Stock Code: 8255

Actron Technology Corporation and Subsidiaries

Consolidated Financial Statements with Independent Auditors' Report

For the Years Ended December 31, 2023 and 2022

Address: 1F., No. 22, Sec. 2, Nankan Rd., Luzhu Dist.,
Taoyuan City
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The independent auditors' review report and the accompanying consolidated financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' review report and consolidated financial statements, the Chinese version shall prevail.

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Declaration of consolidation of financial statements of affiliates

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023(From January 1, 2023 to December 31, 2023) are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standards No. 10. Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Hereby declare

Company Name: Actron Technology Corporation

Responsible person: Dang-Liang Yao

February 23, 2024

Independent Auditors' Report

To the Board of Directors and Shareholders of Actron Technology Corporation:

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the 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 then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. 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 Certified Public Accountants Code of Professional Ethics in Republic of China ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. Based on our audits and reports of other auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matter

Key audit matter is the matter that, in our professional judgment, was of most significance in our audit of the Group's 2023 consolidated financial statements. The matter was addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on the matter.

Key audit matter for the Group's 2023 consolidated financial statements is stated as follows:

<u>Sales revenue</u>

<u>Description of key audit matter</u>

Manufacturing and sales of automotive electronic parts constitute the majority of the Group's sales revenue, which fluctuates with the sales to some particular customers. In consideration of the significant impact of particular sales revenue on the Group's financial performance, we focused on the occurrence of its sales revenue from some particular customers as the key audit matter of our annual audit of this year.

The audit procedures for the matter included:

1. We understood and evaluated the accounting policies in recognition of sales revenue.
2. We understood and evaluated the effectiveness of internal control relevant to the occurrence of sales revenue.
3. We conducted the sample testing on the said particular sales revenue by examining relevant internal and external documents to prove the fact of shipping

and testing for any irregularity of subsequent cash receipts to confirm the actual occurrence of the year's sales revenue.

Other Matters

We did not audit the financial statements of Bigbest Solutions, Inc. and Mosel Vitelic Inc., subsidiaries included in the Group’s consolidated financial statements, which were audited by other auditors. Therefore, the amounts related to Bigbest Solutions, Inc. and Mosel Vitelic Inc.'s financial statements, in our opinion expressed herein, are based solely on the audit reports of the auditors. The total assets of Bigbest Solutions, Inc. and Mosel Vitelic Inc. amounted to $3,612,308 thousand and $356,043 thousand, representing 23% and 4% of the related consolidated totals as of December 31, 2023 and 2022, respectively, and total operating revenues amounted to $676,518 thousand and $329,575 thousand, constituting 12% and 8% of the related consolidated totals for the years then ended, respectively. As disclosed in Note 12, We did not audit the financial statements of investments accounted for under the equity method included in the consolidated financial statements, which were audited by other auditors. Therefore, the related investment amounts and share of profit of associates accounted for under the equity method in the aforementioned companies in our opinion expressed herein, are recognized based solely on the reports of the other auditors. The total investments in aforementioned associates accounted for using the equity method audited by other auditors amounted to $1,440,318 thousand and $1,311,702 thousand, representing 9% and 13% of the related consolidated totals as of December 31, 2023 and 2022, respectively. The related share of profit of the aforementioned associates accounted for using the equity method amounted to $60,705 thousand and $99,537 thousand, constituting 5% and (32)% of the consolidated total comprehensive income for the years then ended, respectively.

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 auditing standards, we exercise professional judgment and 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 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 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 Group's 2023 consolidated financial statements 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.

Deloitte Taiwan

Partner Meng Chieh Chiu

Financial Supervisory Commission Certificate
Jin-Guan-Zheng-Shen-Zi No. 1020025513

Partner Ming Hsien Liu

Financial Supervisory Commission Certificate
Jin-Guan-Zheng-Shen-Zi No. 1100356048

February 23, 2024

Notice to Readers

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

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

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated balance sheets

December 31, 2023 and 2022

Unit: NT$ thousand

Code	Asset	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current asset				
1100	Cash and cash equivalents (Note 6)	$ 1,920,457	13	$ 784,443	8
1136	Financial assets at amortized cost - current (Note 8 and 32)	966,134	6	57,346	1
1170	Trade receivables (Note 9)	1,015,016	7	823,935	8
1200	Other receivables	44,657	-	27,460	-
1220	Current tax assets	4,520	-	-	-
130X	Inventories (Note 10)	1,217,420	8	800,048	8
1470	Other current assets (Note 17 and 33)	43,567	-	166,421	2
11XX	Total current assets	5,211,771	34	2,659,653	27
	non-current assets				
1517	Financial assets at fair value through other comprehensive income -non-current (Note 7)	984,006	7	626,125	6
1535	Financial assets at amortized cost - non-current (Note 8 and 32)	18,412	-	501	-
1550	Investments accounted for using the equity method (Note 12)	2,789,250	18	2,223,415	23
1600	Property, Plant and Equipment (Note 13 and 32)	4,302,105	28	3,212,069	33
1755	Right-of-use assets (Note 14)	356,323	2	36,273	-
1805	Goodwill (Note 15)	1,137,538	7	225,142	2
1821	Intangible assets (Note 16)	8,426	-	11,479	-
1840	Deferred tax assets (Note 24)	94,515	1	38,681	-
1915	Prepayments for equipment	494,301	3	589,305	6
1990	Other non-current assets (Note 17, 21 and 33)	16,989	-	245,620	3
15XX	Total non-current assets	10,201,865	66	7,208,610	73
1XXX	Total assets	$15,413,636	100	$ 9,868,263	100

Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term borrowings (Note 18)	$ 1,350,100	9	$ 1,700,010	17
2150	Notes payable	163	-	267	-
2170	Trade payables	622,185	4	298,897	3
2180	Trade payables - related parties (Note 31)	89,434	-	166,976	2
2200	Other payables (Note 19)	632,299	4	373,293	4
2230	Current tax liabilities (Note 24)	104,535	1	109,677	1
2280	Lease liabilities - current (Note 14)	16,239	-	5,311	-
2305	Guarantee deposits - current	145,487	1	-	-
2320	Current liabilities -current portion (Note 18 and 32)	196,667	1	192,099	2
2399	Other current liabilities	122,544	1	37,802	-
21XX	Total current liabilities	3,279,653	21	2,884,332	29
	non-current liabilities				
2530	Corporate bonds payable (Note 20)	762,039	5	-	-
2540	Long-term borrowings (Note 18 and 32)	753,333	5	1,179,412	12
2570	Deferred tax liabilities (Note 24)	101,906	1	19,925	-
2580	Lease liabilities - non-current (Note 14)	328,639	2	1,788	-
2640	Defined benefit liabilities - non-current, net (Note 21)	6,585	-	-	-
2645	Guarantee deposits - non-current	147,231	1	-	-
25XX	Total non-current liabilities	2,099,733	14	1,201,125	12
2XXX	Total liabilities	5,379,386	35	4,085,457	41
	Equity attributable to owners of the parent company (Note 22)				
	Share capital				
3110	Ordinary shares	1,014,475	7	914,470	9
3200	Capital surplus	3,317,903	22	1,747,491	18
	Retained earnings				
3310	Legal reserve	763,987	5	706,576	7
3350	Undistributed earnings	1,901,258	12	1,590,158	16
3300	Total retained earnings	2,665,245	17	2,296,734	23
	Other equity				
3410	Exchange difference on translating foreign operations	(23,206)	-	(15,365)	-
3420	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	1,136,455	7	554,876	6
3460	Estimated employee compensation	(7,097)	-	-	-
3400	Total other equity	1,106,152	7	539,511	6
31XX	Total equity attributable to owners of the parent company	8,103,775	53	5,498,206	56
36XX	Non-controlling interests	1,930,475	12	284,600	3
3XXX	Total equity	10,034,250	65	5,782,806	59
	Total liabilities and equity	$15,413,636	100	$ 9,868,263	100

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

(With Deloitte & Touche Auditors' Report dated February 23, 2024)

Chairman: Dang-Liang Yao   Manager: Hsien-Chung Wu   Accountant: Mei-Ying Chiu

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated statements of comprehensive income

For the years ended December 31, 2023 and 2022

Unit: In thousands of New Taiwan Dollars, except that Earnings Per Share are stated in NT$

		2023		2022	
Code		Amount	%	Amount	%
4000	Net operating revenue	$ 5,648,694	100	$ 4,197,839	100
5000	Cost of sales (Note 10, 23 and 31)	(4,270,676)	(75)	(2,992,803)	(71)
5900	Gross profit	1,378,018	25	1,205,036	29
	Operating expenses (Note 23)				
6100	Selling and marketing expenses	(111,364)	(2)	(88,384)	(2)
6200	Administrative expenses	(392,490)	(7)	(321,559)	(8)
6300	Research and Development expenses	(566,441)	(10)	(397,804)	(9)
6450	Expected credit losses	(182)	-	(1,316)	-
6000	Total operating expenses	(1,070,477)	(19)	(809,063)	(19)
6900	Operating income	307,541	6	395,973	10
	Non-operating income and expenses (Note 23)				
7100	Interest income	49,225	1	6,172	-
7190	Other income	57,089	1	42,459	1
7020	Other gains and losses	268,138	5	77,830	2
7050	Finance costs	(93,549)	(2)	(32,092)	(1)
7060	Share of profit of investment in associates and joint ventures accounted for using equity method	125,943	2	158,024	4
7000	Total non-operating income and expenses	406,846	7	252,393	6
7900	Profit before tax	714,387	13	648,366	16
7950	Income tax expense (Note 24)	(102,625)	(2)	(76,190)	(2)
8200	Net profit for the year	611,762	11	572,176	14

(to be continued)

(continued)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income				
8310	Items not reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plan	$ 2,802	-	$ 5,425	-
8316	Unrealized gain (loss) on investments in equity instruments designated as at fair value through other comprehensive income	163,896	3	(174,821)	(4)
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method	424,700	7	(715,734)	(17)
8349	Income tax relating to items that will not be reclassified	283	-	(1,085)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange difference on translating foreign operations	(7,841)	-	6,222	-
8300	Other comprehensive income for the year, net of income tax	583,840	10	(879,993)	(21)
8500	Total comprehensive income for the year	$ 1,195,602	21	($ 307,817)	(7)
	Net profit attributable to:				
8610	Owners of the parent company	$ 723,193	13	$ 560,552	14
8620	Non-controlling interests	(111,431)	(2)	11,624	-
8600		$ 611,762	11	$ 572,176	14
	Total comprehensive income (loss) attributable to:				
8710	Owners of the parent company	$ 1,308,051	23	($ 319,441)	(7)
8720	Non-controlling interests	(112,449)	(2)	11,624	-
8700		$ 1,195,602	21	($ 307,817)	(7)
	Earnings per share (Note 25)				
9710	Basic	$ 7.68		$ 6.14	
9810	Diluted	$ 7.49		$ 6.08	

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

(With Deloitte & Touche Auditors' Report dated February 23, 2024)

Chairman: Dang-Liang Yao Manager: Hsien-Chung Wu Accountant: Mei-Ying Chiu

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated statements of changes in equity

For the years ended December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to owners of the parent company								
				Retained earnings		Other equity				
Code		Ordinary shares	Capital surplus	Legal reserve	Undistributed earnings	Exchange difference on translating foreign operations	Unrealized gain (loss) of financial assets at fair value through other comprehensive income	Estimated employee compensation	Non-controlling interests	Total equity
A1	Balance on January 1, 2022	$ 914,570	$ 1,747,150	$ 659,284	$ 1,429,165	($ 21,587)	$ 1,450,903	($ 1,688)	$ 272,922	$ 6,450,719
	Appropriation of 2021 earnings									
B1	Legal reserve	-	-	47,292	(47,292)	-	-	-	-	-
B5	Cash dividend	-	-	-	(365,828)	-	-	-	-	(365,828)
C7	Changes in equity of investment in associates and joint ventures accounted for using equity method	-	(3,995)	-	(860)	-	4,609	246	-	-
C17	Exercise of right of disgorgement	-	1,024	-	-	-	-	-	-	1,024
N1	Share-based payment transactions	-	4,032	-	-	-	-	1,122	54	5,208
T1	Cancellation of restricted shares	(100)	(720)	-	-	-	-	320	-	(500)
D1	Net income for the year ended December 31, 2022	-	-	-	560,552	-	-	-	11,624	572,176
D3	Other comprehensive income for the year ended December 31, 2022	-	-	-	14,421	6,222	(900,636)	-	-	(879,993)
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	574,973	6,222	(900,636)	-	11,624	(307,817)
Z1	Balance on December 31, 2022	914,470	1,747,491	706,576	1,590,158	(15,365)	554,876	-	284,600	5,782,806
	Appropriation of 2022 earnings									
B1	Legal reserve	-	-	57,411	(57,411)	-	-	-	-	-
B5	Cash dividends	-	-	-	(365,788)	-	-	-	-	(365,788)
C5	Equity components recognized for the issuance of convertible corporate bonds	-	43,937	-	-	-	-	-	-	43,937
E1	Capital increase in cash	100,000	1,450,000	-	-	-	-	-	-	1,550,000
I1	Conversion of convertible corporate bonds	5	91	-	-	-	-	-	-	96
M3	Disposal of investments accounted for using the equity method	-	-	-	10,980	-	(10,980)	-	-	-
M7	Changes in percentage of ownership interest in subsidiaries	-	5,912	-	-	-	(14)	(7,455)	11,557	10,000
N1	Share-based payment transactions	-	70,472	-	-	-	-	358	840	71,670
O1	Acquisition of a subsidiary	-	-	-	-	-	-	-	1,747,700	1,747,700
O1	Cash dividend of subsidiaries	-	-	-	-	-	-	-	(1,773)	(1,773)
D1	Net profit (loss) for the year ended December 31, 2023	-	-	-	723,193	-	-	-	(111,431)	611,762
D3	Other comprehensive income for the year ended December 31, 2023	-	-	-	126	(7,841)	592,573	-	(1,018)	583,840
D5	Total comprehensive income for the year ended December 31, 2023	-	-	-	723,319	(7,841)	592,573	-	(112,449)	1,195,602
Z1	Balance on December 31, 2023	$ 1,014,475	$ 3,317,903	$ 763,987	$ 1,901,258	($ 23,206)	$ 1,136,455	($ 7,097)	$ 1,930,475	$ 10,034,250

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

(With Deloitte & Touche Auditors' Report dated February 23, 2024)

Chairman: Dang-Liang Yao Manager: Hsien-Chung Wu Accountant: Mei-Ying Chiu

(English Translation of the Consolidated Financial Statements Originally Issued in Chinese)

