Shuttle Inc.

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

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Shuttle Inc.

Opinion

We have audited the accompanying financial statements of Shuttle Inc. (the "Company"), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended and the notes to the financial statements, including material accounting policy information (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022 and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

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

Revenue Recognition - Medical Devices Segment

The medical device segment of investments accounted for using the equity method, including Carilex Medical Inc. and its subsidiaries, is selling air mattresses and medical peripherals. The medical device segment is an important business in which the Group has focused on development and the sales market is mainly in overseas areas, causing long shipping time in terms of FOB and DDU agreed-upon sales contracts with customers. Hence, we identified revenue recognition as a key audit matter.

Our main audit procedures performed with respect to the above key audit matter are described here. We obtained an understanding of and tested the design and operating effectiveness of key internal controls relevant to the sales process of the medical device business. For the main customers, we reviewed these customers' basic information and credit limits and tested the process of sales transactions with these customers to identify exceptions. Also, we performed tests of details by selecting samples from sales sub-ledgers and inspecting sales orders, shipping documents, bills of custom clearances, and documents relevant to the samples. We audited and verified the transaction authenticity and completeness of revenue recognition.

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

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

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the 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 financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Kuan-Hao Lee and I-Chi Chien.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 20, 2024

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

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

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

SHUTTLE INC.

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 718,416	18	$ 836,261	20
Financial assets at fair value through profit or loss (Notes 4 and 7)	313	-	-	-
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	11,241	-	11,421	-
Trade receivables from unrelated parties (Notes 4 and 9)	15,623	1	21,164	1
Trade receivables from related parties (Note 28)	92,350	2	434,942	11
Other receivables (Notes 4 and 9)	2,110	-	1,910	-
Current tax assets (Note 4)	2,403	-	46	-
Inventories (Notes 4 and 10)	271,333	7	377,804	9
Prepayments (Notes 11 and 28)	12,055	-	15,035	-
Other current assets (Note 16)	46,490	1	36,304	1
Total current assets	1,172,334	29	1,734,887	42
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	124,763	3	122,195	3
Investments accounted for using the equity method (Notes 4 and 12)	1,117,940	28	1,028,199	25
Property, plant and equipment (Notes 4 and 13)	990,442	25	990,447	24
Right-of-use assets (Notes 4 and 14)	76,815	2	92,249	2
Other intangible assets (Notes 4 and 15)	1,009	-	633	-
Deferred tax assets (Notes 4 and 22)	106,475	3	117,966	3
Other non-current assets (Notes 4, 16 and 29)	410,043	10	65,053	1
Total non-current assets	2,827,487	71	2,416,742	58
TOTAL	$ 3,999,821	100	$ 4,151,629	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Financial liabilities at fair value through profit or loss (Notes 4 and 7)	$ 251	-	$ 19,609	1
Contract liabilities (Note 21)	3,693	-	13,008	-
Trade payables to unrelated parties (Note 28)	54,837	1	117,406	3
Other payables (Note 17)	68,917	2	84,756	2
Current tax liabilities (Note 4)	150	-	5,222	-
Provisions (Notes 4 and 18)	42,582	1	45,811	1
Lease liabilities - current (Notes 4 and 14)	24,720	1	26,019	1
Other current liabilities	10,860	-	14,061	-
Total current liabilities	206,010	5	325,892	8
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 22)	297	-	4,970	-
Lease liabilities - non-current (Notes 4 and 14)	124,516	3	149,236	4
Total non-current liabilities	124,813	3	154,206	4
Total liabilities	330,823	8	480,098	12
EQUITY (Note 20)				
Ordinary shares	3,434,273	86	3,434,273	83
Capital surplus	52,526	1	25,088	-
Retained earnings				
Legal reserve	30,822	1	25,111	-
Special reserve	27,631	1	81,675	2
Unappropriated earnings	173,795	4	153,094	4
Total retained earnings	232,248	6	259,880	6
Other equity	(50,049)	(1)	(47,710)	(1)
Total equity	3,668,998	92	3,671,531	88
TOTAL	$ 3,999,821	100	$ 4,151,629	100

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

SHUTTLE INC.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 21 and 28)				
Sales	$ 611,556	113	$ 1,257,523	100
Less: Sales returns and allowances	72,108	13	4,044	-
Net sales	539,448	100	1,253,479	100
Technical service revenue	-	-	5,400	-
Total operating revenue	539,448	100	1,258,879	100
OPERATING COSTS (Notes 4, 10 and 21)				
Cost of goods sold	362,956	67	830,058	66
GROSS PROFIT	176,492	33	428,821	34
REALIZED (UNREALIZED) GAIN ON TRANSACTIONS WITH SUBSIDIARIES	90,083	16	(130,832)	(11)
REALIZED GROSS PROFIT	266,575	49	297,989	23
OPERATING EXPENSES (Notes 4, 9, 21 and 28)				
Selling and marketing expenses	44,861	8	56,592	4
General and administrative expenses	105,164	19	115,243	9
Research and development expenses	148,868	28	157,618	13
Total operating expenses	298,893	55	329,453	26
LOSS FROM OPERATIONS	(32,318)	(6)	(31,464)	(3)
NON-OPERATING INCOME AND EXPENSES				
Interest income	20,497	4	5,612	-
Other income (Notes 4, 21 and 28)	28,331	5	51,244	4
Other gains and losses (Notes 4 and 21)	5,364	1	12,430	1
Finance costs (Note 21)	(1,609)	-	(1,893)	-
Share of profit or loss of subsidiaries accounted for using the equity method (Note 4)	(2,170)	-	21,050	2
Total non-operating income and expenses	50,413	10	88,443	7
PROFIT BEFORE INCOME TAX	18,095	4	56,979	4
INCOME TAX EXPENSE (Notes 4 and 22)	(5,725)	(1)	(1,895)	-
NET PROFIT FOR THE YEAR	12,370	3	55,084	4

(Continued)

SHUTTLE INC.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income (Notes 4 and 20)	$ 2,387	1	$ (6,147)	-
Share of other comprehensive income of subsidiaries accounted for using the equity method (Notes 4 and 20)	39,696	7	13,431	1
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations (Note 4)	3,089	-	23,186	2
Income tax relating to items that may be reclassified subsequently to profit or loss (Notes 4 and 22)	(617)	-	(4,637)	(1)
Other comprehensive income (loss) for the year, net of income tax	44,555	8	25,833	2
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	$ 56,925	11	$ 80,917	6
EARNINGS PER SHARE (Note 23)				
Basic	$ 0.04		$ 0.16	
Diluted	$ 0.04		$ 0.16	

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

SHUTTLE INC.

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

			Retained Earnings			Other Equity			
	Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Total Other Equity	Total Equity
BALANCE, JANUARY 1, 2022	$ 3,434,273	$ 25,088	$ 1,898	$ 17,089	$ 189,908	$ (39,905)	$ (33,600)	$ (73,505)	$ 3,594,751
Appropriation of earnings									
Legal reserve	-	-	23,213	-	(23,213)	-	-	-	-
Special reserve	-	-	-	64,586	(64,586)	-	-	-	-
Changes in percentage of ownership interests in subsidiaries	-	-	-	-	(4,137)	-	-	-	(4,137)
Net profit for the year ended December 31, 2022	-	-	-	-	55,084	-	-	-	55,084
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	18,549	7,284	25,833	25,833
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	55,084	18,549	7,284	25,833	80,917
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	38	-	(38)	(38)	-
BALANCE, DECEMBER 31, 2022	3,434,273	25,088	25,111	81,675	153,094	(21,356)	(26,354)	(47,710)	3,671,531
Appropriation of earnings									
Legal reserve	-	-	5,711	-	(5,711)	-	-	-	-
Special reserve	-	-	-	(54,044)	54,044	-	-	-	-
Cash dividends distributed by the Company (NT$0.2 per share)	-	-	-	-	(68,685)	-	-	-	(68,685)
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	-	27,438	-	-	-	-	-	-	27,438
Changes in percentage of ownership interests in subsidiaries	-	(2,783)	-	-	(16,250)	-	-	-	(19,033)
Issuance of ordinary shares under employee share options by subsidiaries	-	2,783	-	-	-	-	-	-	2,783
Net profit for the year ended December 31, 2023	-	-	-	-	12,370	-	-	-	12,370
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	2,472	42,083	44,555	44,555
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	12,370	2,472	42,083	44,555	56,925
Disposals of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	44,933	-	(46,894)	(46,894)	(1,961)
BALANCE, DECEMBER 31, 2023	$ 3,434,273	$ 52,526	$ 30,822	$ 27,631	$ 173,795	$ (18,884)	$ (31,165)	$ (50,049)	$ 3,668,998

