Stock Code: 6203

Sea Sonic Electronics Co., Ltd.
Parent Company Only Financial Statements
For the Years Ended December 31, 2023 and 2022
and Independent Auditors' Report

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Sea Sonic Electronics Co., Ltd.

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Independent Auditors' Report

To: Sea Sonic Electronics Co., Ltd.

Opinion

We have audited the parent company only financial statements of Sea Sonic Electronics Co., Ltd. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, the parent company only statements of comprehensive income, parent company only statements of changes in equity, and parent company only statements of cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and auditing standards of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Parent company only Financial Statements section of our report. We are independent of the Company in accordance with the Code of Professional Ethics for Certified Public Accountant of the Republic of China (the "Code") and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

<u>Sales revenue</u>

Please refer to Note 4.16 for details of the accounting policies for revenue recognition and to Note 5.2.1 and Note 6.19 for the disclosures related to revenue.

Description on the key audit matter:
Sales revenue is the main indicator that investors and management use to evaluate the Company's financial and operating performances. Since the timing and amount of revenue recognition are material to the financial statements, revenue recognition is one of the most important matters in our audit of the financial statements.

Audit procedures in response:
Our main audit procedures include: Tested the effectiveness of the design and execution of the internal controls governing sales and payment-collection operating cycles and reviewed major contracts to evaluate whether the revenue recognition is appropriate; Understood the types of products sold to top ten clients, evaluated the reasonableness of sales revenue and days sales outstanding and analyzed if there is any significant abnormality in the changes of the most recent and prior-year clients; Selected a sample of sales transactions for a period before and after the shipment cut-off date and verified the related supporting document to evaluate the correctness of revenue recognition period and whether there is any abnormal revenue voucher, and to understand whether there is any significant sales return/exchange subsequent to the period.

Valuation of receivables
Please refer to Note 4.6 for details of the accounting policies for impairment of receivables and to Note 5.2.2, Note 6.3 and Note 6.4 for related disclosures.

Description on the key audit matter:
The net amount of the Company's receivables as of December 31, 2023 is $1, 155, 853 thousand NTD (net of loss allowance of $260 thousand NTD). Since the impairment of receivables is based on the management's subjective judgment according to the default risk and expected loss rate of receivables, we have included it as one of the key audit matters in our audit of the financial statements.

Audit procedures in response:
Our main audit procedures include: Assessed the estimation of the loss allowance based on the assumption of default risk and expected loss rate; Reviewed documents inclusive of historical payment collection records, industrial economic situation and credit risk concentration, etc. to evaluate the appropriateness of the estimation methods and assumptions and of related disclosures in the financial statements.

Valuation of inventories
Please refer to Note 4.7 for details of the accounting policies for inventories and to Note 5.2.6 and Note 6.5 for related disclosures.

Description on the key audit matter:
The net amount of the Company's inventories as of December 31, 2023 is $114, 399 thousand NTD (net of the loss allowance on inventories of $5, 242 thousand NTD). The inventories are mainly switching power supplies, etc. Due to rapid change of technology and production technology advancement, the original products may become obsolete or no longer satisfy the market demands, and the sales needs and prices of the relevant products may fluctuate dramatically. Considering that valuation of inventories is related to material judgement and estimation, we include valuation of inventories as one of the key audit matters in our audit of the financial statements.

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Audit procedures in response:
Our main audit procedures include: Assessed the reasonableness of accounting policies addressing inventory valuation; Reviewed inventory aging reports to analyze changes in inventory age and assessed whether the inventory valuations are performed according to the accounting policies; Understood and assessed reasonableness of net realizable value adopted by the management, selected samples and verified the related supporting documents to test the correctness of the amounts, along with assessment on the appropriateness of the management's disclosures on valuation of inventories.

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

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

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

Auditors' Responsibilities for the Audit of the Parent company only Financial Statements
Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the auditing standards 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 parent company only financial statements.

As part of an audit in accordance with the auditing standards 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 parent company only 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 parent company only 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 parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only 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 parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Lin, Chih-Lung and Chen, Chao-Hui.

Crowe (TW) CPAs
Taipei, Taiwan
Republic of China

Lin, Chih-Lung   Chen, Chao-Hui

March 11, 2024

Notice to Readers

The accompanying parent company only financial statements are intended only to present the parent company only 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 parent company only financial statements are those generally accepted and applied in the Republic of China.

For the convenience of readers, the independent auditors' report and the accompanying parent company only 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 parent company only financial statements shall prevail.

Sea Sonic Electronics Co., Ltd.

Parent Company Only Balance Sheets

December 31, 2023 and 2022

In thousands of NTD

Code	Assets	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6.1)	$ 1, 256, 165	31	$ 1, 128, 971	32
1110	Financial assets at FVTPL - current (Note 6.2)	379, 168	10	354, 930	10
1150	Notes receivable, net (Note 6.3)	25, 691	1	24, 392	1
1170	Accounts receivable, net (Notes 6.4)	191, 281	5	289, 152	8
1180	Accounts receivable – related parties, net (Note 6.4, Note 7)	938, 881	24	404, 528	11
1200	Other receivables	8, 775	–	5, 446	–
1210	Other receivables – related parties (Note 7)	754	–	263, 738	7
130x	Inventories (Note 6.5)	114, 399	3	179, 053	5
1410	Prepayments (Note 7)	188, 980	5	162, 203	5
1476	Other financial assets - current (Note 6.6)	63, 171	2	10, 559	–
1479	Other current assets	8, 706	–	8, 160	–
11xx	Total current assets	3, 175, 971	81	2, 831, 132	79
	Noncurrent assets				
1550	Investments accounted for using equity method (Note 6.7)	331, 212	9	343, 882	10
1600	Property, plant and equipment (Note 6.8)	170, 573	4	183, 132	5
1755	Right-of-use assets (Note 6.9)	12, 197	–	1, 292	–
1780	Intangible assets	1, 901	–	–	–
1840	Deferred income tax assets (Note 6.25)	32, 325	1	15, 105	–
1915	Prepayments for equipment (Note 7)	–	–	71	–
1920	Refundable deposits	856	–	678	–
1980	Other financial assets - noncurrent (Note 6.10)	206, 062	5	200, 622	6
1995	Other noncurrent assets	2, 473	–	4, 104	–
15xx	Total noncurrent assets	757, 599	19	748, 886	21
1xxx	Total Assets	$ 3, 933, 570	100	$ 3, 580, 018	100

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Code	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6.19)	$ 2, 980	–	$ 4, 292	–
2170	Accounts payable	80, 040	2	7, 540	–
2200	Other payables	73, 789	2	81, 178	2
2220	Other payables – related parties (Note 7)	–	–	23	–
2230	Current-period income tax liabilities	117, 552	3	140, 631	4
2250	Provision - current (Note 6.11)	8, 686	–	6, 631	–
2280	Lease liabilities - current (Note 6.9)	2, 458	–	1, 306	–
2300	Other current liabilities (Note 6.12)	45, 349	1	33, 209	1
21xx	Total current liabilities	330, 854	8	274, 810	7
	Noncurrent liabilities				
2530	Corporate bonds payable (Note 6.13)	392, 425	10	587, 293	17
2570	Deferred income tax liabilities (Note 6.25)	43, 997	1	35, 977	1
2580	Lease liabilities - noncurrent (Note 6.9)	9, 758	–	–	–
2645	Gurantee deposits received	24	–	24	–
2650	Credit balance of investments accounted for using equity method (Note 6.7)	101, 410	3	39, 207	1
25xx	Total noncurrent liabilities	547, 614	14	662, 501	19
2xxx	Total liabilities	878, 468	22	937, 311	26
	Equity				
	Share capital (Note 6.15)				
3110	Common shares	823, 582	21	799, 532	22
3130	Bond conversion entitlement certificates	–	–	–	–
3100	Total share capital	823, 582	21	799, 532	22
3200	Capital surplus (Note 6.16)	273, 136	7	95, 714	3
	Retained earnings(Note 6.17)				
3310	Legal reserve	688, 633	18	643, 610	18
3320	Special reserve	18, 163	–	27, 520	1
3350	Unappropriated retained earnings	1, 273, 768	33	1, 094, 494	31
3300	Total retained earnings	1, 980, 564	51	1, 765, 624	50
3400	Other equity (Note 6.18)				
3410	Exchange differences arising from translation of foreign operations	(22, 180)	(1)	(18, 163)	(1)
3xxx	Total equity	3, 055, 102	78	2, 642, 707	74
	Total liabilities and equity	$ 3, 933, 570	100	$ 3, 580, 018	100

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

Sea Sonic Electronics Co., Ltd.

Parent Company Only Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Note 6.19)	$ 3, 341, 081	100	$ 2, 396, 811	100
5000	Operating costs (Note 6.5)	(2, 293, 522)	(69)	(1, 719, 782)	(71)
5900	Gross profit (loss) from operations	1, 047, 559	31	677, 029	29
5910	Unrealized profit (loss) from sales	(241, 916)	(7)	(131, 963)	(6)
5920	Realized profit (loss) from sales	131, 963	4	129, 010	5
5950	Gross profit (loss) from operations, net	937, 606	28	674, 076	28
	Operating expenses				
6100	Selling expenses	(66, 976)	(2)	(59, 237)	(2)
6200	Administrative expenses	(97, 488)	(2)	(81, 413)	(4)
6300	Research and development expenses	(50, 674)	(2)	(58, 708)	(2)
6450	Profit (loss) on expected credit impairment	(14)	-	(1)	-
6000	Total operating expenses	(215, 152)	(6)	(199, 359)	(8)
6900	Operating income (loss)	722, 454	22	474, 717	20
	Non-operating income and expenses				
7100	Interest income (Note 6.20)	58, 115	2	21, 991	1
7010	Other income (Note 6.21)	6, 493	-	10, 841	-
7020	Other gains and losses (Note 6.22)	(29, 069)	(1)	205, 401	8
7050	Finance costs (Note 6.24)	(6, 722)	-	(7, 515)	-
7070	Share of profit or loss of subsidiary, associates and joint venture entity under equity method	40, 099	1	(130, 088)	(5)
7000	Total non-operating income and expenses	68, 916	2	100, 630	4
7900	Net income (loss) before income tax	791, 370	24	575, 347	24
7950	Income tax (expense) benefit (Note 6.25)	(176, 664)	(5)	(125, 121)	(5)
8200	Net income (loss)	614, 706	19	450, 226	19
	Other comprehensive income or loss for the year (Note 6.26)				
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising from translation of foreign operations	(5, 021)	-	11, 696	-
8399	Income tax related to components of other comprehensive income that may be reclassified to profit or loss	1, 004	-	(2, 339)	-
		(4, 017)	-	9, 357	-
8300	Other comprehensive income (loss) for the year ,net	(4, 017)	-	9, 357	-
8500	Total Comprehensive Income for the Year	$ 610, 689	19	$ 459, 583	19
	Earnings per share				
9750	Basic earnings per share (Note 6.27)	$ 7. 58		$ 5. 63	
9850	Diluted earnings per share (Note 6.27)	$ 7. 20		$ 5. 23	

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

Sea Sonic Electronics Co., Ltd.

Parent Company Only Statements of Changes in Equity

For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Item	Share capital: Common share	Share capital: Bond conversion entitlement certificates	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other equity: Exchange difference arising from translation of foreign operations	Total equity
Balance on January 1, 2022	$ 799, 532		$ 95, 714	$ 568, 355	$ 19, 139	$ 1, 127, 670	($ 27, 520)	$ 2, 582, 890
Appropriation and distribution of Earnings								
Legal reserve	–		–	75, 255	–	(75, 255)	–	–
Special reserve	–		–	–	8, 381	(8, 381)	–	–
Cash dividends from common shares	–		–	–	–	(399, 766)	–	(399, 766)
Net income (net loss) for the year 2022	–		–	–	–	450, 226	–	450, 226
Other comprehensive income (loss) for 2022	–		–	–	–	–	9, 357	9, 357
Total comprehensive income (loss) for 2022	–		–	–	–	450, 226	9, 357	459, 583
Balance on December 31, 2022	799, 532		95, 714	643, 610	27, 520	1, 094, 494	(18, 163)	2, 642, 707
Appropriation and Distribution of Earnings								
Legal reserve	–		–	45, 023	–	(45, 023)	–	–
Reversal of special reserve	–		–	–	(9, 357)	9, 357	–	–
Cash dividends from common shares	–		–	–	–	(399, 766)	–	(399, 766)
Changes in other capital surplus	–		6	–	–	–	–	6
Net income (net loss) for 2023	–		–	–	–	614, 706	–	614, 706
Other comprehensive income (loss) for 2023	–		–	–	–	–	(4, 017)	(4, 017)
Total comprehensive income (loss) for 2023	–		–	–	–	614, 706	(4, 017)	610, 689
Convertible bonds converted	–	24, 050	177, 416	–	–	–	–	201, 466
Bond conversion entitlement certificates	24, 050	(24, 050)	–	–	–	–	–	–
Balance on December 31, 2023	$ 823, 582	$ –	$ 273, 136	$ 688, 633	$ 18, 163	$ 1, 273, 768	($ 22, 180)	$ 3, 055, 102

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

Sea Sonic Electronics Co., Ltd.

Parent Company Only Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

In thousand NTD

Item	2023	2022
Cash flows from operating activities		
Income (loss) before income tax, net	$ 791, 370	$ 575, 347
Adjustment items		
Depreciation expense	13, 859	15, 371
Amortization expense	3, 147	4, 082
Expected credit loss (benefit)	14	1
Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(12, 283)	6, 109
Interest expense	6, 722	7, 515
Interest income	(58, 115)	(21, 991)
Share of profit or loss of subsidiaries, associates, and joint ventures under equity method	(40, 099)	130, 088
Loss (benefit) on disposal and scrapping of property, plant and equipment	(409)	(68)
Unrealized sales profit (loss)	71	-
Realized sales profit (loss)	241, 916	131, 963
Unamortized expense transferred to expense	(131, 963)	(129, 010)
Changes in operating assets / liabilities, net	700	660
Changes in operating assets, net		
Decrease (increase) in notes receivable	(1, 313)	(147)
Decrease (increase) in accounts receivable	97, 871	411, 164
Decrease (increase) in accounts receivable – related parties	(534, 353)	74, 453
Decrease (increase) in other receivables	293	4, 925
Decrease (increase) in other receivables – related parties	(398)	894
Decrease (increase) in inventories	64, 654	(57, 404)
Decrease (increase) in prepayments	(26, 777)	(160, 609)
Decrease (increase) in other current assets	(546)	(5, 960)
Changes in operating liabilities, net		
Increase (decrease) in contract liabilities	(1, 312)	(1, 565)
Increase (decrease) in accounts payable	72, 500	785
Increase (decrease) in accounts payable – related parties	-	(17, 895)
Increase (decrease) in other payables	(7, 389)	(15, 074)
Increase (decrease) in other payables – related parties	(23)	(96)

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Increase (decrease) in provision for liabilities	2, 055	1, 234
Increase (decrease) in other current liabilities	12, 140	4, 482
Cash flows from (used in) operations	492, 332	959, 254
Interest received	56, 831	17, 452
Interest paid	(43)	(20)
Income tax refunds (paid)	(207, 939)	(155, 302)
Net cash flows from (used in) operating activities	341, 181	821, 384
Cash flows from investing activities		
Acquisition of financial assets at fair value through profit or loss	(242, 037)	(24, 647)
Disposal of financial assets at fair value through profit or loss	230, 000	129, 327
Acquisition of investments accounted for using equity method	–	(40, 000)
Acquisition of property, plant and equipment	(2, 136)	(7, 159)
Disposal of property, plant and equipment	2, 958	4, 468
Decrease (increase) in refundable deposits	(178)	4
Decrease (increase) in other receivables – related parties	261, 043	(261, 043)
Acquisition of tangible assets	(2, 262)	–
Decrease (increase) in other financial assets	(58, 052)	(18, 594)
Decrease (increase) in other non-current assets	(1, 855)	(1, 456)
Decrease (increase) in prepayments for equipment	–	(11, 717)
Net cash flows from (used in) investing activities	187, 481	(230, 817)
Cash flows from financing activities		
Increase (decrease) in deposits received	–	(9)
Lease principal repayment	(1, 708)	(1, 552)
Cash dividends paid	(399, 766)	(399, 766)
Other financing activities	6	–
Net cash flows from (used in) financing activities	(401, 468)	(401, 327)
Increase (decrease) in cash and cash equivalents for the period	127, 194	189, 240
Cash and cash equivalents at beginning of period	1, 128, 971	939, 731
Cash and cash equivalents at end of period	$ 1, 256, 165	$ 1, 128, 971

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

Sea Sonic Electronics Co., Ltd.

