ARBOR Technology Co., Ltd. and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022

and Independent Auditors' Report

(Stock Code: 3594)

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

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ARBOR Technology Co., Ltd.

Declaration of Consolidated Financial Statements of Affiliated Enterprise

The entities of the Company that are required to be included in the combined financial statements for the year of 2023 (from January 1, 2023 to December 31, 2023) under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports, and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with International Financial Reporting Standards No. 10 by the Financial Supervisory Commission, "Consolidated Financial Statements". In addition, the information required to be disclosed in the consolidated financial statements of affiliates is included in the consolidated financial statements. Consequently, we do not prepare a separate set of consolidated financial statements of affiliates.

Hereby certify

Company Name: Arbor Technology Co., Ltd.

Chairman: Lee Min

March 15, 2024

Independent Auditors' Report

(2024)Audited NO 23005399

The Board of Directors and Shareholders
ARBOR Technology Corporation

Opinion

We have audited the accompanying consolidated financial statements of ARBOR Technology Corporation and its subsidiaries (the Group), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

Based on our opinions, audit results, and other CPA reports (see Others), the accompanying consolidated financial statements present fairly, in all material respects, the accompanying consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years ended then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the 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 Audititng and Attestation of Financial Statements by 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 Consolidated Financial Statements section of our report. We are independent of the Group in accordance with The Norm of Professional Ethics for Certified Public Accountants 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter for the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Adequacy of export revenue recognition

Description

For information on accounting policy on sales revenue, please refer to Note 4(32) and Note 6(25) of consolidated financial statements.

The Group is engaged in the manufacturing and selling of industrial computers and electronic medical devices as well as the trade of other electronic components. Sales revenue is mainly from export which is across the world. Terms of sales may be different with different customers; therefore, points in time when risks and rewards of goods are transferred and when the sales revenue is recognized. Since the confirmation of point in time when export revenue should be recognized usually involves in manual confirmation of sales and related documents, which is prone to the inadequacy of point in time to recognize revenue near the end of reporting period. Therefore, we consider the point in time to recognize revenue one of the most important audit matters for the current year.

Corresponding audit procedures:

In response to the abovementioned key audit matter, the following procedures were performed:

1. Understood and tested the internal control adopted to address the point in time to recognize export revenue, including obtaining forms related to the internal control of export revenue and sampling in order to confirm the validity of control by checking the data consistency.
2. Performed cutoff tests against the export sales within a certain period before and after the balance sheet date, checked the information of contracts or original order as well as the relevant documents of revenue recognition, and determined the appropriate point in time to recognize based on the transaction documents in order to ensure that revenue was recorded in the appropriate period.

Valuation of allowance to reduce inventory to market

Description

For information on accounting policy on inventories, please refer to Note 4(14) of consolidated financial statements. For information on significant accounting estimates and assumptions, please refer to Note 5(2) of consolidated financial statements. For information on allowance to reduce inventory to market, please refer to Note 6(5) of consolidated financial statements.

The products of the Group are industrial computers. Due to highly competitive market, there are higher risks of inventory valuation loss and obsolescence. The Group measures inventories at the lower of cost and net realizable value. The net realizable value of inventories with age over certain period and inventories individually identified as obsolete is determined based on the past experience of the degree of disposal of excess inventories.

Since the net realizable value used by the Group and some subsidiaries in obsolete inventory valuation often involves subjective judgment and uncertainty; considering inventories and the allowance to reduce inventory to market are both material to the parent company only financial statements, we considered the valuation of inventory one of the most important audit matters for the current year.

Corresponding audit procedures:

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

1. Assessed the reasonableness and consistency of policies and procedures on recognizing allowance to reduce inventory to market based on our understanding of the characteristics of the Group's industry.
2. Understood the Group's warehousing control procedures, reviewed the annual physical inventory count plan and participated in the annual inventory count in order to assess the effectiveness of the classification of inventory and internal control over obsolete inventory.
3. Verified the accuracy of inventory aging report used to identify individual obsolete inventory, including ensuring that changes in inventories fell into appropriate age intervals, and obtain supporting documents that management used to evaluate obsolete products in order to ensure that the Group has reasonably recognized the allowance to reduce inventory to market.
4. Checked the adequacy of basis of estimation of net realizable value of each inventory, including testing the accuracy of selling and purchasing prices of products and reassessing to determine the reasonableness of allowance to reduce inventory to market.

Impairment assessment of receivables

Description

For information on accounting policy on accounts and notes receivable, please refer to Note 4(10) of the consolidated financial statements. For information on significant accounting estimates and assumptions, please refer to Note 5(2) of the consolidated financial statements. For information on details of loss allowance for accounts and notes receivable, please refer to Note 6(4) of the consolidated financial statements.

The Group manages the collection procedures and bears the related credit risk. Management assesses periodically the credit quality and accounts collection of customers in order to adjust the credit policy adequately. In addition, the impairment loss on accounts receivable is evaluated in accordance with IFRS 9 "Financial Instruments" by adopting the simplified approach to evaluate expected credit loss. Management establishes the expected rate of loss based on multiple factors that may affect the ability of an individual customer to pay, such as overdue period, financial position and economic position both on the balance sheet date and in the past as well as the forward-looking information.

As the ratio of loss allowance recognition is subject to management's judgment, and the amount of accounts receivable are material, we consider the loss allowance for accounts receivable a key audit matter.

Corresponding audit procedures:

In response to the abovementioned key audit matter, the following procedures were performed:

1. To understand the quality of the Group's credit and assess the reasonableness of policies and procedures to recognized the impairment loss on its accounts and notes receivable.
2. Assessed the reasonableness of the ratio of loss allowance recognition by referring to the historical loss rate and considering the forward-looking information, obtained and reviewed the materials provided by management.
3. Tested the change in age of accounts receivable, and examined the accuracy of classification of age by reviewing the relevant documents of overdue dates of accounts receivable.
4. Understood the reasons of overdue accounts of which amount were individually assessed material, reviewed their subsequent collection, and discussed the loss allowance recognized with management.

Other Matters - Parent Company Only Financial Statements

We have audited the parent company only financial statements of ARBOR Technology Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unqualified opinion with other matter section and an unqualified opinion, respectively.

Other matter - Reference to the audits of other accountants

We did not audit the 2023 financial statements of certain investments accounted for under the equity method of the company. These investments were audited by other accountants. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these associates, is based solely on the report of other accountants. As of December 31, 2023, the carrying amount of Investments accounted for using equity method was NT $432,193 thousand, representing 12.25% of that of Total assets. From January 1, 2023 to December 31, 2023, the Company recognized NT $(25,287) thousand in profit or loss of total, representing (22.22%) of that of total.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
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 Group'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 Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our

auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements 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.

Independent Accountants

Hsu, Ming-Chuan

Huang, Chin-Lien

PricewaterhouseCoopers, Taiwan

March 15, 2024

ARBOR Technology Corporation and its Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT $thousands

	Assets	Note	December 31, 2023 Amount		%	December 31, 2022 Amount		%
	Current assets							
1100	Cash and cash equivalents	VI (I)	$	650,519	18	$	487,302	13
1110	Current financial assets at fair value through profit or loss	VI (II) , VII		105,300	3		104,846	3
1136	Current financial assets at amortized cost	VI (I) (III), VIII		292,301	8		245,025	7
1150	Notes receivable, net	VI(IV)		13,511	1		2,718	-
1160	Notes receivable - related parties	VI(IV),VII		13,427	-		13,557	-
1170	Accounts receivable, net	VI (IV)		364,504	10		414,674	11
1180	Accounts receivable due from related parties, net	VI(IV) , VII		201,096	6		110,439	3
1210	Other receivables due from related parties	VII		144,154	4		162,481	4
130X	Inventories	VI (V)		515,105	14		693,144	19
1470	Other current assets	VI (VI) , VII		116,273	3		204,991	6
11XX	**Total current assets**			2,416,190	67		2,439,177	66
	Non-current assets							
1517	Non-current financial assets at fair value through other comprehensive income	VI (VII)		12,660	-		11,268	-
1550	Investments accounted for using equity method	VI(VIII)		432,193	12		457,505	13
1600	Property, plant and equipment	VI(IX), VII,VIII		562,753	15		565,027	15
1755	Right-of-use asset	VI(X)		33,801	1		32,276	1
1760	Investment property, net	VI(XII),VIII		73,538	2		74,341	2
1780	Intangible assets	VI(XIII)		33,522	1		36,599	1
1840	Deferred tax assets	VI(XXXII)		23,894	1		20,282	1
1900	Other non-current assets	VI(XIV) (XX) ,VIII		42,144	1		46,304	1
15XX	**Total non-current assets**			1,214,505	33		1,243,602	34
1XXX	**Total Assets**		$	3,630,695	100	$	3,682,779	100

(Continued)

ARBOR Technology Corporation and its Subsidiaries
Consolidated Balance Sheets
December 31, 2023 and 2022

Unit: NT $thousands

	Liabilities and equity	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	VI(XV),VIII	$ 646,500	18	$ 559,082	15
2110	Short-term notes and bills payable	VI(XVI),VIII	72,000	2	72,000	2
2120	Current financial liabilities at fair value through profit or loss	VI(II)	-	-	1,709	-
2130	Liabilities-current	VI(XXV),VII	14,259	-	17,323	1
2150	Notes payable		-	-	231	-
2170	Accounts payable		88,500	2	197,181	5
2180	Accounts payable to related parties	VII	42,463	1	32,040	1
2200	Other payables	VI(XVII)	77,052	2	95,989	3
2220	Other payables to related parties	VII	3,325	-	5,763	-
2230	Income tax liabilities for the current period		26,954	1	8,847	-
2280	Liabilities-current	VI(X)	17,401	1	9,740	-
2320	Long-term liabilities, current portion	VI(XVIX),VIII	67,601	2	93,672	3
2399	Other current liabilities, others		3,396	-	1,017	-
21XX	**Total current liabilities**		1,059,451	29	1,094,594	30
	Non-current liabilities					
2540	Long-term borrowings	VI(XVIX),VIII	404,336	11	471,806	13
2570	Deferred tax liabilities	VI(XXXII)	68	-	1,177	-
2580	Liabilities-Non-current	VI(X)	17,135	1	22,805	-
2600	Other non-current liabilities	VI(XX)	2,747	-	660	-
25XX	**Total non-current liabilities**		424,286	12	496,448	13
2XXX	**Total Liabilities**		1,483,737	41	1,591,042	43
	Equity					
	Equity attributable to owners of parent					
	Share capital	VI(XXII)				
3110	Ordinary share		954,394	26	954,394	26
	Capital surplus	VI(XVIII)(XXIII)				
3200	Capital surplus		808,946	22	805,341	22
	Retained earnings	VI(XXIV)				
3310	Legal reserve		97,476	3	84,049	2
3320	Special reserve		55,177	2	76,030	2
3350	Unappropriated retained earnings		305,217	9	257,410	7
	Other equity interest					
3400	Other equity interest		(58,806)	(2)	(55,177)	(1)
3500	Treasury shares	VI(XXII)	(23,091)	(1)	(36,515)	(1)
31XX	**Total Equity Attributable to Owners of Parent**		2,139,313	59	2,085,532	57
36XX	**Non-controlling equity**	IV(III)	7,645	-	6,205	-
3XXX	**Total Equity**		2,146,958	59	2,091,737	57
	Significant contingent liabilities and unrecognized contract commitments	IX XI				
3X2X	**Total Liabilities and Equity**		$ 3,630,695	100	$ 3,682,779	100

The accompanying notes are an integral part of the consolidated financial statements. Please refer to them as a whole.

Chairman: Lee, Min　　Manager: Lien, Chi-Ruei　　Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Corporation and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT $thousands
(Except for earnings per share in NT $)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue	VI(XXV),VII	$ 1,671,427	100	$ 1,801,055	100
5000	Operating costs	VI(V)(XIII)(XXX)(XXXI),VII	(1,125,613)	(67)	(1,259,426)	(70)
5900	Gross profit from operations		545,814	33	541,629	30
5910	Unrealized profit from sales		(1,609)	-	(2,902)	-
5920	Realized profit on from sales	VI(VIII)	2,902	-	270	-
5950	Gross profit from operations		547,107	33	538,997	30
	Operating expenses	VI(XIII)(XXX)(XXXI)				
6100	Selling expenses		(216,263)	(13)	(197,244)	(11)
6200	Administrative expenses		(86,420)	(5)	(90,589)	(5)
6300	Research and development expenses		(86,972)	(5)	(89,812)	(5)
6450	Expected credit Impairment loss	VI(XXX),XII(II)	(5,682)	(1)	(31,408)	(2)
6000	Total operating expenses		(395,337)	(24)	(409,053)	(23)
6900	Operating gain		151,770	9	129,944	7
	Non-operating income and expenses					
7100	Interest income	VI(XXVI)	24,627	1	2,531	-
7010	Other income	VI(XXVII),VII	14,369	1	9,336	1
7020	Other gains and losses	VI(XXVIII)	18,819	1	43,292	2
7050	Finance costs	VI(XXIX)	(23,868)	(1)	(17,939)	(1)
7060	Share of profits of associates and joint ventures accounted for using equity method, net	VI(VIII)	(25,287)	(1)	10,187	1
7000	Total non-operating income and expenses		8,660	1	47,407	3
7900	**Net income before tax**		160,430	10	177,351	10
7950	Income tax expense	VI(XXXII)	(36,092)	(2)	(48,809)	(3)
8200	**Net income for the year**		$ 124,338	8	$ 128,542	7

(Continued)

ARBOR Technology Corporation and its Subsidiaries
Consolidated Statements of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT $thousands
(Except for earnings per share in NT $)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income (Net)					
	Item that will not be reclassified to profit or loss					
8311	Remeasurement of defined benefit obligation	VI(XX)	($ 3,816)	-	$ 1,807	-
8316	Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	VI(VII)	1,392	-	2,830	-
8320	Share of other comprehensive gain of associates that will not be reclassified subsequently to profit or loss		-	-	72	-
	Item that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of foreign financial statements		(8,113)	(1)	18,022	1
8360	Total amount of Item that may be reclassified subsequently to profit or loss		(8,113)	(1)	18,022	1
8300	**Other comprehensive income (loss) of the period**		($ 10,537)	(1)	$ 22,731	1
8500	**Total comprehensive income for the period**		$ 113,801	7	$ 151,273	8
	Net income attributable to					
8610	Owners of the parent		$ 122,898	8	$ 132,388	7
8620	Non-controlling interest		1,440	-	(3,846)	-
			$ 124,338	8	$ 128,542	7
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 112,361	7	$ 155,119	8
8720	Non-controlling interest		1,440	-	(3,846)	-
			$ 113,801	7	$ 151,273	8
	Earnings per share	VI(XXXIII)				
9750	Basic earnings per share		$ 1.30		$ 1.51	
9850	Diluted earnings per share		$ 1.30		$ 1.50	

The accompanying notes are an integral part of the consolidated financial statements. Please refer to them as a whole.

Chairman: Lee, Min   Manager: Lien, Chi-Ruei   Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Corporation and its Subsidiaries
Consolidated Statements of Changes in Equity
January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		Equity Attributable to Owners of the Parent														
		Share capital		Capital surplus				Retained Earnings			Other Equity					
	Notes	Ordinary share	Conversion right of bonds Certificates	Share premium	Treasury shares Transaction	Acquisition or disposal of Company equity price Book value Difference	Stock options	Legal reserve	Special reserve	Unappropriated retained earnings	Foreign operations Translation of financial statements Exchange differences on translation of foreign financial statements	Through Other total Fair value through profit or loss Financial assets measured at fair value Assets Unrealized Profit or loss	Treasury shares	Total	Non-controlling Interest	Total Equity
Fiscal Year 2022																
Balance at January 1, 2022		$ 744,218	$ -	$ 593,169	$ 4,461	$ 3,570	$ 9,080	$ 81,863	$ 65,285	$ 144,983	($ 69,155)	($ 6,874)	($ 32,819)	$ 1,537,781	$ 10,051	$ 1,547,832
Net income for the year		-	-	-	-	-	-	-	-	132,388	-	-	-	132,388	(3,846)	128,542
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	-	1,807	18,022	2,902	-	22,731	-	22,731
Total comprehensive income (loss)		-	-	-	-	-	-	-	-	134,195	18,022	2,902	-	155,119	(3,846)	151,273
Distribution of 2021 earnings	VI(XXIV)															
Legal reserve		-	-	-	-	-	-	2,186	-	(2,186)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	-	10,745	(10,745)	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(8,909)	-	-	-	(8,909)	-	(8,909)
Capital increased in cash	VI(XXII)	160,000	-	136,000	-	-	-	-	-	-	-	-	-	296,000	-	296,000
Conversion of convertible corporate bonds	VI(XVIII)	-	50,176	65,636	-	-	(8,853)	-	-	-	-	-	-	106,959	-	106,959
Conversion of bond conversion entitlement	VI(XXII)	50,176	(50,176)	-	-	-	-	-	-	-	-	-	-	-	-	-
Treasury stock buyback	VI(XXII)	-	-	-	-	-	-	-	-	-	-	-	(3,696)	(3,696)	-	(3,696)
Share-based payment transaction	VI(XXI)	-	-	-	-	-	2,298	-	-	-	-	-	-	2,298	-	2,298
Changes in equity of associates accounted for using equity method		-	-	-	-	(20)	-	-	-	72	-	(72)	-	(20)	-	(20)
Balance at December 31, 2022		$ 954,394	$ -	$ 794,805	$ 4,461	$ 3,550	$ 2,525	$ 84,049	$ 76,030	$ 257,410	($ 51,133)	($ 4,044)	($ 36,515)	$ 2,085,532	$ 6,205	$ 2,091,737
Fiscal Year 2023																
Balance at January 1, 2023		$ 954,394	$ -	$ 794,805	$ 4,461	$ 3,550	$ 2,525	$ 84,049	$ 76,030	$ 257,410	($ 51,133)	($ 4,044)	($ 36,515)	$ 2,085,532	$ 6,205	$ 2,091,737
Net income for the year		-	-	-	-	-	-	-	-	122,898	-	-	-	122,898	1,440	124,338
Other comprehensive income (loss) for the year		-	-	-	-	-	-	-	-	(3,816)	(8,113)	1,392	-	(10,537)	-	(10,537)
Total comprehensive income (loss)		-	-	-	-	-	-	-	-	119,082	(8,113)	1,392	-	112,361	1,440	113,801
Distribution of 2022 earnings	VI(XXIV)															
Legal reserve		-	-	-	-	-	-	13,427	-	(13,427)	-	-	-	-	-	-
Special reserve		-	-	-	-	-	-	-	(20,853)	20,853	-	-	-	-	-	-
Cash dividends		-	-	-	-	-	-	-	-	(75,609)	-	-	-	(75,609)	-	(75,609)
Share-based payment transaction	VI(XXI)(XXII)	-	-	-	1,448	-	2,157	-	-	-	-	-	-	3,605	-	3,605
Exercise of employee share options	VI(XXI)(XXII)	-	-	1,448	(1,448)	-	-	-	-	-	-	-	13,424	13,424	-	13,424
Disposal of investments accounted for under Other comprehensive income Fair value-Equity	VI(VII)	-	-	-	-	-	-	-	-	(3,092)	-	3,092	-	-	-	-
Balance at December 31, 2023		$ 954,394	$ -	$ 796,253	$ 4,461	$ 3,550	$ 4,682	$ 97,476	$ 55,177	$ 305,217	($ 59,246)	$ 440	($ 23,091)	$ 2,139,313	$ 7,645	$ 2,146,958

The accompanying notes are an integral part of the consolidated financial statements. Please refer to them as a whole.