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

SHUTTLE INC.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax	$ 18,095	$ 56,979
Adjustments for:		
Depreciation expenses	16,009	17,279
Amortization expenses	13,373	5,623
Expected credit loss (reversed) recognized on trade receivables	(2)	6
Net (gain) loss on financial assets and liabilities at fair value through profit or loss	(19,670)	28,636
Finance costs	1,609	1,893
Interest income	(20,497)	(5,612)
Dividend income	(180)	(80)
Compensation cost of employee share options	349	-
Share of profit or loss of subsidiaries accounted for using equity method	2,170	(21,050)
Gain on disposal of property, plant and equipment	-	(29)
Write-downs of inventories	30,148	21,927
(Realized) unrealized gain on transactions with subsidiaries	(90,083)	130,832
Unrealized loss (gain) on foreign currency exchange	2,326	(20,022)
(Reversal) recognition of provisions	(1,763)	14,323
Changes in operating assets and liabilities:		
Trade receivables	5,543	(6,021)
Trade receivable from related parties	340,377	(302,136)
Other receivables	485	(944)
Inventories	76,323	(13,312)
Prepayments	(9,882)	1,046
Other current assets	(10,186)	(6,987)
Contract liabilities	(9,440)	4,730
Trade payables	(60,688)	(121,412)
Other payables	(15,580)	(29,261)
Provisions	(1,466)	(1,403)
Other current liabilities	(3,201)	7,915
Cash generated from (used in) operations	264,169	(237,080)
Interest paid	(1,609)	(1,893)
Income tax paid	(6,955)	(450)
Net cash generated from (used in) operating activities	255,605	(239,423)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at amortized cost	-	143,333
Acquisition of subsidiaries accounted for using the equity method	(37,000)	-
Acquisition of property, plant and equipment	(570)	(1,771)
Proceeds from disposal of property, plant and equipment	-	29
Acquisition of intangible assets	(888)	(668)
Increase (decrease) in other non-current assets	2,589	(43,624)
Increase in other prepayments	(347,579)	-

(Continued)

SHUTTLE INC.

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

	2023	2022
Interest received	$ 19,812	$ 5,287
Dividends received	32,180	33,580
Net cash (used in) generated from investing activities	(331,456)	136,166
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of the principal portion of lease liabilities	(26,019)	(26,075)
Dividends paid to owners of the Company	(68,685)	-
Partial disposal of interests in subsidiary without a loss of control	54,835	-
Net cash used in financing activities	(39,869)	(26,075)
EFFECT OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(2,125)	6,580
NET DECREASE IN CASH AND CASH EQUIVALENTS	(117,845)	(122,752)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	836,261	959,013
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 718,416	$ 836,261

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

SHUTTLE INC.

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

1. ORGANIZATION AND OPERATIONS

Shuttle Inc. (the "Company", the Company and its subsidiaries are collectively referred to as the "Group") was incorporated in June 1983. The Company is engaged in manufacturing and selling laptops, barebones, mainboards, and other computer peripherals, as well as providing related technical services. The Company's shares were listed and traded on the Taipei Exchange (TPEx) Mainboard from December 8, 1998 until the shares became listed and traded on the Taiwan Stock Exchange (TWSE) starting on March 17, 2000.

The shareholders held a meeting and approved the change of the Chinese name of Shuttle Inc. from "浩鑫股份有限公司" to "輔信科技股份有限公司" on June 8, 2022. Alternations to the entries in the corporate registration were completed on July 6, 2022.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the board of directors and authorized for issue on March 12, 2024.

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

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

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

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

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

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

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

Note 3: The amendments provide some transition relief regarding disclosure requirements.

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

b. Basis of preparation

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

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

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

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

3) Level 3 inputs are unobservable inputs for assets or liabilities.

When preparing these parent company only financial statements, the Company used the equity method to account for its investment in subsidiaries. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity within the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in the consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for by using the equity method, the share of profit or loss of subsidiaries, the share of other comprehensive income of subsidiaries, and the related equity items, as appropriate, in the parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within twelve months after the reporting period; and

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within twelve months after the reporting period; and

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

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

d. Foreign currencies

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

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

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

For the purposes of presenting financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries in other countries that use currencies which are different from the currency of the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

e. Inventories

Inventories consist of raw materials, work in process, finished goods and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to company similar or related items. Net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments in subsidiaries

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity that is controlled by the Company.

Under the equity method, investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

When testing for impairment, the cash-generating unit is determined based on the financial statements as a whole by comparing its recoverable amount with its carrying amount. If the recoverable amount of the asset subsequently increases, the reversal of the impairment loss is recognized as a gain, but the increased carrying amount of an asset after a reversal of an impairment loss shall not exceed the carrying amount that would have been determined (net of amortization or depreciation) had no impairment loss been recognized on the asset in prior years.

Profits and losses from downstream transactions with a subsidiary are eliminated in full. Profits and losses from upstream with a subsidiary and side-stream transactions between subsidiaries are recognized in the Company's financial statements only to the extent of interests in the subsidiary that are not related to the Company.

g. Property, plant and equipment

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

Freehold land is not depreciated.

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

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

h. Other 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.

Expenditure on research activities is recognized as expenses in period in which it is incurred.

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

i. Impairment of property, plant and equipment, right-of-use asset and intangible assets other than goodwill

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

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, with the resulting impairment loss recognized in profit or loss.

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

j. Financial instruments

Financial assets and financial liabilities are recognized when a company entity becomes 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.

1) Financial assets

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

a) Measurement category

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

i. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The net gain or loss recognized in profit or loss does not incorporate any dividends or interest earned on such a financial asset. Fair value is determined in the manner described in Note 25.

ii. Financial assets at amortized cost

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

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

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

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

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

i) Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and

ii) Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

A financial asset is credit impaired when one or more of the following events have occurred:

i) Significant financial difficulty of the issuer or the borrower;

ii) Breach of contract, such as a default;

iii) It is becoming probable that the borrower will enter bankruptcy or undergo a financial reorganization; or

iv) The disappearance of an active market for that financial asset because of financial difficulties.

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

iii. Investments in equity instruments at FVTOCI

On initial recognition, the Company may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

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

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

b) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Equity instruments issued by a group entity are classified as equity in accordance with the substance of the contractual arrangements and the definitions of an equity instrument.

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

3) Financial liabilities

a) Subsequent measurement

All the financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Company enters into a variety of derivative financial instruments to manage its exposure to interest rate and 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. 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.

k. Provisions

Provisions for the expected cost of warranty obligations are recognized at the date of sale of the relevant products, at the best estimate of the expenditure required to settle the Company's obligation by the management of the Company.

l. Revenue recognition

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

For contracts where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of computer equipment. Sales of computer equipment are recognized as revenue when the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables are recognized concurrently. Any amounts received in advance with remaining obligation are recognized as contract liabilities.

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

2) Dividend and interest income

Dividend income from investments is recognized when the shareholder’s right to receive payment has been established provided that it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably.

