

**(English Translation of Consolidated Financial Statements
and Report Originally Issued in Chinese)**

**COMPEQ MANUFACTURING CO., LTD.
AND SUBSIDIARIES
CONSOLIDATED FINANCIAL STATEMENTS
AND INDEPENDENT AUDITORS' REPORT
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

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The auditors' 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

REPRESENTATION LETTER

The entities that are required to be included in the combined financial statements of Compeq Manufacturing Co., Ltd. as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No. 10, "Consolidated Financial Statements." In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, Compeq Manufacturing Co., Ltd. and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

COMPEQ MANUFACTURING CO., LTD.

By

P. K. Chiang

Chairman

March 7, 2024

INDEPENDENT AUDITORS' REPORT

NO.00151120ECA

To the Board of Directors of Compeq Manufacturing Co., Ltd.

Opinion

We have audited the accompanying consolidated financial statements of Compeq Manufacturing Co., Ltd. and its subsidiaries (collectively referred to as “the Company”), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and the notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company 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 the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC interpretations (IFRIC), and SIC Interpretation (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

Key audit matters for the Company’s consolidated financial statements for the year ended December 31, 2023 are explained as follows:

Revenue recognition from shipping warehouses

Description of the key audit matter

Refer to note 4(14) and 6(18) of the consolidated financial statements for the information relating to revenue recognition.

The Company's sales come in two types of direct shipping from factories and shipping from warehouses, revenue is recognized on the transfer of control of the products on an individual sales contract basis. In which the revenue from shipping warehouses is recognized when the customer picks up the products. The Company mainly recognizes its revenue in accordance with the statements or other information provided by the custodians of shipping warehouses and reconciliation with any change in recorded inventory. Given that the shipping warehouses spread many regions and the sales terms for each major customer also vary, such revenue recognition process often involves a lot of labor in operation, which is likely to result in inappropriate timing to recognize the revenue or inconsistency between physical quantity and recorded quantity of the inventory in custody. On the other hand, it requires both parties' labor judgment to determine if a shipment meets the terms for customer's acquisition of products control right and such risk is the major measurement index adopted by the report users. As such, the deadline of the recognition of the revenue of the products sold from shipping warehouses is listed as one of the key audit matters.

How the matter was addressed in our audit

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

1. Understand and assess the propriety of the accounting policy for revenue recognition, and evaluate and test the internal control in relation to the timing of revenue recognition.
2. Implement the deadline test for the revenue from shipping warehouses in the periods before or after the balance sheet date, and check if customer account statement data, change in recorded inventory, revenue and cost carry-over were recorded at appropriate times.
3. Execute document enquiry or field stock-taking observation for the quantity of inventory in shipping warehouses, and check as well as reconcile the warehouse inventory quantity with the recorded inventory quantity. In case of any inconsistency with the recorded inventory quantity found from the enquiry response or stock-taking observation, the reasons for the inconsistency will be investigated and the test for the reconciliation items shall be executed, so as to confirm if material differences are properly adjusted and recorded.

Evaluation of allowance for loss on reduction of inventory to market

Description of the key audit matter

Refer to note 4(8), 5(2) and 6(4) of the consolidated financial statements for the information relating to inventory valuation.

The Company mainly engages in manufacture and sales of PCB(Printed Circuit Boards). Due to their short life circle and severe competition in the industry, electronic products are susceptible to the volatility of market prices, so they have higher risk in losses on reduction of inventory to market and inventory obsolescence. The net realizable value adopted by The Company for invalid and obsolescent inventory often involves subjective judgment. Given that The Company's inventory and its allowance for loss on reduction of inventory to market have a vital impact on its financial statements, the valuation of the allowance for loss on reduction of inventory to market is listed as one of the key audit matters.

How the matter was addressed in our audit

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

1. Evaluate if the policy and procedure for setting aside the allowance for loss on reduction of inventory to market are appropriately and consistently adopted.
2. Understand the inventory warehouse management process, inspect the annual stock-taking plan and participate in the annual observation of stock-taking, so as to confirm the inventory management and status.
3. Acquire the statement to identify inventory obsolescence and invalidation and verify inventory aging propriety and rationality, so as to confirm the possibility for the loss of the inventory exceeding a certain inventory age and coverage of the invalid and obsolescent inventory items in the statement, and ensure the consistence of the statement information with the policy.
4. Inspect a variety of data adopted by the management for calculation of the inventory net realizable value, and give random check and calculation to evaluate the rationality of the inventory net realizable value and judge if relevant disclosures are adequate.

Other Matter

We have also audited the parent company only financial statements of Compeq Manufacturing Co., Ltd as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the 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 Company 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 Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Baker Tilly Clock & Co
Hsin-Liang Wu, CPA
Kuo-Fu Tseng, CPA
March 7, 2024

Notes to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and its cash flows in accordance with the 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 (or review) such consolidated financial statements are those generally accepted and applied in the Republic of China. The auditors' 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 auditors' report and consolidated financial statements, the Chinese version shall prevail.

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

ASSETS	NOTES	December 31,2023		December 31,2022	
		Amount	%	Amount	%
CURRENT ASSETS					
Cash and cash equivalents	6(1)	\$ 11,241,891	14.21	\$ 11,859,565	14.86
Financial assets at fair value through profit or loss-current	6(2)	214,365	0.27	141,973	0.18
Notes receivable	6(3)	214,768	0.27	134,450	0.17
Accounts receivable	6(3)	16,498,196	20.86	16,523,473	20.70
Other receivables		359,579	0.45	350,915	0.44
Current tax assets	6(22)	66,940	0.09	32,130	0.04
Inventories	6(4)	8,053,543	10.18	10,026,564	12.56
Prepayments		514,498	0.65	485,737	0.61
Other current financial assets	6(5),8	4,883,725	6.17	2,766,626	3.46
Other current assets		64,290	0.08	66,863	0.08
Total current assets		42,111,795	53.23	42,388,296	53.10
NONCURRENT ASSETS					
Financial assets at fair value through other comprehensive income-noncurrent	6(6)	13,444	0.02	15,556	0.02
Property, plant and equipment	6(7),8	35,364,104	44.70	35,740,711	44.78
Right-of-use assets	6(8)	458,054	0.58	467,997	0.59
Intangible assets	6(9)	272,029	0.35	160,782	0.20
Deferred tax assets	6(22)	742,846	0.94	702,134	0.88
Prepayments for equipment		113,357	0.14	317,663	0.40
Refundable deposits		16,948	0.02	11,141	0.01
Other non-current assets		16,461	0.02	18,248	0.02
Total noncurrent assets		36,997,243	46.77	37,434,232	46.90
TOTAL		\$ 79,109,038	100.00	\$ 79,822,528	100.00

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

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTES	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
CURRENT LIABILITIES					
Short-term borrowings	6(10)	\$ 216,777	0.27	\$ —	—
Notes payable	6(11)	1,929,237	2.44	1,384,437	1.73
Accounts payable	6(11)	11,821,422	14.94	10,347,392	12.96
Other payables	6(12)	6,545,116	8.27	8,153,746	10.22
Current tax liabilities	6(22)	885,584	1.12	1,161,128	1.46
Provisions-current	6(13)	223,119	0.28	216,678	0.27
Receipts in advance		3,975	0.01	19	—
Current portion of long-term borrowings	6(14),8	1,777,093	2.25	863,360	1.08
Other current liabilities		632,841	0.80	645,937	0.81
Total current liabilities		24,035,164	30.38	22,772,697	28.53
NONCURRENT LIABILITIES					
Long-term borrowings	6(14),8	11,401,188	14.41	13,886,404	17.40
Deferred tax liabilities	6(22)	3,887,094	4.92	3,834,810	4.80
Lease liabilities-noncurrent	6(8)	131,828	0.17	143,431	0.18
Net defined pension liabilities	6(15)	121,555	0.15	220,442	0.28
Other non-current liabilities, others		279,640	0.35	247,856	0.31
Total noncurrent liabilities		15,821,305	20.00	18,332,943	22.97
Total liabilities		39,856,469	50.38	41,105,640	51.50
EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY					
Capital stock	6(16)	11,918,206	15.07	11,918,206	14.93
Capital surplus	6(16)	1,060,226	1.34	1,060,226	1.33
Retained earnings	6(16)	26,614,354	33.64	25,693,999	32.19
Legal reserve		4,061,551	5.13	3,251,562	4.07
Special reserve		12,459	0.02	351,396	0.44
Unappropriated earnings		22,540,344	28.49	22,091,041	27.68
Other equity	6(16)	(340,217)	(0.43)	44,457	0.05
Exchange differences on translation of foreign operations		(326,068)	(0.41)	56,916	0.07
Unrealized gain (loss) on financial assets at fair value through other comprehensive income		(14,149)	(0.02)	(12,459)	(0.02)
Total equity attributable to owners of the Company		39,252,569	49.62	38,716,888	48.50
NON-CONTROLLING INTERESTS		—	—	—	—
Total equity		39,252,569	49.62	38,716,888	48.50
TOTAL		\$ 79,109,038	100.00	\$ 79,822,528	100.00

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

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED ON DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars, Except Earnings Per Share)

DESCRIPTION	NOTE	2023		2022	
		Amount	%	Amount	%
OPERATING REVENUES	6(18)	\$ 67,078,773	100.00	\$ 76,419,408	100.00
OPERATING COSTS	6(4)	(56,951,976)	(84.90)	(60,970,511)	(79.78)
GROSS PROFIT		10,126,797	15.10	15,448,897	20.22
OPERATING EXPENSES					
Selling and marketing expenses		(1,328,299)	(1.98)	(1,351,066)	(1.77)
General and administrative expenses		(1,042,012)	(1.56)	(1,258,252)	(1.64)
Research and development expenses		(2,551,795)	(3.80)	(2,688,774)	(3.52)
Expected credit impairment income		14,088	0.02	(28,766)	(0.04)
Total operating expenses	6(3)	(4,908,018)	(7.32)	(5,326,858)	(6.97)
INCOME FROM OPERATIONS		5,218,779	7.78	10,122,039	13.25
NON-OPERATING INCOME AND EXPENSES					
Interest income		421,784	0.63	208,178	0.27
Other income	6(19)	555,458	0.83	294,205	0.38
Other gains and losses	6(20)	(356,266)	(0.53)	(40,543)	(0.05)
Finance costs	6(21)	(567,355)	(0.85)	(447,655)	(0.59)
Total non-operating income and expenses		53,621	0.08	14,185	0.01
INCOME BEFORE INCOME TAX		5,272,400	7.86	10,136,224	13.26
INCOME TAX EXPENSE	6(22)	(1,104,025)	(1.65)	(2,135,247)	(2.79)
NET INCOME		\$ 4,168,375	6.21	\$ 8,000,977	10.47
OTHER COMPREHENSIVE INCOME (LOSS)					
Items that will not be reclassified subsequently to profit or loss					
Remeasurement of defined benefit obligation	6(15)	(37,630)	(0.06)	123,634	0.16
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	6(16)	(1,690)	—	111	—
Income tax benefit (expense) related to items that will not be reclassified subsequently	6(22)	7,526	0.01	(24,727)	(0.03)
Items that may be reclassified subsequently to profit or loss					
Exchange differences on translation of foreign operations	6(16)	(478,730)	(0.71)	494,678	0.65
Income tax relating to the components of other comprehensive income(loss)	6(22)	95,746	0.14	(98,936)	(0.13)
Other comprehensive (loss) income, net of income tax		(414,778)	(0.62)	494,760	0.65
TOTAL COMPREHENSIVE INCOME FOR THE YEAR		\$ 3,753,597	5.59	\$ 8,495,737	11.12
NET INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 4,168,375	6.21	\$ 8,000,977	10.47
Non-controlling interests		—	—	—	—
		\$ 4,168,375	6.21	\$ 8,000,977	10.47
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO :					
Shareholders of the parent		\$ 3,753,597	5.59	\$ 8,495,737	11.12
Non-controlling interests		—	—	—	—
		\$ 3,753,597	5.59	\$ 8,495,737	11.12
EARNING PER SHARE					
Basic	6(17)	\$ 3.50		\$ 6.71	
Diluted	6(17)	\$ 3.48		\$ 6.67	

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

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	Equity attributable to the owners of the Company								Non-controlling interests	Total equity
	Capital Stock	Capital surplus	Retained earnings			Other equity		Subtotal		
			Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at fair value through other comprehensive income			
BALANCE, JANUARY 1, 2022	\$ 11,918,206	\$ 1,060,226	\$ 2,736,311	\$ 226,467	\$ 16,776,614	\$ (338,826)	\$ (12,570)	\$ 32,366,428	\$ —	\$ 32,366,428
Appropriations of prior year's earnings										
Legal reserve	—	—	515,251	—	(515,251)	—	—	—	—	—
Special reserve	—	—	—	124,929	(124,929)	—	—	—	—	—
Cash dividends	—	—	—	—	(2,145,277)	—	—	(2,145,277)	—	(2,145,277)
Net income in 2022	—	—	—	—	8,000,977	—	—	8,000,977	—	8,000,977
Other comprehensive income in 2022, net of income tax	—	—	—	—	98,907	395,742	111	494,760	—	494,760
Total comprehensive income in 2022	—	—	—	—	8,099,884	395,742	111	8,495,737	—	8,495,737
BALANCE, JANUARY 1, 2023	11,918,206	1,060,226	3,251,562	351,396	22,091,041	56,916	(12,459)	38,716,888	—	38,716,888
Appropriations of prior year's earnings										
Legal reserve	—	—	809,989	—	(809,989)	—	—	—	—	—
Special reserve reversed	—	—	—	(338,937)	338,937	—	—	—	—	—
Cash dividends	—	—	—	—	(3,217,916)	—	—	(3,217,916)	—	(3,217,916)
Net income in 2023	—	—	—	—	4,168,375	—	—	4,168,375	—	4,168,375
Other comprehensive income in 2023, net of income tax	—	—	—	—	(30,104)	(382,984)	(1,690)	(414,778)	—	(414,778)
Total comprehensive income in 2023	—	—	—	—	4,138,271	(382,984)	(1,690)	3,753,597	—	3,753,597
BALANCE, DECEMBER 31, 2023	\$ 11,918,206	\$ 1,060,226	\$ 4,061,551	\$ 12,459	\$ 22,540,344	\$ (326,068)	\$ (14,149)	\$ 39,252,569	\$ —	\$ 39,252,569

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

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED ON DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	\$ 5,272,400	\$ 10,136,224
Adjustments for:		
Income and expense (loss) items		
Depreciation expense	5,516,909	5,082,766
Amortization expense	67,826	53,502
Expected credit impairment loss (income)	(14,088)	28,766
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(2,226)	10,258
Interest expense	567,355	447,655
Interest income	(421,784)	(208,178)
Loss on disposal of property, plant and equipment	51,559	128,369
Exchange loss (gain) on long-term debts	(155,371)	596,366
Other Item	(521)	126
Changes in operating assets and liabilities		
Financial assets mandatorily at fair value through profit or loss	(70,238)	(2,052)
Notes receivable	(84,710)	60,904
Accounts receivable	(89,246)	(774,530)
Other receivables	86,105	414,785
Inventories	1,886,450	(673,879)
Prepayments	(36,848)	127,290
Other current assets	2,628	53,512
Other current financial assets	(2,148,408)	(1,222,001)
Notes payable	583,514	319,635
Accounts payable	1,607,888	(280,723)
Other payables	(536,580)	899,047
Provisions	8,008	(38,405)
Receipts in advance	6,528	3,878
Other current liabilities	(32,002)	219,101
Accrued pension liabilities	(136,517)	(136,444)
Cash generated from operations	11,928,631	15,245,972
Interest received	363,434	179,014
Interest paid	(541,826)	(373,309)
Income taxes paid	(1,299,505)	(1,377,199)
Net cash generated by operating activities	\$ 10,450,734	\$ 13,674,478

(Continued)

COMPEQ MANUFACTURING CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED ON DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan Dollars)

DESCRIPTION	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	\$ (6,613,947)	\$ (7,234,154)
Proceeds from disposal of property, plant and equipment	30,568	2,993
Increase in Refundable Deposits	(55,326)	(56,203)
Decrease in Refundable Deposits	48,291	46,713
Purchase of Intangible Assets	(182,519)	(90,904)
Purchase of government subsidy income-right-of-use assets	1,122	—
Purchase of right-of-use assets	(52)	—
Increase in prepayments for equipment	—	(167,338)
Decrease in prepayments for equipment	203,252	—
Net cash generated by (used in) investing activities	(6,568,611)	(7,498,893)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	211,133	—
Increase in long-term borrowings	6,372,892	9,221,387
Decrease in long-term borrowings	(7,666,233)	(10,619,008)
Increase in guarantee deposits received	13,853	34,939
Decrease in guarantee deposits received	(4,979)	(16,680)
Repayment of the principal portion of lease liabilities	(84,470)	(85,711)
Increase in other non-current liabilities	36,777	53,848
Cash dividends	(3,217,916)	(2,145,277)
Net cash generated by (used in) financing activities	(4,338,943)	(3,556,502)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(160,854)	(140,357)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(617,674)	2,478,726
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	11,859,565	9,380,839
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	\$ 11,241,891	\$ 11,859,565

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

COMPEQ MANUFACTURING CO., LTD. AND ITS SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Amounts in thousands of New Taiwan dollars, unless otherwise stated)

1. ORGANIZATION AND OPERATIONS

Compeq Manufacturing Co., Ltd. (the Compeq Company) was established in August 1973. It is engaged in the manufacture and sale of PCB (Printed Circuit Boards) for computer use. In January 1990, the Compeq Company's stocks were approved by the Financial Supervisory Commission (FSC) for listing on the Taiwan Stock Exchange.