Actron Technology Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

Unit: NT$ thousand

Code		2023	2022
	Cash flows from operating activities		
A00010	Profit before tax	$ 714,387	$ 648,366
A20010	Adjustments for:		
A20100	Depreciation expenses	419,856	319,795
A20200	Amortization expenses	6,897	9,271
A20300	Expected credit losses	182	1,316
A20900	Finance costs	93,549	32,092
A21200	Interest income	(49,225)	(6,172)
A21300	Dividend income	(18,191)	(18,396)
A21900	Compensation cost related to share-based payment	71,670	5,096
A22300	Share of profit of investment in associates and joint ventures accounted for using equity method	(125,943)	(158,024)
A23200	Gain on disposal of investments accounted for using the equity method	(672,871)	-
A22500	Gain (loss) on disposal of property, plant and equipment	(4,719)	27,287
A23700	Impairment loss and obsolescence on inventory	99,486	9,555
A23700	Impairment loss on non-financial assets	176,884	-
A23700	Impairment loss on goodwill	225,142	-
A24100	Net loss (gain) on foreign currency exchange	910	(4,417)
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	-	6,950
A31150	Trade receivables	(7,955)	(237,502)
A31180	Other receivables	(9,454)	9,295
A31200	Inventory	(236,739)	(74,480)
A31240	Other current assets	103,747	(48,949)
A31990	Other non-current assets	-	(979)
A32130	Notes payable	(111)	106
A32150	Trade payables	178,413	43,151
A32160	Trade payables to related parties	(19,258)	51,490
A32180	Other payables	(45,870)	54,051
A32230	Other current liabilities	39,528	(599)
A32240	Net defined benefit liabilities	(7,802)	-
A33000	Net cash generated from operating activities	932,513	668,303
A33100	Interest received	45,477	5,472
A33200	Dividend received	243,683	91,950
A33300	Interest paid	(88,473)	(30,612)
A33500	Income tax paid	(82,694)	(65,148)
AAAA	Net cash inflows from operating activities	1,050,506	669,965

(to be continued)

(continued)

Code		2023	2022
	Cash flows from investing activities		
B00010	Purchases of financial assets at fair value through other comprehensive income	$ -	($ 101,200)
B00040	Purchases of financial assets at amortized cost	(261,118)	-
B00050	Disposal of financial assets at amortized cost	-	15,575
B01800	Acquisition of investments accounted for using the equity method	(1,491,750)	(737,299)
B02200	Acquisition of a subsidiary, net of cash acquired	1,538,270	-
B02700	Purchases of property, plant and equipment	(481,653)	(338,174)
B02800	Proceeds from disposal of property, plant and equipment	5,157	3,876
B03800	Decrease in refundable deposits	19,079	39,541
B04500	Purchases of intangible assets	(3,639)	(740)
B02000	Increase in prepayments for investments	-	(171,385)
B07100	Increase in prepayments for equipment	(277,551)	(125,314)
BBBB	Net cash outflows from investing activities	(953,205)	(1,415,120)
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	-	291,785
C00200	Decrease in short-term borrowings	(349,910)	-
C00600	Decrease in short-term notes and bills payable	-	(100,000)
C01200	Issuance of corporate bonds	800,740	-
C01600	Proceeds from long-term borrowings	3,510,000	1,800,000
C01700	Repayments of long-term borrowings	(3,931,511)	(1,286,446)
C03100	Decrease in guarantee deposits received	(59,850)	(1,100)
C04020	Repayments of the principal portion of lease liabilities	(12,145)	(6,720)
C04500	Dividend payments	(365,788)	(365,828)
C04600	Capital increase in cash	1,550,000	-
C05400	Cancellation of restricted shares	-	(500)
C05800	Change in non-controlling interests	(101,005)	-
C09900	Exercise of right of disgorgement	-	1,024
CCCC	Net cash inflows from financing activities	1,040,531	332,215
DDDD	Effects of exchange rate changes on the balance of cash held in foreign currencies	(1,818)	1,046
EEEE	Increase (decrease) in cash and cash equivalents	1,136,014	(411,894)
E00100	Cash and cash equivalents at the beginning of the year	784,443	1,196,337
E00200	Cash and cash equivalents at the end of the year	$ 1,920,457	$ 784,443

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

(With Deloitte & Touche Auditors' Report dated February 23, 2024)

Chairman: Dang-Liang Yao Manager: Hsien-Chung Wu Accountant: Mei-Ying Chiu

Actron Technology Corporation and Subsidiaries

Notes to consolidated financial statements

For the years ended December 31, 2023 and 2022

(Unless otherwise stated, in thousands of New Taiwan Dollars)

1. History

Actron Technology Corporation (the "Company") was established in November, 1998 in accordance with the Company Act of the Republic of China. The Company's main businesses are (1) manufacture of power generation, transmission and distribution machinery; (2) wholesale of electronic materials; (3) retail sale of electronic materials; (4) manufacture export; (5) international trade; (6) manufacture of electronic components.

The Company's shares have been listed on the Taipei Exchange since April, 2006.

The consolidated financial statements of the Company and its subsidiaries, hereto forth collectively referred to as the Group, are presented in the Company's functional currency, the New Taiwan Dollar.

Since October 2023, the Company's ultimate parent company has been Sino-American Silicon Products Inc. (referred to as "Sino-American Silicon").

2. Date and procedures for approval of financial statements

These consolidated financial statements were approved by the board of directors on February 23, 2024.

3. Application of new, amended and revised standards and interpretations

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

The initial application of the IFRSs endorsed and issued into effect by the FSC did not have material impact on the Group's accounting policies.

(2) IFRSs endorsed by the FSC for application starting from 2024

New, amended and revised standards and interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in A Sale-and-Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee applies the amendments to IFRS16 retrospectively to sale and leaseback transactions entered into after the date of initial application.

Note 3: The initial application of the amendments is exempted from certain disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the above standards and interpretations have no significant impact to the Group's financial condition and financial performance based on its assessment.

(3) New IFRSs in issue by IASB but not yet endorsed and issued into effect by the FSC

New, amended and revised standards and interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9—Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new, amended and revised standards and interpretations are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: The amendments will be applied for annual reporting periods beginning on or after January 1, 2025. When the amendments are applied for the first time, the effect will be recognized in the retained earnings on the date of the initial application. When the consolidated company uses a non-functional currency as the presentation currency, the effect will be adjusted with respect to the exchange differences of foreign operations under equity on the date of initial application.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact that the application of other standards and interpretations will have on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. <u>Summary of significant accounting policies</u>

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs as endorsed and issued into effect by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for an asset or liability.

(3) Classification of current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for the purpose of trading;
2. Assets expected to be realized within 12 months after the reporting date; and
3. Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current liabilities includes:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the reporting date, and
3. Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting date.

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

(4) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (the “subsidiaries”). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions or up to the effective dates of disposals. Adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Group. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. 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 and attributed to the owners of the Company.

Please refer to Note 11 and Table 6 for detailed information on subsidiaries, percentage of ownership and main business activity.

(5) Business combinations

The acquisition method is used for all business combinations. All costs associated with an acquisition must be expensed in the period such costs incur and services received.

Goodwill is measured as the difference between the aggregate of the fair value of the consideration transferred, the amount of any non-controlling interests, and the acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree, and the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests having present ownership interests in the acquiree that entitle holders to a proportionate share of the entity's net assets in the event of a liquidation are measured at the non-controlling interest's proportionate share of identifiable net assets of the acquiree recognized. Other non-controlling interests are measured at fair value.

When a business combination is achieved in stages, the Group remeasures any previously held interest at fair value at the acquisition date. Any resultant gain or loss is recognized in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognized in other comprehensive income are recognized on the same basis as would be required if the Group directly disposed of those interests.

When the initial accounting for a business combination is incomplete for identifiable assets acquired and liabilities assumed by the end of the first reporting period, the amounts recognized in the financial statements for the business combination are determined provisionally. Adjustments to provisional amounts and the recognition of newly identified assets and liabilities are made within the measurement period, where they reflect new information obtained about facts and circumstances that were in existence at the acquisition date.

(6) Foreign currency

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

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

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

Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

In preparation of the consolidated financial statements, The assets and liabilities of foreign operations (including subsidiaries that operate in countries or have a functional currency different from those of the Company), are translated into New Taiwan Dollars at the exchange rates at the reporting date. The income and expenses are translated into New Taiwan Dollars at the average rate of the reporting period. Exchange differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

(7) Inventory

Inventories consist of raw materials, finished goods and work in progress and are measured at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. 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. Inventory cost is determined using the weighted-average method.

(8) Investments in associates and joint ventures

An associate is an entity over which the Group has significant influence and which is not a subsidiary or a joint venture. A Joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

The Group uses the equity method to account for its investments in associates and joint ventures.

Under the equity method, investments in an associate and a joint venture are initially recognized at cost and adjusted thereafter to recognize the Group's share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group's share of equity of associates and joint ventures.

Any excess of the costs of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate or a joint venture recognized at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Group 's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

When an associate or a joint venture issues new shares and the Group subscribes for additional new shares of the associate or joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group's proportionate interest in the associate or joint venture. The Group records such a difference as an adjustment to capital surplus - changes in equity of investment in associates and joint ventures accounted for using equity method and investment accounted for using the equity method. If the Group's ownership interest is reduced due to the additional subscription of the new shares of associate and joint venture at a percentage different from its existing ownership percentage, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required if the investee had directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for by the equity method is insufficient, the shortage is debited to retained earnings.

When the Group's share of losses of an associate or a joint venture (which includes any carrying amount of the investment in associates and joint ventures accounted for using equity method and other long-term interests that, in substance, form part of the Group's net investment in the associate and joint venture), equals or exceeds its interest in that associate and joint venture, the Group discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Group has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate and joint venture.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increased.

The Group discontinues the use of the equity method from the date on which its investment ceases to be an associate and a joint venture. Any retained investment is measured at fair value at that date, and the difference between the fair value and proceeds from disposal, and the carrying amount of the associate and joint venture attributable to the retained interest is recognized in profit or loss for the current period. The Group accounts for all amounts previously recognized in other comprehensive income in relation to that associate and joint venture on the same basis as would be required if that associate and joint venture had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the Group shall continue to apply the equity method without remeasuring the retained interest.

Profits and losses resulting from the upstream or downstream transactions between the Group and a associate or joint venture, or sidestream transactions are recognized in the Group's consolidated financial statements only to the extent of interests in the associate and joint venture of entities that are not related to the Group.

(9) Property, plant and equipment

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

Property, plant and equipment under construction are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. These assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

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

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

(10) Goodwill

Goodwill arising from the acquisition of a business is carried at cost as established at the acquisition date and subsequently measured at cost less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current fiscal year, that unit shall be tested for impairment before the end of the current fiscal year. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversible in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal.

(11) Intangible assets

1. Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis within useful lives. The estimated useful lives, residual values and amortization methods are reviewed at the end of each fiscal year, with the effects of any changes in the accounting estimates for on a prospective basis.

2. Derecognition

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

(12) Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

(13) Financial instruments

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

On initial recognition of a financial asset or a financial liability, if the financial asset or financial liability is not measured at fair value through profit or loss, it is measured at fair value plus any transaction costs directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

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

(1) Measurement category

The Group's financial assets are classified into the following categories: financial assets at fair value through profit or loss

("FVTPL"), financial assets at amortized cost and equity instruments at fair value through other comprehensive income ("FVTOCI").

A. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividend or interest earned on the financial assets are recognized as other income and interest income. Any gains or losses arising on remeasurement are recognized in other profit or loss. Fair value is determined in the manner described in Note 30.

B. Financial assets at amortized cost

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

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals to gross carrying amount determined by the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for:

a. Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset.

b. Financial asset that has subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of the financial asset from the second reporting period after the impairment.

A financial asset is credit impaired when: there are significant financial difficulty of the issuer or borrower or a breach of contract; it is probable that the borrower will enter bankruptcy or other financial reorganization; or the disappearance of an active market for a financial asset due to financial difficulties.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

C. Equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments, which are not held for trading or as contingent consideration recognized by an acquirer in a business combination, as at FVTOCI.

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

Dividends on these investments in equity instruments are recognized in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

(2) Impairment of Financial assets

The Group measures the impairment loss based on expected credit losses ("ECLs") on financial assets at amortized cost (including trade receivables) on each balance sheet date.

The Group measures a loss allowance at an amount equal to lifetime ECLs on trade receivables. For other financial assets, the Group recognizes the loss allowance for 12 months ECLs if there has not been a significant increase in credit risk since initial recognition or recognizes the loss allowance for the lifetime ECLs if such credit risk has significant increased since initial recognition.

ECLs reflect the weighted average of credit losses with the respective risks of a default occurring. 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

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

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the cumulative gain or loss is transferred directly to retained earnings, without recycling through profit or loss.

2. Equity instruments

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

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

Repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

3. Financial liabilities

(1) Subsequent measurement

The Group's all financial liabilities are measured at amortized cost using the effective interest method.

(2) Derecognition of financial Liabilities

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

4. Convertible corporate bonds

The components of the compound financial instruments (convertible corporate bonds) issued by the Company are classified as financial liabilities and equity based on the substance of the contractual agreement and the definitions of a financial liability and an equity instrument at the time of initial recognition.

At the time of initial recognition, the fair value of a liability component is estimated using the prevailing market interest rate of a similar non-convertible instrument. It is measured at amortized cost calculated using the effective interest method before the conversion or maturity date. Liability components embedded in non-equity derivatives are measured at fair value.

Conversion options classified as equity are equal to the remaining amount of the fair value of the compound instruments as a whole less the fair value of the liability components determined separately. The conversion options net of the income tax effect are recognized as equity and not subsequently measured. When the conversion options are exercised, their related liability components and the amount in equity will be transferred to share capital and capital reserves - issuance premium. If the conversion option of convertible corporate bonds has not been exercised on the maturity date, the amount recognized in equity will be transferred to capital reserves - issuance premium.

The transaction cost related to the issuance of the convertible corporate bonds is amortized to the liability (included in the carrying amount of liabilities) and equity components (included in equity) of the instruments in proportion to the total proceeds.

(14) Revenue recognition

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

Revenue from sale of goods

According to contracts, sales of goods and trade receivables are recognized as revenue on shipment or when the goods are delivered to the customer’s specific location because it is the time when the customer has full discretion over setting price and rights of use, has the primary responsibility for sales to future customers and bears the risks of obsolescence.