Notes to Parent company only Financial Statements

For the Years Ended December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars, unless specified otherwise)

1. General Information

Sea Sonic Electronics Co., Ltd. (hereinafter, the "Company") was established in 1975 under the Company Act of the Republic of China and began its operations in November of the same year. The main operation items includes follows:

1. Manufacture and repair various types of radios, recorders, instruments, amplifiers and the related contracting works.
2. Purchase, sale and import/export of the aforementioned equipment.
3. Purchase and sale of video recorders, automatic controllers, wired electrical machinery and tools, and electro-educational equipment, etc.
4. Import/export trading of the aforementioned equipment and conduct quotation/bidding/distribution/brokerage agent businesses for domestic and foreign vendors.
5. Manufacturing and processing of various electronic instruments (except licensed industries) and computer peripherals, and trading of related electronic parts.
6. Except for businesses requiring special licensing, may conduct businesses that are not prohibited or restricted by the laws and regulations.

2. The Authorization of the Parent company only Financial Statements

The accompanying parent company only financial statements were approved and authorized for issuance by the Board of Directors on March 11, 2024.

3. Application of New Issued Standards, Amendments, and Interpretations

3.1 Effects from application of the International Financial Reporting Standards, International Accounting Standards, and the related interpretations and announcements endorsed and issued into effect by the Financial Supervisory Commission ("FSC") (together "IFRSs"):

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

New IFRSs	Effective Date Announced by IASB
Amendments to IAS 1 “Disclosures of Accounting Policies”	January 1, 2023 (Note A)
Amendments to IAS 8 “Definition of Accounting Estimates”	January 1, 2023 (Note B)
Amendments to IAS 12“Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”	January 1, 2023 (Note C)
Amendments to IAS 12 “International Tax Reform － Pillar Two Model Rules”	(Note D)

Note A: An entity shall apply these amendments for annual reporting periods beginning on or after January 1, 2023.

Note B: These amendments apply to changes in accounting estimates and changes in accounting policies that occur during annual reporting periods beginning on or after January 1, 2023.

Note C: This amendment applies to transactions occurring after the beginning date of the earliest comparative period expressed (January 1, 2022), unless additional provisions are made for temporary differences related to lease and decommissioning obligations.

Note D: As a temporary exception under IAS 12, an entity shall not recognize deferred income tax assets and liabilities associated with Pillar 2 income tax, nor shall it disclose the related information. However, the entity shall disclose in its financial report that it has already applied this exception. An entity shall apply this part of the amendment retrospectively in accordance with IAS 8 since the date that the amendments were issued (May 23, 2023). An entity shall apply the remaining disclosure requirements for the annual reporting periods beginning on or after January 1, 2023 and needs not to disclose such information in its interim reports with a reporting date ending before or on December 31, 2023.

(1) Amendments to IAS 1 “Disclosures of Accounting Policies”

The amendments clarify that an entity shall disclose its material significant accounting policy information if the transaction, other event or condition to which the accounting policy information relates is material in size or nature, or a combination of both, and the accounting policy information that relates to a material transaction, other event or condition is also material to the financial statements. On the other hand, if the transaction, other event or condition to which the accounting policy information relates is immaterial in size or nature, an entity needs not to disclose the accounting policy information that relates to the immaterial transaction, other event or condition. Additionally, immaterial accounting policy information that relates to material transactions, other events or conditions need not be disclosed, either. However, an entity's conclusion that accounting policy information is immaterial does not affect the related disclosure requirements set out in other IFRS Standards.

(2) Amendments to IAS 8 "Definition of Accounting Estimates"

The amendments define accounting estimates as monetary amounts in financial statements that are subject to measurement uncertainty and clarify that a change in measurement techniques or inputs used to develop an accounting estimate is a change in accounting estimates unless the change is due to an error from prior periods.

(3) Amendments to IAS 12 "Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction"

The amendments narrow the exemption extent in paragraphs 15 and 24 of IAS 12 for an entity from recognizing a deferred tax asset or liability in particular circumstances. In particular, the exemption does not apply to a transaction that gives rise to equal taxable and deductible difference at the time of the transaction. At the initial application of the amendments, an entity shall, at the beginning of January, 2022, the earliest comparative period presented, recognize deferred taxes for all deductible and taxable temporary differences associated with lease and decommissioning liabilities and recognize the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at that date. An entity shall also apply the amendments transactions that occur on or after the beginning of the earliest comparative period presented. When initially applying the amendments, the information for comparable periods shall be restated.

(4) Amendments to IAS 12 "International Tax Reform — Pillar Two Model Rules"

The amendments stipulates that, as a temporary exception to IAS 12, corporations shall neither recognize nor disclose information about deferred income tax assets and liabilities for Pillar Two income tax relating to international tax reform. However, corporations shall disclose in its financial reports that it has applied this exception. In addition, corporations shall separately disclose its current income tax expenses (benefits) relating to Pillar Two income tax. If the Pillar Two bill has been enacted or has been substantively enacted but has not yet taken effect, corporations should disclose qualitative and quantitative information on its exposure to Pillar Two income tax that is known or can be reasonably estimated.

Based on the Company's assessment, the New IFRSs above have no significant effect on the Company's financial position and financial performance.

3.2 The impact of not yet adopting the newly issued and revised IFRSs endorsed by the FSC is summarized in the following table:

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

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note A)
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 B)

Note A: The seller-lessee shall apply the amendments retrospectively in accordance with IAS 8 for the sale and leaseback transactions made after the initial application of IFRS 16.

Note B: The amendment provides certain transitional reliefs. When initially applying the amendment, entities are not required to disclose comparative information and interim period information, as well as opening information required by paragraph 44H(b)(ii)-(iii).

(1) Amendments to IFRS 16 "Lease liability in a sale and leaseback"

The amendment clarifies that for a sale and leaseback transaction, if the transfer of the asset is treated as a sale in accordance with IFRS 15, the liabilities incurred by the seller-lessee due to the leaseback should be treated in accordance with the IFRS 16. Moreover, if any variable lease payments that do not depend on an index or rate are involved, the seller-lessee should still determine and recognize the lease liability arising from such variable payments in a manner that does not recognize gains and losses related to the retained right of use. The difference between the subsequent actual lease payment amount and the reduced carrying amount of the lease liability is recognized in profit or loss.

(2) Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"

The amendments clarify that when an entity determines whether a liability is classified as non-current, the entity should assess whether it has the right to defer the settlement for at least twelve months after the reporting period. If the entity has that right on the end of reporting period, that liability must be classified as non-current regardless whether the entity expects whether to exercise the right or not. If the entity must follow certain conditions to have the right to defer the settlement of a liability, the entity must have followed those conditions at the end of reporting period in order to have that right, even if the lender tests the entity's compliance on a later date.

The aforementioned settlement means transferring cash, other economic resources or the entity's equity instruments to the counter-party to extinguish the liability. If the terms of the liability give the counter-party an option to extinguish the liability by the entity's equity instruments, and this option is recognized separately in equity in accordance with IAS 32 "Financial Instruments: Presentation", then the classification of the liability will not be affected.

(3) Amendment to IAS 1 "Non-current Liabilities with Covenants"

This amendment further clarifies that only contractual terms that are required to be complied with before the end of the reporting period will affect the classification of the liability at that date. The contractual terms that required to be complied with within 12 months after the reporting period do not affect the classification of liabilities at the reporting date. However, for liabilities classified as non-current and must be repaid within 12 months after the reporting period due to potential non-compliance, the relevant facts and circumstances should be disclosed.

(4) Amendments to IAS 7 and IFRS 7 "Supplier finance arrangements"

Supplier financing arrangements involve one or more financing providers making payments to suppliers on behalf of an entity, and the entity agrees to repay the financing providers on the payment date agreed with the suppliers or a later date. The amendments to IAS 7 require an entity to disclose information on its supplier financing arrangements to enable users of financial statements to assess the impact of these arrangements on the entity's liabilities, cash flows and exposure to liquidity. The amendments to IFRS 7 include into its application guidance that when disclosing how an entity manages the liquidity risk of its financial liabilities, it may also consider whether it has obtained or can obtain financing facilities through supplier financing arrangements, and whether these arrangements may cause concentration of liquidity risk.

Based on the Company’s assessment, the application of the New IFRSs above will not have significant impact on the Company’s financial position or financial performance.

3.3 The impact of IFRSs issued by IASB but not yet endorsed and issued into effect by FSC:

New standards, interpretations and amendments issued by IASB but not endorsed and issued into effect by the FSC are as follows:

New IFRSs	Effective Date Announced by IASB
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 IRFS 17	January 1, 2023
Amendments to IRFS 17 “Initial Application of IFRS 17 and IFRS 9─Comparative Information”	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

As of the date the accompanying parent company only financial statements are authorized for issue, the Company is still evaluating the impact on its financial position and financial performance as a result of the initial adoption of the aforementioned standards or interpretations. The related impact will be disclosed when the Company completes the evaluation.

4. Summary of Significant Accounting Policies

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

4.1 Statement of Compliance

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

4.2 Basis of Preparation

(1) Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

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

B. Financial assets measured at fair value through other comprehensive income.

C. Liabilities on cash-settled share-based payment arrangements measured at fair value.

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

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

(3) Investments in subsidiaries, affiliates or joint ventures are accounted for by the equity method in the preparation of the Company's financial statements. In order to make the current year's profit or loss, other comprehensive profit or loss and equity in the Individual Financial Statements the same as the current year's profit or loss, other comprehensive profit or loss and equity in the Consolidated Financial Statements of the Company attributable to the owners of the Company, the differences in certain accounting treatments under the Individual Basis and the Consolidated Basis are adjustments to the " Investments accounted for using equity method," "Share of profit or loss of subsidiaries, associates and joint ventures under equity method," and "Share of other comprehensive income of subsidiaries, associates, and joint ventures under equity method," as well as to the related equity line items.

4.3 Foreign Exchange

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan Dollars (NT$), which is the Company’s functional currency.

In preparing the financial statements of each individual parent company only entity, transactions in currencies other than the entity’s functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Such exchange differences are recognized in profit or loss in the year 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 year except for exchange differences arising on 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 in terms of historical cost in foreign currencies are not retranslated.

For the purposes of presenting parent company only financial statements, the assets and liabilities of the Company's foreign operations are translated into NT$ 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, if any, are recognized in other comprehensive income and accumulated in equity and are attributed to noncontrolling interests as appropriate.

Translation of foreign operations

A. The results of operations and financial position of all subsidiaries, affiliates and jointly controlled entities that have a functional currency different from the presentation currency are translated into the presentation currency in the following manner:

   (A) Assets and liabilities expressed in each balance sheet are translated at the closing rate on that balance sheet date.
   (B) The income and expenses expressed in each comprehensive income statement are translated at average exchange rates for the period.
   (C) All exchange differences from the translation are recognized as other comprehensive income.

B. When a foreign operation partially disposed of or sold is a related entity or a jointly controlled entity, the exchange differences under other comprehensive income or loss are proportionately reclassified to profit or loss as part of the gain or loss on disposal. However, when the Company loses significant influence over a foreign operation that is a related entity or loses joint control over a foreign operation that is a jointly controlled entity even though it retains a portion of its interest in the former related entity or jointly controlled entity, the disposal is treated as a disposal of the entire interest in the foreign operation.

C. When a foreign operating entity partially disposed of or sold is a subsidiary, the cumulative translation differences recognized in other comprehensive income or loss are reattributed to the noncontrolling interest in the foreign operating entity on a pro rata basis. However, when the Company loses control over a foreign operating entity that is a subsidiary even though it retains a portion of its interest in the former subsidiary, it is treated as a disposal of its entire interest in the foreign operating entity.

4.4 Classification of Current and Non-current Assets and Liabilities

(1) Assets that meet one of the following criteria are classified as current assets; otherwise, they are classified as non-current assets:

A. Assets that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
B. Assets held mainly for trading purposes;
C. Assets that are expected to be realized within twelve months from the balance sheet date; or
D. Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

The Company classifies all liabilities that do not meet the above criteria as noncurrent.

(2) Liabilities that meet one of the following criteria are classified as current liabilities; otherwise, they are classified as non-current liabilities:

A. Liabilities that are expected to be settled within the normal operating cycle;

B. Liabilities arising mainly from trading activities;

C. Liabilities that are to be settled within twelve months from the balance sheet date, even if an agreement to refinance, or to reschedule payments on a long-term basis is completed after the reporting period and before the parent company only financial statements are authorized for issue; and

D. Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

The Company classifies all liabilities that do not meet the above criteria as noncurrent.

4.5 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value (including the original maturity of the time deposits within three months.)

4.6 Financial instruments

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

Upon initial recognition of financial assets and financial liabilities, they are measured at fair value. Upon initial recognition, the transaction costs that can be directly attributable to obtaining or issuing the financial assets and financial liabilities (except for one sclassified as financial assets and financial liabilities at FVTPL) shall be added to or subtracted from the fair value of the financial assets and financial liabilities. The transaction costs that can be directly attributable to obtaining or issuing financial assets at FVTPL are recorded in profit or loss in the period occurred.

4.6.1 Financial Assets

A. Measurement categories

All regular way purchases or sales of financial assets are recognized and derecognized using trade date accounting.

Financial assets are classified into the following categories: Financial assets measured at fair value through profit or loss ("FVTPL") and financial assets measured at amortized cost.

(A). Financial assets at fair value through profit or loss

Financial assets are classified as measured at FVTPL when such a financial asset is mandatorily classified as measured at FVTPL. Financial assets mandatorily classified as measured at FVTPL include equity investments that are not designated as measured at fair value through other comprehensive income ("FVTOCI") and debt investments that do not meet the criteria for being classified as measured at amortized cost criteria or at FVTOCI.

(B). Financial assets at amortized cost

a. Financial assets that meet both of the following conditions are measured at amortized cost:

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

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

b. Subsequent to initial recognition, financial assets at amortized cost 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:

(a) 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

(b) 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.

B. Impairment of financial assets

(A). The Company recognizes loss allowances for expected credit losses on financial assets at amortized cost (including accounts receivable), lease receivables, and contract assets.

(B). The Company recognizes loss allowances at an amount equal to lifetime expected credit losses (i.e., ECLs) for accounts receivable, contract assets, and lease receivables. For all other financial instruments, the Company recognizes lifetime ECLs for which 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.

(C). 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.

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

C. Derecognition of financial assets

The Company derecognizes a financial asset when one of the following conditions is met:

(A). The contractual rights to receive cash flows from the financial asset expire.

(B). The contractual rights to receive cash flows from the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

(C). The Company neither retains nor transfers substantially all risks and rewards of ownership of the financial asset; however, it does not retained control of the financial asset.

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

4.6.2 Equity Instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

4.6.3 Financial Liabilities

A. Subsequent measurements

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

(A). Financial liabilities at fair value through profit or loss are financial liabilities held for trading or financial liabilities designated as at fair value through profit or loss on initial recognition. A financial liability is classified as held for trading if it is incurred principally for the purpose of repurchasing it in the near term. Derivatives are also categorized as financial liabilities held for trading unless they are financial guarantee contracts or designated and effective hedging derivatives. Financial liabilities that meet one of the following criteria are designated as at fair value through profit or loss on initial recognition:

a. They are hybrid (combined) contracts of embedded derivative; and the master contract is not an asset within the scope of IFRS 9; or

b. They eliminate or significantly reduce a measurement or recognition inconsistency that would otherwise arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases; or

c. They are managed and their performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy.

(B). Financial liabilities at fair value through profit or loss are initially recognized at fair value. Related transaction costs are expensed in profit or loss. These financial liabilities are subsequently remeasured at fair value, and any changes in the fair value of these financial liabilities are recognized in profit or loss.