Chairman: Lee, Min　　Manager: Lien, Chi-Ruei　　Chief Accountant: Kuo, Feng-Ling

ARBOR TECHNOLOGY Co., Ltd
CONSOLIDATED STATEMENTS OF CASH FLOWS
January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Note	2023	2022
Cash flows from operating activities			
Income before income tax		$ 160,430	$ 177,351
Adjustments:			
Adjustments to reconcile profit (loss)			
Unrealized sales profits	VI(VIII)	1,609	2,902
Realized gains from sales	VI(VIII)	(2,902)	(270)
Net loss (profit) from financial assets and liabilities at fair value through loss (profit)	VI(II)(XXVIII)	(17,582)	(11,556)
Expected credit impairment loss	VI(XXX)	5,682	31,408
Depreciation expense- Property, plant and equipment and Investment property	VI(IX)(XII)(XXX)	16,844	18,602
Depreciation expense- Right-of-use asset	VI(X)(XXX)	18,146	16,441
Amortization expense	VI(XIII)(XXX)	5,898	9,610
Loss (gain) on disposal of investment	VI(XXVIII)	81	(177)
Interest income	VI(XXVI)	(24,627)	(2,531)
Dividend income	VI(XXVII)	(937)	(700)
Interest expense	VI(XXIX)	23,868	17,939
Loss on disposal of property, plant and equipment	VI(XXVIII)	76	3,455
Share-based payment compensation	VI(XXI)(XXXI)	3,605	2,298
Share of loss (profit) of associates accounted for using equity method	VI(VIII)	25,287	(10,187)
Changes in operating assets and liabilities			
Changes in operating assets			
Financial instruments at fair value through profit or loss		7,931	17,562
Notes receivable		427	10,052
Notes receivable - related parties		130	(5,677)
Accounts receivable		45,786	16,807
Accounts receivable - related parties		(90,212)	(66,502)
Other receivables-related parties		18,238	(1,421)
Inventories		176,722	(33,406)
Other current assets		89,231	(13,375)
Other noncurrent assets		(37)	2,474
Changes in operating liabilities			
Current contract liabilities		(3,424)	3,458
Notes payable		(231)	(2,124)
Accounts payable		(109,117)	63,246
Accounts payable - related parties		16,795	3,763
Other payables		(18,844)	23,828
Other payables - related parties		(2,438)	5,705
Other current liabilities		2,399	(1,066)
Other noncurrent liabilities		(1,759)	(1,778)
Cash inflow generated from operations		347,075	276,131
Interest received		24,627	2,531
Dividends received		937	700
Interest paid		(23,819)	(16,263)
Income tax paid		(23,231)	(11,686)
Income tax refunded		11	33
Net cash flows from operating activities		325,600	251,446

(Continued)

ARBOR TECHNOLOGY Co., Ltd
CONSOLIDATED STATEMENTS OF CASH FLOWS
January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Note	2023	2022
Cash flows from investing activities			
Acquisition of financial assets at fair value through profit or loss Fair value Financial Assets		($ 27,650)	($ 22,916)
Disposal Fair value Financial Assets		35,057	8,665
Acquisition of Financial assets at fair value through other comprehensive income	XII(III)	-	(4,500)
Proceeds from sale of Financial assets at fair value through other comprehensive income	XII(III)	-	3,737
Purchase of financial assets at amortized cost		(49,882)	(197,016)
Acquisition of property, plant and equipment	VI(IX)	(3,801)	(4,011)
Proceeds from disposal of property, plant and equipment price		862	-
Acquisition of intangible assets	VI(XIII)	(2,600)	(1,919)
Increase in equipment prepayment		(6,593)	(9,554)
Increase in refundable deposits		(806)	(3,060)
Net cash flows used in investing activities		(55,413)	(230,574)
Cash flows from financing activities			
Increase in short-term borrowings	VI(XXXV)	87,418	58,976
Decrease in short-term notes and bills payable	VI(XXXV)	-	(42,000)
Repayments of long-term debt	VI(XXXV)	(93,541)	(120,178)
Repayment of lease principal	VI(XXXV)	(17,579)	(17,657)
Increase in guarantee deposits received	VI(XXXV)	30	226
Cash dividends paid	VI(XXIV)	(75,609)	(8,909)
Increase capital in cash	VI(XXII)	-	296,000
Payments to acquire treasury shares	VI(XXII)	-	(3,696)
Exercise of employee share options	VI(XXII)	13,424	-
Net cash (outflow) inflow from financing activities		(85,857)	162,762
Effect of foreign exchange translations		(21,113)	(40,479)
Net increase in cash and cash equivalents		163,217	143,155
Cash and cash equivalents at beginning of year		487,302	344,147
Cash and cash equivalents at end of year		$ 650,519	$ 487,302

The accompanying notes are an integral part of the consolidated financial statements. Please refer to them as a whole.

Chairman: Lee, Min Manager: Lien, Chi-Ruei Chief Accountant: Kuo, Feng-Ling

ARBOR Technology Corporation
Notes to Consolidated Financial Statements
2023 and 2022

Unit: NT $thousands
(Unless Stated Otherwise)

I. Company History

The original name of ARBOR Technology Corporation (hereinafter referred to as “the Company”) was ARBOR Technology Company, which was established in September 1993 and went through the reincorporation on January 27, 1995. The Company and its subsidiaries are engaged in the R&D, assembly, combination, processing, manufacturing, and trading of industrial motherboards, computer products, peripheral devices, and electronic parts. The Company's shares were approved for listing on the Main board of Taipei Exchange (TPEx) on May 7, 2013.

II. Approval date and procedures of the consolidated financial statements

The accompanying consolidated financial statements were approved by the Board of Directors on March 15, 2024.

III. Application of new and revised standards and interpretations

(I) The effect of adopting new and revised IFRSs endorsed and issued into effect by the Financial Supervisory Commission (hereafter the FSC)

The following table summarizes the new, revised or amended standards and interpretations of IFRSs endorsed and issued into effect by the FSC as of the year 2023:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
“Disclosure of Accounting Policies” (Amendments to IAS 1)	January 1, 2023
“Definition of Accounting Estimates” (Amendments to IAS 8)	January 1, 2023
“Deferred income tax Related to Assets and Liabilities Arising from a Single Transaction” (Amendments to IAS 12)	January 1, 2023
“International Tax Reform-Pillar Two Rules Template” (Amendments to IAS 12)	May 23, 2023

The Group assessed that there is no significant effect of the standards and interpretations above on the Group’s financial position and financial performance.

(II) The effect of not adopting new and revised IFRSs endorsed by the FSC

The following table summarizes the new, revised or amended standards and interpretations of IFRSs endorsed and issued into effect by the FSC as of the year 2024:

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
“Leases in Sale and Leaseback Liabilities”(Amendments to	January 1, 2024

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB
IFRS 16)	
"Classification of Current or Non-current of Liabilities" (Amendments to IFRS 1)	January 1, 2024
"Onerous Contracts-Cost of Fulfilling a Contract Non-current liabilities (Amendments to IFRS 1)	January 1, 2024
"Supplier Financing Arrangements"(Amendments to IAS7/ IFRS 7)	January 1, 2024

The Group assessed that there is no significant effect of the standards and interpretations above on the Group's financial position and financial performance.

(III) The effect of IFRSs issued by the International Accounting Standards Board (IASB) but not yet endorsed by the FSC

The following table summarizes the new, revised or amended standards and interpretations of IFRSs issued by the IASB but not yet endorsed by the FSC:

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

The Group assessed that there is no significant effect of the standards and interpretations above on the Group's financial position and financial performance.

IV. Summary of significant accounting policies

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

(I) Statement of compliance

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

(II) Basis of preparation

1. Except for the following items, the accompanying consolidated financial statements have been prepared under the historical cost convention:

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

   (2) Financial assets and financial liabilities at fair value through other comprehensive income.

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

2. The preparation of financial statements in conformity with the IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(III) Basis for consolidation

1. Principles of preparation of consolidated financial statements

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

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

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

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

   (5) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the investment in associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other

comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

2. Subsidiaries included in the consolidated financial statements:

			Proportion of Ownership (%)		
Investor	Subsidiary name	Business nature	December 31, 2023	December 31, 2022	Note
ARBOR Technology Co., Ltd.	Arbor Solution,Inc. (Arbor Solution)	Trading of industrial computers and peripherals	100.00	100.00	
"	Guiding Technology Ltd. (Guiding)	Trading of industrial computers and peripherals	100.00	100.00	
"	Allied Info Investments Ltd. (Allied Info)	Holding company	100.00	100.00	
"	Excellent Top International Development Ltd. (Excellent Top)	Holding company	100.00	100.00	
"	Arbor France S.A.S. (Arbor France)	Trading of industrial computers and peripherals	100.00	100.00	
"	Flourish Technology Co., Ltd. (Flourish)	Holding company and trading of industrial computers	100.00	100.00	
"	Arbor Korea Co.,Ltd. (Arbor Korea)	Trading of industrial computers and peripherals	100.00	100.00	
"	Best Vintage Global LTD. (Best Vintage)	Holding company	100.00	100.00	
"	Acloud Intelligence Services Corp. Ltd. (Acloud)	Trading of industrial computers and peripherals	67.08	67.08	
Allied Info	Arbor Beijing Technology Co., Ltd. (Arbor Beijing)	Trading of industrial computers and peripherals	90.91	90.91	
Excellent Top	Arbor Technology (Shenzhen)co., Ltd.(Arbor Shenzhen)	Manufacture and trading of industrial computers	100.00	100.00	
Flourish	Arbor China Technology Co.,Ltd.(Arbor China)	Trading of industrial computers and peripherals	100.00	100.00	
Arbor China Technology Co.,Ltd.(Arbor China)	Arbor Beijing Technology Co., Ltd. (Arbor Beijing)	Trading of industrial computers and peripherals	9.09	9.09	
Best Vintage	Perfect Stream LTD. (Perfect Stream)	Holding company	100.00	100.00	
Perfect Stream	Arbor Technology UK LTD. (Arbor UK)	Trading of industrial computers and peripherals	100.00	100.00	

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

4. Adjustments for subsidiaries with different accounting periods: None

5. Significant restrictions: As of December 31, 2023, cash and bank deposit of $71,434 was in China and restricted by the local foreign exchange controls. Such foreign exchange controls restrict the export of funds out of China (except by means of normal dividend distribution).

6. Subsidiaries with non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022, the non-controlling interests amounted to $7,645 and $6,205, respectively. There are no subsidiaries with non-controlling interests that are material to the Group.

(IV) Foreign currency translation

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

1. Foreign currency transactions and balances

(1) Foreign currency transactions are translated into the functional currency using the spot exchange rates prevailing at the dates of the transactions or measurement. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(2) Monetary assets and liabilities denominated in foreign currencies are retranslated at the spot exchange rates prevailing at the balance sheet date. Exchange differences arising upon adjustment at the balance sheet date are recognized in profit or loss.

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

(4) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses.'

2. Translation of foreign operations

The operating results and financial positions of all entities and associates that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

A. Assets and liabilities for each balance sheet presented are translated at the

closing exchange rate at the date of that balance sheet;
B. Incomes and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
C. All resulting exchange differences are recognised in other comprehensive income.
(2) Goodwill and fair value adjustments resulting from the acquisition of foreign entities are deemed as the assets and liabilities of those foreign entities and translated at the ending exchange rate.

(V) Classification of current and noncurrent assets and liabilities

1. Assets that meet one of the following criteria are classified as current assets:
   (1) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
   (2) Assets held mainly for trading purposes;
   (3) Assets that are expected to be realized within twelve months from the balance sheet date;
   (4) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

   All the other assets that do not meet the criteria above are classified as noncurrent assets.
2. Liabilities that meet one of the following criteria are classified as current liabilities:
   (1) Liabilities that are expected to be settled within the normal operating cycle;
   (2) Liabilities arising mainly from trading activities;
   (3) Liabilities that are to be settled within twelve months from the balance sheet date;
   (4) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

   All the other liabilities that do not meet the criteria above are classified as noncurrent liabilities.

(VI) Cash and cash equivalents

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

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

1. Financial assets at fair value through profit or loss (FVTPL) are financial assets that are not measured at amortized cost or fair value through other comprehensive income.
2. All regular way purchases or sales of financial assets at FVTPL are recognized and derecognized on a trade date basis.
3. At initial recognition, the Group measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Group subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.
4. The Group recognizes the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

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

1. Financial assets at fair value through other comprehensive income (FVTOCI) are equity securities for which the Group has made an irrevocable election at initial recognition to recognize changes in fair value in other comprehensive income.
2. All regular way purchases or sales of financial assets at FVTOCI are recognized and derecognized on a trade date basis.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. The Group subsequently measures the financial assets at fair value:

   The changes in fair value of equity investments are recognized in other comprehensive income. The accumulated gains or losses previously recognized in other comprehensive income should not be reclassified to profit or loss following the derecognition and be reclassified to retained earnings. Dividends are recognized as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Group and the amount of the dividend can be measured reliably.

(IX) Financial assets at amortized cost

1. Financial assets that meet the following two conditions are subsequently measured at amortized cost:
   (1) The financial assets are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
   (2) The contractual terms of the financial assets give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. All regular way purchases or sales of financial assets at amortized cost are recognized and derecognized on a trade date basis.
3. At initial recognition, the Group measures the financial assets at fair value plus transaction costs. Interest revenue is subsequently recognized by using

the effective interest method to amortize during the outstanding period less any impairment loss. Gains or losses are recognized in profit or loss following the derecognition.

4. The time deposits held by the Group that do not meet the criteria of cash equivalents are measured at the amount of investment due to the short holding period and immaterial effect of discounting.

(X) Accounts and notes receivable

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

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

(XI) Impairment of financial assets

For financial assets at amortized cost and financial guarantee contracts, after taking into consideration all reasonable and verifiable information (including forward-looking), the Group measures the impairment provision for 12-month expected credit losses if there has not been a significant increase in credit risk since initial recognition at each balance sheet date. The Group measures the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has significantly increased since initial recognition. For accounts receivable or contract assets that do not contain a significant financing component, the Group measures the impairment provision for lifetime ECLs.

(XII) Derecognition of financial assets

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

(XIII) Leasing arrangements (lessor)－Lease payments receivable/Operating lease

Lease income from operating leases less any lease incentive to lessors is recognized in profit or loss on a straight-line basis over the terms of the relevant leases.

(XIV) Inventories

The Group adopts the perpetual inventory system. Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related manufacturing overheads (allocated based on normal operating capacity), excluding borrowing costs. The item-by-item approach is used in applying the lower of cost and net realizable value rule. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses.

(XV) Investments accounted for using equity method－associates

1. Associates are all entities over which the Group has significant influence but not control. Generally speaking, it refers to the fact that an investor

holds, directly or indirectly, 20 percent or more of the voting shares of the investee. Investments in associates are accounted for using the equity method and are initially recognized at cost.

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

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

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

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

6. Upon loss of control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at fair value as the amount for the initial recognition of the fair value of financial asset or the cost of investment in associates and joint ventures. Any difference between fair value and carrying amount is recognized in profit or loss. All the amount previously recognized in other comprehensive income in relation to the subsidiary is reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. That is, when the Group loses control of the subsidiary, the profit or loss is reclassified from equity to profit or loss.

7. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognized in profit or loss.

8. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously

recognized in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of by the Group. If it retains significant influence over this associate, the amounts previously recognized in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

(XVI) Property, plant and equipment

1. Property, plant and equipment are initially recognized at cost.

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

3. Property, plant, and equipment are subsequently measured under cost model. Except land is not depreciated, other property, plant and equipment are depreciated using the straight-line method. If each part of an item of property, plant, and equipment is significant, the part should be depreciated separately.