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

Wafer foundry services

The Group provides wafer foundry services. Service revenue is recognized as revenue in the financial reporting period in which the services are provided to the customer. Revenue from fixed-price contracts is recognized based on the proportion of services provided as of the balance sheet date to all services provided. The completion proportion of services is determined based on the proportion of the actual costs incurred to the estimated total costs. The customer pays the contract price in accordance with the agreed payment schedule. When the services provided by the Group exceed the amount payable by the customer, a contract asset is recognized. If the amount payable by the customer exceeds the services provided by the Group, a contract liability is recognized.

The Group's estimates of revenue, costs and completion rates are revised as circumstances change. Any increase or decrease in estimated revenue or costs resulting from a change in estimates is reflected in profit or loss in the period in which the circumstances leading to a revision become known to the management.

(15) Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

1. The Group as lessor

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

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

2. The Group as lessee

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

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

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

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

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

(16) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the costs of these assets, until the time when substantially all of the activities necessary to prepare the asset for its intended use or sale are complete.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other than those stated above, borrowing costs are recognized in profit or loss in the period in which they are incurred.

(17) Government Grants

Government grants are recognized when there is reasonable assurance that the Group will comply with the conditions attached to them and that the grants will be received.

Government grants are recognized in profit or loss on a systematic basis over the periods in which the Group recognizes as expenses the related costs for which the grants are intended to compensate.

Government grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognized in profit or loss in the period in which they become receivable.

(18) Employee benefits

1. Short-term employee benefits

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

2. Retirement benefits

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

Defined benefit costs (including service cost, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including service costs for current period) and net interest on the net defined benefit liabilities (assets) are recognized as employee benefits expense on occurrence. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which it occurs. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

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

(19) Share-based payment agreement

Restricted shares granted to employees

The fair value at the grant date of restricted shares is expensed over the vesting period, based on the Group's best estimates of the number of shares that are expected to ultimately vest, with a corresponding adjustment to capital surplus - employee stock options and other equity (unearned employee compensation). It is recognized as an expense in full at the grant date if vested immediately.

When the Group issues restricted shares, it recognizes in other equity (unearned employee compensation) with a corresponding increase in capital surplus - restricted shares.

The Group adjusts its estimation of the number of restricted shares that are expected to ultimately vest on each balance sheet date. The effect of any change to the estimation is recognized in profit or loss where the accumulated expenses ultimately reflects the overall adjustment to its estimation with a corresponding change in capital surplus - restricted shares.

Employee stock warrants granted to employees

The fair value of equity instrument at the grant date of employee stock warrants is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares that are expected to ultimately vest, with a corresponding adjustment to capital surplus - employee stock warrants. It is recognized as an expense in full at the grant date if vested immediately.

The Company adjusts its estimation of the number of employee stock warrants expected to vest on each balance sheet date. The effect of any change to the estimation is recognized in profit or loss where the accumulated expenses ultimately reflects the overall adjustment to its estimation with a corresponding change in capital surplus - employee stock warrants.

(20) Taxation

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

1. Current income tax

   Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

   According to the Income Tax Act in the R.O.C, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

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

2. Deferred tax

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

   Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences.

   Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and such temporary differences are expected to reverse in the foreseeable future.

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

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

3. Current and deferred tax

Current and deferred taxes are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity; in which case, the current and deferred taxes are also recognized in other comprehensive income or directly in equity, respectively. The current and deferred taxes arising from business combination, the effect to income taxes are treated using the accounting for business combinations.

5. <u>Critical accounting judgments and key sources of estimation uncertainty</u>

In the application of the Group's accounting policies, management is required to make judgments, estimations, and assumptions about information that are not readily apparent from other sources. Actual results may differ from these estimates.

In developing critical accounting estimates, revisions to the estimates are recognized in the period in which they are made if they affect only that period; they are recognized in the period in which they are made and future periods if they affect both current and future periods. The management will continuously review estimates and underlying assumptions.

6. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 637	$ 800
Checking accounts and demand deposits	947,525	660,803
Cash equivalents		
Bonds sold under repurchase agreement	475,734	122,840
Time deposits with original maturity within three months	496,561	-
	$ 1,920,457	$ 784,443

The interest rate ranges for demand deposits, bonds sold under repurchase agreement and time deposits with original maturity within three months on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Demand deposits	0% ~ 5.2%	0% ~ 3.8%
Cash equivalents		
Bonds sold under repurchase agreement	1.25% ~ 5.5%	4.10% ~ 4.35%
Time deposits with original maturity within three months	3.1% ~ 5.78%	-

7. Financial assets at fair value through other comprehensive income -non-current

	December 31, 2023	December 31, 2022
Domestic investments	$ 699,354	$ 493,750
Foreign investments	284,652	132,375
	$ 984,006	$ 626,125

The above investments are held for medium to long-term strategic purposes and expected to generate return over the long run. Accordingly, the management elected to designate these investments as at financial assets at fair value through other comprehensive income as it believes that recognizing the short-term fluctuations of fair value in profit or loss would not be consistent with the Group's long-term investment strategy.

8. Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current		
Time deposits with original maturity over three months and restrictions on use	$ 953,884	$ 43,096
Pledged time deposits	12,250	14,250
	$ 966,134	$ 57,346
Non-current		
Pledged time deposits	$ 18,412	$ 501

(1) As of December 31, 2023 and 2022, the market annual interest rate ranges for the aforementioned time deposits were 0.013% ~ 5.2% and 0.975% ~ 1.75%, respectively.

(2) Please refer to Note 32 for information related to investments in financial assets at amortized cost pledged as securities.

9. Trade receivables

	December 31, 2023	December 31, 2022
Trade receivables		
At amortized cost		
Gross carrying amount	$ 954,767	$ 780,279
Less: Allowance for impairment loss	(2,265)	(2,083)
	952,502	778,196
At fair value through profit or loss	62,514	45,739
	$ 1,015,016	$ 823,935

(1) Trade receivables at amortized cost

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue receivables. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime expected credit losses. The lifetime expected credit losses are estimated by reference to the past default history of the customer, the customer's current financial position, economic condition of the industry in which the customer operates, as well as the overall economic condition and industry outlook. As of December 31, 2023 and 2022, the expected credit loss rates on trade receivables were both 0.01% ~ 100%.

The Group writes off a trade receivable when there is information indicating that the debtor is experiencing severe financial difficulty and there is no realistic prospect of recovery, such as liquidation of the debtor; for trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables which are due. Where recoveries are made, these are recognized in profit or loss.

The aging of trade receivables was as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 910,433	$ 653,200
Past due within 60 days	41,216	126,124
Past due 61 to 90 days	726	908
Past due 91 to 120 days	1,929	-
Past due over 121 days	463	47
Total	$ 954,767	$ 780,279

The aging of trade receivables above was based on number of past due days.

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

	2023	2022
Beginning balance	$ 2,083	$ 767
Add: Impairment loss for the period	182	1,316
Ending balance	$ 2,265	$ 2,083

(2) Trade receivables at fair value through profit or loss

The Group will sell its trade receivables at fair value through profit or loss to banks without recourse, and the risk and return associated to these trade receivables are mostly transferred to banks upon the sale resulting in the derecognition of these trade receivables from the balance sheet. The objective of the Group's business model is not to hold these trade receivables to collect the contractual cash flows or achieve objective by both collecting contractual cash flows and selling financial assets, so these trade receivables are measured at fair value.

10. Inventory

	December 31, 2023	December 31, 2022
Finished good	$ 419,173	$ 309,459
Work in progress	263,082	164,390
Raw materials	535,165	326,199
	$ 1,217,420	$ 800,048

The costs of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 were NT$4,270,676 thousand and NT$2,992,803 thousand, respectively. The impairment and obsolescence losses on inventories included in cost of goods sold were NT$99,486 thousand and NT$9,555 thousand, respectively.

11. Subsidiaries

(1) Subsidiaries included in consolidated financial statements

The entities included in these consolidated financial statements are as follows:

Investor	Subsidiary	Main business activity	% of Ownership December 31, 2023	% of Ownership December 31, 2022	Remark
The Company	Ding-Wei Technology Co., Ltd.	Manufacture of electronic components and motor parts	100%	100%	-
The Company	Smooth International Limited Corporation	Investment	100%	100%	-
Smooth International Limited Corporation	Smooth Autocomponent Limited	Investment	100%	100%	-
Smooth Autocomponent Limited	Smooth Autocomponent Limited	Manufacture of motor parts	100%	100%	-
The Company	Rec Technology Corporation	Manufacture of motor parts	49%	49%	1
The Company	Bigbest Solutions, Inc.	Manufacture of motors	28%	28%	1, 3
The Company	Mosel Vitelic Inc.	Semiconductors	29%	-	2, 3, 4
Mosel Vitelic Inc.	Giant Haven Investments Ltd.（B.V.I）	Holding company	100%	-	3
Mosel Vitelic Inc.	Mou Fu Investment Consultant Ltd.	Leasing, manpower dispatch and various services	100%	-	3
Mosel Vitelic Inc.	Bou-Der Investment, Ltd.	Investment	47%	-	3, 5, 6
Mosel Vitelic Inc.	DenMOS Technology Inc.	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	80%	-	3
Mou Fu Investment Consultant Ltd.	Bou-Der Investment, Ltd.	Investment	50%	-	3, 5, 6
Mou Fu Investment Consultant Ltd.	DenMOS Technology Inc.	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	4%	-	3

Note 1: The Group is the single shareholder holding the largest portion of equity and had the ability to direct the relevant activities by directing and monitoring investee’s strategies on finance, operation and human resources. Thus, the investee is deemed as a subsidiary of the Company.

Note 2: The Group acquired de facto control over the said company on June 2, 2023 and had the ability to direct the relevant activities by directing and monitoring investee’s strategies on finance, operation and human resources. Thus, the investee is deemed as a subsidiary of the Company.

Note 3: The Group’s independent auditors did not audit the financial statements, which were audited by other independent directors.

Note 4: The investee is a subsidiary with a material non-controlling interest.

Note 5: The consolidated company's total consolidated shareholding in the company amounts to 97%, so it is classified as a subsidiary.

Note 6: The subsidiary Bou-Der Investment, Ltd. obtained a dissolution approval registration letter from the competent authority on November 23, 2023, and is currently undergoing liquidation procedures.

(2) Subsidiaries not included in consolidated financial statements: None.

(3) Information on additional subsidiaries with a material non-controlling interest for the period

		% of Ownership and Voting Rights Held by Non-controlling Interests	
Subsidiary	Main business location	December 31, 2023	December 31, 2022
Mosel Vitelic Inc.	Hsinchu City	71%	-

Please refer to Table 6 for information of main business location and countries of incorporation.

The summarized financial information of Mosel Vitelic Inc. below represents amounts before intragroup eliminations:

Mosel Vitelic Inc. and its subsidiaries

	December 31, 2023
Current asset	$ 2,233,790
non-current assets	1,183,198
Current liabilities	(586,333)
non-current liabilities	(466,743)
Equity	$ 2,363,912
Equity attributable to:	
Owners of the parent company	$ 698,921
Non-controlling interests of Mosel Vitelic Inc.	1,664,991
	$ 2,363,912

	From June 2 to December 31, 2023
Operating revenue	$ 850,128
Net profit for the period	($ 131,223)
Other comprehensive income	(1,470)
Total comprehensive income	($ 132,693)
Net profit attributable to:	
Owners of the parent company	($ 38,908)
Non-controlling interests of Mosel Vitelic Inc.	(92,315)
	($ 131,223)
Total comprehensive income (loss) attributable to:	
Owners of the parent company	($ 39,359)
Non-controlling interests of Mosel Vitelic Inc.	(93,334)
	($ 132,693)

12. Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Investments in Associates	$ 1,440,318	$ 1,311,702
Investments in Joint Ventures	1,348,932	911,713
	$ 2,789,250	$ 2,223,415

(1) Investments in Associates

Material Associates

			% of Ownership and Voting Rights	
Company Name	Main business activity	Main business location	December 31, 2023	December 31, 2022
Mosel Vitelic Inc.	Semiconductors	Hsinchu City	-	30%
Excelliance MOS Corporation	Semiconductors	Hsinchu City	29%	-

Considering its long-term operational development, the Group has increased its involvement in the supply chain by acquiring 19,000 thousand ordinary shares of Mosel Vitelic Inc. on November 28, 2022. On June 2, 2023, the Group had the de facto ability to direct the company's activities related to finance, business, and human resources by directing and monitoring its relevant strategies. Thus, Mosel Vitelic Inc. has been recognized as a subsidiary in the consolidated financial statements instead of an associate since June 2023. Please refer to Notes 11 and 27 for details. In addition, the Group’s board of directors’ meeting on January 11, 2023, approved the subscription to the ordinary shares to be issued for the cash capital increase through the private placement of Excelliance MOS Corporation, and the Company obtained 15,000 thousand ordinary shares of Excelliance MOS Corporation.

The Level 1 fair value of associate with open market price is as follow:

Company Name	December 31, 2023	December 31, 2022
Mosel Vitelic Inc.	$ -	$ 1,740,935
Excelliance MOS Corporation	$ 1,980,000	$ -

Both Excelliance MOS Corporation and Mosel Vitelic Inc. are listed companies in Taiwan. Their relevant financial information can be found on the Market Observation Post System, so their aggregate financial information is not disclosed.

(2) Investments in Joint Ventures

Material Joint Ventures

Company Name	Main business activity	Main business location
Hong Wang Investment Co., Ltd.	Investment	New Taipei City

	December 31, 2023	December 31, 2022
% of Ownership	30%	30%
% of Voting Rights	37%	37%

The Group uses the equity method to account for its investments in joint ventures above.

The summarized financial information below was prepared using the joint ventures’ consolidated financial statements under IFRSs with adjustments for using the equity method.

Hong Wang Investment Co., Ltd.