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

m. Leases

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

1) The Company as lessor

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

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

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from 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. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the balance sheets.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Share-based payment arrangements

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Company's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share option. It is recognized as an expense in full at the grant date if vested immediately. The grant date of treasury shares transferred to employees is the date on which the number of shares that the employees purchase is confirmed. The chairman of the board is authorized to decide to transfer treasury shares at one time or several times.

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carry forward to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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 and interests 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 asset to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the to the extent that it has become probable that future taxable profit will allow 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 period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred taxes for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

The Company considers the economic implications of the COVID-19 when making its material accounting estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

Key Sources of Estimation Uncertainty

Valuation of inventory

Net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value was based on current market conditions and historical experience with selling products of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 300	$ 300
Checking accounts and demand deposits	303,598	317,056
Cash equivalents		
Time deposits with original maturities of less than 3 months	414,518	518,905
	$ 718,416	$ 836,261

The market rate intervals of cash in bank, time deposits with original maturities of less than 3 months and time deposits with original maturities of more than 3 months (classified as other non-current assets) at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Demand deposits	0.001%-1.45%	0.001%-1.20%
Time deposits with original maturities of less than 3 months	5.20%-5.65%	0.90%-4.47%
Time deposits with original maturities of more than 3 months	0.56%	0.48%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets at fair value through profit and loss (FVTPL) - current		
Financial assets mandatorily classified as at FVTPL		
Derivative financial assets (not under hedge accounting)		
Foreign exchange forward contracts	$ 313	$ -
Financial liabilities at FVTPL - current		
Financial liabilities held for trading		
Derivative financial liabilities (not under hedge accounting)		
Foreign exchange forward contracts	$ 251	$ 19,609

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

	Currency	Maturity Period	Contract Amount (In Thousands)
December 31, 2023			
Sell	EUR/NTD	2024.01.16-2024.02.23	EUR2,530/NTD85,895
Sell	JPY/NTD	2024.01.22-2024.05.16	JPY98,300/NTD21,391
December 31, 2022			
Sell	EUR/USD	2023.01.18-2023.03.16	EUR8,349/USD8,342
Sell	EUR/NTD	2023.05.15	EUR810/NTD26,369
Sell	JPY/USD	2023.01.06-2023.04.07	JPY92,100/USD666
Sell	JPY/NTD	2023.04.20-2023.05.30	JPY106,200/NTD24,083

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

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Current		
Domestic listed shares	$ 11,241	$ 11,421
Non-current		
Domestic listed shares	$ 24,582	$ 22,966
Foreign unlisted shares	100,181	99,229
	$ 124,763	$ 122,195

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

9. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	**2022**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 15,644	$ 21,187
Less: Allowance for impairment loss	(21)	(23)
	$ 15,623	$ 21,164
Other receivables	$ 2,110	$ 1,910

a. Trade receivables

The average credit terms range from 90 to 120 days. No interest was charged on trade receivables. The Company adopted a policy of rating its major customers by using other public financial information or its own trading records and obtaining sufficient collateral or insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company's exposure and the credit ratings of its counterparties are continuously monitored, and the aggregate value of transactions concluded is spread amongst approved counterparties.

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, insurance coverage, as well as economic condition of the industry in which the customer operates, and industry outlook. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

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

The following tables detail the loss allowance of trade receivables based on the Company's provision matrix.

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.1%	0.5%	1.5%	4%	14%	100%	
Gross carrying amount	$ 14,373	$ 1,271	$ -	$ -	$ -	$ -	$ 15,644
Loss allowance (Lifetime ECL)	(15)	(6)	-	-	-	-	(21)
Amortized cost	$ 14,358	$ 1,265	$ -	$ -	$ -	$ -	$ 15,623

December 31, 2022

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	91 to 180 Days Past Due	Over 180 Days Past Due	Total
Expected credit loss rate	0.1%	0.5%	1.5%	4%	14%	100%	
Gross carrying amount	$ 20,783	$ 404	$ -	$ -	$ -	$ -	$ 21,187
Loss allowance (Lifetime ECL)	(21)	(2)	-	-	-	-	(23)
Amortized cost	$ 20,762	$ 402	$ -	$ -	$ -	$ -	$ 21,164

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

	2023	2022
Balance at January 1	$ 23	$ 17
Add: Net remeasurement of loss allowance	-	6
Less: Net remeasurement of loss allowance	(2)	-
Balance at December 31	$ 21	$ 23

b. Other receivables

Other receivables are individually assessed for impairment and considered to be impaired when there is objective evidence of impairment. At the end of reporting period, there was no past due other receivables and the Company had not recognized allowance for impairment on other receivables.

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 216,442	$ 244,310
Raw materials	54,891	133,494
	$ 271,333	$ 377,804

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $362,956 thousand and $830,058 thousand, respectively. The cost of goods sold included losses from inventory write-downs of $30,148 thousand and $21,927 thousand for the years ended December 31, 2023 and 2022, respectively.

11. PREPAYMENTS

	December 31 2023	December 31 2022
Prepaid expenses - mold templates	$ 3,632	$ 5,769
Other prepaid expenses	8,423	9,266
	$ 12,055	$ 15,035

12. INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Investments in Subsidiaries

	December 31 2023	December 31 2022
Holco (BVI) Inc.	$ 270,164	$ 283,155
Gold Fountain Limited	165,119	73,380
Fuxing Biomedical Co., Ltd.	36,609	50,954
Liigen Inc.	817	867
Yong Jhao Innovation Investment Co., Ltd.	473,279	456,632
Big Ten Investment Consulting Co., Ltd.	140,682	163,211
Carilex Medical Inc.	31,270	-
	$ 1,117,940	$ 1,028,199

At the end of the reporting period, the proportion of ownership and voting rights in its subsidiaries held by the Company were as follows:

	December 31 2023	December 31 2022
Holco (BVI) Inc.	100.00%	100.00%
Gold Fountain Limited	100.00%	100.00%
Fuxing Biomedical Co., Ltd.	100.00%	100.00%
Liigen Inc.	100.00%	100.00%
Yong Jhao Innovation Investment Co., Ltd.	100.00%	100.00%
Big Ten Investment Consulting Co., Ltd.	100.00%	100.00%
Carilex Medical Inc.	6.26%	-

Holco (BVI) Inc. received a dividend of US$1,250 thousand in cash from the appropriations of earnings from Shuttle Computer (HK) Ltd in 2022.

Gold Fountain Limited reduced capital of US$7,755 thousand to offset the accumulated deficits in 2022.

Carilex Medical Inc. distributed employees’ compensation of $4,029 thousand for 2022 and $4,595 thousand for 2021 by issuing ordinary shares on July 25, 2023 and December 20, 2022, respectively. Change of the corporate share registration was completed.

Big Ten Investment Consulting Co., Ltd. transferred 2,000 thousand shares of Carilex Medical Inc. to Shuttle Inc. in July 2023.

The liquidation of S.C.Q. was completed in August 2023, and all residual assets were returned to Gold Fountain Limited.

Shuttle Inc. sold 1,100 thousand shares of Carilex Medical Inc. The shares of Carilex Medical Inc. have been listed in the Emerging Stock Market since February 27, 2024.

Except for Liigen Inc., the Company's share of profit or loss and other comprehensive income of its subsidiaries were recorded based on the audited financial statements for the years ended December 31, 2023 and 2022.

