SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS WITH REPORT OF INDEPENDENT AUDITORS FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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REPRESENTATION LETTER

The entities included in the consolidated financial statements as of December 31, 2023 and for the year then ended prepared under the International Financial Reporting Standards, No.10 are the same as the entities to be included in the combined financial statements of the Company, if any to be prepared, pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises (referred to as “Combined Financial Statements”). Also, the footnotes disclosed in the Consolidated Financial Statements have fully covered the required information in such Combined Financial Statements. Accordingly, the Company did not prepare any other set of combined financial statements than the Consolidated Financial Statements.

Very truly yours,

SOFTSTAR ENTERTAINMENT INC.

Chairman: Tu, Chun-Kuang

March 29, 2024

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To Softstar Entertainment Inc.

Opinion

We have audited the accompanying consolidated balance sheets of Softstar Entertainment Inc. (the "Company") and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. Based on our audits and the reports of the other auditors, 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 2023 consolidated financial statements. 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.

Revenue Recognition - the Power Distribution Machinery Manufacturing Department

The operating revenue of the Company's subsidiary, San Jiang Electric MFG. Co., Ltd., from the sales of transformers and distribution boards (the power distribution machinery manufacturing department of the Group) during the year ended December 31, 2023 amounted to NT$893,692 thousand. It is necessary to judge and determine the performance obligation of a contract and the timing of its satisfaction in terms of sales orders and agreements when recognizing the revenue. Therefore, we determined this is a key audit matter.

Our audit procedures included, but were not limited to:

1. Evaluating the appropriateness of the accounting policy related to revenue recognition and testing the effectiveness of the internal controls over the revenue recognition established by the management.

2. Selecting samples to perform tests of details and examine the relevant evidence to verify the accuracy of revenue recognition and the occurrence of transaction.

3. Performing cut off procedures by selecting revenue transactions for certain period before and after the balance sheet date, and tracing to relevant documents to verify whether the timing of revenue recognition was correct.

4. Performing analytical procedures to analyze the fluctuations in order to assess the reasonableness of the transactions.

We also considered the appropriateness of the parent company only financial statements disclosure regarding sales revenue in Note 4 and 6.

Goodwill Impairment Assessment

The carrying amount of goodwill of the Company and its subsidiaries amounted to NT$970,211 thousand, constituting 14% of the consolidated total assets as of December 31, 2023. The Company conducted the impairment tests annually on the goodwill acquired through business combinations in accordance with the regulations of International Financial Reporting Standards (IFRSs). As the carrying amount of goodwill is material to the Company and the assumptions involved management's judgement, we therefore considered this as a key audit matter.

Our audit procedures included, but were not limited to:

1. Understanding management's assessment processes and policies related to goodwill impairment;

2. Understanding management's criteria for identifying cash generating units and determining the measurement methods of recoverable amount, and reviewing the calculation process using the fair value less costs of disposal and value-in-use methods;

3. Understanding management's assessment process and basis for the projected growth rates and gross profit margins of the acquired companies' future operating prospects; and

4. Evaluating the valuation models and significant assumptions (including discount rates, etc.) utilized by management, and comparing the assumptions with market data and historical financial information to assess the reasonableness of management's judgments.

We also considered the appropriateness of the consolidated financial statements disclosure regarding goodwill impairment assessment in Note 4 and 6.

Other Matter – Making Reference to the Audit(s) of Other Auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of other auditors. The total assets of those subsidiaries amounted to NT$2,082,770 thousand and NT$2,195,811 thousand, constituting 29% and 41% of consolidated total assets as of December 31, 2023 and 2022, respectively, and total operating revenues of NT$1,334,656 thousand and NT$1,059,283 thousand, constituting 41% and 47% of consolidated operating revenues for the years ended December 31 2023 and 2022, respectively. We did not audit the financial statements of certain associates and joint ventures accounted for under the equity method whose statements are based solely on the reports of other auditors. These associates and joint ventures under equity method amounted to NT$646,746 thousand and NT$661,851 thousand, representing 8% and 12% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT$(6,716) thousand and NT$7,746 thousand, representing 2% of the consolidated loss before tax and 1% of the consolidated profit before tax for the years ended December 31 2023 and 2022, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures under the equity method amounted to NT$2,665 thousand and NT$(2,415) thousand, representing 29% and (28)% of the consolidated other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee or supervisors, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 internal control of the Company and its subsidiaries.

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 ability to continue as a going concern of the Company and its subsidiaries. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.

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

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

Other Matter

We have audited and expressed an unqualified opinion including an Other Matter Paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

/s/Yu, Chien-Ju
/s/Lu, Chien-Uen

Ernst & Young, Taiwan
March 29, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the consolidated financial position, results of operations 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 practice to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent company only financial statements and report of independent auditors are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Consolidated Financial Statements Originally Issued in Chinese

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

December 31, 2023 and 2022 (Adjusted)

(Expressed in Thousands of New Taiwan Dollars)

Assets	Notes	As of December 31, 2023	As of December 31, 2022 (Adjusted) (Note)
Current assets			
Cash and cash equivalents	4 and 6	$843,759	$1,590,141
Financial assets at fair value through profit or loss, current	4 and 6	33,629	19,496
Notes receivable, net	4 and 6	7,834	11,056
Notes receivable-related parties, net	4, 6 and 7	-	804
Accounts receivable, net	4 and 6	1,010,573	873,506
Accounts receivable-related parties, net	4, 6 and 7	7,373	11,448
Other receivables	4	30,917	8,263
Other receivables-related parties	4 and 7	763	106
Current income tax assets	4	21,252	14,776
Inventories, net	4 and 6	1,067,282	224,358
Prepayment	4, 6 and 7	156,125	90,292
Other financial assets, current	4, 6 and 8	311,687	392,179
Other current assets		29,962	13,330
Total current assets		3,521,156	3,249,755
Non-current assets			
Designated financial assets at fair value through profit or loss, non-current	4, 6 and 7	34,403	27,971
Financial assets at fair value through other comprehensive income, non-current	4 and 6	122,299	69,519
Investments accounted for using the equity method	4, 6 and 8	658,190	683,828
Contract assets, non-current	4 and 6	6,495	3,638
Property, plant and equipment, net	4, 6 and 8	785,588	191,358
Right-of-use assets	4, 6 and 7	172,375	134,024
Intangible assets	4 and 6	1,523,574	851,702
Deferred tax assets	4 and 6	33,345	15,516
Other noncurrent assets		39,410	47,387
Refundable deposits	7	30,469	24,517
Other financial assets, non-current	4, 6 and 8	205,166	23,345
Total non-current assets		3,611,314	2,072,805
Total assets		$7,132,470	$5,322,560

Liabilities and Equity	Notes	As of December 31, 2023	As of December 31, 2022 (Adjusted) (Note)
Current liabilities			
Short-term borrowings	6 and 8	$1,043,669	$441,181
Contract liabilities, current	4 and 6	168,052	175,489
Notes payable		24,885	4,975
Accounts payable	6	561,340	186,745
Other payables	6	745,991	297,016
Other payables-related parties	7	188	805
Current income tax liabilities	4 and 6	84,134	9,992
Provisions, current	4	6,174	6,104
Lease liabilities, current	4, 6 and 7	64,867	51,220
Current portion of long-term borrowings	4, 6 and 8	228,860	123,162
Other current liabilities	6	232,489	253,728
Total current liabilities		3,160,649	1,550,417
Non-current liabilities			
Contract liabilities, non-current	4 and 6	146,411	163,802
Long-term borrowings	4, 6 and 8	536,676	135,089
Provision, non-current	4	2,861	-
Deferred tax liabilities	4 and 6	153,109	82,662
Lease liabilities, non-current	4 and 6	114,226	88,713
Net defined benefit liabilities, non-current	4 and 6	1,794	6,502
Other non-current liabilities		26,164	23,486
Total non-current liabilities		981,241	500,254
Total liabilities		4,141,890	2,050,671
Equity attributable to the parent company	4 and 6		
Common stock		1,038,836	852,630
Additional paid-in capital		263,061	158,340
Retained earnings			
Legal reserve		175,480	128,417
Special reserve		146,211	247,943
Unappropriated earnings		255,999	841,135
Other components of equity		(183,322)	(146,210)
Treasury shares		(143,448)	(101,847)
Total equity attributable to the parent company		1,552,817	1,980,408
Non-controlling interests	6	1,437,763	1,291,481
Total equity		2,990,580	3,271,889
Total liabilities and equity		$7,132,470	$5,322,560

Note: The Group had completed the purchase price allocation of Chander Electronics Corp. and Array Inc. on the control acquisition date, thus the consolidated balance sheet as of December 31, 2022 was adjusted.

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2023 and 2022 (Adjusted)
(Expressed in Thousands of New Taiwan Dollars, Except for Earnings per Share)

Item	Notes	For the Years Ended December 31, 2023	2022 (Adjusted) (Note)
Net sales	4, 6 and 7	$3,262,181	$2,252,134
Cost of goods sold	7	(2,175,050)	(1,360,803)
Gross profit		1,087,131	891,331
Operating expenses	6 and 7		
Sales and marketing expenses		(597,106)	(467,537)
General and administrative expenses		(535,012)	(353,834)
Research and development expenses		(222,924)	(184,534)
Expected credit losses		(19,309)	(13,041)
Subtotal		(1,374,351)	(1,018,946)
Operating loss		(287,220)	(127,615)
Non-operating income and expenses			
Interest income	6 and 7	11,664	5,908
Other income	6 and 7	33,784	4,473
Other gains and losses	6	6,644	737,419
Finance costs	6	(41,401)	(15,379)
Share of profit or loss of associates and joint ventures accounted for using equity method		(9,113)	2,537
Subtotal		1,578	734,958
(Loss) profit before income tax		(285,642)	607,343
Income tax expense	4 and 6	(94,353)	(54,955)
Net (loss) income		(379,995)	552,388
Other comprehensive income (loss)	4 and 6		
Items that will not be reclassified subsequently to profit or loss:			
Remeasurements of defined benefit plans		(359)	2,568
Unrealized gains or losses from financial assets at fair value through other comprehensive income (loss)		7,307	(11,286)
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		2,670	513
Tax of items that will not be reclassified subsequently to profit or loss		72	(427)
Items that may be reclassified subsequently to profit or loss:			
Exchange differences resulting from translating the financial statements of foreign operations		(384)	17,223
Share of other comprehensive income (loss) of associates and joint ventures accounted for using equity method		(5)	(15)
Total other comprehensive income (loss) , net of tax		9,301	8,576
Total comprehensive income		$(370,694)	$560,964
Net income attributable to:			
Stockholders of the parent		$(335,127)	$618,795
Non-controlling interests		(44,868)	(66,407)
		$(379,995)	$552,388
Comprehensive income (loss) attributable to:			
Stockholders of the parent		$(328,032)	$611,956
Non-controlling interests		(42,662)	(50,992)
		$(370,694)	$560,964
Earnings per share (NTD)	4 and 6		
Earnings per share-basic		$(3.39)	$6.20
Earnings per share-diluted		$(3.39)	$6.19

Note: The Group had completed the purchase price allocation of Chander Electronics Corp. and Array Inc. on the control acquisition date, thus the consolidated statement of comprehensive income for the year ended 2022 was adjusted, resulting in a decrease in net income by NT$13,351 thousand.