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

Buildings	10-50 years
Machinery and equipment	5 years
Office equipment	3-5 years
Other equipment	3-5 years

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

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

2. Lease liabilities are recognized at the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Group subsequently measures the lease liability at amortized cost using the

interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

3. The right-of-use asset is stated at cost at the commencement date. The cost is comprised of the amount of the initial measurement of lease liability. The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

4. For the lease modification that decreases the scope of the lease, the lessee should decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease. The difference between the carrying amount of the right-of-use asset and the amount of the remeasurement of the lease liability should be recognized in profit or loss.

(XVIII) Investment properties

Investment properties are initially recognized at cost, and subsequently measured under cost model. Except land, investment properties are depreciated using the straight-line method with 20 to 50 years of estimated useful lives.

(XIX) Intangible assets

1. Computer software

Computer software is initially recognized at cost and amortized using the straight-line method with 3 to 5 years of estimated useful lives.

2. Goodwill

Goodwill arose from business combinations under the acquisition method.

3. Patents

Patents that are acquired separately are recognized at cost. Patents are assets with finite useful lives, and are amortized using the straight-line method with 5 years of estimated useful lives.

4. Customer relationships

Customer relationships are amortized using the straight-line method with 7 years of estimated useful lives.

(XX) Impairment of non-financial assets

1. The Group assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed, except for goodwill. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.
2. The recoverable amounts of goodwill, intangible assets with indefinite useful lives, and intangible assets not yet available for use, should be assessed on a regular basis. When the recoverable amount of an asset is less than its carrying amount, an impairment loss should be recognized. An impairment loss recognized for goodwill is not reversed in subsequent years.
3. Goodwill is allocated to cash-generating units for impairment testing purposes. Such allocation is based on the cash-generating units or groups of cash-generating units which are identified by operating segments, and which are expected to benefit from the business combination that can generate goodwill.

(XXI) Borrowings

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

(XXII) Accounts and notes receivable

1. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.
2. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

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

1. Financial liabilities at fair value through profit or loss are those financial liabilities that are incurred principally for the purpose of repurchasing them in the near term, and that are held for trading other than the derivative instruments that are designated hedging instrument under hedge accounting.
2. Financial liabilities are initially measured at fair value, with related transaction costs recognized in profit or loss. Financial liabilities are

subsequently measured at fair value, and the gain or loss are recognized in profit or loss.

(XXIV)Derecognition of financial liabilities

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

(XXV) Bonds payable

The convertible bonds payable are issued by the Company with embedded conversion rights (i.e., the bond holders have rights to elect to convert bonds into a fixed number of common shares of the Company at a fixed price.), put options, and call options. At initial issuance, the Company should classify the issue price into financial assets, financial liabilities, or equities in accordance with the contractual arrangement as follows:

1. The host contract, embedded put option, and call option, are initially recognized at fair value. The difference in the redemption price is recognized as the discount on bonds payable. Interest amortization is subsequently recognized in profit or loss, as an adjustment to “financial cost,” using the effective interest method in the outstanding period.
2. The embedded conversion rights that meet the definition of equity are initially recognized as “capital surplus－conversion rights” at the amount of issue price minus net bonds payable, without subsequent measurement.
3. Transaction costs that are directly attributable to the issuance are allocated to the liability and equity components of the instrument in proportion to the initial carrying amount.
4. When conversion rights are exercised, bonds payable are first accounted for in accordance with its subsequent measurement. The issue cost of converted common shares are the determined by the carrying amount of the aforementioned bonds payable plus the carrying amount of “capital surplus－conversion rights.”

(XXVI)Financial guarantee contracts

A financial guarantee contract is a contract that requires the Group to make specified payments to reimburse the holder for a loss incurred because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument. The Group has initially recognized it at fair value and subsequently measured it at the high of the amount of the loss allowance determined by the expected credit loss and the cumulative amount of income recognized.

(XXVII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid and should be recognized as expenses in that period when the employees render service.
2. Pensions

   (1) Defined contribution plan

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

(2) Defined benefit plan

A. Net obligation under a defined benefit plan is calculated as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods, and is recognized as a liability in the balance sheet the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The discount rate is determined by referring to the interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. When there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

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

3. Compensation of employees and remuneration of directors

Compensation of employees and remuneration of directors are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the estimated amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. As for the compensation of employees distributed by stocks, the base used to determine number of shares is the closing price of the day prior to the date of the board of directors resolution.

(XXVIII) Employee share-based payment

For equity-settled share-based payment transactions, the Group should measure the employee services received at the fair value of equity instruments granted at the grant date. Compensation costs are recognized during the vesting period and are made adjustment to equity. The fair value of the equity instruments reflects the effects of vesting market conditions and non-vesting conditions. Previously recognized compensation costs are adjusted based on the number of awards that are expected to satisfy the service condition and non-market vesting condition so that the amount is ultimately recognized based on the vesting number on vesting date.

(XXIX) Taxation

1. The income tax expense for the period comprises current and deferred tax.

Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

2. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Group operates and generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings based on the actual earnings distribution.
3. Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheet. However, the deferred income tax is not accounted for if it arises from initial recognition of goodwill, or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss. Temporary differences arising on investments in subsidiaries and associates is not recognized if the timing of the reversal of the temporary difference is controlled by the Group and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled.
4. Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.
5. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities, and they are levied by the same taxation authority on either the same taxable entity or different taxable entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(XXX) Share capital

1. Ordinary share is classified as equity. Incremental costs that are directly attributable to the issuance of new stocks or stock options are presented in equity net of income tax as a contra account to the price.
2. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental cost net of income tax, is recognized as a contra account to equity. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction cost and the related income tax effects, is adjusted to equity.

(XXXI) Dividends distribution

Dividends are recognized in the Company's financial statements in the period in which they are approved by shareholders' meeting of the Company. Cash dividends are recorded as liabilities; stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

(XXXII) Revenue recognition

1. The Group manufactures and sells industrial motherboards, computer products, peripheral devices, electronic parts, and related products. Sales revenue is recognized when control of the products has been transferred to the customer, being when the products are delivered to the customer, and there are unfulfilled performance obligations that could affect the customer's acceptance of the products. Delivery of goods occurs only when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.
2. A receivable is recognized when the goods are delivered to the customer because this is the point of time when the consideration is unconditional to the Group with only the passage of time required before the payment is due.
3. Financing component

   Based on the Group's contracts with customers, the period between when the Group transfers a promised good or service to a customer and when the customer pays for that good or service is never more than one year; therefore, the transaction price is not adjusted to reflect the time value of money.

(XXXIII) Operating segments

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

V. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

The preparation of these consolidated financial statements requires management to make critical judgements in applying the Group's accounting policies and make critical assumptions and estimates concerning future events on balance sheet dates. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is as follows:

(I) Critical judgments in applying the Company's accounting policies

None.

(II) Critical accounting estimates and assumptions

1. Impairment assessment of accounts receivable

In the process of assessing impairment of accounts receivable, the Group uses the expected credit loss in accordance with IFRS 9 "Financial Instruments". Management assesses the expected credit loss on impairment of accounts receivable based on assumptions about the individual customer's overdue period, financial position, operating condition, and historical experience as well as the forward-looking information.

As of December 31, 2023, the carrying amount of accounts and notes receivable was $592,538.

2. Valuation of inventories

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

As of December 31, 2023, the carrying amount of inventories was $515,105.

VI. Details of Significant Accounts

(XXXIV) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working fund	$ 904	$ 675
Checking accounts and demand deposits	386,729	356,109
Time deposits	262,886	130,518
Total	$ 650,519	$ 487,302

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

2. As of December 31, 2023 and 2022, the amounts of restricted cash and cash

equivalents due to borrowings were $272,726and $233,898, respectively, and were classified as "financial assets at amortized cost." Please refer to Notes VI (III) and VIII for more information.

3. As of December 31, 2023 and 2022, the amounts of time deposits held by the Group for more than 3 months were $19,575 and $11,127, respectively, and were classified as "financial assets at amortized cost" based on the liquidity. Please refer to Note VI (III) for more information.

(XXXV) Financial assets at fair value through profit or loss－current

Item	December 31, 2023		December 31, 2022	
Current item:				
Financial assets mandatorily measured at fair value				
Beneficiary certificate	$	27,871	$	35,278
Convertible bonds		70,012		70,012
Valuation adjustment		7,417	(	444)
	$	105,300	$	104,846
Financial liabilities mandatorily measured at fair value				
Non-hedging derivatives－				
FX swap	$	-	$	1,709

1.Amounts recognized in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	2023		2022	
Financial assets and liabilities mandatorily measured at fair value				
Beneficiary certificate	$	1,467	($	1,551)
Convertible bonds		9,700		260
Non-hedging derivatives				
－FX swap		6,415		13,407
－FX forward		-	(	560)
Total	$	17,582	$	11,556

2. The information on the Group's transactions and contracts of derivative liabilities which are ineligible for hedge accounting:

	December 31, 2022		
Derivative liabilities	Contract amount (Notional value)		Contract period
FX swap	USD	850 thousand	2022.09.08-2023.03.13
FX swap	USD	1,000 thousand	2022.09.28-2023.03.30

	December 31, 2022		
	Contract amount		
Derivative liabilities	(Notional value)		Contract period
FX swap	USD	1,000 thousand	2022.09.29-2023.03.29

The Group entered into FX swap contracts for purchasing raw materials (buying USD and selling NTD) in order to hedge the exchange rate risk of selling prices, yet ineligible for hedge accounting.

3. The Group did not pledge financial assets at fair value through profit or loss to others as collateral.

4. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note XXII (III).

(III) Financial assets at amortized cost－current

Item	December 31, 2023	December 31, 2022
Current items :		
Repurchase agreement of commercial papers	$ 87,524	$ 87,523
Restricted bank deposits	185,202	146,375
Time deposits	19,575	11,127
Total	$ 292,301	$ 245,025

1. Amounts recognized in profit or loss in relation to financial assets at amortized cost are listed below:

	2023	2022
Interest revenue	$ 12,523	$ 1,453

2. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represented the financial assets at amortised cost held by the Group were $292,301 and $245,025, respectively.

3. For information on the Group’s financial assets at amortized cost pledged to others as collateral, please refer to Note VIII.

4. For information on the credit risk of financial assets at amortized cost, please refer to Note XII (II). The Group invests in the certificates of deposit issued by financial institutions with high credit quality, so it expects that the probability of counterparty default is remote.

(IV) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 13,511	$ 41,834
Less: Allowance for impairment loss	-	(39,116)
	$ 13,511	$ 2,718

Notes receivable－related parties	$ 13,427	$ 13,557
Accounts receivable	$ 374,038	$ 420,473
Less: Allowance for impairment loss	(9,534)	(5,799)
	$ 364,504	$ 414,674
Accounts receivable－related parties	$ 201,096	$ 110,439

1. The following is the notes and accounts receivable (including related parties) aging report:

	December 31, 2023		December 31, 2022	
	Notes receivable	Accounts receivable	Notes receivable	Accounts receivable
Current	$ 26,938	$ 410,604	$ 16,275	$ 441,341
Within 30 days	-	47,628	-	37,903
31-90 days	-	31,024	-	34,025
91-180 days	-	33,266	-	11,193
Over 180 days	-	52,612	39,116	6,450
	$ 26,938	$ 575,134	$ 55,391	$ 530,912

The aging analysis above is based on overdue days.

2. As of December 31, 2023 and 2022, accounts and notes receivable were all from contracts with customers. As of January 1, 2022, the balances of notes and accounts receivable from contracts with customers were $46,346 and $589,605, respectively.

3. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancement, the maximum exposures to credit risk in respect of the amount that best represented the Group’s notes receivable (including related parties) were $26,938 and $16,275, respectively. As of December 31, 2023 and 2022, the maximum exposures to credit risk in respect of the amount that best represented the Group’s accounts receivable (including related parties) were $565,600 and $525,113, respectively.

4. The Group does not hold any collateral.

5. For information related to credit risk of accounts and notes receivable, please refer to Note XII (II).

(V) Inventories

	December 31, 2023		
	Cost	Allowance to reduce inventory to market	Carrying amount
Raw materials	$ 254,443	($ 37,402)	$ 217,041
Work-in-process	134,143	(7,539)	126,604
Finished goods	176,529	(15,369)	161,160
Merchandise	35,094	(24,794)	10,300
Total	$ 600,209	($ 85,104)	$ 515,105

	December 31, 2022		
	Cost	Allowance to reduce inventory to market	Carrying amount
Raw materials	$ 368,131	($ 31,605)	$ 336,526
Work-in-process	188,366	(8,959)	179,407
Finished goods	175,786	(11,185)	164,601
Merchandise	38,558	(25,948)	12,610
Total	$ 770,841	($ 77,697)	$ 693,144

Expense and loss incurred on inventories for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Cost of goods sold	($ 1,068,787)	($ 1,200,041)
Unallocated labor and manufacturing overhead	(36,290)	(31,559)
Gain (loss) on inventory valuation	(7,564)	(23,742)
Loss from obsolescence	(13,023)	(4,497)
Effect of exchange rates	51	413
	($ 1,125,613)	($ 1,259,426)

(VI) Other current assets

	December 31, 2023	December 31, 2022
Prepayment for purchases	$ 39,341	$ 107,598
Prepaid expense	55,445	75,632
Overpaid sales tax	11,435	13,939
Income tax refund receivable	2,571	4,540
Other receivables	7,481	3,282
	$ 116,273	$ 204,991

(VII) Financial assets at fair value through other comprehensive income (FVTOCI) — noncurrent

Item	December 31, 2023	December 31, 2022
Equity instrument		
Non-listed stocks	$ 12,220	$ 15,312
Valuation adjustment	440	(4,044)
	$ 12,660	$ 11,268

1. The Group chose to classify the strategic investment in non-listed stocks as financial assets at FVTOCI. As of December 31, 2023 and 2022, fair value of those investments was $12,660 and $11,268, respectively.
2. The Group disposed of all stocks of Top Cloud Technology Inc. in September 2022, with a total of 373,750 shares and price of $3,737. The Company derecognized the cost of investment (i.e., carrying amount) of $3,737, without gain on disposal.
3. In July 2023, the Group obtained Arbor Australia Pty's certificate of completion of liquidation, and derecognized the original investment cost and accumulated impairment of $3,092.
4. Items recognized in profit or loss and other comprehensive income in relation to financial assets at FVTOCI were as follows:

Equity instruments at FVTOCI	2023	2022
Changes in fair value recognized in other comprehensive income	$ 1,392	$ 2,830
Cumulative gains or losses reclassified to retained earnings due to derecognition	($ 3,092)	$ -
Dividend revenue recognized in profit or loss		
Still held by the Company at the end of reporting period	$ 937	$ 700

5. For information on fair value related to financial assets at FVTOCI, please refer to Note XXII (III).

(VIII) Investments accounted for using equity method

1. Changes in investments accounted for using equity method (including those classified as liabilities) are as follows:

	2023	2022
January 1	$ 457,505	$ 452,043
Share of investment income	(25,287)	10,187
Unrealized sales gross profits	(1,609)	(2,902)
Realized sales gross profits	2,902	270
Changes in other equity	(1,318)	(2,093)
December 31	$ 432,193	$ 457,505

2. The details of investments accounted for using equity method are as follows:

Associates	December 31, 2023	December 31, 2022
AMobile Intelligent Corp. Ltd (AMobile HK)	$ 432,193	$ 457,505

3. The basic information of the associate that is material to the Group is as follows:

Company name	Principle place of business	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022	Method of measurement
AMobile HK	Taiwan	39.31%	39.31%	Equity method

4. The summarized financial information of the associate that is material to the Group is as follows:

Balance Sheet

	AMobile HK	
	December 31, 2023	December 31, 2022
Current assets	$ 1,281,435	$ 1,344,156
Noncurrent assets	54,768	47,433
Current liabilities	(845,684)	(750,494)
Noncurrent liabilities	(11,557)	(94,470)
Total net assets	$ 478,962	$ 546,625
Share in associate's net assets (Note)	$ 188,272	$ 214,878

Note: The difference with the carrying amount is mainly from the difference between the original investment cost minus fair value of identifiable net assets and the adjustment to unrealized sales gross profit.

Statement of comprehensive income

	2023	2022
Revenue	$ 457,287	$ 666,022
Net income	($ 64,329)	$ 23,882
Total comprehensive income (loss)	($ 68,652)	$ 24,041

5. The investments accounted for using the equity method, AMobile HK, as of 31 December 2023 was based on financial statements audited by other auditors.

6. The Group holds 39.31% of shares of AMobile HK and is the single biggest shareholder. Because the other three shareholders (unrelated parties) hold a total of 39.31% of shares of AMobile HK; and based on the investment agreement, significant policies should not be only executed without written

agreements of both AMobile HK and investors; in addition, since the Group and other two listed corporate shareholders are responsible for significant relevant activities, such as sales, development of products, and technical support, respectively, under the framework of three-party joint venture, no single party of the three can decide significant operating activities alone to establish the business model and product value of AMobile HK, which means that the value-added activities are under mutual management and support by the three listed companies; therefore, it is judged that the Group has only significant influence but not control over AMobile HK since it is shown that the Group does not take the lead on relevant activities.