(C). For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability is presented in profit or loss. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

B. Derecognition of financial liabilities

The Company derecognizes a financial liability when, and only when, it is extinguished—i.e., when the obligation is discharged or cancelled or expires. The difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

4.6.4 Modification of Financial Instruments

When the contractual cash flows of a financial instrument are renegotiated or modified and the renegotiation or modification does not result in the derecognition of that financial instrument, the Company recalculates the gross carrying amount of the financial asset or the amortized cost of the financial liabilities using the original effective interest rate and recognizes a modification gain or loss in profit or loss. Any costs or fees incurred adjust the carrying amount of the modified financial instrument and are amortized over the remaining term of the modified financial instrument. If the renegotiation or modification results in that the derecognition of that financial instrument is required, then the financial instrument is derecognized accordingly.

If the basis for determining the contractual cash flows of a financial asset or financial liability changes resulting from interest rate benchmark reform and the change is necessary as a direct consequence of interest rate benchmark reform and the new basis for determining the contractual cash flows is economically equivalent to the previous basis, the Company applies the practical expedient to account for that change as a change in effective interest rate. If changes are made to a financial asset or financial liability in addition to changes to the basis for determining the contractual cash flows required by interest rate benchmark reform, the Company first applies the practical expedient aforementioned to the changes required by interest rate benchmark reform, and then applies the applicable requirements to any additional changes to which that practical expedient does not apply.

4.7 Inventories

Inventories, under a perpetual system, are measured at the lower of cost and net realizable value. Cost is determined using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity), excluding borrowing costs. The item-by-item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completing produce and sales process.

4.8 Subsidiaries and investments accounted for using equity method

(1) Subsidiaries are all entities (including structural entities) over which the Company has control. When the Company is exposed to variable rewards from participation in

the entity or has rights to the variable rewards and has power to influence the rewards through its power over the entity, the Company controls the entity.

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

(3) The Company's share of its subsidiaries' profit or loss after the date of acquisition is recognized in the Company's profit or loss, and its share of changes in the associate's other comprehensive income is recognized in the Company's other comprehensive income. When the Company's share of losses of its subsidiaries equals or exceeds its interest in the subsidiaries, the Company continues to recognize its share of losses.

(4) When the Company's changes of shareholding in a subsidiary does not lead to loss of control (transaction with non-controlling interests), it is treated as equity transaction, that is, transaction with shareholders. The amount of difference between the adjustment amount in non-controlling interests and the fair value of the consideration received or paid is directly recognized as equity.

(5) Upon loss of control over a subsidiary, the Company remeasures any retained investment in the former subsidiary at its fair value, which then becomes the initial recognition cost of financial assets at fair value or investments in associates or joint ventures. Any difference between the fair value and carrying amount is recognized in profit or loss. For all the amounts previously recognized as other comprehensive income and related to the subsidiary, the basis of accounting treatment is the same as if the Company disposes of the related assets or liabilities. That is, if the gains or losses previously recorded as other comprehensive income (loss) would be reclassified to profit or loss upon disposal of the related assets or liabilities, then, upon loss of control over the subsidiary, the gains or losses would be reclassified to profit or loss from equity.

(6) According to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", the current-period profit or loss, other comprehensive income and shareholders' equity in the Parent Company Only Financial Statements should be consistent with those allocated to the parent company shareholder in the financial statements prepared based on consolidated basis.

4.9 Property, Plant and Equipment

(1) Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized. For property, plant and equipment under construction, sample produced from testing whether the asset is functioning properly before its intended use are measured at lower of the costs or net realizable value. Proceeds from selling such an item and the cost of the item are recognized in profit or loss.

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

(3) Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each end of reporting year. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in accounting estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change.

The estimated useful lives of property, plant and equipment are as follows:

Buildings	29 ~ 35 years
Machinery	3 ~ 10 years
Research and development equipment	3 ~10 years
Office equipment	3 ~ 6 years
Transportation equipment	5 years
Other equipment	5 years

(4) An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.10 Leases

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease. For a contract that contains a lease component and non-lease components, the Company allocates the consideration in the contract to each component on the basis of the relative stand-alone price and accounts for each component separately.

(1) The Company as a lessee

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

Right-of-use assets

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, less any lease incentives received, and plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets. Right-of-use assets are subsequently measured at cost less accumulated depreciation and accumulated impairment losses and adjusted for any remeasurement of the lease liabilities.

Right-of-use assets are presented as a separate line item in the parent company only balance sheets, except for those that meet the definition of investment properties.

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. However, if the ownership of the underlying assets is transferred to the Company by the end of the lease terms or if the costs of right-of-use assets reflect that the Company will exercise a purchase option, the Company depreciates the right-of-use assets from the commencement dates to the end of the useful lives of the underlying assets.

Lease liabilities

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments that depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. 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 assessment of an option to purchase an underlying asset, a change in the amounts expected to be payable under a residual value guarantee, 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. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the leas for lease modifications that decrease the scope of the lease. The lessee shall recognize in profit or loss any gain or loss relating to the partial or full termination of the lease and (b) making a corresponding adjustment to the right-of-use asset for all other lease modifications. Lease liabilities are presented as a separate line item in the parent company only balance sheets.

(2)The Company as a 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.

Under operating leases, lease payments, less any lease incentives payable, are recognized as lease income on a straight-line basis over the lease terms. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized those costs as an expense over the lease term on the same basis as the lease income. The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification.

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

4.11 Impairment of non-financial assets

The Company assesses at the end of reporting period the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the indication of impairment loss recognized in prior years for an asset other than goodwill no longer exists, the impairment loss is reversed to the extent of the loss previously recognized in profit or loss.

4.12 Provisions

Provisions are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date. The discount rate (or rates) shall be a pre-tax rate (or rates) that reflect(s) current market assessments of the time value of money and the risks specific to the liability. Where discounting is used, the carrying amount of a provision increases in each period to reflect the passage of time. This increase is recognized as interest expense. Provisions are not recognized for future operating losses.

4.13 Employee benefits

Short-term employee benefits

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

Pensions

A. Defined contribution plan

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

B. Defined benefit plan

(a) Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current or prior period(s). The liability recognized in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The defined benefit net obligation is estimated annually by independent actuaries using the projected unit credit method. The discount rate used is determined by reference to market yields at the end of the reporting period on high quality corporate bonds. For currencies for which there is no deep market in such high-quality corporate bonds, the market yields (at the end of the reporting period) on government bonds denominated in that currency are used.

(b) Remeasurements of defined benefit plans are recognized in other comprehensive income as incurred and are recorded as retained earnings.

(c) Past-service costs are recognized immediately in profit or loss.

Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligations and those amounts can be reliably estimated. Any difference between the amount accrued and the amount actually distributed is accounted for a change in accounting estimate.

Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of an employee's employment as a result of either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of benefits in exchange for the termination of employment. The Company recognizes expense when it can no longer withdraw an offer of termination benefits or when it recognizes related restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date are discounted to their present value.

4.14 Share capital

Ordinary shares are classified as equity. The classification of preferred stocks is based on the special rights entitled to preference shares based on the substance of the contract and the definition of financial liabilities and equity instruments. If preferred stocks meet the definition of a financial liability, they are classified as liabilities; otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are recognized in equity as a deduction from the proceeds.

4.15 Income tax

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

(2) The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax calculated in accordance with Income Tax Act of the Republic of China is levied on the unappropriated retained earnings and is recorded as income tax expense in the subsequent year when the stockholders approve to distribute retain earnings.

(3) Deferred income tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit nor loss, and, does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Coperation and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

(4) Deferred income tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences, unused tax losses, and unused tax credits can be utilized. At each balance sheet date, unrecognized and recognized deferred income tax assets are reassessed.

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

(6) A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology, research and development expenditures, employee training, and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

4.16 Revenue Recognition

The Company applies the following steps for revenue recognition:

(a) Identifying the contract;

(b) Identifying performance obligations;

(c) Determine the transaction price;

(d) Allocating the transaction price to performance obligations; and

(e) Recognizing revenue when (or as) a performance obligation is satisfied.

The Company identifies performance obligations in a contract with the customer, 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 within one year, the Company does not adjust the promised amount of consideration for the effect of a significant financing component.

The Company produces and sells switching power supplies and related products, with the sales income recognized when the control of products is transferred to the customer. Transfer of control of products means that the products have been delivered to the customer and there is no outstanding obligation that would affect the customer's acceptance of the products. Delivery means that the customer has accepted the products in accordance with the terms of the transaction, the risk of obsolescence and loss has been transferred to the customer, and the Company has objective evidence that all acceptance conditions have been met.

The Company's accounts receivable are recorded upon delivery of goods because the Company has the unconditional right to receive the consideration at that point in time.

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

5. Critical Accounting Judgments and Major Sources of Estimation and Assumption Uncertainty

The Company takes into account the economic impact of the covid-19 pandemic, changes in climates and related governmental policies and regulations, the conflicts between Ukraine and Russia as well as related international sanctions, inflation and volatility in interest rate on significant accounting estimates and reviews the basic assumptions and estimation on an ongoing basis. If a change in accounting estimate affects only the current period, the effect is recognized in the current period. If a change in accounting estimate affects both current and future periods, the effects are recognized in both periods.

In the preparation of the parent company only financial statements, the critical accounting judgments the Company has made and the major sources of estimation and assumption uncertainty are described as follows:

5.1 Significant judgment for adopting auditing policy

Business model assessment for financial assets

The Company determines the business model at a level that reflects how groups of financial assets are managed together to achieve a particular business objective. This assessment involves judgment and consideration of all relevant evidence, such as how the performance of the assets is evaluated, the risks that affect the performance of the assets, and how the managers of the assets are compensated. The Company constantly assess the adequacy of its business model and monitors financial assets measured at amortized cost and debt investments measured at fair value through other comprehensive income. When these assets are derecognized prior to their maturity, the Company reviews the reasons for their disposal and whether the reasons are consistent with the objective of the business for which the assets were held. If the objective of the business for an asset is changed, the classification of the asset is prospectively changed from the reclassification date in accordance with IFRS 9.

Lease term

In determining lease term, the Company considers all facts and circumstances that create an economic incentive to exercise or not to exercise an option, including any expected changes in facts and circumstances from the commencement date until the exercise date of the option. Main factors considered include contractual terms and conditions for the periods covered by the option, significant leasehold improvements undertaken (or expected to be undertaken) over the contract term, the importance of the underlying asset to the lessee's operations, etc. The lease term is reassessed if a significant change in circumstances that are within control of the Company occurs.

5.2 Critical accounting estimates and assumptions

Revenue Recognition

Sales revenue, excluding related estimated sales returns, discounts and other similar allowance, is recognized when the control of goods or services is transferred to the customer and the Company satisfies it performance obligation. The Company estimates sales returns and allowance based on historical experience and other known factors. The Company reassesses the reasonableness of the estimates periodically.

Estimated impairment of financial assets

The provision for impairment of accounts receivables is based on assumptions on risk of default and expected loss rates. The Company makes these assumptions and selects inputs for impairment calculation based on the Company's historical experience and existing market conditions, as well as forward looking information. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

Fair value measurements and valuation processes

Where some of the Company's assets and liabilities measured at fair value have no quoted prices in active markets, the Company determines, based on relevant regulations and judgment, whether to engage third party qualified valuers and the appropriate valuation techniques for the fair value measurements. Where Level 1 inputs are not available, the Company determine appropriate inputs by referring to the analyses of the financial position and the operation results of the investees, the most recent transaction prices, prices of the same equity instruments not quoted in active markets, quoted prices of similar instruments in active markets, and valuation multiples of comparable entities. If the actual changes of inputs in the future differ from expectation, the fair value might vary accordingly. The Company updates inputs periodically according to market conditions to monitor the appropriateness of the fair value measurement.

Impairment assessment of tangible and intangible assets

In the course of impairment assessments, the Company determines, based on how assets are utilized and relevant industrial characteristics, the useful lives of assets and the future cash flows of a specific group of the assets. Changes in economic circumstances or the Company's strategy might result in material impairment of assets in the future.

Realizability of deferred tax assets

Deferred tax assets are recognized only to the extent that it is probable that future taxable profits will be available against which the deferred tax asset can be utilized. The Company's management assesses the realizability of deferred tax assets by making critical accounting judgements and significant estimates of expected future revenue growth rate, gross profit rate, the tax exemption period, available tax credits, and tax planning, etc. Changes in global economic environment, industrial environment, and laws and regulations might result in material adjustments to deferred tax assets.

Valuation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company needs to exercise judgments and estimates the net realizable value of inventory for obsolescence and unmarketable items on balance sheet date due to the rapid technology changes and writes down inventories to the net realizable value. Such an evaluation of inventories is mainly based on the demand for the products within a specified period in the future. Therefore, there might be material changes to the evaluation.

Lessees' incremental borrowing rates

In determining a lessee's incremental borrowing rate used in discounting lease payments, a risk-free rate for the same currency and relevant duration is selected as a reference rate, and the lessee's credit spread adjustments and lease specific adjustments (such as asset type, guarantees, etc.) are also taken into account.

6. Description of Significant Accounting Items

6.1 Cash and cash equivalents

Item	December 31, 2023	December 31, 2022
Cash	$ 167	$ 77
Demand deposits	45, 786	21, 152
Time deposits	-	315, 126
Foreign currency deposits	1, 210, 212	792, 616
Total	$ 1, 256, 165	$ 1, 128, 971

(1) The Company deposits its cash and cash equivalents at several financial institutions that have high credit quality to diversify its risk. Therefore, the Company considers its cash and cash equivalents to have low credit risk.

(2) The Company has no cash and cash equivalents pledged to others.

6.2 Financial assets at FVTPL – current

Item	December 31, 2023	December 31, 2022
Non-derivative financial assets mandatorily measured at FVTPL		
Fund beneficiary certificates	$ 352, 638	$ 331, 180
Corporate bonds	26, 332	22, 430
Derivative financial assets		
Rights to redeem convertible corporate bonds	198	1, 320
Total	$ 379, 168	$ 354, 930

(1) The Company has no financial assets at FVTPL pledged to others.

(2) Please refer to Note 12 for information on related credit risk management and valuation method.

6.3 Notes receivable, net

Item	December 31, 2023	December 31, 2022
Notes receivable	$ 25, 951	$ 24, 638
Less: Loss allowance	(260)	(246)
Notes receivable, net	$ 25, 691	$ 24, 392

(1) As of December 31, 2023 and 2022, no notes receivable of the Company are pledged.

(2) For disclosures on loss allowance of notes receivable, please refer to following section of accounts receivable.

6.4 Accounts receivable, net

Item	December 31, 2023		December 31, 2022	
Measured at amortized cost				
Accounts receivable	$	191, 281	$	289, 152
Accounts receivable – related parties		938, 881		404, 528
Accounts receivable, net	$	1, 130, 162	$	693, 680

(1) The average credit period of sales of goods ranges from 60 to 105 days, which is determined by reference to the credit granting policy based on the counterparties' industrial characteristics, operation scales and profitability.

(2) The Company has no accounts receivable pledged to others.

(3) Accounts receivable are measured at amortized cost with no notes receivable discounted.

(4) The Company using the simplified approach to recognize the loss allowance at an amount equal to lifetime expected credit losses (i.e. ECLs) for notes receivables and accounts receivables. The expected credit losses are calculated based on loss rates estimated by reference to past default experience and the current financial position of the debtor, as well as external credit rating. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the following provision matrix for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

(5) The loss allowances of notes receivable and accounts receivable (including related parties and overdue receivables) , were detailed below:

December 31, 2023	Gross carrying amount		Lifetime loss allowance (expected credit losses)		Amortized cost	
Not past due	$	1, 126, 739	$	260	$	1, 126, 479
Past due 1~30 days		9, 537		-		9, 537
Past due 30~60 days		19, 837		-		19, 837
Past due 60~90 days		-		-		-
Past due more than 91 days		-		-		-
Total	$	1, 156, 113	$	260	$	1, 155, 853

December 31, 2022	Gross carrying amount	Lifetime loss allowance (expected credit losses)	Amortized cost
Not past due	$ 688, 699	$ 246	$ 688, 453
Past due 1~30 days	24, 311	-	24, 311
Past due 30~60 days	5, 032	-	5, 032
Past due 60~90 days	-	-	-
Past due more than 91 days	276	-	276
Total	$ 718, 318	$ 246	$ 718, 072

The Company's expected credit loss rate (excluding abnormal amounts) for each age range mentioned above is 0% for non-delinquent and 1 ~ 30 days past due; 0% for 30 ~ 90 days past due; and 100% for over 91 days past due.