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

SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

			Retained Earnings			Others Components of Equity						
Description	**Common Stock**	**Additional Paid-in Capital**	**Legal Reserve**	**Special reserve**	**Unappropriated Earnings**	**Exchange Differences Resulting from Translating the Financial Statements of Foreign Operations**	**Unrealized Gains or Losses from Financial Assets at Fair Value Through Other Comprehensive Loss**	**Unearned Stock-Based Employee Compensation**	**Treasury Shares**	**Total**	**Non-Controlling Interests**	**Total**
Balance as of January 1, 2022	$655,869	$112,491	$52,755	$291,085	$799,299	$(11)	$(247,932)	$-	$-	$1,663,556	$505,275	$2,168,831
Appropriation and distribution of 2021 retained earnings												
Legal reserve	-	-	75,662	-	(75,662)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(196,761)	-	-	-	-	(196,761)	-	(196,761)
Stock dividends	196,761	-	-	-	(196,761)	-	-	-	-	-	-	-
Special reserve	-	-	-	(43,142)	43,142	-	-	-	-	-	-	-
Net income in 2022	-	-	-	-	618,795	-	-	-	-	618,795	(66,407)	552,388
Other comprehensive income (loss) in 2022	-	-	-	-	2,138	7,057	(16,034)	-	-	(6,839)	15,415	8,576
Total comprehensive income (loss)	-	-	-	-	620,933	7,057	(16,034)	-	-	611,956	(50,992)	560,964
Repurchase of treasury share	-	-	-	-	-	-	-	-	(6,943)	(6,943)	-	(6,943)
Retirement of treasury share	-	-	-	-	-	-	-	-	(94,904)	(94,904)	(169,586)	(264,490)
Parent company's cash dividends received by subsidiaries	-	4,227	-	-	-	-	-	-	-	4,227	-	4,227
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	-	2,411	-	-	(36,359)	11	(8)	-	-	(33,945)	(18,377)	(52,322)
Changes in ownership interests in subsidiaries	-	39,211	-	-	(5,989)	-	-	-	-	33,222	138,481	171,703
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	886,680	886,680
Disposal of investments in equity instruments measured at fair value through other comprehensive income or loss	-	-	-	-	(110,707)	-	110,707	-	-	-	-	-
Balance as of December 31, 2022	$852,630	$158,340	$128,417	$247,943	$841,135	$7,057	$(153,267)	$-	$(101,847)	$1,980,408	$1,291,481	$3,271,889
Balance as of January 1, 2023	$852,630	$158,340	$128,417	$247,943	$841,135	$7,057	$(153,267)	$-	$(101,847)	$1,980,408	$1,291,481	$3,271,889
Appropriation and distribution of 2022 retained earnings												
Legal reserve	-	-	47,063	-	(47,063)	-	-	-	-	-	-	-
Cash dividends	-	-	-	-	(127,130)	-	-	-	-	(127,130)	-	(127,130)
Stock dividends	169,506	-	-	-	(169,506)	-	-	-	-	-	-	-
Special reserve	-	-	-	(101,732)	101,732	-	-	-	-	-	-	-
Net income in 2023	-	-	-	-	(335,127)	-	-	-	-	(335,127)	(44,868)	(379,995)
Other comprehensive income (loss) in 2023	-	-	-	-	(507)	(258)	7,860	-	-	7,095	2,206	9,301
Total comprehensive income (loss)	-	-	-	-	(335,634)	(258)	7,860	-	-	(328,032)	(42,662)	(370,694)
Repurchase of treasury share	-	-	-	-	-	-	-	-	(24,282)	(24,282)	-	(24,282)
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	-	-	-	-	-	-	-	-	(19,403)	(19,403)	19,403	-
Disposal of the parent company's stock by a subsidiary is regarded as a treasury stock transaction	-	2,682	-	-	-	-	-	-	2,084	4,766	2,774	7,540
Parent company's cash dividends received by subsidiaries	-	4,195	-	-	-	-	-	-	-	4,195	3,329	7,524
Difference between consideration and carrying amount of subsidiaries acquired	-	982	-	-	-	-	-	-	-	982	-	982
Changes in ownership interests in subsidiaries	-	(12,690)	-	-	(7,535)	-	-	-	-	(20,225)	5,338	(14,887)
Share-based payment transactions	16,700	109,552	-	-	-	-	-	(44,714)	-	81,538	-	81,538
Increase in non-controlling interests	-	-	-	-	-	-	-	-	-	-	158,100	158,100
Balance as of December 31, 2023	$1,038,836	$263,061	$175,480	$146,211	$255,999	$6,799	$(145,407)	$(44,714)	$(143,448)	$1,552,817	$1,437,763	$2,990,580

Note: The Group had completed the purchase price allocation of Chander Electronics Corp. and Array Inc. on the control acquisition date, thus the consolidated statements of changes in equity for the year ended December 31, 2022 and the balance as of January 1, 2023 were adjusted.

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

English Translation of Consolidated Financial Statements Originally Issued in Chinese
SOFTSTAR ENTERTAINMENT INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2023 and 2022 (Adjusted)
(Expressed in Thousands of New Taiwan Dollars)

Description	For the Years Ended December 31, 2023	2022 (Adjusted) (Note)
Cash flows from operating activities:		
Net (loss) income before tax	$(285,642)	$607,343
Adjustments for:		
Depreciation	108,237	62,165
Amortization	78,036	42,619
Expected credit impairment losses (gains)	19,309	13,041
Loss on financial assets and liabilities at fair value through profit or loss	4,182	16,639
Interest expense	41,401	15,379
Interest income	(11,664)	(5,908)
Share-based payments expense	82,855	815
Share of net (profit) loss of associates and joint ventures accounted for using equity method	9,113	(2,537)
Loss on disposal of property, plant and equipment	3,612	1,977
Gain on disposal of intangible assets	-	(23,709)
Gain on disposal of investment	(38,410)	(648,250)
Impairment loss from non-financial assets	4,174	11,885
Others	669	3,553
Changes in operating assets and liabilities:		
Contract assets	(1,787)	22,478
Notes receivable, net	3,805	13,162
Notes receivable-related parties, net	804	(804)
Accounts receivable, net	18,051	(103,171)
Accounts receivable-related parties, net	4,075	5,736
Other receivables	(22,472)	5
Other receivables-related parties	(657)	515
Inventories, net	(238,615)	5,999
Prepayment	(41,927)	(30,949)
Other current assets	(16,607)	(5,819)
Other financial assets	28,555	(31,514)
Contract liabilities	(26,391)	(117,124)
Notes payable	(3,198)	62
Accounts payable	91,759	(15,552)
Other payables	(92,053)	5,370
Other payables-related parties	(624)	712
Provisions	2,931	4,438
Other current liabilities	17,294	(625,122)
Net defined benefit liabilities	(4,708)	(10,402)
Cash provided by operations	(265,893)	(786,968)
Interest received	11,664	5,908
Interest paid	(36,259)	(11,065)
Income tax paid	(66,563)	(247,597)
Net cash used in operating activities	(357,051)	(1,039,722)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income	-	(6,430)
Proceeds from disposal of financial assets at fair value through other comprehensive income	-	67,397
Acquisition of financial assets at fair value through profit or loss	(24,757)	(15,705)
Proceeds from disposal of financial assets at fair value through profit or loss	-	57,933
Acquisition of investments accounted for using equity method	(7,174)	(17,991)
Proceeds from disposal of investments accounted for using equity method	43,095	638,632
Acquisition of subsidiaries (net of cash acquired)	(708,257)	85,035
Acquisition of property, plant and equipment	(47,205)	(21,307)
Proceeds from disposal of property, plant and equipment	1,162	579
(Increase) decrease in refundable deposits	(5,952)	(4,826)
Acquisition of intangible assets	(59,574)	(18,676)
Proceeds from disposal of intangible assets	1,290	1,500
Decrease (increase) in other financial assets	25,564	558,856
(Increase) decrease in other noncurrent assets	(29,994)	(47,328)
Net cash (used in) provided by activities	(811,802)	1,277,669
Cash flows from financing activities:		
Increase in short-term borrowings	43,040	158,481
Proceeds from long-term borrowings	692,000	112,733
Repayment of long-term borrowings	(229,750)	(152,951)
Increase in guarantee deposits received	2,600	6,116
Repayment of the principal portion of lease liabilities	(64,067)	(48,136)
Cash dividends	(117,520)	(184,471)
Treasury stock transactions	(24,282)	(271,433)
Changes in non-controlling interests	120,560	(72,223)
Net cash provided by (used in) by financing activities	422,581	(451,884)
Net foreign exchange difference	(110)	8,556
Net decrease in cash and cash equivalents	(746,382)	(205,381)
Cash and cash equivalents at beginning of year	1,590,141	1,795,522
Cash and cash equivalents at end of year	$843,759	$1,590,141

Note: The Group had completed the purchase price allocation of Chander Electronics Corp. and Array Inc. on the control acquisition date, thus the consolidated statement of cash flows for the year ended December 31, 2022 was adjusted.

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

(Expressed in Thousands of New Taiwan Dollars unless Otherwise Stated)

1. History and organization

Softstar Entertainment Inc. ("the Company"), formerly known as Cyber Power Systems, Inc., was incorporated in August 1998 in the Republic of China and changed its name to Softstar Entertainment Inc. the same year. The Company and its subsidiaries ("the Group") main business include online games, game software; instructional software; research, design, sales of computer peripherals; multilayer printed circuit board; copper clad laminate; prepreg and electronic component manufacturing, lamination, research and development and trade of business operation; the production and sale of the transformers and distribution boards; third-party payment services; distribution, maintenance and trade of export electronic component, integrated circuit, computer equipment; domestic and foreign liquor agency; and research, manufacturing and sale of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers. On August 8, 2001, the Company listed its shares of stock on the Taipei Exchange (TPEx). The Company's registered office and the main business location is at 22F.-1, No. 77, Sec. 2, Dunhua S. Road, Republic of China (R.O.C.).