(IX) Property, plant, and equipment

	2023					
	Land	Buildings	Machinery And equipment	Office equipment	Other	Total
January 1						
Cost	$ 397,131	$ 168,110	$ 41,700	$ 15,145	$ 42,872	$ 664,958
Accumulated depreciation	-	(31,297)	(27,813)	(10,571)	(30,250)	(99,931)
	$ 397,131	$ 136,813	$ 13,887	$ 4,574	$ 12,622	$ 565,027
January 1	$ 397,131	$ 136,813	$ 13,887	$ 4,574	$ 12,622	$ 565,027
Additions	-	-	113	1,877	1,811	3,801
Disposals－Cost	-	-	(1,341)	(508)	(5,948)	(7,797)
Disposals－Accumulated depreciation	-	-	933	501	5,425	6,859
Reclassifications (Note)	-	-	-	1,505	9,612	11,117
Depreciation expense	-	(6,783)	(2,626)	(1,764)	(4,868)	(16,041)
Net exchange differences	-	-	(208)	-	(5)	(213)
December 31	$ 397,131	$ 130,030	$ 10,758	$ 6,185	$ 18,649	$ 562,753
December 31						
Cost	$ 397,131	$ 168,110	$ 39,717	$ 19,538	$ 48,138	$ 672,634
Accumulated depreciation	-	(38,080)	(28,959)	(13,353)	(29,489)	(109,881)
	$ 397,131	$ 130,030	$ 10,758	$ 6,185	$ 18,649	$ 562,753

	2022					
	Land	Buildings	Machinery And equipment	Office equipment	Other	Total

January 1						
Cost	$ 401,081	$ 141,906	$ 38,931	$ 14,451	$ 59,575	$ 655,944
Accumulated depreciation	-	(26,847)	(24,637)	(10,326)	(37,283)	(99,093)
	$ 401,081	$ 115,059	$ 14,294	$ 4,125	$ 22,292	$ 556,851
January 1	$ 401,081	$ 115,059	$ 14,294	$ 4,125	$ 22,292	$ 556,851
Additions	-	-	1,914	1,909	188	4,011
Disposals－Cost	-	-	(99)	(1,474)	(17,420)	(18,993)
Disposals－Accumulated depreciation	-	-	99	1,280	14,159	15,538
Reclassifications (Note)	(3,950)	28,303	368	-	428	25,149
Depreciation expense	-	(6,549)	(2,901)	(1,292)	(7,056)	(17,798)
Net exchange differences	-	-	212	26	31	269
December 31	$ 397,131	$ 136,813	$ 13,887	$ 4,574	$ 12,622	$ 565,027
December 31						
Cost	$ 397,131	$ 168,110	$ 41,700	$ 15,145	$ 42,872	$ 664,958
Accumulated depreciation	-	(31,297)	(27,813)	(10,571)	(30,250)	(99,931)
	$ 397,131	$ 136,813	$ 13,887	$ 4,574	$ 12,622	$ 565,027

Note: The amounts were reclassified from prepayment on properties and property, plant, and equipment to investment properties. Please refer to Notes VI (XII) and VI (XXXIV) for related information.

1. There were no interests that should be capitalized for the years ended December 31, 2023 and 2022, respectively.

2. For information on the property, plant and equipment that were pledged to others as collateral please refer to Note VIII.

(X) Leasing arrangements－lessee

1. The Group leases various assets including buildings, company cars, and multifunction devices. Lease contracts are typically made for periods between 2020 to 2027. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

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

	2023			
	Buildings	Shipping equipment	Office equipment	Total

	Buildings	Shipping equipment	Office equipment	Total
January 1				
Cost	$ 48,061	$ 3,933	$ 3,174	$ 55,168
Accumulated depreciation	(17,278)	(3,153)	(2,461)	(22,892)
	$ 30,783	$ 780	$ 713	$ 32,276

	Buildings	Shipping equipment	Office equipment	Total
January 1	$ 30,783	$ 780	$ 713	$ 32,276
Additions－New leases	11,666	4,238	3,968	19,872
Derecognition－Cost	(12,258)	(2,001)	(3,174)	(17,433)
Derecognition－Accumulated depreciation	12,258	2,001	3,174	17,433
Depreciation expense	(14,898)	(1,378)	(1,870)	(18,146)
Net exchange difference	235	(436)	-	(201)
December 31	$ 27,786	$ 3,204	$ 2,811	$ 33,801

	Buildings	Shipping equipment	Office equipment	Total
December 31				
Cost	$ 46,860	$ 5,615	$ 3,968	$ 56,443
Accumulated depreciation	(19,074)	(2,411)	(1,157)	(22,642)
	$ 27,786	$ 3,204	$ 2,811	$ 33,801

	2022			
	Buildings	Shipping equipment	Office equipment	Total
January 1				
Cost	$ 41,072	$ 3,855	$ 2,938	$ 47,865
Accumulated depreciation	(31,873)	(1,972)	(857)	(34,702)
	$ 9,199	$ 1,883	$ 2,081	$ 13,163
January 1	$ 9,199	$ 1,883	$ 2,081	$ 13,163
Additions－New leases	35,176	-	236	35,412
Derecognition－Cost	(28,377)	-	-	(28,377)
Derecognition－Accumulated depreciation	28,377	-	-	28,377
Depreciation expense	(13,715)	(1,122)	(1,604)	(16,441)
Net exchange difference	123	19	-	142
December 31	$ 30,783	$ 780	$ 713	$ 32,276

	2022			
	Buildings	Shipping equipment	Office equipment	Total
December 31				
Cost	$ 48,061	$ 3,933	$ 3,174	$ 55,168
Accumulated depreciation	(17,278)	(3,153)	(2,461)	(22,892)
	$ 30,783	$ 780	$ 713	$ 32,276

3. The information on lease liabilities relating to lease contracts is as follows:

	December 31, 2023	December 31, 2022
Total lease liabilities	$ 34,536	$ 32,545
Less: Current portion (Presented as "Lease liabilities－Current")	(17,401)	(9,740)
	$ 17,135	$ 22,805

4. The information on profit and loss relating to lease contracts is as follows:

	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 1,020	$ 580
Expense on short-term lease contracts	7,220	5,571
Expense on leases for assets of low value	92	82

5. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases were $25,911 and $23,890, respectively.

(XI) Leasing arrangements－lessor

1. The Company leases assets including land and buildings. Lease contracts are typically made for periods between 2023 to 2028. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. In order to secure the rental assets, the lease agreements usually require lessors not to pledge the lease assets as collaterals or require lessors to provide guaranteed residual value.
2. For the years ended December 31, 2023 and 2022, the Company recognized rent income (including revenue from sublease of right-of-use assets) of $3,396 and $3,523 based on the operating lease contracts, respectively, in which there were no changes to the lease payments.
3. The analysis of the due dates of lease payments of operating lease contracts is as follows:

	December 31, 2023	December 31, 2022

Less than 1 year	$ 971	$ 971
Over 1 year but less than 5 years	3,886	3,886
Total	$ 4,857	$ 4,857

(XII) Investment properties

	2023		
	Land	Buildings	Total
January 1			
Cost	$ 51,389	$ 26,517	$ 77,906
Accumulated depreciation	-	(3,565)	(3,565)
	$ 51,389	$ 22,952	$ 74,341
January 1	$ 51,389	$ 22,952	$ 74,341
Depreciation expense	-	(803)	(803)
December 31	$ 51,389	$ 22,149	$ 73,538
December 31			
Cost	$ 51,389	$ 26,517	$ 77,906
Accumulated depreciation	-	(4,368)	(4,368)
	$ 51,389	$ 22,149	$ 73,538

	2022		
	Land	Buildings	Total
January 1			
Cost	$ 47,439	$ 22,400	$ 69,839
Accumulated depreciation	-	(663)	(663)
	$ 47,439	$ 21,737	$ 69,176
January 1	$ 47,439	$ 21,737	$ 69,176
Reclassification (Note)	3,950	2,019	5,969
Depreciation expense	-	(804)	(804)
December 31	$ 51,389	$ 22,952	$ 74,341
December 31			
Cost	$ 51,389	$ 26,517	$ 77,906
Accumulated depreciation	-	(3,565)	(3,565)
	$ 51,389	$ 22,952	$ 74,341

Note: The amounts were reclassified from property, plant, and equipment to investment properties. Please refer to Note VI (IX)and VI(XXXIV) for related information.

1. Rent revenue and direct operating expenses of investment properties are summarized as follows:

	2023	2022
Rent revenue from investment properties	$ 2,504	$ 2,552
Direct operating expenses incurred by the investment properties that generate current rent revenue	$ 1,296	$ 921

2. As of December 31, 2023 and 2022, the fair value of investment properties held by the Group was $89,047 and $98,393, respectively. The aforementioned fair value was estimated based on the market prices of similar properties in the neighborhood of related properties, which is the level 2 fair value measurement.

3. For information on the investment properties pledged as collaterals, please refer to Note VIII.

(XIII) Intangible assets

	2023			
	Computer software	Goodwill	Patent	Total
January 1				
Cost	$ 29,806	$ 26,349	$ 9,762	$ 65,917
Accumulated amortization	(20,389)	-	(8,929)	(29,318)
	$ 9,417	$ 26,349	$ 833	$ 36,599
January 1	$ 9,417	$ 26,349	$ 833	$ 36,599
Additions－Separate acquisition	2,600	-	-	2,600
Reclassification (Note)	132	-	-	132
Amortization expense	(5,065)	-	(833)	(5,898)
Net exchange difference	-	89	-	89
December 31	$ 7,084	$ 26,438	$ -	$ 33,522
December 31				
Cost	$ 32,538	$ 26,438	$ 9,762	$ 68,738
Accumulated amortization	(25,454)	-	(9,762)	(35,216)
	$ 7,084	$ 26,438	$ -	$ 33,522

2022

	Computer software	Goodwill	Patent	Customer relationships	Total
January 1					
Cost	$ 23,838	$ 23,877	$ 9,762	$ 14,178	$ 71,655
Accumulated amortization	(14,577)	-	(6,976)	(12,464)	(34,017)
	$ 9,261	$ 23,877	$ 2,786	$ 1,714	$ 37,638

	Computer software	Goodwill	Patent	Customer relationships	Total
January 1	$ 9,261	$ 23,877	$ 2,786	$ 1,714	$ 37,638
Additions－Separate acquisition	1,919	-	-	-	1,919
Reclassification (Note)	4,049	-	-	-	4,049
Amortization expense	(5,812)	-	(1,953)	(1,845)	(9,610)
Net exchange difference	-	2,472	-	131	2,603
December 31	$ 9,417	$ 26,349	$ 833	$ -	$ 36,599

	Computer software	Goodwill	Patent	Customer relationships	Total
December 31					
Cost	$ 29,806	$ 26,349	$ 9,762	$ 14,178	$ 80,095
Accumulated amortization	(20,389)	-	(8,929)	(14,178)	(43,496)
	$ 9,417	$ 26,349	$ 833	$ -	$ 36,599

Note: It was reclassified from prepayment on equipment. Please refer to Note VI (XXXIV) for related information.

The details of amortization of intangible assets are as follows:

	2023	2022
Operating costs	$ 869	$ 875
Selling expenses	1,792	3,635
General and administrative expenses	1,807	2,708
Research and development expenses	1,430	2,392
	$ 5,898	$ 9,610

(XIV) Other non-current assets

	December 31, 2023	December 31, 2022
Refundable deposits	$ 32,990	$ 32,579
Prepayment on equipment	5,506	10,210
Other assets	3,648	3,515
Overdue receivables	38,287	-
Allowance for impairment loss on overdue receivables	(38,287)	-
	$ 42,144	$ 46,304

1. In 2021, the Group sold goods to Jiangsu Tianyu Jiyuan Intelligent Technology Development Co., Ltd. (hereinafter referred to as "Jiangsu Tianyu"), and the outstanding receivables totaled $39,065. After assessing the possibility of bad debts, the Group has fully recognized impairment losses in 2022. On 25 August 2022, the Group applied to the People's Court of New North District, Changzhou City, Jiangsu Province for property preservation, requesting that the property of RMB 9,614,562 in the value of Jiangsu Tianyu be seized or frozen in accordance with the law. After the trial of the court, the case may be executed immediately. Jiangsu Tianyu refused to accept the judgment and filed an appeal to the Intermediate People's Court of Changzhou City, Jiangsu Province on 9 January 2023, and subsequently withdrew the appeal on 1 April 2023. The Group started to transfer the receivables from Jiangsu Tianyu to the overdue amount on 30 September 2023, and discussed with the appointed lawyer for subsequent collection actions.
2. For information on the Refundable deposits pledged as collaterals, please refer to Note VIII.

(XV) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank loans			
Credit loans	$ 410,000	0.50%~2.22%	Notes guarantee issued
Secured loans	236,500	0.50%~1.97%	Land, buildings and restricted deposits
	$ 646,500		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank loans			
Credit loans	$ 320,000	1.58%~1.98%	Notes guarantee issued
Secured loans	179,000	1.36%~1.96%	Land, buildings and restricted deposits
Purchase order financing	60,082	1.50%~1.92%	None
	$ 559,082		

(XVI) Short-term notes and bills payable

	December 31, 2023	Interest rate range	Collateral
Commercial paper payable	$ 72,000	1.94%~1.97%	Notes guarantee issued and Repurchase agreement of commercial papers
Less: Unamortized discount	-		
	$ 72,000		

	December 31, 2022	Interest rate range	Collateral

Commercial paper payable	$	72,000	1.89%	Notes guarantee issued and Repurchase agreement of commercial papers
Less: Unamortized discount		-		
	$	72,000		

(XVII) Other payables

	December 31, 2023	December 31, 2022
Salary payable	$ 35,771	$ 43,563
Insurance premiums payable	8,473	8,537
Employee compensation payable	8,000	4,500
Compensation due to directors and supervisors	1,000	1,000
Other expenses payable	23,808	38,389
	$ 77,052	$ 95,989

(XVIII) Bonds payable

1. The offering and issuance of the Company's third unsecured domestic convertible bonds were approved by the competent authority in December 2019. The offering was completed in January 2020. The principal covenants are as follows:
   (1) Total par value: NT $300,000.
   (2) Outstanding period: 3 years, from January 20, 2020 to January 20, 2023
   (3) Coupon rate: 0%
   (4) Conversion period: The bondholder is entitled to require the stock transfer agent of the Company to convert the bonds into ordinary shares after the third month of the issuance to the maturity date unless book closure is required by the covenants or regulations. The converted common shares shall rank pari passu with the issued and outstanding common shares.
   (5) Conversion price and adjustment: The conversion price is determined by the model stated in the conversion rule. If the anti-dilution provisions are subsequently applicable, the Company will adjust the conversion price in accordance with the model stated in the conversion rule. Subsequently on the base date set in the rule, conversion price will be re-determined based on the model stated in the conversion rule. If the re-determined conversion price is higher than the current conversion price, adjustment will not be applicable.
   (6) Redemption rule:
      A. Redemption on the maturity date: The Company will redeem all the outstanding bonds on the maturity date in cash.
      B. Early redemption: After the third month of the issuance date to 40 days before maturity, if the closing price of the Company's common share exceeds 30% of the current conversion price for 30 consecutive business days, or if the convertible bonds' outstanding balance is lower than 10% of the total issuance amount, the Company is entitled to redeem the bonds in cash at par value from the bondholder on the fifth business day after the redemption date, plus accrued interest at the annual rate of 0.5% from the issuance date to the redemption date.

C. In accordance with the conversion rule, all redeemed (including redeemed via TPEx), repaid, and converted bonds will be retired with extinction of all attached rights and obligations and will not be reissued anymore.

(7) For the years ended December 31, 2023 and 2022, the balances of capital surplus－stock option related to exercised conversion rights were $0 and $8,853, respectively. As of December 31, 2023 and 2022, the par value of bonds with conversion right exercised was both $300,000. Based on the current conversion price per share upon conversion 13,634 thousand has been converted. The amount of capital surplus arising from the conversion was $182,751.

2. When the Company issued the third unsecured domestic convertible bonds, since the economic characteristics and risks of the call option, a non-equity item, are not closely related to the economic characteristics and risks of the host contract, the call option is accounted for and presented as a "financial asset at FVTPL" at net carrying amount separately in accordance with IFRS 9 "Financial instruments." The effective interest rate of the host contract is 2.27% after separation.

3. When the Company issues convertible bonds, the Company separates the conversion right, which is an equity component, from all the other liability components in accordance with IAS 32 and presents it as "capital surplus－stock option." As of December 31, 2022 and 2021, the amount of capital surplus－stock option was both $0.

4. When the convertible bonds' outstanding balance is lower than 10% of the total issuance amount, the Company is entitled to redeem the bonds in cash at par value from the bondholder in accordance with the Article 18 of The Third Unsecured Domestic Convertible Bonds Issuance and Conversion Rule. The over-the-counter trading of the aforementioned convertible bonds was terminated on September 21, 2022 because all the conversion rights were exercised before the redemption base date, September 20, 2022.

(XIX) Long-term borrowings

Types of borrowings	December 31, 2023	Interest rate range	Collateral
Bank credit loan	$ 29,146	2.05%~2.10%	Restricted bank deposit
Bank mortgage loan	442,791	1.90%~2.05%	Land and buildings
Subtotal	471,937		
Less: Current portion	(67,601)		
	$ 404,336		

Types of borrowings	December 31, 2022	Interest rate range	Collateral
Bank credit loan	$ 93,103	1.71%~1.95%	Restricted bank deposit
Bank mortgage loan	472,375	1.61%~1.80%	Land and buildings
Subtotal	565,478		
Less: Current portion	(93,672)		
	$ 471,806		

(XX) Pensions

1.(1) The Company has a defined benefit pension plan in accordance with the Labor

Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Act. Under the defined benefit pension plan, for those employees qualified for retirement conditions, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. From November 2021, the Company started to increase the monthly contribution equal to from 2% to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, under the name of the retirement fund supervisory committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 6,111)	($ 2,581)
Fair value of plan assets	4,053	2,638
Net defined benefit (liability) asset (Stated as "other noncurrent liabilities" and "other noncurrent assets," respectively	($ 2,058)	$ 57

(3) Movements in present value of net defined benefit obligations are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	($ 2,581)	$ 2,638	$ 57
Interest expense (income)	(34)	47	13
	(2,615)	2,685	70
Remeasurements:			
Return on plan assets (Excluding amounts included in interest revenue or expense)	-	9	9
Effects of change in financial assumptions	(622)	-	(622)
Experience adjustments	(3,203)	-	(3,203)
	(3,825)	9	(3,816)
Pension fund contribution	-	1,688	1,688
Paid pension	329	(329)	-
Balance at December 31	($ 6,111)	$ 4,053	($ 2,058)

2022	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
Balance at January 1	($ 4,625)	$ 1,097	($ 3,528)
Interest expense (income)	(33)	14	(19)
	(4,658)	1,111	(3,547)
Remeasurements:			
Return on plan assets (Excluding amounts included in interest revenue or expense)	-	61	61
Effects of change in demographic assumptions	-	-	-
Effects of change in financial assumptions	187	-	187
Experience adjustments	1,559	-	1,559
	1,746	61	1,807
Pension fund contribution	-	1,797	1,797
Paid pension	331	(331)	-
Balance at December 31	($ 2,581)	$ 2,638	$ 57

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

(5) The principal actuarial assumptions were summarized as follows:

	2023	2022
Discount rate	1.20%	1.35%

Future salary increase rate	3.00%	2.00%

Assumptions regarding future mortality are estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years of 20223and 2022.