(6) The movements of the loss allowances of notes receivable and accounts receivable (including related parties) , were as follows:

Item	2023	2022
Beginning balance	$ 246	$ 245
Add: Recognition of impairment losses	314	276
Less: Reversal of impairment losses	(300)	(275)
Ending balance	$ 260	$ 246

The Company did not hold any collaterals or other credit enhancements for these accounts receivable.

(7) Please refer to Note 12 for information on related credit risk management and valuation method.

6.5 Inventories and cost of goods sold

Item	December 31, 2023	December 31, 2022
Finished goods and merchandise	$ 28, 723	$ 59, 785
Work in process and semi-finished products	215	17, 316
Raw materials	82, 913	99, 091
Supplies	2, 548	2, 861
Total	$ 114, 399	$ 179, 053

(1) Inventory-related losses (gains) recognized as costs of goods sold:

Item	2023	2022
Cost of goods sold	$ 2, 282, 565	$ 1, 718, 504
Loss on price decline (gain on reversal) of inventories	2, 216	1, 309
Loss on scrapping of inventories	8, 832	710
Loss (gain) on inventory counts	(91)	(741)
Total operating costs	$ 2, 293, 522	$ 1, 719, 782

(2) As of December 31, 2023 and 2022, the insurance amount for inventories was $30,000 thousand and $50,000 thousand, respectively.

(3) In 2023 and 2022, the Company wrote down its inventories to net realizable value; or due to increase in price of some products / consumption of a portion of inventories, which let to recovery of net realizable value, the Company recognized loss on price decline (gain on reversal) of inventories by the amount of $2,216 thousand and $1, 309 thousand, respectively.

(4) The Company has no inventories pledged to others.

6.6 Other financial assets - current

Item	December 31, 2023	December 31, 2022
Time deposits – initial maturity over three months	$ 63, 171	$ 10, 559

6.7 Investments accounted for using equity method

Investee	December 31, 2023	December 31, 2022
Subsidiary:		
Resonic Holdings Co., Ltd.	$ 210, 553	$ 198, 879
Seasonic Electronics, Inc.	(63, 839)	18, 021
Sea Sonic Europe B.V.	(37, 571)	(39, 207)
Full Net Enterprise Inc.	86, 274	88, 251
Sea Sonic Energy Co., Ltd.	34, 385	38, 731
Subtotal	229, 802	304, 675
Plus: Credit balance of investments accounted for using equity method	101, 410	39, 207
Total	$ 331, 212	$ 343, 882

(1) Please refer to Note 4.3 of the consolidated financial statement of 2023 for information on the Company’s subsidiaries.

(2) Investments accounted for using the equity method and the Company's share of the profit or loss and other comprehensive income or loss are based on the financial statements audited by the accountants.

(3) The credit balance of the carrying value of the investment in Seasonic Electronics.Inc. was transferred to noncurrent liabilities in 2023 because the Company recognized a gain or loss on the investment in Seasonic Electronics. Inc. and eliminated the unrealized gain on sales pass-through transactions in proportion to the Company's shareholding in the company, resulting in a negative carrying value of the investment.

(4) The credit balance of the carrying value of the investment in Sea Sonic Europe B.V.was transferred to noncurrent liabilities in 2023 and 2022 because the Company recognized a gain or loss on the investment in Sea Sonic Europe B.V. and eliminated the unrealized gain on sales pass-through transactions in proportion to the Company's shareholding in the company, resulting in a negative carrying value of the investment.

6.8 Property, plant and equipment

	December 31, 2023	December 31, 2022
Assets used by the Company	$ 151, 227	$ 163, 327
Assets under operating leases	19, 346	19, 805
Total	$ 170, 573	$ 183, 132

Assets used by the Company

Item	December 31, 2023	December 31, 2022
Land	$ 97, 779	$ 97, 779
Buildings	98, 673	98, 673
Machinery	16, 977	21, 045
Other equipment	35, 923	36, 382
Total cost	249, 352	253, 879
Less: Accumulated depreciation and impairment	(98, 125)	(90, 552)
Total	$ 151, 227	$ 163, 327

	Land	Buildings	Machinery	Other equipment	Total
Costs					
Balance, January 1, 2023	$97, 779	$ 98, 673	$ 21, 045	$ 36, 382	$ 253, 879
Additions	–	–	–	2, 136	2, 136
Disposals	–	–	(4, 068)	(2, 595)	(6, 663)
Balance, December 31, 2023	$97, 779	$ 98, 673	$ 16, 977	$ 35, 923	$ 249, 352
Accumulated depreciation and impairment					
Balance, January 1, 2023	$ –	$ 71, 902	$ 5, 315	$ 13, 335	$ 90, 552
Depreciation expense	–	3, 196	2, 583	5, 908	11, 687
Disposals	–	–	(1, 520)	(2, 594)	(4, 114)
Balance, December 31, 2023	$ –	$ 75, 098	$ 6, 378	$16, 649	$ 98, 125

	Land	Buildings	Machinery	Other equipment	Total
Costs					
Balance, January 1, 2022	$ 97, 779	$ 87, 129	$ 28, 918	$ 40, 602	$ 254, 428
Additions	–	–	3, 861	2, 483	6, 344
Disposals	–	–	(14, 010)	(12, 086)	(26, 096)
Reclassification	–	11, 544	2, 276	5, 383	19, 203
Balance, December 31, 2022	$ 97, 779	$ 98, 673	$ 21, 045	$ 36, 382	$ 253, 879
Accumulated depreciation and impairment					
Balance, January 1, 2022	$ –	$ 67, 779	$ 12, 296	$ 18, 812	$ 98, 887
Depreciation expense	–	4, 123	2, 649	6, 589	13, 361
Disposals	–	–	(9, 630)	(12, 066)	(21, 696)
Balance, December 31, 2022	$ –	$ 71, 902	$ 5, 315	$ 13, 335	$ 90, 552

(1) Reconciliation of the additions with the acquisition of property, plant and equipment in the statements of cash flows for the period is as follows:

Item	2023	2022
Additions of property, plant and equipment	$ 2, 136	$ 6, 344
(Increase) decrease in payables for purchase of equipment	–	815
Cash paid	$ 2, 136	$ 7, 159

(2) For the amount of capitalized interests, please refer to Note 6.24.

(3) As there was no sign of impairment in 2023 and 2022, no assessment of impairment has been performed for both years.

(4) Property, plant and equipment used by the Company are not set as collateral.

<u>Assets under operating leases</u>

Item	December 31, 2023		December 31, 2022	
Land	$	13,609	$	13,609
Buildings		16,450		16,450
Total cost		30,059		30,059
Less: Accumulated depreciation and impairment	(	10,713)	(	10,254)
Total	$	19,346	$	19,805

	Land		Buildings		Total	
Costs						
Balance, January 1, 2023	$	13,609	$	16,450	$	30,059
Balance, December 31, 2023	$	13,609	$	16,450	$	30,059
Accumulated depreciation and impairment						
Balance, January 1, 2023	$	–	$	10,254	$	10,254
Depreciation expense		–		459		459
Balance, December 31, 2023	$	–	$	10,713	$	10,713

	Land		Buildings		Total	
Costs						
Balance, January 1, 2022	$	13,609	$	16,450	$	30,059
Balance, December 31, 2022	$	13,609	$	16,450	$	30,059
Accumulated depreciation and impairment						
Balance, January 1, 2022	$	–	$	9,794	$	9,794
Depreciation expense		–		460		460
Balance, December 31, 2022	$	–	$	10,254	$	10,254

(1) The Company leases out office and parking spaces under operating leases for termination of one year. All operating lease agreements include provisions of rent adjustments in accordance with the market rental rate when lessee exercises the right to renew the lease. The lessee does not have a bargain purchase option addressing the asset at the end of the lease term.

(2) The total future lease payments to be received for operating leases of property, plant and equipment owned by the Company are as follows:

	December 31, 2023	December 31, 2022
First year	$ 1, 224	$ 1, 224

(3) As of December 31, 2023, and 2022, the market value of the Company's assets leased under operating leases was still higher than the net carrying amount with no impairment.

(4) The property, plant and equipment leased under operating leases are not set as collaterals.

6.9 Lease agreements

(1) Right-of-use assets

Item	December 31, 2023	December 31, 2022
Buildings	$ 12, 618	$ 4, 650
Less: Accumulated depreciation and impairment	(421)	(3, 358)
Total	$ 12, 197	$ 1, 292

Costs	Buildings
Balance, January 1, 2023	$ 4, 650
Balance, December 31, 2023	12, 618
Additions during the period	(4, 650)
Recuction during the period	$ 12, 618

Accumulated depreciation and impairment	
Balance, January 1, 2023	$ 3, 358
Depreciation	1, 713
Write-offs during the period	(4, 650)
Balance, December 31, 2023	$ 421

Costs	Buildings	
Balance, January 1, 2022	$	4, 650
Balance, December 31, 2022	$	4, 650

Accumulated depreciation and impairment		
Balance, January 1, 2022	$	1, 808
Depreciation		1, 550
Balance, December 31, 2022	$	3, 358

(2) Lease liabilities

Item	December 31, 2023		December 31, 2022	
Carrying amount of lease liabilities				
Current	$	2, 458	$	1, 306
Non-current	$	9, 758	$	–

The ranges of discount rates for the lease liabilities:

	December 31, 2023	December 31, 2022
Buildings	1. 00%~1. 85%	1.00%

Please refer to Note 12.2 for information on the maturity analysis of the lease liabilities

(3) Other lease information

A. For information on lease-out arrangements under operating leases for property, plant and equipment owned by the Company, please refer to Notes 6.8.

B. The Company elected to apply the recognition exemption for short-term leases and low-value asset leases and, thus, did not recognize right-of-use assets and lease liabilities for these leases for 2023 and 2022.

C. Information related to the Company's leases for 2023 and 2022 is as follows:

Item	2023		2022	
Expenses relating to short-term leases	$	150	$	150
Expenses relating to low-value asset leases	$	48	$	16
Total cash outflow for leases (Note)	$	1, 949	$	1, 738

Note: Payments of the principal portion of lease liabilities are included.

D. For the years ended December 31, 2023 and 2022, there was no indication that the right-of-use assets were impaired and therefore no impairment assessment was performed.

6.10 Other financial assets - noncurrent

Item	December 31, 2023	December 31, 2022
Segregated foreign exchange deposit account for offshore funds	$ 206, 062	$ 200, 622

The Company applies for "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" and remits foreign investment income to a special account for foreign exchange deposits in accordance with the regulations. Except for 5% of the funds could be withdrawn and freely utilized, the rest of the funds should be deposited in the segregated foreign exchange deposit account for five years; after the expiry of the said period, the funds could be withdrawn over a period of three years according to regulations.

6.11 Provisions - current

Item	December 31, 2023	December 31, 2022
Employee benefits	$ 8, 686	$ 6, 631

Item	Employee benefits
Balance, January 1, 2023	$ 6, 631
Added during the period	2, 846
Used during the period	(791)
Balance, December 31, 2023	$ 8, 686

Item	Employee benefits
Balance, January 1, 2022	$ 5, 397
Added during the period	2, 712
Used during the period	(1, 478)
Balance, December 31, 2022	$ 6, 631

Provision for employee benefits is estimated based on vested long-service leave.

6.12 Other current liabilities

Item	December 31, 2023	December 31, 2022
Refund liabilities	$ 44, 487	$ 32, 796
Others	862	413
Total	$ 45, 349	$ 33, 209

6.13 Corporate bonds payable

Item	December 31, 2023	December 31, 2022
First domestic unsecured convertible corporate bonds	$ 395, 800	$ 600, 000
Less: Discount on corporate bonds payable	(3, 375)	(12, 707)
Total	$ 392, 425	$ 587, 293

(1) The terms of the first domestic convertible bonds issued by the Company are as follows:

A. On August 17, 2021, the regulatory authority authorized the Company to issue the first domestic unsecured convertible bonds of $600,000 thousand with coupon rate fixed at 0%. The outstanding period is from September 9, 2021 to September 9, 2024.

B. The conversion price of the bonds is based on the pricing model specified in the terms of conversion and is subject to adjustments. As of December 31, 2023, the bonds has all been converted into 2, 405 thousands shares, and the conversion price is $83.10 NTD per share.

C. According to the terms of conversion, all bonds redeemed (including bonds repurchased by the Securities Office), matured and converted are retired and not to be resell or re-issued; conversion rights attached to the bonds are also extinguished.

D. The Company may redeem all the bonds outstanding in cash at the bonds' face value at any time after the following events occur: (a) the closing price of the Company's common stocks is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the issue date to 40 days before the maturity date, or (b) the outstanding balance of the bonds is less than 10% of total issuance during the same period described in (a).

E. The rights and obligations pertaining to the new shares converted from the bonds are the same as those pertaining to originally outstanding common shares.

F. As of December 31, 2023, the bonds repurchased by the Company from the open markets amounted to $0 thousand at par.

G. Reconciliation between the first converted cororate bonds payable in this period and the statement of cash flows:

Item		January to December, 2023	
Conversion of corporate bonds payable	$	204, 200	
Reversal of discounts on converted corporate bonds payable	(	2, 653	)
Reversal of converted financial assets measured at FVTPL	(	81	)
Changes in equity during the period	(	201, 466	)
Cash paid during the period	$	–	

(2) When the Company issued convertible bonds, the rights to convert, which are equity in nature, were separated from liability component of convertible bonds in accordance with IAS 32, "Financial Instruments: Presentation", and recorded as "capital surplus - stock options for convertible bond" by the amount of $95,713 thousand. The right to redeem the convertible bonds embedded in the financial statements are separated from the host contract debt instrument due to the non-closely relation of its economic characteristics and risks and those of the host contract debt instrument in accordance with IFRS 9, and the net amount is recorded as "financial assets or liabilities at fair value through profit or loss". The effective interest rate of the host contract debt after the separation was 1.284%.

6.14 Pensions

(1) Defined contribution plan

A. The employee pension plan under the Labor Pension Act of the R.O.C. (the Act) is a defined contribution plan. Pursuant to the plan, the Company and its domestic subsidiaries make monthly contributions of 6% of each individual employee’s salary or wage to employees’ pension accounts.

B. In 2023 and 2022, the Company recognized a total of $4,410 thousand and $4,239 thousand, respectively, in the statements of income for the amounts to be appropriated in accordance with the percentage of the defined contribution plan.

(2) Defined benefit plan

For those employees who joined the Company before June 30, 2005 and were covered by the defined benefit plan, all of them had either left the Company or had their seniority settled in 2022. Therefore, on December 5, 2022, the Company completed the process of refunding the remaining balance of the Labor Pension Reserve, and received $3,000 thousand from the reserve.

6.15 Share capital

(1) The movements in the number of the Company's ordinary shares outstanding are as follows:

	2023		
Item	Shares (in thousands)	Amount	
January 1	79, 953	$	799, 532
Bond conversion entitlement certificates	2, 405		24, 050
December 31	82, 358	$	823, 582

	2022		
Item	Shares (in thousands)	Amount	
January 1	79,953	$	799, 532
December 31	79,953	$	799, 532

(2) As of December 31, 2023, the Company's authorized capital amount was $1,500,000 thousand, consisting of 150,000 thousand shares of ordinary stocks.

(3) During the period from January to December 2023, the convertible bonds issued by the Company had a face value of $204,200 thousand had been converted into 2,405 thousand shares of common stock, of which 953 thousand shares and 1,452 thousand shares were converted and registered on August 28, 2023 and December 4, 2023, respectively.

6.16 Capital surplus

Item	December 31, 2023		December 31, 2022	
Share premium	$	209, 990	$	–
Convertible corporate bond options		63, 139		95, 713
Other (right of disgorgement)		7		1
Total	$	273, 136	$	95, 714

6.17 Retained earnings and dividend policy

(1) In accordance with the Company's Articles of Incorporation, the Company shall first pay taxes to cover past losses and then set aside 10% of the Company's legal reserve, except when the legal reserve has reached the Company's paid-in capital; In addition to distribution of dividends, the remaining earnings are combined with undistributed retained earnings at the beginning of the period, then distribute dividends to shareholders after consent by the shareholders.