2. Date and procedures of authorization of financial statements for issue

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 were authorized for issue by the Board of Directors on March 29, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(a) Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

(b) Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

(c) Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

(d) Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. Apart from items (a) and (c) explained for which the Group for the time being is unable to reasonably estimate the impact of said standards or interpretations on the Group, the remaining standards and interpretations have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Group as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 “Insurance Contracts”	1 January 2023
c	Lack of Exchangeability - Amendments to IAS 21	1 January 2025

(a) IFRS 10“Consolidated Financial Statements” and IAS 28“Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 *Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures*, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

(b) IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

(c) Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. As the Group is still currently determining the potential impact of the standards and interpretations listed under, the Group is temporarily unable to determine the impact.

4. Summary of material accounting policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations") and International Financial Reporting Standards, International Accounting Standards, and Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed by the FSC.

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

(A) power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
(B) exposure, or rights, to variable returns from its involvement with the investee, and
(C) the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(A) the contractual arrangement with the other vote holders of the investee
(B) rights arising from other contractual arrangements
(C) the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee or not if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Company obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.
If the Company loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;
B. derecognizes the carrying amount of any non-controlling interest;
C. recognizes the fair value of the consideration received;
D. recognizes the fair value of any investment retained;
E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and

F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2023	December 31, 2022	Note
The Company	Loftstar Interactive Entertainment Inc.	Software wholesale and software services	100	100	
The Company	Activision Entertainment Ltd.	Performing arts	100	100	
The Company	Gamebase Digital Media Corporation	Software services and information processing services, etc.	100	100	
The Company	Softstar Animation Limited (SAL)	Investment holdings	100	100	
The Company	Time Vision International Limited (TVI)	Investment holdings	100	100	
The Company	Uniplus Electronics Co., Ltd.	Manufacture, lamination, processing, research and development, and merchandising of electronic parts/components	43.76	34.39	1
The Company	New Profit Holding Limited	Investment holdings	100	100	
The Company	JFN Investment Holding Corp	Investment holdings	100	100	
The Company	Lanjing Ltd.	Investment holdings	100	100	
The Company	Jiwei Technology Ltd.	Investment holdings	100	100	
The Company	Red Sunrise Co., Ltd.	Third-party payment services	55.60	50.72	2
The Company	Chander Electronics Corp.	Electronic Products Distribution	13.02	11.26	3
The Company	Softstar Singapore Private Limited	Investment holdings	100	-	4
The Company	Zhu International Group Inc.	Hospitality service	100	-	5
New Profit Holding Limited	Chander Electronics Corp.	Electronic Products Distribution	1.58	1.58	
JFN Investment Holding Corp	Chander Electronics Corp.	Electronic Products Distribution	5.11	5.11	
Lanjing Ltd.	Chander Electronics Corp.	Electronic Products Distribution	21.64	21.64	
Jiwei Technology Ltd.	Chander Electronics Corp.	Electronic Products Distribution	1.14	1.14	
Jiwei Technology Ltd.	Array Taiwan Inc.	Research and development of network functional platform products	-	100	6
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	Investment holdings	100	100	
Uniplus Electronics Co., Ltd.	Chander Electronics Corp.	Electronic Products Distribution	-	2.48	3
Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	Beauty and skincare products	100	100	
Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	Wholesale of electronic equipment	55.00	100	7
Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	Wholesale of electronic equipment	100	100	
Uniplus Electronics Co., Ltd.	Ruihe Investment Co., Ltd.	Investment holdings	-	100	8
Uniplus Electronics Co., Ltd.	San Jiang Electric MFG. Co., Ltd.	Production and sale of transformers and distribution panels	100	-	9
San Jiang Electric MFG. Co., Ltd.	JiangFu Enterprise Co., Ltd.	Investment holdings	-	-	9

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2023	December 31, 2022	Note
Gamebase Digital Media Corporation	Mega Media Group Limited	Investment holdings	100	100	
Gamebase Digital Media Corporation	Seconds Media Corp.	Advertisement and information software services	100	-	10
Softstar Singapore Private Limited	Starlight Gaming India Private Limited	Game agent and marketing	99.99	-	11
Red Sunrise Co., Ltd.	Sun Tech Co., Ltd.	Sale of vouchers and BNPL	100	100	
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Design of computer software	100	100	
Chander Electronics Corp.	Chander Electronics (HK) Corporation	Maintenance, distribution and trade of electronic components, integrated circuits, computer equipment, liquor and related products	100	100	
Chander Electronics Corp.	Yun Fang Co., Ltd.	Tobacco, alcohol, beverage, food and medical equipment wholesalers and retail	100	100	
Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	Maintenance, distribution and trade of electronic components, integrated circuits, computer equipment, and related products	100	100	
Chander Electronics Corp.	Quan Zhe Metal Corp.	Electronic component products, information software wholesalers and retail, and data processing services	82.81	100	12
Chander Electronics Corp.	Toptrend Technologies Corp.	Electronic products and components trading services	94.37	89.75	13
Chander Electronics Corp.	Dara Power Co., Ltd.	Electronic parts and components manufacturing and Energy Technical Service	100	-	14
Array Holdings for APG FIII Fund LPs	Array Inc.	Research and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	36.17	41.42	15
Array Inc.	Array Networks, Inc. (Array Cayman)	Investment holdings	100	100	
Array Inc.	Array Taiwan Inc.	Research and development of network functional platform products	100	-	6

			Percentage of ownership (%)		
Investor	Subsidiary	Main businesses	December 31, 2023	December 31, 2022	Note
Array Cayman	Array Networks, Inc. (Array US)	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	100	
Array Cayman	Zentry Security Inc.	Zentry modernizes the secure access with enhanced security, improved productivity, and ease of use. It helps customers migrate to Zero Trust Security model from obsolete perimeter model (Firewall & VPN)	99.95	99.95	
Array US	Array Networks Japan Kabishiki Kaisha	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	100	
Array US	Array Networks India Private Limited	Research, manufacture and sale of Network Functions Platform, Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	100	100	

Note 1: In February 2023, Uniplus Electronics Co., Ltd. conducted a private placement for a cash capital increase of NT$195,000 thousand, totaling 30,000 thousand shares, all of which were subscribed by the Company, resulting in 43.76% shareholding ratio.

Note 2: Red Sunrise Co., Ltd. increased its capital by NT$100,000 thousand on July 15, 2022, and the Company subscribed NT$40,000 thousand. As the Company did not acquire shares newly issued to its original ownership interest, the Company's interest was reduced from 55.03% to 50.72%. In July 2023, the Company acquired 680 thousand shares of Red Sunrise Co., Ltd. from its original shareholders, resulting in an increase in ownership to 55.60%.

Note 3: In March 2023, the Company acquired 2,000 thousand shares of Chander Electronics Corp. from Uniplus Electronics Co., Ltd. for NT$48,200 thousand, increasing its shareholdings from 11.26% to 13.74%. The Company sold a total of 582 thousand shares of Chander Electronics Corp. during December 2023, thus the Company's shareholding ratio reduced to 13.02%.

Note 4: The Company established Softstar Singapore Private Limited registered in Singapore with 100% shareholdings, and the investment amount was NT$3,191 thousand.

Note 5: The Company invested and established Zhu International Group Inc. on December 12, 2023.

Note 6: Jiwei Technology Ltd. established Array Taiwan Inc. in July 2022 with NT$10,000 thousand of capital and 100% shareholdings. Array Inc.'s Board of Director resolved to acquire 100% shareholdings of Array Taiwan Inc. from Jiwei Technology Ltd. at the price of NT$10,000 thousand in September 2022. The transfer of ownership was completed in January 2023.

Note 7: Hang Zheng Technology Co., Ltd. increased its capital by NT$90,000 thousand on August 10, 2023, and Uniplus Electronics Co., Ltd. subscribed NT$45,000 thousand. As Uniplus Electronics Co., Ltd. did not proportionally subscribe the newly issued shares according to its original ownership interest, the interest of Uniplus Electronics Co., Ltd. was reduced to 55.00%.

Note 8: Ruihe Investment Co., Ltd. was dissolved in September 2023.

Note 9: Uniplus Electronics Co., Ltd. acquired 11,550 ordinary shares from the original shareholders of San Jiang Electric MFG. Co., Ltd., including Mighty Firm International Ltd., and individual shareholders in March 2023. Additionally, Uniplus Electronics Co., Ltd. participated in a cash capital increase of 450 shares in March 2023, accumulating a total of 12,000 ordinary shares of San Jiang Electric MFG. Co., Ltd., and the shareholding ratio was 77.17%. Furthermore, JiangFu Enterprise Co., Ltd. holds 3,550 ordinary shares of San Jiang Electric MFG. Co., Ltd., with 22.83% shareholdings. Therefore, Uniplus Electronics Co., Ltd. actually held 100% shares of San Jiang Electric MFG. Co., Ltd. San Jiang Electric MFG. Co., Ltd. and its subsidiary, JiangFu Enterprise Co., Ltd., were included in the consolidated financial statements form the control acquisition date.

To operate more efficiently, San Jiang Electric MFG. Co., Ltd. resolved to conduct a short form merger with its subsidiary, JiangFu Enterprise Co., Ltd. The merger date was set on April 19 2023, and the registration was approved by the competent authority on May 3, 2023.

Note 10: Gamebase Digital Media Corporation participated in the establishment of Seconds Media Corp. in March 2023. Gamebase Digital Media Corporation subscribed to 300 thousand preferred shares with a contribution of NT$3,000 thousand and had preferential dividends and distribution rights, resulting in 66.67% shareholdings. Gamebase Digital Media Corporation subsequently acquired 150 thousand ordinary shares in October 2023. As the shareholding ratio was 100%, it was consolidated.

Note 11: In October 2023, Softstar Singapore Private Limited acquired 800 thousand shares of Starlight Gaming India Private Limited amounted to NT$3,124 thousand with 99.99% shareholdings.

Note 12: Quan Zhe Investment Co., Ltd. was renamed Quan Zhe Metal Corp. in October 2022. In May, October, and December of 2023, Quan Zhe Metal Corp. conducted cash capital increase. As Chander Electronics Corp. did not proportionally acquire newly issued shares according to its original ownership interest, its interest was reduced to 82.81%.

Note 13: On September 15, 2022, Chander Electronics Corp.’s board of directors resolved to issue new shares as consideration for the exchange of shares of Toptrend Technologies Corp. The ratio of share exchange was 1.3333 shares for 1 share of Chander’s ordinary shares held by the transferees, and 4,106 thousand shares were issued. Chander originally held 12,566 thousand shares directly in Toptrend Technologies Corp., representing a 62.52% shareholding. After the share exchange in the new share issue, the Group acquired 5,474 thousand shares held by Toptrend Technologies Corp.'s other shareholders, raising its total shareholding to 89.75%. In September 2023, Toptrend Technologies Corp. canceled its treasury shares, and Chander Electronics Corp.'s shareholding ratio was raised to 94.37%.