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

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 144)	$ 149	$ 146	($ 142)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 67)	$ 70	$ 69	($ 67)

The sensitivity analysis above was arrived at based on one single changing assumption while the other conditions remain constant. In practice, multiple assumptions may change at the same time. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The method and assumptions of analyzing sensitivity are the same with the previous period.

(6) Expected contributions to the defined benefit pension plan of the Company for the year 2024 are $1,424.

(7) As of December 31, 2023, the weighted average duration of the retirement plan was 9 years. The analysis of due fund payment is as follows:

Period	Benefits payment
2024	$ 128
2025	118
2026	224
2027	194
2028	253
After 2029	5,601
	$ 6,518

(8) For the years 2023 and 2022, the Company recognized pension costs of ($13) and $19, respectively, in accordance with the aforementioned plan.

(9) Actuarial gains and losses that were recognized in other comprehensive income are as follows:

	2023	2022
Currently recognized	($ 3,816)	$ 1,807

Accumulated amount	($ 2,705)	$ 1,111

2. (1) The Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute a monthly amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits are paid either monthly or in lump sum based on the principal and accumulated returns in the employees' individual pension accounts upon termination of employment.
   (2) The Company's foreign subsidiaries have a defined contribution pension plan.
   (3) The Company's subsidiaries in the People's Republic of China (PRC) make monthly pension contributions in accordance with the pension regulations in the PRC based on certain percentage of employees' monthly salaries and wages. The contribution rates are 14-15% in accordance with local regulations. Every employee's pension fund is administered by the government. Other than the monthly contributions, the Group has no further obligations.
   (4) The pension costs under the aforementioned defined pension plan of the Group for the years 2022 and 2021 were $14,469 and $14,666, respectively.

(XXI) Share-based payment

1. For the years 2023 and 2022, the agreements of share-based payment of the Group were as follows:

Types of agreements	Grant date	Amount granted	Vesting condition
Employee stock option plan	2021.11.26	675 thousand shares	2-year services
(Same as above)	2021.11.26	675 thousand shares	3-year services
Transferring treasury stocks to employees	2023.01.16	616 thousand shares	Vesting immediately

The stocks that were repurchased by the Group and that were then transferred to employees are restricted from transferring within the first year that employees receive the stocks.

All the share-based payment arrangements above are settled by equity.

2. The details on the share-based payment arrangements above are as follows:

	2023		2022	
	Number of options	Weighted average exercise price (NT$)	Number of options	Weighted average exercise price (NT$)
Outstanding stock options, January 1	1,350	$ 21.55	1,350	$ 21.55
Options granted	616	21.79	-	-
Options exercised	(616)	21.79	-	-

Outstanding stock options, December 31	1,350	21.55	1,350	21.55
Exercisable stock options, December 31	-	-	-	-

3. As of December 31, 2023, the weighted average remaining contractual life of outstanding stock options was 2.92 years.
4. The Company estimated the fair value of stock options of the share-based payment transactions on the grant date with binomial tree pricing model and Black-Scholes option pricing model. Related information is as follows:

Types of arrangements	Grant date	Stock price	Exercise price	Expected fluctuation	Expected remaining life	Risk-free interest rate	Fair value per unit (NT$)
Employee stock option plan	2021.11.26	$21.55	$21.55	35.31%	3.5 years	0.4003%	$ 5.69
(Same as above)	2021.11.26	21.55	21.55	34.70%	4 years	0.4151%	5.98
Transferring treasury stocks to employees	2023.01.16	23.46	21.79	39.70%	0.14 years	0.7902%	2.35

5. For the years ended December 31, 2023 and 2022, expenses from share-based payment transactions were $3,605 and $2,298, respectively.

(XXII) Share capital

1. As of December 31, 2023, the authorized capital of the Company was $1,500,000. The paid-in capital was $954,394 consisting of 95,439 thousand shares with a par value of $10 per share. All proceeds from shares issued have been collected.
2. A reconciliation of common shares of the Company is as follows:

(Unit: Thousand Shares)

	2023	2022
January 1	95,439	74,422
Conversion of convertible bond	-	5,017
Seasoned equity offering -private placement	-	16,000
December 31	95,439	95,439

3. Treasury stocks

(1) Reasons for repurchase and number of repurchased shares:

		December 31, 2023	
Company that holds shares	Reasons for repurchase	Number of shares	Carrying amount
The Company	For transferring to employees	928 (thousand)	$ 23,091

Company that holds shares	Reasons for repurchase	December 31, 2022 Number of shares	Carrying amount
The Company	For transferring to employees	1,544 (thousand)	$ 36,515

(2) Movements in value of the Company’s treasury stocks are as follows:

	2023	2022
January 1	($ 36,515)	($ 32,819)
Treasury stocks repurchased	-	(3,696)
Treasury stocks transferred－Employee stock options exercised	13,424	-
December 31	($ 23,091)	($ 36,515)

(3) Based on the Securities and Exchange Act, the number of shares bought back may not exceed 10% of the total number of issued and outstanding shares of the Company. The total amount of the shares bought back may not exceed the amount of retained earnings plus premium on capital stock plus realized capital reserve.

(4) Based on the Securities and Exchange Act, treasury stocks held by the Company shall not be pledged. Before transfer, the shareholder’s rights shall not be enjoyed, either.

(5) Based on the Securities and Exchange Act, the shares bought back for transferring shares to its employees shall be transferred within five years from the date of buyback. The shares not transferred within the said time limit shall be deemed as not issued by the Company, and amendment registration shall be processed to cancel the shares. As for those shares bought back for maintaining the Company’s credit and shareholders’ rights and interests, amendment registration shall be effected within six months from the date of buyback to cancel the shares.

(6) The board of directors of the Company resolved to repurchase treasury stocks for transferring to employees of the Company on November 15, 2021. It was scheduled to repurchase 1,000 thousand shares. As of December 31, 2021, the actual buyback was 469 thousand shares with total amount of $9,728 (including discounts and allowances). In January 2022 there was another buyback of 147 thousand shares with total amount of $3,696. As of January 14, 2022, the end of the buyback period, the actual buyback was 616 thousand shares with total amount of $13,424. On January 16, 2023, Resolution, the Board of Directors of the Company, transferred all the aforementioned treasury shares to employees at NT $21.79 per share, with a transfer amount of $13,424, and recognized compensation costs of $1,448.

4. In order to align with the future development and introduce strategic investors, the Company planned a seasoned equity offering through a private placement pursuant to the shareholder resolutions on July 5, 2021. The number of shares shall not exceed 16,000 thousand shares with par value of $10 per share through the private placement. The Company arranged specific places to purchase 16,000 thousand shares at $18.5 per share in the private placement. The capital increase was amounted to $296,000. The record date of capital increase was March 11, 2022, and the amendment registration was completed on April 25, 2022. Those common shares issued in the

private placement were subject to transfer restriction of counterparty and quantity in accordance with relevant laws. A public offering shall not be conducted until three years after the grant date.

(XXIII) Capital surplus

According to the Company Act, where a company incurs no loss, it may distribute the income derived from the issuance of new shares at a premium, and the income from endowments received by the company, by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash. Based on the relevant regulations of Securities and Exchange Act, where a company intends to capitalize the aforementioned capital surplus, the total amount per year shall not exceed 10% of paid-in capital. A company shall not use the capital surplus to make good its capital loss, unless the surplus reserve is insufficient to make good such loss.

(XXIV) Retained earnings

1. Under the Company's Articles of Incorporation, the current annual earnings, if any, shall first be used to pay all taxes and offset losses in prior years, and then 10% of the remaining amount shall be set aside as legal reserve. The remaining balance shall be whether retained or distributed in accordance with shareholder resolutions.

2. The Company adopts "residual dividend policy" for its dividend policies, authorizing the proposal of earning distribution resolved by the board of directors within the scope of distributable earnings from 0% to 100% and submitted to the shareholders' meeting, after taking various factors into consideration, such as the current and future investment environment, needs of funds, domestic and foreign competition, and capital budget as well as balancing the benefits of shareholders, dividends, and long-term financial plans. The ratio of annual cash dividends shall not be less than 10% of the total of current cash and stock dividends.

3. The legal reserve shall not be used except for making good the deficit of the company and being distributed by issuing new shares which shall be distributable as dividend shares to its original shareholders in proportion to the number of shares being held by each of them or by cash, for the portion in excess of 25% of the paid-in capital.

4. (1) When distributing distributable earnings, the Company shall set aside special reserve for the debit balance under other equity in the balance sheets according to regulations. If any of the debit balance under other equity is reversed, the special reserve in the amount equal to the reversal may be reversed for earnings distribution.

(2) Upon the first-time adoption of IFRS, the Company reverses the special reserve that was set aside in accordance with the FSC Regulation No. 1010012865 in proportion to the relevant assets when Company subsequently uses, disposes of, or reclassifies them on April 6, 2012.

5. The earnings distribution proposals of 2022 and 2021 have been resolved by the shareholders' meetings held on June 27, 2023 and June 27, 2022, respectively, are as

follows:

	2022		2021	
	Amount	Dividends per share ($)	Amount	Dividends per share ($)
Legal reserve	$ 13,427	$ -	$ 2,186	$ -
Special reserve	(20,853)	-	10,745	-
Cash dividends	75,609	0.80	8,909	0.10
Stock dividends	$ 68,183		$ 21,840	

6. The earnings distribution proposal of 2023 that was resolved by the board of directors on March 15, 2024 is as follows:

	2023	
	Amount	Dividends per share ($)
Legal reserve	$ 11,599	$ -
Reversal of special reserve	3,629	-
Cash dividends	56,861	0.60
Total	$ 72,089	

(XXV) Operating revenue

	2023	2022
Revenue from contracts with customers		
Sales revenue	$ 1,671,427	$ 1,801,055

1. Classification of revenue from contracts with customers

The revenue of the Group is from providing goods that are transferred at a certain point in time and can be classified geographically as follows:

2023	Asia: Taiwan	Asia: Mainland China	Asia: Korea	Americas	Europe	Total
Segment revenue	$ 1,192,634	$ 584,132	$ 91,678	$ 362,475	$ 239,180	$ 2,470,099
Internal segment revenue	(520,621)	(274,852)	-	(1,691)	(1,508)	(798,672)
Revenue from contracts with external customers	$ 672,013	$ 309,280	$ 91,678	$ 360,784	$ 237,672	$ 1,671,427

2022	Asia: Taiwan	Asia: Mainland China	Asia: Korea	Americas	Europe	Total
Segment revenue	$ 1,259,792	$ 847,354	$ 83,966	$ 443,399	$ 228,277	$ 2,862,788
Internal segment revenue	(505,909)	(547,478)	(971)	(5,166)	(2,209)	(1,061,733)
Revenue from contracts with external customers	$ 753,883	$ 299,876	$ 82,995	$ 438,233	$ 226,068	$ 1,801,055

2. Contract liabilities:

The Group recognized revenue from contract liabilities as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities－unearned sales revenue	$ 14,259	$ 17,323	$ 13,165

Revenue arising from contract liabilities at the beginning of the period recognized in the current period:

	2023	2022
Unearned sales revenue	$ 14,525	$ 12,758

(XXVI)Interest revenue

	2023	2022
Interest from bank deposit	$ 12,079	$ 1,064
Interest from financial assets at amortized cost	12,523	1,453
Other interest revenue	25	14
	$ 24,627	$ 2,531

(XXVII) Other revenue

	2023	2022
Rent revenue	$ 3,396	$ 3,523
Dividends revenue	937	700
Other revenue	10,036	5,113
	$ 14,369	$ 9,336

(XXVIII) Other gains and losses

	2023	2022
Loss on disposal of property, plant, and equipment	($ 76)	($ 3,455)
(Loss) Gain on disposal of investment	(81)	177
Net exchange gain	1,992	35,014
Net gain on financial assets or liabilities at fair value through profit or loss	17,582	11,556
Other loss	(598)	-
	$ 18,819	$ 43,292

(XXIX) Financial costs

	2023	2022
Interest expense:		
Bank loans	$ 21,707	$ 14,808
Convertible bonds	-	1,430
Short-term notes and bills payable	1,132	1,117
Lease liabilities	1,020	580
Other	9	4
	$ 23,868	$ 17,939

(XXX) Additional information on nature of expenses

	2023	2022
Changes in finished goods and work-in-process inventories	$ 431,088	$ 671,728
Materials and supplies used	567,416	449,941
Employee benefits expense	336,459	345,443
Depreciation expense of right-of-use assets	18,146	16,441
Depreciation expense of property, plant, and equipment; and investment properties	16,844	18,602
Shipping expense	12,868	18,972
Research and development materials expense	10,002	13,775
Service charge	10,336	11,032
Amortization expense	5,898	9,610
Rent of operating leases	7,312	5,744
Expected credit impairment losses	5,682	31,408
Other expenses	98,899	75,783
Operating costs and expenses	$ 1,520,950	$ 1,668,479

(XXXI) Employee benefit expense

	2023	2022
Payroll expense	$ 283,224	$ 291,045
Employee stock options	3,605	2,298
Labor and health insurance expenses	22,914	22,971
Pension expense	14,456	14,685
Remuneration of directors	1,937	1,801
Other personnel expenses	10,323	12,643
	$ 336,459	$ 345,443

1. The Company's Articles of Incorporation provide that, after making up

for the accumulative losses, the remainder of profits shall be set aside for compensation of employees at a rate from 2% to 10%, and for remuneration of directors at a rate of no more than 5%.

2. The Company estimated that the amounts of compensation of employees were both $4,000; and that the amounts of remuneration of directors were $1,000, for the years 2023 and 2022. The aforementioned amounts were recognized as payroll expense.

For the year 2023, compensation of employees and remuneration of directors were accrued at rates of 2.57% and 0.64%, respectively, based on the profitability of the current year. The accrued amounts were consistent with those resolved by the board of directors.

The amounts of compensation of employees and remuneration of directors resolved by the board of directors for the year 2022, were consistent with those recognized in the financial report for the year ended December 31, 2022. As of December 31, 2023, there were still $4,000 to be distributed.

The related information on compensation of employees and remuneration of directors resolved by the board of directors and the shareholders' meeting is at "Market Observation Post System."

(XXXII) Taxation

1. Components of income tax expense:

	2023		2022	
Current income tax:				
Current tax on profits for the year	$	40,226	$	18,057
Surtax on undistributed retained earnings		2,502		-
(Over)/Under estimation of income tax in respect of prior years	(	1,805)		602
Total current tax		40,923		18,659
Deferred tax:				
Origination and reversal of temporary differences	(	1,507)	(	1,443)
Loss deduction from prior year	(	3,324)		31,593
Total deferred tax	(	4,831)		30,150
Income tax expense	$	36,092	$	48,809

2. The relationship between income tax expense and accounting profit

	2023		2022	
Tax calculated based on profit before tax and statutory tax rate	$	32,086	$	35,470
Tax exempt income based on tax laws	(	1,400)	(	176)
Expenses that should be adjusted based on tax laws		10		3,295

Unrecognized deferred tax assets arising from temporary differences	-	2,136
Unrecognized deferred tax liabilities arising from temporary differences	(451)	(186)
Using unrecognized deductible temporary differences of prior years	(4,274)	5,028
(Over)/Under estimation of income tax in respect of prior periods	(1,805)	602
Surtax on undistributed retained earnings	2,502	-
Effects of intragroup differences of tax rates on income tax	9,424	2,640
Income tax expense	$ 36,092	$ 48,809

3. The amounts of deferred tax assets or liabilities arising from temporary differences and tax loss:

	2023			
	January 1	Recognized in profit or loss	Effects of exchange rates	December 31
Temporary differences:				
—Deferred tax assets:				
Allowance for doubtful accounts	$ 3,767	($ 2,171)	($ 24)	$ 1,572
Allowance to reduce inventory to market	10,427	929	-	11,356
Unrealized exchange losses	-	1,496	-	1,496
Intragroup unrealized sales gross profits	2,735	395	-	3,130
Payment in lieu of untaken annual leave	590	21	-	611
Other	272	(272)	-	-
—Loss carryforward	2,491	3,324	(86)	5,729
Subtotal	20,282	3,722	(110)	23,894
Deferred tax liabilities:				
—Temporary differences:				
Unrealized exchange gains	(1,177)	1,177	-	-
Other	-	(68)	-	(68)
Subtotal	(1,177)	1,109	-	(68)
Total	$ 19,105	$ 4,831	($ 110)	$ 23,826

	2022			
	January 1	Recognized in profit or loss	Effects of exchange rates	December 31

Temporary differences:				
－Deferred tax assets:				
Allowance for doubtful accounts	$ 1,190	$ 2,582	($ 5)	$ 3,767
Allowance to reduce inventory to market	7,663	2,764	-	10,427
Unrealized exchange losses	1,636	(1,636)	-	-
Intragroup unrealized sales gross profits	3,713	(978)	-	2,735
Payment in lieu of untaken annual leave	660	(70)	-	590
Other	628	(356)	-	272
－Loss carryforward	33,999	(31,593)	85	2,491
Subtotal	49,489	(29,287)	80	20,282
Deferred tax liabilities:				
－Temporary differences:				
Unrealized exchange gains	-	(1,177)	-	(1,177)
Business combination	(291)	314	(23)	-
Subtotal	(291)	(863)	(23)	(1,177)
Total	$ 49,198	($ 30,150)	$ 57	$ 19,105

4. The expiration dates of unused tax losses and the related amounts of unrecognized deferred tax assets of the Group are as follows:

December 31, 2023				
Year of occurrence	Filed/assessed amounts	Undeducted amounts	Amounts of unrecognized deferred tax assets	Year of expiration
2020	$ 1,762	$ 1,762	$ -	Note
2021	1,927	1,927	-	Note
2022	6,206	6,206	-	Note
2023	13,355	13,355	-	Note

December 31, 2022				
Year of occurrence	Filed/assessed amounts	Undeducted amounts	Amounts of unrecognized deferred tax assets	Year of expiration
2020	$ 1,762	$ 1,762	$ -	Note
2021	1,927	1,927	-	Note
2022	6,206	6,206	-	Note

Under the Corporate Income Tax Law of the People’s Republic of China, the loss carry forward of Arbor China, a subsidiary of the Group, is valid for 5 years.