The consolidated financial statements were included Compeq manufacturing Co., Ltd. and its subsidiaries collectively as the “Company” are described in Note 4.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors and authorized for issue on March 7, 2024.

3. APPLICATION OF NEW AND REVISED STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS”) as endorsed by the Financial Supervisory Commission (“FSC”)

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective Date Issued by IASB
Leases liability in a sale and leaseback (amendments to IFRS 16)	January 1, 2024
Classification of liabilities as current of non-current (amendments to IAS 1)	January 1, 2024
Non-current liabilities with covenants (amendments to IAS 1)	January 1, 2024
Supplier finance arrangements (amendments to IAS 7 and IFRS 7)	January 1, 2024

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

- (3) The IFRSs issued by IASB but not yet endorsed by FSC

As of the date the following IFRSs that have been issued by the IASB, but not yet endorsed by the FSC:

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

As of the date the accompanying consolidated financial statements were issued, the Company continues in evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (1) Statement of compliance

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers, IFRSs, IASs, Interpretations as well as related guidance translated by the ARDF endorsed by the FSC with the effective dates (collectively, "IFRSs").

(2) Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair value, and defined benefit liabilities recognized based on the net amount of pension fund assets less present value of defined benefit obligation. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

(3) Basis of Consolidation

A. The basis for the consolidated financial statements

The consolidated financial statements incorporated the financial statements of Compeq Manufacturing Co., Ltd. and its controlled entities (the subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Income and expenses of subsidiaries acquired or disposed of are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company.

All intra-company transactions, balances, income and expenses are eliminated in full on consolidation.

Total comprehensive income of subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary are accounted for as equity transactions. The carrying amounts of the Company interests 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 shareholders of the Corporation.

B. The Subsidiaries in the consolidated financial statements:

Name of Investor	Name of Investee	Main Businesses and Products	Establishment and Operating Location
Compeq Manufacturing Co., Ltd.	Huaton Holdings Limited	Investment	British Virgin Islands
Compeq Manufacturing Co., Ltd.	Pelican Cove Investment Ltd.	Trading	Samoa
Compeq Manufacturing Co., Ltd.	Liton Holdings Ltd.	Investment	British Virgin Islands
Compeq Manufacturing Co., Ltd.	Hua Nian Investment Ltd.	Investment	Taiwan
Compeq Manufacturing Co., Ltd.	COMPEQ (Thailand) Co., Ltd.	PCB manufacturing and sales	Thailand
Huaton Holdings Limited	Compeq Manufacturing (Huizhou) Co., Ltd.	PCB manufacturing and sales	China
Huaton Holdings Limited	Compeq Technology (Huizhou) Co., Ltd.	PCB manufacturing and sales	China
Huaton Holdings Limited	Compeq Manufacturing (Chongqing) Co., Ltd.	PCB manufacturing and sales	China
Huaton Holdings Limited	Hong Kong Huaton Holdings Trading Company Limited	Trading	Hong Kong
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Trading	Hong Kong
Compeq Technology (Huizhou) Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	PCB manufacturing and sales	China
Compeq Technology (Huizhou) Co., Ltd. (Note 1)	Huabo Technology (Huizhou) Co., Ltd.	Electronic manufacturing, Outsourcing processing, Plant lease, Property management, equipment leasing and electronic technology management and technical consulting	China

Name of Investee	Percentage of Ownership	
	December 31,2023	December 31,2022
Huaton Holdings Limited	100.00%	100.00%
Pelican Cove Investment Ltd.	100.00%	100.00%
Liton Holdings Ltd.	100.00%	100.00%
Hua Nian Investment Ltd	100.00%	100.00%
COMPEQ (Thailand) Co., Ltd.	100.00%	—
Compeq Manufacturing (Huizhou) Co., Ltd.	100.00%	100.00%
Compeq Manufacturing (Suzhou) Co., Ltd.	100.00%	100.00%
Compeq Technology (Huizhou) Co., Ltd.	100.00%	100.00%
Hong Kong Compeq Huizhou Trading Company Limited	100.00%	100.00%
Compeq Manufacturing (Chongqing) Co., Ltd.	100.00%	100.00%
Hong Kong Huaton Holdings Trading Company Limited	100.00%	100.00%
Huabo Technology (Huizhou) Co., Ltd.	100.00%	100.00%

Note 1: On May 2022 Compeq Manufacturing (Huizhou) Co., Ltd. was sold 100% equity of Huabo Technology (Huizhou) Co., Ltd. To Compeq Technology (Huizhou) Co., Ltd. for increase capital.

Note 2: On November 2022, Compeq Technology (Huizhou) Co., Ltd. was converted the net asset value to shares for changed into Company Limited.

C. Subsidiaries excluded from consolidated financial statement: None.

D. Each invested company adopting the equity valuation method will obtain the investment loss and profit data included in the current financial statements duly audited and certified by a certified public accountant.

(4) Current and Noncurrent Assets and Liabilities

Current assets are assets held for trading purposes and assets expected to be converted to cash, sold or consumed within one year from the end of the reporting period. Current liabilities are obligations incurred for trading purposes and obligations expected to be settled within one year from the end of the reporting period. Assets and liabilities that are not classified as current are noncurrent assets and liabilities, respectively.

(5) Foreign Currencies

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

At each balance sheet date, monetary items denominated in foreign currencies are retranslated at the closing rates. All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

- A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
- B. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise, except for exchange differences on transactions entered into in order to hedge certain foreign-currency risks.
- C. For the items of currency receivable from or payable to foreign business operating institute, if there is no plan for liquidation or the liquidation is impossible to occur in the foreseeable future. Exchange differences arising on a monetary item that is part of a reporting entity's net investment in a foreign operation are recognized initially in other comprehensive income and reclassified from equity to profit or loss upon disposal of such investment.

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

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Consolidated Company' foreign operations (including of the subsidiaries, associates and joint ventures operating in other countries or using currencies different from the Company's) are translated into New Taiwan dollars using exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising, if any, are recognized in other comprehensive income and accumulated in equity.

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Including time deposits and repurchase agreements collateralized by corporate bonds.

Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operation are classified as cash equivalents.

(7) Financial Instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition.

Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss. For the determination of fair value, please refer to Note 12.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or Convention in the marketplace.

a. Measurement category

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

A) Financial asset at FVTPL

For certain financial assets which include debt instruments that do not meet the criteria of amortized cost or FVTOCI, it is mandatorily required to measure them at FVTPL. Any gain or loss arising from remeasurement is recognized in profit or loss. The net gain or loss recognized in profit or loss incorporates any interest earned on the financial asset.

B) Investments in equity instruments at FVTOCI

On initial recognition, the Company may irrevocably designate investments in equity investments that is not held for trading 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.

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

C) Measured at amortized cost

When the company invest in financial assets simultaneously meets the following two conditions, the financial assets are classified as the ones carried at cost after amortization:

- a) The financial assets are held under a specific operation mode, in which the purpose of the mode is to hold the financial assets in order to collect contract cash flows.
- b) The cash flow generated on a specific date due to contract clauses is completely for the payment of the principal and the interest accrued from the outstanding principal amount.

Cash and cash equivalents, notes and accounts receivable, other receivables and refundable deposits are measured at amortized cost. Subsequent to initial recognition, financial assets measured at amortized cost are measured at amortized cost, which equals to carrying amount determined by the effective interest method less any impairment loss. Foreign exchange gains and losses are recognized in profit or loss.

b. Impairment of financial assets

At the end of each reporting period, a loss allowance for expected credit loss is recognized for financial assets at amortized cost (including accounts receivable).

The loss allowance for accounts receivable is measured at an amount equal to lifetime expected credit losses. For financial assets at amortized cost, when the credit risk on the financial instrument has not increased significantly since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from possible default events of a financial instrument within 12 months after the reporting date. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to expected credit loss resulting from all possible default events over the expected life of a financial instrument.

The expected credit loss is calculated according to the average weighted credit loss in which the risk rated ratio of default occurrence is used in calculation. The 12-month expected credit loss represents the credit loss expected to occur to the financial instruments within 12 months after their reporting day due to possible default. The expected credit loss in the duration period refers to the credit loss expected to occur to the financial instruments in the expected duration period due to possible default.

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.

c. Derecognition of financial assets

The Consolidated Company derecognize a financial asset only when the contractual rights to the cash flows from the asset expire, or when they transfer the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized in other comprehensive income and accumulated in equity is recognized in profit or loss.

B. Equity instruments

Debt and equity instruments issued by a group entity are classified as either 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 a group entity are recognized at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognized and deducted directly in 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.

C. Financial liabilities

a. Subsequent measurement

Financial liabilities other than those held for trading purposes and designated as at FVTPL are subsequently measured at amortized cost at the end of each reporting period.

Financial liabilities measured at FVTPL are derivative financial instruments that do not meet the criteria for hedge accounting, and they are stated at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Related net profits or net losses are listed in "other profits and losses" of the statement of comprehensive income.

b. Derecognition of financial liabilities

The Consolidated Company derecognizes financial liabilities only when the obligations are discharged cancelled or expires. The difference between the carrying amount of a financial liability removed and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

c. Offsetting financial instruments

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

D. Derivative financial instruments

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

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

(8) Inventories

Inventories are included supplies, raw materials, work in process and Finished goods. Inventories are stated at the lower of cost or net realizable value. Inventories are recorded at weighted-average cost. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale.

(9) Property, Plant, and Equipment

Property, plant and equipment are stated at cost, less subsequent accumulated depreciation and subsequent accumulated impairment loss.

Properties under construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization.

These properties are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for intended use.

Depreciation is recognized using the straight-line method. Each significant item is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

Depreciation is computed by the straight-line method over the estimated useful lives. The estimated useful lives are as follows:

Buildings: 5-35 years; machinery and equipment: 6-10 years; computer equipment: 3-8 years; testing equipment: 5-8 years; pollution-prevention equipment: 3-10 years; transportation equipment: 5 years; furniture and fixtures: 5-8 years; other equipment: 5-15 years.

(10) Leases

The Company as lessee

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

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentive received. Right-of-use assets are subsequently measured as 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. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

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 or a change in future lease payments resulting from a change in expected paid amount under the residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. If the carrying amount of the right-of-use assets has been reduced to zero, the remaining amount will be recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(11) Intangible Assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful life, residual value, and amortization method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The residual value of an intangible asset with a finite useful life is assumed to be zero unless the Group expects to dispose of the intangible asset before the end of its economic life.

Gains or losses arising from the derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognized in profit or loss when the asset is derecognized.

(12) Impairment of Non-financial Assets

At each balance sheet date, the Consolidated Company review the carrying amounts of their tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Consolidated Company estimate the recoverable amount of the cash-generating unit to which the asset belongs. When amortization can be reasonably and consistently made, common assets can also be amortized to individual cash production units. Otherwise, the amortization shall be made to the minimum cash production unit group in a reasonable and consistent way.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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. An impairment loss is recognized in profit or loss.

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

(13) Provision

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

The present obligation arising from any onerous contracts shall be listed and measured as a liability reserve. When the unavoidable cost required for obligation fulfillment of a signed contract exceeds the economic effect expected to gain from the contract, the contract shall be referred to as an onerous contract.

(14) Revenue recognition

When applying IFRS 15, the Company shall recognize revenue by applying the following steps:

- (a) Identify the contract with the customer;
- (b) Identify the performance obligations in the contract;
- (c) Determine the transaction price;
- (d) Allocate the transaction price to the performance obligations in the contract; and
- (e) Recognize revenue when the entity satisfies a performance obligation.

Sales of goods

Revenue is recognized when the goods committed by the Company are transferred to the customer to fulfill the contract performance obligation, i.e. the revenue is recognized when the customer acquires the control right of the goods, in which the net amount of the contract price deducting estimated sales allowance is set aside and recognized. The revenue recognition amount is limited to the part where material reversal is very unlikely to occur, and the estimation is renewed at each balance sheet day. The allowance for sales discounts of the sales related estimates as of the balance sheet date is listed as the refund liabilities.

(15) Borrowing Costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of these assets, until the assets are substantially ready for their intended use or sale.

If a specific loan is used for temporary investment before being applied to the capital expenditure meeting required elements and therefore earns the investment income, it shall be deducted from the loan cost meeting the terms of capitalization.

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

(16) Employee Benefits

A. 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 service rendered by employees.

B. Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution. For defined benefit retirement benefit plans, the cost of providing benefit is recognized based on actuarial calculations.

Defined benefit costs (including service cost, net interest and rereasurement) under the defined benefit retirement benefit plans are determined using the Projected Unit Credit Method. Service cost (including current service cost), and net interest on the net defined benefit liability (asset) are recognized as employee benefits expense in the period they occur. Rereasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period in which they occur. Rereasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liability represents the actual deficit in the Company's defined benefit plan. 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.

(17) Taxation

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

A. Current tax

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

Income tax on unappropriated earnings (excluding earnings from foreign consolidated subsidiaries) is expensed in the year the shareholders approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

B. Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements 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, net operating loss carryforwards and unused tax credits to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred income tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the Company 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 are only recognized 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 they 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 deferred tax asset to be recovered. The deferred tax assets which originally not recognized is also reviewed at the end of each reporting period and recognized to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax asset to be recovered.

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

C. Current and deferred tax for the year

Current and deferred tax 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 tax are also recognized in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 4, the Company is required to make judgments, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and future years if the revision affects both current and future years.

The following are the critical judgments, apart from those involving estimations, that the Company has made in the process of applying the Company's accounting policies and that have the most significant effect on the amounts recognized in the consolidated financial statements.

(1) Estimated impairment of accounts receivable

When there is objective evidence of impairment loss, the Consolidated Company take into consideration the estimation of future cash flows. The amount of the impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate. Where the actual future cash flows are less than expected, a material impairment loss may arise.

(2) Valuation of Inventory

Inventories are stated at the lower of cost or net realizable value, and the Company use judgment and estimate to determine the net realizable value of inventory at the end of each reporting period.

Due to the rapid industrial changes, the Company estimates the net realizable value of inventory for obsolescence and unmarketable items at the end of reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on assumptions of future demand within a specific time horizon.

6. CONTENTS OF SIGNIFICANT ACCOUNTS

(1) CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand	\$ 10,636	\$ 12,638
Demand deposits and checking accounts	5,209,734	6,745,047
Cash equivalent		
Time deposits	5,668,986	4,446,638
Repurchase agreements of bonds	352,535	655,242
Total	<u>\$ 11,241,891</u>	<u>\$ 11,859,565</u>

(A) The bank deposits and bonds interest rate as of December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Demand deposits	0.001%~4.500%	0.001%~1.050%
Time deposits	0.550%~5.877%	0.850%~5.230%
Repurchase agreements of bonds	0.800%~1.050%	0.560%~4.200%

(B) The Company's bank time deposit certificates which are three months past the initial due dates are listed under the item of other financial assets-current. Please refer to note 6(5).