13. PROPERTY, PLANT, AND EQUIPMENT

	Land	Machinery and Equipment	Transpor-tation Equipment	Facilities	Other Equipment	Total
Cost						
Balance at January 1, 2022	$ 988,303	$ 33,459	$ 1,515	$ 20,268	$ 18,036	$ 1,061,581
Additions	-	828	250	360	333	1,771
Disposals	-	-	(685)	-	(120)	(805)
Balance at December 31, 2022	$ 988,303	$ 34,287	$ 1,080	$ 20,628	$ 18,249	$ 1,062,547
Accumulated depreciation and impairment						
Balance at January 1, 2022	$ -	$ 33,459	$ 1,459	$ 20,268	$ 16,177	$ 71,363
Depreciation expenses	-	381	97	6	1,058	1,542
Disposals	-	-	(685)	-	(120)	(805)
Balance at December 31, 2022	$ -	$ 33,840	$ 871	$ 20,274	$ 17,115	$ 72,100
Carrying amounts at December 31, 2022	$ 988,303	$ 447	$ 209	$ 354	$ 1,134	$ 990,447
Cost						
Balance at January 1, 2023	$ 988,303	$ 34,287	$ 1,080	$ 20,628	$ 18,249	$ 1,062,547
Additions	-	-	-	570	-	570
Disposals	-	(240)	-	(94)	(765)	(1,099)
Balance at December 31, 2023	$ 988,303	$ 34,047	$ 1,080	$ 21,104	$ 17,484	$ 1,062,018
Accumulated depreciation and impairment						
Balance at January 1, 2023	$ -	$ 33,840	$ 871	$ 20,274	$ 17,115	$ 72,100
Depreciation expenses	-	123	51	176	225	575
Disposals	-	(240)	-	(94)	(765)	(1,099)
Balance at December 31, 2023	$ -	$ 33,723	$ 922	$ 20,356	$ 16,575	$ 71,576
Carrying amounts at December 31, 2023	$ 988,303	$ 324	$ 158	$ 748	$ 909	$ 990,442

The above items of property, plant and equipment used by the Company are depreciated on a straight-line basis over their estimated useful live as follows:

Machinery and equipment	2-6 years
Transportation equipment	5 years
Facilities	5 years
Other equipment	3-5 years

The Company's board of directors approved to authorize the chairman to deal with the purchase of headquarters buildings in accordance with the resolution of the Company's board of directors on August 3, 2023. The Company signed a $2,350,776 thousand pre-sale contract on November 9, 2023. The payment is paid based on the progress of construction, which is expected to be completed in 2026, with a final payment of $1,645,543 thousand. As of December 31, 2023, the Company had paid $347,579 thousand (classified as other non-current assets - prepayments for buildings and land).

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	**2022**
Carrying amounts		
Buildings	$ 75,101	$ 87,794
Transportation equipment	1,714	4,455
	$ 76,815	$ 92,249

	For the Year Ended December 31	
	2023	**2022**
Additions to right-of-use assets	$ -	$ 3,859
Depreciation charge for right-of-use assets		
Buildings	$ 12,693	$ 12,693
Transportation equipment	2,741	3,044
	$ 15,434	$ 15,737

b. Lease liabilities

	December 31	
	2023	**2022**
Carrying amounts		
Current	$ 24,720	$ 26,019
Non-current	$ 124,516	$ 149,236

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	**2022**
Buildings	0.95%	0.95%
Transportation equipment	1.10%	1.10%

c. Material leasing activities and terms

The Company leases certain buildings as offices with lease terms of 8 years. These arrangements do not contain renewal or purchase options.

To revitalize assets and strengthen the financial structure, the Company sold the office building at Ruiguang Rd., Neihu Dist., Taipei City in December 2021, to Nan Shan Life Insurance Company, Ltd. at the price of $801,000 thousand in total, and then leased it back immediately. The Company signed an 8-year lease arrangement with Nan Shan Life Insurance Company, Ltd for the continued use of the building. The lease agreement has a pre-emptive term of the tenancy agreement, with annual rental payments of $24,762 thousand for the first two years, and an increase of the rental starting from the third year of the lease term at 1% of the prior year's rental fee.

d. Other lease information

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases and low-value asset leases	$ 1,099	$ 846
Total cash outflow for leases	$ 28,667	$ 28,697

The Company leases certain office equipment and transportation equipment which qualify as short-term leases and low-value asset leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER INTANGIBLE ASSETS

	Computer Software
Balance at January 1, 2022	$ 2,147
Additions	668
Amortization expenses	(2,182)
Balance at December 31, 2022	$ 633
Balance at January 1, 2023	$ 633
Additions	888
Amortization expenses	(512)
Balance at December 31, 2023	$ 1,009

The above computer software is amortized on a straight-line method over 2 to 5 years.

16. OTHER ASSETS - CURRENT AND NON-CURRENT

	December 31	
	2023	2022
Current		
Overpaid sales tax	$ 26,327	$ 21,203
Others	20,163	15,101
	$ 46,490	$ 36,304

(Continued)

	December 31	
	2023	2022
Non-current		
Prepayments for building and land	$ 347,579	$ -
Restricted bank deposits	43,333	43,333
Refundable deposits	18,105	18,875
Prepayments for equipment	-	1,821
Net defined benefit assets	1,026	1,024
	$ 410,043	$ 65,053

(Concluded)

17. OTHER PAYABLES

	December 31	
	2023	2022
Accrued salaries and compensation	$ 40,958	$ 50,562
Payables for insurance	3,280	3,580
Payables for mold templates	3,240	3,939
Payables for promotion expenses	3,139	5,178
Others	18,246	21,497
	$ 68,917	$ 84,756

18. PROVISIONS

	December 31	
	2023	2022
Warranties	$ 42,582	$ 45,811

The movements of the warranties were as follows:

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 45,811	$ 32,891
Additional provisions recognized	(1,763)	14,323
Usage	(1,466)	(1,403)
Balance at December 31	$ 42,582	$ 45,811

The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic benefits that will be required under the Company’s obligations for warranties under local legislation on sale of goods. The estimate had been made on the basis of historical warranty trends and may vary as a result of new materials, altered manufacturing processes or other events affecting product quality.

19. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

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

The pension expense of defined contribution plans for the years ended December 31, 2023 and 2022 were $9,130 thousand and $10,269 thousand, respectively.

b. Defined benefit plans

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

The Company adopts the defined benefit plan under the Labor Standards Act for a small portion of its foreign employees. The suspension of contribution has been applied from July 2022 to June 2024, since the amount of the pension fund has been adequate.

The Company's expected contributions to the plans for the respective subsequent years as of both December 31, 2023 and 2022 were both $0 thousand.

20. EQUITY

a. Ordinary shares

	December 31	
	2023	**2022**
Shares authorized (in thousands of shares)	500,000	500,000
Authorized shares	$ 5,000,000	$ 5,000,000
Shares issued and fully paid (in thousands of shares)	343,427	343,427
Issued shares	$ 3,434,273	$ 3,434,273

The issued ordinary shares with a par value of $10 entitle the holders to the rights to vote and receive dividends.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital		
Share premium of issuance of ordinary shares	$ 11,865	$ 11,865
Treasury share transactions	4,483	4,483
Treasury shares transferred to employees	8,740	8,740
The difference between the consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	27,438	-
	$ 52,526	$ 25,088

The capital surplus arising from shares issued in excess of par (including share premium from issuance of ordinary shares, and treasury share transactions) may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital which however is limited to a certain percentage of the Company's capital surplus and once a year.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Company's Articles of Incorporation (the "Articles"), where the Company made an earnings distribution or offsetting for deficits after the end of the half-year period in a fiscal year, the profit shall be first utilized for paying taxes and employees' compensation, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. The partial or full distribution of dividends and bonuses by way of cash is authorized to be approved by the Company's board of directors and reported in the shareholder's meeting. For the policies on the distribution of compensation of employees and remuneration of directors, refer to compensation of employees and remuneration of directors in Note 21(g).

The Company's Articles also stipulate that the profit of the Company may be distributed by way of cash dividends and/or share dividends. The ratio for cash dividends shall not be less than 10% of the total dividend distribution. However, the Company may adjust the distributed ratio based on the current fund allocation.