5. Deductible temporary differences that were not recognized as deferred

tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 9,572	$ 8,544

6. The group has not recognized the deferred tax liabilities which from certain subsidiaries taxable temporary differences in their investing related. The unrecognized temporary differences of Deferred tax liabilities as of December 31, 2023 and December 31, 2022 were $34,248 and $27,767, respectively.

7. The Company's profit-seeking enterprise income tax returns through 2021 have been assessed and approved by the tax authority.

(XXXIII) Earnings per share

	2023		
	After-tax amounts	Weighted-average outstanding shares (thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 122,898	94,400	$ 1.30
Diluted earnings per share			
Effect of diluted potential ordinary shares			
Compensation of employees	-	458	
Profit attributable to ordinary shareholders plus the effect of potential ordinary shares	$ 122,898	94,858	$ 1.30

	2022		
	After-tax amounts	Weighted-average outstanding shares (thousand)	Earnings per share (NT$)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 132,388	87,823	$ 1.51
Diluted earnings per share			
Effect of diluted potential ordinary shares			
Compensation of employees	-	152	
Profit attributable to ordinary shareholders plus the effect of potential ordinary shares	$ 132,388	87,975	$ 1.50

(XXXIV) Supplementary information of cash flows

Investing activities without affecting cash flow

	2023	2022
Reclassification of prepayments for business facilities to intangible assets	$ 132	$ 4,049
Reclassification of prepayments for refurbishment to property, plant, and equipment	$ -	$ 30,690
Reclassification of prepayments for business facilities to property, plant, and equipment	$ 11,117	$ 428
Reclassification of property, plant, and equipment to investment properties	$ -	$ 5,969

(XXXV) Changes in the liabilities arising from financing activities

2023	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including the current portion)	Bonds payable (including the current portion)	Lease liabilities (including the current portion)	Guarantee deposits received	Total liabilities from financing activities
January 1	$ 559,082	$ 72,000	$ 565,478	$ -	$ 32,545	$ 660	$ 1,229,765
Changes in cash flows from financing activities	87,418	-	(93,541)	-	(17,579)	30	(23,672)
Effect of changes in exchange rates	-	-	-	-	(302)	-	(302)
Other non-cash changes	-	-	-	-	19,872	-	19,872
December 31	$ 646,500	$ 72,000	$ 471,937	$ -	$ 34,536	$ 690	$ 1,225,663

2022	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including the current portion)	Bonds payable (including the current portion)	Lease liabilities (including the current portion)	Guarantee deposits received	Total liabilities from financing activities
January 1	$ 500,106	$ 114,000	$ 685,656	$ 105,584	$ 13,216	$ 434	$ 1,418,996
Changes in cash flows from financing activities	58,976	(42,000)	(120,178)	-	(17,657)	226	(120,633)
Effect of changes in exchange rates	-	-	-	-	1,574	-	1,574
Other non-cash changes	-	-	-	(105,584)	35,412	-	(70,172)
December 31	$ 559,082	$ 72,000	$ 565,478	$ -	$ 32,545	$ 660	$ 1,229,765

VII. Related party transactions

(XXXVI) Names and relationship with related parties

Relationship	Relationship with the Group
AMobile Intelligent Corp. Ltd. (AMobile HK)	Associate
AMobile Solutions Corp. (AMobile Solutions)	Associate
Mobilink Intelligent (Shanghai) Ltd.	Associate
Amobile (HK) Limited(Amobile)	Associate
AMobile Solutions (Xiamen) CO., LTD.	Associate
Ennoconn International Investment Co., Ltd. (EI)	Other related party
Ennoconn Technology Co., Ltd. (Ennoconn)	Other related party
American Industrial Systems Inc. (AIS INC)	Other related party
Ennoconn (Suzhou) Technology Co., Ltd) (Ennoconn Suzhou)	Other related party
Victor Plus Holdings Ltd.	Other related party
Vecow Co., Ltd. (Vecow)	Other related party
Satem Technology Co., Ltd. (Satem)	Other related party
Lee Min	Key management personnel
Lien, Chi-Ruei	Key management personnel

(II) Significant transactions with related parties

1. Operating revenue

	2023	2022
Sales of goods:		
- Associates	$ 157,163	$ 137,324
- Other related parties	70,724	8,564
	$ 227,887	$ 145,888

(1) Prices of goods sold to the aforementioned related parties were determined based on the economic environment and market competition of each sales territory, respectively. The payment terms of related parties are slightly longer than those of normal customers, with an average of 2

to 4 months.

(2) The Group eliminates the portion of net sales and purchases of which the risk and ownership are not transferred yet in accordance with the (87) Tai Tsai Cheng (Six) No. 00747 Regulation issued on March 18, 1998 by the Securities and Future Bureau. For the years 2023 and 2022, the eliminated sales revenue and accounts receivable are as follows:

	2023		2022	
	Eliminated Sales revenue	Accounts receivable	Eliminated Sales revenue	Accounts receivable
Other related parties	$ 45,555	$ 45,555	$ 2,128	$ 2,128

2. Purchases

	2023	2022
Purchase of goods:		
- Associates		
AMobile HK	$ 192,107	$ 290,320
Other	41,066	46,957
- Other related parties		
Victor Plus	76,784	9,922
Other	279	441
	$ 310,236	$ 347,640

In addition to purchases of goods and materials, the Group also purchased molds, shipping service, repair service, and processing service from the aforementioned related parties. For the years 2023 and 2022, the purchase expenses were $8,704 and $1,596, respectively. The purchasing prices from the related parties were determined after referring to the actual price. The payment terms are the same as those of normal suppliers, which are both net 30.

3. Accounts receivable due from related parties

	December 31, 2023	December 31, 2022
Notes receivable:		
- Associates		
AMobile (Xiamen)	$ 13,427	$ 13,557

	December 31, 2023	December 31, 2022
Accounts receivable:		
- Associates		
AMobile (Xiamen)	$ 121,758	$ 105,958
AMobile Solutions	56,873	-
Other	1,606	4,305
- Other related parties		

AIS INC	20,713	-
Other	146	176
	$ 201,096	$ 110,439

Other receivables:		
- Associates		
AMobile (Xiamen)	$ 111,807	$ 144,235
Other	4,884	17,998
- Other related parties		
Ennoconn Suzhou	27,463	248
	$ 144,154	$ 162,481

Other receivables mainly consist of prices of materials purchased on behalf of others and supportive HR services revenue receivable.

4. Prepayments (recognized as “other current assets”)

	December 31, 2023	December 31, 2022
–Associates		
AMobile Solutions	$ 32,990	$ -
AMobile HK	-	95,580
–Other related parties	613	2,928
	$ 33,603	$ 98,508

They mainly consist of prepayments for goods.

5. Accounts payable due to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
- Associates		
AMobile Solutions	$ 13,524	$ -
AMobile HK	-	29,865
Other	9,170	2,049
- Other related parties		
Victor Plus	15,455	126
Other	4,314	-
	$ 42,463	$ 32,040

	December 31, 2023	December 31, 2022
Other payables:		
- Associates	$ 187	$ 5,071
- Other related parties	3,138	692
	$ 3,325	$ 5,763

(1) Accounts payable were mainly from purchasing transactions and were

due two months after the purchasing date. Such accounts payable did not bear interest.

(2) Other payables were mainly accrued for molds expense. Such accounts payable did not bear interest.

6. Other revenues

	2023	2022
AMobile HK	$ 400	$ 3,028
Ennoconn Suzhou	3,634	118
	$ 4,034	$ 3,146

Other revenues are revenue from materials purchasing agent services, interest revenue, and revenue from supportive HR services.

7. Lease transactions－lessor

(1)The Group leases buildings as the right-of-use assets to AMobile HK. The lease contract period is from January 1, 2019 and does not end until both parties agree to terminate. Lease contracts were individually negotiated and consisted of various terms and conditions. Leased assets cannot be pledged as collaterals; in addition, the rights of leased assets cannot be transferred to others in the form of business transfer or business combination, either.

(2) Rent revenue

	2023	2022
–Associates	$ 822	$ 971

8. Property transactions

(1)As of December 31, 2023 and 2022, the amounts of convertible bonds of AMobile HK held by the Group were $78,459 and $71,904, respectively, which are classified as financial assets at FVTPL.

(2) The Company negotiated for Ennoconn International Investment Co., Ltd. to participate in the private placement in 2022. Please refer to VI (XXII) 4 for details.

(3) Acquisition of property, plant and equipment

	2023	2022
–Associates	$ 757	$ -
–Other related parties	2,947	-
	$ 3,704	$ -

9. Details of providing endorsement and guarantee

	December 31, 2023	December 31, 2022
AMobile HK	$ 156,420	$ 156,420

10. The key management is the joint guarantor of some long-term and

short-term loans of the Group.

(III) Information on key management personnel compensation

	2023	2022
Salaries and other short-term employee benefits	$ 26,153	$ 32,909
Post-retirement benefits	216	294
Total	$ 26,369	$ 33,203

VIII. Pledged assets

The assets pledged as collaterals are as follows:

	Carrying amount		
Assets	December 31, 2023	December 31, 2022	Object
Restricted bank deposits (Classified as "financial assets at amortized cost")	$ 185,202	$ 146,375	Long-term and short-term borrowings
Repurchase agreement of commercial papers (Classified as "financial assets at amortized cost")	87,524	87,523	Short-term notes and bills payable
Refundable deposit (Classified as "other noncurrent assets cost")	32,990	32,579	Lease and project deposits
Property, plant, and equipment	494,894	498,465	Long-term and short-term borrowings
Investment properties	73,538	74,341	Long-term borrowings
	$ 874,148	$ 839,283	

IX. Significant contingent liabilities and unrecognized commitments

(I) Contingencies

Please refer to Notes VI (XIV).

(II) Commitments

Please refer to Notes VI (X),V(XI) and VII.

X. Losses due to major disasters

None.

XI. Significant subsequent events

Please refer to Note VI (XXIV) for the information on earnings distribution for the year 2023.

XII. Other

(I) Capital risk management

The Group plans its demand for funds, research and development expense, and dividends expenditure based on the characteristics of current operating industry and future development as well as changes in external environment in order to ensure that each entity of the Group can maintain optimal capital structure to maximize shareholders value by optimizing the balances of liabilities and equity under the going concern assumption.

(II) Financial instruments

1. Categories of financial instruments

Financial assets	December 31, 2023	December 31, 2022
Financial assets at FVTPL－current		
Financial assets mandatorily measured at FVTPL	$ 105,300	$ 104,846
Financial assets at FVTOCI－ noncurrent		
Designated investments in equity investments	12,660	11,268
Financial assets/loans and receivables at amortized costs		
Cash and cash equivalents	650,519	487,302
Financial assets at amortized cost	292,301	245,025
Notes receivable (including due from related parties)	26,938	16,275
Accounts receivable (including due from related parties)	565,600	525,113
Other receivables (including due from related parties))	151,635	165,763
Refundable deposit	32,990	32,579
	$ 1,732,643	$ 1,588,171

Financial liabilities	December 31, 2023	December 31, 2022
Financial liabilities at FVTPL－current		
Financial liabilities mandatorily measured at FVTPL	$ -	$ 1,709
Financial liabilities at amortized costs		
Short-term borrowings	646,500	559,082
Short-term notes and bills payable	72,000	72,000
Notes payable	-	231
Accounts payable (including due to related parties)	130,963	229,221
Other payables (including due to related parties)	80,377	101,752
Long-term borrowings (including current portion)	471,937	565,478
Guarantee deposit received	690	660
	$ 1,402,467	$ 1,530,133

Lease liabilities (including current portion)	$ 34,536	$ 32,545

2. Risk management policies

(1) The Group's operation is affected by various financial risks, including market risk (including exchange rate risk, interest rate risk, and price risk), credit risk, and liquidity risk.

(2) Risk management is implemented by the finance department of the Group based on the policies authorized by the board of directors. The finance department of the Company identifies, assesses, and avoids financial risks by closely cooperating with each operating unit in the Group. The board of directors has set written principles for overall risk management and provided written policies on specific scope and issues, e.g., exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative instruments, and investment of the residual liquidity.

3. Nature and extent of significant financial risks

(1) Market risk

Exchange rate risk

A. The Group operates across international borders; therefore, the Group is exposed to exchange rate risk arising from transactions denominated in different currencies, mainly USD, EUR, and RMB, other than the Company's and each subsidiary's functional currencies. Relevant exchange rate risk is from future business transactions as well as recognized assets and liabilities.

B. The Group avoids exchange rate risk via forward transactions which are, however, not eligible for hedging accounting. Forward transactions are recognized as financial assets or liabilities at fair value through profit or loss, and please refer to Note VI (II) for more information.

C. The Group's operations are involved in different currencies other than the functional currencies. (The functional currency of the Company and some subsidiaries is NTD, while other functional currencies of other subsidiaries include USD, EUR, GBP, RMB, and KRW.). Therefore, the Group is exposed to the fluctuation of exchange rates. The information on assets and liabilities denominated in foreign currencies with significant exposure to the fluctuation of exchange rates is as follows:

	December 31, 2023					
					Sensitivity analysis	
			Carrying amount			
	Foreign currencies (in thousands)	Exchange rate	(in thousands of NT$)	Changes	Profit or loss affected	Other comprehensive income affected
(Foreign currencies to functional currency)						
Financial assets						
Monetary items						

USD to NTD	$ 30,016	30.71	$ 921,791	1%	$ 9,218	$ -
USD to RMB	5,577	7.0973	171,270	1%	1,713	-
EUR to NTD	1,354	33.98	46,009	1%	460	-
GBP to NTD	577	39.15	22,590	1%	226	-
USD to EUR	417	0.9038	12,806	1%	128	-
Non-monetary items						
USD to NTD	14,073	30.71	432,193	1%	-	4,322
Financial liabilities						
Monetary items						
USD to NTD	$ 2,326	30.71	$ 71,431	1%	$ 714	$ -
USD to RMB	5,079	7.0973	155,976	1%	1,560	-
USD to KRW	1,608	1,535.50	49,382	1%	494	-

	December 31, 2022					
					Sensitivity analysis	
	Foreign currencies (in thousands)	Exchange rate	Carrying amount (in thousands of NT$)	Changes	Profit or loss affected	Other comprehensive income affected
(Foreign currencies to functional currency)						
Financial assets						
Monetary items						
USD to NTD	$ 21,889	30.71	$ 672,211	1%	$ 6,722	$ -
USD to RMB	2,887	6.9574	88,660	1%	887	-
EUR to NTD	2,109	32.72	69,006	1%	690	-
GBP to NTD	730	37.09	27,076	1%	271	-
Non-monetary items						
USD to NTD	14,898	30.71	457,505	1%	-	4,575
Financial liabilities						
Monetary items						
USD to NTD	$ 3,218	30.71	$ 98,825	1%	$ 988	$ -
USD to RMB	8,481	6.9574	260,452	1%	2,605	-
USD to KRW	1,729	1,249.8982	53,098	1%	531	-

D. For the years ended December 31, 2023 and 2022, the total recognized amounts of exchange gains (including both realized and unrealized) arising from monetary items with significant effects of fluctuation of exchange rates were $1,992 and $35,014, respectively.

Price risk

A. The Group’s financial instruments with exposure to price risk are all financial assets at FVTPL. The Group diversifies the portfolio based on the limit set by the Group in order to manage price risk arising from investment in financial instruments.

B. The Group mainly invests in equity instruments issued by domestic companies, open-end funds, and convertible bonds. The price of such financial instruments will be affected by the uncertainties of future value of underlying assets. If the price of such financial instruments increases or decreases by 1%, ceteris paribus, net loss after tax will increase or decrease by $1,053 and $1,048 arising from gains or losses on financial instruments at FVTPL for the years 2023 and 2022, respectively.

Cash flows and fair value interest rate risks

A. The Group's interest risk is from loans issued with a floating interest rate, which expose the Group to cash flows interest rate risks. The Group's policy is to maintain at least 35% of loans with fixed rates. For the years 2023 and 2022, the loans issued by the Group with floating interest rates were mainly denominated in NTD.