(2) FINANCIAL ASSETS AND LIABILITIES AT FAIR VALUE THROUGH PROFIT OR LOSS

(A) Financial assets mandatorily measured at FVTPL-current

	December 31, 2023	December 31, 2022
Derivative financial instruments		
Forward exchange contracts	\$ 2,155	\$ —
Non-derivative financial instruments		
Publicly traded stocks	169,958	134,174
Emerging stocks	13,883	7,799
Non-Publicly traded stocks	28,369	—
Subtotal	<u>212,210</u>	<u>141,973</u>
Total	<u>\$ 214,365</u>	<u>\$ 141,973</u>

(a) For the years ended December 31, 2023 and 2022, the main purpose for the Consolidated Company to engage in forward exchange contracts transactions is to evade the risk resulting from the fluctuation of currency exchange rate. However, those derivative assets and liabilities did not meet the criteria of hedge effectiveness and therefore were not accounted for by using hedge accounting.

(b) The contracts resulted in net gain of \$15,373 thousand in 2023 and net loss of \$152,564 thousand in 2022, respectively.

(c) The undue derivative financial products were as follows:

December 31, 2022	Currency	Maturity	Contract Amount (in thousand)	
Sell	US\$/NT\$	January 2, 2024 to January 17, 2024	US\$	22,000

(3) NOTES AND ACCOUNTS RECEIVABLE- NET

	December 31, 2023	December 31, 2022
Notes receivable	\$ 214,768	\$ 134,450
Accounts receivable	16,642,270	16,682,210
Less: Loss allowance	(144,074)	(158,737)
Net	\$ 16,498,196	\$ 16,523,473

(A) The Company's notes receivable is all undue.

(B) The Company does not hold any collateral for its notes receivable and accounts receivable.

(C) The Company with which the estimated allowance for sales discounts is listed as the refund liabilities. As of December 31, 2023 and December 31, 2022, the balance of the refund liabilities were \$410,206 thousand and \$445,282 thousand (listed as other current liabilities), respectively.

(D) The aging analysis of accounts receivable with expected credit losses were determined as follows:

(a) December 31, 2023

	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 16,446,984	0%~10%	\$ 101,838
Past due less than 30 days	123,731	0%~10%	29,493
Past due 31-100 days	52,894	0%~10%	1,454
Past due less than 101-180 days	15,685	50%~60%	8,313
Past due 181-365 days	2,976	100%	2,976
Total	\$ 16,642,270		\$ 144,074

(b) December 31, 2022

	Carrying amount of accounts receivable	Expected credit loss rate	Loss allowance for lifetime expected credit losses
Non past due	\$ 16,436,628	0%~10%	\$ 152,460
Past due less than 30 days	232,738	0%~10%	1,969
Past due 31-100 days	6,580	0%~10%	17
Past due less than 101-180 days	3,946	50%~60%	1,973
Past due 181-365 days	2,318	100%	2,318
Total	<u>\$ 16,682,210</u>		<u>\$ 158,737</u>

The above aging schedule was based on the past due date.

(E) Movements of the allowance for doubtful accounts were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, beginning of year	\$ 158,737	\$ 127,933
Provision (Reversal)	(14,088)	28,766
Recovery of bad debts written off	13	—
Amount written off	—	(126)
Effect of exchange rate changes	(588)	2,164
Balance, end of year	<u>\$ 144,074</u>	<u>\$ 158,737</u>

(F) The Company has signed a non-recourse accounts receivable factoring agreement with the financial institution. Based on the factoring agreements, losses from trade disputes (such as those on sales returns and discounts) are borne by the Company while losses from credit are borne by the banks. These accounts receivable met the derecognition criteria for financial assets had transfer to other receivable.

The accounts receivables meeting the deletion terms have been transferred to the account of other receivables, as of December 31, 2022, these accounts receivable met the derecognized criteria were as follows:

December 31, 2022						
Purchaser of accounts receivable	Receivables sold	Credit Line (in thousand)	Advances Received	Interest Rate	Derecognized amount	Transfer to other receivables
Financial institution	\$ 825,423	\$ 7,953,890	\$ 791,018	Note	\$ 825,423	\$ 34,405

Note: The interest rate of the withdrawn credit line is as per the agreed interbank interest rate, and the rate is determined piece by piece.

The above credit lines may be used on a revolving basis.

(4) INVENTORIES

	December 31, 2023	December 31, 2022
Raw materials	\$ 1,516,076	\$ 1,927,886
Supplies	383,101	378,763
Work in process	3,268,039	3,200,945
Finished goods	2,877,225	4,514,953
Goods	9,102	4,017
Total	\$ 8,053,543	\$ 10,026,564

(A) As of December 31, 2023 and 2022, the allowance for inventory devaluation (including normal and idle products) were \$1,715,457 thousand and \$1,844,032 thousand, respectively.

(B) The cost of inventories recognized as cost of sales for the years ended December 31, 2023 and 2022 were as follows:

	For the Year Ended December 31	
	2023	2022
The cost of goods sold	\$ 57,164,207	\$ 61,288,708
Provision for (Reversal of) loss on inventories	78,597	(26,208)
Loss on scrapped inventories	139,418	659,302
Income from scrap sales	(1,013,859)	(1,039,265)
Unamortized fixed manufacturing cost	583,613	87,974
Total	\$ 56,951,976	\$ 60,970,511

The reversal of loss on inventories in 2023 was due to a better of product structure.

(5) OTHER CURRENT FINANCIAL ASSETS

	December 31, 2023	December 31, 2022
Non-cash equivalent of time deposits	\$ 4,873,551	\$ 2,756,571
Restricted time deposits	10,174	10,055
Total	\$ 4,883,725	\$ 2,766,626

The interest rate interval of the balance sheet date of the financial were as follows:

	December 31, 2023	December 31, 2022
Interest rate interval	0.950%~6.000%	1.085%~5.400%

Detail of the other current-financial assets to others as collateral are provided in Note 8.

(6) FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE
INCOME-NONCURRENT

	December 31, 2023	December 31, 2022
Equity instruments		
Foreign unlisted stocks	\$ 13,444	\$ 15,556

(7) PROPERTY, PLANT AND EQUIPMENT

For the Year Ended December 31, 2023						
Item	Balance, Beginning of year	Additions	Disposals	Reclassifications	Effect of Exchange Rate changes	Balance, End of year
<u>Cost</u>						
Land	\$ 679,148	\$ 881,241	\$ —	\$ —	\$ 5,603	\$ 1,565,992
Buildings and structures	17,367,284	1,180,554	(73,371)	—	(253,477)	18,220,990
Machinery and equipment	42,538,163	2,470,216	(404,569)	18,149	(525,603)	44,096,356
Computer equipment	125,029	9,856	(2,860)	—	(345)	131,680
Testing equipment	2,659,013	181,837	(73,748)	—	(14,412)	2,752,690
Pollution Prevention equipment	642,989	7,158	—	—	—	650,147
Transportation equipment	77,415	2,184	(12,801)	—	(325)	66,473
Office equipment	203,110	4,599	(5,021)	—	(2,585)	200,103
Other facilities	9,723,312	799,876	(121,612)	(18,149)	(89,623)	10,293,804
Construction in progress	1,520,944	49,991	—	—	(14,501)	1,556,434
Total	\$ 75,536,407	\$ 5,587,512	\$ (693,982)	\$ —	\$ (895,268)	\$ 79,534,669
<u>Accumulated depreciation and impairment</u>						
Buildings and structures	\$ 8,389,743	\$ 1,048,434	\$ (34,238)	\$ —	\$ (104,143)	\$ 9,299,796
Machinery and equipment	22,305,102	3,247,166	(376,784)	—	(271,735)	24,903,749
Computer equipment	105,547	7,418	(2,715)	—	(219)	110,031
Testing equipment	1,510,551	272,847	(66,752)	—	(10,661)	1,705,985
Pollution Prevention equipment	485,601	27,821	—	—	—	513,422
Transportation equipment	56,206	5,742	(9,566)	—	(205)	52,177
Office equipment	158,108	12,066	(4,749)	—	(1,979)	163,446
Other facilities	6,784,838	811,101	(117,052)	—	(56,928)	7,421,959
Total	39,795,696	\$ 5,432,595	\$ (611,856)	\$ —	\$ (445,870)	44,170,565
Net	\$ 35,740,711					\$ 35,364,104

For the Year Ended December 31, 2022						
Item	Balance, Beginning of year	Additions	Disposals	Reclassifications	Effect of Exchange Rate changes	Balance, End of year
<u>Cost</u>						
Land	\$ 679,148	\$ —	\$ —	\$ —	\$ —	\$ 679,148
Buildings and structures	15,275,221	2,010,021	(96,967)	—	179,009	17,367,284
Machinery and equipment	38,964,534	4,095,756	(833,356)	(32,554)	343,783	42,538,163
Computer equipment	121,926	5,444	(2,608)	—	267	125,029
Testing equipment	2,405,607	270,418	(25,991)	—	8,979	2,659,013
Pollution Prevention equipment	638,235	11,107	(6,353)	—	—	642,989
Transportation equipment	72,349	10,456	(5,753)	—	363	77,415
Office equipment	189,088	17,322	(5,486)	—	2,186	203,110
Other facilities	8,721,883	1,005,833	(97,572)	32,554	60,614	9,723,312
Construction in progress	1,682,172	(175,469)	(10,322)	—	24,563	1,520,944
Total	\$68,750,163	\$ 7,250,888	\$ (1,084,408)	\$ —	\$ 619,764	\$75,536,407
<u>Accumulated depreciation and impairment</u>						
Buildings and structures	\$ 7,454,930	\$ 934,958	\$ (67,672)	\$ —	\$ 67,527	\$ 8,389,743
Machinery and equipment	19,819,840	3,074,533	(758,019)	(99)	168,847	22,305,102
Computer equipment	100,139	7,793	(2,529)	—	144	105,547
Testing equipment	1,310,048	216,585	(22,915)	—	6,833	1,510,551
Pollution Prevention equipment	461,715	29,120	(5,234)	—	—	485,601
Transportation equipment	55,542	5,924	(5,574)	—	314	56,206
Office equipment	150,394	11,335	(5,244)	—	1,623	158,108
Other facilities	6,118,580	716,220	(87,880)	99	37,819	6,784,838
Total	35,471,188	\$ 4,996,468	\$ (955,067)	\$ —	\$ 283,107	39,795,696
Net	<u>\$33,278,975</u>					<u>\$35,740,711</u>

(A) The significant part of the Company's buildings includes main plants and affiliated equipment and the related depreciation is calculated using the estimated useful lives of 20 to 35 years, and 5 to 30 years, respectively.

(B) As of December 31, 2023 and 2022, the Company mortgaged or pledged property, plant and equipment, see Note 8.

(8) LEASE

(A) Right-of-use assets

Carrying amounts	December 31, 2023	December 31, 2022
Land (Including land use right)	\$ 218,367	\$ 234,045
Buildings and structures	219,037	222,785
Transportation equipment	20,650	11,167
Total	\$ 458,054	\$ 467,997

Depreciation of right-of-use assets	For the Year Ended December 31	
	2023	2022
Land (Including land use right)	\$ 11,495	\$ 11,311
Buildings and structures	64,044	64,929
Machinery and equipment	—	5,379
Transportation equipment	8,775	4,679
Total	\$ 84,314	\$ 86,298

For the year ended December 31, 2023 and 2022, the addition to right-of-use assets were \$81,620 thousand and \$52,862 thousand, respectively.

(B) Lease liabilities

Carrying amounts	December 31, 2023	December 31, 2022
Lease liabilities-current	\$ 68,910	\$ 57,769
Lease liabilities-noncurrent	131,828	143,431
Total	\$ 200,738	\$ 201,200
Ranges of discount rate for lease liabilities	1.335%~6.890%	1.330%~4.620%

(C) Material lease-in activities and terms

The Company leases land for manufactured goods in mainland China with lease terms of 50 years. Upon signing of the lease the amount has been paid in full. The Company does not have purchase options to acquire the lease hold land at the end of the lease terms.

(D) Other lease information

Items affecting profit or loss	For the Year Ended December 31	
	2023	2022
Interest expense on lease liabilities	\$ 5,088	\$ 4,863
Expenses relating to short-term and low-value assets leases	\$ 68,133	\$ 148,747

For the year ended December 31, 2023 and 2022, the Company's cash outflow for leases were \$152,603 thousand and \$234,458 thousand, respectively.

(9) INTANGIBLE ASSETS

Item	For the Year Ended December 31, 2023				
	Balance, Beginning of year	Additions	Disposals	Effect of Exchange Rate changes	Balance, End of year
<u>Cost</u>					
Software and system cost	\$ 277,783	\$ 182,519	\$ (30,106)	\$ (7,449)	\$ 422,747
<u>Accumulated amortization</u>					
Software and system cost	117,001	66,586	(30,106)	(2,763)	150,718
Net	\$ 160,782	\$ 115,933	\$ —	\$ (4,686)	\$ 272,029

Item	For the Year Ended December 31, 2022				
	Balance, Beginning of year	Additions	Disposals	Effect of Exchange Rate changes	Balance, End of year
<u>Cost</u>					
Software and system cost	\$ 223,172	\$ 90,904	\$ (39,489)	\$ 3,196	\$ 277,783
<u>Accumulated amortization</u>					
Software and system cost	103,748	51,797	(39,489)	945	117,001
Net	\$ 119,424	\$ 39,107	\$ —	\$ 2,251	\$ 160,782

Amortization for 2023 and 2022 were recognized in operating cost and operating expenses \$40,981 thousand, \$25,605 thousand, \$29,102 thousand, \$22,695 thousand, respectively.

(10) SHORT-TERM BORROWINGS

	December 31, 2023	December 31, 2022
Unsecured bank borrowings	\$ 216,777	\$ —
Rate	1.400%~2.450%	—

(11) NOTES PAYABLE AND ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Notes payable	\$ 1,929,237	\$ 1,384,437
Account payable	11,821,422	10,347,392
Total	<u>\$ 13,750,659</u>	<u>\$ 11,731,829</u>

(A) The average credit purchase period of payables is 60 to 120 days. The Company has set up its financial risk management policy, so as to ensure that all the payables could be liquidated within the agreed credit period.

(B) For the disclosure of the Company's payables exposing currency and liquidity risks and other payables, please refer to Note 12.

(12) OTHER PAYABLES

	December 31, 2023	December 31, 2022
Machinery and Equipment payable	\$ 1,070,219	\$ 2,111,386
Employee Bonus payable	108,062	197,097
Salary and wages payable	1,110,654	1,123,687
Annual bonuses payable	1,169,252	1,539,245
Commissions payable	38,534	55,698
Processing payable	850,064	747,718
Maintenance payable	821,866	767,753
Utilities payable	169,012	205,641
Interest payable	45,517	67,426
Employee vacation payable	113,225	112,524
Freight charge payable	175,452	158,876
Other payable	873,259	1,066,695
Total	<u>\$ 6,545,116</u>	<u>\$ 8,153,746</u>

(13) PROVISIONS- CURRENT

For the Year Ended December 31, 2023			
	Other	Onerous contracts	Total
Balance, beginning of the year	\$ 207,139	\$ 9,539	\$ 216,678
Recognized (Reversed)	(12,558)	20,113	7,555
Effect of exchange rate changes	(549)	(565)	(1,114)
Balance, end of the period	<u>\$ 194,032</u>	<u>\$ 29,087</u>	<u>\$ 223,119</u>

For the Year Ended December 31, 2022			
	Other	Onerous contracts	Total
Balance, beginning of the year	\$ 201,579	\$ 40,080	\$ 241,659
Recognized (Reversed)	1,602	(30,947)	(29,345)
Effect of exchange rate changes	3,958	406	4,364
Balance, end of the period	<u>\$ 207,139</u>	<u>\$ 9,539</u>	<u>\$ 216,678</u>

- (A) Other liability reserves refer to the estimation of the accrued expenses with the liability reserve character, which is written off when the expense is incurred.
- (B) The onerous contract loss reserve refers the loss on onerous contracts recognized due to the fulfillment cost of signed contracts exceeding expected economic effect. The estimation is written off when a contract is fulfilled.
- (C) Given that the aforesaid reserve was prepared for the short run or for discount and the impact was not significant, they were not discounted.

