30	3 years	Service period and performance condition

(b) As of December 31, 2023, restricted stocks to employees of the subsidiary, RAFAEL MICROELECTRONICS, INC., were recognised in RAFAEL MICROELECTRONICS, INC.'s capital surplus - restricted stock and unearned employee compensation amounting to $6,705 and $2,470, respectively.

C. In May 2021, the subsidiary, RAFAEL MICROELECTRONICS, INC., implemented cash-settled employee stock appreciation right plan to grant 54 thousand units at no consideration. One unit of stock appreciation right represents the right of one ordinary share of the Company and is granted to the Company's employees who meet the certain conditions. The duration of employee stock appreciation right plan is 3.92 years. After 2 years from the restricted stocks granted, employees who meet certain specific requirements and achieve the performance conditions set by the Company can exercise a certain percentage of stock appreciation right. For restricted stocks that do not meet the vesting condition, the Company will recover their rights at no consideration. The stock appreciation rights during the vesting period do not entitle the related rights of ordinary shares.

The initial fair value of the total compensation cost of cash-settled share-based payment is measured using the Black-Scholes option-pricing model and subsequently remeasured at the end of each reporting period until the settlement.

(a) As of December 31, 2023, the details of the valuation assumptions are as follows:

Type of arrangement	Fair value per unit	Expected price volatility rate	Expected option life	Expected dividends rate	Risk-free interest rate
Employee stock appreciation right plan	$ 159.50	39.9%	0.33 years	2.94%	1.07%

(b) As of December 31, 2023, the employee stock appreciation right plan of the subsidiary, RAFAEL MICROELECTRONICS, INC., had not recognised any liabilities. Total intrinsic value of liabilities for which the vesting conditions have been met was $0.

(18) Share capital

A. As of December 31, 2023, the Company’s authorized capital was $6,000,000 (including 20,000 thousand shares reserved for employee stock options and convertible bonds issued by the Company), and the paid-in capital was $3,225,010, consisting of 322,501 thousand shares of ordinary stock, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company’s ordinary shares outstanding are as follows: (Shares in thousands)

	2023	2022
At January 1	322,791	351,331
Employee restricted shares	-	2,500
Employee restricted shares cancellation	(290)	(1,040)
Treasury share cancellation	-	(30,000)
At December 31	322,501	322,791

B. The Board of Directors during its meeting on August 3, 2022 adopted a resolution to issue employee restricted ordinary shares (see Note 6(17)) with the effective date set on September 5, 2022. The subscription price is $0 (in dollars) per share. The employee restricted ordinary shares issued are subject to certain transfer restrictions before their vesting conditions are met. After meeting their vesting conditions, the rights and obligations of these shares issued are the same as other issued ordinary shares.

D. Treasury shares

(a)Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

There was no such transaction as of December 31, 2023 and 2022.

(b)Pursuant to the R.O.C. Securities and Exchange Law, the number of shares bought back as treasury share should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c)Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d)Pursuant to the R.O.C. Securities and Exchange Law, treasury shares should be reissued to the employees or be distributed for equity transfer within five years from the reacquisition date and shares not reissued within the three-year period are to be retired. Treasury shares to enhance the Company's credit rating and the stockholders' equity should be retired within six months of acquisition.

(e) To maintain the Company's credit and the stockholders' equity, the Board of Directors during their meeting on February 9, 2022 resolved to repurchase the Company's shares in the amount of 15,000 thousand shares in accordance with related regulations. As of December 31, 2023, the Company had repurchased 15,000 thousand shares and completed the registration of share retirement.

(f) To maintain the Company's credit and the stockholders' equity, the Board of Directors during their meeting on March 16, 2022 resolved to repurchase the Company's shares in the amount of 15,000 thousand shares in accordance with related regulations. As of December 31, 2023, the Company had repurchased 15,000 thousand shares and completed the registration of share retirement.

(19) <u>Capital surplus</u>

A. Pursuant to the R.O.C. Company Act, capital surplus 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 surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023					
	Share premium	Stock options	Donated assets	Employee restricted shares	Others	Total
At January 1, 2023	$ 1,206,805	$ 112,250	$ 1,245	$ 257,799	$ 1,771	$ 1,579,870
Return of unclaimed dividends to shareholders	-	-	(40)	-	-	($ 40)
Employee restricted shares	256,827	-	-	(257,799)	-	(972)
Put options of convertible bonds	-	(105,515)	-	-	105,515	-
Cash dividends from capital surplus	(799,903)	-	-	-	-	(799,903)
At December 31, 2023	$ 663,729	$ 6,735	$ 1,205	$ -	$ 107,286	$ 778,955

	2022					
	Share premium	Stock options	Donated assets	Employee restricted shares	Others	Total
At January 1, 2022	$ 2,595,672	$ 112,250	$ 1,245	$ 337,772	$ 1,771	$ 3,048,710
Employee restricted shares	290,133	-	-	(79,973)	-	210,160
Treasury shares cancellation	(85,830)	-	-	-	-	(85,830)
Cash dividends from capital surplus	(1,593,170)	-	-	-	-	(1,593,170)
At December 31, 2022	$ 1,206,805	$ 112,250	$ 1,245	$ 257,799	$ 1,771	$ 1,579,870

B. On February 9, 2023, the Board of Directors, by a special resolution, decided to distribute cash dividend from capital surplus in the amount of $799,903, at NT$2.5 (in dollars) per share and reported to the shareholders during their meeting on May 30, 2023. On May 4, 2022, the Board of Directors, by a special resolution, decided to distribute cash dividend from capital surplus in the amount of $1,593,170, at NT$5 (in dollars) per share and reported to the shareholders during their meeting on May 31, 2022. For the above mentioned relevant shareholders' meeting resolutions and distribution, please refer to "Market Observation Post System" at the website of the Taiwan Stock Exchange.

C. On February 15, 2024, the Board of Directors, by a special resolution, decided to distribute cash dividend from capital surplus in the amount of $322,501, at NT$1 (in dollars) per share.

D. For details of capital reserve from stock options, please refer to Note 6(14).

(20) 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 prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the total capital stock balance, and setting aside or reversal for special reserve in accordance with related laws or Competent Authority's rule, if any, the Board of Directors should present the distribution of the remaining earnings along with undistributed earnings at beginning of periods for the approval of the shareholders based on the capital condition and economic development.

In accordance with Article 240, Item 5 of the Company Law and Article 241 of the Company Law, the Company authorizes the Board of Directors to have more than two-thirds of directors present and resolutions of more than half of the directors present to distribute dividends or legal reserve and capital surplus are distributed in cash and reported to the shareholders' meeting.

