Stock Code: 6203

Sea Sonic Electronics Co., Ltd. and Its Subsidiaries
Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
and Independent Auditors' Report

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Sea Sonic Electronics Co., Ltd. and its subsidiaries

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Sea Sonic Electronics Co., Ltd.

Representation Letter

The entities that are required to be included in the consolidated financial reports of affiliated enterprises of Sea Sonic Electronics Co., Ltd. as of and for the year ended December 31, 2023, under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards 10 *Consolidated Financial Statements.* In addition, the information required to be disclosed in the consolidated financial statements of affiliated enterprises is included in the above consolidated financial statements. Consequently, Sea Sonic Electronics Co., Ltd. and Subsidiaries do not prepare a separate set of consolidated financial statements of affiliated enterprises.

Hereby declare,

Company Name: Sea Sonic Electronics Co., Ltd.
By

Chang, Hsiu-Cheng
Chairman

March 11, 2024

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Independent Auditors' Report

To: Sea Sonic Electronics Co., Ltd.

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated 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 and the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 Consolidated Financial Statements section of our report. We are independent of the Group 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Group's consolidated financial statements for the year ended December 31, 2023 are stated as follows :

Sales revenue
Please refer to Note 4.17 for details of the accounting policies for revenue recognition and to Note 5.2.1 and Note 6.20 for the disclosures related to revenue.

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Description on the key audit matter:

Sales revenue is the main indicator that investors and management use to evaluate the Group'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 4.7 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 Group's receivables as of December 31, 2023 is $395,342 thousand NTD (net of loss allowance of $1,175 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 4.8 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 Group's inventories as of December 31, 2023 is $1,110,184 thousand NTD (net of the loss allowance on inventories of $58,113 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.

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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.

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.

Other Matters

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the 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 consolidated 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 consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

March 11, 2024

Lin, Chih-Lung

Chen, Chao-Hui

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

The accompanying consolidated financial statements are intended only to present the consolidated financial position, financial performance and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.
For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

Sea Sonic Electronics Co., Ltd. and its Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and 2022

In thousands of NTD

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6.1)	$ 1, 513, 896	35	$ 1, 384, 168	36
1110	Financial assets at FVTPL - current (Note 6.2)	381, 404	9	357, 136	9
1150	Notes receivable, net (Note 6.3)	25, 691	1	24, 392	1
1170	Accounts receivable, net (Notes 6.4)	369, 651	9	434, 630	11
1200	Other receivables	14, 645	–	6, 396	–
1220	Current-period income tax assets	4, 888	–	3	–
130x	Inventories (Note 6.5)	1, 110, 184	26	979, 830	26
1410	Prepayments	127, 661	3	107, 878	3
1476	Other financial assets - current (Note 6.6)	63, 171	2	10, 559	–
1479	Other current assets	8, 706	–	8, 234	–
11xx	Total current assets	3, 619, 897	85	3, 313, 226	86
	Non-current assets				
1600	Property, plant and equipment (Note 6.7)	197, 122	5	210, 138	6
1755	Right-of-use assets (Note 6.8)	70, 709	2	40, 914	1
1780	Intangible assets (Note 6.9, Note 7)	28, 568	1	10, 000	–
1840	Deferred tax assets (Note 6.26)	111, 284	3	64, 256	2
1915	Prepayments for equipment	–	–	71	–
1920	Refundable deposits	12, 275	–	2, 106	–
1980	Other financial assets - noncurrent (Note 6.10)	206, 062	4	200, 622	5
1995	Other noncurrent assets	4, 952	–	6, 658	–
15xx	Total noncurrent assets	630, 972	15	534, 765	14
1xxx	Total assets	$ 4, 250, 869	100	$ 3, 847, 991	100

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Code	Liabilities and Equity	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	Current liabilities				
2130	Contract liabilities - current (Note 6.20)	$ 31, 362	1	$ 15, 420	–
2170	Accounts payable	360, 765	8	221, 686	6
2200	Other payables (Note 6.11)	112, 748	3	113, 547	3
2230	Current-period income tax liabilities	118, 554	3	143, 998	4
2250	Provision - current (Note 6.12)	10, 928	–	8, 912	–
2280	Lease liabilities - current (Note 6.8)	16, 134	–	13, 094	–
2300	Other current liabilities (Note 6.13)	53, 411	1	34, 217	1
21xx	Total current liabilities	703, 902	16	550, 874	14
	Noncurrent liabilities				
2530	Corporate bonds payable (Note 6.14)	392, 425	10	587, 293	15
2570	Deferred tax liabilities (Note 6.26)	43, 997	1	35, 977	1
2580	Lease liabilities - noncurrent (Note 6.8)	55, 419	1	31, 116	1
2645	Guarantee deposits received	24	–	24	–
25xx	Total non-current liabilities	491, 865	12	654, 410	17
2xxx	Total liabilities	1, 195, 767	28	1, 205, 284	31
	Equity				
	Equity attributable to owners of the parent				
	Share capital (Note 6.16)				
3110	Common share	823, 582	19	799, 532	21
3130	Bond conversion entitlement certificates	–	–	–	–
3100	Total share capital	823, 582	19	799, 532	21
3200	Capital surplus (Note 6.17)				
3280	Capital surplus – others	273, 136	6	95, 714	2
	Retained earnings (Note 6.18)				
3310	Legal reserve	688, 633	16	643, 610	17
3320	Special reserve	18, 163	–	27, 520	1
3350	Unappropriated retained earnings	1, 273, 768	31	1, 094, 494	28
3300	Total retained earnings	1, 980, 564	47	1, 765, 624	46
3400	Other equity (Note 6.19)				
3410	Exchange differences arising from translation of foreign operations	(22, 180)	–	(18, 163)	–
31xx	Total equity attributable to owners of the parent	3, 055, 102	72	2, 642, 707	69
3xxx	Total equity	3, 055, 102	72	2, 642, 707	69
	Total liabilities and equity	$ 4, 250, 869	100	$ 3, 847, 991	100

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

Sea Sonic Electronics Co., Ltd. and its Subsidiaries

Consolidated Statements of Comprehensive Income

For the Years Ended December 31, 2023 and 2022

In thousands of NTD

		2023		2022	
Code	Item	Amount	%	Amount	%
4000	Operating revenue (Note 6.20)	$ 3, 333, 190	100	$ 2, 554, 842	100
5000	Operating costs (Note 6.5)	(2, 193, 264)	(66)	(1, 778, 090)	(69)
5900	Gross profit (loss) from operations	1, 139, 926	34	776, 752	31
	Operating Expenses				
6100	Selling expenses	(189, 928)	(5)	(169, 717)	(8)
6200	Administrative expenses	(136, 200)	(4)	(114, 764)	(4)
6300	Research and development expenses	(55, 414)	(2)	(59, 256)	(2)
6450	Expected credit impairment (loss) benefit	1, 870	-	(2, 688)	-
6000	Total operating expenses	(379, 672)	(11)	(346, 425)	(14)
6900	Operating income (loss)	760, 254	23	430, 327	17
	Non-operating income and expenses				
7100	Interest income (Note 6.21)	59, 610	2	21, 180	1
7010	Other income (Note 6.22)	8, 544	-	13, 160	1
7020	Other gains and losses (Note 6.23)	(36, 191)	(1)	145, 936	5
7050	Finance costs (Note 6.25)	(9, 792)	-	(10, 113)	-
7000	Total non-operating income and expenses	22, 171	1	170, 163	7
7900	Net income (loss) before income tax	782, 425	24	600, 490	24
7950	Income tax (expense) benefit (Note 6.26)	(167, 719)	(5)	(150, 264)	(6)
8200	Net income (loss)	614, 706	19	450, 226	18
	Other comprehensive income or loss for the year (Note 6.27)				
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 (net) for the year	(4, 017)	-	9, 357	-
8500	Total comprehensive income for the year	$ 610, 689	19	$ 459, 583	18
8600	Net income (loss) attributable to				
8610	Owners of the parent (net profit/loss)	$ 614, 706		$ 450, 226	
8620	Non-controlling interests (net profit/loss)	-		-	
		$ 614, 706		$ 450, 226	
8700	Total comprehensive income attributable to:				
8710	Owners of the parent (comprehensive income)	$ 610, 689		$ 459, 583	
8720	Non-controlling interests (comprehensive income)	-		-	
		$ 610, 689		$ 459, 583	
	Earnings per share				
9750	Basic earnings per share (Note 6.28)	$ 7. 58		$ 5. 63	
9850	Diluted earnings per share (Note 6.28)	$ 7. 20		$ 5. 23	

