Sensortek Technology Corporation

Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

Sensortek Technology Corporation

Index

INDEPENDENT AUDITORS' REPORT

The Board of Directors and the Shareholders
Sensortek Technology Corporation

Opinion

We have audited the accompanying financial statements of Sensortek Technology Corporation (the Company), which comprise the balance sheets as of December 31, 2023 and 2022, the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of sales revenue

The Company's main source of revenue comes from the sale of goods. For the year ended December 31, 2023, the revenue recognized was NT$4,542,817 thousand, refer to Notes 4, 20 and 31 for information on the accounting policies of revenue recognition. Such revenue is recognized when the goods are transferred to the customer and the performance obligations are met. The revenue recognition process is that after receiving customers' orders and checking the transaction conditions, the business unit creates a orders in the system, and enters into the production schedule after obtaining the approval from the supervisor. As soon as the production is completed, the manufacturing unit would issue packing lists and invoices from the system, and the Company would obtain a signed packing list or the bill of ladings from the shipping companies when those shipping companies pick up the goods, then the system would generate a shipping receipt details list after checking the shipping-related information. The accounting officers would recognize sales revenue according to the shipping receipt details list.

We have assessed that the customers of the Company whose revenue significantly changed in 2023 are subject to the risk of validity of revenue recognition. Therefore, in order to confirm the validity of the Company's revenue recognition, we performed the following audit procedures on the sales transactions of these customers:

1. We obtained an understanding of the internal controls over revenue recognition, evaluated the design of the key controls, determined that the controls were implemented and tested the operating effectiveness of the controls.

2. We sampled and inspected the existence of the original purchase orders for each sale and were approved appropriately.

3. We inspected product names and quantities on notifications of manufacturing, invoices and goods receipts. We also inspected and confirmed the amounts were consistent.

4. We inspected the reasonableness of the collection of trade receivable and confirmed the collection amounts from counterparties were consistent with the revenue recognized.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Ya Yun Chang and Ming-Hui Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 5, 2024

<u>*Notice to Readers*</u>

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and financial statements shall prevail.

SENSORTEK TECHNOLOGY CORPORATION

BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	December 31, 2023		December 31, 2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4, 6, and 26)	$ 1,340,902	22	$ 1,511,021	27
Financial assets at fair value through profit or loss - current (Notes 4, 7 and 26)	161,276	3	92,417	2
Financial assets at fair value through other comprehensive income - current (Notes 4, 8 and 26)	242,015	4	280,612	5
Financial assets at amortized cost - current (Notes 4, 9, 26 and 28)	1,215,500	20	870,500	15
Trade receivables (Notes 4, 10, 20 and 26)	376,800	6	230,008	4
Trade receivables from related parties (Notes 4, 10, 20, 26 and 27)	339,158	6	168,438	3
Other receivables (Notes 4, 10, 26 and 27)	11,862	-	5,552	-
Inventories (Notes 4, 5 and 11)	779,686	13	999,078	18
Prepayments (Note 16)	72,789	1	29,989	-
Other current assets (Notes 16 and 26)	1,177	-	771	-
Total current assets	4,541,165	75	4,188,386	74
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss - non-current (Notes 4, 7 and 26)	94,972	2	195,022	3
Financial assets at fair value through other comprehensive income - non-current (Notes 4, 8 and 26)	395,490	6	254,270	5
Property, plant and equipment (Notes 4, 12 and 31)	546,723	9	554,783	10
Right-of-use assets (Notes 4, 13 and 31)	2,400	-	5,327	-
Investment properties (Notes 4, 14 and 31)	418,481	7	424,606	7
Intangible assets (Notes 4, 15 and 31)	60,047	1	59,206	1
Other non-current assets (Notes 16 and 26)	2,617	-	4,129	-
Total non-current assets	1,520,730	25	1,497,343	26
TOTAL ASSETS	$ 6,061,895	100	$ 5,685,729	100

	December 31, 2023		December 31, 2022	
LIABILITIES AND EQUITY	**Amount**	**%**	**Amount**	**%**
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss - current (Notes 4, 7 and 26)	$ 6,912	-	$ 2,363	-
Trade payables (Note 26)	846,878	14	343,410	6
Accrued profit sharing bonus to employees' compensation and remuneration of directors (Note 21)	66,876	1	83,100	2
Other payables (Notes 17 and 26)	361,679	6	433,958	8
Other payables to related parties (Notes 26 and 27)	13,530	-	19,361	-
Current tax liabilities (Notes 4 and 22)	139,708	3	174,288	3
Lease liabilities - current (Notes 4, 13, 24 and 26)	1,204	-	4,661	-
Other current liabilities (Notes 17, 20 and 26)	4,216	-	5,612	-
Total current liabilities	1,441,003	24	1,066,753	19
NON-CURRENT LIABILITIES				
Lease liabilities - non-current (Notes 4, 13, 24 and 26)	1,217	-	787	-
Other non-current liabilities (Notes 17, 24 and 26)	135,317	2	148,544	2
Total non-current liabilities	136,534	2	149,331	2
Total liabilities	1,577,537	26	1,216,084	21
EQUITY (Notes 4 and 19)				
Share capital				
Ordinary shares	489,126	8	489,126	9
Capital surplus	2,202,370	36	2,202,370	39
Retained earnings				
Legal reserve	558,632	9	473,144	8
Special reserve	25,082	1	-	-
Undistributed earnings	1,161,470	19	1,330,087	24
Total retained earnings	1,745,184	29	1,803,231	32
Other equity				
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	47,678	1	(25,082)	(1)
Total equity	4,484,358	74	4,469,645	79
TOTAL LIABILITIES AND EQUTY	$ 6,061,895	100	$ 5,685,729	100

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

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	%	Amount	%
OPERATING REVENUE (Notes 4, 20, 27 and 31)	$ 4,542,817	100	$ 4,025,559	100
OPERATING COSTS (Notes 4, 11 and 21)	3,228,451	71	2,463,434	61
GROSS PROFIT	1,314,366	29	1,562,125	39
OPERATING EXPENSES (Notes 4, 10, 18, 21 and 27)				
Selling and marketing expenses	105,142	3	96,903	3
General and administrative expenses	87,366	2	90,152	2
Research and development expenses	463,925	10	483,589	12
Expected credit loss	80	-	17	-
Total operating expenses	656,513	15	670,661	17
OTHER OPERATING INCOME AND EXPENSES (Notes 4 and 21)	21	-	21	-
INCOME FROM OPERATIONS	657,874	14	891,485	22
NON-OPERATING INCOME AND EXPENSES (Notes 4, 21 and 27)				
Interest incomes	46,455	1	30,268	1
Other incomes	46,101	1	48,273	1
Other gains and losses	30,417	1	21,200	1
Finance costs	(160)	-	(443)	-
Total non-operating income and expenses	122,813	3	99,298	3
INCOME BEFORE INCOME TAX	780,687	17	990,783	25
INCOME TAX EXPENSE (Notes 4 and 22)	105,171	2	148,010	4
NET INCOME FOR THE YEAR	675,516	15	842,773	21
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4 and 19)				
Items that will not be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	72,415	1	(66,304)	(2)

(Continued)

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss				
Unrealized (loss) gain on investments in debt instruments at fair value through other comprehensive income	$ 471	-	$ 2,792	-
Other comprehensive (loss) income for the year, net of income tax	72,886	1	(63,512)	(2)
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 748,402	16	$ 779,261	19
EARNINGS PER SHARE (Note 23)				
Basic	$ 13.81		$ 17.23	
Diluted	$ 13.76		$ 17.08	

(Concluded)

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

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 19)			Retained Earnings (Note 19)			Other Equity (Notes 4 and 19)	
	Number of Shares (In Thousands)	Amount	Capital Surplus (Note 19)	Legal Reserve	Special Reserve	Undistributed Earnings	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Equity
BALANCE AT JANUARY 1, 2022	48,912	$ 489,126	$ 2,202,370	$ 307,009	$ -	$ 2,108,721	$ 50,537	$ 5,157,763
Distribution of 2021 earnings								
Legal reserve	-	-	-	166,135	-	(166,135)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(1,467,379)	-	(1,467,379)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	12,107	(12,107)	-
Net income for the year ended December 31, 2022	-	-	-	-	-	842,773	-	842,773
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	-	(63,512)	(63,512)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	842,773	(63,512)	779,261
BALANCE AT DECEMBER 31, 2022	48,912	489,126	2,202,370	473,144	-	1,330,087	(25,082)	4,469,645
Distribution of 2022 earnings								
Legal reserve	-	-	-	85,488	-	(85,488)	-	-
Special reserve	-	-	-	-	25,082	(25,082)	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(733,689)	-	(733,689)
Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	126	(126)	-
Net income for the year ended December 31, 2023	-	-	-	-	-	675,516	-	675,516
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	-	72,886	72,886
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	675,516	72,886	748,402
BALANCE AT DECEMBER 31, 2023	48,912	$ 489,126	$ 2,202,370	$ 558,632	$ 25,082	$ 1,161,470	$ 47,678	$ 4,484,358