B. The Company's dividend policy is in line with the development plan and capital requirement for expanding production line in the near future as the Company is currently in the growth phase. Therefore, the Board of Directors proposed the appropriation of unappropriated retained earnings at the shareholders' meeting for approval. Cash dividend shall be more than 5% of total dividends, but will not be distributed if it is lower than $0.1 per share, which will instead be distributed in the form of stocks.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the 25% of the Company's paid-in capital.

D. (a) In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Jin-Guan-Zheng-Fa-Zi Letter No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

E. The shareholders of the Company during their meeting on May 30, 2023 resolved to distribute cash dividend from earnings in the amount of $799,903, at NT$2.5 (in dollars) per share. The appropriation of 2021 earnings had been resolved at the shareholders' meeting on May 31, 2022. All distributable earnings have been retained and not distributed as dividends. For the above mentioned relevant shareholders' meeting resolutions and distribution, please refer to "Market Observation Post System" at the website of the Taiwan Stock Exchange..

F. On February 15, 2024, the Board of Directors resolved that the cash dividends for the distribution of earnings was $1,290,004, at NT$4 (in dollars) per share.

(21) Other equity items

	2023			
	Currency translation	Unearned compensation	Unearned gain (losses) on valuation	Total
At January 1	($ 332,001)	($ 167,648)	$ 3,909	($ 495,740)
Currency translation differences:				
–Group	(185,885)	-	-	(185,885)
Compensation cost of share-based payment	-	164,383	-	164,383
Valuation adjustments	-	3,219	-	3,219
At December 31	($ 517,886)	($ 46)	$ 3,909	($ 514,023)

	2022			
	Currency translation	Unearned compensation	Unearned gain (losses) on valuation	Total
At January 1	($ 472,029)	($ 45,511)	($ 5,145)	($ 522,685)
Currency translation differences:				
–Group	140,028	-	-	140,028
Issuance of employee restricted shares	-	(142,600)	-	(142,600)
Compensation cost of share-based payment	-	102,623	-	102,623
Valuation adjustments	-	(82,160)	9,054	(73,106)
At December 31	($ 332,001)	($ 167,648)	$ 3,909	($ 495,740)

(22) Operating revenue

Revenue from contracts with customers	Year ended December 31, 2023	Year ended December 31, 2022
Salea revenue	$ 32,728,862	$ 40,070,122

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods at a point in time in the following major geographical regions:

2023	Taiwan	China	Asia (excluding Taiwan and China)	Europe and America	Total
Revenue from external customer contracts	$ 1,448,957	$ 2,029,368	$ 700,204	$ 28,550,333	$32,728,862
Timing of revenue recognition					
At a point in time	$ 1,448,957	$ 2,029,368	$ 700,204	$ 28,550,333	$32,728,862

2022	Taiwan	China	Asia (excluding Taiwan and China)	Europe and America	Total
Revenue from external customer contracts	$ 1,361,057	$ 2,825,064	$ 1,323,667	$ 34,560,334	$ 40,070,122
Timing of revenue recognition					
At a point in time	$ 1,361,057	$ 2,825,064	$ 1,323,667	$ 34,560,334	$ 40,070,122

B. Contract liabilities

The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 8,125	$ -	$ -

(23) Interest income

	For the years ended December 31, 2023	2022
Interest income from bank deposits	$ 316,276	$ 134,210
Other interest income	79,402	153,672
	$ 395,678	$ 287,882

(24) Other income

	For the years ended December 31, 2023	2022
Rent income	$ 11,029	$ 13,647
Dividend income	85	1,892
Government grant revenue	240,158	28,572
Other income	43,152	35,190
	$ 294,424	$ 79,301

(25) Other gains and losses

	For the years ended December 31, 2023	2022
Losses on disposal of property, plant and equipment	($ 3,437)	($ 18,217)
Foreign exchange gains	118,045	562,919
Net losses on financial assets/ liabilities at fair value through profit or loss	(38,509)	(11,703)
Impairment gains (losses) on property, plant and equipment	1,127	(74,541)
Losses on repurchase of corporate bonds	(16,072)	-
Others	(1,114)	(6,472)
	$ 60,040	$ 451,986

(26) Finance costs

	For the years ended December 31,	
	2023	2022
Interest expense:		
Bank borrowings	$ 55,156	$ 16,103
Convertible bonds	2,880	20,727
Imputed interest on deposit	16	8
Interest expense on lease liabilities	871	1,078
Other	464	-
	$ 59,387	$ 37,916

(27) Expenses by nature

	For the years ended December 31,	
	2023	2022
Employee benefit expense	$ 5,783,613	$ 6,157,592
Depreciation charge on property, plant and equipment	2,805,886	2,545,374
Depreciation expenses on right-of-use assets	158,420	122,162
Amortisation on intangible assets	33,396	16,367

(28) Employee benefit expense

	For the years ended December 31,	
	2023	2022
Wages and salaries	$ 4,825,178	$ 5,284,603
Employee restricted stock	163,731	102,623
Labor and health insurance fees	262,912	249,567
Pension costs	341,101	299,411
Other personnel expenses	190,692	221,388
	$ 5,783,614	$ 6,157,592

A. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, if any, shall not be less than 1% for employees' compensation, and shall be less than 2% for directors' remuneration. However, if the Company has accumulated deficit, the earnings shall first be reserved to offset the deficit.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued \$80,000 and \$100,000; while directors' remuneration were \$20,000 and \$25,000, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2022, the employees' compensation and directors' remuneration were estimated and accrued based on a certain ratio of distributable profit of current year as of the end of reporting period. The amounts resolved by the Board of Directors were in agreement with the accrued amounts. Employees' compensation will be distributed in the form of cash. Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. Information about employees' compensation and directors' remuneration of the Company resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(29) Income tax

A. Income tax expense

Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current tax：		
Current tax on profits for the year	$ 317,287	$ 841,285
Tax on undistributed earnings	138,927	131,756
Overestimation of prior year's income tax	(194,565)	(135,272)
Total current tax	261,649	837,769
Deferred tax:		
Origination and reversal of temporary differences	10,804	(47,739)
Income tax expense	$ 272,453	$ 790,030

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 (Note)	$ 606,881	$ 1,094,222
Effect from items adjusted in accordance with tax regulation	(278,790)	(300,676)
Tax on undistributed earnings	138,927	131,756
Overestimation of prior year's income tax	(194,565)	(135,272)
Income tax expense	$ 272,453	$ 790,030