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

The appropriation of earnings for 2021, which was resolved by the Company's board of directors and approved in the shareholders' meeting on June 8, 2022, was as follows:

	Second Half of 2021	First Half of 2021
Date of Board Resolution	**April 19, 2022**	**August 11, 2021**
Legal reserve	$ 18,991	$ 438
Special reserve	$ 56,416	$ 3,946

The appropriation of earnings for 2022, which was resolved by the Company's board of directors and approved in the shareholders' meeting on June 21, 2023, was as follows:

	Second Half of 2022	First Half of 2022
Date of Board Resolution	**April 12, 2023**	**August 9, 2022**
Legal reserve	$ 876	$ 4,222
Special reserve	$ (33,965)	$ 8,170
Cash dividends	$ 68,685	$ -
Cash dividends per share (NT$)	$ 0.2	$ -

The appropriation of earnings for the first half of 2023, which was resolved by the Company's board of directors, was as follows:

	First Half of 2023
Date of Board Resolution	**August 3, 2023**
Legal reserve	$ 4,835
Special reserve	$ (20,079)

d. Other equity

Unrealized gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ (26,354)	$ (33,600)
Recognized for the year		
Unrealized gain (loss) - equity instruments	2,387	(6,147)
Share of subsidiaries accounted for using equity method	39,696	13,431
Other comprehensive income recognized for the year	42,083	7,284
Cumulative unrealized gain (loss) of equity instruments transferred to retained earnings due to disposal	(46,894)	(38)
Balance at December 31	$ (31,165)	$ (26,354)

21. NET PROFIT

a. Operating income

	For the Year Ended December 31	
	2023	**2022**
XPC	$ 469,687	$ 1,058,614
Computer peripherals and components	56,703	139,472
Mother Board	13,058	55,393
Technical service income	-	5,400
	$ 539,448	$ 1,258,879

The balances of contract liabilities of the Company from the sale of goods as of December 31, 2023 and 2022 were $3,693 thousand and $13,008 thousand, respectively. The changes in contract liabilities mainly arise from the differences between the point of meeting the performance obligations and the time of payments by customers.

b. Other income

	For the Year Ended December 31	
	2023	**2022**
Tooling charge	$ 16,650	$ 42,596
Rental income	2,239	2,239
Dividend income	180	80
Others	9,262	6,329
	$ 28,331	$ 51,244

c. Other gains and losses

	For the Year Ended December 31	
	2023	**2022**
Net gain (loss) on financial instruments at FVTPL	$ 19,670	$ (28,636)
Net (loss) gain on foreign exchange	(14,112)	41,216
Gain on disposal of property, plant and equipment	-	29
Others	(194)	(179)
	$ 5,364	$ 12,430

d. Finance costs

	For the Year Ended December 31	
	2023	**2022**
Interest on bank loans	$ 60	$ 117
Interest on lease liabilities	1,549	1,776
	$ 1,609	$ 1,893

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	**2022**
An analysis of depreciation by function		
Operating costs	$ -	$ -
Operating expenses	16,009	17,279
	$ 16,009	$ 17,279
An analysis of amortization by function		
Operating costs	$ 12,861	$ 3,441
Operating expenses	512	2,182
	$ 13,373	$ 5,623

f. Employee benefits expense

	For the Year Ended December 31	
	2023	**2022**
Post-employment benefits (Note 19)	$ 9,130	$ 10,269
Share-based payments	349	-
Salaries and bonuses	184,795	206,546
Labor and health insurance	16,432	18,020
Other employee benefits	6,236	10,042
Total employee benefits expense	$ 216,942	$ 244,877
An analysis of employee benefits expense by function		
Operating costs	$ 19,305	$ 19,648
Operating expenses	197,637	225,229
	$ 216,942	$ 244,877

g. Employees' compensation and remuneration of directors

According to the Company's Articles, the Company accrues compensation of employees and remuneration of directors at the rates of 2% to 10% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors.

The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by Company's board of directors on March 12, 2024 and March 14, 2023, respectively, are as follows:

Accrual rate

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	2%	2%
Remuneration of directors	2%	2%

Amount

	For the Year Ended December 31	
	2023	**2022**
Compensation of employees	$ 377	$ 1,187
Remuneration of directors	377	1,187

If there is a change in the proposed amounts after the annual financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate and will be adjusted in the next year.

There was no difference between the actual amount of employees' compensation and remuneration of directors paid and the amounts recognized in the financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation and remuneration of directors is available on the Market Observation Post System website of the Taiwan Stock Exchange.

22. INCOME TAX

a. Major components of tax expense recognized in profit or loss are as follows:

	For the Year Ended December 31	
	2023	2022
Current tax		
Income tax on unappropriated earnings	$ 150	$ 5,725
Adjustments for prior years	(626)	147
	(476)	5,872
Deferred tax		
In respect of the current year	5,942	(7,696)
Adjustments for prior years	259	3,719
	6,201	(3,977)
Income tax expense recognized in profit or loss	$ 5,725	$ 1,895

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

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 18,095	$ 56,979
Income tax expense calculated at the statutory rate (20%)	$ 3,619	$ 11,395
Nondeductible expenses in determining taxable income	7,180	-
Tax-exempt income	(2,411)	(52,616)
Unrecognized loss carryforwards and deductible temporary differences	(2,446)	33,525
Income tax on unappropriated earnings	150	5,725
Adjustments for prior year's deferred tax	259	3,719
Adjustments for prior years' tax	(626)	147
Income tax expense recognized in profit or loss	$ 5,725	$ 1,895

b. Tax expense recognized in other comprehensive income (loss)

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year - exchange differences on translating foreign operations	$ (617)	$ (4,637)

c. Deferred tax assets and liabilities

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

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporarily differences				
Deferred revenue	$ 36,162	$ (18,017)	$ -	$ 18,145
Share of loss of subsidiaries accounted for using the equity method	54,031	-	-	54,031
Exchange differences on translating foreign operations	5,339		(617)	4,722
Provisions for loss on inventory and loss on disposal of inventory	9,140	(328)	-	8,812
Provisions for warranties	9,162	(646)	-	8,516
Others	4,132	(3,457)	-	675
	117,966	(22,448)	(617)	94,901
Loss carryforwards	-	11,574	-	11,574
	$ 117,966	$ (10,874)	$ (617)	$ 106,475
Deferred tax liabilities				
Temporarily differences				
Allowance for impairment loss	$ 966	$ (681)	$ -	$ 285
Others	4,004	(3,992)	-	12
	$ 4,970	$ (4,673)	$ -	$ 297

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Compre-hensive Income	Closing Balance
Deferred tax assets				
Temporarily differences				
Deferred revenue	$ 9,996	$ 26,166	$ -	$ 36,162
Share of loss of subsidiaries accounted for using the equity method	58,607	(4,576)	-	54,031
Exchange differences on translating foreign operations	9,976	-	(4,637)	5,339
Provisions for loss on inventory and loss on disposal of inventory	10,221	(1,081)	-	9,140
Provisions for warranties	6,578	2,584	-	9,162
Others	3,360	772	-	4,132
	98,738	23,865	(4,637)	117,966
Loss carryforwards	17,061	(17,061)	-	-
	$ 115,799	$ 6,804	$ (4,637)	$ 117,966
Deferred tax liabilities				
Temporarily differences				
Allowance for impairment loss	$ 338	$ 628	$ -	$ 966
Others	1,805	2,199	-	4,004
	$ 2,143	$ 2,827	$ -	$ 4,970

d. Unused loss carryforwards and deductible temporary differences for which no deferred tax assets have been recognized in the balance sheets

	December 31	
	2023	2022
Loss carryforwards		
Expire in 2024	$ 116,546	$ 116,546
Expire in 2025	203,518	203,518
Expire in 2026	38,500	38,500
Expire in 2032	64,786	100,914
Expire in 2033	9,851	-
	$ 433,201	$ 459,478
Deductible temporary differences	$ 67,789	$ 53,742

e. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	Expiry Year
$ 116,546	2024
203,518	2025
38,500	2026
99,671	2032
32,836	2033
$ 491,071	

f. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

23. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	**2022**
Basic earnings per share	$ 0.04	$ 0.16
Diluted earnings per share	$ 0.04	$ 0.16