(14) LONG-TERM BORROWINGS

Creditors	Description	No.	December31, 2023	December31, 2022	Expiry Date
			Amount	Amount	
Chang Hwa Bank	Unsecured borrowings	1	\$ 106,250	\$ 150,000	05/15/2025
Chang Hwa Bank	"	1	150,000	200,000	06/15/2025
Mega International Commercial-Bank	"	2	54,000	75,000	06/15/2025
E. Sun Bank	"	1	75,000	100,000	06/15/2025
Bank of Taiwan	"	1	187,500	250,000	06/15/2025
E. Sun Bank	"	1	79,167	100,000	07/15/2025
Far Eastern International Bank	"	1	197,917	250,000	07/15/2025
Mega International Commercial-Bank	"	2	57,000	75,000	07/15/2025
Land Bank of Taiwan	"	1	277,082	350,000	07/15/2025
Bank of Taiwan	"	1	175,000	200,000	09/15/2025
Hwa Nan Bank	"	1	250,000	250,000	09/15/2026
Taipei Fubon commercial Bank (Union loan)	"	3	2,000,000	2,000,000	08/29/2027
Taipei Fubon commercial Bank (Union loan)	"	4	—	1,000,000	08/29/2027
First Bank	"	1	400,000	—	07/15/2028
Land Bank of Taiwan	"	1	200,000	—	09/15/2028
Taipei Fubon commercial Bank	"	5	300,000	—	09/15/2028
Bank of Taiwan	"	1	200,000	—	10/15/2028
Mega International Commercial-Bank	"	6	300,000	—	09/25/2030
KGI Bank	"	7	200,000	—	09/25/2030
Bank of Taiwan	"	7	200,000	—	12/01/2030
Chang Hwa commercial Bank (Dongguan)	"	8	—	61,420	03/29/2024
Hua Nan Bank (Shenzhen)	"	9	203,771	357,206	03/29/2024
Chang Hwa commercial Bank (Dongguan)	"	10	—	115,162	05/10/2024
Chang Hwa commercial Bank (Dongguan)	"	8	—	122,840	07/20/2024
E. Sun Bank (Union loan)	"	11	—	1,397,074	03/28/2025
E. Sun Bank (Dongguan)	"	8	—	245,680	08/10/2025
The Export-Import Bank of China (Guangdong)	"	12	433,555	440,996	09/08/2025
China Construction Bank (Huizhou)	"	13	420,548	436,586	10/08/2025
HSBC (Huizhou)	"	14	411,877	440,996	11/06/2025
HSBC (Huizhou)	"	14	164,751	176,398	11/06/2025
Chang Hwa commercial Bank (Dongguan)	"	8	156,080	—	01/09/2026
E. Sun Bank (Dongguan)	"	8	205,938	—	01/09/2026
Bank of Taiwan (Guangzhou)	"	15	130,066	—	01/16/2026
HSBC (Huizhou)	"	16	253,629	—	03/06/2026
The Export-Import Bank of China (Guangdong)	"	12	433,555	—	04/10/2026
HSBC (Huizhou)	"	16	422,716	—	05/08/2026
Bank of Taiwan (Union loan)	"	17	2,149,350	3,562,360	05/10/2026
HSBC (Dongguan)	"	16	169,086	—	08/07/2026
HSBC (Dongguan)	"	16	134,402	—	08/21/2026
Far Eastern International Bank (Union loan)	"	17	—	1,074,850	10/12/2026
E. Sun Bank (Union loan)	"	18	1,158,891	396,896	12/08/2027
Bank of Taiwan (Union loan)	"	17	921,150	921,300	12/13/2027
Total			\$ 13,178,281	\$ 14,749,764	
Current			\$ 1,777,093	\$ 863,360	
Noncurrent			\$ 11,401,188	\$ 13,886,404	
Rate			1.200%~7.585%	1.075%~6.890%	

(A) Please refer to Note 8. For property, plant and equipment pledged as collateral for long-term borrowing.

(B) Explanation:

No.1: Five-year term loan, repayable in 24 installments, interest to be paid monthly.

No.2: Five-year term loan, repayable in 25 installments, interest to be paid monthly.

No.3: Five-year term loan, repayable in 5 installments, interest to be paid monthly.

Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

No.4: Five-year term loan, become due once repay, interest to be paid monthly. Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

No.5: Five-year term loan, repayable in 4 installments, interest to be paid monthly.

No.6: Seven-year term loan, repayable in 5 installments, interest to be paid monthly.

No.7: Seven-year term loan, repayable in 9 installments, interest to be paid monthly.

No.8: Three-year term loan, repayable in 6 installments, interest to be paid monthly.

No.9: Three-year term loan, repayable in 8 installments, interest to be paid quarterly.

No.10: Two-year term loan, repayable in 4 installments, interest to be paid monthly.

No.11: Five-year term loan, repayable in 9 installments, interest to be paid quarterly.

Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

No.12: Three-year term loan, become due once repay, interest to be paid quarterly.

No.13: Three-year term loan, repayable in 7 installments, interest to be paid quarterly.

No.14: Three-year term loan, repayable in 9 installments, interest to be paid monthly.

No.15: Three-year term loan, repayable in 5 installments, interest to be paid quarterly.

No.16: Three-year term loan, repayable in 9 installments, interest to be paid quarterly.

No.17: Five-year term loan, repayable in 5 installments, interest to be paid quarterly.

Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

No.18: Five-year term loan, repayable in 10 installments, interest to be paid quarterly.

Also, as agreed, within the loan duration, specific current ratio, debt ratio and times of interest earned shall be maintained in accordance with the yearly consolidated financial statements.

(15) RETIRED BENEFIT PLANS

(A) Defined contribution plans

The Compeq Company adopted a pension plan according to the Labor Pension Act (the “LPA”), which is a defined contribution plan. Based on the LPA, the Corporation makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages. Accordingly, the Company recognized expenses of \$120,056 thousand and \$122,179 thousand in the consolidated statements of comprehensive income ended December 31, 2023 and 2022, respectively.

The Company’s mainland subsidiaries have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People’s Republic of China (PRC.) are based on certain percentage of employees’ monthly salaries and wages. Other than the monthly contributions, the Company has no further obligations. The pension costs under defined contribution pension plans of the Compeq Company for the years ended December 31, 2023 and 2022 were \$512,468 thousand and \$499,198 thousand, respectively.

(B) Defined benefit plans

(a) The Compeq Company adopted the defined benefit plan under the Labor Standards Law, under which pension benefits are calculated on the basis of the length of service and average monthly salaries of the six months before retirement. The company contributed amounts equal to 5% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name.

Before the end of each year, the Company assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (“the Bureau”); the Company has no right to influence the investment policy and strategy.

- (b) The pension costs of the defined benefit plans recognized in profit or loss were as follows:

	For the Year Ended December 31	
	2023	2022
Current service cost	\$ 8,571	\$ 10,130
Net interest on the defined benefit liabilities	2,044	2,988
Recognized in profit or loss	10,615	13,118
Remeasurement:		
Expected return on plan assets	(11,205)	(86,456)
Actuarial loss (gain) arising from experience adjustments	(23,025)	43,835
Actuarial loss (gain) arising from changes in demographic assumptions	344	116
Actuarial loss (gain) arising from changes in financial assumptions	71,516	(81,129)
Components of defined benefit cost recognized in other comprehensive income	37,630	(123,634)
Total	\$ 48,245	\$ (110,516)

The pension costs of the aforementioned defined benefit plans were recognized in profit or loss by the follows categories:

	For the Year Ended December 31	
	2023	2022
Operating costs	\$ 8,092	\$ 10,127
Selling and marketing expenses	250	196
General and administrative expenses	1,021	1,340
Research and development expenses	1,252	1,455
Total	\$ 10,615	\$ 13,118

- (c) The amount arising from the defined benefit obligations of the Company in the consolidated balance sheets were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	\$ 1,522,345	\$ 1,598,019
Fair value of plan assets	(1,400,790)	(1,377,577)
Net defined benefit liabilities	\$ 121,555	\$ 220,442

(d) Movements in the present value of the defined benefit obligations were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, beginning of year	\$ 1,598,019	\$ 1,735,773
Current service cost	8,571	10,130
Interest cost	19,443	11,918
Benefits paid from plan assets	(152,523)	(122,624)
Defined benefit obligation pre-registration	1,473,510	1,635,197
Re-measurement:		
Actuarial loss (gain) arising from experience adjustment	(23,025)	43,835
Actuarial loss (gain) arising from changes in demographic assumptions	344	116
Actuarial loss (gain) arising from changes in financial assumptions	71,516	(81,129)
Ending of defined benefit obligation	\$ 1,522,345	\$ 1,598,019

(e) Movements in the fair value of the plan assets were as follows:

	For the Year Ended December 31	
	2023	2022
Balance, beginning of year	\$ 1,377,577	\$ 1,255,253
Expected return on plan assets	17,398	8,929
Re-measurement:		
Return on plan assets	11,205	86,456
Contributions from the employer	134,944	138,233
Benefits paid from plan assets	(140,334)	(111,294)
Balance, end of year	\$ 1,400,790	\$ 1,377,577
Actual return of plan assets	\$ 28,603	\$ 95,386

(f) The fair value of the plan assets by major categories at the end of reporting period were as follows:

	December 31, 2023	December 31, 2022
Cash and cash equivalents	\$ 1,400,790	\$ 1,377,577

- (g) The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The principal assumptions of the actuarial valuation were as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount rate	1.20%	1.25%
Future salary rate increase	1.50%	1.00%

Through the defined benefit plans under the Labor Standards Law, the Company is exposed to the following risks:

- a. Investment risk: The pension funds are invested in equity and debt securities, bank deposits, etc. The investment is conducted at the discretion of the government's designated authorities or under the mandated management. However, under the Labor Standards Law, the rate of return on assets shall not be less than the average interest rate on a two-year time deposit published by the local banks and the government is responsible for any shortfall in the event that the rate of return is less than the required rate of return.

- b. Interest risk: A decrease in the government 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 debt investments of the plan assets.

Assuming a hypothetical decrease in interest rate at the end of the reporting period contributed to a decrease of 0.25% in the discount rate and all other assumptions were held constant, the present value of the defined benefit obligation would increase by \$34,209 thousand and \$36,115 thousand as of December 31, 2023 and 2022, respectively.

- c. 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.

Assuming the expected salary rate increases by 0.25% at the end of the reporting period and all other assumptions were held constant, the present value of the defined benefit obligation would increase by \$34,021 thousand and \$36,115 thousand as of December 31, 2023 and 2022, respectively.

The sensitivity analysis presented above may not be representative of the actual change in 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.

Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognized in the consolidated balance sheets.

- (h) The Company expects to make contributions of \$109,629 thousand to the defined benefit plans in the next year starting from December 31, 2023. The weighted average duration of the defined benefit obligation is 8 years.

(16) EQUITY

(A) Capital stock

	December 31, 2023	December 31, 2022
Numbers of shares authorized	\$ 16,000,000	\$ 16,000,000
Shares issued	\$ 11,918,206	\$ 11,918,206

- (a) The capital stock represents common stock with 10 dollars par value, and carry one vote per share and the right to dividends.
- (b) The Compeq Company's authorized capital was \$16,000,000 thousand by Ministry of Economic Affairs, including 100,000 thousand shares reserved for the conversion of employee's stock warrants and 308,179 thousand shares of convertible bonds payable, which have not been issued.

(B) Capital surplus

	December 31, 2023	December 31, 2022
Convertible bonds	\$ 935,127	\$ 935,127
Accrued interest-premium of convertible bonds	30,609	30,609
Other	94,490	94,490
Total	\$ 1,060,226	\$ 1,060,226

Under the Securities and Exchange Act, capital surplus can only be used to offset a deficit when reserves are insufficient. However, the capital surplus from share issued in excess of par (additional paid-in capital from issuance of common shares, conversion of bonds and treasury stock transactions) and donations may be capitalized, which however is limited to 10% of the Company's paid-in capital and once a year. Under the Company Act newly revised on January 4, 2012, capital surplus shall be distributed by cash. Also, the capital surplus from long-term investments may not be used for any purpose.

(C) Retained earnings

- (a) The Compeq Company's articles of incorporation are as follows:

After the annual accounting settlement, if The Compeq Company has any earnings left, it shall first use the earnings to cover losses by law, followed by setting aside 10% of the remaining earnings as the legal surplus reserve. However, it is not limited to the circumstance where the legal surplus reserve has already reached the paid-up capital. Then, after setting aside the legal surplus reserve as required by law or competent authorities or reversing the special surplus reserve, the balance becomes the distributable earnings of the prevailing year. The distributable earnings of the prevailing year along with the undistributed earnings accumulated in the beginning of the same period are the earnings available for distribution, which shall be distributed in accordance with the principle below:

- a. Given that The Compeq Company is in the technology industry and by considering the needs for reinforcing its corporate financial structure, fostering its operating earnings and expanding its business scale, it plans to adopt the residual dividend policy to strength its growth and sustainable operation.
 - b. According to the factors in the current and future investment environment, capital requirements, profitability, local and foreign competition status and capital budgeting, the board of directors of The Compeq Company plans to draft an earnings distribution proposal, which will be resolved by the board of shareholders. When distributing earnings, the earnings to be distributed shall come from those that are available for distribution, and, in principle, the contribution amount shall be no lower than 10% of the distributable earnings of the prevailing year.
 - c. The Compeq Company may distribute its earnings by cash or stock, in which, in principle, the ratio of cash dividend shall not be lower than 50% of the total dividend amount.
- (b) The information about the employee and director's compensation, please refer to Note 6(23).
- (c) According to the revised Company Law, effective January 2012, the appropriation for legal capital reserve shall be made until the reserve equals the Company's paid-in capital. The reserve may be used to offset a deficit, or be distributed as dividends in cash or stocks for the portion in excess of 25% of the paid-in capital if the Company incurs no loss.

- (d) Pursuant to existing regulations, The Compeq Company is required to set aside additional special reserve equivalent to the net debit balance of the other components of shareholders' equity items (including exchange differences on translating foreign operations, unrealized gain [loss] on available-for-sale financial assets, and the gain or loss on the hedging instrument relating to the effective portion of a cash flow hedge). For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed.
- (e) Under Rule No. 1010012865 issued by the FSC on April 6, 2012 on the first-time adoption of Taiwan-IFRSs, the Compeq Company should appropriate to a special reserve an amount that is the same as these of unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings as a result of the Compeq Company's use of exemptions under IFRS 1. However, at the date of transition to Taiwan-IFRSs, if the increase in retained earnings that resulted from all Taiwan-IFRSs adjustments is not sufficient for this appropriation, only the increase in retained earnings that resulted from all Taiwan-IFRSs adjustments will be appropriated to special reserve. This special reserve may be reversed in proportion to the usage, disposal or reclassification of the related assets and thereafter distributed. The Compeq Company without appropriated the special reserve because the unrealized revaluation increment and cumulative translation differences (gains) transferred to retained earnings were both recognize \$0 thousand.
- (f) The Compeq appropriations of earnings for 2023 had been proposed in the meeting of Board of Directors held on March 7, 2024. The appropriations and dividends per share were as follow:

	Appropriation of Earnings	Dividends per Share (NT\$)
Legal reserve	\$ 413,827	
Special reserve	327,758	
Cash dividends	1,787,731	\$ 1.5
Total	<u>\$ 2,529,316</u>	

The appropriations of earnings for 2023 is to be presented for approval in the Compeq's shareholders' meeting to be held on May 30, 2024 (expected).