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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	Recognised in profit or loss	Business combinations	Effects of exchange rate changes	December 31
Temporary differences:					
－Deferred tax assets:					
Allowance for obsolescence and decline in market value of inventories	$ 92,175	($ 5,776)	$ 4,157	($ 1,028)	$ 89,528
Unrealised gross profit	16,290	(3,967)	-	-	12,323
Unrealised compensated absences	7,567	1,005	-	-	8,572
Cost of bond issuance	1,064	(982)	-	-	82
Unrealised exchange loss	-	196	467	-	663
Refund liability	3,591	-	-	-	3,591
Unrealised estimated expense	7,430	(4,542)	-	-	2,888
Impairment of assets	10,356	(169)	-	(160)	10,027
Others	1,091	(480)	666	-	1,277
Subtotal	$ 139,564	($ 14,715)	$ 5,290	($ 1,188)	$ 128,951
－Deferred tax liabilities:					
Gain on foreign investment accounted for under equity method	($ 1,437,902)	$ -	$ -	$ -	($ 1,437,902)
Pension expense	(2,722)	(303)	-	-	(3,025)
Unrealised exchange gain	(5,794)	2,027	(1,633)	-	(5,400)
Unrealized land value-added tax	-	-	(2,252)	-	(2,252)
Unrealized amortization of the difference	-	2,187	(247,637)	-	(245,450)
Subtotal	($ 1,446,418)	$ 3,911	($ 251,522)	$ -	(1,694,029)
Total	($ 1,306,854)	($ 10,804)	($ 246,232)	($ 1,188)	($ 1,565,078)

	For the year ended December 31, 2022			
	January 1	Recognised in profit or loss	Effects of exchange rate changes	December 31
Temporary differences:				
－Deferred tax assets:				
Allowance for obsolescence and decline in market value of inventories	$ 75,222	$ 15,870	$ 1,083	$ 92,175
Unrealised gross profit	4,133	12,157	-	16,290
Unrealised compensated absences	7,495	72	-	7,567
Cost of bond issuance	1,964	(900)	-	1,064
Refund liability	3,591	-	-	3,591
Unrealised estimated expense	15	7,415	-	7,430
Impairment of assets	70	10,347	(61)	10,356
Others	79	1,012	-	1,091
Subtotal	$ 92,569	$ 45,973	$ 1,022	$ 139,564
－Deferred tax liabilities:				
Gain on foreign investment accounted for under equity method	($ 1,437,902)	$ -	$ -	($ 1,437,902)
Pension expense	(2,412)	(310)	-	(2,722)
Unrealised exchange gain	(7,870)	2,076	-	(5,794)
Subtotal	($ 1,448,184)	$ 1,766	$ -	($ 1,446,418)
Total	($ 1,355,615)	$ 47,739	$ 1,022	($ 1,306,854)

D. The Company has not recognised taxable temporary differences associated with investment in subsidiaries as deferred tax liabilities. As of December 31, 2023 and 2022, the amounts of temporary difference unrecognised as deferred tax liabilities were $450,189 and $238,246, respectively.

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(30) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,066,725	320,451	$ 6.45
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 2,066,725	320,451	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	920	
Convertible bonds	14,981	2,989	
Employee restricted stock	-	2,255	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 2,081,706	326,615	$ 6.37

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,521,557	325,213	$ 10.83
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,521,557	325,213	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	1,031	
Convertible bonds	9,180	27,263	
Employee restricted stock	-	1,586	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,530,737	355,093	$ 9.94

(31) Business combinations

A. The public acquisition period for the public acquisition of ordinary shares of RAFAEL MICROELECTRONICS, INC. ("RAFAEL, INC.") on November 23, 2023 was expired, and the Group acquired 30% of equity interest in RAFAEL, INC. by cash in the amount of $1,567,736. As the Group was the single largest shareholder of RAFAEL, INC. and directed the relevant activities of it, and thus RAFAEL, INC. was deemed a subsidiary of the Group and was included in the consolidated financial statements from the date the Group obtained control over it. As a result of the acquisition, the Group is expected to provide a market with complete modular solutions and accelerate energy conservation and carbon reduction. It also expects to develop a transmission technology integration layout.

B. The following table summarises the consideration paid for RAFAEL, INC. and the fair values of the assets acquired and liabilities assumed at the acquisition date, as well as the fair value of the non-controlling interest at the acquisition date:

		December 31, 2023
Purchase consideration		
Cash paid	$	1,567,736
Fair value of non-controlling interest		1,671,762
		3,239,498
Fair value of the identifiable assets acquired and liabilities assumed		
Cash		486,471
Financial assets at fair value through profit or loss - current		340,035
Financial assets at amortised cost - current		14,700
Accounts receivable		61,260
Other receivables		22,614
Inventories		391,475
Prepayments		4,857
Other current assets		16
Financial assets at fair value through other comprehensive income - non-current		5,208
Investments accounted for using equity method		7,076
Property, plant and equipment		317,844
Right-of-use assets		7,552
Intangible assets		1,195,775
Deferred tax assets		5,290
Other non-current assets		2,724
Current lease liabilities	(	3,977)
Current contract liabilities	(	6,574)
Accounts payable	(	71,517)
Other payables	(	115,637)
Current income tax liabilities	(	15,755)
Other current liabilities	(	415)
Non-current lease liabilities	(	3,631)
Deferred tax liabilities	(	249,270)
Deferred tax liabilities-Land value added tax	(	2,252)
Total identifiable net assets		2,393,869
Goodwill	$	845,629

C. The operating revenue included in the consolidated statement of comprehensive income since November 23, 2023 contributed by RAFAEL, INC. was $61,372. RAFAEL, INC. also contributed loss before income tax of ($11,100) over the same period. Had RAFAEL, INC. been consolidated from January 1, 2023, the consolidated statement of comprehensive income would show operating revenue of $33,663,510 and profit before income tax of $2,377,872.