	December 31, 2023	December 31, 2022
Cash and cash equivalents	$ 70	$ 1,405
Current asset	$ 70	$ 1,405
non-current assets	4,909,800	3,494,475
Current liabilities	(413,430)	(456,837)
Equity	$ 4,496,440	$ 3,039,043
The Group's percentage of ownership	30%	30%
Equity attributable to the Group	$ 1,348,932	$ 911,713
Carrying amount	$ 1,348,932	$ 911,713

	2023	2022
Operating revenue	$ 255,450	$ 200,400
Net profit for the period	$ 217,542	$ 194,957
Other comprehensive income	1,415,325	(2,417,325)
Total comprehensive income	$ 1,632,867	($ 2,222,368)

13. Property, plant and equipment

	Freehold Land	Building	Machinery Equipment	Transportation Equipment	Other Equipment	Property under construction	Total
Cost							
Balance on January 1, 2023	$ 405,764	$ 1,606,094	$ 2,233,094	$ 7,764	$ 545,705	$ 827,584	$ 5,626,005
Additions	-	189,217	839,572	2,400	52,590	7,959	1,091,738
Disposals	-	(14,224)	(54,512)	(1,674)	(13,953)	-	(84,363)
Reclassifications	-	829,873	-	-	-	(829,873)	-
Acquisition in a business combination	24,476	3,168,786	14,345,929	550	139,107	-	17,678,848
Net exchange differences	-	(4,112)	(2,299)	(7)	(1,901)	-	(8,319)
Balance on December 31, 2023	$ 430,240	$ 5,775,634	$ 17,361,784	$ 9,033	$ 721,548	$ 5,670	$ 24,303,909
Accumulated depreciation							
Balance on January 1, 2023	$ -	$ 714,892	$ 1,336,743	$ 3,324	$ 358,977	$ -	$ 2,413,936
Disposals	-	(14,224)	(54,467)	(1,674)	(13,560)	-	(83,925)
Impairment losses	-	40,904	123,808	-	11,955	-	176,667
Depreciation expenses	-	83,873	264,931	1,073	55,687	-	405,564
Acquisition in a business combination	24,476	2,814,082	14,126,407	550	126,852	-	17,092,367
Net exchange differences	-	(340)	(1,601)	(6)	(858)	-	(2,805)
Balance on December 31, 2023	$ 24,476	$ 3,639,187	$ 15,795,821	$ 3,267	$ 539,053	$ -	$ 20,001,804
Net balance on December 31, 2023	$ 405,764	$ 2,136,447	$ 1,565,963	$ 5,766	$ 182,495	$ 5,670	$ 4,302,105
Cost							
Balance on January 1, 2022	$ 405,764	$ 1,589,216	$ 1,849,952	$ 8,033	$ 481,908	$ 677,005	$ 5,011,878
Additions	-	7,124	450,328	4,400	65,178	157,084	684,114
Disposals	-	-	(68,991)	(4,675)	(2,827)	-	(76,493)
Reclassifications	-	6,505	-	-	-	(6,505)	-
Net exchange differences	-	3,249	1,805	6	1,446	-	6,506
Balance on December 31, 2022	$ 405,764	$ 1,606,094	$ 2,233,094	$ 7,764	$ 545,705	$ 827,584	$ 5,626,005
Accumulated depreciation							
Balance on January 1, 2022	$ -	$ 648,430	$ 1,184,813	$ 7,005	$ 304,826	$ -	$ 2,145,074
Disposals	-	-	(39,065)	(4,532)	(1,733)	-	(45,330)
Depreciation expenses	-	66,296	189,907	847	55,380	-	312,430
Net exchange differences	-	166	1,088	4	504	-	1,762
Balance on December 31, 2022	$ -	$ 714,892	$ 1,336,743	$ 3,324	$ 358,977	$ -	$ 2,413,936
Net balance on December 31, 2022	$ 405,764	$ 891,202	$ 896,351	$ 4,440	$ 186,728	$ 827,584	$ 3,212,069

In consideration of future business plans and the existing need for capacity and that some plant and equipment do not meet the Group's production requirement, the Group measures the recoverable amount of such assets at value in use, and the said amount fell below the carrying amount. Thus, an impairing loss of NT$176,667 thousand was recognized under other gains and losses in the consolidated statement of comprehensive income in 2023.

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

Buildings	
Plants	36~56 years
Mechanical and electrical equipment and engineering systems	2~56 years
Machinery Equipment	2~20 years
Transportation Equipment	4~6 years
Other Equipment	2~21 years

Please refer to Note 32 for information related to the property, plant and equipment pledged as security.

14. Lease arrangements

(1) Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying Amount		
Land	$ 323,774	$ 29,376
Building	29,137	5,963
Transportation Equipment	1,213	934
Information equipment	2,199	-
	$ 356,323	$ 36,273

	2023	2022
Additions to right-of-use assets	$ 31,661	$ 4,069
Acquisition in a business combination	$ 303,236	$ -
Depreciation expenses for right-of-use assets		
Land	$ 7,042	$ 655
Building	6,218	6,006
Transportation Equipment	742	704
Information equipment	290	-
	$ 14,292	$ 7,365

The underlying assets of the Group's leases include lands, buildings, company vehicles and digital security cameras. Except for lease contracts for lands with durations ranging between 32 and 50 years, the durations for the remaining lease contracts generally range between 2 and 5 years. Lease contracts are negotiated on an individual basis, and their terms and conditions may vary.

Except for the additions and depreciation expenses listed above, there was no major sublease or impairment of the Group's right-of-use assets for the years ended December 31, 2023 and 2022.

(2) Lease liabilities

	December 31, 2023	December 31, 2022
Carrying Amount		
Current	$ 16,239	$ 5,311
Non-current	$ 328,639	$ 1,788

Ranges of discount rate for lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Land	2.53%	-
Building	1.51% ~ 4.35%	1.51% ~ 4.35%
Transportation Equipment	0.85% ~ 1.88%	0.85% ~ 1.81%
Other Equipment	2.53%	-

(3) Other lease information

	2023	2022
Expenses relating to short-term leases	$ 8,618	$ 10,390
Expenses relating to low-value asset leases	$ 133	$ 201
Total cash (outflow) for leases	($ 25,842)	($ 17,525)

The Group applies a recognition exemption for some asset leases that were short-term and low-value and does not recognize right-of-use assets and lease liabilities for such leases.

15. Goodwill

	2023	2022
Cost		
Beginning balance	$ 283,636	$ 283,636
Acquisition in a business combination in the year (Note 27)	1,137,538	-
	$ 1,421,174	$ 283,636
Accumulated impairment		
Beginning balance	$ 58,494	$ 58,494
Recognition in the period	225,142	-
Ending balance	$ 283,636	$ 58,494
Net at the end of the period	$ 1,137,538	$ 225,142

An assessment on the recoverable amount of goodwill was carried out by the Group in 2023, and the impairment losses on goodwill as regards Bigbest Solutions, Inc. and Ding-Wei Technology Co., Ltd. were NT$88,783 thousand and NT$136,359 thousand, respectively. The recoverable amounts for Bigbest

Solutions, Inc. and Ding-Wei Technology Co., Ltd. are based on the value in use. The impairment of Bigbest Solutions, Inc. mainly arose from the unideal profitability of some products, resulting in the recoverable amount falling below the carrying amount. The products of Ding-Wei Technology Co., Ltd. are gasoline-vehicle-specific. As the market demand for gasoline vehicles in the future is expected to decline, the cash inflow in the future is estimated to fall, resulting in the recoverable amount falling below the carrying amount.

16. Other intangible assets

	December 31, 2023	December 31, 2022
Carrying amount of each category		
Software	$ 8,426	$ 11,479

Taking into account its future business plan and the existing need for capacity, the recoverable amount of the said asset's value in use has fallen below its carrying amount, so the Group has recognized an impairment loss of NT$217 thousand under other gains and losses in the consolidated statement of comprehensive income in 2023.

17. Other assets

	December 31, 2023	December 31, 2022
Current		
Overpaid sales tax	$ 9,609	$ 47,345
Refundable deposits	-	53,551
Prepayments	33,793	64,232
Others	165	1,293
	$ 43,567	$ 166,421
Non-current		
Refundable deposits	$ 16,989	$ 67,116
Prepayments for investments	-	171,385
Net defined benefit assets	-	7,119
Long-term accounts receivable	397,055	-
Long-term advance payment	58,418	-
Less: Allowance for impairment loss	(455,473)	-
	$ 16,989	$ 245,620

With regard to the polycrystalline silicon wafer purchase and sale contracts "Original Contract" and "Supplementary Agreement" between the subsidiary Mosel Vitelic Inc. (referred to as "Mosel Vitelic") and Jiangxi LDK Solar High-Tech Co., Ltd. (referred to as "LDK"), since both parties failed to reach a consensus on the unit price of polycrystalline silicon wafers, according to the terms and conditions of the "Original Contract", Mosel Vitelic informed LDK that the Contract shall be terminated automatically on April 1, 2010 and requested LDK to return the prepayment of US$28,611 thousand (under long-term accounts receivable). With regard to the dispute over the “Original Contract” and “Supplementary Agreement”, LDK filed an arbitration proceeding with the Hong Kong International Arbitration Centre. The arbitration court was established on May 27, 2011 and made a verdict with the issuance of a final decision on June 11, 2013. For the claim filed by Mosel Vitelic against LDK and the claim filed by LDK against the Company, each party received one favorable judgment and one unfavorable judgment respectively. According to the result of the arbitration, Mosel Vitelic had not breached the “Original Contract” for the unpurchased remaining quantity; however, Mosel Vitelic should indemnify the loss for the remaining unpurchased quantity according to the “Supplementary Agreement”, pay the default fine for not providing IC wafer recovery material according to the “Original Contract” and return the material recovery amount previously paid by LDK. The total amount of these three items was US$13,532 thousand, recognized under the other losses by Mosel Vitelic. In addition, regarding the payable amount of US$2,836 thousand to LDK originally credited under accounts payable and the aforementioned total amount of the three items of US$13,532 thousand of Mosel Vitelic, after offsetting with the long-term accounts receivable of US$28,611 thousand of Mosel Vitelic from LDK, the prepayment required to be returned by LDK to Mosel Vitelic was US$12,243 thousand. Accordingly, for this case, Mosel Vitelic has retained an attorney to file a petition for compulsory execution with the Intermediate People's Court of Xinyu Municipality, Jiangxi Province, the People's Republic of China, and the Court has accepted the case and informed LDK to fulfill the obligation specified in the final decision. On December 18, 2017, LDK’ reorganizer informed Mosel Vitelic to receive the credit amount of RMB 2,093 thousand. Mosel Vitelic may choose to receive payment in installments or in the form of shares. Based on the consideration of the timing and possibility of recovering such an amount and the operational status of LDK, Mosel Vitelic chose the payment in the form of shares for LDK’s debt. However, until now, Mosel Vitelic has not received any further notice from LDK, and LDK still refuses to assist Mosel Vitelic in understanding relevant matters, such that Mosel Vitelic has not yet received the debt repayment from LDK. In addition to the legal action taken in China, Mosel Vitelic has also filed compulsory execution proceedings on the assets of LDK or creditor's right in order to protect its interest. In addition, the case has been recognized by the first instance of the court in Taiwan. Although the second instance of the court reversed the judgment of the first instance of the court, the third instance of the court also reversed the judgment of the second instance of the court. Presently, the appeal of the judgment of the first instance of the court is under review by the high court in Taiwan.

After evaluating and considering the possibility of recovering the long-term accounts receivable of NT$397,055, Mosel Vitelic impaired such an account in full in 2017.

Mosel Vitelic also made a long-term advance payment of NT$58,418 thousand to Company S and recognized a loss of NT$58,418 thousand (refer to Note 33(2)).

18. Borrowings

(1) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Line of credit borrowings	$ 1,350,100	$ 1,700,010

The interest rate ranges for the revolving bank loans as of December 31, 2023 and 2022 were 1.61% ~ 2.00% and 1.25% ~ 2.05%, respectively.

(2) Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings		
Bank loans (Note 32)	$ -	$ 150,000
Unsecured borrowings		
Bank loans	950,000	1,220,000
Other borrowings	-	1,511
Subtotal	950,000	1,221,511
Less: portion with maturity less than 1 year	(196,667)	(192,099)
Long-term borrowings	$ 753,333	$ 1,179,412
Range of interest rates	1.60% ~ 1.76%	1.48% ~ 10%

1. The bank loans were secured by the Group's freehold land and buildings, please refer to Note 32 for the details. The use of fund is to replenish mid-to-long-term operating capital.
2. The consolidated company signed an asset sale-leaseback financing agreement amounting to RMB 7,500 thousand with Hua Nan International Leasing Co., Ltd. in June 2019. After the agreed four-year lease term expired (in June 2023), the ownership of the assets was returned unconditionally. The implicit interest rate imputed by the Company based on the contract price was 10%.

19. Other payables

	December 31, 2023	December 31, 2022
Payables for salaries and bonuses	$ 155,836	$ 121,100
Payables for equipment	84,386	19,706
Payables for annual leaves	36,017	19,169
Employees' compensation and directors' remuneration	104,199	110,800
Others	251,861	102,518
	$ 632,299	$ 373,293

20. Corporate bonds payable

	December 31, 2023	December 31, 2022
Domestic unsecured convertible corporate bonds	$ 799,900	$ -
Less: Discounts on corporate bonds	(37,861)	-
	$ 762,039	$ -

Domestic unsecured convertible corporate bonds

On August 9, 2023, the Company issued 8 thousand NTD-denominated unsecured convertible corporate bonds with a face value of NT$100 thousand each and an interest rate of 0% at 100.5% of the face value. The principal totaled NT$800,000 thousand. The issuance period is three years, starting on August 9, 2023 and ending on August 9, 2026. Yuanta Commercial Bank Co., Ltd. is the trustee of the bondholders of the convertible corporate bonds.

Unless the bondholders of the convertible corporate bonds apply for conversion to the ordinary shares of the Company or the Company repurchases the convertible corporate bonds from securities firms for cancellation, the Company will repay the convertible corporate bonds in cash on a lump sum basis within ten days after the maturity date thereof.

From the day following the expiration of three months after the date of issue of the convertible corporate bonds (November 10, 2023) to the maturity date (August 9, 2026), the bondholders may request the Company to convert the convertible corporate bonds to the ordinary shares at any time except (1) when the transfer of ordinary shares is suspended in accordance with the law; (2) during the period from 15th business day prior to the book closure date for stock grants, the book closure date for cash dividends, or the book closure date for cash capital increase subscription to the rights distribution record date; (3) from the record date for capital reduction to the day prior to the start date of the trading of new shares issued to replace old shares for the capital reduction; (4) from the start date of the cessation of conversion for the change of the face value of shares to the day prior to the start date of the trading of newly-issued shares.

August 1, 2023 was fixed as the base date for setting the conversion price of the convertible corporate bonds. The simple arithmetic mean of the closing prices of the Company's ordinary shares for either the business day, three business days, or five business days prior to the base date (excluded) is used as the base price. The base price is then multiplied by the conversion premium rate of 115.7% to calculate the conversion price (calculated and rounded up to the nearest NT$0.1). If the ex-right date or ex-dividend date is before the base date, the sample closing prices used to calculate the conversion price shall be imputed as the post-ex-right or post-ex-dividend prices; if the ex-right date or ex-dividend date falls within the period from the day the conversion is determined to the actual issue date, the conversion price shall be adjusted according to the conversion price adjustment formula. Based on the above methods, the conversion price of the convertible corporate bonds was set at NT$210 per share at issue.