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

Sea Sonic Electronics Co., Ltd. and its Subsidiaries
Consolidated Statements of Changes in Equity
For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Item	Equity attributable to owners of the parent								
	Share capital			Retained earnings			Other equity items		
	Common share capital	Bond conversion entitlement certificates	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences arising from translation of foreign operations	Total equity attributable to owners of the parent	Total equity
Balance on January 1, 2022	$ 799, 532	$ −	$ 95, 714	$ 568, 355	$ 19, 139	$ 1, 127, 670	($ 27, 520)	$ 2, 582, 890	$ 2, 582, 890
Appropriation and distribution of earnings									
Set aside legal reserve	−	−	−	75, 255	−	(75, 255)	−	−	−
Set aside reversal of special reserve	−	−	−	−	8, 381	(8, 381)	−	−	−
Cash dividends of common shares	−	−	−	−	−	(399, 766)	−	(399, 766)	(399, 766)
Net income (net loss) for 2022	−	−	−	−	−	450, 226	−	450, 226	450, 226
Other comprehensive income or loss for 2022	−	−	−	−	−	−	9, 357	9, 357	9, 357
Total consolidated profit or loss for 2022	−	−	−	−	−	450, 226	9, 357	459, 583	459, 583
Balance on December 31, 2022	799, 532	−	95, 714	643, 610	27, 520	1, 094, 494	(18, 163)	2, 642, 707	2, 642, 707
Appropriation and distribution of earnings									
Set aside legal reserve	−	−	−	45, 023	−	(45, 023)	−	−	−
Set aside special reserve	−	−	−	−	(9, 357)	9, 357	−	−	−
Cash dividends of common shares	−	−	−	−	−	(399, 766)	−	(399, 766)	(399, 766)
Other changes in capital surplus	−	−	6	−	−	−	−	6	6
Net income (net loss) for 2023	−	−	−	−	−	614, 706	−	614, 706	614, 706
Other comprehensive income or loss for 2023	−	−	−	−	−	−	(4, 017)	(4, 017)	(4, 017)
Total consolidated profit or loss for 2023	−	−	−	−	−	614, 706	(4, 017)	610, 689	610, 689
Conversion of convertible bonds	−	24, 050	177, 416	−	−	−	−	201, 466	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	$ 3, 055, 102

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

Sea Sonic Electronics Co., Ltd. and its Subsidiaries

Consolidated Statements of Cash Flows

For the Years Ended December 31, 2023 and 2022

In thousands of NTD

Item	2023	2022
Cash flows from operating activities		
Income (loss) before income tax, net	$ 782, 425	$ 600, 490
Adjustment items		
Income/gain or expenses/loss items		
Depreciation expense	35, 145	38, 004
Amortization expense	4, 972	4, 522
Expected credit impairment loss (benefit)	(1, 870)	2, 688
Net loss (gain) on financial assets and liabilities at FVTPL	(12, 313)	6, 410
Interest expense	9, 214	9, 705
Interest income	(59, 610)	(21, 180)
Loss (benefit) on disposal and scrapping of property, plant and equipment	(878)	766
Transfer of property, plant and equipment to expense	13	–
Lease modification benefits	(3, 183)	(54)
Prepayment for equipment transferred to expense	71	3
Unamortized expense transferred to expense	700	660
Changes in operating assets / liabilities, net		
Changes in operating assets, net		
Decrease (increase) in notes receivable	(1, 313)	(147)
Decrease (increase) in accounts receivable	66, 810	386, 993
Decrease (increase) in other receivables	(3, 606)	6, 909
Decrease (increase) in inventories	(129, 865)	206, 574
Decrease (increase) in prepayments	(19, 783)	32, 473
Decrease (increase) in other current assets	(472)	(1, 046)
Changes in operating liabilities, net		
Increase (decrease) in contract liabilities	15, 942	(33, 168)
Increase (decrease) in accounts payable	139, 079	(392, 995)
Increase (decrease) in other payables	(799)	(43, 423)
Increase (decrease) in provisions	2, 016	1, 139
Increase (decrease) in other current liabilities	19, 194	(1, 004)
Cash flows from (used in) operations	841, 889	804, 319
Interest received	54, 964	18, 780
Interest paid	(2, 535)	(2, 210)
Income tax refunds (paid)	(235, 763)	(182, 907)
Net cash flows from (used in) operating activities	658, 555	637, 982

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Cash flows from investing activities		
Acquisition of financial assets at FVTPL	(242, 078)	(24, 647)
Disposal of financial assets at FVTPL	230, 000	133, 240
Acquisition of property, plant and equipment	(10, 385)	(8, 798)
Disposal of property, plant and equipment	3, 566	4, 591
Decrease (increase) in refundable deposits	(10, 169)	3, 739
Acquisition of intangible assets	(20, 262)	(10, 000)
Decrease (increase) in other financial assets	(58, 052)	(18, 594)
Decrease (increase) in other noncurrent assets	(2, 335)	(1, 456)
Decrease (increase) in prepayments for equipment	-	(11, 800)
Net cash flows from (used in) investing activities	(109, 715)	66, 275
Cash flows from financing activities		
Increase (decrease) in guarantee deposits received	-	(9)
Lease principal repayment	(14, 334)	(12, 614)
Cash dividends paid	(399, 766)	(399, 766)
Other financing activities	6	-
Net cash flows from (used in) financing activities	(414, 094)	(412, 389)
Effect of exchange rate changes on cash and cash equivalents	(5, 018)	7, 879
Increase (decrease) in cash and cash equivalents for the period	129, 728	299, 747
Cash and cash equivalents at beginning of period	1, 384, 168	1, 084, 421
Cash and cash equivalents at end of period	$ 1, 513, 896	$ 1, 384, 168

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

Sea Sonic Electronics Co., Ltd. and its Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, unless 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 for businesses requiring special licensing) 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.

Please refer to Note 4.3.3 for more information on the main operating activities of the Company and its subsidiaries (hereinafter, the "Group"). In addition, the Company is the Group's ultimate parent company.

2. The Authorization of the Consolidated Financial Statements

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

3. Application of New 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 disclosure 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 to 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 Group's assessment, the New IFRSs above have no significant effect on the Group'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 noncurrent, 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.

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 consolidated financial statements are authorized for issue, the Group 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 Group completes the evaluation.

4. Summary of Significant Accounting Policies

The principal accounting policies applied in the preparation of these consolidated 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 consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IFRSs.

4.2 Basis of Preparation

(1) Except for the following items, the consolidated 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 Group’s accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

4.3 Basis of Consolidation

(1) Principles for the preparation consolidated financial statements :

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

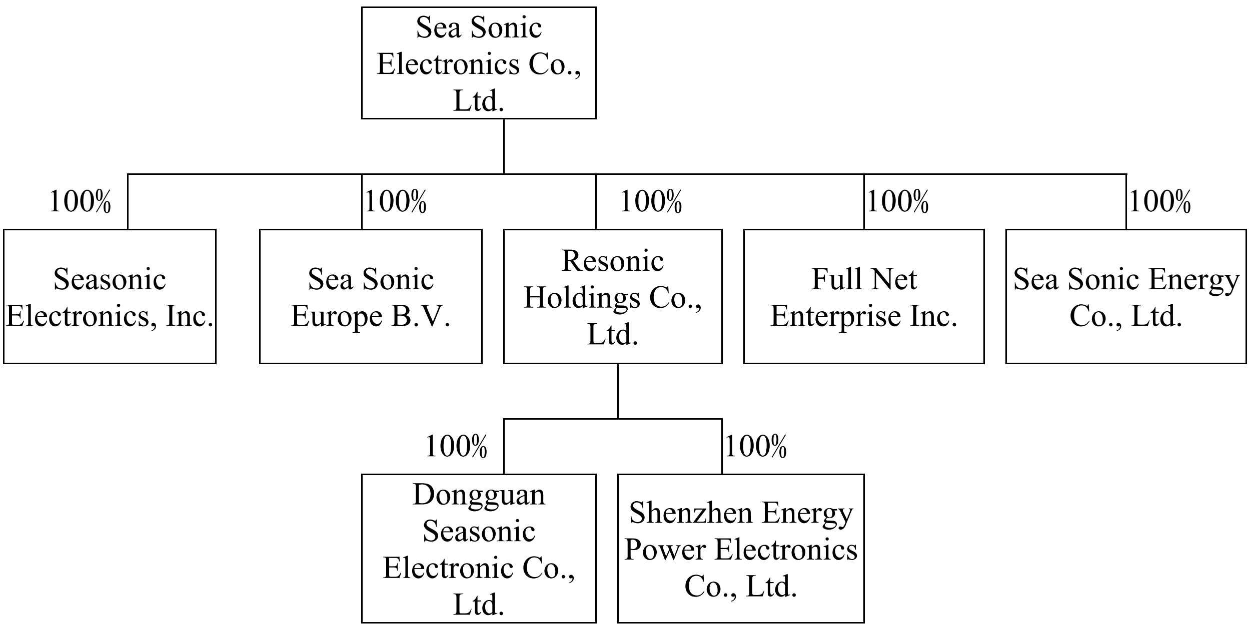
B. Inter-company transactions, balances and unrealized gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

C. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

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

E. When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognized in profit or loss. All amounts previously recognized in other comprehensive income in relation to the subsidiary are reclassified to profit or loss or transferred directly to retained earnings as appropriate, on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognized in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

(2) Investment relationship and shareholding ratio between the Company and its subsidiaries as of December 31, 2023 are as follows :



(3) The subsidiaries in the consolidated financial statements :

Investor	Subsidiaries	Main Businesses	Percentage of Ownership 2023.12.31	Percentage of Ownership 2022.12.31
Sea Sonic Electronics Co., Ltd.	Resonic Holdings Co., Ltd. (Resonic)	Holding business	100%	100%
	Seasonic Electronics, Inc. (SSU)	Import and export of computer hardware and equipment	100%	100%
	Sea Sonic Europe B.V. (SSE)	Import and export of computer hardware and equipment	100%	100%
	Full Net Enterprise Inc. (Full Net)	Import and export of computer hardware and equipment	100%	100%
	Sea Sonic Energy Co., Ltd.	Software service business	100%	100%
Resonic Holdings Co., Ltd.	Dongguan Seasonic Electronic Co., Ltd. ("Dongguan Seasonic")	Production and sale of switching power supplies, uninterruptible power supplies, electronic ballasts and electronic testing equipment, etc.	100%	100%
	Shenzhen Energy Power Electronics Co., Ltd. ("Shenzhen Energy Power")	Import and export of computer hardware and equipment	100%	100%

A. All of the above subsidiary financial statements included in the consolidated financial statements are audited by accountants.

B. Changes in the consolidated subsidiaries:

Sea Sonic Energy Co., Ltd. was established with its business registration completed in April 2022. The Group has control over the company and thus includes it in consolidated financial statements starting from Q2 of 2022.

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

(5) Adjustments for subsidiaries with different balance sheet dates: None.

(6) Significant restrictions:

Cash and bank deposits of $131, 238 thousand and $112, 634 thousand NTD deposited in Mainland China as of December 31, 2023 and 2022 are under local foreign exchange controls which restrict the capital to be remitted outside the borders (except for normal dividend distribution).

(7) The parent company's securities held by subsidiaries : None.

(8) Subsidiaries that have non-controlling interests that are material to the Group: None.

4.4 Foreign Exchange

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

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

(3) For the purposes of preparing the consolidated financial statements, the assets and liabilities of the Group’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.

4.5 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 Group classifies all assets that do not meet the above criteria as non-current.

(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 consolidated 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.

4.6 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).

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

(B) The Group 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 Group 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 Group 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 Group 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 Group 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 Group has transferred substantially all risks and rewards of ownership of the financial asset.

(C). The Group 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.

4.7.2 Equity Instruments

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

4.7.3 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 Group 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.

4.7.4 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 Group 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 Group 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 Group 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.

4.8 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.

4.9 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 Group 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 ~ 10 years
Transportation equipment	5 ~ 10 years
Other equipment	3 ~ 10 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 Group assesses whether the contract is, or contains, a lease. For a contract that contains a lease component and non-lease components, the Group 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 Group 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 Group 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 consolidated 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 Group by the end of the lease terms or if the costs of right-of-use assets reflect that the Group will exercise a purchase option, the Group 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 Group 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 Group 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 Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Group 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 lease 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 consolidated balance sheets.

The Group negotiated with the lessors for rent concessions as a direct consequence of the covid-19 pandemic and adjusted lease payments originally due on or before 30 June 2022 to be less than the payments for the lease immediately preceding the change. There is no substantive change to other terms and conditions of the lease. The Group elected to apply the practical expedient to all of rent concessions met the conditions aforementioned. That is, the Group did not assess whether the change would result in a lease modification. Instead, the Group reduced lease liabilities and recognized the corresponding rent reduction in profit or loss as other gain and loss when the event or condition that triggers those concessions occurs.

(2) The Group 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.

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

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 Intangible assets

Separately acquired intangible assets with finite useful lives are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis over the estimated lives as follows: Loyalty on technology; the period of contractual or legal rights; Computer software: 2 to 5 years; Patents and others: the period of contractual or legal rights or the future economic benefits flowing to the Group. The estimated useful life and amortization method for an intangible asset are reviewed at each financial year-end. Any changes in estimates is accounted for on a prospective basis.

An intangible asset 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 from the disposal of the assets is determined as the difference between the disposal proceeds and the carrying amount of the asset and is recognized in profit or loss.

4.12 Impairment of non-financial assets

The Group 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.

4.13 Provisions

Provisions are recognized when the Group 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.

4.14 Employee benefits

<u>Short-term employee benefits</u>

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

(1) 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.

(2) 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 Group 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 Group'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 Group 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.

4.15 Share capital

Common 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.

4.16 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 in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax 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 consolidated 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 or loss, and does not give

rise to an equivalent number of 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 Group 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-period 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 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.

4.17 Revenue Recognition

The Group applies the following steps for revenue recognition:

(1) Identifying the contract;

(2) Identifying performance obligations;

(3) Determine the transaction price;

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

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

The Group 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 Group 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 Group does not adjust the promised amount of consideration for the effect of a significant financing component.

The Group 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 Group has objective evidence that all acceptance conditions have been met.

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

The Group 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 Group 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 consolidated financial statements, the critical accounting judgments the Group has made and the major sources of estimation and assumption uncertainty are described as follows:

5.1 Significant judgment for adopting accounting policy

Business model assessment for financial assets

The Group 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 Group 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 Group 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 Group 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 Group 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 Group satisfies it performance obligation. The Group estimates sales returns and allowance based on historical experience and other known factors. The Group 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 Group makes these assumptions and selects inputs for impairment calculation based on the Group'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 Group's assets and liabilities measured at fair value have no quoted prices in active markets, the Group 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 Group 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 Group 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 Group 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 Group's strategy might result in material impairment of assets in the future.

Realizability of deferred income 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 Group'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 Group 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	$ 975	$ 832
Demand deposits	49, 381	47, 608
Time deposits	62, 350	343, 791
Foreign currency deposits	1, 401, 190	991, 937
Total	$ 1, 513, 896	$ 1, 384, 168

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

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

6.2 Financial instruments at FVTPL

Item	December 31, 2023	December 31, 2022
Financial assets - current		
Non-derivative financial assets mandatorily measured at FVTPL		
Fund beneficiary certificates	$ 354, 874	$ 333, 386
Corporate bonds	26, 332	22, 430
Derivative financial assets		
Convertible corporate bonds	198	1, 320
Total	$ 381, 404	$ 357, 136

(1) The Group 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 Group are discounted or pledged.

(2) For information on loss allowance of notes receivable, please refer to Note 6.6 Accounts receivable.

6.4 Accounts receivable, net

Item	December 31, 2023	December 31, 2022
Measured at amortized cost		
Accounts receivable	$ 370, 566	$ 437, 376
Less: Loss allowance	(915)	(2, 746)
Accounts receivable, net	$ 369, 651	$ 434, 630

(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 Group has no accounts receivable pledged to others.

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

(4) The Group 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 Group'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 Group's different customer base.

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

December 31, 2023	Gross carrying amount	Lifetime loss allowance (expected credit losses)	Amortized cost
Not past due	$ 318, 866	260	$ 318, 606
Past due 1~30 days	54, 498	−	54, 498
Past due 30~60 days	22, 238	−	22, 238
Past due e 60~90 days	−	−	−
Past due more than 91 days (overdue accounts)	915	915	−
Total	$ 396, 517	$ 1, 175	$ 395, 342

December 31, 2022	Gross carrying amount	Lifetime loss allowance (expected credit losses)	Amortized cost
Not past due	$ 397, 517	246	$ 397, 271
Past due 1~30 days	55, 376	−	55, 376
Past due 30~60 days	6, 065	−	6, 065
Past due 60~90 days	730	696	34
Past due more than 91 days (overdue accounts)	2, 326	2, 050	276
Total	$ 462, 014	$ 2, 992	$ 459, 022

The Group'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.