(g) The Compeq appropriations of earnings for 2022 had been proposed in the meeting of Board of Directors held on March 9, 2023 and approved in the meeting of shareholders on June 15, 2023. The Compeq Company's earning allocation for the previous year of 2021 was approved in the regular meeting of shareholders on July 9, 2022. The actual allocation of employees' bonus and remuneration to director auditors is the same as the proposed allocation passed by the board of directors. The appropriations and dividends per share were as follows:

	For Fiscal Year 2022		For Fiscal Year 2021	
	Appropriation of Earnings	Dividends per Share (NT\$)	Appropriation of Earnings	Dividends per Share (NT\$)
Legal reserve	\$ 809,989		\$ 515,251	
Special reserve	(338,937)	\$ 2.70	124,929	\$ 1.80
Cash dividends	3,217,916		2,145,277	
Total	\$ 3,688,968		\$ 2,785,457	

(D) Other equity items

	For the Year Ended December 31, 2023		
	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total
Balance, beginning of year	\$ 56,916	\$ (12,459)	\$ 44,457
Exchange differences on translation of foreign operations	(478,730)	—	(478,730)
Exchange differences on translation of foreign operations income tax	95,746	—	95,746
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	—	(1,690)	(1,690)
Balance, end of year	\$ (326,068)	\$ (14,149)	\$ (340,217)

	For the Year Ended December 31, 2022		
	Exchange differences on translation of foreign operations	Unrealized gain (loss) on financial assets at FVTOCI	Total
Balance, beginning of year	\$ (338,826)	\$ (12,570)	\$ (351,396)
Exchange differences on translation of foreign operations	494,678	—	494,678
Exchange differences on translation of foreign operations income tax	(98,936)	—	(98,936)
Unrealized gain (loss) on financial assets at fair value through other comprehensive income	—	111	111
Balance, end of year	\$ 56,916	\$ (12,459)	\$ 44,457

(17) EARNINGS PER SHARE

	For the Year Ended December 31	
	2023	2022
Basic EPS	\$ 3.50	\$ 6.71
Diluted EPS	\$ 3.48	\$ 6.67

EPS is computed as follows:

(A) Basic earnings per share

	For the Year Ended December 31	
	2023	2022
Net income for the period attributable to owners of the Corporation	\$ 4,168,375	\$ 8,000,977
Weighted average number of ordinary shares outstanding (in thousand shares)	1,191,821	1,191,821
Basic EPS	\$ 3.50	\$ 6.71

(B) Diluted earnings per share

	For the Year Ended December 31	
	2023	2022
Net income for the period attributable to owners of the Corporation	\$ 4,168,375	\$ 8,000,977
Weighted average number of ordinary shares outstanding (in thousand shares)	1,191,821	1,191,821
Assumed conversion of all dilutive potential ordinary shares		
Employees' remuneration (in thousand shares)	5,647	6,847
Weighted average number of dilutive ordinary shares outstanding (in thousand shares)	1,197,468	1,198,668
Diluted EPS	\$ 3.48	\$ 6.67

(18) OPERATING REVENUES

The analysis of the Company operating revenues was as follows:

	For the Year Ended December 31	
	2023	2022
Taiwan	\$ 2,530,295	\$ 1,907,754
United States	3,022,396	3,698,128
Asia	61,320,726	70,672,385
Europe	70,150	86,511
Other	135,206	54,630
Total	<u>\$ 67,078,773</u>	<u>\$ 76,419,408</u>

(19) OTHER INCOME

	For the Year Ended December 31	
	2023	2022
Rent income	\$ 229	\$ 632
Other income, other	555,229	293,573
Total	<u>\$ 555,458</u>	<u>\$ 294,205</u>

(20) OTHER GAINS AND LOSSES

	For the Year Ended December 31	
	2023	2022
Gains on disposal of property, plant and equipment (losses)	\$ (51,559)	\$ (128,369)
Foreign exchange gains (losses)	(70,150)	393,251
Gains on financial assets (liabilities) at fair value through profit or losses	15,373	(152,564)
Onerous contracts (losses)	(20,113)	30,947
Gains on lease modification (losses)	4	(4)
Miscellaneous disbursements	(229,821)	(183,804)
Total	<u>\$ (356,266)</u>	<u>\$ (40,543)</u>

(21) FINANCE COSTS

	For the Year Ended December 31	
	2023	2022
Interest expense	\$ 602,391	\$ 462,491
Interest on lease liabilities	5,088	4,863
Procedural expense	15,042	26,560
Less: interest capitalized	(55,166)	(46,259)
Total	<u>\$ 567,355</u>	<u>\$ 447,655</u>
Capitalization rates	<u>1.583%~6.890%</u>	<u>1.056%~6.890%</u>

(22) INCOME TAX

(A) Income tax recognized in profit or loss

(a) Income tax expense consisted of the following:

	For the Year Ended December 31	
	2023	2022
Current income tax expense		
Current tax expense recognized in the current year	\$ 1,013,985	\$ 1,862,680
Additional 10% tax on undistributed earnings	220,546	117,453
Adjustments for prior year's income tax	(70,225)	(44,087)
Income tax credits	(174,294)	(263,459)
Subtotal	990,012	1,672,587
Deferred income tax expense (benefit)		
The origination and reversal of temporary difference	114,013	462,660
Income tax expense recognized in profit or loss	\$ 1,104,025	\$ 2,135,247

(b) A reconciliation of income before income tax and income tax expense recognized in profit or loss was as follows:

	For the Year Ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	\$ 1,154,079	\$ 2,607,845
Tax effect of adjusting items:		
Nondeductible (deductible items in determining taxable income	(143,036)	(745,165)
Additional income tax on undistributed earnings	220,546	117,453
The origination and reversal of temporary difference	114,013	462,660
Income Basic Tax	2,942	—
Income tax credits	(174,294)	(263,459)
Adjustments for prior year's income tax	(70,225)	(44,087)
Income tax expense recognized in profit or loss	\$ 1,104,025	\$ 2,135,247

The tax rates of the subsidiaries in China are 15% and 25%. As for other areas, the tax shall be calculated according to the rates applicable in respective areas.

(B) Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current tax assets		
Tax refund receivable	\$ 66,940	\$ 32,130
Current tax liabilities		
Income tax payable	\$ 885,584	\$ 1,161,128

(C) Income tax expense (benefit) recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Current year		
Exchange differences on translation of foreign operations	\$ (95,746)	\$ 98,936
Remeasurement of defined benefit obligation	(7,526)	24,727
Income tax expense (benefit) recognized in the components of other comprehensive income	\$ (103,272)	\$ 123,663

(D) Deferred income tax balance

(a) The analysis of deferred income tax in the consolidated Balance Sheets was as follows:

	For the Year Ended December 31, 2023				
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of Exchange Rate changes	Balance, End of year
Temporary difference					
Accounts receivable	\$ 102,698	\$ (5,453)	\$ —	\$ (101)	\$ 97,144
Inventories	355,098	(7,558)	—	(4,000)	343,540
Other payables	64,866	(26,389)	—	(204)	38,273
Provisions	32,203	(4,773)	—	(303)	27,127
Net defined benefit liabilities	48,355	(24,865)	7,526	—	31,016
Other current liabilities	87,232	(7,139)	—	(899)	79,194
Unrealized loss on exchange	8,567	15,055	—	—	23,622
Exchange differences on translation of foreign operations	—	—	81,517	—	81,517
Investments in equity instruments at FVTOCI	3,115	—	422	—	3,537
Others	—	17,595	—	281	17,876
Deferred tax assets	\$ 702,134	\$ (43,527)	\$ 89,465	\$ (5,226)	\$ 742,846
Temporary difference					
Financial liabilities at FVPTL	\$ —	\$ 309	\$ —	\$ (7)	\$ 302
Investment gain	3,531,517	106,141	—	42	3,637,700
Property, plant and equipment	279,574	(32,244)	—	(4,007)	243,323
Exchange differences on translation of foreign operations	14,229	—	(14,229)	—	—
Others	9,490	(3,720)	—	(1)	5,769
Deferred tax liabilities	\$ 3,834,810	\$ 70,486	\$ (14,229)	\$ (3,973)	\$ 3,887,094

For the Year Ended December 31, 2022					
	Balance, Beginning of year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Effect of Exchange Rate changes	Balance, End of year
Temporary difference					
Accounts receivable	\$ 54,067	\$ 48,712	\$ —	\$ (81)	\$ 102,698
Inventories	269,263	83,654	—	2,181	355,098
Other payables	46,596	17,933	—	337	64,866
Provisions	27,073	4,822	—	308	32,203
Net defined benefit liabilities	98,105	(25,023)	(24,727)	—	48,355
Other current liabilities	120,055	(33,412)	—	589	87,232
Unrealized loss on exchange	5,546	3,021	—	—	8,567
Exchange differences on translation of foreign operations	84,707	—	(84,707)	—	—
Investments in equity instruments at FVTOCI	3,142	—	(27)	—	3,115
Others	7,811	(8,024)	—	213	—
Deferred tax assets	<u>\$ 716,365</u>	<u>\$ 91,683</u>	<u>\$ (109,461)</u>	<u>\$ 3,547</u>	<u>\$ 702,134</u>
Temporary difference					
Investment gain	\$ 3,131,109	\$ 431,957	\$ —	\$ (31,549)	\$ 3,531,517
Property, plant and equipment	155,685	121,816	—	2,073	279,574
Exchange differences on translation of foreign operations	—	—	14,229	—	14,229
Others	12,502	(3,095)	—	83	9,490
Deferred tax liabilities	<u>\$ 3,299,296</u>	<u>\$ 550,678</u>	<u>\$ 14,229</u>	<u>\$ (29,393)</u>	<u>\$ 3,834,810</u>

(b) Items for which no deferred tax assets have been recognized

	December 31, 2023	December 31, 2022
Deductible temporary differences	<u>\$ 44,722</u>	<u>\$ 37,357</u>

(c) The reduction in income tax expenses of the year about the laws and decrees, items, income tax credits and expiry date of unused income tax credits were as follows:

Unused the loss carryforwards:

Loss making year	Loss carryforwards	Deferred tax	Expiry year
2023	\$ 1,589	\$ 318	2031

(E) Income tax assessments

The Compeq Company's income tax and subsidiaries Hua Nian Investment Ltd it's income tax were returns through 2021 have been assessed by the tax authorities.

(F) The information of unrecognized deferred income tax liabilities associated with investments

As of December 31, 2023 and 2022, the aggregate taxable temporary differences associated with investments in subsidiaries not recognized as deferred income tax liabilities were \$280,276 thousand and \$260,928 thousand.

(G) The Company has applied the exception to the requirements to recognise and disclose information on deferred tax assets and liabilities related to Pillar two income taxes.

(23) THE PERSONNEL, DEPRECIATION AND AMORTIZATION EXPENSES OF THE COMPANY

	For the Year Ended December 31, 2023			For the Year Ended December 31, 2022		
	Classified as operating cost	Classified as operating expenses	Total	Classified as operating cost	Classified as operating expenses	Total
Personnel expenses	\$ 9,726,796	\$ 1,965,603	\$11,692,399	\$10,391,132	\$ 2,136,116	\$12,527,248
Direct labor	4,569,748	—	4,569,748	4,890,189	—	4,890,189
Payroll expense	3,493,122	1,701,866	5,194,988	3,842,892	1,890,572	5,733,464
Insurance expense	490,310	94,743	585,053	447,082	83,987	531,069
Pension	550,273	92,866	643,139	547,737	86,758	634,495
Others	623,343	76,128	699,471	663,232	74,799	738,031
Depreciation	5,448,267	68,642	5,516,909	5,021,464	61,302	5,082,766
Amortization	42,221	25,605	67,826	30,807	22,695	53,502

(A) According to the articles of the Compeq Company, if the Compeq Company has any profit in its comprehensive income statement of the prevailing year, 2% of the aforesaid profit shall be contributed for the employee compensation. The aforesaid profit refers to the benefit earned before deducting employee compensation from before-tax net profit. However, in case that the Compeq Company has any accumulated loss, it shall reserve an amount to cover the loss before contributing the amount for employee compensation according to the aforesaid ratio.

The preceding employee compensation can be distributed by either stock or cash, which shall be adopted by a majority of the directors of the Compeq Company present at the meeting attended by more than two-thirds of the entire body of directors and reported to the board of shareholders before implementation.

(B) The estimate of the Compeq Company's employee compensation for 2023 and 2022 was \$107,349 thousand and \$196,605 thousand respectively. According to the profit status as of the prevailing period, the aforesaid estimates were listed as operating cost and operating expenses pursuant to the articles of incorporation. Any change in the annual financial statements after its publication day shall be processed according to the accounting estimate change, in which the change amount shall be adjusted and recorded in the following year.

(C) The Compeq Company's profit sharing bonus to employees in the amounts of \$196,605 thousand and \$130,096 thousand in cash for 2022 and 2021, respectively, had been approved by the meeting of Board of Directors held on March 11, 2023 and March 11, 2022, respectively. The Company's profit sharing bonus to compensation to directors for the year ended December 31, 2023 and 2022 were both nil. There was no difference between the actual amounts of employees' compensation and the amounts recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021 respectively.

(D) The information about the appropriations of The Compeq Company's profit sharing bonus to employees and compensation to directors is available at the Market Observation Post System website.

(24) CASH FLOW INFORMATION

(A) Non-cash transactions

	2023	2022
Increase in property, plant and equipment	\$ 5,587,512	\$ 7,250,888
Changes in Machinery and Equipment payable	1,026,435	(16,734)
Payments for acquisition of property, plant and equipment	\$ 6,613,947	\$ 7,234,154

(B) Changes in liabilities from financing activities

	Short-term borrowings	Long-term borrowings (Current portion of long-term borrowings)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2023	\$ —	\$ 14,749,764	\$ 201,200	\$ 14,950,964
Changes in cash flow from financing activities	211,132	(1,293,341)	(84,470)	(1,166,679)
Changes in Other non-cash items	—	—	85,298	85,298
Effect of exchange rate changes	5,645	(278,142)	(1,290)	(273,787)
December 31, 2023	\$ 216,777	\$ 13,178,281	\$ 200,738	\$ 13,595,796

	Long-term borrowings (Current portion of long-term borrowings)	Lease liabilities	Liabilities from financing activities-gross
January 1, 2022	\$ 15,408,983	\$ 229,060	\$ 15,638,043
Changes in cash flow from financing activities	(1,397,621)	(85,711)	(1,483,332)
Changes in Other non-cash items	—	56,187	56,187
Effect of exchange rate changes	738,402	1,664	740,066
December 31, 2022	\$ 14,749,764	\$ 201,200	\$ 14,950,964

7. RELATED PARTY TRANSACTIONS

Intercompany balances and transactions between The Compeq Company and its subsidiaries, which are related parties of The Compeq Company, have been eliminated upon consolidation; therefore those items are not disclosed in this note. The compensation to directors and other key management personnel were as follows:

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	\$ 110,442	\$ 86,002
Post-employment benefits	12,189	11,329
Total	\$ 122,631	\$ 97,331

The compensation to directors and other key management personnel were determined by the Compensation Committee of The Compeq Company in accordance with the individual performance and the market trends.

8. PLEDGED ASSETS

Items	Purpose	Book Value	
		December 31, 2023	December 31, 2022
Restricted time deposits (Shown as other current financial assets)	Performance bond	\$ 10,174	\$ 10,055
Property, plant and equipment	Long-term borrowings	788,409	850,923

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS.

(1)

	December 31, 2023		December 31, 2022	
	NT		NT	
The balance of the Company's LC amounts	US\$	46,694 thousand	US\$	17,811 thousand
	JP¥	3,569 thousand	JP¥	12,085 thousand
	EUR€	131,862 thousand	EUR€	198,875 thousand
		24 thousand		336 thousand

(2) Unrecognized capital expenditure of the contracts has been signed for the purchase of equipment were as follows:

	December 31, 2023		December 31, 2022	
	NT		NT	
Payable on equipment	CNY	244,967 thousand	CNY	214,869 thousand
	THB	192,568 thousand	THB	349,724 thousand
		736,849 thousand		— thousand

10. SUBSEQUENT LOSSES: None.

11. SUBSEQUENT EVENTS: None.

12. OTHER

(1) CAPITAL MANAGEMENT

The Company plans its working capital (including R&D expenses and debt liquidation, etc.) required for the future in accordance with the characteristics currently existing in its industry and its future development status while it also considers the changes in the external environment, so as to ensure its sustainable operations. In so doing, the Company will be able to concurrently protect the interests of its shareholders and other related parties, maintain the optimal capital structure, and elevate the stockholder value. As a whole, the Company adopts a prudent risk management strategy.