The profit and the weighted-average shares of ordinary shares to calculate earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	**2022**
Profit used in the computation of basic and diluted earnings per share	$ 12,370	$ 55,084

The weighted average number of ordinary shares outstanding (in thousands of shares) was as follows:

	For the Year Ended December 31	
	2023	**2022**
Weighted-average number of ordinary shares used in computation of basic earnings per share	343,427	343,427
Effect of potentially dilutive ordinary shares		
Employees’ compensation or bonuses issued to employees	40	292
Weighted average number of ordinary shares used in the computation of diluted earnings per share	343,467	343,719

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

24. SHARE-BASED PAYMENT ARRANGEMENTS

Qualified employees of the Company and its subsidiary, Carilex Medical Inc. were granted 3,200 thousand options in August 2023. Each option entitles the holder to the right to subscribe for one ordinary share of Carilex Medical Inc. The options granted are valid for 10 days and exercisable after the second day from the grant date. The options were granted at an exercise price of $19.5. For any subsequent changes in Carilex Medical Inc.'s capital surplus, the exercise price is adjusted accordingly.

	For the Year Ended December 31, 2023	
	Number of Options (In Thousands of Units)	**Weighted-average Exercise Price ($)**
Balance at January 1	-	$ -
Options granted	3,200	19.5
Options exercised	(3,200)	19.5
Balance at December 31	-	-
Options exercisable, end of the year	-	-
Weighted-average fair value of options granted ($)	$ 1.09	19.5

Options granted in August 2023 are priced using the Black-Scholes pricing model, and the inputs to the model are as follows:

	August 2023
Grant-date share price	$20.54
Exercise price	$19.5
Expected volatility	31.09%
Expected life (in years)	0.02
Expected dividend yield	0%
Risk-free interest rate	0.97%

Compensation costs recognized were $349 thousand for the year ended December 31, 2023.

25. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

On December 21, 2023, the Company disposed of 5.42% of its interest in Carilex Medical Inc. and reduced its continuing interest from 74.67% to 69.25%, which recognized a capital surplus of $27,438 thousand.

The above transactions were accounted for as equity transactions, since the Company did not cease to have control over the subsidiary. For details about the partial disposal of Carilex Medical Inc., refer to Note 27 to the Company's consolidated financial statements for the year ended December 31, 2023.

26. CAPITAL MANAGEMENT

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

Key management personnel of the Company review the capital structure on an annual basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, and the number of new shares issued or repurchased, the amount of new debt issued or existing debt redeemed.

27. FINANCIAL INSTRUMENTS

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

The management believes the carrying amount of the financial assets not carried at fair value is approximately equal to their fair value.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	$ 35,823	$ -	$ -	$ 35,823
Foreign unlisted shares	-	-	100,181	100,181
	$ 35,823	$ -	$ 100,181	$ 136,004
Financial liabilities at FVTPL				
Derivatives	$ -	$ 251	$ -	$ 251

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Domestic listed shares	$ 34,387	$ -	$ -	$ 34,387
Foreign unlisted shares	-	-	99,229	99,229
	$ 34,387	$ -	$ 99,229	$ 133,616
Financial liabilities at FVTPL				
Derivatives	$ -	$ 19,609	$ -	$ 19,609

There were no transfers between Levels 1 and 2 in the current and prior years.

2) Reconciliation of Level 3 fair value measurements of financial instruments

	For the year ended December 31	
	2023	2022
Balance at January 1	$ 99,229	$ 94,263
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	952	4,966
Balance at December 31	$ 100,181	$ 99,229

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

The fair values of foreign unlisted equity securities were determined using income approach. In this approach, the net asset value of each share is evaluated by reference to financial information of the Company, observable information of market prices, and by considering liquidity discounts, both 30% as of December 31, 2023 and 2022. The lower the liquidity discount is, the higher the fair value of the investments.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at FVTPL	$ 313	$ -
Financial assets at amortized cost (Note 1)	889,937	1,356,485
Financial assets at FVTOCI	136,004	133,616
Financial liabilities		
Financial liabilities at FVTPL	251	19,609
Amortized cost (Note 2)	123,754	202,162

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

Note 2: The balances include financial liabilities at amortized cost, which comprise trade payables and other payables.

d. Financial risk management objectives and policies

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

1) Market risk

The Company's activities exposed it primarily to the market risks of changes in foreign currency exchange rates and interest rates.

There has been no change to the Company's exposure to market risks or the manner in which these risks are managed and measured. Sensitivity analysis is an estimate of the influence of the reasonably possible range of the interest rate and currency fluctuation in a year. Sensitivity analysis of interest rate and currency fluctuation was as follows:

a) Foreign currency risk

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 30.

Sensitivity analysis

The Company is mainly affected by the fluctuations of the U.S. dollar, Japanese yen and Euro.

The table below is the analysis of the sensitivity of the Company's functional currency to a 5% increase or decrease in the relevant currency rate on the balance sheet date. The 5% sensitivity rate is the currency risk factor used in the internal report to management; it is the rate that management believes represents the reasonably possible range of the currency fluctuation. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and assumed their translation at the end of the reporting period for a 5% change in foreign currency rates.

The table below shows the amount of change in income before tax when the Company's functional currency increases by 5% against the other relevant currency. When the Company's functional currency falls 5% against other relevant currency, the impact to income before tax is the negative number of the same amount.

	U.S. Dollar		**Japan Yen**		**Euro**	
	For the Year Ended December 31		**For the Year Ended December 31**		**For the Year Ended December 31**	
	2023	**2022**	**2023**	**2022**	**2023**	**2022**
Profit or loss	$ (22,888)	$ (12,900)	$ (1,322)	$ (2,164)	$ (4,268)	$ (14,746)

The above effects are mainly derived from the Company's outstanding cash in the bank, receivables and payables, which did not have cash flows hedged and which were valued in U.S. dollars, Japanese yen and Euros on the balance sheet date.

b) Interest rate risk

The carrying amount of the Company's exposures to interest rates on financial assets and financial liabilities are as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 457,922	$ 562,314
Cash flow interest rate risk		
Financial assets	303,527	316,980

Sensitivity analysis

The sensitivity analyses below have been determined the exposure to interest rates risk for non-derivative instruments at the end of the reporting period. Increase or decrease of 25-basis point is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 25 basis points higher/lower and all other variables were held constant, the Company's profit for the years ended December 31, 2023 and 2022 would increase/decrease by $759 thousand and $792 thousand, respectively. This is mainly attributable to the Company's exposure to floating rates on demand deposits and short-term borrowings.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on contractual obligations resulting in a financial loss to the Company. The maximum credit exposure of the aforementioned financial instruments is equal to their carrying amounts recognized in the balance sheet as of the balance sheet date.

The Company evaluates its main customers' credit rating by the use of accessible financial information and transaction records with those customers. The Company keeps an eye on credit exposure and customers' credit ratings.

The Company's credit risk is mainly focused on its main customers. As of December 31, 2023 and 2022, the percent of the Company's total receivables from its main customers were 20% and 45%, respectively.

3) Liquidity risk

The Company closely monitors operations and alleviates the effects of fluctuations in cash flows by managing and maintaining sufficient cash and cash equivalents. The management monitors the usage of the bank's financing limit and ensures that the terms of loan agreements are followed.

Bank loans are sources of liquidity for the Company. As of December 31, 2023 and 2022, the Company's unused bank financing limits were $833,935 thousand and $873,970 thousand, respectively.

The following tables detail the Company's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay. The tables include both interest and principal cash flows.