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

Item	2023	2022
Balance on January 1	$ 2, 992	$ 245
Add: Recognition of impairment losses	–	2, 688
Less: Reversal of impairment losses	(1, 870)	–
Amounts written off	–	–
Foreign exchange differences	53	59
Ending balance	$ 1, 175	$ 2, 992

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

(6) 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	$ 754, 926	$ 505, 391
Work in progress and semi-finished products	22, 293	48, 774
Raw materials	320, 701	407, 657
Supplies	12, 264	18, 008
Total	$ 1, 110, 184	$ 979, 830

(1) The cost of inventories recognized as expense (gain) for 2023 and 2022 :

Item	2023	2022
Cost of goods sold	$ 2, 113, 501	$ 1, 735, 087
Loss on price decline (gain on reversal) of inventories	33, 764	(8, 221)
Loss on scrapping of inventories	47, 463	52, 204
Loss (gain) on inventory take	(1, 464)	(980)
Total operating costs	$ 2, 193, 264	$ 1, 778, 090

(2) As of December 31, 2023 and 2022, the insurance amount for inventories was $899, 717 thousand and $1, 114, 561 thousand, respectively.

(3) In 2023 and 2022, the Group 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 Group recognized loss on price decline (gain on reversal) of inventories by the amount of $33, 764 thousand and ($8, 221) thousand, respectively.

(4) The Group 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. Property, plant and equipment

	December 31, 2023	December 31, 2022
Assets used by the Group	$ 177, 776	$ 190, 333
Assets under operating leases	19, 346	19, 805
Total	$ 197, 122	$ 210, 138

Assets used by the Group

Item	December 31, 2023	December 31, 2022
Land	$ 97, 779	$ 97, 779
Buildings	98, 673	98, 673
Machinery	98, 743	96, 484
Other equipment	44, 176	48, 467
Total cost	339, 371	341, 403
Less: Accumulated depreciation and impairment	(161, 595)	(151, 070)
Total	$ 177, 776	$ 190, 333

	Land	Buildings	Machinery	Other equipment	Total
Costs					
Balance, January 1, 2023	$ 97,779	$ 98,673	$ 96,484	$ 48,467	$ 341,403
Additions	−	−	7,186	3,199	10,385
Disposals	−	−	(2,668)	(7,360)	(10,028)
Reclassification	−	−	−	(13)	(13)
Effect of changes in foreign exchange rate	−	−	(2,259)	(117)	(2,376)
Balance, December 31, 2023	$ 97,779	$ 98,673	$ 98,743	$ 44,176	$ 339,371
Accumulated depreciation and impairment					
Balance, January 1, 2023	$ −	$ 71,902	$ 57,722	$ 21,446	$ 151,070
Depreciation expense	−	3,196	8,964	7,431	19,591
Disposals	−	−	(1,077)	(6,263)	(7,340)
Effect of changes in foreign exchange rate	−	−	(1,645)	(81)	(1,726)
Balance, December 31, 2023	$ −	$ 75,098	$ 63,964	$ 22,533	$ 161,595

	Land	Buildings	Machinery	Other equipment	Total
Costs					
Balance, January 1, 2022	$ 97,779	$ 87,130	$ 111,018	$ 51,583	$ 347,510
Additions	−	−	3,889	4,094	7,983
Disposals	−	−	(22,022)	(13,241)	(35,263)
Reclassification	−	11,543	2,298	5,427	19,268
Effect of changes in foreign exchange rate	−	−	1,301	604	1,905
Balance, December 31, 2022	$ 97,779	$ 98,673	$ 96,484	$ 48,467	$ 341,403
Accumulated depreciation and impairment					
Balance, January 1, 2022	$ −	$ 67,779	$ 61,649	$ 25,572	$ 155,000
Depreciation expense	−	4,123	12,015	8,618	24,756
Disposals	−	−	(16,785)	(13,121)	(29,906)
Effect of changes in foreign exchange rate	−	−	843	377	1,220
Balance, December 31, 2022	$ −	$ 71,902	$ 57,722	$ 21,446	$ 151,070

(1)

Item	2023	2022
Additions of property, plant and equipment	$ 10, 385	$ 7, 983
(Increase) decrease in payables for purchase of equipment	–	815
Cash paid	$ 10, 385	$ 8, 798

(2) For the amount of capitalized interests, please refer to Note 6.25.

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

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

Assets under operating leases

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

(5) The Group 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 price addressing the asset at the end of the lease term.

(6) 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

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

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

8. Lease agreements

(1) Right-of-use assets

Item	December 31, 2023	December 31, 2022
Buildings	$ 80, 008	$ 86, 629
Transportation equipment	423	423
Total cost	80, 431	87, 052
Less: Accumulated depreciation and impairment	(9, 722)	(46, 138)
Total	$ 70, 709	$ 40, 914

Costs	Buildings	Transportation equipment	Total
Balance, January 1, 2023	$ 86, 629	$ 423	$ 87, 052
Increase for the year	78, 197	−	78, 197
Disposal	(83, 241)	−	(83, 241)
Effect of changes in foreign exchange rate	(1, 577)	−	(1, 577)
Balance, December 31, 2023	$ 80, 008	$ 423	$ 80, 431

Accumulated depreciation and impairment			
Balance, January 1, 2023	$ 45, 985	$ 153	$ 46, 138
Depreciation expense	14, 952	143	15, 095
Disposal	(51, 114)	−	(51, 114)
Effect of changes in foreign exchange rate	(395)	(2)	(397)
Balance, December 31, 2023	$ 9, 428	$ 294	$ 9, 722

Costs	Buildings	Transportation equipment	Total
Balance, January 1, 2022	$ 83, 628	$ 382	$ 84, 010
Increase for the year	2, 906	–	2, 906
Disposals	(2, 155)	–	(2, 155)
Effect of changes in foreign exchange rate	2, 250	41	2, 291
Balance, December 31, 2022	$ 86, 629	$ 423	$ 87, 052

Accumulated depreciation and impairment	Buildings	Transportation equipment	Total
Balance, January 1, 2022	$ 33, 281	$ 10	$ 33, 291
Depreciation expense	12, 653	135	12, 788
Disposals	(980)	–	(980)
Effect of changes in foreign exchange rate	1, 031	8	1, 039
Balance, December 31, 2022	$ 45, 985	$ 153	$ 46, 138

(2) Lease liabilities

Item	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 16, 134	$ 13, 094
Non-current	$ 55, 419	$ 31, 116

The ranges of discount rates for the lease liabilities :

	December 31, 2023	December 31, 2022
Buildings	1. 00%～8. 00%	1. 00%～5. 25%
Transportation equipment	3. 00%	3. 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 Group, please refer to Notes 6.7.

B. The Group 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 Group's leases for 2023 and 2022 is as follows :

Item	2023	2022
Expenses relating to short-term leases	$ 1, 065	$ 582
Expenses relating to low-value asset leases	$ 48	$ 16
Total cash outflow for leases (Note)	$ 17, 982	$ 15, 293

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.

6.9 Intangible assets

Item	December 31, 2023	December 31, 2022
Computer software	$ 2, 262	$ –
Technique of lightweight electric sensor and control	28, 000	10, 000
Subtotal	30, 262	10, 000
Less: Accumulated depreciation and impairment loss	(1, 694)	–
Net amount	$ 28, 568	$ 10, 000

	Computer software	Technique of lightweight electric sensor and control	Total
Cost			
Balance, January 1, 2023	$ –	$ 10, 000	$ 10, 000
Additions	2, 262	18, 000	20, 262
Disposals	–	–	–
Reclassifications	–	–	–
Balance, December 31, 2023	$ 2, 262	$ 28, 000	$ 30, 262
Accumulated depreciation and impairment			
Balance, January 1, 2023	$ –	$ –	$ –
Amortization expense	361	1, 333	1, 694
Disposals	–	–	–
Reclassification	–	–	–
Balance, December 31, 2023	$ 361	$ 1, 333	$ 1, 694

		Technique of lightweight electric sensor and control
Cost		
Balance, January 1, 2022	$	–
Additions		10, 000
Disposals		–
Reclassification		–
Balance, December 31, 2022	$	10, 000
Accumulated depreciation and impairment		
Balance, January 1, 2022	$	–
Amortization expense		–
Disposals		–
Reclassification		–
Balance, December 31, 2022	$	–

Note: Please refer to Note 7.3 for details.