(2) FINANCIAL INSTRUMENTS

(A) Categories of financial instruments

	December 31, 2023		December 31, 2022	
	Book value	Fair value	Book value	Fair value
<u>Financial assets</u>				
Amortized cost				
Cash and cash equivalents	\$ 11,241,891	\$ 11,241,891	\$ 11,859,565	\$ 11,859,565
Notes and accounts receivables	16,712,964	16,712,964	16,657,923	16,657,923
Other receivables	359,579	359,579	350,915	350,915
Other current financial assets	4,883,725	4,883,725	2,766,626	2,766,626
Refundable deposits (including current)	60,543	60,543	53,504	53,504
Financial assets at fair value through profit or loss	214,365	214,365	141,973	141,973
Financial assets at fair value through other comprehensive income	13,444	13,444	15,556	15,556
Total	<u>\$ 33,486,511</u>	<u>\$ 33,486,511</u>	<u>\$ 31,846,062</u>	<u>\$ 31,846,062</u>
<u>Financial liabilities</u>				
Amortized cost				
Short-term borrowings	\$ 216,777	\$ 216,777	\$ —	\$ —
Notes and accounts payable	13,750,659	13,750,659	11,731,829	11,731,829
Other payables	6,545,116	6,545,116	8,153,746	8,153,746
Long-term borrowings (including current portion)	13,178,281	13,178,281	14,749,764	14,749,764
Guarantee deposits (including current)	94,655	94,655	86,698	86,698
Total	<u>\$ 33,785,488</u>	<u>\$ 33,785,488</u>	<u>\$ 34,722,037</u>	<u>\$ 34,722,037</u>

(B) Financial risk management objectives

The currency risk, interest rate risk, credit risk and liquidity risk related to management and operation activities are the target of the Company's financial risk management. The Company has devoted its efforts to recognizing, assessing and hedging market uncertainty in an attempt to reduce the potential adverse influence of market change on the Company's financial performance.

The Company's major financial activities have all been re-checked by its board of directors in accordance with the related regulations and internal control system. During the financial plan execution period, the Company has to strictly follow the financial operation procedures related to overall financial risk management and accrual basis.

(C) Market risk

The Company is exposed to the market risks arising from changes in foreign exchange rates, interest rates and the prices in equity investments, and utilizes some derivative financial instruments to reduce the related risks.

(a) Foreign currency risk

Most of the Company's operating activities and investment in foreign are denominated in foreign currencies. Consequently, the Company is exposed to foreign currency risk. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes derivative shore-term borrowing and financial instruments, including currency forward contracts and cross currency swaps, to hedge its currency exposure. These instruments help to reduce, but do not eliminate, the impact of foreign currency exchange rate movements.

The maturity of the derivative financial instruments engaged by the Company is all less than six months, which does not meet the terms for accounting hedge.

For the sensitivity analysis of the foreign currency risk, the calculation is made according to the foreign currency items listed at the financial reporting closing date. When the NT dollar appreciates or depreciates 1% against a foreign currency, the Company's net profit or loss in 2023 and 2022 will increase or decrease by \$44,172 thousand and \$57,229 thousand respectively.

(b) Interest rate risk

Interest rate risk refers the risk caused by the change in the fair value of financial instruments as a result of change of the market interest rate. The Company's interest rate risk mainly comes from its mid-and long-term loans and the floating of the interest rates for the income investments with a fixed or floating interest rate

Regarding the sensitivity analysis of the interest rate risk, the calculation is made according to the amount of the bank loan and the floating interest rate at the final day of the financial report period, and a quarter's effect is assumed to be held. If the interest rate increased or decreased by 1%, the Company's profit or loss as of December 31, 2023 and December 31, 2022 would increase or decrease by \$(314) thousand and \$(774) thousand respectively.

(c) Other price risk

The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio.

The Company's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by \$2,122 thousand and \$1,420 thousand, respectively, as a result of gain/loss on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by \$134 thousand and \$156 thousand, respectively, as a result of other comprehensive income classified equity investment at fair value through other comprehensive income.

(D) Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company is exposed to credit risk from operating activities, primarily trade receivables, and from financing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

(a) Business related credit risk

In order to maintain its quality of accounts receivable, the Company has set up its operation related credit risk management procedure.

The individual customer risk assessment covers the factors of an individual customer's financial status and credit rating agency's ratings, the Company's internal credit ratings and historical transaction records and current economic status, etc. which may affect customer's solvency capacity. In addition, the Company will also use some credit enhancement instruments, such as purchase prepayment and credit insurance, etc., at an appropriate time to reduce the credit risk of some specific customers.

As of December 31, 2023 and 2022, the Company's ten largest customers accounted for 59% and 62% of notes and accounts receivable, respectively. The Company believes the concentration of credit risk is insignificant for the remaining

accounts receivable.

(b) Financial credit risk

The credit risk of bank deposits, fixed income investments and other financial instruments is measured and monitored by the Company's financial department. The Company's transaction counterparts and contract performance parties are the financial institutions with good credit, and the Company has diversified its risk by dealing with multiple financial institutions, so there shall be no significant credit risk caused by too much concentration on some financial institutions and no significant doubt about contract performance. As such, the Company shall have no material credit risk.

(E) Liquidity risk management

The purpose of the Company's management of liquidity risk is to maintain the cash and cash equivalents, high liquidity securities and enough bank financing facilities required for business operations, so as to ensure sufficiency of the Company's financial flexibility.

(a) The table below summarizes the maturity profile of the Company's financial liabilities based on contractual undiscounted payments, including principles and interests.

		December 31, 2023				
		Less Than 1 year	2-3 year	4-5 year	Over 6 years	Total
<u>Non-derivative financial liabilities</u>						
Short-term borrowings	\$	216,777	\$ —	\$ —	\$ —	\$ 216,777
Notes and accounts payable		13,750,659	—	—	—	13,750,659
Other payable		6,588,472	—	—	—	6,588,472
Lease liabilities		70,729	61,683	25,602	51,980	209,994
Long-term borrowings		1,777,093	6,578,556	4,217,632	605,000	13,178,281
Guarantee deposits		94,655	—	—	—	94,655
Total	\$	22,498,385	\$ 6,640,239	\$ 4,243,234	\$ 656,980	\$ 34,038,838

December 31, 2022					
	Less Than 1 year	2-3 year	4-5 year	Over 6 years	Total
<u>Non-derivative financial liabilities</u>					
Notes and accounts payable	\$ 11,731,829	\$ —	\$ —	\$ —	\$ 11,731,829
Other payable	8,153,746	—	—	—	8,153,746
Lease liabilities	58,219	63,907	26,379	63,209	211,714
Long-term borrowings	863,360	5,892,733	7,993,671	—	14,749,764
Guarantee deposits	86,698	—	—	—	86,698
Total	<u>\$ 20,893,852</u>	<u>\$ 5,956,640</u>	<u>\$ 8,020,050</u>	<u>\$ 63,209</u>	<u>\$ 34,933,751</u>

(b) Bank credit limit

	December 31, 2023	December 31, 2022
Secured bank general credit limit		
Total	<u>\$ 1,200,000</u>	<u>\$ 1,200,000</u>
Unsecured bank general credit limit		
Total	<u>\$ 27,725,008</u>	<u>\$ 28,798,162</u>

(3) FAIR VALUE OF FINANCIAL INSTRUMENTS

(A) Fair value of financial instruments carried at amortized cost

Except as detailed in the following table, the Company considers that the carrying amounts of financial assets and financial liabilities carried at amortized cost recognized in the consolidated financial statements approximate their fair values.

(B) Valuation techniques and assumptions used in fair value measurement

The fair values of financial assets and financial liabilities are determined as follows:

- (a) The fair values of financial assets and financial liabilities with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices (includes interest rate futures contracts, publicly traded stocks, money market funds, government bonds, agency bonds and corporate bonds).
- (b) Forward exchange contracts are measured using quoted forward exchange rates.

- (c) The fair values of other financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis.

(C) Fair value measurements recognized in the consolidated balance sheets

The following table provides an analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 based on the degree to which the fair value is observable:

- (a) Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities; active market refers to the market meeting the terms below: the products traded in the market are in homogeneity; buyers and sellers with trading intention are available in the market and the price information is open to the public.
- (b) Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- (c) Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

(D) Financial assets and liabilities measured at fair value on a recurring basis

The following table presents the Company's financial assets and liabilities measured at fair value on a recurring basis:

	December 31, 2023			
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Publicly traded stocks	\$ 169,958	\$ —	\$ —	\$ 169,958
Emerging stocks	—	13,883	—	13,883
Non-Publicly traded stocks	—	—	28,369	28,369
<u>Financial assets at fair value through other comprehensive income</u>				
Foreign unlisted stocks	—	—	13,444	13,444
Total	\$ 169,958	\$ 13,883	\$ 41,813	\$ 225,654

December 31, 2022				
	Level 1	Level 2	Level 3	Total
<u>Financial assets at fair value through profit or loss</u>				
Publicly traded stocks	\$ 134,174	\$ —	\$ —	\$ 134,174
Emerging stocks	—	7,799	—	7,799
<u>Financial assets at fair value through other comprehensive income</u>				
Foreign unlisted stocks	—	—	15,556	15,556
Total	\$ 134,174	\$ 7,799	\$ 15,556	\$ 157,529

(E) Level 1 fair value measurement item applies a market offer as the fair value input value, with breakdown as follows:

Item	Market quoted
Stock of Listed (OTC) companies	Close price

(F) Level 2 fair value measurement item applies the observable input values of recent transaction price and offer data of Taipei Exchange, to serve as the foundation of evaluating fair values.

(G) For assets and liabilities held as of December 31, 2023 and 2022 that are measured at fair value on a recurring basis, there were no transfers between Level 1 and Level 2 of the fair value hierarchy.

(H) Reconciliation of Level 3 fair value measurements of financial assets

For the Year Ended December 31				
	2023		2022	
	Financial asset or financial liability at fair value through profit	Financial asset at fair value through other comprehensive gains or losses	Financial asset or financial liability at fair value through profit	Financial asset at fair value through other comprehensive gains or losses
Balance, beginning of year	\$ —	\$ 15,556	\$ —	\$ 15,418
Additions	24,921	—	—	—
Recognized in other comprehensive income	3,448	(2,112)	—	138
Balance, end of year	\$ 28,369	\$ 13,444	\$ —	\$ 15,556

- (I) The Company valuation process for the fair value measurement with in the third-level was conducted by the company department for independent fair value verification of financial instruments. Using independent date to bring evaluation results closer to market conditions, and regularly update the input values required by the evaluation model and any adjustments should be made in order to ensure the rationality of the valuation presented.
- (J) Level 3 fair value measurement is based on the market approach values. The company takes great caution in the selection of valuation models and valuation parameters for the key, non-observable values. Therefore, the measurement of fair values should be reasonable. The use of different valuation models or valuation parameters may result in different numbers. For example, If the evaluation parameter's share price net multiplier increases, the market liquidity discount decreases, and the weighted average capital cost discount rate decreases, the fair value of the investment will be increased.
- (K) There were no purchases and disposals for assets on Level 3 for the years ended December 31, 2023 and 2022.

(4) SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

- (A) The following information was summarized according to the foreign currencies other than the functional currency of the Company. The exchange rates disclosed were used to translate the foreign currencies into the functional currency. The significant financial assets and liabilities denominated in foreign currencies were as follows:

December 31, 2023			
	Foreign currencies (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 410,366	30.705	\$ 12,600,293
JPY	1,294,353	0.2172	281,134
CNY	3,273	4.327	14,161
SGD	54	23.29	1,269
<u>Financial liabilities</u>			
Monetary items			
USD	274,674	30.705	8,433,864
EUR	70	33.98	2,380
JPY	37,367	0.2172	8,116
HKD	8,228	3.929	32,329
CNY	722	4.327	3,122

December 31, 2022			
	Foreign currencies (In thousands)	Exchange Rate	Book Value (NTD)
<u>Financial assets</u>			
Monetary items			
USD	\$ 543,907	30.71	\$ 16,703,397
JPY	1,918,834	0.2324	445,937
CNY	12,151	4.408	53,560
SGD	54	22.88	1,231
<u>Financial liabilities</u>			
Monetary items			
USD	361,714	30.71	11,108,243
EUR	380	32.72	12,430
JPY	1,346,613	0.2324	312,953
HKD	9,638	3.938	37,953
CNY	2,242	4.408	9,882

Note: The functional currency of some of the consolidated entities is not the NT dollar, so this factor shall be taken into account in disclosure. For instance, when a subsidiary's functional currency is the RMB, its US dollar foreign currency position shall be the factor required to be taken into consideration.

(B) Since the Company has numerous categories of foreign currency transactions, there is no way for it to disclose the details according to respective major currencies. As such, the information on exchange gain or loss of currency items is disclosed in a way of summarization. For the Company's exchange gains and losses, the realized gain were \$451,603 thousand and unrealized loss were \$521,753 thousand in 2023, respectively, whereas the realized gain was \$1,152,287 thousand and unrealized loss was \$759,036 thousand in 2022, respectively.

13. ADDITIONAL DISCLOSURES

The following are additional disclosures for the Company and its affiliates as required by the R.O.C. Securities and Futures Bureau:

(1) Information on significant transactions:

- A. Financing provided to others: Please see Table 1 attached;
- B. Endorsements/guarantees provided: Please see Table 2 attached;
- C. Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Please see Table 3 attached;
- D. Marketable securities acquired and disposed at costs or prices at least NT\$300 million or 20% of the paid-in capital: None;

- E. Acquisition of individual real estate at costs of at least NT \$300 million or 20% of the paid-in capital: Please see Table 4 to Table 4 attached;
 - F. Disposal of individual real estate at prices of at least NT\$300 million or 20% of the paid-in capital: None;
 - G. Total purchases from or sales to related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 5 to Table 5-1 attached;
 - H. Receivables from related parties amounting to at least NT\$100 million or 20% of the paid-in capital: Please see Table 6 attached;
 - I. Trading in derivative instruments: Please see Note 6(2) and Note 12(2) attached;
 - J. Intercompany relationships and significant intercompany transactions: Please see Table 7 to Table 7-7 attached;
- (2) Information on investees:
- A. Significant transactions information: Please see Table 1 to Table 6 and Table 9 attached;
 - B. Names, locations, and related information of investees over which The Company exercises significant influence: Please see Table 8 attached;
- (3) Information on investment in Mainland China:
- A. The name of the investee in Mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: Please see Table 9 attached.
 - B. Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in Mainland China on financial reports: Please see Table 1 to Table 6 and Table 7 to Table 7-7 attached.
- (4) Information of major shareholder:
- No shareholders hold more than 5% shares.

TABLE 1

FINANCING PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Financing Company	Counter-party	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing (Note 2)	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)
													Item	Value		
0	Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 3,070,500 US\$ 100,000	\$ 3,070,500 US\$ 100,000	\$ 1,535,250 US\$ 50,000	5.300%	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 15,701,028	\$ 15,701,028
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Other receivables	Yes	\$ 1,228,200 US\$ 40,000	\$ 614,100 US\$ 20,000	\$ 153,525 US\$ 5,000	6.005%	2	—	Operating capital	—	—	—	\$ 15,701,028	\$ 15,701,028
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	Other receivables	Yes	\$ 921,150 US\$ 30,000	\$ 921,150 US\$ 30,000	None	—	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 15,701,028	\$ 15,701,028
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Other receivables	Yes	\$ 3,070,500 US\$ 100,000	\$ 3,070,500 US\$ 100,000	\$ 614,100 US\$ 20,000	5.310%	2	—	Operating capital and Repayments of bank borrowings	—	—	—	\$ 15,701,028	\$ 15,701,028
0	Compeq Manufacturing Co., Ltd.	COMPEQ (Thailand) Co., Ltd.	Other receivables	Yes	\$ 1,535,250 US\$ 50,000	\$ 1,535,250 US\$ 50,000	None	—	2	—	Operating capital	—	—	—	\$ 15,701,028	\$ 15,701,028

Note 1 : The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2 : The nature for financing is coded as follows:

1. Business relationship is coded "1".
2. Short-term financing is coded "2".

Note 3 : The counter-party that was directly and indirectly holds more than 67% of the voting shares and controlling, the limit of financing amount for individual counter-party shall not exceed 40% of the lender's net asset value as of the period. Limit of total financing amount shall not exceed 40% of the Company's net asset value.