In view of the Company's operational needs and the maximization of shareholders' equity, the Company adopts a residual dividend policy for the distribution of dividends. According to the Company's future capital budget planning, capital requirements for future years are measured, and considering profitability, financial structure, dilution of earnings per share and other factors, appropriate dividend distribution is planned, of which cash dividends shall be paid at a rate of not less than 30% (inclusive) and up to 100% of the total dividends for the year, and the actual rate of payment shall be determined by the Board of Directors.

(2) Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is limited to the portion in excess of 25% of the Company’s paid-in capital.

(3) Special reserve

A. In accordance with the regulations, the Company shall set aside special reserve from the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

B. The Company sets aside special reserve in accordance with Jin-Guan-Zheng-Fa No. 1090150022 ruling letter on March 31, 2021. The special reserve may be reversed to distributable retained earnings proportionate to the original reserve ratio if the Company subsequently uses, disposes or reclassifies the related assets.

Item	December 31, 2023	December 31, 2022
Recognition for the initial adoption of IFRS	$ 7, 000	$ 7, 000
Recognition of debit balance for other equity	11, 163	20, 520
Total	$ 18, 163	$ 27, 520

(4) The appropriations of 2022 and 2021 earnings have been approved by the shareholders in meetings in June 2023 and June 2022 and the appropriations and dividends per share were as follows:

Item	Appropriation of Earnings		Dividends Per Share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 45, 023	$ 75, 255		
Special reserve (reversal)	(9, 357)	8, 381		
Cash dividends for common shares	399, 766	399, 766	$ 5. 00	$ 5. 00
Total	$ 435, 432	$ 483, 402	$ 5. 00	$ 5. 00

(5) The appropriations of earnings for 2023 had been proposed in the meeting of the Board of Directors on March 11, 2023 was as follows:

Item	2023	
	Amount	Dividends Per Share (NT$)
Legal reserve	$ 61, 470	
Special reserve	4, 017	
Cash dividends for common shares	411, 791	$ 5. 00
Total	$ 477, 278	$ 5. 00

The appropriations of earnings for 2023 are to be presented for approval in the shareholders' meeting which is to be held in June, 2024.

(6) Information on the resolution of the Board of Directors' and shareholders' meetings regarding the appropriation of earnings is available from the Market Observation Post System on the website of the TWSE.

6.18 Other equity

Item	Exchange differences from translation of foreign opeations	
Balance, January 1, 2023	($	18, 163)
Exchange differences translation of foreign operations	(	4, 017)
Balance, December 31, 2023	($	22,180)

Item	Exchange differences from translation of foreign opeations	
Balance, January 1, 2022	($	27, 520)
Exchange differences translation of foreign operations		9, 357
Balance, December 31, 2022	($	18,163)

6.19 Operating revenue

Item	2023		2022	
Revenue from contracts with customers				
Sales revenue	$	3, 341, 081	$	2, 396, 811

The products of the Group, including switching power supplies, are mainly sold to dealers and system assembling companies. Considering transaction records with the customers in the past year and accumulated experiences, the Group uses the expected value to estimate the expected return rate of products and use it to recognize the refund liabilities (recorded as other current liabilities) and the related rights to the products to be returned (recorded as other current assets). Other products are sold at fixed price according to the contract agreements.

(1) Categories of revenue from contracts with customers

The Company's revenue from contracts with customers may be divided into the following major product lines and sales regions:

2023

Main Products	Asia	Europe and America	Other Regions	Total
Switching power supplies	$ 1, 340, 736	$ 1, 897, 771	$ 22, 379	$ 3, 260, 886
Others	69, 734	10, 454	7	80, 195
Total	$ 1, 410, 470	$ 1, 908, 225	$ 22, 386	$ 3, 341, 081

2022

Main Products	Asia	Europe and America	Other Regions	Total
Switching power supplies	$ 1, 662, 398	$ 623, 157	$ 15, 374	$ 2, 300, 929
Others	85, 917	9, 944	21	95, 882
Total	$ 1, 748, 315	$ 633, 101	$ 15, 395	$ 2, 396, 811

(2) Contract balances

The recognized accounts receivable, contract assets and contract liabilities arising from contracts with customers are as follows:

Item	2023	2022
Notes and accounts receivable	$ 1, 155, 853	$ 718, 072
Contract liabilities - current		
Sale of goods	$ 2, 980	$ 4, 292

A. Significant changes in contract assets and contract liabilities: None.

B. Revenue recognized, during the period, from the beginning contract liabilities is as follows:

Item	2023	2022
Revenue recognized during the period from the beginning balance of contract liabilities		
Sale of goods	$ 2, 399	$ 5, 556

C. Revenue recognized, during the period, from the performance obligations which were satisfied in the previous periods: None.

D. Unfulfilled contract

As of December 31, 2023 and 2022, the Company's unfulfilled contracts with customers are expected to be fulfilled within a year, with the revenue recognized in the following year.

(3) Assets related to contract costs : None.

6.20 Interest Income

Item	2023	2022
Interest from bank deposits	$ 53, 942	$ 17, 910
Interest income from financial assets at FVTPL	2, 139	1, 167
Other	2, 034	2, 914
Total	$ 58, 115	$ 21, 991

6.21 Other income

Item	2023	2022
Rental income	$ 862	$ 851
Income from settlement of the old pension plan	–	1, 433
Other income	5, 631	8, 557
Total	$ 6, 493	$ 10, 841

6.22 Other gains or losses

Item	2023	2022
Net gain (loss) on financial assets at FVTPL	$ 12, 283	($ 6, 109)
Net foreign currency exchange gains (losses)	(32, 746)	211, 442
Gain (loss) on disposal of property, plant and equipment	409	68
Other	(9, 015)	–
Total	$ 29, 069	$ 205, 401

6.23 Employee benefits, depreciation, and amortization expense

Nature	2023 Operating costs	2023 Operating expenses	2023 Total
Employee benefits expense			
Salary	$ –	$ 112, 160	$ 112, 160
Labor and health insurance	–	9, 600	9, 600
Pension expense	–	4, 410	4, 410
Director remuneration	–	8, 181	8, 181
Other employee benefit expense	–	4, 951	4, 951
Depreciation expense	–	13, 859	13, 859
Amortization expense	–	3, 147	3, 147
Total	$ –	$ 156, 308	$ 156, 308

Nature	2022 Operating costs	2022 Operating expenses	2022 Total
Employee benefits expense			
Salary	$ –	$ 102, 167	$ 102, 167
Labor and health insurance	–	9, 346	9, 346
Pension	–	4, 239	4, 239
Directors' remuneration	–	5, 880	5, 880
Other employee benefit expense	–	4, 497	4, 497
Depreciation expense	–	15, 371	15, 371
Amortization expense	–	4, 082	4, 082
Total	$ –	$ 145, 582	$ 145, 582

(1) Additional information on employee amount and employee benefits expense of the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	118	120
Number of directors who are not concurrently employees	5	5
Average employee benefits expense	$ 1, 160	$ 1, 046
Average employee salary expense	$ 993	$ 888
Adjust of employee salary expense	11. 82%	(20. 93%)

(2) Compensation policy (including directors, managers and employees)

Employee compensation

The company adopts the standard of equal pay for equal work, without any difference in age, gender, race, religion, political stance, marital status...etc.

The salary standard for employees is based on the duty and responsibility payment system, and is set with reference to the market salary market and the Company's operating conditions.

The Company's Board of Directors, in accordance with the provisions of the Company Act and with reference to the usual standards in the industry, establishes the method of calculating the compensation for all employees in the Company's Articles of Incorporation and submits the same to the shareholders' meeting for resolution.

The main items of employee compensation include basic salary, meal allowance, work bonuses, performance bonuses, etc. In addition, year-end bonuses and employee compensation are paid according to the Company's operating profitability.

In accordance with Article 20 of the Company's Articles of Incorporation, not less than 2% of the Company's annual profit shall be set aside for employee compensation. However, if the Company has accumulated losses, it shall reserve the amount to cover them in advance. Employee compensation may be paid in stock or cash to subordinate employees who meet the criteria set by the Board of Directors. Employee compensation shall be paid by resolution of the Board of Directors and reported to the shareholders' meeting.

Employees are paid or adjusted according to their duties, academic and professional background, professional knowledge and skills, years spending in professional field and individual performance.

Compensation to managers

Compensation to managers takes into account the Company's overall market position, general pay levels in the industry, concurrently taking reference of their extent of goal achievement and contribution, etc.

Compensation to managers includes fixed salary, supervisor's bonus, work and performance bonus, year-end bonus and employee's compensation, etc.

The payment of compensation to managers takes references of duty, contribution, operating performance of the year as well as consideration of future aspect of the Company, and is resolved according to relevant regulations along with the regular assessment of reasonability by the remuneration committee.

Directors' remuneration

The Company establishes calculate manners of the director remuneration in accordance with the Company Act and general pay levels in the industry with the resolution from shareholders' meeting.

In accordance with Article 20 of the Company's Articles of Incorporation, not less than 1.5% of the Company's annual profit shall be set aside for director remuneration. However, if the Company has accumulated losses, it shall reserve the amount to cover them in advance. Directors' remuneration shall be paid only by cash with its distribution approved by Board of Directors and reported to shareholders' meeting.

The directors' remuneration of the Company is resolved by the remuneration committee according to relevant regulation of the Company and assessments addressing the time spent by the individual and their responsibilities, the risk taken, performance and the operating performance of the Company as well as reasonability regarding future risk, while the general pay levels in the industry served as reference. The final resolution shall be approved by the Board of Directors.

(3) The Company shall allocate not lower than 2% and not higher than 1.5% of annual profits during the period to employees' compensation and directors' and supervisors' remuneration, respectively. If there is a change in the proposed amount after the annual parent company only financial statement are authorized for issue, the

difference is recorded as a change in accounting estimate.

(4) The employees' compensation and directors' and supervisors' remuneration for 2023 and 2022 were approved in the meetings of the Board of Directors on March 11, 2024 and March 21, 2023, respectively. The amounts recognized in the financial statements were as follows:

	2023		2022	
	Employees' compensation	Directors' remuneration	Employee compensation	Directors' remuneration
Amount resolved to be distributed	$ 24, 544	$ 8, 181	$ 17, 641	$ 5, 880
Amount recognized in the financial statements	24, 544	8, 181	17, 641	5, 880
Difference	$ -	$ -	$ -	$ -

The above employee compensations are distributed in cash.

(5) Information on employees' compensation and directors' and supervisors' remuneration of the Company as resolved by the meeting of the Board of Directors is available from the Market Observation Post System on the website of the TWSE.

6.24 Finance costs

Item	2023	2022
Interest expense		
Interest on lease liabilities	$ 43	$ 20
Interest on convertible corporate bonds	6, 679	7, 495
Less: Capitalized amount for qualified assets	-	-
Finance costs	$ 6, 722	$ 7, 515

6.25 Income tax

(1) Components of income tax expense

Item	2023	2022
Current-period income tax		
Income tax generated from current-period income	$ 186, 998	$ 128, 727
Income tax on unappropriated retain earnings	740	13, 457
Adjustments for prior periods	(2, 878)	(5, 229)
Total income tax for current period	184, 860	136, 955
Deferred income tax		
The origination and reversal of temporary differences	(8, 196)	(11, 834)
Total deferred income tax	(8, 196)	(11, 834)
Income tax expense	$ 176, 664	$ 125, 121

(2) Income tax benefits (expenses) recognized in other comprehensive income were as follows:

Item	2023	2022
Exchange differences from translation of foreign operations	$ 1, 004	($ 2, 339)

(3) Reconciliation between accounting profit and income tax expense recognized in profit or loss:

Item	2023	2022
Net income before income tax	$ 791, 370	$ 575, 347
Income tax expense at the statutory rate	$ 158, 274	$ 115, 069
Items excluded when determining taxable income		
Losses (gains) on valuation of financial assets	(2, 457)	1, 222
Unrealized (profit)loss from on sales of affiliated companies	21, 990	591
Other adjustments	9, 191	11, 845
Income tax adjustments for prior years	(2, 878)	(5, 229)
Additional income tax on unappropriated earnings	740	13, 457
Net change in deferred income taxes		
Temporary differences	(8, 196)	(11, 834)
Income tax expense recognized in profit or loss	$ 176, 664	$ 125, 121

The corporate income tax rate for entities subject to the R.O.C. Income Tax Act is 20%, and, starting from 2018, the tax rate for unappropriated earnings is 5%.

(4) Deferred income tax assets or liabilities arising from temporary differences, operating loss carryforward, and investment tax credits:

Item	2023 Beginning balance	Recorded in profit or loss	Other comprehensive income	Effect of exchange rate changes	Ending balance
Deferred income tax assets:					
Temporary differences					
Refund liabilities for returns and discounts write-down	$ 5, 046	$ 2, 232	$ –	$ –	$ 7, 278
Unrealized loss on inventory	605	443	–	–	1, 048
Accrued vacation pays	1, 326	411	–	–	1, 737
Unrealized foreign exchange loss	3, 587	13, 130	–	–	16, 717
Exchange differences translation of foreign	4, 541	–	1, 004	–	5, 545
Subtotal	15, 105	16, 216	1, 004	–	32, 325
Deferred income tax liabilities:					
Temporary differences					
Gain on foreign investments accounted for using the equity method	(35, 977)	(8, 020)	–	–	(43, 997)
Subtotal	(35, 977)	(8, 020)	–	–	(43, 997)
Total	($20, 872)	$ 8, 196	$ 1, 004	$ –	($11, 672)

Item	2022 Beginning balance	Recorded in profit or loss	Other comprehensive income	Effect of exchange rate changes	Ending balance
Deferred income tax assets:					
Temporary differences					
Refund liabilities for returns and discounts write-down	$ 4, 916	$ 130	$ –	$ –	$ 5, 046
Unrealized loss on inventory	343	262	–	–	605
Accrued vacation pays	1, 079	247	–	–	1, 326
Unrealized foreign exchange loss	18, 528	(14, 941)	–	–	3, 587
Exchange differences translation of foreign	6, 880	–	(2, 339)	–	4, 541
Subtotal	31, 746	(14, 302)	(2, 339)	–	15, 105
Deferred income tax liabilities:					
Temporary differences					
Net defined benefit assets	(118)	118	–	–	–
Gain on foreign investments accounted for using the equity method	(61, 995)	26, 018	–	–	(35, 977)
Subtotal	(62, 113)	26, 136	–	–	(35, 977)
Total	($ 30, 367)	$11, 834	($ 2, 339)	$ –	($ 20, 872)

(5) The Company’s income tax returns through 2021 have been assessed and approved by the tax authority.

6.26 Other comprehensive income

Item	2023 Pre-tax	2023 Income tax (expense) benefit	2023 Net after tax
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	($ 5, 021)	$ 1, 004	($ 4, 017)
Recognized in other comprehensive income	($ 5, 021)	$ 1, 004	($ 4, 017)

Item	2022 Pre-tax	2022 Income tax (expense) benefit	2022 Net after tax
Items that may be reclassified subsequently to profit or loss:			
Exchange differences arising on translation of foreign operations	$ 11, 696	($ 2, 339)	$ 9, 357
Recognized in other comprehensive income	$ 11, 696	($ 2, 339)	$ 9, 357

6.27 Basic earnings per share

Item	2023	2022
A. Basic earnings per share.		
Net income available to common shareholders	$ 614, 706	$ 450, 226
Weighted average number of shares outstanding for the period (in thousand shares)	81, 051	79, 953
Basic earnings per share, after tax (NT$)	$ 7. 58	$ 5. 63
B. Diluted earnings per share.		
Net income available to common shareholders	$ 614, 706	$ 450, 226
Effect of the dilutive potential ordinary shares		
Effect of convertible corporate bonds	5, 344	6, 163
Net income for calculating diluted earnings per share	620, 050	456, 389
Retrospective adjusted weighted average number of shares (in thousand shares)	81, 051	79, 953
Convertible corporate bonds (in thousand shares)	4, 763	6, 889
Effect of employees' compensation (in thousand shares)	315	497
Weighted-average number of shares outstanding for the calculation of diluted earnings per share (in thousand shares)	86, 129	87, 339
Diluted earnings per share, after tax (NT$)	$ 7. 20	$ 5. 23

If the Company offered to settle the compensation paid to employees in shares or cash at the Company's option, the Company assumed that the entire amount of the compensation will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share if the effect is dilutive. Such dilutive effect of the potential shares will still be included in the calculation of diluted earnings per share when the number of shares to be distributed to employees is resolved in the following year.