Note 14: Chander Electronics Corp. established Dara Power Co., Ltd. in June 2023.

Note 15: In March 2023, Array Inc. increased capital through private placement in the amount of NT$89,880 thousand, totaling 7,000 thousand shares. The Group did not participate in the subscription, and the employees of Array Inc. exercised employee stock options in June, July, September, and December 2023, totaling 423,100 shares. the Group's shareholding ratio was reduced to 36.17%.

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of the other auditors. The total assets of those subsidiaries amounted to NT$2,082,770 thousand and NT$2,195,811 thousand, constituting 29% and 41% of consolidated total assets as of December 31, 2023 and 2022, respectively, and total operating revenues of NT$1,334,656 thousand and NT$1,059,283 thousand, constituting 41% and 47% of consolidated operating revenues for the years ended December 31 2023 and 2022, respectively.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 *Financial Instruments* are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NTD at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or jointly controlled entity that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle.
B. The Group holds the asset primarily for the purpose of trading.
C. The Group expects to realize the asset within twelve months after the reporting period.
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle.
B. The Group holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period.
D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. 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.

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

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

(8) Financial instruments

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

Financial assets and financial liabilities within the scope of IAS 9 *Financial Instruments* are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(A) the Group’s business model for managing the financial assets and
(B) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, trade receivables, financial assets measured at amortized cost and other receivables, etc., on balance sheet as at the reporting date:

(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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(A) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.
(B) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(A) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets 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.

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(A) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(B) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(C) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

a. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

b. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Besides, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its cumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the statement of financial position.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(A) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;
(B) the time value of money; and
(C) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follow:

(A) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(B) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(C) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.
(D) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(A) The rights to receive cash flows from the asset have expired
(B) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(C) The Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity.

Compound instruments

The Group evaluates the terms of the convertible bonds issued to determine whether it contains both a liability and an equity component. Furthermore, the Group assesses if the economic characteristics and risks of the put and call options contained in the convertible bonds are closely related to the economic characteristics and risk of the host contract before separating the equity element.

For the liability component excluding the derivatives, its fair value is determined based on the rate of interest applied at that time by the market to instruments of comparable credit status. The liability component is classified as a financial liability measured at amortized cost before the instrument is converted or settled.

For the embedded derivative that is not closely related to the host contract (for example, if the exercise price of the embedded call or put option is not approximately equal on each exercise date to the amortized cost of the host debt instrument), it is classified as a liability component and subsequently measured at fair value through profit or loss unless it qualifies for an equity component. The equity component is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component. Its carrying amount is not remeasured in the subsequent accounting periods. If the convertible bond issued does not have an equity component, it is accounted for as a hybrid instrument in accordance with the requirements under IFRS 9 *Financial Instruments.*

Transaction costs are apportioned between the liability and equity components of the convertible bond based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

On conversion of a convertible bond before maturity, the carrying amount of the liability component being the amortized cost at the date of conversion is transferred to equity.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities at fair value through profit or loss or financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated as at fair value through profit or loss. A financial liability is classified as held for trading if:

(A) it is acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
(B) on initial recognition it is part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking; or
(C) it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

If a contract contains one or more embedded derivatives, the entire hybrid (combined) contract may be designated as a financial liability at fair value through profit or loss; or a financial liability may be designated as at fair value through profit or loss when doing so results in more relevant information, because either:

(A) it eliminates or significantly reduces a measurement or recognition inconsistency; or
(B) a group of financial liabilities or financial assets and financial liabilities is managed and its performance is evaluated on a fair value basis, in accordance with a documented risk management or investment strategy, and information about the group is provided internally on that basis to the key management personnel.

Gains or losses on the subsequent measurement of liabilities at fair value through profit or loss including interest paid are recognized in profit or loss.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value. Cost is calculated by the weighted average method. Some subsidiaries' inventories are recorded at the standard cost and adjusted to weighted-average cost in the reporting period. Cost of finished goods and work in progress include direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs. When comparing cost and the net realizable value item by item, the net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

Rendering of services is accounted in accordance with IFRS 15 and not within the scope of inventories.

(11) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence. A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture.

Under the equity method, the investment in the associate or joint venture is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate or joint venture. After the interest in the associate or joint venture is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate or joint venture.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate or joint venture on a prorata basis.

When the associate or joint venture issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in Additional Paid in Capital and Investment in associate. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings. When the interest in the associate or joint venture is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate or an investment in a joint venture is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value and recognizes the amount in the ‘share of profit or loss of an associate’ in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate or joint venture, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or
B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate or joint venture, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss. Furthermore, if an investment in an associate becomes an investment in a joint venture or an investment in a joint venture becomes an investment in an associate, the entity continues to apply the equity method and does not remeasure the retained interest.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 *Property, plant and equipment.* When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	50~55 years
Machinery and equipment	1~10 years
Office equipment	3~5 years
Leasehold improvements	3~5 years
Transportation equipment	5 years
Other equipment	1~8 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximising the use of observable information.

Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 "Impairment of Assets" to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statements comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

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

A summary of the policies applied to the Group's intangible assets is as follows:

	Trademark	Game royalty	Computer software	Technology of patent	Goodwill	Other Intangible assets
Useful lives	Indefinite	Finite	Finite	Finite	Indefinite	Finite
Amortization method used	No amortization	Amortized on a straight-line basis within six months from the date of commercial operation of the game.	Amortized on a straight- line basis over the estimated useful life	Amortized on a straight- line basis over the estimated useful life	No amortization. Tested for impairment annually.	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired	Acquired	Acquired	Acquired	Acquired	Acquired

The digital assets with indefinite useful lives was recognized as other intangible assets and subject to impairment testing according to fair value on a quarterly basis.

(15) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 *Impairment of Assets* may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Sales returns and allowances

A provision has been recognized for sales returns and allowances in accordance with IFRS 15.

Provision for warranties

A provision is recognized for expected warranty claims on products sold, based on past experience, management's judgement and other known factors.

(17) Treasury stocks

Own equity instruments which are reacquired (treasury shares) are recognized at cost and deducted from equity. Any difference between the carrying amount and the consideration is recognized in equity.

(18) Revenue recognition

The Group's revenue arising from contracts are primarily related to royalties. Licensing content includes licensing its solely developed intellectual property (IP) to others that grant use in game development, game operations and film content and online game operation services. The accounting policies are explained as follow:

Sale of goods

The Group manufactures and sells products. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Group are game software and related peripherals and electronic products and transformers and distribution panels and revenue is recognized based on the consideration stated in the contract.

The Group recognizes revenue and accounts receivable when the products of electronic components, tobacco, liquor, application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers are delivered and arrived at the place designated by the customers, as the customers have the right of pricing and use and responsibility of reselling and take the risk on obsolescence of the goods.

The credit period of the Group’s sale of goods is from 30 to 180 days. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

Rendering of services

A. The Group provides services related to game licensing. The Group identifies performance obligations and determines whether the licensing provides a customer with a right to access the Group’s IP over time or with a right to use the Group’s IP at a point in time. Based on experience, the Group uses the expected value method to estimate variable consideration. The scope is limited to the accumulated amount of the revenue recognized which is likely to not be significantly reversed in the subsequent period, when the uncertainty associated with the contracts are eliminated.

   For some contracts, if the Group has fulfilled the performance obligation but does not have a right to an unconditional consideration, these contacts should be presented as contract assets. Besides, loss allowance for contract assets was assessed in accordance with IFRS 9. For some rendering of services contracts, when part of the consideration was received from customers upon signing the contract and the Group owns the obligation to provide the services subsequently, these contracts should be recognized as contract liabilities.

B. The Group provides services related to online games. The Group sells online game time points to subsequently provide services, therefore sales amount from online game time points is recognized as a contract liabilities and revenue is subsequently recognized based on actual usage.

C. The Group provides services related to the operation of online games. When the players recharge their game credits, they can subsequently use the credits to buy virtual items in the game. The Group recognizes the proceeds received from the sales of game points as contract liabilities. Revenue is recognized in accordance with the estimated lifetime of the virtual items after players recharge their game credits and subsequently use the credits to by virtual items.

D. The Group provides third-party payment services to members, after the performance obligations of the contracts with customers are identified, the transaction price is allocated to each performance obligation, and revenue is recognized when each performance obligation is satisfied. As the revenue of transaction fees from cash flow services is specially related to each distinct cash flow or logistics service, it is recognized at a point in time when the transaction is processed. The revenue of annual fee is recognized as contract liabilities once the annual membership fees was received and subsequently realized as revenue on timely basis according to the agreed contract period, which typically ranges from one to three years.

E. The Group provides after-sales support services of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers. As the Group provides support services, customers simultaneously receive and consume the benefits provided by the Group's satisfaction of performance obligations. Consequently, the related revenue is recognized when services are rendered.

(19) Borrowing Costs

Borrowing costs in line with the requirements which are directly attributable to the acquisition, construction or production of assets may be capitalized as part of the cost of the asset. All other borrowing costs are recognized as expenses incurred during the period. The borrowing costs include interest and other costs incurred in connection with the borrowing of funds.

(20) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(21) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries. Therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries and the branches are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries and branches make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

Pension cost for an interim period is calculated on a year-to-date basis by using the actuarially determined pension cost rate at the end of the prior financial year, adjusted and disclosed for significant market fluctuations since that time and for significant curtailments, settlements, or other significant one-off events.

(22) Share-based payment transactions

The cost of equity-settled transactions between the Group and its subsidiaries is recognized based on the fair value of the equity instruments granted. The fair value of the equity instruments is determined by using an appropriate pricing model.

The cost of equity-settled transactions is recognized, together with a corresponding increase in other capital reserves in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group’s best estimate of the number of equity instruments that will ultimately vest. The income statement expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period.

No expense is recognized for awards that do not ultimately vest, except for equity-settled transactions where vesting is conditional upon a market or non-vesting condition, which are treated as vesting irrespective of whether or not the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled transaction award are modified, the minimum expense recognized is the expense as if the terms had not been modified, if the original terms of the award are met. An additional expense is recognized for any modification that increases the total fair value of the share-based payment transaction, or is otherwise beneficial to the employee as measured at the date of modification.