TABLE 2

ENDORSEMENTS / GUARANTEES PROVIDED

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Endorsement / Guarantee Provider	Guaranteed Party		Limits on Endorsement / Guarantee Amount Provided to Each Guaranteed Party (Note 4)	Maximum Balance for the Period (US\$ in Thousands)	Ending Balance (US\$ in Thousands)	Amount Actually Draw (US\$ in Thousands)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement / Guarantee to Net Equity per Latest Financial Statements	Maximum Endorsement / Guarantee Amount Allowable (Note 5)	Guarantee Provided by Parent Company (Note 6)	Guarantee Provided by A Subsidiary (Note 6)	Guarantee Provided to Subsidiaries in Mainland China (Note 6)
		Name	Nature of Relationship (Note 2)										
0	Compeq Manufacturing Co., Ltd.	HUATON HOLDINGS LIMITED	2	\$ 23,551,541	\$ 107,468 US\$ 3,500	\$ 107,468 US\$ 3,500	\$ — US\$ —	None	—	\$ 47,103,083	Y	—	—
0	Compeq Manufacturing Co., Ltd.	PELICAN COVE INVESTMENT LTD.	2	\$ 23,551,541	\$ 3,776,715 US\$ 123,000	\$ 3,316,140 US\$ 108,000	\$ 29,876 US\$ 973	None	8%	\$ 47,103,083	Y	—	—
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	2	\$ 23,551,541	\$ 1,228,200 US\$ 40,000	\$ — US\$ —	\$ — US\$ —	None	—	\$ 47,103,083	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	2	\$ 23,551,541	\$ 153,525 US\$ 5,000	\$ 153,525 US\$ 5,000	\$ — US\$ —	None	—	\$ 47,103,083	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	2	\$ 23,551,541	\$ 6,448,050 US\$ 210,000	\$ 2,763,450 US\$ 90,000	\$ 2,077,592 US\$ 67,663	None	7%	\$ 47,103,083	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	2	\$ 23,551,541	\$ 7,062,150 US\$ 230,000	\$ 7,062,150 US\$ 230,000	\$ 2,149,350 US\$ 70,000	None	18%	\$ 47,103,083	Y	—	Y
0	Compeq Manufacturing Co., Ltd.	Huabo Technology (Huizhou) Co., Ltd.	2	\$ 23,551,541	\$ 521,985 US\$ 17,000	\$ 521,985 US\$ 17,000	\$ 203,329 US\$ 6,622	None	1%	\$ 47,103,083	Y	—	Y
1	Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	4	\$ 5,493,312 US\$ 178,906	\$ 4,206,585 US\$ 137,000	\$ 4,206,585 US\$ 137,000	\$ 1,457,966 US\$ 47,483	None	11%	\$ 9,155,520 US\$ 298,177	—	—	Y

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded “0”.
2. The subsidiaries are coded consecutively beginning from “1” in the order presented in the table above.

Note 2: According to the “Guidelines Governing the Preparation of Financial Reports by Securities Issuers” issued by the R.O.C. Securities and Futures Bureau, receiving parties should be disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50 % of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The calculation method and the ceiling amount shall be indicated. If there are contingent losses recognized in financial statements, the recognized amounts shall be indicated.

Note 4: 10% of the net value shown in its latest financial statement. However, for any single enterprise where the Company directly or indirectly holds more than 90% of its voting shares, the amount shall not exceed 60% of the net value shown in the Company’s latest financial statement. The amount for a single enterprise shall not exceed 20% of the net value shown in the Company and its subsidiaries’ latest financial statement. Nevertheless, if the Company directly or indirectly holds more than 90% of the single enterprise’s voting shares, the amount shall be no more than 70% of the net value shown in the Company’s latest financial statement. 10% of the net value shown in its latest financial statement of Comeq Manufacturing (Huizhou) Co., Ltd, if the Company directly or indirectly holds more than 90% of the single enterprise’s voting shares, the amount shall be no more than 60% of the net value shown in the Company’s latest financial statement.

Note 5: One and two times as much as the net value shown in the Company’s latest financial statement; one and a half times as much as the net value shown in the Company and its subsidiaries’ latest financial statement. Two time as much as the net value shown in the Comeq Manufacturing (Huizhou) Co., Ltd.’s latest financial statement.

Note 6: Under the circumstance where the TSE or OTC listed parent company endorses or guarantees its subsidiaries, the subsidiary endorses or guarantees its TSE or OTC listed parent company or the endorsement and guarantee is made in mainland China, “Y” shall be filled in.

TABLE 3

MARKETABLE SECURITIES HELD

Amounts in Thousands of New Taiwan Dollars.

Held Company Name	Marketable Securities Type and Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units	Carrying Value	Percentage of Ownership	Fair Value	
Hua Nian Investment Ltd.	<u>Stock</u>							
	JIH LIN TECHNOLOGY CO., LTD.	None	Financial assets at fair value through profit or loss current	285,000	\$ 20,520	0.28%	\$ 20,520	
	XAVi Technologies Corporation	"	"	508,000	19,126	0.66%	19,126	
	CoreMax Corporation	"	"	377,000	29,481	0.32%	29,481	
	E-LEAD ELECTRONIC CO., LTD.	"	"	188,000	12,220	0.15%	12,220	
	Lanner Electronics Inc.	"	"	378,760	42,610	0.26%	42,610	
	ALLIED CIRCUIT CO., LTD.	"	"	48,000	7,440	0.09%	7,440	
	Co-Tech Development Corporation	"	"	78,000	4,727	0.03%	4,727	
	Taiwan Union Technology Corporation	"	"	138,000	17,388	0.05%	17,388	
	Cathay U.S. Treasury 2at Year Band ETF	"	"	517,000	16,446	—	16,446	
	Lian Hong Art Co., Ltd.	"	"	331,094	8,496	0.87%	8,496	
	Ubiquconn Technology Inc.	"	"	85,000	5,387	0.11%	5,387	
	nFore Technology Co., LTD.	"	"	519,191	28,369	1.48%	28,369	
	AutoSys Co., Ltd.	"	Financial assets at fair value through other comprehensive income-noncurrent	2,000,000	13,444	6.50%	13,444	

Note: Excluding subsidiaries.

TABLE 4

ACQUISITION OF REAL ESTATE REACHING NT\$300 MILLION OR 20% OF PAID-IN CAPITAL OR MORE

Amounts in Thousands of New Taiwan Dollars

Real estate acquired by	Real estate acquired	Date of event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below				Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
							Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount			
COMPEQ (Thailand) Co., Ltd.	Samut Parkan Province, Bang Bo District, Asia Industrial Estate in Thailand	April 26, 2023	\$ 867,665	Paid in full	ASIA INDUSTRIAL ESTATE CO., LTD.	—	—	—	—	\$ —	Reference to the land appraisal report issued by Bungkook Property Appraisal Co., Ltd., the board of Directors will make a decision after negotiation	Constructing factory buildings	—

TABLE 5

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relation ships	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)		Note
			Purchases/ Sales	Amount (Foreign Currencies in Thousands)	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	Percentage of total receivables (payable)	
Compeq Manufacturing Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Purchases	\$ 12,091,343	65%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	\$ 3,133,066	47%	2
Compeq Manufacturing Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Purchases	1,314,726	6%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	304,945	5%	2
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Subsidiary	Purchases	416,645	2%	60~90 days	The purchase price are similar to those price from other supplies	Similar to those price from other supplies	46,863	1%	1 2
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	Subsidiary	Sales	141,234	—	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	4,856	—	1 2
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Subsidiary	Sales	190,418	1%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	—	—	1 2

TABLE 5-1

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relations	Transaction Details				Details of non-arm's length transaction		Notes and Accounts receivable (payable)		Note
			Purchases/Sales	Amount (Foreign Currencies in Thousands)	Percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Ending Balance (Foreign Currencies in Thousands)	Percentage of total receivables (payable)	
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	Sales	US\$ 7,680	2%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 3,486	4%	1 2
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	Purchases	US\$ 4,281	2%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	1 2
Compeq Manufacturing (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Sales	US\$ 163,561	43%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 23,402	29%	2
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Subsidiary	Purchases	US\$ 97,534	44%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 42,663	33%	1 2
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Subsidiary	Sales	US\$ 14,156	4%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	1 2
Compeq Manufacturing (Suzhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Sales	US\$ 57,941	57%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 12,266	50%	2
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Sales	US\$ 717,753	86%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 213,330	82%	1 2
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Subsidiary	Purchases	US\$ 6,269	2%	60~90 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ —	—	1 2
Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	Sales	US\$ 221,485	71%	90~120 days	The selling prices were based on the mutual agreement	Similar to those price from other supplies	US\$ 79,021	65%	2

Note 1: As agreed by both parties, the settlement of accounts receivables and accounts payable was finalized in accordance with the net amount at the end of the period.

Note 2: The related parties have been eliminated upon consolidation.

Note 3: The calculation was made according to the ratio of the net amount of respective account titles prior to consolidation.

TABLE 6

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT\$100 MILLION OR 20% OF THE PAID-IN CAPITAL

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Company Name	Related Party	Nature of Relationships	Ending Balance (Foreign Currencies in Thousands)	Turnover rate	Overdue receivables		Amounts Received in Subsequent Period	Allowance for Bad Debts
					Amount	Action Taken		
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Suzhou) Co., Ltd.	Subsidiary	\$ 157,438 (Note 1)	(Note 2)	None	None	\$ 3	—
Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	\$ 1,608,741 (Note 1)	(Note 2)	None	None	\$ 1,608,741	—
Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	Subsidiary	\$ 645,588 (Note 1)	(Note 2)	None	None	\$ 645,588	—
PELICAN COVE INVESTMENT LTD.	Compeq Manufacturing Co., Ltd.	Parent company	US\$ 102,428 (Note 1)	3.40	None	None	US\$ 67,111	—
Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	Subsidiary	US\$ 3,486 (Note 1)	2.85	None	None	US\$ 1,337	—
Compeq Manufacturing (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	US\$ 23,402 (Note 1)	6.34	None	None	US\$ 23,402	—
Compeq Manufacturing (Suzhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Co., Ltd.	Subsidiary	US\$ 12,266 (Note 1)	3.45	None	None	US\$ 9,902	—
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Co., Ltd.	Subsidiary	US\$ 213,330 (Note 1)	3.74	None	None	US\$ 151,000	—
Compeq Manufacturing (Chongqing) Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	Subsidiary	US\$ 42,663 (Note 1)	2.98	None	None	US\$ 25,031	—
Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	Subsidiary	US\$ 79,021 (Note 1)	2.07	None	None	US\$ 44,257	—
Hong Kong Compeq Huizhou Trading Co., Ltd.	Compeq Manufacturing Co., Ltd.	Parent company	US\$ 9,931 (Note 1)	5.45	None	None	US\$ 9,927	—

Note 1 : The related parties have been eliminated upon consolidation.

Note 2 : The ending balance is primarily consisted of other receivables, which is not applicable for the calculation of turnover days.

TABLE 7

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Compeq Manufacturing Co., Ltd.	Compeq Manufacturing (Huizhou) Co., Ltd.	1	Net sales	\$ 141,234	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Premium income	32,614	Half year closing, 60-90 days	—
				Purchases	12,423	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Accounts receivable	4,856	"	—
				Other receivables	601	"	—
				Compensation losses	2,094	"	—
		Compeq Manufacturing (Suzhou) Co., Ltd.	1	Net sales	190,418	"	—
				Compensation income	188	"	—
				Premium income	1,186	Half year closing, 60-90 days.	—
				Interest revenue	8,873		—
				Other receivables	157,438	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Purchases	416,645		1%
				Accounts payable	46,863	"	—

TABLE 7-1

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Compeq Manufacturing Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	1	Net sales	\$ 3,817	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Other non-operation income	10,110	"	—
				Premium income	8,079	Half year closing, 60-90 days.	—
				Interest revenue	73,364		—
				Accounts receivable	295	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
		Compeq Manufacturing (Chongqing) Co., Ltd.	1	Other receivables	1,608,741	"	2%
				Net sales	2,579	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Premium income	60,920	Half year closing, 60-90 days	—
		PELICAN COVE INVESTMENT LTD.	1	Interest income	30,072		—
				Accounts receivable	17,319	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Other receivables	645,588	"	1%
				sales of fixed assets	6,826	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Other non-operation income	20,158	Quarterly settlement	—

TABLE 7-2

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
0	Compeq Manufacturing Co., Ltd.	PELICAN COVE INVESTMENT LTD.	1	Other receivables	\$ 44,133	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Purchases	12,091,343	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	18%
				Compensation losses	13,956	"	—
		Hong Kong Compeq Huizhou Trading Company Limited	1	Accounts payable	3,133,066	"	4%
				Other non-operation income	13,024	Quarterly settlement	—
				Premium income	2,688	Half year closing, 60-90 days.	—
1	Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	3	Purchases	1,314,726	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	2%
				Compensation losses	54,185	"	—
				Other receivables	16,614	"	—
				Accounts payable	304,945	"	—
				Unearned receipts	1,828	"	—
				Net sales	\$ 40,131	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days.	—
					US\$ 1,288		
				Other operation income	\$ 199,357		
					US\$ 6,392		
				Sales of fixed assets	\$ 19,162		
					US\$ 622		
				Other non-operation income	\$ 27,606		
					US\$ 887		

TABLE 7-3

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
1	Compeq Manufacturing (Huizhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	3	Accounts receivable	\$ 107,040 US\$ 3,486	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days. " " " " " "	—
				Other receivables	\$ 375,665 US\$ 12,235		
				Purchases of fixed assets	\$ 14,281 US\$ 456		
				Purchases	\$ 131,605 US\$ 4,281		
				Commissioned processing fees	\$ 19,972 US\$ 641		
				Unearned receipts	\$ 4,264 US\$ 139		
		Compeq Manufacturing (Suzhou) Co., Ltd.	3	Net sales	\$ 2,389 US\$ 76	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days. "	—
				Accounts receivable	\$ 1,338 US\$ 44		
		Compeq Manufacturing (Chongqing) Co., Ltd.	3	Net sales	\$ 440,093 US\$ 14,156	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days. "	1% 5% — 2%
				Purchases	\$ 3,045,264 US\$ 97,534		
				Rent expense	\$ 894 US\$ 28		
				Accounts payable	\$ 1,309,963 US\$ 42,663		

TABLE 7-4

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
1	Compeq Manufacturing (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	3	Net sales	\$ 5,093,548 US\$ 163,561	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	8%
				Compensation income	\$ 44,809 US\$ 1,402	"	—
				Accounts Receivable	\$ 718,574 US\$ 23,402	"	1%
				Other receivables	\$ 1,834 US\$ 60	"	—
				Provision-current	\$ 3,616 US\$ 118	"	—
2	Compeq Manufacturing (Suzhou) Co., Ltd.	Compeq Technology (Huizhou) Co., Ltd.	3	Net sales	\$ 5,147 US\$ 163	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days.	—
				Other operation income	\$ 3,725 US\$ 118	"	—
				Sales of fixed assets	\$ 644 US\$ 20	"	—
				Other receivables	\$ 711 US\$ 23	"	—
				Purchases	\$ 23,793 US\$ 761	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
				Accounts payable	\$ 101 US\$ 3	"	—

TABLE 7-5

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
2	Compeq Manufacturing (Suzhou) Co., Ltd.	Compeq Manufacturing (Chongqing) Co., Ltd.	3	Purchases	\$ 8,277 US\$ 264	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days.	—
				Accounts payable	\$ 3,918 US\$ 128	"	—
		Hong Kong Compeq Huizhou Trading Company Limited	3	Net sales	\$ 1,807,140 US\$ 57,941	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	3%
				Accounts receivable	\$ 376,633 US\$ 12,266	"	—
3	Compeq Technology (Huizhou) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	3	Purchases of fixed assets	\$ 4,166 US\$ 132	120-360 days	—
				Other payables	\$ 4,041 US\$ 132	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—
		Compeq Manufacturing (Chongqing) Co., Ltd.	3	Net sales	\$ 1,141 US\$ 36	"	—
				Accounts receivable	\$ 137 US\$ 4	"	—

TABLE 7-6

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
3	Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	3	Net sales	\$ 22,454,138 US\$ 717,753	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	33%
				Accounts receivable	\$ 6,550,286 US\$ 213,330	"	8%
				Purchases	\$ 195,918 US\$ 6,269	"	—
				Compensation losses	\$ 1,421 US\$ 66	"	—
				Provision-current	\$ 13,511 US\$ 440	"	—
		Huabo Technology (Huizhou) Co., Ltd.	3	Other non-operation income	\$ 530 US\$ 17	"	—
4	Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	3	Net sales	\$ 6,898,520 US\$ 221,485	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 90-120 days.	10%
				Accounts receivable	\$ 2,426,352 US\$ 79,021	"	3%
				Purchase of fixed assets	\$ 233,052 US\$ 7,575	120-360 days	—
				Purchases of intangible assets	\$ 2,179 US\$ 71	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days.	—

TABLE 7-7

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

For the Year Ended December 31, 2023

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

No. (Note 1)	Company Name	Counter Party	Nature of Relationship (Note 2)	Intercompany Transactions			
				Financial Statements Item	Amount	Terms	Percentage of Consolidated Net Revenue or Total Assets (Note 3)
4	Compeq Manufacturing (Chongqing) Co., Ltd.	PELICAN COVE INVESTMENT LTD.	3	Compensation losses	\$ 29,792 US\$ 957	The price finalized by both buyer and seller is equivalent to that offered by other firms, and the credit period is 60-90 days. " "	—
				Other payables	\$ 222 US\$ 7		—
				Provision-current	\$ 10,576 US\$ 344		—

Note 1: The Compeq Company and its subsidiaries are coded as follows:

1. The Compeq Company is coded "0".
2. The subsidiaries are coded consecutively beginning from "1" in the order presented in the table above.