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

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 780,687	$ 990,783
Adjustments for:		
Depreciation expense	76,297	87,638
Amortization expense	28,512	29,109
Expected credit loss	80	17
Net (gain) loss on fair value changes of financial assets designated as at fair value through profit or loss	(13,652)	11,678
Interest expense	160	443
Interest income	(46,455)	(30,268)
Dividend income	(24,610)	(31,396)
Gain on disposal of financial instruments	(7,180)	-
Write-down of inventories recognized	28,187	30,990
Unrealized net loss (gain) on foreign currency exchange	1,284	(8,413)
Changes in operating assets and liabilities		
Trade receivables	(159,030)	103,255
Trade receivables from related parties	(184,085)	276,570
Other receivables	(26)	60
Inventories	191,205	(351,773)
Prepayments	(41,700)	18,209
Other current assets	(406)	557
Trade payables	526,346	(507,635)
Other payables	(89,184)	(27,773)
Other payables to related parties	(5,779)	9,509
Other current liabilities	(1,396)	1,817
Accrued profit sharing bonus to employees' compensation and remuneration of directors	(16,224)	(80,245)
Cash generated from operations	1,043,031	523,132
Interest received	40,376	30,692
Interest paid	(160)	(464)
Income tax paid	(140,851)	(285,818)
Net cash generated from operating activities	942,396	267,542
CASH FLOWS FROM INVESTING ACTIVITIES		
Acquisition of financial assets at fair value through other comprehensive income	(88,005)	(141,747)
Disposal of financial assets at fair value through other comprehensive income	65,295	157,112
Acquisition of financial assets measured at amortized cost	(1,765,500)	(1,240,300)
Proceeds from the return of principle of financial assets at amortized cost	1,420,500	1,897,200
Acquisition of financial assets at fair value through profit or loss	(84,693)	(172,190)
Disposal of financial assets at fair value through profit or loss	134,085	374,437

(Continued)

SENSORTEK TECHNOLOGY CORPORATION

STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
Acquisition of property, plant and equipment	($ 44,876)	($ 63,888)
Increase in refundable deposits	(777)	(100)
Decrease in refundable deposits	2,288	100
Purchase of intangible assets	(24,562)	(15,807)
Dividends received	24,558	31,396
Net cash (used in) generated from investing activities	(361,687)	826,213
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	58,085	428,905
Decrease in short-term borrowings	(58,085)	(484,385)
Increase in guarantee deposits	2,269	2,014
Decrease in guarantee deposits	(14,255)	(58,407)
Repayment of the principal portion of lease liabilities	(4,754)	(5,574)
Cash dividends distributed	(733,689)	(1,467,379)
Net cash used in financing activities	(750,429)	(1,584,826)
EFFECTS OF FOREIGN EXCHANGE RATE CHANGES TO THE BALANCE OF CASH AND CASH EQUIVALENTS	(399)	26,647
NET DECREASE IN CASH AND CASH EQUIVALENTS	(170,119)	(464,424)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,511,021	1,975,445
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,340,902	$ 1,511,021

(Concluded)

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

SENSORTEK TECHNOLOGY CORPORATION

NOTES TO FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. GENERAL INFORMATION

Sensortek Technology Corporation (the Company) was officially established with the approval of the Ministry of Economic Affairs in December 1, 2009. The Company's business activities mainly include research and development, design and sales of sensor integrated circuit products.

The Company's shares have been listed on the OTC market through Taipei Exchange for trading since June 8, 2020.

The financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Company's board of directors and authorized for issue on March 5, 2024.

3. APPLICATION OF NEW OR REVISED STANDARDS AND INTERPRETATIONS

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the amendments to the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC applied for the first time in the fiscal year 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note1)
Amendments to IFRS 16 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
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 (Note 3)

Note 1: Unless stated otherwise, the IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements for the first-time adoption.

1) Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"

The amendments clarifies that if the transfer of assets fulfills the requirement of IFRS 15 "Revenue from Contracts with Customers" which is treated as sale of assets in sales and leaseback transactions, the liabilities incurred from the leaseback for the seller-lessee shall be treated in accordance with requirement for lease liabilities under IFRS 16. If the variable lease payments are not determined by index or rate, the seller-lessee shall measure the liabilities in a way that gains or losses relevant to the right-of-use retained are not recognized. Later, the difference between the lease payment and the actual payment for the current term included in the calculation of lease liabilities is listed under gains or losses.

2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (referred to as the "2020 amendments") and "Non-current Liabilities with Covenants" (referred to as the "2022 amendments")

The 2020 amendments clarify that for a liability to be classified as non-current, the Company shall assess whether it has the right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period. If such rights are in existence at the end of the reporting period, the liability is classified as non-current regardless of whether the Company will exercise that right.

The 2020 amendments also stipulate that, if the right to defer settlement is subject to compliance with specified conditions, the Company must comply with those conditions at the end of the reporting period even if the lender does not test compliance until a later date. The 2022 amendments further clarify that only covenants with which an entity is required to comply on or before the reporting date should affect the classification of a liability as current or non-current. Although the covenants to be complied with within twelve months after the reporting period do not affect the classification of a liability, the Company shall disclose information that enables users of financial statements to understand the risk of the Company that may have difficulty complying with the covenants and repay its liabilities within twelve months after the reporting period.

The 2020 amendments stipulate that, for the purpose of liability classification, the aforementioned settlement refers to a transfer of cash, other economic resources or the Company's own equity instruments to the counterparty that results in the extinguishment of the liability. However, if the terms of a liability that could, at the option of the counterparty, result in its settlement by a transfer of the Company's own equity instruments, and if such option is recognized separately as equity in accordance with IAS 32 "Financial Instruments: Presentation", the aforementioned terms would not affect the classification of the liability.

3) Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Supplier finance arrangements are characterized by one or more finance providers offering to pay amounts an entity owes its suppliers and the entity agreeing to pay according to the terms and conditions of the arrangements at the same date as, or a date later than, the suppliers are paid. The amendments stipulates that the Company shall disclose the relevant information about its supplier finance arrangements that enables users of financial statements to assess the effects of those arrangements on the Company's liabilities and cash flows and exposure to liquidity risk.

Except for the above impacts, as of the date the accompanying financial statements were authorized for issue, the Company has assessed that the application of other standards and interpretations will not have a material impact on the Company's financial position and financial performance.

c. The IFRS Accounting Standards issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025(Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The Company shall apply those amendments for annual reporting periods beginning on or after January 1,2025. Upon initial application of the amendments, the Company recognizes any effect as an adjustment to the opening balance of retained earnings. When the Company uses a presentation currency other than its functional currency, it shall, on the date of initial application, recognize any effect as an adjustment to the cumulative exchange difference arising on translation of foreign operation in equity.

1) Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"

The amendments stipulate that, when the Company sells or contributes assets that constitute a business (as defined in IFRS 3) to an associate or joint venture, the gain or loss resulting from the transaction is recognized in full. Also, when the Company loses control of a subsidiary that contains a business but retains significant influence or joint control, the gain or loss resulting from the transaction is recognized in full.

Conversely, when the Company sells or contributes assets that do not constitute a business to an associate or joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated. Also, when the Company loses control of a subsidiary that does not contain a business but retains significant influence or joint control over an associate or a joint venture, the gain or loss resulting from the transaction is recognized only to the extent of the Company's interest as an unrelated investor in the associate or joint venture, i.e., the Company's share of the gain or loss is eliminated.

2) Amendments to IAS 21 "Lack of Exchangeability"

The amendments stipulate that a currency is exchangeable when an entity is able to create a transaction to exchange a currency into other currency through a market or exchange mechanism with enforceable rights and obligations. When a currency is not exchangeable on the measurement date, an entity shall estimate the spot exchange rate to reflect the one used by market participants at an orderly exchange transaction under prevailing economic conditions. In this situation, the Company shall disclose information that enables users of its financial statements to understand how the currency not being exchangeable into the other currency affects, or is expected to affect, its financial performance, financial position and cash flows.

Except for the above impact, as of the date the accompanying financial statements were authorized for issue, the Company is continuously assessing the possible impact of the application of other standards and interpretations on the Company's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES INFORMATION

a. Statement of compliance

The accompanying financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed and issued into effect by the FSC.

b. Basis of preparation

The accompanying financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair values.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the end of the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the end of the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the end of the reporting period; and

3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the end of the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Foreign currencies

In preparing the financial statements transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which cases, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are not retranslated.

e. Inventories

Inventories consist of raw materials, work in progress and finished goods, and are stated at the lower of cost and net realizable value. The item-by-item approach is used in applying the lower of cost and net realizable value, except where it may be appropriate to group at similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost at the end of the reporting period.

f. Property, plant and equipment

Property, plant and equipment are initially stated at cost and subsequently stated at cost less recognized accumulated depreciation and accumulated impairment loss.

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in estimates accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

g. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

Investment properties are transferred to property, plant and equipment at the carrying amount on the day when the supply for self-use begins.

On derecognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimates accounted for on a prospective basis. Intangible assets with indefinite useful lives that are acquired separately are measured at cost less accumulated impairment loss.

2) Internally-generated intangible assets - research and development expenditure

Expenditure on research activities is recognized as an expense in the period in which it is incurred.

3) Derecognition of intangible assets

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets, investment properties and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets, investment properties and intangible assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement category

Financial assets are classified into the following categories: financial assets at FVTPL, financial assets at amortized cost, investments in debt instruments at FVTOCI and investments in equity instruments at FVTOCI.

i. Financial assets at FVTPL

Financial assets measured at FVTPL were financial assets mandatorily measured as at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at fair value through profit or loss are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any dividend or interest earned on the financial asset. Fair value is determined in the manner described in Note 26.

ii. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, pledged fixed deposits, time deposits with original maturities of over 3 months, trade receivables measured at amortized cost (including related parties), other receivables, other current assets and refundable deposits), and are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Except for the two following conditions, interest income shall be calculated based on the effective interest rate multiplied by the total carrying amount of financial assets:

i) For purchased or originated credit-impaired financial assets, interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial assets.

ii) Interest income for financial assets that are not acquired or initially impaired but subsequently become impaired shall be calculated by multiplying the effective interest rate by the amortized cost of the financial asset from the period in which the impairment was incurred immediately following the reporting period.

A credit-impaired financial asset is one where the issuer or debtor has experienced significant financial difficulties, defaults, the debtor is likely to file for bankruptcy or other financial reorganization, or the active market for the financial asset has disappeared due to financial difficulties.

Cash equivalents include short-term investments or time deposits with original maturities of three months or less, which are highly liquid, readily convertible to a known amount of cash, and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

iii. Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i) The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

iv. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI, which is neither held for trading nor the contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred directly to retained earnings.