Due to the issuance of ordinary shares for a cash capital increase, the conversion price shall be adjusted in accordance with the Regulations Governing the Initial Issuance and Conversion of Domestic Unsecured Convertible Corporate Bonds. As a result, the price for the initial conversion of the domestic unsecured convertible corporate bonds was adjusted from NT$210 to NT$208 on September 25, 2023.

The convertible corporate bonds include liability and equity components. The equity components are stated as capital reserves - stock warrants in equity. The effective interest rate initially recognized for the liability components was 1.8659%.

Issue proceeds (less the transaction cost and the adjustments related to income tax effects)	$ 800,740
Equity components (less the transaction cost allocated to equity and the adjustments related to income tax effects)	(43,937)
Deferred tax assets	36
Liability components on the issue date (less the transaction cost allocated to liabilities)	756,839
Interest is calculated at the effective interest rate of 1.8659%	5,296
Conversion of corporate bonds payable into ordinary shares	(96)
Liability components as of December 31, 2023	$ 762,039

21. Retirement benefit plans

(1) Defined contribution plan

The Company of the Group adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

Employees of the Group's subsidiaries in Mainland China are covered as participants of the state-managed pension plan. Such subsidiaries have to contribute a certain percentage of salaries to the pension plan as fund. The Group is only responsible to contribute certain amount of fund to the state-managed pension plan.

(2) Defined benefit plan

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

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 236,504	$ 25,274
Fair value of plan assets	(229,919)	(32,393)
Net defined benefit liabilities (assets)	$ 6,585	($ 7,119)

Movement in net defined benefit liabilities (assets):

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
Balance on January 1, 2023	$ 25,274	($ 32,393)	($ 7,119)
Service cost			
Service cost for the period	187	-	187
Interest expense (income)	2,026	(1,966)	60
Settlement of gains and losses	(334)	282	(52)
Recognized in profit or loss	1,879	(1,684)	195
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(1,355)	(1,355)
Actuarial loss - changes in demographic assumptions	108	-	108
Actuarial gain - changes in financial assumption	5,727	-	5,727
Actuarial gain- experience adjustments	(7,282)	-	(7,282)
Recognized in other comprehensive income	(1,447)	(1,355)	(2,802)
Benefits paid	(6,316)	6,316	-
Contributions from employer	-	(7,997)	(7,997)
Business combinations	217,114	(192,806)	24,308
Balance on December 31, 2023	$ 236,504	($ 229,919)	$ 6,585
Balance on January 1, 2022	$ 29,877	($ 30,592)	($ 715)
Service cost			
Service cost for the period	-	-	-
Interest expense (income)	149	(155)	(6)
Recognized in profit or loss	149	(155)	(6)
Remeasurement			
Return on plan assets (net of amount included in net interests)	-	(2,497)	(2,497)
Actuarial loss - changes in demographic assumptions	171	-	171
Actuarial gain - changes in financial assumption	(3,377)	-	(3,377)
Actuarial gain- experience adjustments	(278)	-	(278)
Recognized in other comprehensive income	(2,928)	(2,497)	(5,425)
Benefits paid	(1,824)	1,824	-
Contributions from employer	-	(973)	(973)
Balance on December 31, 2022	$ 25,274	($ 32,393)	($ 7,119)

Through the defined benefit plans under the Labor Standards Act, the Group is exposed to the following risks:

1. Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the

return generated by plan assets should not be below the interest rate for a 2-year time deposit with local banks.

2. Interest risk: A decrease in the treasury bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions on the valuation date were as follows:

The mortality rates for the year 2023 and 2022 were based on the sixth and fifth Taiwan Standard Ordinary Experience Mortality Table, respectively.

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.5%
Expected growth rate of salary	3%	3%

If possible reasonable change in each of the significant actuarial assumptions will occur and all other assumptions will remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.25% increase	($ 5,706)	($ 762)
0.25% decrease	$ 5,898	$ 794
Expected growth rate of salary		
0.25% increase	$ 5,696	$ 769
0.25% decrease	($ 5,541)	($ 742)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31, 2023	December 31, 2022
The expected contributions to the plan for the next year	$ 13,416	$ 971
The average duration of the defined benefit obligation	9.5~11.6 years	12.3 years

22. Equity

(1) Share capital

Ordinary shares

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousand shares)	300,000	300,000
Authorized share capital	$ 3,000,000	$ 3,000,000
Number of shares issued and fully paid (in thousand shares)	101,447	91,447
Share capital issued	$ 1,014,475	$ 914,470

The change in the Company's equity was mainly due to employees' resignation, the cancellation and recall of new restricted employee shares, and the resolution of the board of directors on May 3, 2023 to issue 10,000 thousand new shares at a par value of NT$10 per share for a cash capital increase. The shares were issued at a premium of NT$155 per share, and after the capital increase, the paid-in capital amounted to NT$1,014,470 thousand. The above-mentioned cash capital increase was approved and registered effectively with the Securities and Futures Bureau of the Financial Supervisory Commission on July 20, 2023, and the board of directors resolved to set September 25, 2023 as the capital increase record date. The change registration was completed in October 2023. In addition, as of December 31, 2023, the holders of the unsecured corporate bonds issued by the Company for the first time have requested to convert 480 ordinary shares at NT$208 per share. February 26, 2024 was set as the record date. The Company has not applied for a change of registration with the Ministry of Economic Affairs as of the date of approval of the release of the consolidated financial statements.

(2) Capital surplus

	December 31, 2023	December 31, 2022
Available for offsetting deficits, distributing cash or transferring to share capital (1)		
Additional paid-in capital	$ 3,182,887	$ 1,711,680
Corporate bond conversion premium	96	
Treasury Shares	27,193	27,193
Difference between consideration and carrying amount of subsidiaries acquired or disposed	3,562	3,562
Limited to offsetting deficits		
Recognized changes in ownership interests in subsidiaries (2)	5,912	-
Changes in equity of investment in associates and joint ventures accounted for using equity method	-	-
Exercise of right of disgorgement	1,024	1,024
May not be used for any purpose		
Employee stock warrants	$ 53,297	$ 4,032
Equity components of the convertible corporate bonds issued by the Company	43,932	-
	$ 3,317,903	$ 1,747,491

1. Capital surplus in this category may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash or transferred to share capital, limited to a certain percentage of the Company's paid-in capital each year.
2. This type of capital surplus represents the equity transaction effects recognized due to changes in the equity of subsidiaries that the Company has not actually acquired or disposed of, or the adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method. The change in 2023 was caused by the issuance of restricted shares by the subsidiary Mosel Vitelic Inc.

(3) Retained earnings and dividend policy

The Company stipulates that the Company's board of directors is authorized to adopt a special resolution to pay distributable dividends and bonuses in the form of cash, which shall be reported to the shareholders' meeting.

In accordance with the Company's amended Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside 10% of the remaining profit as legal reserve, and setting aside or reversing a special reserve in accordance with the laws and regulations. Any remaining profit together with any undistributed retained earnings from prior years shall be used by the board of directors as the basis for proposing a distribution plan for the resolution in a shareholders' meeting. In the event that whole or part of the dividend and bonus is paid in cash, the distribution can be made by a majority vote at a board of directors' meeting attended by over two-thirds of the directors and reported to the shareholders' meeting.

The Company's dividend policy is based on the Company's earnings and considerations of the future funding needs and impact of taxation on the Company and its shareholders, as well as the Company's sustainable development and the steady growth of earnings per share. The cash dividend shall not be less than 50% of the total dividend, and the distribution shall be made after the resolution by a shareholders' meeting. Please refer to Note 23(6) "Employees' compensation and directors' remuneration" for the policy on the distribution of employees' compensation and directors' remuneration as stipulated in the Company's Articles of Incorporation.

The amendment to the Company's Articles of Incorporation was approved by its Shareholders' Meeting on May 27, 2022. It has expressly stipulated that when the Company appropriated the special capital reserve lawfully, it shall allocate an amount of special reserve for any difference between the amount it has already allocated and the amount of special reserve equal to the "cumulative amount of net increase in fair value of investment property in a preceding period" and the "cumulative net amount of other deductions from equity in a preceding period" it is required to allocate. If there remains any insufficiency, the Company shall allocate the special reserve from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period.

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

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

	2022	2021
Legal reserve	$ 57,411	$ 47,292
Cash dividends	$ 365,788	$ 365,828
Cash dividends per share (NT$)	$ 4	$ 4

The appropriations for cash dividends above had been resolved by the Company's board of directors' meeting on March 8, 2023 and March 9, 2022, respectively; the other proposed appropriations had been resolved by the shareholders' meeting on May 26, 2023 and May 27, 2022.

The Company's appropriation of earnings for 2023 is proposed for resolution in the board of directors' meeting on February 23, 2024.

	2023
Legal reserve	$ 73,430
Cash dividends	$ 507,237
Cash dividends per share (NT$)	$ 5

The appropriations for cash dividends above had been resolved by the Company's board of directors' meeting and pended for the resolution by the shareholders' meeting to be held on May 24, 2024.

(4) Non-controlling interests

	2023	2022
Beginning balance	$ 284,600	$ 272,922
Net profit (loss) for the period	(111,431)	11,624
Other comprehensive income for the year		
Unrealized gain (loss) of financial assets at fair value through other comprehensive income	(3,977)	-
Remeasurement of defined benefit plan	2,959	-
Restricted shares	840	54
Acquisition of a subsidiary	1,747,700	-
Cash dividend of subsidiaries	(1,773)	-
Adjustment for changes in subsidiary equity accounted for using equity method	11,557	-
Ending balance	$ 1,930,475	$ 284,600

23. Profit before tax

(1) Other income

	2023	2022
Dividend income	$ 18,191	$ 18,396
Others	38,898	24,063
	$ 57,089	$ 42,459

(2) Other gains and losses

	2023	2022
Gain (loss) on disposal of property, plant and equipment	$ 4,719	($ 27,287)
Net loss (gain) on foreign currency exchange	(5,166)	106,082
Gain on disposal of investments accounted for using the equity method	672,871	-
Impairment loss on non-financial assets	(176,884)	-
Impairment loss on goodwill	(225,142)	-
Others	(2,260)	(965)
	$ 268,138	$ 77,830

(3) Finance costs

	2023	2022
Interest on bank loans	$ 83,307	$ 31,878
Interest on lease liabilities	4,946	214
Interest on corporate bonds	5,296	-
	$ 93,549	$ 32,092

(4) Depreciation and amortization

	2023	2022
Depreciation expenses by function		
Operating cost	$ 264,681	$ 186,645
Operating expense	155,175	133,150
	$ 419,856	$ 319,795
Amortization expenses by function		
Operating cost	$ 793	$ 960
Operating expense	6,104	8,311
	$ 6,897	$ 9,271

(5) Employee benefit expenses

	2023	2022
Post-employment benefits		
Defined contribution plan	$ 38,914	$ 29,142
Defined benefit plan	195	(6)
	39,109	29,136
Share-based Payment	71,670	5,096
Others employee benefits	1,265,596	869,511
Total employee benefit expenses	$ 1,376,375	$ 903,743
Summary by function		
Operating cost	$ 817,466	$ 487,404
Operating expense	558,909	416,339
	$ 1,376,375	$ 903,743

(6) Employees' compensation and directors' remuneration

According to the Articles of Incorporation, if there is profit in a fiscal year, the Company shall accrue employees' compensation and directors' remuneration as follows; however, if there is a deficit, the Company shall set aside the amount for offsetting the deficit before the appropriation. The aforementioned profit is the net profit before taxes net of employees' compensation and directors' remuneration.

1. Employees' compensation shall not be less than 5% in the form of share dividend or cash dividend by the resolution in a board of directors' meeting. The recipients include certain qualified employees of the Company's affiliates.
2. Directors' remuneration shall be no more than 3%.

The appropriation of employees' compensation and directors' remuneration shall be reported to the shareholders' meeting.

The appropriations of employees' compensation and directors' remuneration for 2023 and 2022, which were approved by the Company's board of directors on February 23, 2024 and March 8, 2023, respectively, were as follows:

	2023	2022
	Cash	Cash
Employees' compensation	$ 78,182	$ 85,238
Directors' remuneration	$ 19,200	$ 20,748

If there is a change in the amounts after the annual consolidated financial statements were authorized for issue, the differences are recorded as a change in the accounting estimate in the following year.

There was no difference between the actual amounts of employees' compensation and directors' remuneration paid and the amounts recognized in the consolidated financial statements for the years ended December 31, 2023 and 2022.

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

24. Income tax

(1) Major components of income tax recognized in profit or loss are as follows:

	2023	2022
Current income tax		
In respect of the current year	$ 97,768	$ 106,125
Tax surcharge on surplus retained earnings	5,155	617
Adjustment for prior year	(26,764)	(15,280)
	76,159	91,462
Deferred tax		
In respect of the current year	26,466	(15,272)
Income tax recognized in profit or loss	$ 102,625	$ 76,190

A reconciliation of accounting profit and income tax recognized in profit or loss is as follows:

	2023	2022
Profit before tax	$ 714,387	$ 648,366
Income tax calculated using the income before income tax at the statutory rate (20%)	$ 142,877	$ 129,673
Net deductible benefits	(37,140)	(29,603)
Non-taxable income	(3,600)	(3,200)
Tax surcharge on surplus retained earnings	5,155	617
Unrecognized loss carryforwards/ deductible temporary differences	21,837	(4,474)
Effects of different tax rate applied by subsidiaries in other tax jurisdictions	($ 443)	($ 317)
Adjustment for current income tax from prior years	(26,764)	(15,280)
Elimination of investment profit by foreign operating units	703	(1,226)
Income tax recognized in profit or loss	$ 102,625	$ 76,190

(2) Deferred tax assets and liabilities

The movements of deferred tax assets and liabilities were as follows:

2023

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized directly in equity	Ending balance
Deferred tax assets					
Book-tax differences of sales revenue	$ 16,135	($ 7,022)	$ -	$ -	$ 9,113
Unrealized inventory loss	3,546	15,287	-	-	18,833
Payables for annual leaves	3,684	678	-	-	4,362
Unrealized asset losses	-	27,760	-	-	27,760
Others	15,316	19,095	-	36	34,447
	$ 38,681	$ 55,798	$ -	$ 36	$ 94,515
Deferred tax liabilities					
Unrealized foreign exchange gains	$ 3,285	$ 594	$ -	$ -	$ 3,879
Defined benefit plan	1,424	222	(283)	-	1,363
Investment return by foreign operating units	15,216	703	-	-	15,919
Unrealized gains on disposal of investments	-	80,745	-	-	80,745
	$ 19,925	$ 82,264	($ 283)	$ -	$ 101,906

2022

	Beginning balance	Recognized in profit or loss	Recognized in other comprehensive income	Recognized directly in equity	Ending balance
Deferred tax assets					
Book-tax differences of sales revenue	$ 8,264	$ 7,871	$ -	$ -	$ 16,135
Unrealized inventory loss	3,545	1	-	-	3,546
Payables for annual leaves	3,748	(64)	-	-	3,684
Others	5,739	9,577	-	-	15,316
	$ 21,296	$ 17,385	$ -	$ -	$ 38,681
Deferred tax liabilities					
Unrealized foreign exchange gains	$ 142	$ 3,143	$ -	$ -	$ 3,285
Defined benefit plan	143	196	1,085	-	1,424
Investment return by foreign operating units	16,442	(1,226)	-	-	15,216
	$ 16,727	$ 2,113	$ 1,085	$ -	$ 19,925

(3) Information on unused loss carryforwards

As of December 31, 2023, the loss carryfowards of subsidiaries were as follows:

Unused balance	Expiry year
$ 1,028,253	2024
926,553	2025
593,487	2026
315,025	2027
163,873	2028
522,970	2029
78,988	2030
304,876	2031
177,092	2032
$ 4,111,117	

The loss carryforwards above were not recognized in deferred tax assets.