6.28 Reconciliation of liabilities arising from financing activities

(1) December 31, 2023

			Non-cash Changes					
	Jan. 1, 2023	Cash Flow	Acquisition of subsidiaries	Disposal of Subsidiaries	Change in Exchange Rate	Fair Value Adjustments	Others	December 31, 2023
Corporate bonds payable (Note 1)	$ 587, 293	$ –	$ –	$ –	$ –	$ –	($ 194, 868)	$ 392, 425
Leasing liabilities (Note 1)	1, 306	(1, 708)	–	–	–	–	12, 618	12, 216
Total	$ 588, 599	($ 1, 708)	$ –	$ –	$ –	$ –	($ 182, 250)	$ 404, 641

Note1: Non-cash changes refer to increased $6,679 thousand of interest amortization of convertible corporate bonds for the current period. A decrease of $204,200 thousand in bonds payable and an increase of $2,653 thousand in premiums (discounts) on bonds payable were recognized on the conversion of bonds.

Note 2: Non-cash changes refer to increased 12, 618 thousand of lease for the current period.

(2) December 31, 2022

			Non-cash Changes					
	Jan. 1, 2022	Cash Flow	Acquisition of subsidiaries	Disposal of Subsidiaries	Change in Exchange Rate	Fair Value Adjustments	Other	December 31, 2022
Corporate bonds payable (Note)	$ 579, 798	$ –	$ –	$ –	$ –	$ –	$ 7, 495	$ 587, 293
Leasing liabilities	2, 858	(1, 552)	–	–	–	–	–	1, 306
Total	$ 582, 656	($ 1, 552)	$ –	$ –	$ –	$ –	$ 7, 495	$ 588, 599

Note: Non-cash changes refer to increased $7,495 thousand of interest amortization of convertible corporate bonds for the current period.

7. Related Party Transactions

7.1 Names of related parties and relationship categories

Names of related parties	Related party categories
Resonic Holdings Co., Ltd.	Subsidiary
Seasonic Electronics, Inc.	Subsidiary
Sea Sonic Europe B.V.	Subsidiary
Full Net Enterprise Inc.	Subsidiary
Sea Sonic Energy Co., Ltd.	Subsidiary
Shenzhen Energy Power Electronics Co., Ltd.	Sub-subsidiary

7.2 Significant transactions with related parties

(1) Operating revenue

Item	Related party category/Name	2023	2022
Sales revenue	Subsidiary		
	Seasonic Electronics, Inc.	$ 685, 228	$ 347, 699
	Sea Sonic Europe B.V.	696, 826	226, 723
	Other	46, 312	54, 131
	Sub-subsidiary		
	Shenzhen Energy Power Electronics Co., Ltd.	421, 466	315, 654
	Total	$ 1, 849, 832	$ 944, 207

A. No significant difference in sales price between related parties and ordinary customers.

B. Payment terms:

(A) T/T 60~90 days in general.

(B) Subsidiary - Seasonic Electronics, Inc., T/T 120 days after reception; Sea Sonic Europe B.V., T/T 120 days after reception; Full Net Enterprise Inc., T/T 90 days after monthly closing; Sea Sonic Energy Co., Ltd., T/T 120 days after reception; Shenzhen Energy Power Electronics Co., Ltd., T/T 120 days after reception.

(2) Purchases

Item	Related party category/Name	2023	2022
Purchases	Subsidiary		
	Full Net Enterprise Inc.	$ 1, 937, 538	$ 1, 710, 507

A. Purchase price is negotiated according to cost-plus pricing method.

B. Payment condition: Identical with general supplier; prepayment regarding particular transaction or order; occasionally payment referring status of cash flow or set off by debts and claims.

(3) Various income

Item	Related party category/Name	2023	2022	Nature of transaction
Other income	Subsidiary			
	Full Net Enterprise Inc.	$ -	$ 960	Management consulting income

(4) Receivables from related parties

Item	Related party category/Name	December 31, 2023	December 31, 2022
Notes and accounts receivable	Subsidiary		
	Seasonic Electronics, Inc.	$ 492, 555	$ 158, 486
	Sea Sonic Europe B.V.	306, 104	97, 117
	Sea Sonic Energy Co., Ltd.	–	10
	Sub-subsidiary		
	Shenzhen Energy Power Electronics Co., Ltd.	140, 222	148, 915
	Less: Loss allowance	–	–
	Net amount	$ 938, 881	$ 404, 528

No collateral was collected for receivables from related parties. No loss allowance was recognized for receivables from related parties in 2023 and 2022.

Item	Related party category/Name	December 31, 2023	December 31, 2022
Other receivables	Subsidiary		
	Seasonic Electronics, Inc.	$ 170	$ 216
	Sea Sonic Europe B.V.	584	141
	Less: Loss allowance	–	–
	Net amount	$ 754	$ 357

A. No loss allowance was recognized for other receivables from related parties in 2023 and 2022.

B. Receivables of financing are not included.

(5) Payables to related parties

Item	Related party category/Name	December 31, 2023	December 31, 2022
Other payables	Subsidiary		
	Full Net Enterprise Inc.	$ -	$ 23

(6) Prepayment to related parties

Item	Related party category/Name	December 31, 2023	December 31, 2022
Prepayments for purchases	Subsidiary		
	Full Net Enterprise Inc.	$ 181, 365	$ 158, 508

Item	Related party category	December 31, 2023	December 31, 2022
Prepayments for equipment	Subsidiary		
	Sea Sonic Energy Co., Ltd.	$ -	$ 71

(7) Loans to related parties

A. Balance by the end of the period:

Item	Related party category	December 31, 2023	December 31, 2022
Other receivables	Subsidiary		
	Seasonic Electronics, Inc.	$ −	$ 130, 148
	Sea Sonic Europe B.V.	−	133, 233
	Total	$ −	$ 263, 381

B. Interest income

Related party category/Name	2022	2021
Subsidiary		
Seasonic Electronics, Inc.	$ 1, 013	$ 762
Sea Sonic Europe B.V.	1, 016	2, 152
Total	$ 2, 029	$ 2, 914
Interest rate	2. 616%~2. 867%	2. 616%~2. 867%

All loans to related parties in 2023 and 2022 are loans without collateral.

(8) Property leases (Operating lease – renting)

Leasing object	Lessee	Deposit	From January to December, 2023		From January to December, 2022	
			Lease term	Rent income	Lease term	Rent income
8F., No. 81, Zhouzi St., Neihu Dist., Taipei City	Sea Sonic Energy Co., Ltd.	$ –	112. 04. 01~ 113. 03. 31	$ 21	–	$ –

The price of the above lease is from reference to market prices and determined by both parties to the contract. Rents are collected monthly.

(9) Property leases (Operating lease – renting)

Disposal of property, plant and equipment

Related party category/Name	Price of disposal	
	2023	2022
Subsidiary		
Full Net Enterprise Inc.	$ 956,654	$ -

7.3 Key management compensation

Related party category/Name	2023	2022
Salaries and other short-term employee benefits	$ 26. 575	$ 17, 045

8. Pledged Asset : None.

9. Significant Contingent Liabilities and Unrecognized Contract Commitments : None.

10. Significant Disaster Losses: None.

11. Significant Subsequent Events: None.

12. Others

12.1 Capital risk management

The Company s capital management objectives are to safeguard the Company’s ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns to shareholders. Therefore, the Company manages its capital to ensure that it has the necessary financial resources and operating plans to meet its working capital, capital expenditures, research and development expenses and dividend payments for the next 12 months.

12.2 Financial instruments

(1) Financial risks associated with financial instruments

Financial risk management policies

The Company's activities expose it to a variety of financial risks: (1) market risk, including foreign exchange risk, interest rate risk and price risk, (2) credit risk, and (3) liquidity risk. The Company's overall risk management strategy focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Company's financial position and financial performance. The Company's material financial activities are approved by the Board of Directors in accordance with relevant requirements and internal control mechanism, which requires the Company to comply with its financial operating policies and procedures that provide guiding principles for the overall financial risk management and accountability and separation of duties.

The nature and degree of the significant financial risks:

(A) Market Risk

Foreign exchange risk

(a) The Company operates globally and is exposed to foreign exchange risk that arises from commercial transactions, borrowing transactions and net investments in foreign operations which are denominated or require to be settled in foreign currency such as RMB, USD, EUR, and HKD.

(b) Sensitivity analysis of foreign currency risk

December 31, 2023	Foreign currency	Exchange rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial Assets			
Monetary items			
USD: NTD	$ 77, 839	30. 66	$ 2, 386, 546
RMB: NTD	90, 822	4. 3	390, 534
HKD: NTD	148	3. 9	575
Investments accounted for using the equity method (Note)			
USD: NTD	1, 753	30. 66	53, 734
EUR: NTD	402	33. 78	13, 592
Financial liabilities			
Monetary items			
USD: NTD	618	30. 66	18, 962
RMB: NTD	14, 291	4. 3	61, 449
HKD: NTD	86	3. 9	334

December 31, 2022	Foreign currency	Exchange rate	Book Value (NTD)
(Foreign currency: functional currency)			
Financial Assets			
Monetary items			
USD: NTD	$ 45, 270	30. 71	$ 1, 390, 250
RMB: NTD	152, 495	4. 41	672, 504
HKD: NTD	51	3. 94	201
Investments accounted for using the equity method (Note)			
USD: NTD	2, 303	30. 71	70, 718
EUR: NTD	9	32. 72	310
Financial liabilities			
Monetary items			
USD: NTD	300	30. 71	9, 212
RMB: NTD	1, 014	4. 41	4, 474
HKD: NTD	173	3. 94	683

	From January to December, 2023		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Movement	Impact on profit or loss	Impact on equity
Financial Assets			
Monetary items			
USD: NTD	1%	$ 19, 092	$ –
RMB: NTD	1%	3, 124	–
HKD: NTD	1%	5	–
Investments accounted for using the equity method (Note)			
USD: NTD	1%	–	430
EUR: NTD	1%	–	109
Financial liabilities			
Monetary items			
USD: NTD	1%	152	–
RMB: NTD	1%	492	–
HKD: NTD	1%	3	–

	From January to December, 2022		
	Sensitivity Analysis		
(Foreign currency: functional currency)	Movement	Impact on profit or loss	Impact on equity
Financial Assets			
Monetary items			
USD: NTD	1%	$ 11, 122	$ –
RMB: NTD	1%	5, 380	–
HKD: NTD	1%	2	–
Investments accounted for using the equity method (Note)			
USD: NTD	1%	–	566
EUR: NTD	1%	–	2
Financial liabilities			
Monetary items			
USD: NTD	1%	74	–
RMB: NTD	1%	36	–
HKD: NTD	1%	5	–

Note: adjustments of unrealized sales gain (loss) are not included.

(c) The total exchange gain (loss), including realized and unrealized arising from significant exchange rate movement on the monetary items held by the Company for 2023 and 2022 amounted to ($32,746) thousand and $211,442 thousand, respectively.

Price risk

The Company is exposed to the price risk associated with the equity investments held by the Company. These investments are classified as financial assets at FVTPL. The Company invests mainly in fund beneficiary certificates and corporate bonds, which are subject to market risk due to fluctuations in trading prices. The Company selects investment targets carefully and does not have significant market risk.

Interest rate risk

The carrying amounts of interest-bearing financial instruments held by the Company as of the reporting date were as follow:

	Carrying amount	
Item	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 269, 233	$ 526, 307
Financial liabilities	–	–
Net amount	$ 269, 233	$ 526, 307
Cash flow rate risk		
Financial assets	$ 1, 255, 997	$ 813, 768
Financial liabilities	(392, 425)	(587, 293)
Net amount	$ 863, 572	$ 226, 475

(a) Sensitivity analysis for instruments with fair value interest rate risk

The Company does not classify any fixed interest rate instruments as financial assets measured at fair value through profit or loss. In addition, the Company does not designate any derivatives as hedge instruments under the fair value hedge accounting model. Therefore, the change in interest rate at the reporting date has no effect on profit or loss and other comprehensive income.

(b) Sensitivity analysis for instruments with cash flow interest rate risk:

The effective interest rates for the Company's floating interest rate financial instruments are susceptible to the market interest rate, affecting the Company's future cash flows. If the market interest rate increases/decreases by 1%, the Company's net income will increase (decrease) $6,909 thousand and $1,812 thousand for 2023 and 2022, respectively.

(B) Credit risk

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

a. Business-related credit risk:

In order to maintain the credit quality of trade receivables, the Company has established procedures to monitor and limit exposure to credit risk on trade receivables. Credit evaluation is performed taking into account relevant factors that may affects a customer's paying ability such as the customer's financial condition and historical transaction records, external and internal credit rating, and economic conditions.

b. Financial credit risk：

The Company's exposure to financial credit risk pertaining to bank deposits and other financial instruments was evaluated and monitored by the Company's treasury function. The Company only transacts with creditworthy counterparties and banks; therefore, no significant financial credit risk was identified. The Company has no debt investments classified as measured at amortized cost or as measured at FVTOCI.

(a) Credit concentration risk

The proportion of the accounts receivable from the ten largest customers to the total balance of accounts receivable as of December 31, 2023 and December 31, 2022 was 97.26% and 96.56%, respectively. The credit concentration risk associated with other accounts receivable is insignificant.

(b) Measurement of expected credit losses

I. Accounts receivable: The Company uses the simplified approach to measure the expected credit losses of accounts receivable. Please refer to Note 6.4 for more information.

II. The criteria used to determine whether credit risk has increased significantly: None. The Company has no debt investments classified as measured at amortized cost or as measured at FVTOCI.

III. The Company has insured its financial assets by receivable insurance from insurance company to reduce the credit risk of financial assets.

(C) Liquidity risk

(a) Liquidity risk management

The objective of the Company's management of liquidity risk is to maintain sufficient cash and cash equivalents, highly liquid securities, and banking facilities to ensure that the Company has sufficient financial flexibility for its operations.

(b) Maturity analysis for financial liabilities:

The following table presents an analysis of the Company's financial liabilities by maturity date and undiscounted maturity amount over the contracted repayment period:

	December 31, 2023						
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Accounts payable (related parties included)	$ 80, 040	$ –	$ –	$ –	$ –	$ 80, 040	$ 80, 040
Other payables (related parties included)	73, 789	–	–	–	–	73, 789	73, 789
Deposits received	24	–	–	–	–	24	24
Bonds payable	–	395, 800	–	–	–	395, 800	392, 425
Total	$ 153, 853	$395, 800	$ –	$ –	$ –	$ 549, 653	$ 546, 278

Derivative financial liabilities: None.

Information on the maturity analysis of the other lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total undiscounted lease payments
Leasing liabilities	$ 2, 640	$ 10,120	$ –	$ –	$ –	$ –	$ 12, 760

	December 31, 2022						
Non-derivative financial liabilities	Within 6 months	6-12 months	1-2 years	2-5 years	Over 5 years	Contractual cash flows	Carrying amount
Accounts payable (related parties included)	$ 7, 540	$ –	$ –	$ –	$ –	$ 7, 540	$ 7, 540
Other payables (related parties included)	81, 201	–	–	–	–	81, 201	81, 201
Deposits received	24	–	–	–	–	24	24
Bonds payable	–	–	600, 000	–	–	600, 000	587, 293
Total	$ 88, 765	$ –	$600, 000	$ –	$ –	$ 688, 765	$ 676, 058

Derivative financial liabilities: None.

Information on the maturity analysis of the other lease liabilities is as follows:

	Less than 1 year	1-5 years	5-10 years	10-15 years	15-20 years	More than 20 years	Total undiscounted lease payments
Leasing liabilities	$ 1, 310	$ –	$ –	$ –	$ –	$ –	$ 1, 310

The Company does not expect that the cash flows would occur significantly earlier or at significantly different amounts from those indicated in the data.