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 Group 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 Other payables

Item	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 36, 975	$ 28, 568
Employees' compensation and directors' and supervisors' remuneration payables	42, 994	47, 531
Insurance premiums payable	1, 502	1, 385
Service expense payable	4, 341	3, 259
Tax payable	1, 584	711
Pension payable	1, 197	1, 075
Processing fees payable	10, 261	9, 087
Others	13, 894	21, 931
Total	$ 112, 748	$ 113, 547

6.12 Provision - current

Item	December 31, 2023	December 31, 2022
Employee benefits	$ 10, 928	$ 8, 912

Item	Employee benefits
Balance, January 1, 2023	$ 8, 912
Added during the period	5, 075
Used during the period	(3, 019)
Effect of foreign currency exchange differences	(40)
Balance, December 31, 2023	$ 10, 928

Item	Employee benefits
Balance, January 1, 2022	$ 7, 774
Added during the period	4, 953
Used during the period	(3, 903)
Effect of foreign currency exchange differences	88
Balance, December 31, 2022	$ 8, 912

Provision for employee benefits is estimated based on vested short-term-service leave entitlements.

6.13 Other current liabilities

Item	December 31, 2023		December 31, 2022	
Refund liabilities	$	52, 237	$	33, 802
Others		1, 174		415
Total	$	53, 411	$	34, 217

6.14 Corporate bonds payable

Item	December 31, 2023		December 31, 2021	
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 $83.1 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 re-issued; all rights and obligations attached to the bonds are also extinguished.

D. The Company may repurchase 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. The first corporate bonds payable for the period to the statement of cash flows is as follows:

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 this period	(201, 466)
Cash paid this 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 - convertible bond options" 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%.

6.15 Pensions

(1) Defined contribution plan

A. The Group conducted voluntary retirement of employees in accordance with the Labor Standards Act of the R.O.C. and the voluntary retirement plan by the end of 2004. Start from July 1, 2005, the defined contribution plan under the Labor Pension Act of the R.O.C. is applied to the domestic employees of the Company and its domestic subsidiaries. The Company and its subsidiaries in the R.O.C., regarding employees who choose to apply the labor pension system under the Labor Pension Act, make monthly contributions of 6% of salaries to the employees' personal accounts at the Labor Insurance Bureau. The employees' pension payments are made in the form of monthly pensions or lump-sum pensions depending on the amount of the employees' individual pension accounts and accumulated earnings ; The subsidiaries outside the R.O.C. have participated in the defined contribution plan administered by the local government and made monthly contributions to the local government.

B. In 2023 and 2022, the Group recognized total expense of $4,554 thousand and $4,275 thousand, respectively, in profit or loss in accordance with the contributable amounts computed based on the required ratio under 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 fiscal year 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.

6.16 Share capital

(1) The movements in the number of the Company's common 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.

6.17 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

6.18 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 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 measure, 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:

	Appropriation of Earnings		Dividends Per Share (NT$)	
Item	2022	2021	2022	2021
Legal reserve	$ 45, 023	$ 75, 255		
Set aside (reversal of) special reserve	(9, 357)	8, 381		
Cash dividends	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 approved in the meeting of the Board of Directors at March 11, 2024 and the appropriations and dividends per share were as follows:

	2023	
Item	Amount	Dividends Per Share (NT$)
Legal reserve	$ 61, 470	
Set aside (reversal of) special reserve	4, 017	
Cash dividends- 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 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.

6.19 Other equity

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

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

6.20 Operating revenue

Item	2023		2022	
Revenue from contracts with customers				
Sales revenue	$	3, 333, 190	$	2, 554, 482

The products of the Group, including switching power supplies, are mainly sold to retailors 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 Group's revenue from contracts with customers may be divided into the following major product lines and sales regions:

2023

Main Products	Domestic Sales Division	Asia Production and Sales Division	European and American Sales Division	Total
Switching power supplies	$ 1, 468, 874	$ 473, 784	$ 1, 327, 980	$ 3, 270, 638
Others	26, 502	21, 674	14, 376	62, 552
Total	$ 1, 495, 376	$ 495, 458	$ 1, 342, 356	$ 3, 333, 190

2022

Main Products	Domestic Sales Division	Asia Production and Sales Division	European and American Sales Division	Total
Switching power supplies	$ 1, 421, 193	$ 346, 083	$ 717, 082	$ 2, 484, 358
Others	31, 557	37, 000	1, 927	70, 484
Total	$ 1, 452, 750	$ 383, 083	$ 719, 009	$ 2, 554, 842

(2) Contract balances

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

Item	December 31, 2023	December 31, 2022
Notes and accounts receivable	$ 395, 342	$ 459, 022
Contract liabilities - current		
Sale of goods	$ 31, 362	$ 15, 420

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
From the beginning contract liabilities		
Sale of goods	$ 10, 433	$ 46, 218

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

D. Unfulfilled contracts with customers

As of December 31, 2023 and 2022, the Group'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.

6.21 Interest Income

Item	2023		2022	
Interest from bank deposits	$	56, 431	$	19, 160
Interest from financial assets at FVTPL		2, 326		1, 356
Others		853		664
Total	$	59, 610	$	21, 180

6.22 Other income

Item	2023		2022	
Rental income	$	841	$	851
Income from settlement of the old pension plan		–		1, 433
Others		7, 703		10, 876
Total	$	8, 544	$	13, 160

6.23 Other gains or losses

Item	2023		2022	
Net gain (loss) on financial assets and financial liabilities at FVTPL	$	12, 313	($	6, 410)
Lease modification benefits		3, 183		54
Net foreign currency exchange gains (losses)	(	43, 255)		176, 480
Gain (loss) on disposal of property, plant and equipment		878	(	766)
Others (Note)	(	9, 310)	(	23, 422)
Total	($	36, 191)	$	145, 936

Note : Please refer to Note 12.4 for details.

6.24 Employee benefits, depreciation, depletion and amortization expense

Nature	2023 Operating costs	2023 Operating expenses	2023 Total
Employee benefits expense			
Salary	$ 73, 548	$ 162, 857	$ 236, 405
Insurance	9, 723	11, 389	21, 112
Pension	–	4, 554	4, 554
Other employee benefit expense	79	13, 500	13, 579
Depreciation	11, 527	23, 618	35, 145
Amortization	–	4, 972	4, 972
Total	$ 94, 877	$ 220, 890	$ 315, 767

Nature	2022 Operating costs	2022 Operating expenses	2022 Total
Employee benefits expense			
Salary	$ 60, 861	$ 142, 704	$ 203, 565
Insurance	8, 482	11, 083	19, 565
Pension	–	4, 275	4, 275
Other employee benefit expense	22	10, 531	10, 553
Depreciation	13, 067	24, 937	38, 004
Amortization	–	4, 522	4, 522
Total	$ 82, 432	$ 198, 052	$ 280, 484

(1) 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 consolidated financial statement are authorized for issue, the difference is recorded as a change in accounting estimate.

(2) 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 reports were as follows:

	2023		2022	
	Employee compensation	Directors' and supervisors’ remuneration	Employee compensation	Directors' and supervisors’ 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.

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

6.25 Financial costs

Item	2023	2022
Interest expense		
Bank loan	$ −	$ 99
Interest on lease liabilities	2, 535	2, 081
Interest on convertible bonds	6, 679	7, 495
Other interest expense	−	30
Bank charges	578	408
Less: Capitalized amount for qualified assets	−	−
Financial costs	$ 9, 792	$ 10, 113

6.26 Income tax

(1) Components of income tax expense

Item	2023	2022
Current-period income tax		
Income tax generated from current-period income	$ 209, 751	$ 135, 691
Income tax on unappropriated earnings	740	13, 458
Adjustments for prior periods	(4, 053)	27, 217
Total income tax for current period	206, 438	176, 366
Deferred tax		
The origination and reversal of temporary differences	(38, 719)	(26, 102)
Total deferred income taxes	(38, 719)	(26, 102)
Income tax expense	$ 167, 719	$ 150, 264

Note: please refer to Note 12.4 for details.

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

Item	2023	2022
Exchange differences on translation of foreign financial statements	$ 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	$ 782, 425	$ 600, 490
Income tax expense at the statutory rate	$ 183, 494	$ 109, 015
Deductible items in determining taxable income		
Gains (losses) on valuation of financial assets	(2, 457)	1, 222
Unrealized gain on sales of affiliated companies	21, 990	591
Other adjustments	6, 724	24, 863
Income tax adjustments for prior years	(4, 053)	27, 217
Additional income tax on unappropriated earnings	740	13, 458
Tax per special fund-repatriation laws		
Net change in deferred income taxes	(38, 719)	(26, 102)
Temporary differences	$ 167, 719	$ 150, 264

The corporate income tax rate for entities subject to the ROC Income Tax Act is 20%, and, starting from 2018, the tax rate for unappropriated earnings is 5%. For entities located in other jurisdictions, taxes are calculated using the applicable tax rate for each individual jurisdiction.