(4) Income tax assessments

The income tax returns of the Company and its domestic subsidiaries through 2021 have been assessed by the tax authorities.

25. Earnings per share

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

Net profit for the year

	2023	2022
Net profit attributable to owners of the parent company	$ 723,193	$ 560,552
Effect of potentially dilutive ordinary shares:		
After-tax interest on convertible corporate bonds	4,236	-
Earnings used in the computation of diluted earnings per share	$ 727,429	$ 560,552

Shares Unit: thousands of shares

	2023	2022
Weighted average number of ordinary shares outstanding in computation of basic earnings per share	94,105	91,310
Effect of potentially dilutive ordinary shares:		
Convertible corporate bonds	1,528	-
Employee stock warrants	1,013	90
Employees' compensation	508	746
Weighted average number of ordinary shares outstanding in computation of dilutive earnings per share	97,154	92,146

If the Group settles the employees' compensation in shares or cash, the Group presumed that the entire amount of employees' compensation would be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, if the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. Share-based payment agreement

(1) The Company's restricted shares

The issuance of restricted shares was resolved by the Company's shareholders' meeting on May 30, 2018 with an actual issuance of 648 thousand shares at the issue price of NT$50 per share. The Company received the approval by the FSC on December 14, 2018 with the certificate Jin-Guan-Zheng-Fa-Zi No. 1070121188 and set October 22, 2019 as the capital increase record date for the issuance of restricted shares.

Employees who have received or subscribed the restricted shares and yet fulfilled the vesting conditions are bound by the following restrictions:

1. Employees shall not sell, pledge, transfer, grant, set guarantee or dispose of the restricted shares in any other ways.
2. The restricted shares are eligible for the dividend distribution without any restriction within the vesting period.
3. Prior to the fulfillment of vesting conditions, the restricted share holders are entitled the same rights as those of common stock holders including propose, speak, and vote in a shareholders' meeting and other shareholder's rights.
4. After issuance, restricted shares shall be immediately delivered to be under custody of trust institution. Before fulfillment of vesting conditions, employees shall not request for return of such restricted shares by any reason or method.

For those employees who fail to fulfill the vesting conditions, the Company will recall or purchase back and cancel their shares.

The vesting period for the Company's restricted shares issued in 2019 ended in October 2022.

Information of the Company's restricted shares is as follows:

	Number of shares (in thousand shares) 2022
Beginning balance	193
Cancellation due to employee resignation for the period	(10)
Vested for the period	(183)
Ending balance	-

(2) Mosel Vitelic Inc.'s share-based Payment

1. The share-based payment agreement of Mosel Vitelic Inc. in 2023 is as follows:

Type of agreement	Grant date	Fair value (NT$)	Grant quantity	Agreed price	Contract period	Vesting conditions
Restricted share plan (Note 1)	December 11, 2023	34.65	1,000 thousand shares	-	3 years	(Note 2)

Note 1: Restricted shares issued by the Company shall not be transferred during the vesting period. However, their voting rights are not restricted. If an employee resigns or passes away not due to an occupational disaster before the vested conditions are met, the Company will take back his or her shares at the issue price and cancel them.

Note 2: 30% of the restricted shares will be vested immediately after one year and two years of service following the grant date, respectively, and the remaining 40% will be vested after three years of service. If an employee's performance in any of the three years from the grant date fails to meet the Company's performance conditions, the Company will take back the unvested shares from the employee at the issue price in the current year.

2. The details of the above share-based payment agreement are as follows:

	Number of shares (in thousand shares)
	2023
Beginning balance	-
Current grant (Note)	1,000
Vested for the period	-
Ending balance	1,000

Note: The restricted shares granted in the current period are measured based on the closing price of the stock on December 11, 2023, the grant date.

3. The Company's board of directors adopted a resolution on March 7, 2023 to issue 1,000,000 restricted shares. The record date for the issuance was set on December 11, 2023. The subscription price per share was NT$10. Before meeting the vesting conditions, employees are not allowed to transfer the restricted shares and are not entitled to share allotment and dividends. All the other rights and obligations for this issuance of ordinary shares are the same as those for the other issued ordinary shares.

(3) Employee stock warrant plan of the Company

The Company granted 3,000 thousand units of employee warrants, of which, each unit is eligible to subscribe to 1 ordinary share, in December 2022. Employees of the Company are entitled to the warrants. The term of all employee stock warrants is 6 years, and the warrant holders can exercise a specific portion of the warrants granted after 2 years after the issuance date. The exercise price of the stock warrants is 75% of the closing price of the Company's ordinary shares on the date of issuance. If any changes are made to the Company's ordinary shares, the exercise price shall be correspondingly adjusted using the specific formula.

Information on employee stock warrants is as follows:

Employee stock warrants	2023 Unit (thousand)	2023 Weighted average exercise price (NT$)	2022 Unit (thousand)	2022 Weighted average exercise price (NT$)
Outstanding at the beginning of the year	3,000	$ 115.1	-	$ -
Number of stock warrants granted in the year	-	-	3,000	115.1
Loss in the year	(50)	115.1	-	-
Number of stock warrants exercised in the year	-	-	-	-
Number of stock warrants expired in the year	-	-	-	-
Outstanding at the end of the year	2,950		3,000	
Number of stock warrants exercisable at the end of the year	-		-	
Weighted average fair value of the stock warrants granted in the year (NT$)			$ 68.09	

Information on outstanding employee stock warrants is as follows:

	December 31, 2023	December 31, 2022
Range of exercise prices (NT$)	$ 115.10	$ 115.10
Weighted average remaining term (year)	5 years	6 years

The employee stock warrants granted in December 2022 were valued using the Black-Scholes model, and the inputs used in the said model were as follows:

	December, 2022
Stock price on the grant date	NT$153.50
Exercise price	NT$115.10
Expected volatility	37.42~42.13%
Term	6 years
Expected dividend yield	0%
Risk-free rate	1.07% ~ 1.11%

(4) Shares reserved for subscription by employees in the Company’s cash capital increase

On May 3, 2023, the Company's board of directors resolved to issue 10,000 thousand new shares for a cash capital increase, and 1,380 thousand shares were reserved for subscription by employees in accordance with the Company Act. For shares that are undersubscribed or that the employees waive their rights to subscribe for, the Chairman is authorized to contact specific persons to subscribe for them.

(5) The compensation costs recognized for the years ended December 31, 2023 and 2022 were NT$71,670 thousand and NT$5,021 thousand, respectively.

27. Business combination

(1) Acquisition of a subsidiary

	Major business activities	Acquisition date	All ownership interests with voting rights/ Percentage of stake acquired (%)	Transfer of consideration
Mosel Vitelic Inc.	Semiconductors	June 2, 2023	30%	$ -

The acquisition of Mosel Vitelic Inc. by the Group is oriented on its industry strategy.

(2) Transfer of consideration

	Mosel Vitelic Inc.
Cash	$ -

(3) Assets acquired and liabilities assumed on the acquisition date

	Mosel Vitelic Inc.
Current asset	
Cash and cash equivalents	$ 1,538,270
Financial assets at amortized cost－current	647,674
Trade receivables	246,189
Inventory	280,107
Other current assets	41,566
non-current assets	
Financial assets at fair value through other comprehensive income	22,600
Financial assets at amortized cost－ non-current	17,907
Property, plant and equipment	586,481
Right-of-use assets	303,236
Other non-current assets	200,110
Current liabilities	
Trade payables	(153,540)
Other payables	(419,988)
Lease liabilities - current	(6,963)
Guarantee deposits - current	(184,677)
Other current liabilities	(45,220)
Current liabilities	
Net defined benefit liabilities	(24,308)
Lease liabilities - non-current	(311,327)
Guarantee deposits - non-current	(250,937)
Non-controlling interests	(26,366)
Fair value of identifiable net assets acquired	$ 2,460,814

(4) Non-controlling interests

The non-controlling interests of Mosel Vitelic Inc., representing 70% of the total ownership interests, were measured at the non-controlling interests' proportionate share of identifiable net assets of the said company on the acquisition date.

(5) Goodwill arising in a business combination

	Mosel Vitelic Inc.
Transfer of consideration	$ -
Add: Non-controlling interests (70% of Mosel Vitelic Inc.'s total ownership interests)	1,721,334
Add: Acquisition-date fair value of the acquirer's previously-held equity interest in the acquiree	1,877,018
Less: Fair value of identifiable net assets acquired	(2,460,814)
Goodwill arising in a business combination	$ 1,137,538

The goodwill arising in the acquisition of Mosel Vitelic Inc. includes control premium, estimated synergy, revenue growth, future market growth and the value of employees of Mosel Vitelic Inc. However, the said benefits did not qualify as identifiable intangible assets, so recognitions were not made separately.

In addition, the previously-held equity interest in the acquiree before the acquisition date was remeasured at fair value and deemed disposed of, so a gain of NT$672,871 thousand on the disposal of an associate was recognized under other gains and losses.

(6) Acquisition of a subsidiary, net of cash acquired

	Mosel Vitelic Inc.
Cash and cash equivalents acquired	$ 1,538,270

(7) Effects of a business combination on business performance

Since the acquisition date, the business performance of the acquiree is as follows:

	Mosel Vitelic Inc.
Operating revenue	$ 850,128
Net profit for the period	($ 131,223)

If the business combination had occurred on the first date of the fiscal year in which the acquisition occurred, the consolidated company's pro forma operating revenue and pro forma net profit in 2023 would have been NT$6,077,588 thousand and NT$579,979 thousand, respectively. These amounts do not reflect the actual revenue and business performance of the Group if such a business combination had been completed at the beginning of the year of the acquisition and shall not be applied in any projection of its future business performance.

28. Non-cash transactions

For the years ended December 31, 2023 and 2022, the Group has conducted the following non-cash transactions from finance activities:

(1) Addition of lease liabilities from lease agreements.

(2) Reclassifications of long-term borrowings with maturity within one year.

29. Capital management

The Group manages its capital to ensure its ability to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance.

The Group's key management reviews its capital structure on a quarter basis. As part of this review, the key management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management, the Group may balance its overall capital structure by the means of dividend payment, issuance of new shares, shares buyback, issuance of new debts or repayment of existing debts. The Group is not subject to any externally imposed capital requirements.

30. Financial instruments

(1) Fair value of financial instruments not measured at fair value

Management of the Group considers the carrying amounts of the Group's financial assets and financial liabilities that are not measured at fair value as close to their fair values.

(2) Fair value of financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Domestic listed shares	$ 392,000	$ -	$ -	$ 392,000
Domestic and foreign unlisted shares and investments	-	-	592,006	592,006
	$ 392,000	$ -	$ 592,006	$ 984,006

December 31, 2022

	Fair value			
	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Domestic listed shares	$ 279,000	$ -	$ -	$ 279,000
Domestic and foreign unlisted shares and investments	-	-	347,125	347,125
	$ 279,000	$ -	$ 347,125	$ 626,125

There were no transfers between Levels 1 and 2 for the years ended December 31, 2023 and 2022.

2. Valuation techniques and inputs of measuring Level 3 fair value

Class of financial instruments	Valuation techniques and inputs
Domestic and foreign securities	Using the asset-based approach that assesses the fair value by totaling the value of each asset and liability of the target of evaluation. Using the market approach that derives the value of target from the product of the active market price of a comparable company that operates in the similar industry with similar operation and financial performance and a corresponding market multiplier.

(3) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial asset		
Financial assets mandatorily classified at fair value through profit or loss	$ 62,514	$ 45,739
Financial assets at amortized cost (Note 1)	3,912,866	1,767,913
Financial assets at fair value through other comprehensive income	984,006	626,125
Financial liability		
At amortized cost (Note 2)	4,993,790	3,658,405

Note 1: The balances included financial assets measured at amortized cost, which comprise cash and cash equivalents, trade receivables, other receivables and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, long-term borrowings (including those due within one year), notes payable, accounts payable, other payables, corporate bonds payable, and guarantee deposits received.

(4) Financial risk management objectives and policies

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

The Group sought to minimize the effects of these risks by using financial derivatives to hedge risk exposures. The use of financial derivatives was governed by the Group's policies approved by the board of directors, which provided written guidelines on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits was reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1. Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below). The Group engaged in a variety of derivative financial instruments to manage its exposure to foreign currency risk, including forward exchange contracts and currency swaps to hedge the exchange rate risk arising from trading.

(1) Foreign currency risk

The Group engaged in sales and purchases denominated in foreign currencies, which exposed the Group to foreign currency risk. The Group hedged such foreign currency risk using the forward exchange contracts and currency swaps to the extent approved by policy.

The carrying amounts of the Group's monetary assets and monetary liabilities denominated in nonfunctional currencies (including the monetary items denominated in nonfunctional currencies eliminated in the consolidated financial statements) on the balance sheet date are provided in Note 35.

Sensitivity analysis

The Group was mainly exposed to the risk of exchange rate fluctuation of the U.S. Dollar and Euro.

The following table details the Group's sensitivity to a 1% increase and decrease in New Taiwan dollar (the functional currency) against each foreign currency. 1% increase or decrease is used when reporting foreign currency risk internally to key management and represents management's assessment of the reasonably possible change in foreign exchange rate. The sensitivity analysis included only outstanding foreign currency denominated monetary items. A 1% foreign exchange rate change is adjusted to the translation at the end of period. In the following table, a positive number below indicates an increase in pre-tax profit due to a 1% depreciation of the New Taiwan dollar against the foreign currency. For a 1% appreciation of the New Taiwan dollar against the foreign currency, there would be an equal and opposite impact on pre-tax profit and the balances below would be negative.