Where an equity-settled award is cancelled, it is treated as if it vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the employee are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

The cost of restricted stocks issued is recognized as salary expense based on the fair value of the equity instruments on the grant date, together with a corresponding increase in other capital reserves in equity, over the vesting period. The Group recognized unearned employee salary which is a transitional contra equity account; the balance in the account will be recognized as salary expense over the passage of vesting period.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

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

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Interim period income tax expense is accrued using the tax rate that would be applicable to expected total annual earnings, that is, the estimated average annual effective income tax rate applied to the pre-tax income of the interim period. The estimated average annual effective income tax rate only includes current income tax. The recognition and measurement of deferred tax follows annual financial reporting requirements in accordance with IAS 12. The Group recognizes the effect of change in tax rate for deferred taxes in full if the new tax rate is enacted by the end of the interim reporting period, by charging to profit or loss, other comprehensive income, or directly to equity.

(24) Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred, the identifiable assets acquired and liabilities assumed are measured at acquisition date fair value. For each business combination, the acquirer measures any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Acquisition-related costs are accounted for as expenses in the periods in which the costs are incurred and are classified under administrative expenses.

When the Group acquires a business, it assesses the assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

If the business combination is achieved in stages, the acquisition date fair value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date through profit or loss.

Any contingent consideration to be transferred by the acquirer will be recognized at the acquisition-date fair value. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognized in accordance with IFRS 9 *Financial Instruments* either in profit or loss or as a change to other comprehensive income. However, if the contingent consideration is classified as equity, it should not be remeasured until it is finally settled within equity.

Goodwill is initially measured as the amount of the excess of the aggregate of the consideration transferred and the non-controlling interest over the net fair value of the identifiable assets acquired and the liabilities assumed. If this aggregate is lower than the fair value of the net assets acquired, the difference is recognized in profit or loss.

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the Group at which the goodwill is monitored for internal management purpose and is not larger than an operating segment before aggregation.

Where goodwill forms part of a cash-generating unit and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation. Goodwill disposed of in this circumstance is measured based on the relative recoverable amounts of the operation disposed of and the portion of the cash-generating unit retained.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Group's consolidated financial statements requires the management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of the reporting period. However, uncertainty arising from these assumptions and estimates could result in material adjustments to the carrying amount of the assets or liabilities in future periods.

(1) Judgement

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the consolidated financial statements:

A. Revenue recognition – royalties

In accordance with IRFS 15, the Group identifies performance obligations and determine whether the licensing provides a customer with a right to access the Group's IP over time or with a right to use the Group's IP at a point in time and recognizes royalty revenue when performance obligations have been satisfied.

B. Business combination

The business combination in the Group is in accordance with Business Mergers and Acquisitions Act. The costs relating to the acquisitions are recognized as expense when the costs happen and the servings were accessed. Goodwill is initially measured as the net amount of the excess of the aggregate of the consideration transferred, the non-controlling interest, and the fair value of equity held by the investor at the acquisition date over the net fair value of the identifiable assets acquired and the liabilities assumed. The non-controlling interest is measured as its share of the net identifiable assets of investee.

C. Judgment regarding acting as a principal or as an agent on commission

Regarding revenue transactions, since the Group is engaged in the distribution agency business, it should judge whether the performance obligations of the sales contract are in the role of the principal or the agent, and determine whether the total consideration that is expected to be received in exchange should be recognized as revenue, or the amount of any fees or commissions expected to be received in exchange for arranging specific goods provided by the other party should be recognized as revenue.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date bear a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. These estimates and assumptions are discussed below.

A. Estimate of variable consideration

With the Group's business practices, the Group expects to provide a price concession. This price concession will depend on the situation of the industry at the time and the customer. The expected value method is used to estimate variable consideration to predict the amount of the consideration that the Group will be entitled to. When the aforementioned method for estimating variable consideration is included in the transaction price, the scope is limited to the accumulated amount of the revenue recognized, which is likely to not be significantly reversed in the subsequent period when the uncertainty associated with the contracts are eliminated.

B. Accounts receivables–estimate of impairment loss

The Group estimates the impairment loss of accounts receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (forward-looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

C. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recognized in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (i.e. the discounted cash flows model) or market approach. Changes in assumptions used in the valuation model could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

D. Inventories

Estimates of net realizable value of inventories take into consideration that inventories may be damaged, become wholly or partially obsolete, or their selling prices have declined. The estimates are based on the most reliable evidence available at the time the estimates are made. Please refer to Note 6 for more details.

E. Impairment of non-financial assets

An impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. The fair value less costs to sell calculation is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date less incremental costs that would be directly attributable to the disposal of the asset or cash generating unit. The value in use calculation is based on a discounted cash flow model. The cash flows projections are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the cash generating unit being tested. The recoverable amount is most sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes.

F. Income tax

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognized for all carry forward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Cash on hand and petty cash	$1,347	$1,079
Checking and saving accounts	827,057	1,589,062
Time deposit	15,355	-
Total	$843,759	$1,590,141

(2) Notes receivable and Notes receivable-related parties

	As of December 31,	
	2023	2022
Notes receivable	$7,834	$11,056
Less: loss allowance	-	-
Subtotal	7,834	11,056
Notes receivable-related parties	-	804
Total	$7,834	$11,860

Notes receivables were not pledged.

The Group follows the requirement of IFRS 9. Please refer to Note 6 (22) for more details on loss allowance and Note 12 for details on credit risk.

(3) Accounts receivable and Accounts receivable-related parties

	As of December 31,	
	2023	2022
Accounts receivable	$1,070,238	$910,109
Less: Loss allowance	(59,665)	(36,603)
Subtotal	1,010,573	873,506
Accounts receivable-related parties	7,373	11,448
Total	$1,017,946	$884,954

Accounts receivables were not pledged.

Accounts receivables are generally on 30-180 day terms. The total carrying amount as of December 31, 2023 and 2022 were NT$1,077,611 thousand and NT$921,557 thousand, respectively. Please refer to Note 6 (22) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(4) Inventories, net

	As of December 31,	
	2023	2022
Raw materials	$150,410	$88,141
Work in progress	48,211	1,946
Finished goods	771,667	41,608
Commodities	96,994	92,663
Total	$1,067,282	$224,358

(A) Expenses and loss incurred on inventories were as follows:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$1,852,097	$971,493
Write-downs (reversal) of inventories	(4,252)	(1,882)
Total	$1,847,845	$969,611

For the years ended December 31, 2023 and 2022, the reversal of inventory write-down were amounted to NT$4,252 thousand and NT$1,882 thousand, respectively. The reversal of net realizable value of inventories for the years ended December 31, 2023 and 2022 was because of the partial inventories close-out.

(B) No inventories were pledged.

(5) Prepayments

	As of December 31,	
	2023	2022
Prepayment for purchases	$67,763	$31,307
Prepaid outsourcing fee	70,960	30,920
Other prepayments	17,402	28,065
Total	$156,125	$90,292

(6) Other financial assets

	As of December 31,	
	2023	2022
Restricted trust deposits	$188,351	$237,930
Restricted demand deposits	154,363	112,306
Restricted time deposits	173,371	64,520
Pledged deposits	768	768
Total	$516,853	$415,524
Current	$311,687	$392,179
Non-current	$205,166	$23,345

The Group's proxy receipts from cash flow and logistics service are guaranteed by delivering to trust, which means to enter into a trust contract with a trust management bank, and the proxy receipts will be remitted to the dedicated trust account in accordance with the contract. Subsequently, the trust management bank will remit the proxy receipts to designated members based on the Company's transaction instructions. These proxy receipts deposited in the trust accounts were recognized as "restricted demand deposits" and "restricted trust deposits".

Please refer to Note 8 for further details on pledged financial assets measured at amortized cost.

(7) Financial assets designated at fair value through profit or loss, noncurrent

	As of December 31,	
	2023	2022
Financial assets designated at fair value through profit or loss:		
Wisdom Capital Limited Partnership	$17,323	$6,934
Cathy Private Equity Smart Technology Limited Partnership	12,910	12,424
Morgan Stanley Mutual Funds	11,845	11,291
Cathy Private Equity Ecology Limited Partnership	9,293	12,263
Outstanding Capital Limited Partnership (Note 1)	8,272	284
Vertex Venfures (SG) SEA V LP	3,928	-
Film investment agreement (Note 2)	3,000	3,000
Allianz Global Investors Income and Growth Fund	1,461	1,271
Total	$68,032	$47,467
Current	$33,629	$19,496
Non-current	$34,403	$27,971

Note 1: The Group entered into a limited partnership agreement with Outstanding Capital Limited Partnership with a specified duration in 2022. Once the agreement expires, the dissolution and liquidation of the limited partnership will be commenced, and the net assets will be distributed to the investors proportionately. The Group assessed that the net assets of this investment object was nearly equal to its fair value.

Note 2: The profit generated from the film would be allocated to the Group and other corporations based on the signed investment agreement.

Financial assets designated at fair value through profit or loss were not pledged.

(8) Financial assets at fair value through other comprehensive income, noncurrent

	As of December 31,	
	2023	2022
Equity instrument investments measured at fair value through other comprehensive income, noncurrent:		
Listed company stocks		
Newretail Co., Ltd.	$6,951	$6,093
Emerging market stocks		
Meimaii Technology Co., Ltd.	3,085	3,386
Private company stocks		
Super Energy Materials Inc.	90,880	45,430
Taiwan Smart Card Co.	12,971	6,160
BLC Group Holding Limited	8,352	8,358
Hanbang Precision Technology Co., Ltd.	60	92
Total	$122,299	$69,519

Financial assets at fair value through other comprehensive income were not pledged.

(9) Investments accounted for using the equity method

The following table lists the investments accounted for using the equity method of the Group:

	As of December 31,				
	2023		2022 (Adjusted)		
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Note
Investments in associates:					
Neweb Technologies Co., Ltd.	$556,349	32.63%	$559,162	32.63%	
Niusnews Co., Ltd.	90,397	35.72%	102,689	34.25%	Note 1
Double Edge Entertainment Corp.	11,084	30.31%	12,597	30.31%	
A.R.T. Games Co., Ltd.	360	49%	1,635	49%	
PayNow Inc.	-	-%	7,745	41.44%	Note 2
Chia-e International Inc.	-	28.21%	-	28.21%	
Total	$658,190		$683,828		

Note 1: On January 3, 2023, the Group increased its investment in Niusnews Co., Ltd. through Gamebase Digital Media Corporation by NT$7,174 thousand, and the Group's total shareholding ratio raised to 35.72%.

Note 2: In August 2023, the Group sold all shares of PayNow Inc.

A. Investments in Associates

Information on the material associate of the Group:

Company name: Neweb Technologies Co., Ltd.