(32) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	2023	2022
Purchase of property, plant and equipment (including prepayments for equipment and for land purchases)	$ 2,294,094	$ 5,472,814
Add: opening balance of payable on equipment	1,718,358	2,127,178
Less: ending balance of payable on equipment	(596,299)	(1,718,358)
Cash paid during the period	$ 3,416,153	$ 5,881,634

B. Investing and financing activities with no cash flow effects:

	For the years ended December 31,	
	2023	2022
Prepayment for equipment transferred to property, plant, and equipment	$ 312,607	$ -

(33) Changes in liabilities from financing activities

	2023				
	Short-term loans	Lease liability	Bonds payable	Long-term borrowings	Liabilities from financing activities-gross
At January 1	$ -	$ 681,486	$3,336,799	$3,485,417	$ 7,503,702
Changes in cash flow from financing activities	3,292,059	(693,616)	-	-	2,598,443
Changes in other non-cash items	-	-	3,544	-	3,544
Changes in acquisition of subsidiaries	-	7,608	-	-	7,608
Increase in lease liabilities	-	79,239	-	-	79,239
Amortisation of discounts on bonds payable	-	-	2,880	-	2,880
Losses on repurchase of convertible bonds	-	-	16,072	-	16,072
Repurchase of convertible bonds	-	-	(3,157,836)	-	(3,157,836)
Repayments of long-term borrowings	-	-	-	(846,429)	(846,429)
Repayments of short-term borrowings	(3,295,058)	-	-	-	(3,295,058)
Impact of changes in foreign exchange rate	2,999	(1,108)	-	-	1,891
At December 31	$ -	$ 73,609	$ 201,459	$2,638,988	$ 2,914,056

	2022				
	Short-term loans	Lease liability	Bonds payable	Long-term borrowings	Liabilities from financing activities-gross
At January 1	$ -	$ 75,428	$3,316,072	$3,900,000	$ 7,291,500
Changes in cash flow from financing activities	(8,265)	(336,840)	-	(414,583)	(759,688)
Increase in lease liabilities	-	946,505	-	-	946,505
Amortisation of discounts on bonds payable	-	-	20,727	-	20,727
Impact of changes in foreign exchange rate	8,265	(3,607)	-	-	4,658
At December 31	$ -	$ 681,486	$3,336,799	$3,485,417	$ 7,503,702

7. RELATED PARTY TRANSACTIONS

Key management compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$ 78,032	$ 83,829
Post-employment benefits	175	168
Share-based payments	38,031	21,493
	$ 116,238	$ 105,490

8. PLEDGED ASSETS

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Refundable deposits (recorded in "Other non-current assets")	$ 3,500	$ 247,939	Guarantee for land bid and gas

9. COMMITMENTS AND CONTINGENT LIABILITIES

(1) As of December 31, 2023 and 2022, the Group issued promissory notes both amounting to $723,848 for applying loan facilities from the banks to meet the operational needs.

(2) As of December 31, 2023 and 2022, the Group entered into several contracts for construction and acquisition of machinery with total values of $769,952 and $2,257,204, respectively, and the unpaid balance on these contracts amounted to $ 466,366 and $1,553,352, respectively.

10. SIGNIFICANT CATASTROPHE

None.

11. SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Total debt is calculated as 'current and non-current liabilities' as shown in the consolidated balance sheet.

During 2023, the Group's strategy, which was unchanged from 2022, was to maintain the balance of the capital structure. The gearing ratio at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 13,238,958	$ 21,173,788
Total assets	$ 40,296,426	$ 46,120,668
Gearing ratio	33	46

(2) Financial instruments

A. Financial instruments by category

	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	$ 1,899,473	$ 892,247
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	$ 95,654	$ 92,124
Financial assets at amortised cost		
Cash and cash equivalents	$ 6,000,287	$ 12,653,297
Financial assets at amortised cost	2,391,202	1,848,360
Accounts receivable	4,783,457	6,029,307
Other receivables	109,101	121,461
Refundable deposits	40,620	289,318
	$ 13,324,667	$ 20,941,743
Financial liabilities		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	$ 49	$ 15,920
Financial liabilities designated at fair value through profit or loss	-	3,769
	$ 49	$ 19,689
Financial liabilities at amortised cost		
Accounts payable	$ 4,023,701	$ 5,319,859
Other payables	3,446,379	5,494,264
Bonds payable (including current portion)	201,459	3,336,799
Long-term borrowings (including current portion)	2,638,988	3,485,417
Guarantee deposits received	10,400	11,931
	$ 10,320,927	$ 17,648,270
Lease liabilities	$ 73,609	$ 681,486

B. Financial risk management policies

(a) The Group'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. To minimise any adverse effects on the financial performance of the Group, derivative financial instruments, such as foreign exchange forward contracts are used to hedge certain exchange rate risk. Derivatives are used exclusively for hedging purposes and not as trading or speculative instruments.

(b) Risk management is carried out by a central treasury department (Group treasury) under policies approved by the Board of Directors. Group treasury identifies, evaluates and hedges financial risks in close cooperation with the Group's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. The Group operates internationally and is exposed to exchange rate risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Exchange rate risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury. Exchange rate risk is measured through a forecast of highly probable USD and RMB expenditures. Forward foreign exchange contracts are adopted to minimise the volatility of the exchange rate affecting cost of forecast inventory purchases.

iii. The Group hedges foreign exchange rate by using forward exchange contracts. However, the Group does not adopt hedging accounting. Details of financial assets or liabilities at fair value through profit or loss are provided in Note 6(2).

iv. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD and RMB). 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					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 265,212	30.7350	$ 8,151,291	1%	$ 81,513	$ -
USD:RMB	203,697	7.0827	6,260,627	1%	62,606	-
Non-monetary items						
USD:NTD	3,000	30.7350	92,124	1%	-	921
Financial liabilities						
Monetary items						
USD:NTD	226,799	30.7350	6,970,667	1%	(69,707)	-
USD:RMB	138,700	7.0827	4,262,945	1%	(42,629)	-

	December 31, 2022					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 660,215	30.7080	$ 20,273,882	1%	$ 202,739	$ -
USD:RMB	379,057	6.9646	11,640,082	1%	116,401	-
Non-monetary items						
USD:NTD	3,000	30.7080	92,124	1%	-	921
Financial liabilities						
Monetary items						
USD:NTD	407,655	30.7080	12,518,270	1%	(125,183)	-
USD:RMB	254,102	6.9646	7,802,964	1%	(78,030)	-

v. The total exchange gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022 amounted to $118,045 and $562,919, respectively.