Dividends are recognized in profit and loss when the Company’s right to receive the dividends is established, unless they clearly represent a recovery of part of the cost of the investment, in which case, they are included in OCI.

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables) and, investments in debt instruments that are measured at FVTOCI at the end of each reporting period.

Loss allowances for trade receivables are always measured at the lifetime expected credit losses (i.e. ECLs). For all other financial instruments, the Company recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses of a financial instrument that will result from all possible default events over the expected life. In contrast, 12-month ECLs represent expected credit loss on a financial instrument the will result from default events within 12 months after the reporting date.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

c) Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the financial asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another party.

To derecognize a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in a debt instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable together with the cumulative gain or loss which had been recognized in other comprehensive income is recognized in profit or loss. However, on derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Equity instruments

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

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Except the following situation, all financial liabilities are measured at amortized cost using the effective interest method:

i. Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when such financial liabilities are either held for trading or are designated as at FVTPL.

Financial liabilities held for trading are stated at fair value, interest earned on financial liabilities are recognized as financial costs, and any gain or loss arising on remeasurement is recognized in profit or loss.

Fair value is determined in the manner described in Note 26.

b) Derecognition of financial liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire.

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to foreign exchange rate risks, including foreign exchange and cross currency swaps forward contracts.

Derivatives are initially recognized at fair value at the date the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated as an effective hedging instrument, in which timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Derivatives embedded in host contracts that are financial asset within the scope of IFRS 9 "Financial instruments" are not separated; instead, the classification is determined in accordance with the entire hybrid contract. Derivatives embedded in non-derivative host contracts that are not financial assets that is within the scope of IFRS 9 (e.g. financial liabilities) are treated as separate derivatives when they meet the definition of a derivative; the risks and characteristics are not closely related to those of the host contracts and the hybrid contracts are not measured at FVTPL.

k. Revenue recognition

The Company identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Sale of goods

Revenue comes from sales of integrated circuits. Sales of integrated circuits are recognized as revenue when the goods are delivered to the customer's specific location because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

The Company does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Rendering of services

Service income is recognized when services are provided.

l. Leasing

At the inception of a contract, the Company assesses whether the contract is, or contain a lease.

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

When the Company subleases a right-of-use asset, the sublease is classified by reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. However, if the head lease is a short-term lease that the Company, as a lessee, has accounted for applying the recognition exemption, the sublease is classified as an operating lease.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases.

2) The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are presented on a separate line in the balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in future lease payments resulting from a change in the lease terms, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

m. Borrowing costs

Borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense in the period in which they occur.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

o. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

The Company has determined the current gains (losses) and calculated payable (refundable) taxes in accordance with applicable tax laws of each tax jurisdiction.

According to the Income Tax Act, an additional tax on undistributed earnings is provided for as income tax in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, unused loss carryforward and tax credits for research and development expenditures and personnel training expenditures to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year which the liabilities are settled or the assets are realized, based on tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions on the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

The Company considers the possible impact of economic environment when making its critical significant accounting estimates on cash flow projections, growth rate, discount rate, profitability, etc. The significant estimates and underlying assumptions are reviewed on an ongoing basis.

Key Sources of Estimation and Uncertainty

a. Write-down of inventories

The net realizable value of inventory is the estimated selling price less the estimated costs of completion and disposal in the normal operating activities. The estimation of net realizable value was based on current market conditions and the historical sales experience of similar product. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 20	$ 20
Demand deposits	78,446	381,194
Time deposits	945,594	1,000,000
Cash equivalents	316,842	129,807
	$ 1,340,902	$ 1,511,021

The rate intervals of bank deposits and cash equivalents at the end of the reporting period were as follows:

	December 31	
	2023	2022
Bank deposits	0.005%~5.35%	0.005%~4.20%
Cash equivalents	1.25%~5.4%	0.58%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at FVTPL - current		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	$ 80,309	$ 22,774

(Continued)

	December 31	
	2023	2022
Foreign exchange forward contracts	$ 9,355	$ 2,314
Foreign exchange swap contracts	525	1,363
Non-derivative financial assets		
Convertible bonds	43,377	44,123
Exchangeable bonds	20,760	20,040
Domestic mutual funds investment	4,771	-
Domestic listed shares	2,179	1,803
	$ 161,276	$ 92,417
Financial assets at FVTPL - non-current		
Mandatorily measured at FVTPL		
Derivative financial assets		
Credit linked notes - linked with convertible bonds	$ 94,972	$ 195,022
Financial liabilities at FVTPL - current		
Held for trading		
Derivative financial liabilities		
Foreign exchange swap contracts	$ 6,897	$ 1,333
Foreign exchange forward contracts	15	1,030
	$ 6,912	$ 2,363

(Concluded)

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023			
Buy forward exchange contracts	NTD/USD	2024.01.17~2024.07.01	NT$ 59,355/ US$ 2,000
Sell forward exchange contracts	USD/NTD	2024.01.04~2024.08.14	US$ 10,500/ NT$ 329,687
December 31, 2022			
Buy forward exchange contracts	NTD/USD	2023.01.13~2023.06.19	NT$ 152,624/ US$ 5,000
Sell forward exchange contracts	USD/NTD	2023.09.26	US$ 1,000/ NT$ 31,068

At the end of the reporting period, outstanding foreign exchange swaps contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023			
Sell forward exchange contracts	USD/NTD	2024.01.18~2024.07.03	US$ 2,000/NT$ 59,701
Buy forward exchange contracts	NTD/USD	2024.01.03~2024.08.16	NT$ 357,770/US$ 11,500

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2022			
Sell forward exchange contracts	USD/NTD	2023.01.17~2023.06.21	US$ 5,000/NT$ 153,621
Buy forward exchange contracts	NTD/USD	2023.09.28	NT$ 30,750/US$ 1,000

The Company entered into foreign exchange forward and foreign exchange swaps to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Current		
Investments in equity instruments at FVTOCI	$ 226,778	$ 220,494
Investments in debt instruments at FVTOCI	15,237	60,118
	$ 242,015	$ 280,612
Non-current		
Investments in equity instruments at FVTOCI	$ 203,126	$ 137,430
Investments in debt instruments at FVTOCI	192,364	116,840
	$ 395,490	$ 254,270

a. Investments in equity instruments at FVTOCI

	December 31	
	2023	2022
Current		
Domestic investments- Listed Companies		
Preferred shares	$ 200,670	$ 204,614
Ordinary shares	26,108	15,880
	$ 226,778	$ 220,494
Non-current		
Domestic investments- Listed Companies		
Ordinary shares	$ 168,468	$ 107,565
Domestic investments- Unlisted Companies		
Equity investments	$ 34,658	$ 29,865

1) These investments in equity instruments are not held for trading. Instead, they are held for long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for purposes.

2) In 2022, the Company acquired the ordinary shares of domestic listed companies at $52,595 thousand for strategic investment purposes. The management designated these investments as at FVTOCI.

3) In order to manage credit concentration risk, the Company sold its preferred and ordinary shares of domestic listed companies in 2023 and 2022 in the amounts of $436 thousand and $157,112 thousand, respectively; and transferred a gain of $126 thousand and $12,107 thousand from other equity to retained earnings, respectively.

4) Dividends of $24,510 thousand and $31,290 thousand were recognized for the years ended December 31, 2023 and 2022, respectively. Those related to investments held at December 31, 2023 and 2022 were $ 24,510 thousand and $28,752 thousand, respectively.

b. Investments in debt instruments at FVTOCI

	December 31	
	2023	2022
Current		
Foreign corporate bonds	$ 15,237	$ 60,118
Non-Current		
Foreign corporate bonds	$192,364	$116,840

In 2023 and 2022, the Company purchased foreign corporate bonds respectively for US $2,767 thousand and US $3,006 thousand with a coupon rate respectively of 2.5%~5.8% and 2.8%~4.125%.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Domestic investments		
Time deposits with original maturities of more than 3 months (a)	$ 845,000	$ 500,000
Pledged fixed deposits (b)	370,500	370,500
	$ 1,215,500	$ 870,500

a. The interest rates for time deposits with original maturities of more than 3 months ranged from 1.43%~1.57% and 1.325%~1.45% per annum as of December 31, 2023 and 2022, respectively.

b. Refer to Note 28 for information relating to investments in financial assets at amortized cost pledged as security.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Trade receivables		
Gross carrying amount	$ 376,937	$ 230,065
Less: Allowance for impairment loss	(137)	(57)
Amortized cost	$ 376,800	$ 230,008
Trade receivables from related parties		
Gross carrying amount	$ 339,158	$ 168,438
Less: Allowance for impairment loss	-	-
Amortized cost	$ 339,158	$ 168,438
Other receivables		
Interest receivables	$ 11,746	$ 5,514
Other receivables from related parties	6	6
Others	110	32
	$ 11,862	$ 5,552

The credit period of sales of goods was 5~60 days. No interest was charged on trade receivables. The Company adopted a policy of obtaining advance payment or sufficient collateral, where appropriate, to reduce the risk of financial loss from defaults. The Company uses other publicly available financial information or its own historical trading records to rate its major customers. The Company's credit risk exposure and the credit ratings of its counterparties are continuously monitored. Credit exposure is controlled by credit limits to counterparties that are reviewed and approved by the Company annually.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default records of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base. The Company determined the expected credit loss ratio by due days of trade receivables.

The credit period of sales from related parties was 60 days. Please refer to Note 27 for trade receivables from related parties.