	Impact of USD		Impact of EUR	
	2023	2022	2023	2022
Profit or loss	$ 15,988 (i)	$ 9,447 (i)	$ 1,514 (ii)	$ 727 (ii)

i. It was mainly due to the Company's trade receivables and payables denominated in the U.S. Dollar that were outstanding and yet mitigated by a cash flow hedge at the end of the reporting period.

ii. It was mainly due to the Company's trade receivables and payables denominated in the Euro that were outstanding and yet mitigated by a cash flow hedge at the end of the reporting period.

The management believed the sensitivity analysis did not reflect existing foreign currency risk because the exposure to the foreign currency risk at the end of the reporting period does not fairly represent the risk exposure during the reporting period.

(2) Interest rate risk

The Group was exposed to interest rate risk because entities in the Group borrowed funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings.

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

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial assets	$ 1,585,708	$ 300,853
- Financial liabilities	1,856,918	8,609
Cash flow interest rate risk		
- Financial assets	1,335,377	798,129
- Financial liabilities	1,550,100	3,070,010

Sensitivity analysis

The sensitivity analyses below were determined based on the Company's exposure to interest rates for both derivatives and non-derivative instruments at the end of the reporting period. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole reporting period. A 10 basis point increase or decrease is used when reporting interest rate risk internally to key management and represents management's assessment of the reasonably possible change in interest rate.

If interest rates had been 10 basis point higher/lower and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased/increased by NT$215 thousand and NT$2,272 thousand, respectively.

(3) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. Equity investments are held for strategic rather than for trading purposes. The Group does not actively trade these investments. In addition, the Group designated specific team to monitor the price risk and establish the responding strategy.

Sensitivity analysis

The sensitivity analyses below were carried out based on the Company's exposure to equity price on the reporting date.

If the equity price had increased/decreased by 10%, the other comprehensive income after tax for the years ended December 31, 2023 and 2022 would have decreased/increased by NT$98,401 thousand and NT$62,613 thousand, respectively, due to an increase/decrease in the fair value of the financial assets at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. As of the end of the reporting period, the Group's maximum exposure to credit risk due to the failure of a counterparty to perform its obligations was the carrying amount of financial assets recognized in the consolidated financial statements.

In the balances of accounts receivable as of December 31, 2023 and 2022, the sums of accounts receivable from group customers accounting for more than 10% of the Company's balance of accounts receivable were NT$600,415 thousand, NT$526,894 thousand, representing 59% and 64% of the said balances, respectively.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support its operation and minimize the impact of cash flow volatility. The Group's management monitors the use of bank loan facilities and ensures compliance with loan covenants.

The Group relies on bank loans as a significant source of liquidity. As of December 31, 2023 and 2022, the Group's unused bank facilities were set out in (2) borrowing facilities below.

(1) Liquidity and interest rate risk table

The table below summarizes the maturity profile of the Group's non-derivative financial liabilities, in which the payment terms were set, based on the earliest repayment date. The table was prepared with the undiscounted cash flows of financial liabilities that include the cash flows of interests and principles.

December 31, 2023

	On demand or less than 1 month	1~3 months	3 months~1 year	1~5 years	Over 5 years
Non derivative financial liabilities					
Non-interest bearing liabilities	$ 744,252	$ 461,053	$ 138,776	$ -	$ -
Lease liabilities	2,058	5,543	17,041	89,235	351,508
Debt instruments	1,397,774	1,881	163,067	1,546,578	25,000
	$ 2,144,084	$ 468,477	$ 318,884	$1,635,813	$ 376,508

Maturity profile of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	Over 20 years
Lease liabilities	$24,642	$89,235	$79,889	$79,889	$79,889	$111,841

December 31, 2022

	On demand or less than 1 month	1~3 months	3 months~1 year	1~5 years	Over 5 years
Non derivative financial liabilities					
Non-interest bearing liabilities	$ 300,543	$ 318,358	$ 220,532	$ -	$ -
Lease liabilities	573	1,147	3,813	1,833	-
Debt instruments	605,381	855,855	458,862	1,084,827	125,844
	$ 906,497	$1,175,360	$ 683,207	$1,086,660	$ 125,844

Maturity profile of lease liabilities is as follows:

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	Over 20 years
Lease liabilities	$ 5,533	$ 1,833	$ -	$ -	$ -	$ -

(2) Borrowing facilities

	December 31, 2023	December 31, 2022
Unsecured bank facility		
-Drawn	$ 2,300,100	$ 2,921,521
-Undrawn	3,021,950	2,653,479
	$ 5,052,050	$ 5,575,000
Secured bank facility		
-Drawn	$ -	$ 150,000
-Undrawn	150,000	-
	$ 150,000	$ 150,000

(5) Transfers of financial assets

The Group's factored trade receivables are as follows:

Counterparty	Sales amount		Available advance amount		Advance amount used		Annual interest rate on advances received (%)
2023							
Citibank	USD	6,191	USD	-	USD	6,191	6.54-7.19
	EUR	5,171	EUR	-	EUR	5,171	4.97-5.22
2022							
Citibank	USD	5,628	USD	-	USD	5,628	5.687-6.337
	EUR	1,463	EUR	-	EUR	1,463	1.05-1.3

Pursuant to the Group's factoring agreements, losses from commercial disputes (such as sales returns and discounts) are borne by the Group, while losses from credit risk are borne by the banks.

31. Transactions with related parties

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated upon consolidation and are not disclosed in this note. Besides as disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed below.

(1) Related parties and relationship

Related parties	Relationship with the Group
GlobalWafers Co., Ltd.	Sino-American Silicon's subsidiary
Sustainable Energy Solution Co., Ltd.	Sino-American Silicon's subsidiary
Mosel Vitelic Inc.	Associate (became a subsidiary on June 2, 2023)

(2) Business transactions

Financial Statement Account	Related parties category/name	2023	2022
Purchases of goods	GlobalWafers Co., Ltd.	$ 273,247	$ 273,968
	Mosel Vitelic Inc.	204,265	353,016
		$ 477,512	$ 626,984

The transactions listed above mainly comprise purchases of flat wafers, and there was no significant difference from other suppliers in terms of the purchase price of flat wafers. The payment terms were 30~90 days end of month for related party, 90 days end of month for domestic non-related parties, and T/T 50~60 days for foreign parties.

Financial Statement Account	Related parties category/name	December 31, 2023	December 31, 2022
Trade payables	GlobalWafers Co., Ltd.	$ 89,434	$ 75,383
	Mosel Vitelic Inc.	-	91,593
		$ 89,434	$ 166,976

(3) Others

Financial Statement Account	Related parties	December 31, 2023	December 31, 2022
Refundable deposits (Note)	Mosel Vitelic Inc.	$ -	$ 107,101
	Sustainable Energy Solution Co., Ltd.	10,000	10,000
		$ 10,000	$ 117,101

Note: recognized as other current assets and other non-current assets.

(4) Compensation of key management personnel

	2023	2022
Short-term employee benefits	$ 81,354	$ 71,527
Post-employment benefits	108	108
Share-based Payment	19,168	465
	$ 100,630	$ 72,100

The remuneration of directors and key executives was determined by the remuneration committee taking into account the performance of individuals and market trends.

32. Assets pledged as collateral or for security

The following assets were pledged as collateral for borrowings:

	December 31, 2023	December 31, 2022
Freehold Land	$ 107,843	$ 107,843
Building	143,120	147,339
Machinery Equipment	-	24,080
Pledged time deposits (classified as financial assets at amortized cost)	30,662	14,751
	$ 281,625	$ 294,013

33. Significant contingent liabilities and unrecognized contract commitments

Except described in other notes of this financial statements, the Group had the following significant contingent liabilities and unrecognized commitments as of the end of the reporting period:

(1) As of December 31, 2023 and 2022, the Group had the contract commitments that was not recognized as property, plant and equipment amounting to NT$776,997 thousand and NT$64,267 thousand, respectively.

(2) The subsidiary Mosel Vitelic Inc. entered into a procurement contract with Company S, and, as agreed, S Company shall be committed to supplying the Company a total of 121,500 thousand pieces of solar wafers within the contract period while the Company shall make a certain amount of prepayment. However, both parties have not agreed on a substitute for the said transaction model. As of December 31, 2023, the Company has prepaid US$112 thousand (NT$3,573 thousand) and NT$54,845 thousand in total with the accumulated impairment of NT$58,418 thousand. In addition, in light of different market conditions between the current solar power industry and that of the time when the contract was entered into, both parties terminated all orders and prepayments in connection to the original contract.

(3) The subsidiary Mosel Vitelic Inc. entered into several wafer foundry agreements that guaranteed manufacturing capacity with various clients, and it has provided specific amounts of manufacturing capacity to these clients as agreed.

34. Significant subsequent events

None.

35. Significant assets and liabilities denominated in foreign currencies

The following information was aggregated by the foreign currencies other than functional currencies of the entities in the Group and the exchange rates between foreign currencies and respective functional currencies were disclosed. The significant assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023

	Foreign currency	Exchange rate		Carrying amount
Financial asset				
Monetary items				
USD	$ 73,619	30.705	(USD:NTD)	$ 2,260,486
USD	263	7.0827	(USD:CNY)	8,061
EUR	4,637	33.98	(EUR:NTD)	157,567
JPY	38,171	0.2172	(JPY:NTD)	8,291
CNY	18,147	4.327	(CNY:NTD)	78,521
Non-monetary items				
Foreign investments in securities				
USD	9,271	30.705	(USD:NTD)	284,652
Financial liability				
Monetary items				
USD	21,771	30.705	(USD:NTD)	668,469
USD	42	7.0827	(USD:CNY)	1,297
EUR	176	33.98	(EUR:NTD)	5,978
JPY	66,058	0.2172	(JPY:NTD)	14,348

December 31, 2022

	Foreign currency	Exchange rate		Carrying amount
Financial asset				
Monetary items				
USD	$ 106	6.9646	(USD:CNY)	$ 3,258
USD	38,907	30.71	(USD:NTD)	1,194,847
EUR	2,234	32.72	(EUR:NTD)	73,096
CNY	1,327	4.408	(CNY:NTD)	5,848
Non-monetary items				
Foreign investments in securities				
USD	4,169	30.71	(USD:NTD)	132,375
Financial liability				
Monetary items				
USD	$ 8,213	30.71	(USD:NTD)	$ 252,225
USD	40	6.9646	(USD:CNY)	1,217
EUR	14	32.72	(EUR:NTD)	446
CNY	17	4.408	(CNY:NTD)	77
JPY	24,851	0.2324	(JPY:NTD)	5,775

The significant realized and unrealized foreign exchange gains and losses were as follows:

Functional currency	2023 Translation from the functional currency to the presentation currency	2023 Net foreign exchange gains or losses (amount in NTD)	2022 Translation from the functional currency to the presentation currency	2022 Net foreign exchange gains or losses (amount in NTD)
CNY	4.396 (CNY:NTD)	($ 69)	4.397 (CNY:NTD)	($ 198)
NTD	1 (NTD:NTD)	(5,097)	1 (NTD:NTD)	106,280
		($ 5,166)		$ 106,082

36. Separately disclosed items

(1) Information about significant transactions:

1. Financing provided to others: None.
2. Endorsements/guarantees provided: None.
3. Marketable securities held at the end of period (excluding investment in subsidiaries, associates and joint ventures): Table 1.
4. Marketable securities acquired or disposed of at costs or prices at least NT$300 million or 20% of the paid-in capital: Table 2.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 3.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.
9. Trading in derivative instruments: None.
10. Others: Intercompany relationships and significant intercompany transactions: Table 5.

(2) Information on investees: Table 6.

(3) Information on investments in mainland China:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income for current period, return on investees recognized, carrying amount of the investment at the end of the period,

repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: None.

   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

   (3) The amount of property transactions and the amount of the resultant gains or losses.

   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.

   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(4) Information of major shareholders:

List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 8.

37. Segment information

Information reported to the chief operating decision maker for the purposes of resource allocation and assessment of segment performance was focused on each type of products sold or services rendered. The Group's reportable segments were as follows:

Taiwan business segment

Mainland China Qingdao segment

Taiwan Mosel Vitelic segment

(1) Segment revenue and operating result

Analysis on revenue and operating result from continuing operations of the Company and its subsidiaries by reportable segments is as follows:

	Segment revenue		Segment profit or loss	
	2023	2022	2023	2022
Taiwan business segment	$ 5,225,080	$ 4,192,545	$ 465,143	$ 383,711
Mainland China Qingdao segment	200,064	179,433	1,457	(7,637)
Taiwan Mosel Vitelic segment	850,128	-	(149,432)	-
Others	325,585	485,976	763	9,537
Total from continuing operations	6,600,857	4,857,954	317,931	385,611
Less: eliminations between operating segments	(952,163)	(660,115)	(10,390)	10,362
Revenue or profit or loss from transactions between operating segments and external customers	$ 5,648,694	$ 4,197,839	307,541	395,973
Interest income			49,225	6,172
Other income			57,089	42,459
Other gains and losses			268,138	77,830
Finance costs			(93,549)	(32,092)
Share of profit of investment in associates and joint ventures accounted for using equity method			125,943	158,024
Profit before tax			$ 714,387	$ 648,366

Segment profit represented the profit before tax earned by each segment without other income, other gains and losses, finance costs, and share of profit or loss of associates and joint ventures accounted for using the equity method. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

(2) Revenue from major products

Analysis on revenue from major products of continuing operations is as follows:

	2023	2022
Sales of Pressfit Diode	$ 1,578,200	$ 1,754,099
Sales of Low Loss Diode	1,600,670	1,425,877
Sales of Ultra Low Loss Diode	642,787	-
Revenue from wafer industry	1,014,584	-
Others	812,453	1,017,863
	$ 5,648,694	$ 4,197,839

(3) Geographic information

The Group operations in two major areas - Taiwan and Mainland China.

The revenue from external customers of the Group's continuing operations segmented into operating regions and the non-current assets segmented into geographical locations of the assets are as follows:

	Revenue from external customers		non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
China	$ 713,086	$ 496,315	$ 292,299	$ 313,330
Korea	1,165,951	641,434	-	-
Taiwan	930,348	485,509	4,512,533	3,499,522
Mexico	869,712	628,810	-	-
France	496,381	196,420	-	-
Czech Republic	112,172	137,224	-	-
Hungary	223,142	221,208	-	-
India	297,148	253,487	-	-
Others	840,754	1,137,432	-	-
	$ 5,648,694	$ 4,197,839	$ 4,804,832	$ 3,812,852

Non-current assets are exclusive of assets classified as financial instruments and deferred tax assets.