Price risk

i. The Group'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 Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Group.

ii. The Group's investments in equity securities comprise shares issued by the 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 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $3,477 and $98, 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 $957 and $921, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's issued zero coupon liability financial instruments with embedded conversion options and call options. The fair value of the financial instrument is exposed under the risk of market fluctuation. There was no cash flow risk arising from significant changes in interest rate after assessment.

ii. The Group's main interest rate risk arises from long-term borrowings with floating rates, which expose the Group to cash flow interest rate risk, but some of the risks are offset by cash and cash equivalents with variable interest rate. As of December 31, 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.

iii. If borrowing interest rate had increased/decreased by 0.25% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $6,597 and $8,714, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group 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 based on the agreed terms, and the contract cash flows of debt instruments stated at fair value through profit or loss.

ii. The Group manages their credit risk taking into consideration the entire group's concern. According to the Group's credit policy, each local entity in the Group 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 in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

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

iv. The default occurs when the contract payments are expected unrecoverable and are transferred to overdue receivables.

v. The Group classifies customers' accounts receivable in accordance with credit risk on trade. The Group applies the simplified approach using provision matrix to estimate expected credit loss under the provision matrix basis.

vi. The Group used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. As of December 31, 2023 and 2022, the provision matrix classified by customers are as follows:

	Group A	Group B	Group C	Group D	Group E	Group F	Group G	Total
December 31, 2023								
Total book value	$3,893,870	$ 144,547	$ 528,132	$ 88,535	$ 71,369	$ 66,888	$ 21,866	$4,815,207
Allowance for sales returns and discounts	(1,416)	-	-	-	-	-	-	(1,416)
Book value	$3,892,454	$ 144,547	$ 528,132	$ 88,535	$ 71,369	$ 66,888	$ 21,866	$4,813,791
Expected loss rate	0.05%	0.12%	0.11%	0.08%	8.20%	0.02%	100.00%	
Loss allowance	$ 1,788	$ 167	$ 569	$ 74	$ 5,854	$ 16	$ 21,866	$ 30,334

	Group A	Group B	Group C	Group D	Group E	Total
December 31, 2022						
Total book value	$ 5,034,999	$ 118,923	$ 644,994	$ 170,383	$ 67,740	$ 6,037,039
Allowance for sales returns and discounts	(741)	-	-	-	-	(741)
Book value	$ 5,034,258	$ 118,923	$ 644,994	$ 170,383	$ 67,740	$ 6,036,298
Expected loss rate	0.01%	0.01%	0.04%	0.01%	9.51%	
Loss allowance	$ 258	$ 10	$ 269	$ 12	$ 6,442	$ 6,991

(i) Group A and Group E:

Accounts receivable is grouped based on stock liquidity, paid-in capital, current ratio and debt ratio of counterparties.

(ii) Group F and Group G:

As the categories of the products manufactured and sold by certain subsidiaries were different from those of Group A ~ Group E, accounts receivable is grouped based on the industry of their counterparties.

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

	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 6,991	$ 396
Provision for impairment loss	375	6,595
Acquired from business combinations	22,968	-
At December 31	$ 30,334	$ 6,991

For provisioned loss in 2023 and 2022, the impairment losses arising from customers' contracts are $375 and $6,595, repectively.

(c)Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of the Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities.

ii. Surplus cash held by the operating entities over and above balance required for working capital management are invested in interest bearing current accounts, time deposits, Bonds with repurchase agreements, structured certificates of deposit and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As of December 31, 2023 and 2022, the Group held money market position of $10,256,339 and $15,392,157, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities and to the expected maturity date for derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Accounts payable	$ 4,023,701	$ -	$ -
Other payables	3,446,379	-	-
Lease liabilities	28,721	18,730	28,296
Bonds payable	201,564	-	-
Long-term borrowings	847,104	846,850	946,472
Derivative financial liabilities:			
Forward foreign exchange contracts	49	-	-

December 31, 2022	Less than 1 year	Between 1 and 2 years	Over 2 years
Non-derivative financial liabilities:			
Accounts payable	$ 5,319,859	$ -	$ -
Other payables	5,494,264	-	-
Lease liabilities	124,910	101,618	676,896
Bonds payable	3,359,400	-	-
Long-term borrowings	847,358	847,104	1,793,322
Derivative financial liabilities:			
Put options of convertible bonds	3,769	-	-
Forward foreign exchange contracts	15,920	-	-

(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 Group's investment in listed stocks with quoted market prices 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. The fair value of the Group's investment in certain derivative instruments is included in Level 2.

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

B. Financial instruments not measured at fair value

The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid (recorded in "Other non-current assets"), accounts payable, other payables, lease liabilities, bonds payable, long-term borrowings and guarantee deposits received (recorded in "Other non-current assets"), are approximate to their fair values.

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

(a) The related information of natures 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 profit or loss				
Equity securities	$ 347,736	$ -	$ -	$ 347,736
Forward foreign exchange contracts	-	32,931	-	32,931
Structured certificates of deposit	-	1,518,806	-	1,518,806
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	95,654	95,654
	$ 347,736	$ 1,551,737	$ 95,654	$ 1,995,127
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Forward foreign exchange contracts	$ -	$ 49	$ -	$ 49

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 9,826	$ -	$ -	$ 9,826
Forward foreign exchange contracts	-	590	-	590
Structured certificates of deposit	-	881,831	-	881,831
Financial assets at fair value through other comprehensive income				
Equity securities	-	-	92,124	92,124
	$ 9,826	$ 882,421	$ 92,124	$ 984,371
Liabilities:				
Recurring fair value measurements				
Financial liabilities at fair value through profit or loss				
Put options of convertible bonds	$ -	$ -	$ 3,769	$ 3,769
Forward foreign exchange contracts	-	15,920	-	15,920
	$ -	$ 15,920	$ 3,769	$ 19,689

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

i. The instruments the Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares
Market quoted price	Closing price

ii. The assessment of structured certificates of deposit is calculated based on the product revenue that is provided by counterparties.

iii. Forward foreign exchange contracts are usually valued based on the current forward exchange rate.

iv. 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 consolidated balance sheet date.

v. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)H.

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 and 2022:

	2023	
	Derivative instruments	Non-derivative equity instruments
At January 1	($ 3,769)	$ 92,124
Gains recognised in profit or loss (Note)	225	-
Write-down of repurchase of corporate bonds payable	3,544	-
Acquired from business combinations	-	3,530
December 31	$ -	$ 95,654
Movement of unrealised gain in profit or loss of assets and liabilities held as of December 31, 2023 (Note)	$ 225	$ -

	2022	
	Derivative instruments	Non-derivative equity instruments
At January 1	($ 13,021)	$ 83,070
Gains recognised in profit or loss (Note)	9,252	-
Gains recognised in other comprehensive income	-	9,054
December 31	($ 3,769)	$ 92,124
Movement of unrealised gain in profit or loss of assets and liabilities held as of December 31, 2022 (Note)	$ 9,252	$ -

Note: Recorded as non-operating income and expenses.