The Company writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation. For trade receivables that have been written off, the Company continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Company's provision matrix:

December 31, 2023

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	$ 715,880	$ 215	$ -	$ -	$ 716,095
Loss allowance (Lifetime ECLs)	(21)	(116)	-	-	(137)
Amortized cost	$ 715,859	$ 99	$ -	$ -	$ 715,958

December 31, 2022

	Not Past Due	Up to 30 Days	31 to 90 Days	Over 91 Days	Total
Gross carrying amount	$ 398,503	$ -	$ -	$ -	$ 398,503
Loss allowance (Lifetime ECLs)	(57)	-	-	-	(57)
Amortized cost	$ 398,446	$ -	$ -	$ -	$ 398,446

The movements of the loss allowance of trade receivables were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 57	$ 40
Add: Provision for expected credit loss for the year	80	17
Balance at December 31	$ 137	$ 57

Compared with January 1, 2023, the total carrying amount of trade receivables as of December 31, 2023 increased by a net amount of $317,592 thousand, and the loss allowance increased by $80 thousand; the total carrying amount of trade receivables as of December 31, 2022 decreased by a net amount of $376,387 thousand, and the loss allowance increased by $17 thousand.

11. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 152,248	$ 515,129
Work in progress	555,634	416,667
Raw materials	71,804	67,282
	$ 779,686	$ 999,078

The above inventories were not provided as guarantee.

Cost of goods sold is defined as follows:

	For the Year Ended December 31	
	2023	2022
Cost of sold	$ 3,200,920	$ 2,432,656
Allowance for inventory valuation loss	28,187	30,990
Revenue from sale of scraps	(656)	(212)
	$ 3,228,451	$ 2,463,434

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Lease Improvement	Machinery Equipment	Test Equipment	Office Equipment	Total
Cost							
Balance at January 1, 2022	$ 136,686	$ 363,388	$ 2,023	$ 8,823	$ 294,459	$ 12,685	$ 818,064
Additions	-	462	-	2,434	48,931	306	52,133
Disposals	-	-	-	(84)	(157,990)	(32)	(158,106)
Balance at December 31, 2022	$ 136,686	$ 363,850	$ 2,023	$ 11,173	$ 185,400	$ 12,959	$ 712,091
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 6,800	$ 334	$ 2,526	$ 229,032	$ 774	$ 239,466
Depreciation expense	-	10,785	405	2,605	60,010	2,143	75,948
Disposals	-	-	-	(84)	(157,990)	(32)	(158,106)
Balance at December 31, 2022	$ -	$ 17,585	$ 739	$ 5,047	$ 131,052	$ 2,885	$ 157,308
Carrying amount at December 31, 2022	$ 136,686	$ 346,265	$ 1,284	$ 6,126	$ 54,348	$ 10,074	$ 554,783
Cost							
Balance at January 1, 2023	$ 136,686	$ 363,850	$ 2,023	$ 11,173	$ 185,400	$ 12,959	$ 712,091
Additions	-	3,731	-	1,929	51,798	-	57,458
Disposals	-	-	-	(38)	(69,113)	-	(69,151)
Balance at December 31, 2023	$ 136,686	$ 367,581	$ 2,023	$ 13,064	$ 168,085	$ 12,959	$ 700,398
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 17,585	$ 739	$ 5,047	$ 131,052	$ 2,885	$ 157,308
Depreciation expense	-	11,226	405	2,960	48,767	2,160	65,518
Disposals	-	-	-	(38)	(69,113)	-	(69,151)
Balance at December 31, 2023	$ -	$ 28,811	$ 1,144	$ 7,969	$ 110,706	$ 5,045	$ 153,675
Carrying amount at December 31, 2023	$ 136,686	$ 338,770	$ 879	$ 5,095	$ 57,379	$ 7,914	$ 546,723

The Company’s property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Main buildings	50 years
Renovation construction	5~15 years
Lease improvement	5 years
Machinery equipment	4 years
Test equipment	2~6 years
Office equipment	6 years

13. LEASE ARRANGEMENT

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Buildings	$ 197	$ 2,563
Office equipment	1,962	2,427
Machinery equipment	241	337
	$ 2,400	$ 5,327

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 1,727	$ -
Depreciation charge for right-of-use assets		
Buildings	$ 2,366	$ 2,365
Office equipment	2,192	3,102
Machinery equipment	96	97
	$ 4,654	$ 5,564

Except for the additions and recognition of depreciation expenses listed above, there was no significant sublease or impairment of the Company's right-of-use assets in 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 1,204	$ 4,661
Non-current	$ 1,217	$ 787

Discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.25%	1.25%
Office equipment	1.25%~2.2%	1.25%
Machinery equipment	1.25%	1.25%

c. Material lease activities and terms

The Company leases various assets including buildings, office equipment and machinery equipment with lease terms between 3~5 years. The leased buildings include offices, and the leased office equipment includes rental cars. The Company does not have bargain purchase options to acquire or renew the leases when they expire, it is also agreed that without the lessor's consent, the Company shall not sublease or assign all or part of the leased subject matter.

d. Other lease information

Lease arrangements under operating leases for leasing out investment properties are set out in Note 14.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 34	$ 47
Total cash outflow for leases	$ 4,828	$ 5,721

The Company's leases of certain parking spaces qualify as short-term leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

14. INVESTMENT PROPERTIES

	Land	Buildings	Total
Cost			
Balance at January 1 and December 31, 2022	$ 130,588	$ 306,269	$ 436,857
Accumulated depreciation			
Balance at January 1, 2022	$ -	$ 6,125	$ 6,125
Depreciation expense	-	6,126	6,126
Balance at December 31, 2022	$ -	$ 12,251	$ 12,251
Carrying amount at December 31, 2022	$ 130,588	$ 294,018	$ 424,606
Cost			
Balance at January 1 and December 31, 2023	$ 130,588	$ 306,269	$ 436,857
Accumulated depreciation			
Balance at January 1, 2023	$ -	$ 12,251	$ 12,251
Depreciation expense	-	6,125	6,125
Balance at December 31, 2023	$ -	$ 18,376	$ 18,376
Carrying amount at December 31, 2023	$ 130,588	$ 287,893	$ 418,481

Investment properties are depreciated using the straight-line method over their estimated useful lives of 50 years.

The above mentioned investment properties were leased out less than 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The future minimum lease payments of operating lease agreements were as follows:

	December 31	
	2023	2022
Within 1 year	$ 18,404	$ 16,622
Years 1～5	25,767	23,600
	$ 44,171	$ 40,222

The determination of fair values of the Company's investment properties was performed by independent qualified professional values of the China Real Estate Appraising Firm using Level 3 inputs at the end of each reporting period. The evaluation is based on the cost method and the weighted average of the income method and the market comparison method. The significant unobservable input used include the discount rate, and the appraised fair values are as follows:

	December 31	
	2023	2022
Fair value	$ 483,188	$ 477,408

All of the Company's investment properties were held under freehold interests.

15. INTANGIBLE ASSETS

	Royalty	Computer Software	Specialized Technology	Total
Cost				
Balance at January 1, 2022	$ 14,772	$ 20,511	$ 78,691	$ 113,974
Additions	752	14,605	500	15,857
Disposals	(2,447)	(4,600)	-	(7,047)
Balance at December 31, 2022	$ 13,077	$ 30,516	$ 79,191	$ 122,784
Accumulated amortization				
Balance at January 1, 2022	$ 9,181	$ 13,974	$ 18,361	$ 41,516
Amortization expenses	5,258	8,092	15,759	29,109
Disposals	(2,447)	(4,600)	-	(7,047)
Balance at December 31, 2022	$ 11,992	$ 17,466	$ 34,120	$ 63,578
Carrying amount at December 31, 2022	$ 1,085	$ 13,050	$ 45,071	$ 59,206
Cost				
Balance at January 1, 2023	$ 13,077	$ 30,516	$ 79,191	$ 122,784
Additions	5,705	23,648	-	29,353
Disposals	(9,897)	(10,499)	-	(20,396)
Balance at December 31, 2023	$ 8,885	$ 43,665	$ 79,191	$ 131,741
Accumulated amortization				
Balance at January 1, 2023	$ 11,992	$ 17,466	$ 34,120	$ 63,578
Amortization expenses	1,751	10,772	15,989	28,512
Disposals	(9,897)	(10,499)	-	(20,396)
Balance at December 31, 2023	$ 3,846	$ 17,739	$ 50,109	$ 71,694
Carrying amount at December 31, 2023	$ 5,039	$ 25,926	$ 29,082	$ 60,047

Intangible assets are amortized on a straight-line basis over their estimated useful lives as follows:

Royalty	2 years
Computer software	2~6 years
Specialized technology	2~5 years

16. OTHER ASSETS

	December 31	
	2023	2022
Prepayments		
Input tax and offset against business tax	$ 38,477	$ 8,107
Prepayments	34,312	21,882
	$ 72,789	$ 29,989
Other current assets		
Others	$ 1,177	$ 771
Other non-current assets		
Refundable deposits	$ 2,617	$ 4,129

17. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payables for salaries and bonuses	$ 255,614	$ 371,161
Payables for software and equipment	21,904	4,751
Payables for research	19,609	14,844
Others	64,552	43,202
	$ 361,679	$ 433,958
Other liabilities		
Others	$ 2,503	$ 2,665
Temporary receipts	1,647	1,587
Contract liabilities	66	1,360
	$ 4,216	$ 5,612
Non-current		
Guarantee deposits received	$ 135,317	$ 148,544

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, the Company makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages. The pension costs of the Company for the years ended December 31, 2023 and 2022, were $13,187 thousand and $12,465 thousand, respectively.

b. Defined benefit plans

The defined benefit plan adopted by the Company in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. The Company contributes amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee's name. Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the "Bureau"); the Company has no right to influence the investment policy and strategy.

The Company's employees no longer have the length of service applicable under the Labor Standards Act, and in January 2023, the competent authority approved the cancellation of the Company's labor retirement reserve account. The net settlement benefit arising from the termination of the defined benefit retirement plan was $132 thousand, recorded under other income.

As of December 31, 2022, the balance of the retirement fund account of the Company was $129 thousand.