Nature of the relationship with the associate: Neweb Technologies Co., Ltd. is in the business of information processing services. The Group invested in Neweb Technologies Co., Ltd. for the purpose of business needs.

Principal place of business (country of incorporation): Taiwan

Reconciliation of the associate's summarized financial information presented to the carrying amount of the Group's interest in the associate:

The summarized financial information of the associate is as follows:

	As of December 31,	
	2023	2022 (Adjusted)
Current assets	$3,152,451	$2,907,333
Non-current assets	840,366	759,011
Current liabilities	(2,890,125)	(2,572,451)
Non-current liabilities	(91,023)	(92,704)
Equity	1,011,669	1,001,189
Property of the Group's ownership	32.63%	32.63%
Subtotal	330,106	332,919
Goodwill	226,243	226,243
Carrying amount of the investment	$556,349	$559,162

	For the years ended December 31,	
	2023	2022
Operating revenue	$1,268,071	$1,150,592
Profit or loss from continuing operations	$2,296	$57,460
Other comprehensive income	8,184	(7,400)
Total comprehensive income	$10,480	$50,060

B. The Group's investments in Niusnews Co., Ltd., Double Edge Entertainment Corp., PayNow Inc., A.R.T. Games Co., and Chia-e International Inc. are not individually material. The aggregate carrying amount of the Group's interests in Niusnews Co., Ltd., Double Edge Entertainment Corp., PayNow Inc., A.R.T. Games Co., and Chia-e International Inc. was NT$101,841 thousand and NT$124,666 thousand, as of December 31, 2023 and 2022, respectively. The aggregate financial information is as follows:

	For the years ended December 31,	
	2023	2022
Net loss from continuing operations (Note)	$(27,537)	$(44,206)
Other comprehensive income (net of tax) (Note)	-	2
Total comprehensive loss (Note)	$(27,537)	$(44,204)

C. The Group recognized the investment income (loss) based on the financial information of the investees recognized in investments accounted for under the equity method. Such financial information is as follows:

	Investment gain/(loss)	
	For the years ended December 31,	
	2023	2022
Niusnews Co., Ltd.	$(7,465)	$(12,351)
Double Edge Entertainment Corp.	(1,507)	(705)
A.R.T. Games Co., Ltd.	(1,275)	(1,788)
Neweb Technologies Co., Ltd.	749	20,097
PayNow Inc.	385	1,156
Array Holdingss for APGFIII Fund LPs	-	(3,890)
Chander Electronic Corp.	-	18
Total	$(9,113)	$2,537

D. The Group recognized impairment loss amounted to NT$7,966 thousand on the investments accounted for using the equity method after assessing the possibility of recoverable amount for the year ended December 31, 2023.

E. The aforementioned associates had no contingent liabilities or capital commitments as of December 31, 2023 and 2022. No investments accounted for using the equity method were pledged.

F. We did not audit the financial statements of certain investee companies. Those statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included for those investee companies accounted for using equity method and information disclosed in Note 13 relating to these equity investments, is based solely on the audit reports of other auditors. These associates and joint ventures under equity method amounted to NT$646,746 thousand and NT$661,851 thousand, representing 8% and 12% of consolidated total assets as of December 31, 2023 and 2022, respectively. The related shares of profit or loss from the associates and joint ventures under the equity method amounted to NT$(6,716) thousand and NT$7,746 thousand, representing 2% of the consolidated loss before tax and 1% of the consolidated profit before tax for the years ended December 31 2023 and 2022, respectively, and the related shares of other comprehensive income (loss) from the associates and joint ventures under the equity method amounted to NT$2,665 thousand and NT$(2,415) thousand, representing 29% and (28)% of the consolidated other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

(10) Property, plant and equipment

	As of December 31,	
	2023	2022 (Adjusted)
A. Owner occupied property, plant and equipment	$785,588	$191,358

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Leasehold improvements	Total
Cost:								
As of January 1, 2023 (Adjusted)	$72,454	$71,626	$182,385	$68,242	$2,227	$109,719	$12,704	$519,357
Additions	-	2,830	17,065	8,279	227	4,967	13,837	47,205
Disposals	-	-	(86,035)	(1,885)	(2,535)	(19,578)	(3,036)	(113,069)
Acquisition of indirect subsidiaries	521,622	58,294	94,480	10,397	3,491	1,302	-	689,586
Other changes	-	7,461	19,479	(14,618)	-	2,369	(1)	14,690
As of December 31, 2023	$594,076	$140,211	$227,374	$70,415	$3,410	$98,779	$23,504	$1,157,769
As of January 1, 2022	$-	$-	$127,448	$19,889	$1,847	$26,405	$2,814	$178,403
Additions	-	-	3,296	5,060	-	3,720	9,231	21,307
Disposals	-	-	(17)	(2,143)	(1,161)	(1,425)	(3,466)	(8,212)
Acquisition of subsidiaries	72,454	71,626	45,046	43,470	1,541	79,280	4,087	317,504
Other changes	-	-	6,612	2,560	-	4,889	38	14,099
Loss of control	-	-	-	(594)	-	(3,150)	-	(3,744)
As of December 31, 2022 (Adjusted)	$72,454	$71,626	$182,385	$68,242	$2,227	$109,719	$12,704	$519,357
Depreciation and impairment:								
As of January 1, 2023 (Adjusted)	$-	$9,197	$147,693	$61,723	$805	$104,097	$4,486	$328,001
Depreciation	-	5,292	25,290	5,564	743	6,212	5,103	48,204
Disposals	-	-	(85,237)	(1,701)	(1,808)	(18,847)	(702)	(108,295)
Acquisition of indirect subsidiaries	-	26,642	61,912	8,037	2,206	1,085	-	99,882
Other changes	-	2,860	15,097	(13,694)	-	129	(3)	4,389
As of December 31, 2023	$-	$43,991	$164,755	$59,929	$1,946	$92,676	$8,884	$372,181
As of January 1, 2022	$-	$-	$98,300	$17,452	$271	$23,354	$926	$140,303
Depreciation	-	1,447	9,127	2,589	445	5,441	2,068	21,117
Disposals	-	-	(17)	(1,603)	(1,161)	(1,406)	(1,469)	(5,656)
Acquisition of subsidiaries		7,750	35,782	40,256	1,250	73,558	3,140	161,736
Other changes	-	-	4,501	3,205	-	4,806	(179)	12,333
Loss of control	-	-	-	(178)	-	(1,656)	-	(1,834)
As of December 31, 2022 (Adjusted)	$-	$9,197	$147,693	$61,721	$805	$104,097	$4,486	$327,999
Net carrying amounts as of:								
December 31, 2023	$594,076	$96,220	$62,619	$10,486	$1,464	$6,103	$14,620	$785,588
December 31, 2022 (Adjusted)	$72,454	$62,429	$34,692	$6,521	$1,422	$5,622	$8,218	$191,358

Note: Other changes included transfers, reclassifications and effect of foreign currency exchange differences.

B. Please refer to Note 8 for further details on pledged property, plant and equipment.

(11) Intangible assets

	Trademarks	Computer software	Game Royalty	Technology of patent	Goodwill	Other intangible assets	Total
Cost:							
As of January 1, 2023 (Adjusted)	$35,988	$151,276	$4,259	$24,295	$476,156	$384,605	$1,076,579
Addition-acquired separately	-	35,623	23,951	-	-	-	59,574
Deduction-derecognized	-	(3,086)	(4,259)	-	-	(1,260)	(8,605)
Acquisition of indirect subsidiaries	-	-	-	-	494,069	192,847	686,916
Other changes	-	(61)	-	-	(14)	836	761
As of December 31, 2023	$35,988	$183,752	$23,951	$24,295	$970,211	$577,028	$1,815,225
As of January 1, 2022	$35,988	$19,275	$9,063	$17,490	$125,388	$30,281	$237,485
Addition-acquired separately	-	14,417	4,259	-	-	21,156	39,832
Deduction-derecognized	-	(5,664)	(9,063)	-	-	(1,681)	(16,408)
Acquisition of subsidiaries	-	115,071	-	6,805	370,696	334,849	827,421
Other changes	-	8,177	-	-	5,533	-	13,710
As of December 31, 2022 (Adjusted)	$35,988	$151,276	$4,259	$24,295	$501,617	$384,605	$1,102,040
Amortization and impairment:							
As of January 1, 2023 (Adjusted)	$27,395	$141,147	$3,693	$16,374	$-	$36,268	$224,877
Amortization	-	17,128	20,199	1,951	-	38,758	78,036
Deduction-derecognized	-	(3,086)	(4,259)	-	-	-	(7,345)
Reversal of impairment	-	-	-	-	-	(3,792)	(3,792)
Other changes	-	(125)	-	-	-	-	(125)
As of December 31, 2023	$27,395	$155,064	$19,633	$18,325	$-	$71,234	$291,651
As of January 1, 2022	$27,395	$17,787	$9,063	$12,548	$25,461	$1,009	$93,263
Amortization	-	11,640	3,693	3,826	-	23,460	42,619
Impairment	-	-	-	-	-	11,884	11,884
Deduction-derecognized	-	(4,164)	(9,063)	-	-	(607)	(13,834)
Acquisition of subsidiaries	-	108,227	-	-	-	522	108,749
Other changes	-	7,657	-	-	-	-	7,657
As of December 31, 2022 (Adjusted)	$27,395	$141,147	$3,693	$16,374	$25,461	$36,268	$250,338
Net carrying amount as of:							
December 31, 2023	$8,593	$28,688	$4,318	$5,970	$970,211	$505,794	$1,523,574
December 31, 2022 (Adjusted)	$8,593	$10,129	$566	$7,921	$476,156	$348,337	$851,702

Note: Other changes included reclassifications and effect of foreign currency exchange differences.

Amortization expense of intangible assets under the statement of comprehensive income:

	For the years ended December 31,	
	2023	2022 (Adjusted)
Operating costs	$20,924	$3,693
Sales and marketing expenses	$20,721	$11,551
Administrative expense	$32,233	$25,114
Research and development expense	$4,158	$2,261

Trademark rights are conveyed for a limited term 10 years that can be renewed, the Group has the intention and ability to extend the useful life continuously. Due to no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity for intangible assets. An intangible asset with an indefinite useful life should not be amortized. However, the amortization period should be reviewed at least annually. Please refer to Note 6 (12) for details.