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

	2023				
Item	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	$ 5, 046	$ 2, 232	$ -	$ -	$ 7, 278
Unrealized loss on inventories	605	446	-	-	1, 051
Accrued vacation pays	1, 326	444	-	-	1, 770
Unrealized gain on sales	35, 689	32, 991	-	-	68, 680
Unrealized exchange loss	3, 592	13, 124	-	-	16, 716
Exchange differences on translation of foreign financial statements	4, 541	-	1, 004	-	5, 545
Loss deduction	13, 457	(2, 498)	-	(715)	10, 244
Subtotal	64, 256	46, 739	1, 004	(715)	111, 284
Deferred 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	$ 28, 279	$ 38, 719	$ 1, 004	($ 715)	$ 67, 287

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	$ 4, 916	$ 130	$ –	$ –	$ 5, 046
Unrealized loss on inventories	343	262	–	–	605
Accrued vacation pays	1, 079	247	–	–	1, 326
Unrealized gain on sales	34, 439	1, 250	–	–	35, 689
Unrealized exchange loss	18, 528	(14, 936)	–	–	3, 592
Exchange differences on translation of foreign financial statements	6, 880	–	(2, 339)	–	4, 541
Loss deduction		13, 013	–	444	13, 457
Subtotal	66, 185	(34)	(2, 339)	444	64, 256
Deferred 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	$ 4, 072	$ 26, 102	($ 2, 339)	$ 444	$ 28, 279

(5) The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

6.27 Other comprehensive income

Item	2023 Pre-tax	Income tax(expense) benefit	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	Income tax(expense) benefit	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

6.28 Earnings per share

	2023	2022
A. Basic earnings per share		
Net income available to common shareholders of the parent	$ 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

	2023	2022
B. Diluted earnings per share		
Net income available to common shareholders of the parent	$ 614, 706	$ 450, 226
Effect of the dilutive potential Common shares		
Effect of convertible 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 Group offered to settle the compensation or bonuses paid to employees in shares or cash at the Group's option, the Group assumed that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares are included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share if the effect is dilutive. Such dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

6.29 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	Other	December 31, 2023
Corporate bonds payable (Note 1)	$ 587, 293	$ –	$ –	$ –	$ –	$ –	($ 194, 868)	$ 392, 425
Leasing liabilities(Note 2)	44, 210	(14, 334)	–	–	(1, 210)	–	42, 887	71, 553
Total	$ 631, 503	($ 14, 334)	$ –	$ –	($ 1, 210)	$ –	($ 151, 981)	$ 463, 978

Note 1: 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 were due to an increase of $78,197 thousand in leases and a decrease of $35,310 thousand in lease disposals during the 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 1, 2022
Corporate bonds payable (Note)	$ 579, 798	$ –	$ –	$ –	$ –	$ –	$ 7, 495	$ 587, 293
Leasing liabilities	53, 798	(12, 614)	750	–	1, 349	–	927	44, 210
Total	$ 633, 596	($ 12, 614)	$ 750	$ –	$ 1, 349	$ –	$ 8, 422	$ 631, 503

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 Name of the parent company and the ultimate controlling party

The Company is the ultimate controlling party of the Group.

7.2 Names of related parties and relationship categories

Names of related parties	Related party categories
Ekopro Solutions Inc.	Other related parties
Fiona Lin	Key management personnel

7.3 Significant transactions with related parties

All transactions and account balances among the Company and subsidiaries (that is, the related parties of the Company) had been eliminated, therefore, not disclosed in these notes. Transaction details between the Group and other related parties disclosed as follows :

(1) Purchase of goods

Item	Names of related parties	2023	2022
Purchase of goods	Other related parties		
	Ekopro Solutions Inc.	$ 2, 027	$ –

(2) Property transaction

A. Acquisition of intangible assets

Related party categories	Amount of Acquisition 2023	2022
Other related parties		
Ekopro Solutions Inc.	$ 18, 000	$ 10, 000

The subsidiary of the Group, Sea Sonic Energy, commissioned other related party, Ekopro Solutions Inc., for the development of the "technique of lightweight electric sensor and control" with a total developing expense of $28,000 thousand. In early September 2023, the acceptance was conducted, and the final payment was paid and transferred to intangible assets and began to be amortized. As of December 31, 2023, the Company has also acquired an unimpaired valuation report from an external professional entity.

B. Disposals of property, plant and equipment

Names of related parties	Disposal proceeds 2023	2022
Key management personnel		
Fiona Lin (Note)	$ 835	$ -

Note: Amounts were translated into U.S. dollars at the average exchange rates from January to December.

7.4 Key management compensation

Categories	2023	2022
Salaries and other short-term employee benefits	$ 32, 042	$ 21, 706

8. Pledged Asset: None.

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

10. Significant Disaster Losses: None

11. Significant Subsequent Events: None.

12.1 Capital risk management

The Group's capital management objectives are to safeguard the Group'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 Group 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 Group'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 Group's overall risk management strategy focuses on the unpredictability of financial markets and seeks to mitigate potential adverse effects on the Group's financial position and financial performance. The Group's material financial activities are approved by the Board of Directors in accordance with relevant requirements and internal control mechanism, which requires the Group 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 Group 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 (including transactions and account balances within the Group which had been eliminated)

December 31, 2023 (Foreign currency: functional currency)	Foreign currency	Exchange rate	Book Value (NTD)
Financial Assets			
Monetary items			
USD : NTD	$ 77, 946	30. 66	$ 2, 389, 811
HKD : NTD	154	3. 9	601
RMB : NTD	91, 282	4. 3	392, 514
USD : EUR	4, 575	0. 9076	140, 254
Investments accounted for using the equity method (Note)			
USD : NTD	1, 753	30. 66	53, 734
RMB : NTD	49, 370	4. 3	212, 289
EUR : NTD	402	33. 78	13, 592
Financial liabilities			
Monetary items			
USD : NTD	627	30. 66	19, 220
HKD : NTD	86	3. 9	334
RMB : NTD	20, 262	4. 3	87, 124
USD : EUR	10, 012	0. 9076	306, 965
USD : RMB	1, 267	7. 1302	38, 844

December 31, 2022 (Foreign currency: functional currency)	External currency	Exchange rate	Book Value (NTD)
Financial Assets			
Monetary items			
USD : NTD	$ 45, 283	30. 71	$ 1, 390, 634
HKD : NTD	58	3. 94	227
RMB : NTD	153, 335	4. 41	676, 208
USD : EUR	2, 489	0. 9386	76, 437
Investments accounted for using the equity method (Note)			
USD : NTD	2, 303	30. 71	70, 718
RMB : NTD	45, 435	4. 41	200, 368
EUR : NTD	9	32. 72	310
Financial liabilities			
Monetary items			
USD : NTD	311	30. 71	9, 535
HKD : NTD	173	3. 94	683
RMB : NTD	2, 941	4. 41	12, 969
USD : EUR	3, 176	0. 9386	97, 535
EUR : NTD	4, 072	32. 72	133, 233
USD : NTD	4, 238	30. 71	130, 149
USD : RMB	2, 655	6. 9637	81, 542

(Foreign currency: functional currency)	December 31, 2023		
	Sensitivity Analysis		
	Movement	Impact on Profit or Loss	Impact on Equity
Financial Assets			
Monetary items			
USD : NTD	1%	$ 19, 118	$ −
HKD : NTD	1%	5	−
RMB : NTD	1%	3, 140	−
USD : EUR	1%	1, 122	−
Investments accounted for using the equity method (Note)			
USD : NTD	1%	−	430
RMB : NTD	1%	−	109
EUR : NTD	1%	−	1, 698
Financial liabilities			
Monetary items			
USD : NTD	1%	154	−
HKD : NTD	1%	3	−
RMB : NTD	1%	697	−
USD : EUR	1%	2, 456	−
USD : RMB	1%	311	−

(Foreign currency: functional currency)	December 31, 2022		
	Sensitivity Analysis		
	Movement	Impact on Profit or Loss	Impact on Equity
Financial Assets			
Monetary items			
USD : NTD	1%	$ 11, 125	$ −
HKD : NTD	1%	2	−
RMB : NTD	1%	5, 410	−
USD : EUR	1%	611	−
Investments accounted for using the equity method (Note)			
USD : NTD	1%	−	566
RMB : NTD	1%	−	1, 603
EUR : NTD	1%	−	2
Financial liabilities			
Monetary items			
USD : NTD	1%	76	−
HKD : NTD	1%	5	−
RMB : NTD	1%	104	−
USD : EUR	1%	780	−
EUR : NTD	1%	1, 066	−
USD : NTD	1%	1, 041	−
USD : RMB	1%	652	−

Note : Does not consider write-off adjustments on profit or loss from sales.

c. The total exchange gain (loss), including realized and unrealized arising from significant exchange rate movement on the monetary items held by the Group for 2023 and 2022 amounted to ($43, 255) thousand and $176,480 thousand, respectively.