December 31, 2023

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5^+ Years
Financial liabilities - non-derivative						
Non-interest bearing liabilities	-	$ 8,996	$ 34,822	$ 79,936	$ -	$ -
Lease liabilities	0.95	2,167	4,334	19,525	103,397	24,095
		$ 11,163	$ 39,156	$ 99,461	$ 103,397	$ 24,095

December 31, 2022

	Weighted-average Effective Interest Rate (%)	On Demand or Less than 1 Month	1 to 3 Months	3 Months to 1 Year	1 Year to 5 Years	5^+ Years
Financial liabilities - non-derivative						
Non-interest bearing liabilities	-	$ 19,810	$ 40,005	$ 142,347	$ -	$ -
Lease liabilities	0.95	2,326	4,653	20,589	103,376	50,142
		$ 22,136	$ 44,658	$ 162,936	$ 103,376	$ 50,142

28. TRANSACTIONS WITH RELATED PARTIES

In addition to those disclosed in other notes, the Company had business transactions with the following related parties:

a. The Company's related party name and category

Related Party Name	Related Party Category
Subsidiaries	
Fuxing Biomedical Co., Ltd.	Subsidiary
Yong Jhao Innovation Investment Co., Ltd.	Subsidiary
Big Ten Investment Consulting Co., Ltd.	Subsidiary
Carilex Medical Inc. (Carilex)	Subsidiary
Shuttle Commerce (Shenzhen) Ltd. (S.C.M.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Handels GmbH (S.C.H.)	Subsidiary of Gold Fountain Limited
Shuttle Computer Group Inc. (S.C.G.)	Subsidiary of Gold Fountain Limited
Japan Shuttle Co., Ltd. (S.C.J.)	Subsidiary of Gold Fountain Limited

(Continued)

Related Party Name	Related Party Category
Other parties	
Ares International Corporation	The chairman is a second degree relative of the Company's chairman

(Concluded)

b. Net sales

		For the Year Ended December 31	
Line Item	Related Party Category/Name	2023	2022
Sales revenue	S.C.H.	$ 317,406	$ 710,564
	S.C.J.	50,598	76,963
	S.C.G.	40,053	276,255
	Others	8,436	6,212
		$ 416,493	$ 1,069,994
Technical service revenue	Carilex	$ -	$ 5,400

c. Purchases of goods

	December 31	
Related Party Category/Name	2023	2022
S.C.G.	$ 357	$ -
S.C.H.	151	-
Carilex	-	10
	$ 508	$ 10

d. Receivables from related parties

	December 31	
Related Party Category/Name	2023	2022
S.C.G.	$ 51,086	$ 156,022
S.C.H.	25,795	241,342
S.C.J.	11,822	30,433
Others	3,647	7,145
	$ 92,350	$ 434,942

The outstanding trade receivables from related parties were unsecured. No expense was recognized for the years ended December 31, 2023 and 2022 for the allowance for impaired trade receivables with respect to the amounts owed by related parties.

e. Payables to related parties

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Trade payables	Carilex	$ 167	$ -

f. Endorsements and guarantees

Related Party Category/Name	December 31 2023	2022
Carilex	$ 100,000	$ 100,000

g. Others

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Rental revenue	Others	$ 263	$ 34
Other income	S.C.G.	$ 16,650	$ 42,622
	Others	1,164	-
		$ 17,814	$ 42,622

The Company’s sales prices to related parties are based on the price levels in the surrounding geographical area. The Company’s purchases from related parties are based on cost-plus prices. The payment period of accounts payable is 120 days. These related-party transactions were all conducted under normal terms.

h. Remuneration of key management personnel

The remuneration of directors and key executives were as follows:

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 28,921	$ 29,118
Post-employment benefits	522	511
Share-based payments	60	-
	$ 29,503	$ 29,629

The remuneration of directors and key executives was determined by the remuneration committee based on the performance of individuals and market trends.

29. PLEDGED ASSETS

The following assets were provided as collateral for bank guarantee and loan commitment were as follows:

	December 31	
	2023	2022
Restricted bank deposits	$ 43,333	$ 43,333

30. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

(Foreign Currencies in Thousands)

	December 31					
	2023			2022		
	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$ 16,798	30.705	$ 515,780	$ 12,186	30.71	$ 374,231
EUR	2,518	33.98	85,571	9,020	32.72	295,136
JPY	121,750	0.2172	26,444	186,206	0.2324	43,274
Financial liabilities						
Monetary items						
USD	1,890	30.705	58,030	3,785	30.71	116,237
EUR	6	33.98	211	7	32.72	214
JPY	-	0.2172	-	-	0.2324	-

For the Company’s realized and unrealized foreign exchange gains (losses) in 2023 and 2022, refer to Note 21. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions.

31. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and b. investees

1) Financing provided to others: None;

2) Endorsements/guarantees provided: Table 1 (attached);

3) Marketable securities held (excluding investments in subsidiaries and associates): Table 2 (attached);

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

5) Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: Table 3 (attached);

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4 (attached);

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None;

9) Information on investees: Table 5 (attached);

10) Trading in derivative instruments: Notes 7 and 27.

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6 (attached);

2) Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: None;

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period:

Seller Company	Related Party	Sales		Trade Receivables	
		Amount	**% of Sales**	**Amount**	**% of Trade Receivables**
Shuttle Inc.	S.C.M.	$ 6,817	1.26	$ 3,297	3.05

c) The amount of property transactions and the amount of the resultant gains or losses: None;

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None;

e) The highest period balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None;

f) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: None.

SHUTTLE INC.

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No.	Endorsement/ Guarantee Provider	Guaranteed Party		Limits on Endorsement/ Guarantee Given on Behalf of Each Party (Note)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China	Note
		Name	Relationship											
0	Shuttle Inc.	Carilex Medical Inc.	The Company indirectly has 69.25% ownership of the guaranteed party	$ 3,668,998	$ 100,000	$ 100,000	$ -	$ -	2.73%	$ 3,668,998	Y	N	N	

Note: The Company limits the endorsement/guarantee amount for each entity to within 100% of the net value of the Company; for an entity with business dealings, the amount is limited to within 20% of the net value of the Company; for 100%-held foreign subsidiaries, the amount is limited to within 100% of the net value of the Company.

SHUTTLE INC.

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

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares/Units	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Shuttle Inc.	Shares							
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	400,730	$ 11,241	0.10	$ 11,241	
	InterServ International Inc.	-	Financial assets at FVTOCI - non-current	1,114,834	24,582	4.77	24,582	
	Lutz Yonson Holdings Company Limited	-	Financial assets at FVTOCI - non-current	1,779	100,181	15.10	100,181	
Yong Jhao Innovation Investment Co., Ltd.	Shares							
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at FVTPL- current	40,000	3,244	0.07	3,244	
	Motech Industries Inc.	-	Financial assets at FVTOCI - current	465,110	13,046	0.12	13,046	
	Ares International Corporation	Chairman has a second-degree kinship to the Company's chairman	Financial assets at FVTOCI - current	150,000	8,085	0.32	8,085	
	Yao Sheng Electronic Co., Ltd.	-	Financial assets at FVTOCI - non-current	850,000	62,042	1.40	62,042	
	I-See Vision Technology Inc.	-	Financial assets at FVTOCI - non-current	1,056,823	4,671	2.36	4,671	
	Viware Ulife Co., Ltd.	-	Financial assets at FVTOCI - non-current	400,000	2,794	10.00	2,794	

Note: Information on investees is set out in Tables 5 and 6.

SHUTTLE INC.

ACQUISITION OF INDIVIDUAL REAL ESTATE AT COSTS OF AT LEAST NT$300 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Buyer	Property	Event Date	Transaction Amount	Payment Status	Counterparty	Relationship	Information on Previous Title Transfer If Counterparty Is A Related Party				Pricing Reference	Purpose of Acquisition	Other Terms
							Property Owner	Relationship	Transaction Date	Amount			
Shuttle Inc.	The land and buildings at Tanmei Section, Neihu Dist., Taipei City	November 9, 2023	$ 2,350,776	The full payment according to the contract is based on progress of construction. The deposit was paid on August 14, 2023.	Fulequn Construction Co., Ltd. and Longyun Co., Ltd.	Unrelated parties	-	-	-	$ -	The two parties have made reference to the market situation and the valuation report of Hong Bang Real Estate Joint Appraisers Firm and Zhan-Mao Real Estate Appraisers Firm.	To respond to future operational needs	None

SHUTTLE INC.