(4) Information on Major Customers (Single customer contributing 10% or more to the Group's revenue):

	2023	2022
Customer A	Note	$ 490,789

Note: In 2023, no single customer accounted for more than 10% of the Group's operating revenue.

Actron Technology Corporation and Subsidiaries

Marketable securities held at the end of period

December 31, 2023

Table 1

Unit: NT$ thousand

Name of holding company	Type and name of marketable securities	Relationship with the holding company	Financial Statement Account	At the End of the Period				Remarks
				Number of shares (in thousand shares)	Carrying amount	Percentage of ownership	Fair value	
Actron Technology Corporation	Sino-American Silicon Products Inc.	Parent	Financial assets at fair value through other comprehensive income -non-current	2,000	$ 392,000	0.34%	$ 392,000	—
	Phoenix Pioneer Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	15,265	268,055	5.13%	268,055	—
	ANJET CORPORATION	—	Financial assets at fair value through other comprehensive income -non-current	3,108	187,934	22.41%	187,934	—
	AMED VENTURES I, L.P.	—	Financial assets at fair value through other comprehensive income -non-current	-	96,718	-	96,718	—
	Super Energy Materials Inc.	—	Financial assets at fair value through other comprehensive income -non-current	1,425	22,387	5.28%	22,387	—
Mosel Vitelic Inc.	ProMOS Technologies Inc.	—	Financial assets at fair value through other comprehensive income -non-current	603	11,244	1.34%	11,244	—
	Aplus Flash Technology,Inc.	—	Financial assets at fair value through other comprehensive income -non-current	1,492	-	5.28%	-	—
	Pacific Resources Corporation	—	Financial assets at fair value through other comprehensive income -non-current	37	3,875	4.88%	3,875	—
	Soft Device Inc.	—	Financial assets at fair value through other comprehensive income -non-current	7,518	-	-	-	—
	Pegasus Wireless Corp.	—	Financial assets at fair value through other comprehensive income -non-current	1,815	-	-	-	—
	NewMedia Networking Corp.	—	Financial assets at fair value through other comprehensive income -non-current	1,600	-	-	-	—
	Aumos Technologies Inc.	—	Financial assets at fair value through other comprehensive income -non-current	1,365	-	16,24%	-	—
Mou Fu Investment Consultant Ltd.	ProMOS Technologies Inc.	—	Financial assets at fair value through other comprehensive income -non-current	32	604	0.07%	604	—
	Advanced Flash Memory Card Technology Co., Ltd.	—	Financial assets at fair value through other comprehensive income -non-current	340	-	0.41%	-	—
	E-Soft Technologies, Inc.	—	Financial assets at fair value through other comprehensive income -non-current	201	1,183	2.37%	1,183	—

(to be continued)

(continued)

Name of holding company	Type and name of marketable securities	Relationship with the holding company	Financial Statement Account	At the End of the Period				Remarks
				Number of shares (in thousand shares)	Carrying amount	Percentage of ownership	Fair value	
	Harbinger III Venture Capital Corp.	—	Financial assets at fair value through other comprehensive income -non-current	-	$ 6	0.56%	$ 6	—
	Virtual Silicon Technology, Inc.	—	Financial assets at fair value through other comprehensive income -non-current	224	-	-	-	—
	Wavesat Inc.	—	Financial assets at fair value through other comprehensive income -non-current	44	-	-	-	—

Actron Technology Corporation and Subsidiaries

Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more

2023

Table 2

Unit: unless otherwise stated, in thousands of New Taiwan Dollars

Name of company that made the purchases or sales	Type and name of marketable securities	Financial Statement Account	Counterparty	Relationship	At the beginning of the period		Purchase		Sale				At the End of the Period	
					Shares	Amount	Shares	Amount	Shares	Sale price	Carrying amount of cost	Gain or loss on disposal	Shares	Amount
Actron Technology Corporation	Privately placed ordinary shares - Excelliance MOS Corporation	Investments accounted for using the equity method	Participation in private placement	-	-	$ -	15,000,000	$ 1,491,750	-	$ -	$ -	$ -	15,000,000	$ 1,491,750

Actron Technology Corporation and Subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital

2023

Table 3

Unit: NT$ thousand

Purchaser or seller	Counterparty	Relationship	Transaction Details				Abnormal transaction and reason		Notes/Trade receivables (payables)			Remarks
			Purchase/sale	Amount	As percentage to total purchase or sale	Payment terms	Unit price	Payment terms	Financial statement account	Ending balance	As percentage to total notes/trade receivables (payables)	
Actron Technology Corporation	GlobalWafers Co., Ltd.	Sino-American Silicon's subsidiary	Purchases of goods	$ 273,247	11%	60 days end of month	Note 2	Domestic 90 days end of month	Trade payables	$ 68,691	8%	
Actron Technology Corporation	Mosel Vitelic Inc.	Subsidiary	Purchases of goods	468,324	17%	30 days end of month	Note 2	Domestic 90 days end of month	Trade payables	86,957	11%	Notes 1 and 3
Actron Technology Corporation	Ding-Wei Technology Co., Ltd.	Subsidiary	Purchases of goods	681,230	25%	90 days end of month	Cost markup	Domestic 90 days end of month	Trade payables	198,650	25%	Note 1
Ding-Wei Technology Co., Ltd.	Actron Technology Corporation	Parent	Sale	681,230	100%	90 days end of month	Cost markup	Domestic 90 days end of month	Trade receivables	198,650	100%	Note 1
Mosel Vitelic Inc.	Actron Technology Corporation	Parent	Sale	468,324	32%	30 days end of month	Note 2	Domestic 90 days end of month	Trade payables	86,875	41%	Notes 1 and 3

Note 1: This is a transaction between parent company and its subsidiary and has been eliminated upon consolidation.

Note 2: There was no significant difference from other suppliers in terms of the purchase price of flat wafers.

Note 3: Purchases from and sales to Mosel Vitelic Inc. before the combination were not eliminated since Mosel Vitelic Inc. was not an entity included in the consolidated financial statements.

Actron Technology Corporation and Subsidiaries

Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital

December 31, 2023

Table 4

Unit: NT$ thousand

Company recognizes the receivables	Counterparty	Relationship	Balance of trade receivables - related party		Average turnover ratio	Overdue		Amount collected in subsequent period	Allowance for impairment loss
			Financial statement account	Ending balance		Amount	Action taken		
Ding-Wei Technology Co., Ltd.	Actron Technology Corporation	Parent	Trade receivables	$ 198,650	3.58	$ -	-	$ 53,811	$ -

Note: eliminated upon consolidation.

Actron Technology Corporation and Subsidiaries

Intercompany relationships and significant intercompany transactions

2023

Table 5

Unit: NT$ thousand

Serial No. (Note 1)	Company Name	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial statement account	Amount	Transaction terms	As percentage to total revenue or total assets (Note 3)
0	Actron Technology Corporation	Smooth Autocomponent Limited	1	Other receivables	$ 1,997	60 days end of month	0%
0	Actron Technology Corporation	Smooth Autocomponent Limited	1	Other income	1,692	60 days end of month	0%
0	Actron Technology Corporation	Ding-Wei Technology Co., Ltd.	1	Trade payables	198,650	90 days end of month	1%
0	Actron Technology Corporation	Ding-Wei Technology Co., Ltd.	1	Cost of sales	681,230	90 days end of month	12%
0	Actron Technology Corporation	Ding-Wei Technology Co., Ltd.	1	Other income	1,680	90 days end of month	0%
0	Actron Technology Corporation	Rec Technology Corporation	1	Sales revenue	4,574	60 days end of month	0%
0	Actron Technology Corporation	Rec Technology Corporation	1	Other income	5,294	60 days end of month	0%
0	Actron Technology Corporation	Bigbest Solutions, Inc.	1	Cost of sales	1,263	60 days end of month	0%
0	Actron Technology Corporation	Mosel Vitelic Inc.	1	Trade payables	86,957	30 days end of month	1%
0	Actron Technology Corporation	Mosel Vitelic Inc.	1	Cost of sales	264,235	30 days end of month	5%
0	Actron Technology Corporation	Mosel Vitelic Inc.	1	Refundable deposits	53,542	According to contract terms	0%
1	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Trade receivables	5,706	According to general sales conditions	0%
1	Mosel Vitelic Inc.	DenMOS Technology Inc.	1	Sales revenue	38,324	According to general sales conditions	0%

Note 1: Intercompany transactions between the parent company and subsidiaries shall be indicated by number as described below:

1. The parent company is coded “0”.
2. The subsidiaries are coded consecutively beginning from "1".

Note 2: The relationship between the transaction parties can be classified into three categories below, and it shall be indicated by number:

1. No. 1 represents the transactions from parent company to subsidiary.
2. No. 2 represents the transactions from subsidiary to parent company.
3. No. 3 represents the transactions between subsidiaries.

Note 3: In the calculation of ratio of transaction amount to total consolidated revenue or total assets, for assets or liabilities, the ratio of ending balance to the total assets shall be used; for profit or loss, the ratio between interim accumulated amount to the total revenue shall be used.

Note 4: All transactions above were eliminated upon consolidation.

Actron Technology Corporation and Subsidiaries

Names, locations and related information of investee companies

2023

Table 6

Unit: NT$ thousand

Investor	Investee	Location	Principle business activity	Initial investment		At the end of the period			Net income (loss) of investee company	Investment income (loss) recognized	Remarks
				Ending balance	Beginning balance	Shares	Ratio	Carrying amount			
Actron Technology Corporation	Ding-Wei Technology Co., Ltd.	Taoyuan City	Manufacturing and sale of auto components and parts	$ 306,900	$ 306,900	15,000,000	100%	$ 257,527	$ 66,350	$ 69,210	Subsidiary
Actron Technology Corporation	Smooth International Limited Corporation	Samoa	Investment	363,260	363,260	12,000,000	100%	419,642	3,517	3,517	Subsidiary
Smooth International Limited Corporation	Smooth Autocomponent Limited	Hong Kong	Investment	363,260	363,260	12,000,000	100%	419,642	3,517	Not applicable	Subsubsidiary
Actron Technology Corporation	Rec Technology Corporation	Taoyuan City	Manufacturing and sale of auto components and parts	208,102	208,102	8,487,823	49%	89,962	32,449	16,013	Subsidiary
Actron Technology Corporation	Hong Wang Investment Co., Ltd.	New Taipei City	Investment	300,000	300,000	30,000,000 (Note)	30%	1,348,932	217,459	65,238	Joint venture
Actron Technology Corporation	Mosel Vitelic Inc.	Hsinchu City	Semiconductors	1,180,191	1,180,191	46,925,459	29%	1,829,513	(175,410)	(59,558)	Subsidiary
Actron Technology Corporation	Bigbest Solutions, Inc.	Taichung City	Manufacture of motors	245,143	245,143	19,314,319	28%	72,197	(26,561)	(7,329)	Subsidiary
Actron Technology Corporation	Excelliance MOS Corporation	Hsinchu City	Semiconductors	1,491,750	-	15,000,000	29%	1,440,318	252,442	74,409	Associate
Mosel Vitelic Inc.	DenMOS Technology Inc.	Hsinchu City	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	291,820	291,820	9,113,722	80%	102,855	(8,471)	Not applicable	Subsubsidiary
Mosel Vitelic Inc.	Mou Fu Investment Consultant Ltd.	Hsinchu County	Leasing, manpower dispatch and various services	2,313,124	2,313,124	12,011,900	100%	110,947	479	Not applicable	Subsubsidiary
Mosel Vitelic Inc.	Bou-Der Investment, Ltd.	Hsinchu County	Professional investment	1,264,372	1,264,372	6,399,501	47%	35,643	654	Not applicable	Subsubsidiary
Mosel Vitelic Inc.	Giant Haven Investments Ltd.(BVI)	British Virgin Islands	General investment	664,061	664,061	1,900	100%	71,406	3,098	Not applicable	Subsubsidiary
Mosel Vitelic Inc.	Integrated Memory Technologies, Inc.	United States	Flash memory design house	44,753	44,753	2,500,000	23%	-	-	Not applicable	Associate
Mou-Fu Investment Consultant., Ltd.	Bou-Der Investment, Ltd.	Hsinchu County	Professional investment	1,356,365	1,356,365	6,839,233	50%	38,096	654	Not applicable	Subsubsidiary
Mou-Fu Investment Consultant., Ltd.	DenMOS Technology Inc.	Hsinchu City	R&D, design, manufacturing and sale of LCD driving ICs and other application-specific ICs	25,863	25,863	471,281	4%	5,475	(8,471)	Not applicable	Subsubsidiary
Giant Haven Investments Ltd. (BVI)	Third Dimension Semiconductor, Inc.	United States	Power IC design	314,640	314,640	49,182,884	43%	-	3,602	Not applicable	Associate

Note: Among which 468 thousand shares were ordinary shares and 29,532 thousand shares were preferred shares.

Actron Technology Corporation and Subsidiaries

Information on investments in mainland China

2023

Table 7

Unit: NT$ thousand or US$ thousand

Investee	Principle business activity	Total paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of the beginning of the period	Investment flows of the period		Accumulated outflow of investment from Taiwan as of the end of the period	Net income (loss) of investee company	The Company's direct or indirect percentage of ownership	Investment income (loss) recognized for the period (Note 2)	Carrying amount at the end of the period	Accumulated inward remittance of earnings at the end of the period
					outflow	inflow						
Smooth Autocomponent Limited	Manufacture of motor parts	Authorized and paid-in capital were both USD 12,000	Note 1	$ 363,260 (USD 12,000)	$ -	$ -	$ 363,260 (USD 12,000)	$ 3,517	100%	$ 3,517	$ 419,642	$ -

Accumulated investment in Mainland China at the end of the period	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment (Note 3)
USD 12,000	$ 365,520 (USD 12,000)	$ 4,862,265

Note 1: Indirectly investment in Mainland China through companies registered in a third region.

Note 2: Recognition based on the audited financial statements.

Note 3: The Company's Investment amounts authorized by Investment Commission, MOEA: 8,103,775 (net equity) ×60%＝4,862,265.

Actron Technology Corporation

Information of major shareholders

December 31, 2023

Table 8

Name of major shareholder	Share	
	Number of shareholding	Percentage of ownership
Sino-American Silicon Products Inc.	24,935,299	24.57%

Note 1: The information on major shareholders disclosed in the table above was calculated by the Taiwan Depository & Clearing Corporation based on the number of ordinary and preference shares held by shareholders with ownership of 5% or greater, that had completed dematerialized registration and delivery (including treasury shares) as of the last business day of the current quarter. The share capital recorded in the Company's consolidated financial statements may differ from the number of shares that have completed dematerialized registration and delivery due to differences in the basis of preparation.