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Research and development expenses	$ 4	$ 19

19. EQUITY

a. Share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	80,000	80,000
Share capital	$ 800,000	$ 800,000
Number of shares issued (in thousands)	48,912	48,912
Shares issued	$ 489,126	$ 489,126

The par value of issued ordinary share is NT$10, which carry one vote per share and carry a right to dividends.

The authorized shares include 5,000 thousand shares reserved for the exercise of employee stock options.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Additional paid-in capital	$ 2,202,370	$ 2,202,370

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company made a net profit after tax for the year in a fiscal year, the profit shall be distributed in the following order:

1) Offsetting losses of previous years.

2) Setting aside as a legal reserve of 10% of the remaining profit (legal reserve that has reached the company's paid-in capital is not subject to this condition).

3) Setting aside or reversing a special reserve in accordance with the laws and regulations or competent authority regulations.

4) Any remaining profit together with the beginning of period undistributed retained earnings (including adjustment of the amount of undistributed earnings) would be the basis for making the distribution proposal by the Company's board of directors, and should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders.

The Board of Directors of the Company is authorized to make special resolutions to distribute all or part of the dividends and bonuses in the form of cash, and to report it to the latest shareholders' meeting.

For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 21(h).

The Company allocates no less than 10% of distributable profits each year for the distribution of shareholder dividends, the distribution of dividends to shareholders can be made in cash or shares, but the proportion of cash dividends distributed should not be less than 10% of the total dividends distributed. The dividends policy is dependent on the Company's current and future investment environment, capital needs, domestic and international competition and capital budget as well as taking into account the interests of shareholders, balance of dividends and long-term financial planning etc., the board of directors shall make the distribution proposal annually and present it at the shareholders' meeting.

Distribution of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficits. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The appropriations of earnings for 2022 and 2021 were as follows:

	For the Year Ended December 31	
	2022	2021
Legal reserve	$ 85,488	$ 166,135
Special reserve	$ 25,082	$ -
Cash dividends	$ 733,689	$ 1,467,379
Cash dividends per share (NT$)	$ 15	$ 30

The above appropriations for cash dividends were resolved by the Company's board of directors on March 14, 2023 and March 15, 2022, respectively; the other proposed appropriations were resolved by the shareholders in their meeting on June 20, 2023 and June 21, 2022, respectively.

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on March 5, 2024. The appropriation and dividends per share were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 67,564
Special reserve	($ 25,082)
Cash dividends	$ 611,408
Cash dividends per share (NT$)	$ 12.5

The aforementioned distribution of cash dividends has been resolved by the board of directors, and the rest has yet to be resolved at the shareholders' meeting to be held on June 18, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ -	$ -
(Reversals) appropriations of special reserve		
Debits to other equity items	25,082	-
Balance at December 31	$ 25,082	$ -

e. Other equity items

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	($ 25,082)	$ 50,537
Recognized for the year		
Unrealized (loss) gain - debt instruments	471	2,792

(Continued)

	For the Year Ended December 31	
	2023	2022
Unrealized (loss) gain - equity instruments	$ 72,415	($ 66,304)
Cumulative unrealized loss of equity instruments transferred to retained earnings due to disposal	(126)	(12,107)
Balance at December 31	$ 47,678	($ 25,082)
		(Concluded)

20. REVENUE

a. Disaggregation of revenue

Please refer to Note 31 for information on disaggregation of revenue.

b. Contract balances

	December 31		January 1,
	2023	2022	2022
Trade receivables (Note 10)	$ 376,800	$ 230,008	$ 332,862
Trade receivables from related parties (Note 10)	339,158	168,438	441,988
Total	$ 715,958	$ 398,446	$ 774,850
Contract liabilities (presented as other current liabilities)			
Sales of goods	$ 66	$ 1,360	$ 606

Revenue recognized in the current year that was included in the contract liability balance at the beginning of the year is as follows:

	For the Year Ended December 31	
	2023	2022
From contract liabilities at the beginning of the year		
Sales of goods	$ 1,360	$ 606

Changes in contract liabilities are mainly due to the timing difference between the satisfaction of performance obligations and customer payment.

21. NET PROFIT

a. Other operating income and expense

	For the Year Ended December 31	
	2023	2022
Gain on sublease of right-of-use assets	$ 21	$ 21

b. Interest income

	For the Year Ended December 31	
	2023	2022
Financial assets at amortized cost	$ 34,672	$ 21,144
Investments in debt instruments at FVTOCI	6,642	4,967
Financial asset at FVTPL	5,101	4,130
Others	40	27
	$ 46,455	$ 30,268

c. Other income

	For the Year Ended December 31	
	2023	2022
Dividend income	$ 24,610	$ 31,396
Rental income	21,164	16,598
Others	327	279
	$ 46,101	$ 48,273

d. Other gains and (losses)

	For the Year Ended December 31	
	2023	2022
Net foreign exchange gains	$ 15,710	$ 39,004
Gain (loss) on financial assets and liabilities designated as at FVTPL	13,652	(11,678)
Gain on disposal of financial instruments	7,180	-
Depreciation of investment property	(6,125)	(6,126)
	$ 30,417	$ 21,200

e. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on loans	$ 49	$ 312
Interest on lease liabilities	40	100
Others	71	31
	$ 160	$ 443

f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 65,518	$ 75,948
Right-of-use assets	4,654	5,564
Intangible assets	28,512	29,109
Investment properties	6,125	6,126
Total	$ 104,809	$ 116,747

(Continued)

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 18,631	$ 30,887
Operating expenses	51,541	50,625
Depreciation of investment property	6,125	6,126
	$ 76,297	$ 87,638
An analysis of amortization by function		
Operating costs	$ 45	$ 27
Operating expenses	28,467	29,082
	$ 28,512	$ 29,109

(Concluded)

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 477,448	$ 503,626
Post-employment benefits		
Defined contribution plans	13,187	12,465
Defined benefit plans (Note 18)	4	19
	$ 490,639	$ 516,110
An analysis of employee benefits expense by function		
Operating costs	$ 91,064	$ 101,194
Operating expenses	399,575	414,916
	$ 490,639	$ 516,110

h. Employees' compensation and remuneration of directors

According to the articles of incorporation of the Company, the Company accrued employees' compensation at rates of no less than 1% and no higher than 25% and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax. The employees' compensation and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Company's board of directors on March 5, 2024 and March 14, 2023 respectively, are as follows:

	For the Year Ended December 31			
	2023		2022	
	Cash	Shares	Cash	Shares
Employees' compensation	$ 60,796	$ -	$ 75,545	$ -
Remuneration of directors	6,080	-	7,555	-

If there is a change in the amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate. There is no difference between the actual amounts of employees' compensation as well as remuneration of directors and the amount recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 105,171	$ 148,010

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 780,687	$ 990,783
Tax calculated at the statutory rate	$ 156,137	$ 198,157
Deductible items in determining taxable income	(6,141)	(12,035)
Impact of the temporary differences	477	14,813
Effects of investment credits	(45,302)	(52,925)
Income tax expense recognized in profit or loss	$ 105,171	$ 148,010

b. Current tax liabilities

	December 31	
	2023	2022
Current tax liabilities		
Income tax payable	$ 139,708	$ 174,288

c. Deductible temporary differences for which no deferred assets have been recognized in the balance sheets

	December 31	
	2023	2022
Deductible temporary differences	$ 32,815	$ 25,742

d. Income tax assessments

The Company's tax returns through 2021 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share	$ 13.81	$ 17.23
Diluted earnings per share	$ 13.76	$ 17.08

The earnings and weighted average number of ordinary shares outstanding used in the computation of earnings per share are as follows:

Net Income for the Year

	For the Year Ended December 31	
	2023	2022
Net income attributable to shareholders	$ 675,516	$ 842,773
Earnings used in the computation of basic earnings per share	$ 675,516	$ 842,773
Effect of potentially dilutive ordinary shares:		
Employee s' compensation	-	-
Earnings used in the computation of diluted earnings per share	$ 675,516	$ 842,773

Shares

Unit: in thousands of shares

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	48,912	48,912
Effect of potentially dilutive ordinary shares:		
Employees' compensation	182	425
Weighted average number of ordinary shares used in the computation of diluted earnings per share	49,094	49,337

Since the Company offered to settle compensation or bonuses paid to employees in cash or shares, the Company assumes that the entire amount of the compensation or bonus will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

24. CASH FLOW INFORMATION

a. Changes in liabilities arising from financing activities

For the Year Ended December 31, 2023

			Non-cash Changes				
	January 1, 2023	Cash Flows	Foreign Exchange Movement	New Leases	Lease Modification	Others	December 31, 2023
Lease liabilities	$ 5,448	($ 4,754)	$ -	$ 1,727	$ -	$ -	$ 2,421
Guarantee deposits received	148,544	(11,986)	(1,241)	-	-	-	135,317
	$ 153,992	($ 16,740)	($ 1,241)	$ 1,727	$ -	$ -	$ 137,738

For the Year Ended December 31, 2022

	January 1, 2022	Cash Flows	Non-cash Changes: Foreign Exchange Movement	New Leases	Lease Modification	Others	December 31, 2022
Short-term borrowings	$ 55,360	($ 55,480)	$ 120	$ -	$ -	$ -	$ -
Lease liabilities	11,022	(5,574)	-	-	-	-	5,448
Guarantee deposits received	184,941	(56,393)	19,996	-	-	-	148,544
	$ 251,323	($117,447)	$ 20,116	$ -	$ -	$ -	$ 153,992

25. CAPITAL RISK MANAGEMENT

The Company manages its capital to ensure that will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued capital, reserves, retained earnings and other equity).

The Company is not subject to any externally imposed capital requirements.

26. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments that are not measured at fair value

The management considers that the carrying amounts of financial assets and financial liabilities recognized in the financial statements are relatively close to their fair values.

b. Fair value of financial instruments that are measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Convertible bonds	$ 43,377	$ -	$ -	$ 43,377
Exchangeable bonds	20,760	-	-	20,760
Derivative instrument				
Credit linked notes - linked with convertible bonds	-	175,281	-	175,281
Foreign exchange forward contracts	-	9,355	-	9,355
Foreign exchange swap contracts	-	525	-	525
Domestic corporate funds	4,771	-	-	4,771
Domestic listed shares	2,179	-	-	2,179
	$ 71,087	$ 185,161	$ -	$ 256,248
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 395,246	$ -	$ -	$ 395,246
Domestic unlisted equity investments	-	-	34,658	34,658

(Continued)

	Level 1	Level 2	Level 3	Total
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	$ -	$ 207,601	$ -	$ 207,601
Total	$ 395,246	$ 207,601	$ 34,658	$ 637,505
Financial liabilities at FVTPL				
Derivative instruments				
Foreign exchange swap contracts	$ -	$ 6,897	$ -	$ 6,897
Foreign exchange forward contracts	-	15	-	15
	$ -	$ 6,912	$ -	$ 6,912

(Concluded)

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL				
Convertible bonds	$ 44,123	$ -	$ -	$ 44,123
Exchangeable bonds	20,040	-	-	20,040
Derivative instrument				
Credit linked notes - linked with convertible bonds	-	217,796	-	217,796
Foreign exchange forward contracts	-	2,314	-	2,314
Foreign exchange swap contracts	-	1,363	-	1,363
Domestic listed shares	1,803	-	-	1,803
	$ 65,966	$ 221,473	$ -	$ 287,439
Financial assets at FVTOCI				
Investments in equity instruments at FVTOCI				
Domestic listed shares	$ 328,059	$ -	$ -	$ 328,059
Domestic unlisted equity investments	-	-	29,865	29,865
Investments in debt instruments at FVTOCI				
Foreign corporate bonds	-	176,958	-	176,958
Total	$ 328,059	$ 176,958	$ 29,865	$ 534,882
Financial liabilities at FVTPL				
Derivative instruments				
Foreign exchange swap contracts	$ -	$ 1,333	$ -	$ 1,333
Foreign exchange forward contracts	-	1,030	-	1,030
	$ -	$ 2,363	$ -	$ 2,363

For the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Foreign corporate bonds	Based on the public market quotes provided by third-party agencies.
Derivatives -credit linked notes - linked with convertible bonds	Based on the public market quotation of convertible bond, the parameters of the repurchase, the coupon interest and the interest compensation are considered as the basis for fair value measurement.
Derivatives - foreign exchange forward contracts and foreign exchange swap contracts	Discounted cash flow method: Estimate the future cash flow at the end of the period by observing the forward exchange rate and the exchange rate and interest rate set by the contract, and have already discounted the discount rate of each counterparty's credit risk.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

Domestic unlisted equity investments are valued using the net asset value method. The management of the Company evaluates that the amount of the net assets of this investment is equivalent to its fair value. The evaluation covers the total value of the investment's individual assets and liabilities, which reflects the value of the entity or business.

4) Adjustment of financial instruments measured using Level 3 fair values

The Company's financial assets under level 3 fair value measurement are equity instruments measured at fair value through other comprehensive income.

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 29,865	$ 36,374
Recognized under other comprehensive income	4,793	(6,509)
Balance at December 31	$ 34,658	$ 29,865

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at FVTPL		
Mandatorily classified as at FVTPL	$ 256,248	$ 287,439
Financial assets at amortized cost (1)	3,288,016	2,790,419
Financial assets at FVTOCI		
Investments in equity instruments	429,904	357,924
Investments in debt instruments	207,601	176,958
Financial liabilities		
Financial liabilities at FVTPL		
Held for trading	6,912	2,363
Financial liabilities at amortized cost (2)	1,103,437	575,699

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, pledged fixed deposits, time deposits with original maturities more than 3 months, trade receivables (including receivables from related parties), other receivables, other current assets and refundable deposits.

2) The balances include financial liabilities at amortized cost, which comprise trade payables, other payables (including other payables to related parties), other current liabilities and guarantee deposits.

d. Financial risk management objectives and policies

The Company's major financial instruments include equity and debt investments, trade receivables, trade payables and short-term borrowings. The Company's finance department provides services to business departments, coordinates access to domestic and international financial markets, monitors and manages the financial risks relating to the operations of the Company through internal risk reports which analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Company seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the board of directors, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits are reviewed by the internal auditors continuously. The Company did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Company entered into a variety of derivative financial instruments to manage its exposure to foreign currency risk and interest rate risk.

There has been no change in the Company's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The Company's operating activities are partially denominated in foreign currencies and thus have partial natural hedging effects.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 29.

Sensitivity analysis

The Company was mainly exposed to the USD and CNY.

The following table the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e. the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. A positive (negative) number below indicates an increase (decrease) in pre-tax profit and other equity associated with the New Taiwan dollar weakening (strengthening) 5% against the relevant currency.

	USD Impact		CNY Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	$7,415	$13,799	$6,774	$1,366

b) Interest rate risk

The Company was exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 2,041,537	$ 1,978,266
Financial liabilities	2,421	5,448
Cash flow interest rate risk		
Financial assets	722,446	580,193

Sensitivity analysis

The sensitivity analysis below was determined based on the Company's exposure to interest rates for the non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the reporting period was outstanding for the reporting period.

If interest rates had been 0.1% higher/lower and all other variables were held constant, the Company's pre-tax profit for the years ended December 31, 2023 and 2022 would increase/decrease by $722 thousand and $580 thousand, respectively, which was mainly attributable to the Company's exposure to interest rates on variable-rate net assets. The Company's pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would decrease/increase by $208 thousand and $177 thousand, respectively, which was mainly due to the changes in the fair value of investments in fixed-rate debt instruments at FVTOCI.

c) Other price risk

The Company was exposed to equity price risk through its investments in listed equity securities, convertible bonds, exchangeable bonds, credit linked structured notes of listed companies and mutual fund investments. The Company does not actively trade these investments. The Company's equity price risk is mainly concentrated in equity instruments operating in the semiconductor industry, and finance and insurance industries, convertible bonds, exchangeable bonds, credit linked structured notes, and exchange-traded funds quoted on the Taiwan Stock Exchange and the Taipei Exchange.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 5% higher/lower, pre-tax income for the year ended December 31, 2023 and 2022 would have increased/decreased by $12,318 thousand and $14,188 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTPL. Pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $19,762 thousand and $16,403 thousand, respectively, as a result of the changes in the fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. At the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of the counterparty to discharge its obligation and due to the financial guarantees provided by the Company, could be equal to the carrying amount of the respective recognized financial assets as stated in the balance sheets.

To mitigate credit risk, the management of the Company assigns a dedicated team to be responsible for credit limit decisions, credit approvals and other monitoring procedures to ensure appropriate actions are taken for the collections of overdue receivables. In addition, the Company reviews conditions on each collecting receivable to ensure the uncollectible amounts are provided with appropriate impairment losses. Accordingly, the management of the Company believes that the credit risk of the Company has been significantly reduced.

In addition, since the counterparties of liquidity and derivative financial instruments are banks with sound credit ratings, the credit risk is limited.

Apart from customers whose total accounts receivable constitute more than 10% of the Company's total trade receivables, the Company did not have significant credit risk exposure to any single counterparty or any group of counterparties with similar characteristics. The credit risk is minimal because the customers which account for more than 10% of the Company's trade receivables balance are creditworthy companies.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining adequate cash and cash equivalents to meet business operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk tables for non-derivative financial liabilities

The following table details the Company's remaining contractual maturity analysis for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The table included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 430,724	$ 508,808	$ 284,203	$ -	$ 1,223,735
Lease liabilities	338	293	605	1,239	2,475
	$ 431,062	$ 509,101	$ 284,808	$ 1,239	$ 1,226,210

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Over 1 Year	Total
Non-derivative financial liabilities					
Non-interest bearing liabilities	$ 257,722	$ 238,995	$ 301,601	$ -	$ 798,318
Lease liabilities	465	962	3,267	791	5,485
	$ 258,187	$ 239,957	$ 304,868	$ 791	$ 803,803

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities were subject to change if changes in variable interest rates were differ from those estimates of interest rates determined at the end of the reporting period.

b) Liquidity and interest rate risk table for derivative financial liabilities

The following table details the Company's liquidity analysis of its derivative financial instruments. The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that settle on a net basis, and the undiscounted gross cash inflows and outflows on those derivatives that require gross settlement. When the amount payable or receivable is not fixed, the amount disclosed is determined by reference to the projected interest rates as illustrated by the yield curves at the end of the reporting period.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	$ 152,400	$ 280,201	$ 371,305	$ -
Outflows	(151,790)	(279,084)	(370,064)	-
	$ 610	$ 1,117	$ 1,241	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Foreign exchange forward and foreign exchange swaps contracts				
Inflows	$ 154,914	$ 30,672	$ 183,364	$ -
Outflows	(154,580)	(30,505)	(182,549)	-
	$ 334	$ 167	$ 815	$ -

c) Financing facilities

	December 31	
	2023	2022
Unsecured bank overdraft facilities, reviewed annually and payable on demand:		
Amount used	$ -	$ -
Amount unused	1,367,050	1,378,520
	$ 1,367,050	$ 1,378,520

27. TRANSACTIONS WITH RELATED PARTIES

Sitronix Technology Corp. is the Company's parent company, it owns 46.06% of the Company's common shares as of December 31, 2023 and 2022.