(2) Categories of financial instruments

The carrying amounts of the financial assets and financial liabilities as of December 31, 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Financial Assets		
Financial assets at fair value through profit or loss		
Financial assets mandatory measured at fair value through profit or loss	$ 379, 168	$ 354, 930
Financial assets measured at amortized cost		
Cash and cash equivalents	1, 256, 165	1, 128, 971
Notes receivable and accounts receivable (including related parties)	1, 155, 853	718, 072
Other receivables (including related parties)	9, 529	269, 184
Other financial assets - current	63, 171	10, 559
Guaranteed deposits paid	856	678
Other financial assets - noncurrent	206, 062	200, 622
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts payable (including related parties)	80, 040	7, 540
Other payables	73, 789	81, 201
Bonds payable	392, 425	587, 293
Deposits received	24	24

12.3 Fair value information

(1) Details of the fair values of the Company's financial assets and financial liabilities not measured at fair value are provided in Note 12.3.2.

Fair value measurements are grouped into Levels 1 to 3 as follows:

Level 1:

Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the Company's investment in listed stocks and beneficiary certificates is included in Level 1.

Level 2

Inputs for this level are observable prices other than publicly available quotes in active markets, including observable inputs obtained directly (e.g., at price) or indirectly (e.g., derived from price) from active markets.

Level 3

Inputs for this level represent inputs that measure fair value that are not based on observable inputs that are available to the market.

(2) financial instruments that are not measured at fair value:

The carrying amounts of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, guaranteed deposits paid, notes payable, accounts payable and guaranteed deposits received) approximate to their fair values.

(3) Fair value hierarchy information on financial instruments that are measured at fair value:

The information on the Company's financial instruments that are measured at fair value on a recurring basis is as follows:

	December 31, 2023			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at FVTPL				
Assets - current				
-Funds	$ 352, 638	$ -	$ -	$ 352, 638
-Corporate bonds	26, 332	-	-	26, 332
-Derivative instruments - convertible bonds redemption amount	-	-	198	198
Total	$ 378, 970	$ -	$ 198	$ 379, 168

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at FVTPL				
Assets - current				
-Funds	$ 331, 180	$ -	$ -	$ 331, 180
-Corporate bonds	22, 430	-	-	22, 430
-Derivative instruments - convertible bonds redemption amount	-	-	1, 320	1, 320
Total	$ 353, 610	$ -	$ 1, 320	$ 354, 930

(4) The methods and assumptions the Company used to measure fair values are as follows:

(a) The fair value of financial instruments with quoted prices in active markets is based on the quoted prices in active markets. The fair values of listed equity instruments and debt instruments with active quoted market prices are based on the market prices announced by the major exchanges and the central government bond counter trading center, which are judged to be the most popular securities.

A financial instrument has an active market for public quotations if public quotations are obtained from an exchange, broker, underwriter, industry association, pricing service or competent authority in a timely manner and on a regular basis, and if the prices represent actual and frequent arm's-length market transactions. If these conditions are not met, the market is not considered active. In general, a very large bid-ask spread, a significant increase in the bid-ask spread, or a very low trading volume are all indicators of an inactive market.

The instruments the Company uses market quoted prices as their fair values are listed below by characteristics:

- Listed shares: Closing price
- Open-end funds: Net asset value
- Corporate bonds: Weighted average quoted price

(b) Except for financial instruments with active markets, the fair values of other financial instruments are determined by using valuation techniques or by reference to quotes from counterparty. The fair values of financial instruments determined by using valuation techniques can be referred to current fair values of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including by applying model using market information available on the parent company only balance sheet date (i.e., yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

(c) The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company’s credit quality.

(5) Transfer between Level 1 and Level 2 of the fair value hierarchy in 2023 and 2022: None.

(6) Changes in level 3 instruments in 2023 and 2022 are shown in the table below:

A. 2023：

Financial assets at fair value through profit or loss		Derivative instruments - convertible bonds redemption rights
January 1, 2023	$	1, 320
Acquired during the period		−
Gain (loss) recognized in profit or loss for the period	(	1, 041)
Converted in this period	(	81)
December 31, 2023	$	198

B. 2022：

Financial assets at fair value through profit or loss		Derivative instruments - convertible bonds redemption rights
January 1, 2022	$	1, 440
Acquired during the period		−
Gain (loss) recognized in profit or loss for the period	(	120)
December 31, 2022	$	1, 320

(7) Quantitative information of significant unobservable inputs used in Level 3 fair value measurement is shown below:

A. December 31, 2023:

Item	Fair Value December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Range(weighted average)	Relationship Between Input and Fair Value
Derivative financial assets					
Right to redeem the convertible bonds	$ 198	Binary tree method for pricing convertible bond	Volatility	39. 81	The higher volatility, the higher the fair value

B. December 31, 2022:

Item	Fair Value December 31, 2022	Valuation Technique	Significant Unobservable Inputs	Range(weighted average)	Relationship Between Input and Fair Value
Derivative financial assets					
Right to redeem the convertible bonds	$ 1, 320	Binary tree method for pricing convertible bond	Volatility	29.94	The higher volatility, the higher the fair value

(8) Valuation procedures for fair value measurements being categorized within Level 3:

The Company's Financial Department is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

(9) The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

A. December 31, 2023:

			December 31, 2023	
			Recognized in profit or loss	
	Input value	Change	Favorable changes	Unfavorable changes
Financial Assets				
Hybrid instruments	Volatility	± 5%	$ -	($ 119)

B. December 31, 2022:

			December 31, 2022	
			Recognized in profit or loss	
	Input value	Change	Favorable changes	Unfavorable changes
Financial Assets				
Hybrid instruments	Volatility	± 5%	$ -	$ -

13. Supplementary Disclosures

1. Significant transactions information (before inter-group eliminated)

(1) Loans to others: Table 1;

(2) Endorsements and guarantees provided to others: None;

(3) Marketable securities held (excluding investments in subsidiaries and associates) at the end of the period: Table 2;

(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 properties at costs of at least NT$300 million or 20% of the paid-in capital: None;

(6) Disposal of individual real estate properties 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 of at least NT$100 million or 20% of the paid-in capital: Table 3;

(8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4;

(9) Information about the derivative financial instruments transaction: Please see Note 6.2;

2. Information on investees (excluding information on investment in mainland China): Table 5;

3. Information on investment in mainland China: Table 6.

4. Information on major shareholders: Table 7.

14. Segment Information

The Company had disclosed the related segment information in the Consolidated Financial Statements per regulations; therefore, the segment information is not disclosed in the Parent Only Financial Statements.

Table 1

Sea Sonic Electronics Co., Ltd.
Loans to Others
December 31, 2023

In USD and in thousands of NTD

No.	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance for the period	Ending balance	Amount actually drawn	Interest rate	Nature of loan	Transaction amount	Reason for short-term financing	Recognized loss allowance	Collateral		Limit on loans granted to a single party	Ceiling on total loans granted
													Item	Value		
0	Sea Sonic Electronics Co., Ltd.	Seasonic Electronics, Inc.	Receivable from related party	Yes	$ 195,000	$ 195,000	-	-	2	$ -	Operating turnover	$ -	None	$ -	$ 611, 020	$ 1, 222, 041
		Sea Sonic Europe B.V.	Receivable from related party	Yes	195,000	195,000	-	-	2	-	Operating turnover	-	None	-	611, 020	1, 222, 041
		Sea Sonic Energy Co., Ltd.	Receivable from related party	Yes	20, 000	20, 000	-	-	2	-	Operating turnover	-	None	-	611, 020	1, 222, 041
		Shenzhen Energy Power Electronics Co., Ltd.	Receivable from related party	Yes	65,000	-	-	-	2	-	Operating turnover	-	None	-	611, 020	1, 222, 041

A: The Company as 0, with the invested companies sequentially numbered.

B: Code describing the nature of the loan set as follows:

(1) 1 for borrowers with which it does business.

(2) 2 for borrowers with indispensable need of short-term financing.

C: Maximum loan to subsidiaries and other borrowers

(1) Loans to borrowers which it does business shall not exceed the amount of business contact (amount of purchases or sales, whichever is greater) and the limit is 40% of the net worth of the Company.

(2) Loans to borrowers with necessity of short-term funding shall not exceeds 20% of the Company's net worth separately and accumulated amount of loans shall not exceed 40% of the Company's net worth. For foreign companies whose 100% of voting share held by the Company, loans shall not exceed 60% of the Company's net worth separately and accumulated amount of loans shall not exceed 80% of the Company's net worth.

D: Board of directors of the Company approved the resolution on loans to Seasonic Electronics, Inc. 、Sea Sonic Europe B.V., Sea Sonic Energy Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd. of $195,000 thousand, $195,000 thousand, 20,000 thousand and $65,000 thousand separately. As of December 31, 2023, $0 thousand, $0 thousand , $0 thousand and $0 thousand has been drawn actually. The Company 's capital loan of $65,00 thousand to Shenzhen Energy Power Electronics Co., Ltd. expired on October 31, 2023 and will not be extended.

Table 2

Sea Sonic Electronics Co., Ltd.
Holding of Marketable Securities at the end of the period
December 31, 2023

In thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Footnote
				Number of shares	Book value	Ownership (%)	Fair value	
Sea Sonic Electronics Co., Ltd.	Taishin 1699 Money Market Fund	-	Financial assets at FVTPL - current	5, 342, 928. 99	74, 494	-	74, 494	
	Fuh Hwa Angel Fund	-	Financial assets at FVTPL - current	545, 765. 10	10, 930	-	10, 930	
	Nomura Multi Income Multi Asset Fund Accumulate USD	-	Financial assets at FVTPL - current	48, 385. 15	18, 001	-	18, 001	
	Nomura Global Financial Bond Fund Accumulate USD	-	Financial assets at FVTPL - current	110, 363. 39	35, 906	-	35, 906	
	Fuh Hwa Global Bond Fund	-	Financial assets at FVTPL - current	677, 093. 90	10, 307	-	10, 307	
	PGIM Short-term Bond Fond USD	-	Financial assets at FVTPL - current	20, 346. 19	6, 240	-	6, 240	
	Fuh Hwa Global Short-term Income Fond	-	Financial assets at FVTPL - current	1, 213, 170. 20	15, 167	-	15, 167	
	Nomura Global Short Duration Bond Fund USD	-	Financial assets at FVTPL - current	92, 952. 35	31, 630	-	31, 630	
	Nomura 2026 Private Placement Matured Market Flexible Maturity Bond Fund	-	Financial assets at FVTPL - current	50, 000. 00	15, 745	-	15, 745	
	PGIM Global Eco-Friendly ESG Multi-Asset Fund Inc TWD	-	Financial assets at FVTPL - current	9, 565, 899. 48	100, 946	-	100, 946	
	Fuh Hwa 3-8Yr Maturity A-Rated Bond USD.	-	Financial assets at FVTPL - current	50, 000. 00	16, 333	-	16, 333	
	Goldman Sachs Global Sustainable Equity - X Cap USD	-	Financial assets at FVTPL - current	1, 426. 69	16, 939	-	16, 939	
	Corporate bonds of Apple Inc.	-	Financial assets at FVTPL - current	100. 00	3, 129	-	3, 129	
	Corporate bonds of Altria Group, Inc.	-	Financial assets at FVTPL - current	300. 00	9, 059	-	9, 059	
	Corporate bonds of AbbVie	-	Financial assets at FVTPL - current	100. 00	2, 911	-	2, 911	
	Corporate bonds of Ford Motor Company in USD	-	Financial assets at FVTPL - current	200. 00	5, 023	-	5, 023	
	Oversea corporate bonds of Altria Group, Inc.	-	Financial assets at FVTPL - current	100. 00	2, 504	-	2, 504	
	Oversea corporate bonds of Intel Corporation	-	Financial assets at FVTPL - current	170. 00	3, 706	-	3, 706	

Table 3

Sea Sonic Electronics Co., Ltd.

Purchases from or Sales to Related Parties of at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2023

In thousand NTD

Purchaser/seller	Counterparty	Relationships with the counterparty	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Footnote
			Purchases (Sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit Price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Sea Sonic Electronics Co., Ltd.	Full Net Enterprise Inc.	Subsidiary	Purchases	$ 1, 937, 538	88. 63%	T/T 90 days in general; prepayment regarding particular transaction or order; occasionally payment referring status of cash flow or set off by debts and claims	-	-	$ -	-	
	Seasonic Electronics, Inc.	Subsidiary	Sales	685, 228	20. 51%	T/T 120 days after receipt in general; further discussion for payments regarding particular transaction or order.	-	-	492, 555	42. 61%	
	Sea Sonic Europe B.V.	Subsidiary	Sales	696, 826	20. 86%	T/T 120 days after receipt in general; further discussion for payments regarding particular transaction or order.	-	-	306, 104	26. 48%	
	Shenzhen Energy Power Electronics Co., Ltd.	Sub-subsidiary	Sales	421, 466	12. 61%	T/T 120 days after receipt in general; further discussion for payments regarding particular transaction or order.	-	-	140, 222	12. 13%	
Dongguan Seasonic Electronic Co., Ltd.	Full Net Enterprise Inc.	Affiliated company	Sales	1, 943, 088	99. 08%	T/T 60 days; prepayment regarding particular transaction or order; occasionally payment referring status of cash flow.	-	-	-	-	

Table 4

Sea Sonic Electronics Co., Ltd.

Receivables from Related Parties Amounting to at Least NT$100 Million or 20% of the Paid-in Capital

December 31, 2023

In thousand NTD

Creditor	Counterparty	Relationship with the counterparty	Ending balance		Turnover rate	Overdue receivables		Amount collected subsequent to the end of the reporting period	Recognized loss allowance
						Amount	Action taken		
Sea Sonic Electronics Co., Ltd.	Seasonic Electronics, Inc.	Subsidiaries	Accounts receivable	$ 492,555	2.11	$ -	-	$ 277,033	$ -
			Other receivables	170	-	-	-	170	-
	Sea Sonic Europe B.V.	Subsidiaries	Accounts receivable	306,104	3.46	-	-	90,171	-
			Other receivables	584	-	-	-	584	-
	Shenzhen Energy Power Electronics Co., Ltd.	Sub-subsidiary	Accounts receivable	140,222	2.92	-	-	71,055	-
			Other receivables	-	-	-	-	-	-

Note: The amount collected as of February 29, 2024.

Table 5

Sea Sonic Electronics Co., Ltd.

Information on Investees (Excluding Information on Investment in Mainland China)

December 31, 2023

In thousand NTD

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held by the year-end			Net Income (Losses) of the Investee	Share of Profits/Losses of Investee	Footnote
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership	Carrying Value			
Sea Sonic Electronics Co., Ltd.	Resonic Holdings Co., Ltd.	British Virgin Islands	Holding Company	$ 165, 547	$ 165, 547	25, 300	100	$ 210, 553	$ 17, 343	$ 17, 343	Subsidiaries
	Seasonic Electronics, Inc.	United States	International Trade	9, 890	9, 890	300, 000	100	(63, 839)	(17, 117)	(17, 117)	Subsidiaries
	Sea Sonic Europe B.V.	Netherlands	International Trade	4, 796	4, 796	100, 000	100	(37, 571)	13, 162	13, 162	Subsidiaries
	Full Net Enterprise Inc.	Samoa	Triangle Trade	87, 520	87, 520	2, 700, 000	100	86, 274	(2, 192)	(2, 192)	Subsidiaries
	Sea Sonic Energy Co., Ltd.	Taiwan	Information Software Services	40, 000	40, 000	40, 000, 000	100	34, 385	(3, 788)	(3, 788)	Subsidiaries

Note: Excluding the unrealized gain on elimination of sales and purchase transactions.