Note 2: Transactions are categorized as follows:

1. The holding company to subsidiary.
2. Subsidiary to holding company.
3. Subsidiary to subsidiary.

Note 3: The percentage with respect to the consolidated asset/liability for transactions of balance sheet items are based on each item's balance at period-end. For profit or loss items, cumulative balances are used as basis.

TABLE 8

NAMES, LOCATIONS AND RELATED INFORMATION OF INVESTEEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE

(EXCLUDING INFORMATION OF INVESTMENT MAINLAND CHINA)

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment		Balance as of December 31, 2023			Net Income (Losses) of the Investee (Foreign Currencies in Thousands)	Shares of Profits/Losses of Investee (Foreign Currencies in Thousands)	Notes
				December 31, 2023 (Foreign Currencies in Thousands)	December 31, 2022 (Foreign Currencies in Thousands)	Shares	Percentage of ownership	Carrying value (Foreign in Thousands)			
Compeq Manufacturing Co., Ltd.	HUATON HOLDINGS LIMITED	BVI	Investment	\$ 3,771,004	\$ 3,771,004	240,886,000	100.00%	\$ 27,975,453	\$ 629,058 US\$ 19,444	\$ 649,300 (Note 1,2)	Subsidiary
	PELICAN COVE INVESTMENT LTD.	SAMOA	Trading	559,685	559,685	17,700,000	100.00%	752,889	\$ 15,105 US\$ 530	\$ 15,105 (Note 2)	Subsidiary
	Hua Nian Investment Ltd.	TAIWAN	General investing	250,000	250,000	30,000,000	100.00%	333,630	\$ 47,586	\$ 47,586 (Note 2)	Subsidiary
	LITON HOLDINGS LIMITED	BVI	Investment (Indirectly investment in Mainland China)	168,250	168,250	100,000	100.00%	1,268	\$ (91) US\$ 3	\$ (91) (Note 2)	Subsidiary
	COMPEQ (Thailand) Co., Ltd.	THAILAND	PCB manufacturing and sales	1,694,112	—	187,500,000	100.00%	1,689,409	\$ (1,275) THB (1,418)	\$ (1,275) (Note 2)	Subsidiary
HUATON HOLDINGS LIMITED	Hong Kong Huaton Holdings Trading Company Limited	Hong Kong	Trading	\$ 9,212 US\$ 300	\$ 9,212 US\$ 300	—	100.00%	\$ 7,440 US\$ 242	\$ 250 US\$ 8	(Note 3)	Subsidiary
Compeq Technology (Huizhou) Co., Ltd.	Hong Kong Compeq Huizhou Trading Company Limited	Hong Kong	Trading	\$ 8,206 US\$ 267	\$ 8,206 US\$ 267	—	100.00%	\$ 333,588 US\$ 10,864	\$ 77,608 US\$ 2,436	(Note 3)	Subsidiary

Note 1: The investment profits and losses recognized in the current period include the recognition and deletion of realized and unrealized profits and losses.

Note 2: The related parties have been eliminated upon consolidation.

Note 3: The current period profit and loss of the investee company were already included in the investment company's income statement, so they are not separately presented.

Note 4: The current period profit and loss of the investee company and the investment profit and loss recognized in the current period by the investee company are converted in accordance with the average exchange rate, while other profits and losses are converted according to the exchange rate at the end of the period.

TABLE 9

INFORMATION ON INVESTMENT IN MAINLAND CHINA

1.

Amounts in Thousands of New Taiwan Dollars and Foreign currencies in Thousands

Investee Company	Main Businesses and products	Total Amount of paid-in Capital (Foreign Currencies in Thousands)	Method of Investment	Accumulated Outflow of Investment January 1, 2023 (US\$ in Thousands)	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023 (US\$ in Thousands)	Net income (loss) of investee company	Percentage of Ownership	Shares of profits/Losses (Note 2)	Carrying Amount (US\$ in Thousands) as of December 31, 2023 (US\$ in Thousands)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Compeq Manufacturing (Huizhou) Co., Ltd.	PCB manufacturing and sales	\$ 4,518,944 CNY\$ 1,042,301	(Note 1)	\$ 1,535,250 US\$ 50,000	—	—	\$ 1,535,250 US\$ 50,000	\$ 64,440 CNY\$ 14,657	100%	\$ 64,104 US\$ 1,932	\$ 9,161,885 US\$ 298,384	—
Compeq Manufacturing (Suzhou) Co., Ltd.	PCB manufacturing and sales	\$ 396,156 CNY\$ 91,374	(Note 2)	\$ 337,755 US\$ 11,000	—	—	\$ 337,755 US\$ 11,000	\$ 43,798 CNY\$ 9,933	100%	\$ 43,798 US\$ 1,395	\$ 1,179,002 US\$ 38,398	—
Compeq Technology (Huizhou) Co., Ltd.	PCB manufacturing and sales	\$ 5,551,883 CNY\$ 1,280,550	(Note 1)	\$ 1,473,840 US\$ 48,000	—	—	\$ 1,473,840 US\$ 48,000	\$ 626,302 CNY\$141,546	100%	\$ 626,808 US\$ 19,499	\$ 11,300,384 US\$ 368,031	—
Compeq Manufacturing (Chongqing) Co., Ltd.	PCB manufacturing and sales	\$ 2,308,200 CNY\$532,390	(Note 1)	—	—	—	—	\$ 96,739 CNY\$ 21,449	100%	\$ 96,739 US\$ 2,946	\$ 10,132,445 US\$ 329,993	\$ 1,612,179 US\$ 52,018
Huabo Technology (Huizhou) Co., Ltd.	Electronic manufacturing 、 Outsourcing processing 、 Plant lease 、 Property management 、 Equipment leasing and electronic technology management and technical consulting	\$ 1,256,182 CNY\$289,740	(Note 3)	—	—	—	—	\$ 15,916 CNY\$ 3,611	100%	\$ 15,916 US\$ 512	\$ 1,383,762 US\$ 45,006	—

Accumulated Investment in Mainland China as of December 31, 2023 (US\$ in Thousands)	Investment Amounts Authorized by Investment Commission, MOEA (US\$ in Thousands)	Upper Limit on Investment (US\$ in Thousands)
\$ 3,779,478 [US\$ 123,090]	\$ 10,653,130 [US\$ 346,951]	\$ — (Note 6)

Note 1: Indirectly investment in Mainland China through the HUATON HOLDINGS LIMITED registered in a third region.

Note 2: Originally indirectly investment in Mainland China through the HUATON HOLDINGS LIMITED registered in a third region. In April 2020, investment in Mainland Company through an investment company in mainland China.

Note 3: Investment in Mainland Company through an investment company in Mainland China.

Note 4: The investment income (loss) recognized in current period adopted the financial statement certificated by the CPA of the parent company in Taiwan.

Note 5: Initial investment amounts denominated in foreign currencies are translated into New Taiwan Dollars using the spot rates at the financial report date. (US\$1:NT\$30.705, US\$1:NT\$31.66, CNY\$1:NT\$4.3355 CNY\$1:NT\$4.4356)

Note 6: The Company already received the letter of corporate operation headquarters establishment issued by Industrial Development Bureau, MOEA, and the approval period has been from March 14, 2023 to March 13, 2026. It could be exempt from the restriction on investment amounts or ratios.

2.

The Company invested resolution	Investment Amounts		Investment Amounts	Indirectly Investment in Mainland China	
	Approved Number	Authorized Amounts		Investment outflow	Purpose
HUATON HOLDINGS LIMITED	1995/09/29-(84)-84015347	US\$ 20,000,000	US\$ 20,000,000	US\$ 20,000,000	Indirectly investment Compeq Manufacturing (Huizhou) Co., Ltd.
"	1997/07/14-(86)-86721040	US\$ 30,000,000	US\$ 30,000,000	US\$ 30,000,000	"
"	1997/09/18-(86)-86736526	US\$ 5,400,000	US\$ 5,400,000	US\$ 5,400,000	Indirectly investment PEWC (Guangzhou) Co., Ltd. and achieved 45% stake.
"	2001/07/27-(90)-90022765	US\$ 5,400,000	US\$ 3,390,000	US\$ 1,890,000	"
"	2004/02/13-093003687	US\$ (1,920,000)	US\$ —	US\$ (1,296,000)	Reduce investment PEWC (Guangzhou) Co., Ltd. and achieved 8% stake.
"	2004/04/23-093010705	US\$ 2,900,000	US\$ 2,900,000	US\$ 2,900,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2004/06/23-093015571	US\$ 9,500,000	US\$ 9,500,000	US\$ 9,500,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2005/02/23-094001762	US\$ 4,100,000	US\$ 4,100,000	US\$ 4,100,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/03/31-09500069340	US\$ 8,500,000	US\$ 8,500,000	US\$ 8,500,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2006/03/31-09500069390	US\$ 7,000,000	US\$ 4,000,000	US\$ 4,000,000	Indirectly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2011/03/25-10000119020	US\$ (3,000,000)	US\$ —	US\$ —	Reduce investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/07/20-09500220150	US\$ 290,000	US\$ 290,000	US\$ —	Directly investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2006/12/27-09500445960	US\$ 1,000,000	US\$ 210,000	US\$ 210,000	Indirectly investment Veceration Co., Ltd.
"	2009/07/24-09800263470	US\$ (790,000)	US\$ —	US\$ —	Reduce investment Veceration Co., Ltd.
"	2007/01/22-09600008530	US\$ 2,886,000	US\$ 2,886,000	US\$ 2,886,000	Indirectly investment PEWC (Guangzhou) Co., Ltd.
"	2011/03/28-10000119030	US\$ 7,000,000	US\$ 7,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.

The Company invested resolution	Investment Amounts		Investment Amounts	Indirectly Investment in Mainland China	
	Approved Number	Authorized Amounts		Investment outflow	Purpose
"	2012/03/30-10100019840	US\$ 45,000,000	US\$ 45,000,000	US\$ —	Directly investment Compeq Manufacturing (Chongqing) Co., Ltd.
"	2012/05/25-10199165700	US\$ 15,000,000	US\$ 15,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.
"	2014/02/27-10200494220	US\$ 50,000,000	US\$ 40,000,000	US\$ —	Directly investment Compeq Manufacturing (Chongqing) Co., Ltd.
"	2015/03/31-10300357540	US\$ 30,000,000	US\$ 30,000,000	US\$ —	Directly investment Compeq Technology (Huizhou) Co., Ltd.
"	2017/07/06-10600111220	US\$ 15,000,000	US\$ 15,000,000	US\$ —	Directly investment Compeq Manufacturing (Huizhou) Co., Ltd.
"	2018/01/31-10600349330	US\$ 33,710,000	US\$ —	US\$ —	Directly investment Compeq Manufacturing (Suzhou) Co., Ltd.
"	2018/04/02-10600349320	US\$ 60,000,000	US\$ 30,000,000	US\$ 30,000,000	Indirectly investment Compeq Technology (Huizhou) Co., Ltd.
"	2020/04/27-10900057020	US\$ (33,710,000)	US\$ —	US\$ —	Reduce investment Compeq Manufacturing (Suzhou) Co., Ltd. (Note 1)
"	2020/04/27-10900057020	US\$ 39,974,508	US\$ 11,290,000	US\$ 11,000,000	Transferred the 100% equity of Compeq Manufacturing (Suzhou) to increase investment Compeq Technology (Huizhou) Co., Ltd. (Note 2)
LITON HOLDINGS LIMITED	2007/04/24-09600111850	US\$ 5,000,000	US\$ 5,000,000	US\$ 5,000,000	Indirectly investment Victor (Chang shu) Co., Ltd.

Note 1: In April 2020, the shares of Compeq Manufacturing (Suzhou) Co., Ltd. has been transferred 100% to Compeq Technology (Huizhou) Co., Ltd. The Originally investment amount authorized by Investment Commission, MOEA, will not included in the calculation of the company's total investment in mainland China.

Note 2: The investment amount authorized by Investment Commission, MOEA, includes US\$28,654,508 of the capital increase by retained earnings from Compeq Manufacturing (Suzhou) Co., Ltd.

14. SEGMENT INFORMATION

(1) Operating segments

The Company uses the income from operations as the measurement for segment profit and the basis of performance assessment. There was no material differences between the accounting policies of the operating segment and the accounting policies described in Note 4.

(2) Segment revenue and operating results

The Company's segment revenue and operating results as follows:

Items	For the Year Ended December 31, 2023				
	Taiwan	China	Other	Adjustment and Elimination	Total
Net revenue from external customers	\$33,510,797	\$33,517,877	\$ 50,099	\$ —	\$67,078,773
Net revenue from sales among intersegments	338,048	26,066,454	—	(21,559,620)	4,844,882
Income (loss) from operations	4,053,486	944,454	46,906	173,933	5,218,779
Income tax expense	\$ 1,091,715	\$ 9,508	\$ 2,802	—	\$ 1,104,025

Items	For the Year Ended December 31, 2022				
	Taiwan	China	Other	Adjustment and Elimination	Total
Net revenue from external customers	\$40,261,785	\$36,160,286	\$ (2,663)	\$ —	\$76,419,408
Net revenue from sales among intersegments	834,893	39,517,274	—	(40,352,167)	—
Income (loss) from operations	5,260,252	4,429,384	(3,146)	435,549	10,122,039
Income tax expense	\$ 1,632,649	\$ 502,555	\$ 43	—	\$ 2,135,247

(3) Information on major revenue

Major revenue of the Company as follows:

	For the Year Ended December 31	
	2023	2022
PCB & SMT	\$ 66,304,287	\$ 75,601,461
Goods	629	2,283
Other	773,857	815,664
Total	\$ 67,078,773	\$ 76,419,408

(4) Geographical information

The Company's revenue from operations from external customers by location of operations and information on its non-current assets by location of assets are shown below. The Company categorized the net revenue based on the country in which the customer is headquartered. Non-current assets include investments accounted for using equity method, property, plant and equipment, intangible assets and other noncurrent assets. Excluded financial instruments and deferred tax assets.

	Net Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31,	December 31,
	2023	2022	2023	2022
Taiwan	\$ 2,530,295	\$ 1,907,754	\$ 8,280,530	\$ 8,975,470
United States	3,022,396	3,698,128	—	—
Asia	61,320,726	70,672,385	27,943,475	27,729,931
Europe	70,150	86,511	—	—
Others	135,206	54,630	—	—
Total	\$ 67,078,773	\$ 76,419,408	\$ 36,224,005	\$ 36,705,401

(5) Major Customers information

Major customers representing at least 10% of net revenue:

Customer	For the Year Ended December 31			
	2023		2022	
	Amount	%	Amount	%
Customer A	\$ 21,336,588	32	\$ 29,171,011	38