B. The Group's loans are measured at amortized cost and revalued based on contractual covenants; therefore, the Group is exposed to risks of changes in future market interest rates.

C. When the borrowing rates increase or decrease by 0.1%, ceteris paribus, net loss after tax will decrease and increase by $895 and $900 for the years ended December 31, 2023 and 2022, respectively. It is mainly the floating borrowing rates that result in the changes in interest expenses accordingly.

(2) Credit risk

A.The Group's credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial losses to the Group. The Group is exposed to credit risks mainly from notes receivable, accounts receivable, and other receivables that the counterparty is unable to pay off by the payment term, and the contractual cash flows from financial assets at amortized cost and investment in debt instruments at FVTPL.

B.The Group establishes the risk management from the corporate perspective. As for banks and financial institutions, only those with an independent credit rating of at least "A" can be accepted as counterparties. Based on the internal credit policies, the Group shall manage and conduct credit risk analysis before determining payment and delivery terms with every new customer. Internal risk control evaluates customers' credit quality by considering the financial position, past experiences, and other factors. Individual risk limit is set by the board of directors based on internal or external ratings, and the use of credit line is also monitored on a regular basis.

C.The Group adopts the presumptions in the scope of IFRS 9. When contractual payments are over 90 days past due, a default is deemed to have occurred.

D.The Group adopts the following presumptions in the scope of IFRS 9, on which the Company determines based whether the credit risk of the financial instruments has significantly increased since initial recognition:

(A) The credit risk on financial assets is deemed to increase significantly since initial recognition when contractual payments are over 30 days past due.

(B) The credit risk on financial assets is deemed low if an investment grade is assigned by any external credit agency on the balance sheet date.

E. Indicators adopted by the Group to determine if an investment in debt instruments is credit-impaired are as follows:

(A) The issuer is in significant financial distress, or there is a higher possibility of bankruptcy proceedings or other financial reorganization;

(B) The active market of such financial assets becomes unavailable due to the issuer in financial distress;

(C) The issuer delays or defaults on the payments of interest or principal;

(D) There is an unfavorable change in national or regional economic situation that causes the issuer to default.

F. The Group adopts the simplified approach to estimate expected credit losses based on the loss rate approach, by grouping accounts receivable based on the characteristics of types of customers.

G. The Group writes off the financial assets which cannot be reasonably expected to be recovered after initiating recourse procedures. However, the Group will continue to execute the recourse procedures to secure the claims. As of December 31, 2023 and 2022, claims still under recourse procedures amounted to $1,791 and $0 have been written off by the Group, respectively.

H. The Group adjusts the loss rates which were established to estimate the loss allowance for notes and accounts receivable (excluding due from related parties) based on historical and current information within a specific period of time by adopting the forward-looking consideration in the economic forecast reports issued by Taiwan Institute of Economic Research (TIER). The information on the loss rate approach for the years 2023 and 2022 is as follows:

	Individual(Note)	Group A	Group B	Total
December 31, 2023				
Expected loss rate	100%	0.03%-2.60%	0.05%	
Total carrying amount	$ 38,287	$ 366,478	$ 21,071	$ 425,836
Loss allowance	$ 38,287	$ 9,534	$ -	$ 47,821

	Individual	Group A	Group B	Total
December 31, 2022				
Expected loss rate	100%	0.06%	0.06%	
Total carrying amount	$ 42,680	$ 384,169	$ 35,458	$ 462,307
Loss allowance	$ 42,680	$ 2,235	$ -	$ 44,915

Group A: Customers without any record of more than 90 days overdue payments.

Group B: Customer under special projects.

Note：Individual assessment of expected credit losses have included individual accounts receivable classified to overdue receivables (Classified as “other noncurrent assets”), please refer to Note 6(XIV).

I.Statements of changes in loss allowance for accounts receivable estimated by the simplified approach adopted by the Group are as follows:

	2023			
	Accounts receivable	Notes receivable	Overdue receivable	Total
Balance, January 1	$ 5,799	$ 39,116	$ -	$ 44,915
Loss allowance recognized	5,682	-	-	5,682
Write-off of unrecoverable accounts	(1,950)	-	-	(1,950)
Reclassification	-	(38,287)	38,287	-
Effect of exchange rate	3	(829)	-	(826)
Balance, December 31	$ 9,534	$ -	$ 38,287	$ 47,821

	2022		
	Accounts receivable	Notes receivable	Total
Balance, January 1	$ 3,099	$ 10,273	$ 13,372
Loss allowance recognized	2,662	28,746	31,408
Effect of exchange rate	38	97	135
Balance, December 31	$ 5,799	$ 39,116	$ 44,915

J.As of December 31, 2023 and 2022, the balances of notes receivable-related parties were $13,427 and $13,557, respectively; the balances of accounts receivable-related parties were $201,096 and $110,439, respectively; the balances of other receivables-related parties were $144,154 and $162,481, respectively. Impairment was assessed on an individual basis, and it was assessed that there was no material impairment for financial statements.

(3) Liquidity risk

A.The cash flow forecast is performed by each operating entity and aggregated by the financial department of the Group. The financial department monitors the forecast of working capital requirement and ensures that there is enough capital to support the operating requirements.

B.Surplus cash over the balance required for working capital management held by the operating entities is transferred back to the financial department of the Group. The financial department of the Group invests surplus cash in interest-bearing demand deposits and time deposits. The chosen instruments should be with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts.

C. Unused credit lines of the Company are as follows:

	December 31, 2023	December 31, 2022
Due within 1 year	$ 762,500	$ 443,918
Due over 1 year	-	-
	$ 762,500	$ 443,918

D.The following table is an analysis of non-derivative financial liabilities of the Group grouped by maturities and based on the remaining period from balance sheet date to maturities. The contractual cash flows disclosed below are not discounted.

December 31, 2023	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 646,500	$ -	$ -	$ -
Short-term notes and bills payable	72,000	-	-	-
Accounts payable (including due to related parties)	130,963	-	-	-
Other payables (including due to related parties)	80,377	-	-	-
Lease liabilities (including current portion) (Note)	18,063	8,164	9,632	-
Long-term borrowings (including current portion) (Note)	77,455	47,519	124,852	296,882
	$ 1,025,358	$ 55,683	$ 134,484	$ 296,882

December 31, 2022	Within 1 year	1-2 years	2-5 years	Over 5 years
Non-derivative financial liabilities:				
Short-term borrowings	$ 559,082	$ -	$ -	$ -
Short-term notes and bills payable	72,000	-	-	-
Notes payable	231	-	-	-
Accounts payable (including due to related parties)	229,221	-	-	-
Other payables (including due to related parties)	101,752	-	-	-
Lease liabilities (including current portion) (Note)	10,479	8,880	14,975	-
Long-term borrowings (including current portion) (Note)	101,029	73,261	130,590	294,892
Derivative financial liabilities:				
Interest swap (net settlement)	1,709	-	-	-

	$ 1,075,503	$ 82,141	$ 145,565	$ 294,892

Notes: The amounts included future interest payments.

(III) Fair value information

1.The definitions of each level of valuation techniques used to measure fair value of financial instruments are as follows:

Level 1:	Quoted prices (unadjusted) in active markets for identical assets or liabilities that entities can access at the measurement date. An active market is a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of beneficiary certificates in which the Group invests is included in Level 1.
Level 2:	Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of most derivative instruments and convertible bonds in which the Group invests is included in Level 2.
Level 3:	Unobservable inputs for the asset or liability. The fair value of equity instruments without active markets in which the Group invests is included in Level 3.

2.Please refer to Note VI (XII) for the information on the fair value of investment properties measured at cost.

3.The carrying amounts of financial instruments that are not measured at fair value, including cash and cash equivalents, financial assets at amortized cost, notes receivable (including due from related parties), accounts receivable (including due from related parties), other receivables (including due from related parties), refundable deposits, short-term borrowings, short-term notes and bills payable, notes payable, accounts payable (including due to related parties), other payables (including due to related parties), bonds payable, long-term borrowings, and guaranteed deposits received, are the reasonable approximations of the fair value.

4.The related information on financial and non-financial instruments measured at fair value which were grouped on the basis of the nature, characteristics, risks, and fair value measurement of the assets and liabilities, is as follows:

(1) The Group has grouped the assets and liabilities on the basis of the nature as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTPL				

	Level 1	Level 2	Level 3	Total
Beneficiary certificates	$ 26,841	$ -	$ -	$ 26,841
Convertible bonds	-	78,459	-	78,459
Financial assets at FVTOCI				
Equity securities	-	-	12,660	12,660
	$ 26,841	$ 78,459	$ 12,660	$ 117,960

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at FVTPL				
Financial assets at FVTPL	$ 32,942	$ -	$ -	$ 32,942
Beneficiary certificates	-	71,904	-	71,904
Financial assets at FVTOCI				
Equity securities	-	-	11,268	11,268
	$ 32,942	$ 71,904	$ 11,268	$ 116,114
Liabilities				
Recurring fair value measurements				
Financial liabilities at FVTPL				
Interest swap contracts	$ -	$ 1,709	$ -	$ 1,709

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

A. As for the open-end funds to which the Group adopted quoted market prices as the fair value inputs, the quoted market price is the net worth of funds.

B. Except for financial instruments with active markets above, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value at which the valuation techniques are adopted to arrive can be referred to the current fair value of other financial instruments with similar terms and characteristics in substance as well as discounted cash flow method; or it can be calculated by other valuation techniques, including applying models with market information inputs available at the parent company only balance sheet date. (e.g., Reference Yield Curve by Taipei Exchange and Taiwan Secondary Commercial Paper Benchmark by Reuters.)

C. When assessing unstandardized and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts, and options, the Group adopts the valuation techniques that are widely used by market participants. The inputs used in the valuation model of these financial instruments are normally observable in the market.

D. The valuation of derivative financial instruments is based on the valuation models which are widely accepted by market participants, such as discounted cash flow approach and option pricing models. Forward exchange contracts are usually valued based on the current forward exchange rate. Structured interest derivative instruments are measured by using appropriate option pricing models (e.g., Black-Scholes model) or other valuation methods, such as Monte Carlo simulation.

E. The output of valuation model is an estimated value and the valuation technique may not be able to reflect all relevant factors of the financial instruments held by the Group. Therefore, the estimated value derived using valuation model will be adjusted appropriately based on additional inputs, for example, model risk or liquidity risk, etc. In accordance with the Group's management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes that valuation adjustment is both appropriate and necessary in order to present fairly the fair value of financial instruments at the parent company only balance sheet. The price information and inputs used during valuation are carefully assessed and adjusted based on current market situation.

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

6. For the years ended December 31, 2023 and 2022, there was no transfer from or to Level 3.

7. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023 Non-derivative equity instrument	2022 Non-derivative equity instrument
January 1	$ 11,268	$ 7,675
Gains or losses recognized in other comprehensive income		
Recorded as unrealized gains or losses on valuation of investments in equity instruments measured at FVTOCI	1,392	2,830
Purchase for the period	-	4,500
Disposal for the period	-	(3,737)
December 31	$ 12,660	$ 11,268

8. The following is the quantitative information on significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation models used in the Level 3 fair value measurement:

	December 31, 2023 Fair value	Valuation technique	Significant unobservable inputs	Relationships of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 12,660	Guideline public	Price to earnings ratio multiple, enterprise	The higher the multiples, the higher the fair value;

		company method	value to operating income ratio multiple, discount for lack of marketability	the higher the discount for lack of marketability, the lower the fair value

	December 31, 2022			
	Fair value	Valuation technique	Significant unobservable inputs	Relationships of inputs to fair value
Non-derivative equity instrument:				
Unlisted stocks	$ 11,268	Guideline public company method	Price to earnings ratio multiple, enterprise value to operating income ratio multiple, discount for lack of marketability	The higher the multiples, the higher the fair value; the higher the discount for lack of marketability, the lower the fair value

9. The Group has carefully assessed the valuation models and parameters used to measure fair value. However, use of different valuation models or parameters may have different results. The following is the effect on other comprehensive income from financial assets categorized within Level 3 if the parameters used to valuation models have changed:

			December 31, 2023	
			Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change
Financial assets				
Equity instruments	Price to earnings ratio multiple, enterprise value to operating income ratio multiple, discount for lack of marketability	±1%	$ 127	($ 127)

			December 31, 2022	
			Recognized in other comprehensive income	
	Input	Change	Favorable change	Unfavorable change
Financial assets				
Equity instruments	Price to earnings ratio multiple, enterprise value to operating income ratio multiple, discount for lack of marketability	±1%	$ 113	($ 113)

XIII. Supplementary disclosures

(I) Significant transactions information

1. Loans to others: See Table 1 attached.
2. Provision of endorsements and guarantees to others: See Table 2 attached.
3. Holding of marketable securities at the end of the period (excluding investment in subsidiaries, associates, and joint ventures): See Table 3

attached.

4. Acquisition or sale of the same security with the accumulated cost exceeding NT$300 million or 20% of the Company's paid-in capital or more: None.
5. Acquisition of real estate reaching NT$300 million or 20% of the Company's paid-in capital or more: None.
6. Disposal of real estate reaching NT$300 million or 20% of the Company's paid-in capital or more: None.
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: See Table 4 attached.
8. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: See Table 5 attached.
9. Trading in derivative instruments: See Notes VI (II).
10. Business relationships among the parent company and subsidiaries, and significant intragroup transactions: See Table 6 attached.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): See Table 7 attached.

(III) Information on investees in Mainland China

1. Basic information: See Table 8 attached.
2. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 6.

(IV) Major shareholders information

Major shareholders information: Please refer to table 9.

XIV. Segment Information

(I) General information

Management of the Group has identified reportable segments based on the reporting information used by the board of directors when making decisions.

The board of directors of the Group operates businesses from the geographic perspective. Geographically, the Group is currently focusing on the business operation in Taiwan, Mainland China, Korea, Americas, and Europe.

The composition, basis of dividing segments, and the basis of measuring segment information of the Group do not significantly change in the current period.

(II) Measurement of segment information

1. Accounting policies of each operating segment are the same as the summary of significant accounting policies of Note IV.

2. The Group measures segments by segment revenue and income before tax as the basis for performance assessment. The effect of inter-segment transactions has been eliminated.

(III) Segment information

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

	Asia						
2023	Taiwan	Mainland China	Korea	Americas	Europe	Adjustments and eliminations	Total
External revenue	$ 672,013	$ 309,280	$ 91,678	$ 360,784	$ 237,672	$ -	$ 1,671,427
Internal segment revenue	520,621	274,852	-	1,691	1,508	(798,672)	-
Segment revenue	$ 1,192,634	$ 584,132	$ 91,678	$ 362,475	$ 239,180	($ 798,672)	$ 1,671,427
Interest revenue	$ 22,271	$ 981	$ 291	$ -	$ 1,741	($ 657)	$ 24,627
Depreciation, depletion, and amortization	$ 22,944	$ 11,238	$ 426	$ 4,565	$ 1,715	$ -	$ 40,888
Income tax expense (benefit)	($ 27,827)	$ 754	($ 627)	($ 3,143)	($ 5,249)	$ -	($ 36,092)
Segment income (loss)	$ 155,095	($ 11,185)	$ 4,940	$ 12,150	$ 29,904	($ 30,474)	$ 160,430

2022	Taiwan	Mainland China	Korea	Americas	Europe	Adjustments and eliminations	Total
External revenue	$ 753,883	$ 299,876	$ 82,995	$ 438,233	$ 226,068	$ -	$ 1,801,055
Internal segment revenue	505,909	547,478	971	5,166	2,209	(1,061,733)	-
Segment revenue	$ 1,259,792	$ 847,354	$ 83,966	$ 443,399	$ 228,277	($ 1,061,733)	$ 1,801,055
Interest revenue	$ 2,862	$ 747	$ 9	$ -	$ 137	($ 1,224)	$ 2,531
Depreciation, depletion, and amortization	$ 26,717	$ 10,842	$ 205	$ 3,550	$ 3,339	$ -	$ 44,653
Income tax expense (benefit)	($ 39,180)	($ 902)	$ -	($ 5,085)	($ 3,642)	$ -	($ 48,809)
Segment income (loss)	$ 159,882	($ 30,755)	($ 1,135)	$ 7,730	$ 24,223	$ 17,406	$ 177,351

(IV) Information on reconciliation of segment income (loss)

Since the operating decision maker of the Group evaluates performance of each segment and decides how to allocate resources based on segment revenues and segment income before tax, there is no need to reconcile to segment income (loss).

(V) Financial information on products

Details of revenue by products of the Group for the years 2023 and 2022 are as follows:

	2023	2022
PCBs	$ 606,535	$ 560,073
Systems	777,145	1,038,472
Other	287,747	202,510
Total	$ 1,671,427	$ 1,801,055

(VI) Geographic financial information

Geographic information of the Group for the years 2023 and 2022 is as follows:

	2023		2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 672,013	$ 637,490	$ 753,883	$ 644,480
Mainland China	309,280	30,986	299,876	30,416
Korea	91,678	2,199	82,995	179
Americas	360,784	15,939	438,233	20,441
Europe	237,672	26,154	226,068	26,395
Total	$ 1,671,427	$ 712,768	$ 1,801,055	$ 721,911

(VII) Information on major customers

There were no customers from which the net sales revenue amounted to over 10% of total sales revenue in the income statement for the years 2023 and 2022.