(12) Impairment test for goodwill and intangible asset with an indefinite useful life

For impairment testing, goodwill and intangible asset with an indefinite useful life acquired through business combinations has been allocated to 6 cash-generating units as follows:

A. Power distribution machinery manufacturing unit
B. Electronic parts and components unit
C. Network application unit
D. Electronic products unit
E. Third-party payment unit
F. Others unit

Carrying amount of goodwill and intangible asset with an indefinite useful life allocated to each cash-generating unit:

	As of December 31,			
	2023		2022 (Adjusted)	
	Trademark	Goodwill	Trademark	Goodwill
Power distribution machinery manufacturing unit	$-	$494,069	$-	$-
Electronic parts and components unit	-	147,718	-	147,718
Network application unit	-	140,169	-	140,183
Electronic products unit	-	97,215	-	97,215
Third-party payment unit	-	88,328	-	88,328
Others unit	8,593	2,712	8,593	2,712
Total	$8,593	$970,211	$8,593	$476,156

Cash-generating unit of power distribution machinery manufacturing

The goodwill of power distribution machinery manufacturing unit was acquired through the combination of San Jiang Electric MFG. Co., Ltd. by Uniplus Electronics Co., Ltd. in 2023. The recoverable amount of electrical machinery manufacturing cash generating unit was determined based on the value in use which is calculated according to the forecasted cash flow in five-year-financial budget approved by the management. The gross profit margin is forecasted by the management with reference to historical gross profit margins. The calculation of discount rate is based on the specific circumstances of the Group and its operating segments, derived from its weighted average cost of capital (WACC). For the forecasts of cash flow used in 2023, the post-tax discount rate was 10.50%. Cash flows beyond the five-year period were extrapolated at a growth rate of 1% in 2023, which approximated the long-term average growth rate of the relevant industry. Based on the above key assumptions, the calculation of recoverable amount and the carrying amount of assets and goodwill allocated to the cash-generating unit for operational use as of the assessment date are compared. Management believes that there was no impairment of goodwill allocated to this cash-generating unit for the year ended December 31, 2023.

Cash-generating unit of electronic parts and components

The goodwill of electronic parts and components unit was acquired through the combination of Chander Electronics Corp. and its subsidiaries in April 2022. The recoverable amounts as of December 31, 2023 and 2022 have been determined based on the fair value less costs to sell, and the fair value was assessed based on market approach. Based on the abovementioned analysis, the management assessed that the goodwill was not impaired as of December 31, 2023 and 2022.

Cash-generating unit of network application

The goodwill of network application unit was acquired through the combination of Array Inc. and its subsidiaries in April 2022. The recoverable amounts as of December 31, 2023 and 2022 have been determined based on the fair value less costs to sell, and the fair value was assessed based on market approach. Based on the abovementioned analysis, the management assessed that the goodwill was not impaired as of December 31, 2023 and 2022.

Cash-generating unit of electronic products

The goodwill of electronic products unit was acquired through the combination of Uniplus Electronics Co., Ltd. and its subsidiary, Hang Zheng Technology Co., Ltd., in 2021. The recoverable amounts as of December 31, 2023 and 2022 have been determined based on the fair value less costs to sell, and the fair value was assessed based on market approach. Based on the abovementioned analysis, the management assessed that the goodwill was not impaired as of December 31, 2023 and 2022.

Cash-generating unit of third-party payment

The recoverable amount of third-party payment unit was determined based on the value in use which is calculated according to the forecasted cash flow in five-year-financial budget approved by the management. The forecasted cash flow was updated to inflect the changes of the demands for the related products. The after-tax discount rates of the forecasted cash flow in 2023 and 2022 were 15.18% and 14.3%, respectively, with the growth rate of the cash flow in the period more than 5 years in 2023 was 1%. The growth rate is equivalent to the long-term growth rate of the industry. Based on the abovementioned analysis, the management assessed that the goodwill allocated to the cash-generating unit was not impaired.

Cash-generating unit of others

The recoverable amount of others unit was determined based on the value in use which is calculated according to the forecasted cash flow in five-year-financial budget approved by the management. The gross profit margin used in the forecasts of cash flow is based on the average gross profit margin achieved prior to the commencement of the financial budget period, and it is expected to increase during the budget period due to efficiency improvement, and the forecasted cash flow was updated to reflect the changes of the demands for the related products. The calculation of discount rate is based on the specific circumstances of the Group and its operating segments, derived from its weighted average cost of capital (WACC). For the forecasts of cash flow used for the years ended December 31, 2023 and 2022, the post-tax discount rates were 11.73% and 12.80%, respectively. Based on the abovementioned analysis, the management assessed that the impairment losses of trademark right were both NT$0 for the years ended December 31, 2023 and 2022.

(13) Short-term borrowings

Details of short-term loans are as follows:

	As of December 31, 2023			
	Currency	Interest Rate	Expiration date	Amount
Secured bank loan	NTD	2.38%~3.40%	2023.8~2024.9	$357,420
Unsecured bank loan	NTD	2.29%~8.50%	2023.11~2024.7	686,249
Total				$1,043,669

	As of December 31, 2022			
	Currency	Interest Rate	Expiration date	Amount
Secured bank loan	NTD	2.06%~2.60%	2023.9~2023.12	$441,181

The Group's unused short-term line of credit amounted to NT$328,186 thousand and NT$688,343 thousand as of December 31, 2023 and 2022, respectively.

Please refer to Note 8 for further details on pledged short-term bank loans.

(14) Accounts payable

	As of December 31,	
	2023	2022
Accounts payable	$561,340	$186,745

The Group has established the financial risk management policy to ensure that all payables are settled within the predetermined credit terms.

(15) Other payables

	As of December 31,	
	2023	2022
Contingent consideration payable for acquisition of equity interests (Note)	$500,000	$-
Salary payable	83,788	134,673
Royalties payable	29,366	47,034
Other accrued expenses	132,837	115,309
Total	$745,991	$297,016

Note: Please refer to Note 6 (28) for further details on contingent consideration payable for acquisition of equity interests.

(16) Other current liabilities

	As of December 31,	
	2023	2022
Receipts under custody from third-party payment	$207,492	$223,463
Others	24,997	30,265
Total	$232,489	$253,728

The Group's receipts under custody from third-party payment are receipts from members' transactions.

(17) Long-term borrowings

A. Details are as follows:

	As of December 31, 2023			
	Currency	Interest Rate	Expiration date	Amount
Secured bank loan	NTD	2.40%~3.95%	2024.11~2027.4	$690,340
Unsecured bank loan	NTD	2.62%~2.82%	2026.5~2026.8	61,264
Other unsecured loan	NTD	5.10%	2026.3	13,932
Subtotal				765,536
Less: current portion				(228,860)
Total				$536,676

	As of December 31, 2022			
	Currency	Interest Rate	Expiration date	Amount
Secured bank loan	NTD	2.03%~3.58%	2023.5~2027.4	$234,528
Unsecured bank loan	NTD	2.52%	2023.6	4,279
Other unsecured loan	NTD	5.06%	2025.4	19,444
Subtotal				258,251
Less: current portion				(123,162)
Total				$135,089

B. Please refer to Note 8 for further details on pledged long-term borrowings.

(18) Post-employment benefits

Defined contribution plan

The Company and its domestic subsidiaries adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, and the Company and its domestic subsidiaries will make monthly contributions of no less than 6% of the employee’s monthly wages to the employees’ individual pension accounts. The Company and its domestic subsidiaries have made monthly contributions of 6% of each individual employee’s salaries or wages to employees’ pension accounts. In addition, the employees of Changsha Zecheng Technology Co., Ltd. in China are members of a state-managed retirement benefit plan operated by the government of China. The subsidiary is required to contribute a specified percentage of payroll costs to the retirement benefit scheme to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 are NT$19,236 thousand and NT$11,995 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor standards Act, The Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. At the end of each year, if the balance in the designated labor pension reserve funds is inadequate to cover the benefit estimated to be paid in the following year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March in the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the regulations for revenues, expenditures, safeguard and utilization of the labor retirement fund. The pension fund is invested in-house or under mandate, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute NT$524 thousand to its defined benefit plan during the 12 months after December 31, 2023.

The weighted-average durations of the defined benefits plan obligation were 9 years and 10 years as of December 31, 2023 and 2022, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Current period service costs	$-	$39
Interest income or expense	42	118
Total	$42	$157

Reconciliation of present value of the pension obligation under defined benefit pension plans and fair value of the plan assets are as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Present value of the pension obligation under defined benefit pension plans	$24,065	$29,145	$30,348
Fair value of plan assets	(22,271)	(22,643)	(13,444)
Net defined benefit liabilities, noncurrent	$1,794	$6,502	$16,904

Reconciliation of liability (asset) of the defined benefit plan are as follows:

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability /(asset)
As of January 1, 2022	$30,348	$(13,444)	$16,904
Current period service costs	39	-	39
Net interest expense (income)	213	(95)	118
Subtotal	252	(95)	157
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(1,662)	-	(1,662)
Experience adjustments	207	(603)	(396)
Remeasurements of the defined benefit asset	-	(510)	(510)
Subtotal	(1,455)	(1,113)	(2,568)
Payments from the plan	-	-	-
Contributions by employer	-	(7,991)	(7,991)

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liability /(asset)
As of December 31, 2022	29,145	(22,643)	6,502
Current period service costs	-	-	-
Net interest expense (income)	513	(471)	42
Subtotal	513	(471)	42
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	186	-	186
Experience adjustments	(467)	(24)	(491)
Remeasurements of the defined benefit asset	-	(121)	(121)
Subtotal	(281)	(145)	(426)
Payments from the plan	(16,185)	16,185	-
Contributions by employer	-	(914)	(914)
Acquisition of subsidiaries	10,873	(14,283)	(3,410)
As of December 31, 2023	$24,065	$(22,271)	$1,794

The following significant actuarial assumptions are used to determine the present value of the defined benefit obligation:

	As of December 31, 2023	As of December 31, 2022
Discount rate	1.20%-1.25%	1.25%-3.00%
Expected rate of salary increases	2.00%	2.00%

Sensitivity analysis:

	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increase by 0.25%	$-	$(561)	$-	$(663)
Discount rate decrease by 0.25%	580	-	685	-
Future salary increase by 0.25%	863	-	856	-
Future salary decrease by 0.25%	-	(788)	-	(808)

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(19) Equities

A. Common stock

The Company’s authorized capital were both NT$1,300,000 thousand, and issued capital were NT$1,038,836 thousand and NT$852,630 thousand with 103,884 thousand shares and 85,263 thousand shares as of December 31, 2023 and 2022, respectively, each at a par value of NT$10. Each share has one voting right and a right to receive dividends.

The shareholders’ meeting held on May 27, 2022 approved the issuance of 19,676 thousand shares of common stock from unappropriated retained earnings for 2021 in the amount of NT$196,761 thousand, at a par value of NT$10 per share. The base date for capital increase was September 19, 2022, and the registration was completed.