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

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Accounts Receivable (Payable)		Note
			Purchases/ Sales	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Shuttle Inc.	S.C.H.	Subsidiary of Gold Fountain Limited	Sales	$ (317,406)	(59)	OA 120 days	Note	OA 120 days	$ 25,795	24	
S.C.H.	Shuttle Inc.	Parent company of Gold Fountain Limited	Purchases	317,406	83	OA 120 days	Note	OA 120 days	(25,795)	(95)	
Carilex Medical Inc.	Carilex Medical USA, Inc.	The Company indirectly has 69.25% ownership of the subsidiary	Sales	(129,835)	(31)	OA 90 days	Note	OA 90 days	37,500	33	
Carilex Medical USA, Inc.	Carilex Medical Inc.	Subsidiary of Carilex Medical Inc.	Purchases	129,835	100	OA 90 days	Note	OA 90 days	(37,500)	(100)	

Note: The prices for sales and purchases between the Company and related parties were determined based on the regional consumption.

SHUTTLE INC.

NAMES, LOCATIONS, AND OTHER INFORMATION OF INVESTEES OVER WHICH THE COMPANY EXERCISES SIGNIFICANT INFLUENCE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership (%)	Carrying Amount			
Shuttle Inc.	Holco (BVI) Inc.	B.V.I.	Investment holding company	$ 285,137	$ 285,137	923	100.00	$ 270,164	$ (12,510)	$ (12,510)	Note 1
	Gold Fountain Limited	Cayman Islands	Investment holding company	337,041	337,041	10,000,000	100.00	165,118	(3,738)	88,546	Notes 1 and 4
	Fuxing Biomedical Co., Ltd.	2F., No. 30, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Providing elderly care services and selling medical peripherals	100,000	100,000	10,000,000	100.00	36,609	(14,806)	(14,806)	Note 1
	Liigen Inc.	6F., No. 32, Ln. 76, Ruignang Rd., Neihu Dist., Taipei City	Selling and maintaining computers and peripherals	15,000	15,000	1,500,000	100.00	817	(50)	(50)	
	Yong Jhao Innovation Investment Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	379,107	379,107	11,100,000	100.00	473,280	33,591	20,669	Notes 1, 2 and 4
	Big Ten Investment Consulting Co., Ltd.	No. 30, Ln. 76, Ruiguang Rd., Neihu Dist., Taipei City	Investment holding company	182,503	182,503	10,000,000	100.00	140,682	7,805	4,554	Notes 1, 2 and 4
	Carilex Medical Inc.	No. 77, Keji lst Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	21,831	-	1,271,602	6.26	31,270	44,440	1,510	Note 1
Holco (BVI) Inc.	S.H.K.	Unit 1405-1406, Dominion Centre, 43-59 Queen's Road East, Wanchai	Selling and maintaining computers and peripherals	262,218	262,218	8,001,300	100.00	227,086	(14,269)	(14,269)	Note 1
Gold Fountain Limited	S.C.G.	17068 EVERGREEN PL, CITY OF INDUSTRY, CA 91745 U.S.A.	Selling and maintaining computers and peripherals	186,662	186,662	30,000	100.00	88,027	6,585	6,585	Note 1
	S.C.H.	FRITZ-STRASSMANN STR. 5 D-25337 ELMSHORN, GERMANY	Selling and maintaining computers and peripherals	171,495	171,495	-	100.00	128,302	(10,407)	(10,407)	Note 1
	S.C.J.	2F Murakami Bldg., 1-8-3 Ojima Koto-ku Tokyo, 136-0072 Japan	Selling and maintaining computers and peripherals	34,658	34,658	2,000	100.00	33,072	(1,354)	(1,354)	
Yong Jhao Innovation Investment Co., Ltd.	Carilex Medical Inc.	No. 77, Keji lst Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	146,035	76,364	11,288,829	55.60	195,421	44,440	29,631	Note 1
Big Ten Investment Consulting Co., Ltd.	Carilex Medical Inc.	No. 77, Keji lst Rd., Guishan Dist., Taoyuan City	Selling and maintaining medical peripherals	24,356	37,575	1,500,884	7.39	25,974	44,440	7,497	Note 1
Carilex Medical Inc.	Carilex Medical Ltd	116 Church Road, Redfield, Bristol, United Kingdom, BS5 9LJ	Selling and maintaining medical peripherals	24,038	7,670	600,000	100.00	21,984	(86)	1,725	Notes 1 and 3
	Carilex Medical B.V.	Zekeringstraat 41D, 1014BV Amsterdam	Selling and maintaining medical peripherals	-	1,019	-	-	-	(434)	(434)	Note 6
	Carilex Medical USA, Inc.	17068 EVERGREEN PL, CITY OF INDUSTRY, CA 91745 U.S.A.	Selling and maintaining medical peripherals	2,787	2,787	100,000	100.00	(18,747)	(2,955)	(8,727)	Note 1
	Carilex Medical Technologies GmbH	FRITZ-STRASSMANN STR. 5 D-25337 ELMSHORN, GERMANY	Selling and maintaining medical peripherals	6,341	6,341	-	100.00	4,562	(1,296)	(2,036)	

Note 1: The recognition of investment gains (losses) was based on the investee's audited financial statements.

Note 2: The difference between the subsidiaries' net value and the Company's acquisition costs should be amortized monthly.

Note 3: Unrealized gain (loss) on transactions with subsidiaries was considered.

Note 4: Unrealized gain (loss) on sidestream transactions among subsidiaries was considered.

Note 5: The information on investments in mainland China is set out in Table 6.

Note 6: Cancellation registration for Carilex Medical B.V. was completed in December 2023. The process of the liquidation is in progress and Carilex Medical B.V. has not returned all residual assets to Carilex Medical Inc.

SHUTTLE INC.

INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(New Taiwan Dollars and Foreign Currencies in Thousands)

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	Ownership of Direct or Indirect Investment (%)	Investment Gain (Loss) (Note 4)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
S.C.M.	Selling and maintaining computers and peripheral products	$ 55,617	(Note 1)	$ 55,617	$ -	$ -	$ 55,617	$ (382)	100	$ (382)	$ 6,039	$ -
S.C.Q.	Selling and maintaining computers and peripheral products	32,010	(Notes 1 and 2)	32,010	-	-	32,010	3,606	100	3,606	-	-
Shandong Lixin Pension Industry Development Co., Ltd.	Elder care service and peripheral products	91,090	(Note 3)	-	-	-	-	(1,012)	50	(506)	35,968	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023 (Note 6)	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA (Note 5)
$375,336	US$14,486	$2,294,796

Note 1: Investments were through a holding company registered in a third region.

Note 2: The liquidation of S.C.Q. was completed in August 2023, and all residual assets were returned to Gold Fountain Limited.

Note 3: Investments were through S.H.K.

Note 4: Investment amounts in other investee companies were calculated based on unaudited financial statements for the same period.

Note 5: The limit stated in the Investment Commission’s regulation, “Investment or Technical Cooperation in Mainland China Adjustment Rule”, is the higher of the Company’s net asset value or 60% of its consolidated net asset value.

Note 6: The amount included original investment amounts of $7,621 thousand, $21,319 thousand, $43,024 thousand and $215,745 thousand, which were not returned by the respective liquidated companies, Shuttle Computer (Shanghai) Incorporation Limited, Shuttle Technology (Shenzhen) Ltd., KAKI and Shuttle Information Technology (Sip) Ltd.