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments using the actuarial reports issued by external experts. 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 calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. 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 instruments:					
Unlisted shares	$ 95,654	Discounted cash flow	Long-term revenue growth rate and long-term pre-tax operating margin	N/A	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Hybrid instruments:					
Convertible bonds	($ 3,769)	Binary tree Convertible bond valuation model	Stock price volatility	24.08%~29.13%	The higher the stock price volatility, the lower the fair value
Non-derivative equity instruments:					
Unlisted shares	$ 92,124	Discounted cash flow	Long-term revenue growth rate and long-term pre-tax operating margin	N/A	The higher the long-term revenue growth rate and long-term pre-tax operating margin, the higher the fair value

I. The Group 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 profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	$ 95,654	±1%	$ -	$ -	$ 957	($ 957)
Financial liabilities						
Hybrid instruments	Stock price volatility	±5%	$ -	$ -	$ -	$ -

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instruments	$ 92,124	±1%	$ -	$ -	$ 921	($ 921)
Financial liabilities						
Hybrid instruments	Stock price volatility	±5%	$ 2,688	($ 11,086)	$ -	$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

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): Please refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: Please refer to table 3.

E. Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more: Please refer to table 4.

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 6.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Notes 6(2) and 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Names of shareholders who hold more than 5% of the Company: None.

14. SEGMENT INFORMATION

(1) General information

The Group operates its business according to product categories and formulates performance evaluation and resource allocation. The Group is divided into two reportable segments.

(i) Printed circuit board segment:

Mainly engaged in the manufacturing, research and development, and trading of flexible printed circuit boards and other related products.

(ii) Other segment

Mainly engaged in the research, design, manufacturing and sales of existing related products for radio frequency integrated circuits and integrated video systems.

(2) Measurement of segment information

The Group evaluates the performances of the operating segments based on their net income (loss). There is no material inconsistency between the accounting policies of each operating segment and the summary of important accounting policies in Note 4.

(3) Reconciliation for segment income (loss)

The revenue from customers reported to the Chief Operating Decision-Maker is measured in a manner consistent with that in the statement of comprehensive income.

A reconciliation of reportable segment income or loss to the income before tax from continuing operations for the year ended December 31, 2023 is provided as follows:

Year ended December 31, 2023	Printed circuit board	Other	Reversal	Consolidated
Revenue from external customers	$ 32,667,490	$ 61,372	$ -	$ 32,728,862
Inter-segment revenue	31,763,898	-	(31,763,898)	-
Total segment revenue	$ 64,431,388	$ 61,372	($ 31,763,898)	$ 32,728,862
Segment income (loss)	$ 1,649,164	($ 11,597)	$ -	1,637,567
Other non-operating income and expenses				690,609
Continuing business unit profit before income tax				2,328,176
Income tax expense				(272,453)
Profit for the year				$ 2,055,723

(4) Information on products and services

Please refer to Note 6(22).

(5) Revenue information by geographic areas

Revenue information by geographic areas of the Group for 2023 and 2022 is shown below:

	For the years ended December 31,			
	2023		2022	
	Revenue	Non-Current Assets	Revenue	Non-Current Assets
Taiwan	$ 1,448,957	$ 13,922,385	$ 1,361,057	$ 12,123,637
China	2,029,368	6,619,212	2,825,064	7,026,517
Asia (excluding Taiwan and China)	700,204	34	1,323,667	-
Europe and America	28,550,333	44	34,560,334	488
	$ 32,728,862	$ 20,541,675	$ 40,070,122	$ 19,150,642

Revenue recognition is based on clients' geographic locations and non-current assets are classified based on their locations.

(6) Information on major customers

For the years ended December 31,			
2023		2022	
Company Name	Revenue	Company Name	Revenue
A customer	$ 26,355,298	A customer	$ 33,906,144

Flexium Interconnect Inc.

Loans to others

For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral		Limit on loans granted to a single party (Note 2)	Ceiling on total loans granted (Note 3)	Footnote
													Item	Value			
0	FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	Other receivables - related parties	Yes	$ 1,269,610	$ 1,269,610	$ -	-	Note 1	$ -	Company operation	$ -	-	$ -	$ 5,078,439	$10,156,878	Note 2、3
0	FLEXIUM INTERCONNECT INC.	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	Other receivables - related parties	Yes	2,494,688	-	-	-	Note 1	-	Company operation	-	-	-	-	-	Note 2、3
0	FLEXIUM INTERCONNECT INC.	Universe Energy Co., Ltd	Other receivables - related parties	Yes	100,000	100,000	65,000	1.95%	Note 1	-	Company operation	-	-	-	5,078,439	10,156,878	Note 2、3
1	FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	Other receivables - related parties	Yes	2,022,435	1,952,730	1,822,568	2.80%	Note 1	-	Company operation	-	-	-	2,079,341	4,158,682	Note 4、5

Note 1: Fill in purpose of loan when nature of loan is for short-term financing.

Note 2: In accordance with the Company's "Procedures for Provision of Loans", limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing and is 20% of the Company's net asset based on the latest audited or reviewed financial statements; limit on loans to a single party with short-term financing is 30% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 3: In accordance with the Company's "Procedures for Provision of Loans", ceiling on total loans is 40% of the Company's net assets based on the latest audited or reviewed financial statements.

Note 4: In accordance with Flexium Interconnect (Kunshan) Incorporation’s procedures for provision of loans, limit on loans granted to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing and is 20% of the Company’s net asset based on the latest financial statements; limit on loans to a single party with short-term financing is 20% of the Company’s net assets based on the latest financial statements.

Note 5: In accordance with Flexium Interconnect (Kunshan) Incorporation’s procedures for provision of loans, ceiling on total loans granted is 40% of the Company’s net asset based on the latest financial statements.

Flexium Interconnect Inc.

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

For the year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities (Note 1)	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
FLEXIUM INTERCONNECT INC.	Etherdyne Technologies, Inc.	None.	Financial assets at fair value through other comprehensive income - non-current	2,074,346	$ 92,124	16.90%	$ 92,124	-
FLEXIUM INTERCONNECT INVESTMENT CO., LTD.	Mycenax Biotech Inc. (Stock)	None.	Financial assets at fair value through profit or loss - current	177,577	8,284	Note 2	8,284	-
RAFAEL MICROELECTRONICS, INC.	Fubon Financial Holdings Co., Ltd. (Common Shares)	None.	Financial assets at fair value through profit or loss - current	82,037	5,316	Note 2	5,316	-
RAFAEL MICROELECTRONICS, INC.	Fubon Financial Holdings Co., Ltd. (Class B Preferred Share)	None.	Financial assets at fair value through profit or loss - current	1,952,000	116,925	Note 2	116,925	-
RAFAEL MICROELECTRONICS, INC.	Fubon Financial Holdings Co., Ltd. (Class C Preferred Share)	None.	Financial assets at fair value through profit or loss - current	2,543,262	139,879	Note 2	139,879	-
RAFAEL MICROELECTRONICS, INC.	China Development Financial Holding Corp. (Preferred Share B)	None.	Financial assets at fair value through profit or loss - current	4,830,000	34,148	Note 2	34,148	-
RAFAEL MICROELECTRONICS, INC.	CTBC Financial Holding Co., Ltd. (Preferred Share B)	None.	Financial assets at fair value through profit or loss - current	727,000	43,184	Note 2	43,184	-
RAFAEL MICROELECTRONICS, INC.	BKS Tec Corp.(Common Shares)	None.	Financial assets at fair value through other comprehensive income - non-current	6,000,000	3,530	11.07%	3,530	-

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities within the scope of IFRS 9, 'Financial instruments'
Note 2: Not applicable since the percentage of ownership is less than 5%.