Table 6

Sea Sonic Electronics Co., Ltd.
Information on Investment in Mainland China
December 31, 2023

In USD, HKD, thousand NTD, thousand RMB

Investee in Mainland China	Main business activities	Total Amount of Paid-in Capital	Investment method	Accumulated Outflow of Investment from Taiwan by the end of period (Note (4))	Investment Flows		Accumulated Outflow of Investment from Taiwan by the end of period	Ownership held by the Company (direct or indirect) (%)	Net Income (Losses) of the Investee	Share of Profits/Losses	Carrying Amount by the end of period	Accumulated Inward Remittance of Earnings by the end of period
					Outflow	Inflow						
Dongguan Seasonic Electronic Co., Ltd.	Production of switching power supplies	HKD 29,030,000	Note (1), (3)	USD 3,748,125 (NTD 114, 918)	-	-	USD 3,748,125 (NTD 114, 918)	100%	(NTD 13, 726)	(NTD 13, 726)	NTD173, 033	RMB 15, 215 (NTD 65, 576)
Shenzhen Energy Power Electronics Co., Ltd.	Import and export of computer hardware and equipment	USD 200,000	Note (1), (3)	USD 200,000 (NTD 6,132)	-	-	USD 200,000 (NTD 6,132)	100%	NTD 30, 920	NTD 30, 920	NTD 39, 256	-

Unit: USD, thousand NTD

Accumulated Investment in Mainland China as of December 31, 2023 (Note (4))	Investment Amounts Authorized by Investment Commission, MOEA (Note (4))	Upper Limit on Investment (Note (5))
USD 3,948,125 (NTD 121,050)	USD 3,948,125 (NTD 121,050)	NTD 1,833,061

Note:
(1) Reinvestment through investment on third region company.
(2) Profit and loss of financial statement has been audited by independent certified public accountant of parent company in Taiwan.
(3)The Company reinvest Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd. through Resonic Holdings Co., Ltd.(England). As of December 31, 2023, accumulated investment equals to $3,948,125 USD, while reinvestment in Mainland China equals to $3,748,125 USD and $200,000 USD to Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd., respectively.
(4) Amounts in the table shall be listed in NTD. Foreign currency shall be exchanged to NTD with the exchange rate at date of report.
(5) In accordance with regulation of Investment Commission, MOEA, accumulated investment in Mainland China is limit to 60% of net worth or parent company only net worth, whichever is greater.

2. Major transactions with Investee in Mainland China through third region

Please refer to "Information on major transactions" and "The business relationship between the parent and the subsidiaries and significant transactions between them" in consolidated financial statement for information on directly or indirectly major transactions with investee in Mainland China in 2023 with no repetitive disclosure in parent company only financial statement

Table 7

Sea Sonic Electronics Co., Ltd.
Information on Major Shareholders
December 31, 2023

Shares / Major shareholders	Numbers of Shares	Percentage of ownership
Chang, Cheng-Tsung	21, 069, 968	25. 58%
Wei, Chin-Hua	10, 157, 309	12. 33%
CHING HAI Co., Ltd.	6, 396, 264	7. 76%

Note: The information on major shareholders in this schedule includes shareholders who held at least 5% of common shares and special shares combined and had been registered (including treasury shares) with the stock depository company on the last business day of each season. There may be different in the recorded share capital in the financial statements and the actually registered shares due to different preparation and computation basis.

Sea Sonic Electronics Co., Ltd

Schedule of Significant Accounting Items

December 31, 2023

Tables of Contents

Sea Sonic Electronics Co., Ltd
Schedule of Schedule of Cash and Cash Equivalents
December 31, 2023

Schedule I. In thousands of NTD and foreign currency

Item	Amount		Footnote
	Subtotal	Total	
Cash		$ 167	
Bank deposits		1, 255, 998	
Demand deposits	$ 45, 786		
Foreign currency deposits	1, 210, 212		USD 33, 125, 070. 46；@30. 66 HKD 147, 254. 86；@3. 90 EUR 0. 20；@33. 78 RMB 45, 121, 542. 50；@4. 30
Total		$ 1, 256, 165	

Sea Sonic Electronics Co., Ltd

Schedule of Changes in Financial Assets Measured at Fair Value through Other Comprehensive Income - current

December 31, 2023

Schedule II

In thousands of NTD

Financial instruments	Summary	Number of shares	Face value	Total	Interest rate	Acquisition costs	Fair value		Changes in fair value attributable to credit risk changes	Footnote
							Unit price	Total price		
Taishin 1699 money market fund	Fund	5, 342, 928. 99	$ -	$ -	-	$ 73,049	$ 13.9425	$ 74,494	-	
Fuh Hwa Angel Fund	Fund	545, 765. 10	-	-	-	10,000	20.0263	10,930	-	
Nomura Multi Income Multi Asset Fund Accumulate USD	Fund	48, 385. 15	-	-	-	16,818	12.1342	18,001	-	
Nomura Global Financial Bond Fund Accumulate USD	Fund	110, 363. 39	-	-	-	33,897	10.6112	35,906	-	
Fuh Hwa Global Bond Fund	Fund	677, 093. 90	-	-	-	10,000	15.2231	10,307	-	
PGIM Short-term Bond Fond USD	Fund	20, 346. 19	-	-	-	6,210	10.0032	6,240	-	
Fuh Hwa Global Short-term Income Fond	Fund	1, 213, 170. 20	-	-	-	15,000	12.5023	15,167	-	
Nomura Global Short Duration Bond Fund USD	Fund	92, 952. 35	-	-	-	30,775	11.0987	31,630	-	
Nomura 2026 Private Placement Matured Market Maturity Bond Fund	Fund	50, 000. 00	-	-	-	15,653	10.2708	15,745	-	
PGIM Global Eco-Friendly ESG Multi-Asset Fund Inc TWD	Fund	9, 565, 899. 48	-	-	-	100,000	10.5527	100,946	-	
Fuh Hwa 3-8Yr Maturity A-Rated Bond USD.	Fund	50, 000. 00	-	-	-	16,203	10.6543	16,333	-	
Goldman Sachs Global Sustainable Equity - X Cap USD	Fund	1, 426. 69	-	-	-	16,111	387.2400	16,939	-	
Corporate bonds of Apple Inc.	Bonds	100.00	USD 1,000	USD 118,520	4.50%	3,579	USD 102.04	3,129	-	
Corporate bonds of Altria Group, Inc.	Bonds	300.00	USD 1,000	USD 356,130	5.375%	11,072	USD 98.49	9,059	-	
Corporate bonds of AbbVie	Bonds	100.00	USD 1,000	USD 126,040	4.70%	3,805	USD 94.94	2,911	-	
Corporate bonds of Ford Motor Company in USD	Bonds	200.00	USD 1,000	USD 212,940	4.75%	5,947	USD 81.92	5,023	-	
Oversea corporate bonds of Altria Group, Inc.	Bonds	100.00	USD 1,000	USD 76,000	4.25%	2,259	USD 81.669	2,504	-	
Oversea corporate bonds of Intel Corporation	Bonds	170.00	USD 1,000	USD 126,600	3.05%	3,800	USD 71.100	3,706	-	
Subtotal						374,178		378,970		
Derivative financial instruments Call right of convertible bonds	Convertible bonds	-	-	-	-	198	-	198		
Subtotal						198		198		
Total						$ 374,376		$ 379,168		

Sea Sonic Electronics Co., Ltd
Schedule of Notes Receivable
December 31, 2023

Schedule III. In thousands of NTD

Customer Codes	Amount	Footnote
Company A	$ 25, 951	
Subtotal	25, 951	
Less: Loss allowance	(260)	
Net amount	$ 25, 951	

Sea Sonic Electronics Co., Ltd

Schedule of Accounts Receivable

December 31, 2023

Schedule IV. In thousands of NTD

Customer Codes	Amount	Footnote
Non-related parties:		
Company B	$ 106, 717	USD 3, 480, 650. 84
Company C	24, 528	USD 800, 000. 00
Others	60, 036	Other amounts did not exceed the balance of accounts receivable 5%；including USD 1,424,423.35、RMB 2,031,012.00
Subtotal	191, 281	
Less: Bad debt allowance	-	
Accounts receivable, net	$ 191, 281	
Related parties:		
Seasonic Electronics, Inc.	$ 492, 555	USD 16, 065, 069. 62
Shenzhen Energy Power Electronics Co., Ltd.	140, 222	RMB 32, 609, 690. 54
Sea Sonic Europe B.V.	306, 104	USD 9, 983, 838. 84
Subtotal	938, 881	
Less: Loss allowance	-	
Accounts receivable, net - related parties	$ 938, 881	

Sea Sonic Electronics Co., Ltd

Schedule of Inventories

December 31, 2023

Schedule V

In thousands of NTD

Item	Amount			Footnote
	Cost	Total	Market Price	
Materials		$ 89, 663	$ 86, 914	Market price at net realizable value
Transistors	$ 18, 914			
Capacitors	14, 787			
IC	5, 662			
Output adapter cables kits	15, 250			
Others	35, 050			
Semi-finished products and work-in-progress		240	215	Market price at net realizable value
Finished goods		13, 357	22, 117	Market price at net realizable value
Power Supply	13, 357			
Merchandise inventory		16, 381	19, 814	Market price at net realizable value
Power Supplies	8, 431			
Others	7, 950			
Subtotal		119, 641		
Less: Allowance on market price decline and slow-moving inventories		(5, 242)		
Net amount		$ 114, 399	$ 129, 060	

Sea Sonic Electronics Co., Ltd

Schedule of Changes in Investments Accounted for Using the Equity Method

December 31, 2023

Schedule VI

In thousands of NTD

Name	Beginning balance		Increase during the period		Decrease during the period		Ending balance		Net equity		Pledged as collaterals	Footnote
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Unit Price	Total		
Resonic Holding Co., Ltd	25, 300	$ 198, 879	–	$ 17, 509	–	$ 5, 835	25, 300	$ 210, 553	–	$ 215, 027	None	Note 1
Seasonic Electronics, Inc.	300, 000	18, 021	–	10, 608	–	92, 468	300, 000	(63, 839)	–	53, 734	None	Note 1, 2
Sea Sonic Europe B.V.	100, 000	(39, 207)	–	18, 558	–	16, 922	100, 000	(37, 571)	–	13, 591	None	Note 1, 2
Full Net Enterprise Inc.	2, 700, 000	88, 251	–	–	–	1, 977	2, 700, 000	86, 274	–	86, 467	None	Note 1
Sea Sonic Energy Co., Ltd.	40, 000, 000	38, 731	–	–	–	4, 346	40, 000, 000	34, 385	–	34, 944	None	Note 1
Subtotal		304, 675		46, 675		121, 548		229, 802				
Plus: Investments Balance Measured at Fair Value Through Profit or Loss		39, 207		62, 203		–		101, 410				
Total		$ 343, 882		$ 108, 878		$ 121, 548		$ 331, 212				

Note 1: The difference between the ending balance and the net asset value was due to the unrealized gain on write-off of downstream and upstream transactions between the Company and its subsidiaries based on the proportion of the Company's shareholdings in these subsidiaries.

Note 2: Seasonic Electronics, Inc. and Sea Sonic Europe B.V. were reclassified as non-current liabilities due to the negative face value of equity-method investments as a result of the write-off of unrealized gains on downstream and side stream transactions based on the proportion of ownership.

Sea Sonic Electronics Co., Ltd

Schedule of Accounts Payable

December 31, 2023

Schedule VII

In thousands of NTD

Name of client	Amount		Footnote
Non-related parties：			
Company A	$	7, 404	Including USD 241, 500
Company B		48, 030	Including RMB 11, 169, 760. 00
Company C		6, 112	Including RMB 1, 421, 444. 83
Company D		4, 321	Including RMB 1, 004, 806. 25
Others		14, 173	Other amounts did not exceed the balance of accounts receivable balance 5%; including USD 278, 038. 01 、RMB 467, 647. 30
Total	$	80, 040	

Sea Sonic Electronics Co., Ltd

Schedule of Other Accounts Payable

December 31, 2023

Schedule VIII

In thousands of NTD

Item	Amount		Footnote
Employee compensation payable	$	34, 812	
Directors and supervisers compensation payable		8, 181	
Salary and work bonus payable		17, 905	
Accrued insurance premiums		1, 431	
Services expense payable		3, 989	
Worker pension payable		1, 125	
Processing expense payable		2, 100	
Others		4, 246	
Total	$	73, 789	

Sea Sonic Electronics Co., Ltd

Schedule of Operating Revenue

December 31, 2023

ScheduleIX

In thousands of NTD

Item	Quantity	Total	Footnote
Power supplies	1, 119, 528	$ 3, 311, 186	
Others	17, 218, 660	82, 794	
Total operating revenue		3, 393, 980	
Less: sales returns		(2, 573)	
Sales discounts and allowances		(50, 326)	
Operating revenue, net		$ 3, 341, 081	

Sea Sonic Electronics Co., Ltd

Schedule of Operating Costs

December 31, 2023

Schedule X

In thousands of NTD

Item	Amount	
	Subtotal	Total
Cost of self-produced products sales		$ 281, 840
Beginning materials	$ 101, 972	
Add: Cost of purchase of raw materials this year	276, 432	
Others	150	
Inventory profit	137	
Less: Ending materials	(89, 663)	
Transferred to expense	(694)	
Scrapping	(6, 451)	
Inventory loss	(43)	
Overhead		281, 840
Add: Beginning work-in-progress and semi-finished products		17, 316
Cost of purchase of raw materials this year		57, 788
Less: Ending work-in-progress and semi-finished products		(240)
Transferred to expense		(32)
Inventory loss		(1)
Finished goods costs		356, 671
Add: Beginning finished goods		25, 874
Less: Ending finished goods		(13, 357)
Transferred to expense		(17)
Inventory loss		(2)
Cost of sales self-produced products		369, 169
Costs of buying and selling of goods		
Beginning goods		36, 917
Add: Purchase of goods this year		1, 898, 733
Less: Ending goods		(16, 381)
Inventory loss		(2, 066)
Scrapping		(2, 381)
Others		(1, 426)
Cost of sales—buying and selling of goods		1, 913, 396
Loss of inventory valuation		2, 216
Inventory profit		(91)
Losses on scrapping		8, 832
Operating costs		$ 2, 293, 522

Sea Sonic Electronics Co., Ltd
Schedule of Selling Expenses
December 31, 2023

Schedule XI

In thousands of NTD

Item	Amount		Footnote
Wages and salaries	$	20, 432	
Rent expense		91	
Stationery supplies		25	
Traveling expense		570	
Freight		6, 529	
Postage and telecommunication expense		196	
Repairs and maintenance expense		18	
Advertisement expense		5, 805	
Utilities expense		179	
Insurance expense		6, 888	
Entertainment expense		393	
Taxes		131	
Depreciation and depletion		2, 234	
Amortizations		2, 786	
Meal expense		774	
Employee benefits		434	
Commissions expense		413	
Services expense		2, 211	
Pension		1, 092	
Export expense		6, 271	
Miscellaneous purchases		1, 091	
Employee compensation		5, 952	
Other expenses		2, 461	
Total	$	66, 976	

Sea Sonic Electronics Co., Ltd

Schedule of Administrative Expenses

December 31, 2023

Schedule XII

In thousands of NTD

Item	Amount	Footnote
Wages and salaries	$ 45, 086	
Rent expense	129	
Stationery supplies	132	
Traveling expense	589	
Freight	837	
Postage and telecommunication expense	524	
Repairs and maintenance expense	194	
Advertisement expense	77	
Utilities expense	550	
Insurance expense	5, 142	
Entertainment expense	292	
Taxes	462	
Depreciation and depletion	6, 697	
Amortizations	22	
Meal expense	1, 456	
Employee benefits	843	
Training expense	163	
Services expense	6, 944	
Pension	2, 116	
Miscellaneous purchases	548	
Compensation of directors and supervisors	8, 181	
Employee compensation	12, 307	
Other expenses	4, 197	
Total	$ 97, 488	

Sea Sonic Electronics Co., Ltd

Schedule of R&D Expenses

December 31, 2023

Schedule XIII　　　　　　　　　　In thousands of NTD

Item	Amount	Footnote
Wages and salaries	$ 22, 098	
Rent expense	5	
Stationery supplies	35	
Traveling expense	561	
Freight	341	
Postage and telecommunication expense	251	
Repairs and maintenance expense	106	
Utilities expense	223	
Insurance expense	2, 584	
Entertainment expense	2	
Taxes	175	
Depreciation and depletion	4, 928	
Amortizations	339	
Meal expense	891	
Employee benefits	553	
Training expense	36	
Pension	1, 202	
Miscellaneous purchases	382	
Consumables costs	1, 806	
Inspection costs	4, 190	
Patents	1, 572	
Employee compensation	6, 285	
Other expenses	2, 109	
Total	$ 50, 674	