ARBOR Technology Co., Ltd. and Subsidiaries

Lending funds to others

January 1, 2023 to December 31, 2023

Table1

Expressed in thousands of NTD

(Except as otherwise indicated)

NO. (Note 1)	Creditor	Borrower	Financial statement account	Related Party (Y/N)	Maximum outstanding balance for period (Note	Ending Balance	Actual amount used	Interest rate	Nature of financing (Note 2)	Amount of Transaction	Reason for short-term financing	Allowance for bad debts recognize	Collateral		Limit on Loans Granted to a Single Entity (Note 4)	Total Loan Limit (Note 4)	Note
													Name	Value			
0	ARBOR Technology Co., Ltd	Arbor Koera Co., Ltd.	Other receivables – related parties	Y	$ 22,485	$ -	$ -	2%	1	$ 25,314	None	$ -	-	$ -	$ 25,314	$ 855,725	Note 4(1)(2)
1	Guiding Technology Ltd.	Shenzhen Xinyabao Technology Co., Ltd.	Other receivables – related parties	Y	20,677	19,584	19,584	2%~2.3%	2	-	Working capita	-	-	-	213,931	855,725	Note 4(3)
2	Arbor Technology (Shenzhen)co., Ltd.	Shenzhen Xinyabao Technology Co., Ltd.	Other receivables – related parties	Y	31,115	30,289	30,289	2%~2.3%	1	76,181	None	-	-	-	85,327	85,327	Note 4(1)(2)

Note 1 : The Company and its subsidiaries are coded as follows:
  (1) Fill in 0 for issuer.
  (2) The investee company is coded in sequence starting from Arabic number 1 by company

Note 2 : The nature of the loans are as follows:
  (1) Fill in 1 for business transactions.
  (2) Fill in 2 for short-term financing.

Note 3 : Where short-term financing is needed, the reasons for and conditions of extending loans shall be enumerated.Such as Repayment Loans, Equipment acquired, Working capitals…etc.

Note 4 : Limit on Loans Granted to a Single Entity:
  (1)Inter-company loans of funds between overseas companies in which Arbor holds, directly or indirectly, 100% of the voting shares, nor to loans of fund to Arbor by any overseas company in which Arbor holds, directly or indirectly, 100% of the voting shares. Arbor prescribed the single entity and totals' limits on loans of funds must less than or equal to 40% of Creditor's net value in the lastest audited or reviewed financial statements.
  (2)Each entity does business transactions with Arbor, its individual limits on loans of funds is less than or equal to both business transaction amounts. The business transaction is maxium amounts between purchasing or sales under 12 months in recent year or incoming year.
  (3)If each entity has short-term financing needs, the single limits on loan is less than or equal to 10% of Arbor's net value in the lastest audited or reviewed financial statements.

Note 5 : Maximum outstanding balance for period has approved by Director Board meeting and the the conversion rate is adopted by the month-end exchang rate.

Note 6 : The Interest rate is adopted the average banking loan interest rate to Arbor.

ARBOR Technology Co., Ltd. and Subsidiaries

Endorsements/Guarantees for Others

January 1, 2023 to December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

NO. (Note1)	Endorser/ Guarantor	Endorsee/Guarantee		Endorsement limit for a single enterprise	Maximum endorsement balance for period	Ending balance of endorsement	Actual amount used	Amount of endorsements secured by the property	accumulated endorsement amount to the net worth of the latest financial statements	Maximum amount of endorsement	Endorsement/ guarantee of parent company to subsidiary	Endorsement/ guarantee of a subsidiary to the parent company	Endorsement / guarantee for mainland China	Note
		Company Name	Relationship(Note 2)											
0	ARBOR Technology Co., Ltd.	AMobile Intelligent Corp. Ltd. and its subsidiary AMobile Solutions Corp.	1	$ 291,916	$ 159,850	$ 156,420	$ 155,715	$ -	7.31	$ 1,069,657	N	N	N	3,4,5,6
0	ARBOR Technology Co., Ltd	Guiding Technology Ltd.	2	641,794	73,605	69,712	2,048	-	3.26	1,069,657	Y	N	N	3,4

Note 1 : The Company and its subsidiaries are coded as follows:
(1) Fill in 0 for issuer.
(2) The investee company is coded in sequence starting from Arabic number 1 by company

Note 2 : The relationship between the endorsement and the endorsed object is as follows:
(1) A company with which it does business.
(2) A company in which the Company directly and indirectly holds more than 50% of the voting shares.

Note 3 : The ratio of accumulated endorsement ending balance to the net worth of the consoildated financial statements.

Note 4 : The limited amount for endorsement and guarantee status :
(1) The total endorsement and guarantee to a single company shall not exceed 30% of the Company's net worth in recent financial statements.
(2) The total external endorsement and guarantee shall not exceed 50% of the Company's net worth in recent financial statements.
(3) Due to business transaction needs the endorsement, the endorsement / guarantee for single entity is less than the latest one year’s total amount among the Endorsee / Guarantee and Arbor and subsidiaries.

Note 5 : The endorsement balance to AMobile Intelligent Corp. Ltd. and its subsidiary AMobile Solutions Corp. are NT156,420, and the exchange rate is US$1 to NT$30.71.
This endorsement balance are shared between AMobile Intelligent Corp. Ltd. and its subsidiary, AMobile Solutions Corp.

Note 6 : The limits of endorsement / guarantee to AMobile Solutions Corp. is approved by Director Board meeting which agreed the total business transactions between both in latest year.

ARBOR Technology Co., Ltd. and Subsidiaries

Marketable Securities Held (Excluding Subsidiaries, associates and Joint venture)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Holding Company Name	Type and Name of Marketable Securities (Note1)	Relationship with the Holding Company (Note 2)	Financial Statement Account	31-Dec-23				Note
				Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
ARBOR Technology Co., Ltd.	Beneficiary certificates-NNL US Credit Bond Fund	-	Financial assets measured at fair value through profit and loss -	466	$ 4,552	-	$ 4,552	
〃	Beneficiary certificates-KGI Global Multi-Asset	-	〃	81,347	4,348	-	4,348	
〃	Beneficiary certificates-First Eagle Amundi	-	〃	74,627	2,586	-	2,586	
〃	Beneficiary certificates-SKBank Structured	-	〃	500,000	15,355	-	15,355	
〃	Ordinary shares-Satem Technology Co., Ltd.	Arbor is one of the director board members	Financial assets at fair value through other comprehensive	421,918	6,138	8.79%	6,138	
〃	Ordinary shares-JRSYS INTERNATIONAL	-	〃	100,000	1,716	1.67%	1,716	
〃	Ordinary shares-DOUNG DING	-	〃	450,000	4,806	19.57%	4,806	
〃	Convertible Corporate Bond-AMobile Intelligent Corp. Ltd.	Associate	Financial assets measured at fair value through profit and loss -	23,000	78,459	-	78,459	

Note 1 : Marketable securities in the table refer to shares, bonds, beneficiary certificates and other related securities within the scope of IFRS 9 “Financial Instruments”.
Note 2 : If the securitie issuer isn't related-company, it needn't to fill in.

ARBOR Technology Co., Ltd. and Subsidiaries

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

January 1, 2023 to December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared with third party transactions		Note and trade receivables/payables		
Purchaser/Seller	Related Party	Relationship	Purchases/Sales	Amount	Percentage of total purchases/sales	Credit term	Unit price	payment terms	Balance	Percentage of total note and trade receivables(payables)	Notes （Note 2）
Arbor Technology Corp.	Arbor Solution Inc.	Subsidiary	Sales	$ 279,412	24.36%	120 days monthly	comparable to normal prices	approx.3-6 months	$ 109,606	30.45%	
Arbor Technology Corp.	AMobile Solutions Corp.	Associate	Purchases	166,456	19.33%	120 days monthly	〃	〃	-	-	
Arbor Technology Corp.	Arbor Technology (Shenzhen)c	Subsidiary	Purchases	219,290	25.47%	180 days monthly	〃	〃	-	-	Note 4
Arbor Technology (Shenzhen)c	Arbor Technology Corp.	Subsidiary	Sales	219,290	49.23%	180 days monthly	〃	〃	-	-	Note 4
Arbor Solution Inc.	Arbor Technology Corp.	Subsidiary	Purchases	279,412	97.49%	120 days monthly	〃	〃	(109,606)	(93.63%)	

Note 1：Please specify the reason within the "unit price" and "credit term" columns if the transaction payment terms different for related party transactions.

Note 2：Please specify the reason for payments/receipts in advance.

Note 3：Paid in Capital refers to Parent Company's paid in capital. When outstanding shares have no par value or being not equivalent to NTD 10, calculation for transactions exceeding 20% of share capital will be calculated based on 10% of Parent

Note 4：Transaction model is being Arbor Technology(Parent Company) making prepayments to Arbor Technology (Shenzhen)co., Ltd for production; Arbor Technology Shenzen will then re-sell the products to Arbor Technology.

ARBOR Technology Co., Ltd. and Subsidiaries

Receivables from related parties with amount exceeding the lower of NT$100 million or 20% of share capital

December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Company Name	Related party	Relationship	Balance due from related parties（Note1）	Turnover rate	Overdue receivables from related parties: Amount	Overdue receivables from related parties: Action taken	Collection subsequent to the balance sheet date	Allowance for doubtful accounts	Note
Arbor Technology Corp.	Arbor Solution Inc.	Subsidiary	$ 109,606	2.79	$ 553	Collecting	$ 39,454	-	Note 3
Arbor Technology (Shenzhen)co., Ltd.	AMobile Solutions (Xiamen) CO., LTD.	Affiliate	246,992	註4	197,796	Collecting	15,761	-	Note 4

Note 1: Please disclose related parties transactions according to transaction type such as related party receivables, notes receivable, other receivables, etc.
Note 2: Paid in Capital refers to Parent Company's paid in capital. When outstanding shares have no par value or being not equivalent to NTD 10, calculation for transactions exceeding 20% of share capital will be
Note 3: Other receivables derived from middleman procurements.
Note 4: It included notes receivable and accounts receivable derived from sales, also other receivables from middleman procurement.

ARBOR Technology Co., Ltd. and Subsidiaries

Business relationships and significant inter-company transactions

January 1, 2023 to December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

No. (Note 1)	Company name	Related Party	Relationship (note 2)	Transaction: Financial statement account	Transaction: Amount	Transaction: Credit term	Transaction: Percentage of consolidated sales revenue and total assets (Note 3)
0	Arbor Technology Corp.	Arbor Solution Inc.	1	Sales	$ 279,412	註4	17%
		"	1	Accounts Receivables	109,606	"	3%
		Guiding Technology Ltd.	1	Advance payments	12,332	註8	0%
		Flourish Technology Co.,Ltd	1	Accounts Receivables	11,620	註4	0%
		Arbor France Co.,Ltd.	1	Sales	77,041	"	5%
		"	1	Accounts Receivables	17,808	"	0%
		ARBOR KOREA CO., LTD.	1	Sales	61,113	"	4%
		"	1	Accounts Receivables	49,385	"	1%
		Arbor Technology UK LTD.	1	Sales	80,080	"	5%
		"	1	Accounts Receivables	11,026	"	0%
		Arbor Technology (Shenzhen) Co., Ltd.	1	Other receivables	79,516	註9	2%
		"	1	Advance payments	203,229	註8	6%
		Acloud Intelligence Services Corp. Ltd.	1	Sales	14,817	註4	1%
1	Guiding Technology Ltd.	Arbor Technology (Shenzhen) Co., Ltd.	3	Sales	63,900	"	4%
		Arbor China Technology Co.,Ltd.	3	Other receivables	20,900	註7	1%
2	Arbor Technology (Shenzhen) Co., Ltd.	Arbor China Technology Co.,Ltd.	3	Sales	50,125	註4	3%
		"	3	Accounts Receivables	22,586	"	1%
		"	3	Other receivables	37,816	註7	1%
		Arbor Technology Corp.	2	Sales	219,290	註4	13%
3	Flourish Technology Co.,Ltd	Arbor China Technology Co.,Ltd.	3	Accounts Receivables	10,808	"	0%

				Transaction			
No. (Note 1)	Company name	Related Party	Relationship (note 2)	Financial statement account	Amount	Credit term	Percentage of consolidated sales revenue and total assets (Note 3)

Note 1: Business relationship between Parent Company and subsidiaries should be mentioned as following:

(1) 0 for Parent Company.

(2) Consequent numbers after number 1 according to each subsidiary.

Note 2: Relationship of the counterparties should be specified as following:

1.Transactions are between the parent company and its subsidiary.

2.Transactions are between the subsidiary and the parent company.

3.Transactions are between subsidiaries.

Note 3： Percentage of consolidated sales revenue and total assets : The ratio is calculated by using the transaction amount divided

Note 4： Transaction prices and credit terms for Related parties are dependant on individual economical environment and market, payment term is slightly longer than normal customers being 4 months as the average collection period.

Note 5： If the transaction amount less than NTD10M of consolidated assets or total revenue doesn't disclose.

Note 6： Net amount is disclosed for accounts payable/accounts receivable between Guiding Technology Ltd. and Arbor Technology (Shenzhen)co., Ltd.

Note 7： Intercompany loan and interest payable derived.

Note 8： Payments or collections in advance.

Note 9： Other receivables for services rendered as the middleman.

ARBOR Technology Co., Ltd. and Subsidiaries

Names, Locations, and Related Information of Investees over which the Company Exercises Significant Influence (Excluding Information on Investment in Mainland China)

January 1, 2023 to December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				31-Dec-23	31-Dec-22	Shares/Units	%	Amount			
ARBOR Technology Co., Ltd.	Arbor Solution, Inc.	USA	Trading of industrial computers and	$ 27,580	$ 27,580	9,000,000	100.00	$ 93,250	$ 9,007	$ 9,007	Subsidiary
"	Guiding Technology Ltd.	British Virgin Islands	Trading	15,234	15,234	500,000	100.00	9,620	63	63	"
"	Allied Info Investments Ltd.	Samoa	Investing	27,281	27,281	850,000	100.00	(193)	(5)	(4)	"
"	Excellent Top International Development Ltd.	Hong Kong	Investing	163,956	163,956	40,562,150	100.00	214,253	3,346	3,346	"
"	Arbor France S.A.S	France	Trading of industrial computers and	24,194	24,194	-	100.00	43,260	3,995	3,995	"
"	Flourish Technology Co.,Ltd.	Hong Kong	Trading and investing	139,856	139,856	35,195,000	100.00	54,890	(13,835)	(13,835)	"
"	Arbor Korea Co.,Ltd.	South Korea	Trading of industrial computers and	14,929	14,929	101,480	100.00	25,088	4,313	4,313	"
"	Acloud Intelligence Services Corp. Ltd.	Taiwan	Trading of industrial computers and	40,250	40,250	4,025,000	67.08	15,575	4,370	2,931	"
"	Best Vintage Global LTD.	Samoa	Investing	74,637	74,637	-	100.00	100,687	20,659	20,659	"
"	AMobile Intelligent Corp. Ltd. and its branch (AMobile HK)	Hong Kong	Trading of industrial computers, peripherals	120,230	120,230	3,849,206	39.31	432,193	(64,329)	(25,287)	Associate
Best Vintage Global LTD.	Perfect Stream LTD.	Samoa	Investing	74,637	74,637	-	100.00	100,687	20,659	20,659	Subsidiary
Perfect Stream LTD.	Arbor Technology UK LTD.	UK	Trading of industrial computers and	74,637	74,637	-	100.00	100,687	20,659	20,659	"

ARBOR Technology Co., Ltd. and Subsidiaries

Information on investments in Mainland China

January 1, 2023 to December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note1)	Outward Remittance for Investment from Taiwan as of January 1, 2023	Investment Flows: Outflow	Investment Flows: Inflow	Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee Company	% Ownership of Direct or Indirect Investment	Investment Gain (Loss)	Carrying Amount as of December 31, 2023	Inward Remittance of Earnings as of December 31, 2023	Note
Arbor Beijing Technology Co., Ltd.	Trading of industrial	$ 30,009	2	$ 27,281	$ -	$ -	$ 27,281	($ 5)	100	($ 5)	($ 212)	$ -	Note 4、Note 2(2)B
Arbor Technology (Shenzhen)Co., Ltd.	Trading of industrial	158,686	2	164,737	-	-	164,737	3,346	100	3,346	213,317	-	Note 4、Note 2(2)B
Arbor China Technology Co.,Ltd.	Trading of industrial	139,856	2	139,815	-	-	139,815	(13,830)	100	(13,830)	51,940	-	Note 4、Note 2(2)B

Company name	Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Limit on the Amount of Investment in Mainland China	The disposed mainland companies as of December 31, 2023 which accumulated investment amount from Taiwan.	The disposed mainland companies as of December 31, 2023 which accumulated Inward Remittance of Earnings to Taiwan.
ARBOR Technology Co.,	$ 331,833	$ 347,722	$ 1,288,175	$ -	$ -

Note 1 : The method of investments were as follows:
(1) Direct investment in mainland companies.
(2)Investments in mainland China companies were through a company invested and established in a third region.
(3)Others.

Note 2 : Recognization the share of profits of subsidiaries and associates accounted for using equity method :
(1)If the investee company is start-up and preparing, please note the states which don't have investment gain (loss).
(2)The financial statement type to recognize share of associates and joint ventures accounted for equity method
A.The financial statements of the investee company were reviewed by the international accounting firms which cooperated with R.O.C. accounting firms.
B.The financial statements of the investee company were reviewed by the Group's auditor.
C. Others.

Note 3 : This statement expressed in thousands of NTD.

Note 4 : It is through via Allied Info Investments Ltd.

Note 5 : It is through via Excellent Top International Development Ltd.

Note 6 : It is through via Flourish Technology Co.,Ltd.

ARBOR Technology Co., Ltd. and Subsidiaries

Major shareholders information

December 31, 2023

Table 9

Expressed in shares
(Except as otherwise indicated)

	Shares	
Name of major shareholders	Number of shares hold	Ownership (%)
Ennoconn International Investment Co., Ltd.	16,000,000	16.76%