Flexium Interconnect Inc.

Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital

For the year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition (Note 3)		Disposal (Note 3)				Balance as at December 31, 2023	
Investor	Marketable securities (Note 1)	General ledger account	Counterparty (Note 2)	Relationship with the investor (Note2)	Number of shares	Amount	Number of shares	Amount	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
FLEXIUM INTERCONNECT INC.	Common Shares	Investments accounted for using equity method	RAFAEL MICROELECTRONICS, INC.	Subsidiary	-	$ -	9,221,976	$ 1,567,736	-	$ -	$ -	$ -	9,221,976	$ 1,567,736

Note 1: Marketable securities in the table refer to stocks, bonds, beneficiary certificates and other related derivative securities.

Note 2: Fill in the columns the counterparty and relationship if securities are accounted for under the equity method; otherwise leave the columns blank.

Note 3: Aggregate purchases and sales amounts should be calculated separately at their market values to verify whether they individually reach NT$300 million or 20% of paid-in capital or more.

Note 4: Paid-in capital referred to herein is the paid-in capital of parent company. In the case that shares were issued with no par value or a par value other than NT$10 per share, the 20 % of paid-in capital shall be replaced by 10% of equity attributable to owners of the parent in the calculation.

Flexium Interconnect 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 4

Expressed in thousands of NTD
(Except as otherwise indicated)

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
FLEXIUM INTERCONNECT INC.	Land	February 27, 2020	774,432	774,432	Kaohsiung City government	Non-related party	-	-	-	-	Subscription based on the notice released by the Kaohsiung city government	Building plants	The land shall be constructed within 3 years starting from the next day of the land turned over
FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	Right-of-use assets	July 18, 2022	897,098	897,098	Yupintang Electronic Technology (Suzhou) Co., Ltd.	Non-related party	-	-	-	-	Price comparison and negotiation	Build staff dormitory	None

Flexium Interconnect Inc.

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

For the year ended December 31, 2023

Table 5

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales) Note1	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	Subsidiary	(Sales)	($ 5,297,204)	16	180 days	Note 2	Note 2	$ 2,018,876	30	Note 5
FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM INTERCONNECT INC.	The Company	(Sales)	(28,783,559)	100	90 days	Note 3	Note 3	6,152,475	100	
FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	Subsidiary	(Sales)	(2,980,339)	99	90 days	Note 4	Note 4	671,891	99	

Note 1: If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, only sales transaction is required to disclose.

Note 2: In the sales to related parties, the price of work in progress is based on mutual agreement. The price cannot be compared with regular sales due to a lack of similar counterparties. The price of materials and supplies is determined by adding the margin to the cost. The collection period to third parties is approximately 45~120 days after the end of each month while those to related parties are 180 days after the end of each month.

Note 3: The transaction is sales from FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION to FLEXIUM INTERCONNECT INC., and the collection period is approximately 90 days after the end of each month.

Note 4: The transaction is sales from FLEXIUM TECHNOLOGY(SUZHOU) INCORPORATION to FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION, and the collection period is approximately 90 days after the end of each month.

Note 5: The purchase (sales) amount is contained the eliminates to sales revenue and operating costs (merchandise purchase) arising from raw material processing, which are provided by the Company through the offshore company that is in the third place to the subsidiary, FLEXIUM INTERCONNECT(KUNSHAN). The eliminated amount was $5,297,204 for the year ended December 31, 2023.

Flexium Interconnect Inc.

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

For the year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023		Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
						Amount	Action taken		
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	Subsidiary	Accounts receivable	$2,018,876	2.01	$ -	-	$ 1,098,782	$ -
FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM INTERCONNECT INC.	The Company	Accounts receivable	$6,152,475	3.26	-	-	3,082,112	-
FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	Subsidiary	Other receivables	$1,864,102	Note			-	-
FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	Subsidiary	Accounts receivable	$671,891	3.51	-	-	-	-

Note: Other receivables, not applicable for calculating of turnover rate.

Flexium Interconnect Inc.

Significant inter-company transactions during the reporting periods

For the year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Details of significant inter-company transactions reaching NT$100 million or 20% of paid-in capital or more are as follows:

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	1	Sales	$ 5,297,204	Note 3	16
0	FLEXIUM INTERCONNECT INC	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	1	Accounts receivable	2,018,876	Note 3	5
1	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM INTERCONNECT INC.	2	Sales	28,783,559	Note 4	88
1	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM INTERCONNECT INC.	2	Accounts receivable	6,152,475	Note 4	15
1	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	2	Other receivables	1,864,102	Note 5	5
2	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	3	Sales	2,980,339	Note 6	9
2	FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	FLEXIUM INTERCONNECT(KUNSHAN) INCORPORATION	3	Accounts receivable	671,891	Note 6	2

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is "0".

(2) The subsidiaries are numbered in order starting from "1".

Note 2: Relationship between transaction company and counterparty is classified into the following three categories (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Note 3: In the sales to related parties, the price of work in progress is based on mutual agreement. The price cannot be compared with regular sales due to a lack of similar counterparties. The price of materials and supplies is determined by adding the margin to the cost. The collection period to third parties is approximately 45~120 days after the end of each month while those to related parties are 180 days after the end of each month.

Note 4: The transaction is sales from FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION to FLEXIUM INTERCONNECT INC. and the collection period is approximately 90 days after the end of each month.

Note 5: The interest was at 2.8% per annum for the year ended December 31, 2023.

Note 6: The transaction is sales from FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION to FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION, and the collection period is approximately 90 days after the end of each month.

Flexium Interconnect Inc.