In addition to those disclosed in other notes, detail of transactions between the Company and related parties are disclosed below.

a. Related party name and category

Related Party Name	Related Party Category
Sitronix Technology Corp.	Parent company
INFSitronix Technology Corp.	Fellow subsidiary

b. Sales of goods

		For the Year Ended December 31	
Related Party Category	Account Item	2023	2022
Parent company	Operating Revenue	$1,733,011	$1,411,260

The transactions for related parties were negotiated under the terms of general transactions and prices.

c. Trade receivables from related parties

Related Party Category	Account Item	December 31 2023	December 31 2022
Parent company	Trade receivables from related parties	$ 339,158	$ 168,438
Fellow subsidiary	Other receivables from related parties	$ 6	$ 6

The outstanding trade receivables from related parties were unsecured. No loss allowance were recognized for trade receivables from related parties for the years ended December 31, 2023 and 2022.

d. Trade payables to related parties

Related Party Category	Account Item	December 31 2023	December 31 2022
Parent company	Other payables to related parties	$ 13,530	$ 19,361

The outstanding trade payables to related parties are unsecured. Other payables to related parties are mainly due to support service expenses.

e. Other transactions with related parties

Related Party Category	Account Item	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Parent company	Support service expenses	$ 54,211	$ 57,789
Fellow subsidiary	Rental income	$ 35	$ 29

The support service expenses and rental income to related parties of the Company were subject to contractual agreements as there were no similar transactions for comparison.

The rental income from related parties of the Company is determined and collected in a manner consistent with typical leasing transactions.

f. Remuneration of key management personnel

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 52,178	$ 42,019
Post-employment benefits	583	432
	$ 52,761	$ 42,451

28 ASSETS PLEDGED AS FOR SECURITY

The following assets were provided as collateral for the import tariff and guarantees for raw materials purchases:

	December 31	
	2023	2022
Pledged deposits (presented as financial assets at amortized cost-current)	$370,500	$ 370,500

29. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies and the related exchange rates between foreign currencies and respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 28,129	30.705	$ 863,705
CNY	31,310	4.327	135,479
Non-monetary items			
USD	6,761	30.705	207,601
Foreign currency liabilities			
Monetary items			
USD	23,300	30.705	715,412

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Foreign currency assets			
Monetary items			
USD	$ 21,188	30.71	$ 650,676
CNY	6,199	4.408	27,324
Non-monetary items			
USD	5,762	30.71	176,958
Foreign currency liabilities			
Monetary items			
USD	12,201	30.71	374,704

30. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and b. information on investees:

1) Financing provided to others: None

2) Endorsements/guarantees provided: None

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures): Table 1 (attached)

4) Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 2 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3 (attached)

9) Trading in derivative instruments: Note 7 and Note 26

10) Intercompany relationships and significant intercompany transactions: None

11) Information on investees: None

c. Information on investments in mainland China: None

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 4 (attached)

31. SEGMENT INFORMATION

a. Segment revenue, operating results and segment assets

The operating decision makers of the Company use the distribution of resources and the evaluation of segment performance to focus on the financial information of the Company as a whole, while individual segments have similar economic characteristics, and individual segments have used similar processes to produce similar products and sell them through the same sales method, so the Company is reported by the single operating department.

The Company provide the segment information reviewed by the operating decision maker on the same basis as the financial statements, and the profit and loss, assets and liabilities of the operating department are measured on the same basis as the financial report preparation, Therefore, the segment income and operating results for the years ended December 31, 2023 and 2022 can be referenced by the Statement of comprehensive income for the years ended December 31, 2023 and 2022.

Segment assets that should be reported can be found in the balance sheets for the years ended December 31, 2023 and 2022.

b. Revenue from major products and services

The following was an analysis of the Company's revenue and results from continuing operations by reportable segment:

	For the Year Ended December 31	
	2023	2022
Integrated circuits	$ 4,541,326	$ 4,025,559
Others	1,491	-
	$ 4,542,817	$ 4,025,559

c. Geographical information

The Company's net operating revenue from external customers by location based on the location where the goods were shipped as designated by the customers and information about its non-current assets by location of assets are detailed below:

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2023	2022	2023	2022
Taiwan	$ 1,751,728	$ 1,439,804	$ 1,027,651	$ 1,043,922
Hong Kong	2,790,191	2,543,729	-	-
Others	898	42,026	-	-
	$ 4,542,817	$ 4,025,559	$ 1,027,651	$ 1,043,922

Non-current assets exclude financial instruments and other non-current assets.

d. Information on major customers

Single customer contributed 10% or more to the Company revenue is below:

	For the Year Ended December 31			
	2023		2022	
Customer Name	Amount	As a percentage of net sales (%)	Amount	As a percentage of net sales (%)
Sitronix Technology Corp.	$ 1,733,011	38	$ 1,411,260	35
B Client	562,397	12	612,656	15
D Client	503,481	11	463,601	12

SENSORTEK TECHNOLOGY CORPORATION

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Bond							
	HSBC 3.75% 05/24/2024 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - current	-	$ 15,237	-	$ 15,237	Note 1
	GS 5.8% 12/18/2033 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	31,491	-	31,491	Note 1
	TSMC ARIZONA CORP 4.125% 04/22/2029 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	30,189	-	30,189	Note 1
	TSMC ARIZONA CORP 3.875% 04/22/2027 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	30,084	-	30,084	Note 1
	China Huadian Corporation 3.375% Perpetual USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,701	-	29,701	Note 1
	CITI 2.80% 06/15/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	29,473	-	29,473	Note 1
	TSMC ARIZONA CORP 2.5% 10/25/2031 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	26,419	-	26,419	Note 1
	FORCAY 3.375% 04/22/2025 USD Bond	-	Investments in debt instruments at fair value through other comprehensive income - non-current	-	15,007	-	15,007	Note 1
	Chailease Holding Company Limited first Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	28,442	-	28,442	Note 1
	Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	Financial assets at fair value through profit or loss - current	-	20,760	-	20,760	Note 1
	Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	10,665	-	10,665	Note 1
	Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	Financial assets at fair value through profit or loss - current	-	4,270	-	4,270	Note 1
	Derivatives							
	Ultra Chip, Inc. second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,142	-	30,142	Note 1
	Taiwan Mask Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	30,105	-	30,105	Note 1
	Wah Lee Industrial Corp. third Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - current	-	20,062	-	20,062	Note 1

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Securities Issuer	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
The Company	Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	$ 35,106	-	$ 35,106	Note 1
	Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	25,233	-	25,233	Note 1
	Sercomm Corp. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	15,017	-	15,017	Note 1
	Gemtek Technologies Co., Ltd. sixth Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	10,031	-	10,031	Note 1
	RiTdisplay Corporation second Credit Linked Structured Product	-	Financial assets at fair value through profit or loss - non-current	-	9,585	-	9,585	Note 1
	Fund							
	Cathay U.S. Treasury 20+ Year Bond ETF	-	Financial assets at fair value through profit or loss - current	-	4,771	-	4,771	Note 1
	Stock							
	WT Microelectronics Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	2,000,000	91,300	-	91,300	Note 1
	Fubon Financial Holding Co., Ltd. Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	800,000	48,880	-	48,880	Note 1
	Taishin Financial Holding Co., Ltd. Preferred Share E	-	Investments in equity instruments at fair value through other comprehensive income - current	609,000	31,120	-	31,120	Note 1
	Chailease Holding Company Limited Preferred Share A	-	Investments in equity instruments at fair value through other comprehensive income - current	300,000	29,370	-	29,370	Note 1
	Powertech Technology Inc.	-	Investments in equity instruments at fair value through other comprehensive income - current	168,000	23,688	-	23,688	Note 1
	Taiwan Cement Corp.	-	Investments in equity instruments at fair value through other comprehensive income - current	69,450	2,420	-	2,420	Note 1
	Fubon Financial Holding Co., Ltd.	-	Financial assets at fair value through profit or loss - current	33,621	2,179	-	2,179	Note 1
	Sitronix Technology Corp.	Parent Company	Investments in equity instruments at fair value through other comprehensive income - non-current	606,000	168,468	-	168,468	Note 1
	Equity Investment							
	Fong Huang II Innovation Investment Co., Ltd.	-	Investments in equity instruments at fair value through other comprehensive income - non-current	3,000,000	34,658	7	34,658	Note 2

(Concluded)

Note 1: Calculated based on the closing price on December 31, 2023.

Note 2: Calculated based on the net value on December 31, 2023.

Note 3: The marketable securities listed in the table above refer to the securities, bonds, beneficiary certificates and securities that fall within the scope of IFRS 9 “Financial Instruments”.

SENSORTEK TECHNOLOGY CORPORATION

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer/ Seller	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Trade Receivables (Payables)		Note
			Purchase/ Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
The Company	Sitronix Technology Corp.	Parent Company	Sale	$ 1,733,011	38.15%	Net 60 days from shipping date	$ -	-	$ 339,158	47.37%	-

SENSORTEK TECHNOLOGY CORPORATION

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Company Name	Related Party	Relationship	Amounts of Receivable from Related Parties	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
The Company	Sitronix Technology Corp.	Parent Company	$ 339,158	6.8 times	$ -	—	$ 339,158	$ -

TABLE 4

SENSORTEK TECHNOLOGY CORPORATION

INFORMATION ON MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Sitronix Technologoy Corp.	22,529,596	46.06

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to a trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to the Market Observation Post System.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Description	Annual Interest Rate (%)	Amount
Bank deposits			
Demand deposits	Including NT$27,868 thousand, CNY $97 thousand @4.327 and US $1,634 thousand @30.705	0.005~5.35	$ 78,446
Time deposits	Including NT$2,020,500 thousand, CNY$18,300 thousand @4.327 and US $2,000 thousand @30.705		2,161,094
			2,239,540
Cash equivalents	Expires by the end of January, 2024 , including NT$224,727 thousand and US $3,000 thousand @30.705		316,842
Cash on hand			20
Time deposits			
Financial assets at amortized cost-current			(1,215,500)
Total			$ 1,340,902