Price risk

The Group is exposed to the price risk associated with the equity investments held by the Group. These investments are classified as financial assets at FVTPL.

The Group invests mainly in fund beneficiary certificates and corporate bonds, which are subject to market risk due to fluctuations in trading prices. The Group 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 Group as of the reporting date were as follow :

Item	Carrying amount December 31, 2023	Carrying amount December 31, 2022
Fair value interest rate risk		
Financial assets	$ 331, 583	$ 554, 972
Financial liabilities	−	−
Net amount	$ 331, 583	$ 554, 972
Cash flow rate risk		
Financial assets	$ 1, 450, 571	$ 1, 039, 545
Financial liabilities	(392, 425)	(587, 293)
Net amount	$ 1, 058, 146	$ 452, 252

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

The Group does not classify any fixed interest rate instruments as financial assets measured at fair value through profit or loss. In addition, the Group does not designate any derivatives interest rate swaps 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 Group’s floating interest rate financial instruments are susceptible to the market interest rate, affecting the Group’s future cash flows. If the market interest rate increases/decreases by 1%, the Group’s net income will increase/decrease $8,465 thousand and $3,618 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 Group 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 Group 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 Group's exposure to financial credit risk pertaining to bank deposits and other financial instruments was evaluated and monitored by the Group's treasury function. The Group only transacts with creditworthy counterparties and banks ; therefore, no significant financial credit risk was identified. The Group 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 71.14% and 79.23%, respectively. The credit concentration risk associated with other accounts receivable is insignificant.

(b)Measurement of expected credit losses

I. Accounts receivable: (The Group 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 Group has no debt investments classified as measured at amortized cost or as measured at FVTOCI.)

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

b. Maturity analysis for financial liabilities:

The following table presents an analysis of the Group'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	$ 360, 765	$ －	$ －	$ －	$ －	$ 360, 765	$ 360, 765
Other payables	112, 748	－	－	－	－	112, 748	112, 748
Guarantee deposits received	24	－	－	－	－	24	24
Corporate bonds payable	－	395, 800	－	－	－	395, 800	392, 425
Subtotal	$ 473, 537	$395, 800	$ －	$ －	$ －	$ 869, 337	$ 865, 962

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
Lease liabilities	$ 18, 703	$ 59, 066	$ －	$ －	$ －	$ －	$ 77, 769

	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	$ 221, 686	$ －	$ －	$ －	$ －	$ 221, 686	$ 221, 686
Other payables	113, 547	－	－	－	－	113, 547	113, 547
Deposits received	24	－	－	－	－	24	24
Bonds payable	－	－	600, 000	－	－	600, 000	587, 293
Total	$ 335, 257	$ －	$600, 000	$ －	$ －	$ 935, 257	$ 922, 550

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 payment
Lease liabilities	$ 14, 755	$ 32, 832	$ －	$ －	$ －	$ －	$ 47, 587

The Group 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 FVTPL		
Financial assets mandatorily measured at FVTPL	$ 381, 404	$ 357, 136
Financial assets measured at amortized cost		
Cash and cash equivalents	1, 513, 896	1, 384, 168
Notes and accounts receivable (including related parties)	395, 342	459, 022
Other receivables (including related parties)	14, 645	6, 396
Other financial assets - current	63, 171	10, 559
Refundable deposits	12, 275	2, 106
Other financial assets - noncurrent	206, 062	200, 622
Financial liabilities		
Financial liabilities measured at amortized cost		
Accounts payable	360, 765	221, 686
Other payables	112, 748	113, 547
Corporate bonds payable	392, 425	587, 293
Guarantee deposits received	24	24

12.3 Fair value information

(1) Details of the fair values of the Group’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

The input value for this level refers to the open quoted market price of instrument in an active market for the same instrument. 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 Group’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 input parameters for measuring fair value that are not based on observable inputs that are available in the market.

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

The carrying amounts of the Group'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:

The information on the Group'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- current				
-Funds	$ 354, 874	$ –	$ –	$ 354, 874
-Corporate bonds	26, 332	–	–	26, 332
-Derivative instruments - convertible bonds redemption amount	–	–	198	198
Total	$ 381, 206	$ –	$ 198	$ 381, 404

	December 31, 2022			
Item	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at FVTPL- current				
-Funds	$ 333, 386	$ –	$ –	$ 333, 386
-Corporate bonds	22, 430	–	–	22, 430
-Derivative instruments - convertible bonds redemption amount	–	–	1, 320	1, 320
Total	$ 355, 816	$ –	$ 1, 320	$ 357, 136

(4) Fair value valuation techniques for instruments measured at fair value:

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 Group uses market quoted prices as their fair values are listed below by characteristics:

   (A) Listed shares: Closing price

   (B) Open-end funds: Net asset value

   (C) 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 consolidated balance sheet date (i.e., yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

C. The Group 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 Group'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 FVTPL	Derivative instruments - convertible bonds redemption rights
January 1, 2023	$ 1,320
Acquired during the period	–
Gain (loss) recognized in profit (loss) for the period	(1,041)
Converted during the period	(81)
December 31, 2023	$ 198

B. 2022：

Financial assets at FVTPL	Derivative instruments - convertible bonds redemption rights
January 1, 2022	$ 1,440
Acquired during the period	–
Gain (loss) recognized in profit (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 at December 31, 2023	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relationship Between Input and Fair Value
Derivative financial assets:					
Convertible bonds redemption rights	$ 198	Binomial tree model for pricing convertible bonds	Volatility	39.81	The higher volatility, the higher the fair value

B. December 31, 2022:

Item	Fair Value at December 31, 2022	Valuation Technique	Significant Unobservable Inputs	Range (weighted average)	Relationship Between Input and Fair Value
Derivative financial assets:					
Convertible bonds redemption rights	$ 1, 320	Binomial tree model for pricing convertible bonds	Volatility	29. 94	The higher volatility, the higher the fair value

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

The Group'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) Sensitivity analysis of Level 3 fair value to reasonably possible alternative assumptions:

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%	$ –	$ –

12.4 In June 2022, the Group's subsidiary, Dongguan Seasonic Electronic Co., Ltd., received a letter from the local tax authorities to check the tax returns related to business tax and value-added tax for the years 2017 to 2022. Regarding the above audit matter, Dongguan Seasonic Electronic Co., Ltd. had paid RMB6,717 thousand (equivalent to NTD29,622 thousand) in the third quarter of 2022 for business tax and estimated possible back tax of RMB669 thousand (equivalent to NTD2,951 thousand) for 2022, which is recorded as income tax expense, and value-added tax back tax of RMB3,775 thousand (equivalent to NTD16,648 thousand), which is recorded as other non-operating loss.

13. Supplementary Disclosures

13.1 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;

(10) The business relationship between the parent and the subsidiaries and significant transactions between them: Table 5;

13.2. Information on investees: Table 6;

13.3 Information on investment in Mainland China (before elimination): Table 7.

13.4 Information on major shareholders (Names of shareholders holding 5% or more of the Company's shares, number of shares held, and percentage of shares held): Table 8.

14. Segment Information

14.1 The Group currently has three reportable departments, the Domestic Sales Division, the Asia Production and Sales Division, and the European and American Sales Division.

The main businesses are as follows:

Domestic Sales Division - Import and export of various electronic devices such as switching power supplies.

Asia Production and Sales Division - Manufacture and sale of electronic devices such as switching power supplies and uninterruptible power supplies.

European and American Sales Division - Import and export of various electronic instruments such as switching power supplies in Europe and America.

14.2 Report basis of segment information of the Group

The Group divides its operation units according to strategic business unit, in which separate management teams provide different product and service. Considering every strategic business unit requires different technic and marketing strategies, each unit is managed and reported to operating decision makers separately.

14.3 The Group does not allocate income tax expense(benefit) or non-recurring profit of loss to reportable segments Furthermore, not all profit or loss of reportable segments contain major non-cash items except for depreciation and amortization. Amounts reported are identical to those reported to operating decision makers.

Accounting policies of segments are identical to the aforementioned significant accounting policies in Note 4. Segment performance is evaluated based on measurement of profit or loss before tax, exclusive of non-recurring profit or loss and exchange gains and losses. Sales and transfers within segments are recognized as transactions with third parties and measured by current market price.