Information on investees

For the year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT INC.	British Virgin Islands	General investments	$ 835,252	$ 835,252	50,000	100	$ 7,631,328	$ 681,265	$ 754,380	Note 1
FLEXIUM INTERCONNECT INC.	UFLEX TECHNOLOGY CO., LTD.	British Virgin Islands	General investments	39,711	39,711	50,000	100	2,635,916	237,966	263,509	Note 1
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT INVESTMENT CO., LTD.	Taiwan	General investments	50,000	50,000	5,000,000	100	32,153	(1,892)	(1,892)	
FLEXIUM INTERCONNECT INC.	BOOM BUSINESS LIMITED	Samoa	General investments	1,064,460	1,064,460	35,000,000	100	1,223,310	42,295	42,295	
FLEXIUM INTERCONNECT INC.	FLEXIUM INTERCONNECT AMERICA LLC.	U.S.A	Marketing, customer support and supporting technical services	8,067	8,067	-	100	4,440	(470)	(470)	
FLEXIUM INTERCONNECT INC.	Universe Energy Co., Ltd	Taiwan	Renewable energy self-use power generation equipment and energy technology services, etc.	50,000	50,000	5,000,000	100	48,435	(1,556)	(1,556)	
FLEXIUM INTERCONNECT INC.	RAFAEL MICROELECTRONICS, INC.	Taiwan	Design, manufacturing and sale of radio frequency integrated circuit (RFIC)	1,567,736	-	9,221,976	30	1,563,026	(6,972)	(4,715)	
FLEXIUM INTERCONNECT INC.	GRANDPLUS ENTERPRISES LTD.	Samoa	General investments	62,001	62,001	1,880,578	100	-	(56)	-	Note 2
FLEXIUM INTERCONNECT INC.	SUCCESS GLORY INVESTMENTS LTD.	Samoa	General investments	719,042	719,042	23,510,000	100	7,734,309	681,328	-	Note 2
GRANDPLUS ENTERPRISES LTD.	CHOSEN GLORY LIMITED	Samoa	General investments	-	-	-	100	-	-	-	
GRANDPLUS ENTERPRISES LTD.	CHAMPION BEYOND LIMITED	Samoa	General investments	-	-	-	100	-	-	-	
GRANDPLUS ENTERPRISES LTD.	FOREVER MASTER LIMITED	Samoa	General investments	-	-	-	100	-	(23)	-	Note 2
BOOM BUSINESS LIMITED	CLEAR SUCCESS GLOBAL LIMITED	Samoa	General investments	1,064,460	1,064,460	35,000,000	100	1,223,310	42,295	-	Note 2
RAFAEL MICROELECTRONICS, INC.	Han Tang Co., Ltd.	Seychelles	General investments	21,712	21,712	707,000	100	19,843	(597)	-	Note 2
RAFAEL MICROELECTRONICS, INC.	Rafael Microelectronics Korea	Korea	Promote RFIC products	2,730	2,730	200,000	100	3,507	139	-	Note 2
Han Tang Co., Ltd.	HONG YU CO., LTD.	Seychelles	General investments	21,635	21,635	704,500	100	20,149	(598)	-	Note 2

Note 1: Investment income (loss) recognised by the Company for the year ended December 31, 2023 included elimination of unrealised gain (loss).

Note 2: Profit (loss) of investee has been included in the investor, and will not be disclosed separately.

Flexium Interconnect Inc.
Information on investments in Mainland China
For the year ended December 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023 — Remitted to Mainland China	Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	Research, development, manufacture and sale of new-type electronic components and devices such as flexible printed circuit boards.	$ 2,480,649	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	$ 794,469	$ -	$ -	$ 794,469	$ 919,342	100	$ 919,342	$ 10,396,708	$ -	Note 1、3
FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	Research, development, manufacture and sale of new-type electronic components and devices such as flexible printed circuit boards.	1,075,725	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	1,075,725	-	-	1,075,725	42,295	100	42,295	1,223,310	-	Note 1、4
SHENZHEN RAFAEL MICROSYSTEMS,INC.	Design, manufacturing and sale of RFIC	10,749	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	10,749	-	-	10,749	882	100	882	13,310	-	Note 1、5
ALUKSEN HONGXIN TECHNOLOGY CO., LTD.	Design, manufacturing and sale of RFIC	10,686	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	10,686	-	-	10,686	(3,025)	49	(1,482)	6,239	-	Note 1、5
RAFAEL SEMICONDUCTORS, INC.	Design, manufacturing and sale of RFIC	3,896	Through investing in an existing company in the third area, which then invested in the investee in Mainland China.	3,896	-	-	3,896	(2)	100	(2)	3,908	-	Note 1、6

Note 1: The financial statements are audited and attested by R.O.C. CPA.
Note 2: The numbers in this table are expressed in New Taiwan Dollars. Translated at exchanges rate of NT$30.735 US$1.00.
Note 3: The Group invested in the company through FLEXIUM INTERCONNECT INC., SUCCESS GLORY INVESTMENTS LTD., and UFLEX TECHNOLOGY CO., LTD.
Note 4: The Group invested in the compnay through BOOM BUSINESS LIMITED and CLEAR SUCCESS GLOBAL LIMITED.
Note 5: Indirectly invests in HONG YU CO., LTD. via investment in Han Tang Co., Ltd. registered in a third region, and HONG YU CO., LTD. invests these 2 companies in China.
Note 6: Indirectly invests in HONG YU CO., LTD. via investment in Han Tang Co., Ltd. registered in a third region, and HONG YU CO., LTD. indirectly invests in ShenZhen Rafael Microsystems, Inc., and ShenZhen Rafael Microsystems, Inc. invests in Rafael Semiconductors, Inc.

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA
FLEXIUM INTERCONNECT INC.	$ 1,895,525	$ 5,761,229	$ -

Note: In accordance with 'Regulations Governing the Approval of Investment or Technical Cooperation in Mainland China' amended by Ministry of Economic Affairs effective on August 29, 2008, as the Company has obtained the certificate of being qualified for operating headquarters, issued by the Industrial Development Bureau, MOEA, the ceiling amount of the investment in Mainland China is not applicable to the Company.

Flexium Interconnect Inc.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

For the year ended December 31, 2023

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				Others	
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023		
FLEXIUM INTERCONNECT (KUNSHAN) INCORPORATION	($ 28,783,559)	91	$ -	-	($ 6,152,475)	87	$ -	-	$ 1,269,610	1 ,269,610	-	$ -	Other expenses	$ 58,355
	5,297,204	16			2,018,876	30							Other income	58,566
FLEXIUM TECHNOLOGY (SUZHOU) INCORPORATION	-	-	-	-	-	-	-	-	2,494,688	-	0.80%	1,769		

Note: The Company has reversed the sales revenue and operating cost (merchandise purchase) arising from raw material processing which are provided by the Company through the offshore company that is in the third place to the subsidiary, FLEXIUM INTERCONNECT(KUNSHAN), when preparing the financial statements. The eliminated amount was $5,297,204 for the year ended December 31, 2023.