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Shares	Acquisition Cost	Fair Value Unit price	Fair Value Total Amount	Note
CURRENT ASSETS					
Domestic listed shares					
Fubon Financial Holding Co., Ltd.	33,621	$ 1,796	64.80	$ 2,179	Note
Bond					
Chailease Holding Company Limited first Unsecured Convertible Bond	-	28,844	99.10	28,442	Note
Taishin Financial Holding Co., Ltd. first Unsecured Exchangeable Bond	-	20,100	103.80	20,760	Note
Gloria Material Technology Corp. seventh Unsecured Convertible Bond	-	10,050	106.65	10,665	Note
Yulon Motor Co., Ltd. third Unsecured Convertible Bond	-	4,080	106.75	4,270	Note
Derivatives					
Ultra Chip, Inc. second Credit Linked Structured Product	-	30,000	100.47	30,142	Note
Taiwan Mask Corp. third Credit Linked Structured Product	-	30,000	100.35	30,105	Note
Wah Lee Industrial Corp. third Credit Linked Structured Product	-	20,000	100.31	20,062	Note
Fund					
Cathay U.S. Treasury 20+ Year Bond ETF	-	4,443	31.81	4,771	Note
Subtotal		149,313		151,396	
NON-CURRENT ASSETS					
Derivatives					
Taishin Financial Holding Co., Ltd. E1 Credit Linked Structured Product	-	35,000	100.30	35,106	Note
Gloria Material Technology Corp. seventh Credit Linked Structured Product	-	25,000	100.93	25,233	Note
Sercomm Corp. sixth Credit Linked Structured Product	-	15,000	100.11	15,017	Note
Gemtek Technologies Co., Ltd. sixth Credit Linked Structured Product	-	10,000	100.31	10,031	Note
RiTdisplay Corporation second Credit Linked Structured Product	-	9,500	100.90	9,585	Note
Subtotal		94,500		94,972	
Total		$ 243,813		$ 246,368	

Note: The above financial assets were unsecured and not provided as guarantee.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF FINANCIAL ASSET AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Shares	Acquisition Cost	Fair Value Unit price	Fair Value Total Amount	Note
CURRENT ASSETS					
Domestic listed shares					
WT Microelectronics Co., Ltd. Preferred Share A	2,000,000	$ 100,000	45.65	$ 91,300	Note
Fubon Financial Holding Co., Ltd. Preferred Share A	800,000	49,460	61.10	48,880	Note
Taishin Financial Holding Co., Ltd. Preferred Share E	609,000	31,898	51.10	31,120	Note
Chailease Holding Company Limited Preferred Share A	300,000	30,000	97.90	29,370	Note
Powertech Technology Inc.	168,000	17,310	141.00	23,688	Note
Taiwan Cement Corp.	69,450	2,682	34.85	2,420	Note
Bond					
HSBC 3.75% 05/24/2024 USD Bond	-	14,696	3,047.29	15,237	Note
Subtotal		246,046		242,015	
NON-CURRENT ASSETS					
Bond					
GS 5.8% 12/18/2033 USD Bond	-	31,235	3,149.10	31,491	Note
TSMC ARIZONA CORP 4.125% 04/22/2029 USD Bond	-	30,054	3,018.92	30,189	Note
TSMC ARIZONA CORP 3.875% 04/22/2027 USD Bond	-	30,774	3,008.45	30,084	Note
China Huadian Corporation 3.375% Perpetual USD Bond	-	29,806	2,970.09	29,701	Note
CITI 2.80% 06/15/2025 USD Bond	-	29,700	2,947.28	29,473	Note
TSMC ARIZONA CORP 2.5% 10/25/2031 USD Bond	-	25,997	2,641.95	26,419	Note
FORCAY 3.375% 04/22/2025 USD Bond	-	14,618	3,001.32	15,007	Note
Domestic listed shares					
Sitronix Technology Corp.	606,000	121,597	278	168,468	Note
Domestic equity investments					
Fong Huang II Innovation Investment Co., Ltd.	3,000,000	30,000	11.55	34,658	Note
Subtotal		343,781		395,490	
Total		$ 589,827		$ 637,505	

Note: The above financial assets were unsecured and not provided as guarantee.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF TRADE RECEIVABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Trade receivables - non-related parties	
A Client	$ 115,973
B Client	62,773
C Client	44,160
D Client	38,809
E Client	38,498
F Client	30,979
Others (Note)	45,745
Allowance for impairment loss	(137)
	376,800
Trade receivables - related parties	
Sitronix Technology Corp.	339,158
	$ 715,958

Note: The amount of individual client included in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Market Price (Note 1)
Finished goods	$ 152,248	$ 215,168
Work in progress	555,634	1,076,399
Raw materials	71,804	51,144
	$ 779,686	$ 1,342,711

Note 1: The market price is determined by the net realizable value.

Note 2: The insured amount of inventory is $300,000 thousand.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS AND ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Buildings	Office Equipment	Machinery Equipment	Total
Cost				
Balance at January 1, 2023	$ 7,097	$ 9,306	$ 482	$ 16,885
Additions	-	1,727	-	1,727
Disposals	-	(6,326)	-	(6,326)
Balance at December 31, 2023	7,097	4,707	482	12,286
Accumulated depreciation				
Balance at January 1, 2023	4,534	6,879	145	11,558
Depreciation	2,366	2,192	96	4,654
Disposals	-	(6,326)	-	(6,326)
Balance at December 31, 2023	6,900	2,745	241	9,886
Carrying amount at December 31, 2023	$ 197	$ 1,962	$ 241	$ 2,400

STATEMENT 7

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF TRADE PAYABLES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
A vendor	$ 148,024
B vendor	113,784
C vendor	107,341
D vendor	91,897
E vendor	88,359
F vendor	63,016
G vendor	61,986
H vendor	43,005
Others (Note)	129,466
Total	$ 846,878

Note: The amount of individual vendor in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Shipment Qty (In Thousands)	Amount
Integrated circuits	614,597	$ 4,550,267
Others		1,491
Sales returns and discounts		(8,941)
		$ 4,542,817

STATEMENT 9

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Raw materials used	
Raw materials, beginning of year	$ 67,282
Plus: raw materials purchased for the year	1,387,508
Raw materials, end of year	(71,804)
Others	(4,045)
Subtotal	1,378,941
Manufacturing expenses	1,629,135
Manufacturing costs	3,008,076
Work in progress, beginning of year	416,667
Work in progress, end of year	(555,634)
Less: transferred to manufacturing or operating expenses	(10,345)
Cost of finished goods	2,858,764
Finished goods, beginning of year	515,129
Others	7,080
Finished goods, end of year	(152,248)
Production and marketing cost	3,228,725
Less: other operating costs	(274)
Total	$ 3,228,451

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses
Wages and salaries	$ 31,057	$ 39,721	$ 279,900
Annual activity fees	-	5,541	83
Support fees	53,917	294	-
Contracted research expense	-	-	63,201
Remuneration of directors	-	7,322	-
Depreciation expense	810	6,412	44,319
Professional service fees	-	5,107	2,075
Amortization expense	-	1,756	26,711
Traveling expense	5,850	538	2,807
Others (Note)	13,508	20,675	44,829
	$ 105,142	$ 87,366	$ 463,925

Note: The amount of each item in others does not exceed 5% of the account balance.

SENSORTEK TECHNOLOGY CORPORATION

STATEMENT OF LABOR, DEPRECIATION AND AMORTIZATION BY FUNCTION
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	For the Year Ended December 31					
	2023			2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Labor expenses						
Wages and salaries	$ 78,746	$ 350,678	$ 429,424	$ 89,180	$ 365,325	$ 454,505
Labor and health insurance	7,952	21,731	29,683	7,956	21,661	29,617
Pension expense	2,689	10,502	13,191	2,421	10,063	12,484
Remuneration of directors	-	7,322	7,322	-	8,803	8,803
Other labor expense	1,677	9,342	11,019	1,637	9,064	10,701
Total	$ 91,064	$ 399,575	$ 490,639	$ 101,194	$ 414,916	$ 516,110
Depreciation expense	$ 18,631	$ 51,541	$ 70,172	$ 30,887	$ 50,625	$ 81,512
Amortization expense	$ 45	$ 28,467	$ 28,512	$ 27	$ 29,082	$ 29,109

Note 1: As of December 31, 2023 and 2022, the Company had 201 and 197 employees, respectively. There were 4 and 5 non-employee directors, respectively.

Note 2: For companies have been listed on the Taiwan stock exchange or are traded on the Taipei Exchange, the following information should be disclosed:

(a) Average labor expense for the year ended December 31, 2023 was NT$2,453 thousand (Total labor expense for the year ended December 31, 2023 - total remuneration of directors / Total number of employees for the year ended December 31, 2023 - non-employee directors).

Average labor expense for the year ended December 31, 2022 was NT$2,642 thousand (Total labor expense for the year ended December 31, 2022 - total remuneration of directors / Total number of employees for the year ended December 31, 2022 - non-employee directors).

(b) Average wages and salaries for the year ended December 31, 2023 was NT$2,180 thousand (Total wages and salaries for the year ended December 31, 2023 / Total number of employees for the year ended December 31, 2023 - non-employee directors).

Average wages and salaries for the year ended December 31, 2022 was NT$2,367 thousand (Total wages and salaries for the year ended December 31, 2022 / Total number of employees for the year ended December 31, 2022 - non-employee directors).

(c) The average wages and salaries decreased by 8% year over year. (Average wages and salaries for the year ended December 31, 2023 - Average wages and salaries for the year ended December 31, 2022 / Average wages and salaries for the year ended December 31, 2022).

(d) The Company had established an audit committee, so there was no remuneration of the supervisor to disclose.

(e) According to the Articles of the Company, if the Company makes a profit during the year, the Company accrued employees' compensation at rates of no less than 1% and no higher than 25%, and remuneration of directors at rates of no higher than 1%, respectively, of net profit before income tax, employees' compensation, and remuneration of directors.