14.4 Information on profit and loss, assets and liabilities of segments

(1) 2023

	Domestic Sales Division	Asia Production and Sales Division	European and American Sales Division	Adjustment and elimination	Total
Operating revenue					
Revenue from external customers	$ 1, 495, 376	$ 495, 458	$ 1, 342, 356	$ –	$ 3, 333, 190
Revenue among segments	1, 850, 475	3, 937, 103	4, 098	(5, 791, 676)	–
Total revenue	$ 3, 345, 851	$ 4, 432, 561	$ 1, 346, 454	($ 5, 791, 676)	$ 3, 333, 190
Interest income	58, 251	2, 666	723	(2, 030)	59, 610
Interest expense	6, 722	2, 130	2, 440	(2, 078)	9, 214
Depreciation and amortization	18, 689	19, 135	2, 317	–	40, 141
Income from investment	46, 422	30, 920	–	(77, 342)	–
Loss from investment	6, 323	13, 726	–	(20, 049)	–
Profit or loss of segment (Note)	$ 787, 582	$ 57, 826	($ 5, 390)	($ 57, 593)	$ 782, 425
Investments accounted for using the equity method	331, 212	212, 289	–	(543, 501)	–
Noncurrent assets – capital expense	24, 253	8, 761	527	(559)	32, 982
Segment assets	$ 3, 970, 234	$ 1, 470, 006	$ 914, 266	($ 2, 103, 637)	$ 4, 250, 869
Segment liabilities	$ 880, 189	$ 956, 223	$ 846, 940	($ 1, 487, 585)	$ 1, 195, 767

Note: Income tax expense is not included in profit or loss of the segment.

(2) 2022

	Domestic Sales Division	Asia Production and Sales Division	European and American Sales Division	Adjustment and elimination	Total
Operating revenue					
Revenue from external customers	$ 1, 452, 750	$ 383, 083	$ 719, 009	$ –	$ 2, 554, 842
Revenue among segments	944, 208	3, 437, 942	–	(4, 382, 150)	–
Total revenue	$ 2, 396, 958	$ 3, 821, 025	$ 719, 009	($ 4, 382, 150)	$ 2, 554, 842
Interest income	22, 027	2, 067	–	(2, 914)	21, 180
Interest expense	7, 515	1, 720	3, 384	(2, 914)	9, 705
Depreciation and amortization	19, 628	20, 202	2, 695	–	42, 525
Income from investment	10, 172	2, 284	–	(12, 456)	–
Loss from investment	140, 260	89, 535	–	(229, 795)	–
Profit or loss of the segment (Note)	$ 573, 762	($ 135, 830)	($ 54, 575)	$ 217, 133	$ 600, 490
Investments accounted for using the equity method	343, 882	200, 368	–	(544, 250)	–
Noncurrent assets – capital expense	20, 027	1, 126	52	(951)	20, 254
Segment assets	$ 3, 618, 910	$ 1, 326, 051	$ 621, 781	($ 1, 718, 751)	$ 3, 847, 991
Segment liabilities	$ 937, 472	$ 834, 066	$ 550, 753	($ 1, 117, 007)	$ 1, 205, 284

Note: Income tax expense is not included in profit or loss of the segment.

14.5 Geographical information

In thousands of NTD

	Sales from external customers		Non-current assets	
	2023	2022	2023	2022
Taiwan	$ 181, 618	$ 152, 226	$ 420, 939	$ 400, 408
America	914, 771	413, 572	12, 398	7, 272
Europe	951, 199	364, 117	625	550
Asia	1, 263, 216	1, 609, 531	85, 726	62, 279
Others	22, 386	15, 396	–	–
Total	$ 3, 333, 190	$ 2, 554, 842	$ 519, 688	$ 470, 509

14.6 Product information

In thousands of NTD

Products	2023	2022
Switching power supplies	$ 3, 270, 638	$ 2, 484, 358
Others	62, 552	70, 484
Total	$ 3, 333, 190	$ 2, 554, 842

14.7 Important customer information

For the years 2023 and 2022, the Company and its subsidiaries had sales to a single customer that accounted for more than 10 percent of consolidated net operating revenues:

	2023		2022	
	Amount	Percentage	Amount	Percentage
Customer A	$ 713, 578	21. 41%	$ 541, 201	21. 18%

Table 1

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

In USD and in thousands of NTD

No. (A)	Creditor	Borrower	General ledger account	Related party	Maximum outstanding balance for the period	Ending balance (D)	Amount Actually drawn	Interest rate	Nature of Loan (B)	Transaction amount	Reason for short-term financing	Recognized loss allowance	Collateral		Limit on loans granted to a single party (C)	Ceiling on total loans granted (C)
													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. and its subsidiaries

Marketable securities at held 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 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	
Reasonic Holdings Co.,Ltd.	Nomura High Yield Bonds USD AM	–	Financial assets at FVTPL - current	9, 098. 26	2, 236	–	2, 236	

Table 3

Sea Sonic Electronics Co., Ltd. and its subsidiaries
Total purchases from or Sales to Related Parties of at Least NT$100 Million or 20% of the Paid-in Capital
December 31, 2023

In thousands of 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. and its subsidiaries

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

December 31, 2023

In thousands of 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. and its subsidiaries
Intercompany Relationship and Significant Intercompany Transactions
December 31, 2023

In thousands of NTD

Number	Company name	Counterparty	Relationship	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Sea Sonic Electronics Co., Ltd.	Seasonic Electronics, Inc.	Parent company to subsidiary	Sales revenue Account receivable	$ 685, 228 492, 555	T/T 120 days after receipt in general ; further discussion for payments regarding particular transaction or order.	20. 56% 11. 59%
		Sea Sonic Europe B.V.	Parent company to subsidiary	Sales revenue Account receivable	696, 826 306, 104	T/T 120 days after receipt in general ; further discussion for payments regarding particular transaction or order.”	20. 91% 7. 20%
		Full Net Enterprise Inc.	Parent company to subsidiary	Sales revenue	46, 312	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	1. 39%
		Shenzhen Energy Power Electronics Co., Ltd.	Parent company to sub-subsidiary	Sales revenue Account receivable	421, 466 140, 222	T/T 120 days after receipt in general ; further discussion for payments regarding particular transaction or order.”	12. 64% 3. 30%
1	Dongguan Seasonic Electronic Co., Ltd	Full Net Enterprise Inc.	Sub-subsidiary to subsidiary	Sales revenue	1, 943, 088	T/T 60 days ; prepayment regarding particular transaction or order ; occasionally payment referring status of cash flow.	58. 30%
2	Full Net Enterprise Inc.	Sea Sonic Electronics Co., Ltd.	Subsidiary to parent company	Sales revenue	1, 937, 538	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	58. 13%
		Dongguan Seasonic Electronic Co., Ltd.	Subsidiary to sub-subsidiary	Sales revenue	57, 122	T/T 60 days ; prepayment regarding particular transaction or order ; occasionally payment referring status of cash flow.	1. 71%

Note : the table only includes material transaction ; yet all transaction, regardless of material or not, are eliminated in the consolidated financial statements.

Table 6

Sea Sonic Electronics Co., Ltd. and its subsidiaries

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

December 31, 2023

In thousands of 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 (Note)	Footnote
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership(%)	Carrying Amount			
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 profit on elimination of sales and purchase transactions.

Table 7

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

1.Disclosure of information related to instrument in Mainland China

In USD, HKD, thousands of NTD, thousands of 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 (D))	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	Recognized profit or loss (Note (B))	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 (A), (C)	USD 3, 748, 125 (NTD 114, 918)	－	－	USD 3, 748, 125 (NTD 114, 918)	100%	(NTD 13, 726)	(NTD 13, 726)	NTD 173, 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 (A), (C)	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, 2022 (Note (D))	Investment Amounts Authorized by Investment Commission, MOEA (Note (D))	Upper Limit on Investment (Note (E))
USD 3, 948, 125 (NTD 121, 050)	USD 3, 948, 125 (NTD 121, 050)	NTD 1, 833, 061

Note :

(A) Reinvestment through investment on third region company.

(B) Profit and loss of financial statement has been audited by independent certified public accountant of parent company in Taiwan.

(C)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.

(D) Amounts in the table shall be listed in NTD. Foreign currency shall be exchanged to NTD with the exchange rate at date of report.

(E) In accordance with regulation of Investment Commission, MOEA, accumulated investment in Mainland China is limit to 60% of net worth or consolidated net worth, whichever is greater.

(F) The Company reinvest Dongguan Seasonic Electronic Co., Ltd. and Shenzhen Energy Power Electronics Co., Ltd. through Resonic Holdings Co., Ltd.(England) with 100% shareholding. Both of the subsidies are arranged in consolidated financial statement, while all transaction between consolidate company have been eliminated.

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" for information on directly or indirectly major transactions with investee in Mainland China in 2023.

Table 8

Sea Sonic Electronics Co., Ltd. and its subsidiaries

Information on Major Shareholders

December 31, 2023

Major shareholders \ Shares	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.