The shareholders’ meeting held on June 26, 2023 approved the issuance of 16,951 thousand shares of common stock from unappropriated retained earnings in the amount of NT$169,506 thousand, at a par value of NT$10 per share. The base date for capital increase was September 3, 2023, and the registration was completed.

On August 11, 2023, the Board of Directors of the Company resolved to issue 1,670 thousand restricted employee stock, at a par value of NT$10 per share, totaling NT$16,700 thousand. This capital increase plan was approved for effective registration by the competent authority on July 31, 2023. The capital increase date was set as August 11, 2023. The addition in capital was approved and registered by the competent authority on September 1, 2023.

B. Capital surplus

	As of December 31,	
	2023	2022
Additional Paid-in Capital	$167,137	$112,360
Restricted employee stock	54,776	-
Difference between consideration and carrying amount of subsidiaries acquired	20,741	2,532
Treasury shares	11,104	4,227
Share of changes in net assets of associates and joint ventures accounted for using equity method	9,303	39,221
Total	$263,061	$158,340

According to the Company Act, the capital reserve shall not be used except for offset the deficit of the company. When a company incurs no loss, it may distribute the capital surplus generated from the excess of the issuance price over the per value of capital and donations. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares.

C. Treasury Stocks

On December 13, 2022, the Board of Directors meeting resolved to repurchase treasury stocks. 510 shares were repurchased in the amount of NT$31,225 thousand from December 14, 2022 to February 13, 2023. The actual number of shares repurchased was less than the expected 1,000 thousand shares, due to the protection of shareholders' interest and the consideration of market mechanisms. This adjustment in the repurchase strategy was influenced by the changes in market price and trading volume.

The details of the carrying amounts and the number of shares held by the Company and its subsidiaries were as follows:

	Amount (in thousand NT$)	
	As of December 31,	
	2023	2022
The Company	$31,225	$6,943
Uniplus Electronics Co., Ltd.	89,636	70,443
Chander Electronics Corp.	10,677	12,942
Toptrend Technologies Corp.	11,910	11,519
Total	$143,448	$101,847

	Number of shares (in thousands)	
	As of December 31,	
	2023	2022
The Company	510	124
Uniplus Electronics Co., Ltd.	6,370	5,326
Chander Electronics Corp.	623	621
Toptrend Technologies Corp.	821	686
Total	8,324	6,757

D. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(A) Payment of all taxes and dues;
(B) Offset prior years' operation losses;
(C) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve;
(D) Set aside or reverse special reserve in accordance with law and regulations; and
(E) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

The company's dividend distribution adopts conservative principle. Paying stock dividend is preferred. If there is a surplus, it will be distributed to shareholders as cash dividends, but the ratio of cash dividend distribution is expected to be lower than 50% of the total dividend distribution.

According to the Company Act, the Company is required to set aside an amount from its earnings to legal reserve unless such legal reserve reaches the total authorized capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

In accordance with Order No. Financial-Supervisory-Securities-Corporate-1010012865 and "Applicable question and answer for the provision of special reserves after the adoption of International Financial Reporting Standards (IFRSs)", the Group sets aside and reverses special reserves.

Details of the 2022 and 2021 earnings distribution and dividends per share approved by the Board of Directors and the shareholder's meeting held on June 26, 2023 and May 27, 2022, respectively, were as follows:

	Appropriation of earnings		Dividend per share (NTD)	
	2022	2021	2022	2021
Legal reserve appropriated	$47,063	$75,662		
Special reserve reversed	(101,732)	(43,142)		
Cash dividend on common stock	127,130	196,761	$1.47	$3
Share dividend on common stock	169,506	196,761	1.96	3

The appropriation of 2023 unappropriated retained earnings has not yet been resolved by the Board of Directors as of the reporting date.

Please refer to Note 6 (23) for details on employees' compensation and remuneration to directors and supervisors.

E. Non-controlling interests

	As of December 31,	
	2023	2022 (Adjusted)
Beginning balance	$1,291,481	$505,275
Loss attributable to non-controlling interests	(44,868)	(66,407)
Other comprehensive income attributable to non-controlling interests	2,206	15,415
Acquisition of equity interests of subsidiaries	122,583	1,095,484
Acquisition of new shares in a subsidiary not in proportionate to ownership interest	40,855	(32,229)
Receipt of parent company's cash dividends	3,329	8,064
Difference between consideration and carrying amount of subsidiaries acquired	2,774	(18,377)
Disposal of parent company's stocks by subsidiaries recognized as treasury share transactions	19,403	-
Acquisition of parent company's stocks by subsidiaries recognized as treasury shares	-	(169,586)
Acquisition of shares of non-controlling interests	-	(46,158)
Ending balance	$1,437,763	$1,291,481

(20) Share-based payment plans

A. Certain employees of the Group are entitled to share-based payment as part of their remunerations. The group grants the equity instruments to the employees in return for the services they provide. These plans are accounted for as equity-settled share-based payment transactions.

(A) The Company's restricted stock plan for employees

On June 26, 2023, the shareholders' meeting of the Company resolved to issue 2,500 thousand restricted stocks in installments, applicable to issue in one tranche or in installments within two years from the resolution date. Each share shall be issued at a par value of NT$0, provided as non-cash consideration through gratuitous distribution to employees. On August 11, 2023, the Board of Directors resolved to issue 1,670 thousand restricted ordinary shares to employees, and the price per share on the grant date was NT$75.60. The share-based payment plan was as follows:

Type of grant	Date of grant	Offering shares	Contract period	Vesting Conditions
Restricted employee stock plan (Note 1)	August 11, 2023	1,670,000	16 months	Achievement of performance conditions (Note 2)

Note 1: The restricted employee stock issued by the Company were not transferable during the contract period, but they did not restrict voting rights and included in the distribution of dividends. Employees who leave during the vested period were required to return the shares, but the dividends obtained is not required to return.

Note 2: Employees who are still employed by the Company as of the grant date of the restricted stocks for employees with grade A in the latest performance appraisal shall be entitled to 50% of the allocated shares. Employees who remain employed by the Company for 16 months from the grant date of the restricted stocks for employees with grade A in the latest performance appraisal as of the grant date shall be entitled to the remaining 50% of the allocated shares.

As of December 31, 2023, since the employees have not yet met the vesting conditions, the balance of unearned compensation accounted for the deduction of equity was NT$44,714 thousand, which would be recognized as salary expenses in future vesting period.

(B) The subsidiary- Share-based payment plan of Array Inc.

Array Inc. did not issue any employee share options for the years ended December 31, 2023 and 2022. Information on employee share options was as follows:

	For the years ended December 31,			
	2023		2022	
	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)	Number of Exercisable Options (In Thousands)	Weighted-average Exercise Price (US$)
Balance at January 1	2,348	$0.33	2,858	$0.35
Options expired	(47)	0.39	(498)	0.43
Options exercised	(408)	0.34	(12)	0.32
Balance at December 31	1,893	0.31	2,348	0.33
Options exercisable, end of year	1,057		942	

(C) The subsidiary- Share-based payment plan of Zentry Security Inc.

Qualified employees of the Company's subsidiary, Zentry, were granted 1,895 thousand options in 2022. Each option entitles the holder with the right to subscribe for one ordinary share of Zentry. The options granted are valid for 10 years. 25% of the optioned shares shall vest on the first anniversary of the vesting commencement date, and 1/48 of the optioned shares shall vest each month thereafter. The exercise price is US$0.06 per option. Information on employee share options was as follows:

	For the years ended December 31,			
	2023		2022	
	Subscribed of common stock (In Thousands)	Weighted-average Exercise Price (US$)	Subscribed of common stock (In Thousands)	Weighted-average Exercise Price (US$)
Balance at January 1	-	$-	1,846	$0.06
Options granted	-	-	2,379	0.06
Options exercised	-	-	(51)	0.06
Options expired			(4,174)	0.06
Balance at December 31	-	-	-	0.06
Options exercisable, end of year	-	-	-	

Options granted in 2022 priced using the Black-Scholes pricing model, and the inputs to the model as follows:

Grant-date share price	US$ 0.06
Exercise price	US$ 0.06
Expected volatility	63.8%
Expected life (in years)	5
Expected dividend yield	-
Risk-free interest rate	0.26%

(D) The subsidiary- Share-based payment of Chander Electronics Corp.

The Board of Directors' meeting on 8 May 2023, Chander Electronics Corp. decided to award 2,500 thousand new shares of restricted stock to those full-time employees who meet Chander Electronics Corp.' s requirements. The restricted stock has been registered with and approved by the Securities and Futures Bureau of the Financial Supervisory Commission, R.O.C..

B. The expenses recognized for employee services received for the years ended December 31, 2023 and 2022, are shown in the following table:

	For the years ended December 31,	
	2023	2022
Total expense arising from equity-settled share-based payment transactions	$82,855	$815

(21) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$2,159,194	$1,437,441
Rendering of service	1,109,601	819,146
Less: sales returns and allowances	(6,614)	(4,453)
Total	$3,262,181	$2,252,134

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

For the year ended December 31, 2023

	Operating Department	Electronic Products Department	Electronic Parts and components Department	Network Application Department	Third-party Payment Department	Power Distribution Machinery Manufacturing Department	Others	Total
Sale of goods	$38,527	$283,622	$693,647	$216,094	$2,069	$893,692	$25,662	$2,153,313
Rendering of services	462,864	-	-	410,596	235,408	-	-	1,108,868
Total	$501,391	$283,622	$693,647	$626,690	$237,477	$893,692	$25,662	$3,262,181
Timing of revenue recognition:								
At a point in time	$114,275	$283,622	$693,647	$626,690	$228,964	$893,692	$25,662	$2,866,552
Over time	387,116	-	-	-	8,513	-	-	$395,629
Total	$501,391	$283,622	$693,647	$626,690	$237,477	$893,692	$25,662	$3,262,181

For the year ended December 31, 2022

	Operating Department	Electronic Products Department	Electronic Parts and components Department	Network Application Department	Third-party Payment Department	Others	Total
Sale of goods	$36,903	$304,078	$661,220	$169,685	$82	$37,095	$1,209,063
Rendering of services	481,057	-	-	228,378	333,636	-	1,043,071
Total	$517,960	$304,078	$661,220	$398,063	$333,718	$37,095	$2,252,134
Timing of revenue recognition:							
At a point in time	$188,753	$304,078	$661,220	$398,063	$333,718	$37,095	$1,922,927
Over time	329,207	-	-	-	-	-	329,207
Total	$517,960	$304,078	$661,220	$398,063	$333,718	$37,095	$2,252,134

B. Contract balances

Net contract assets (liabilities) are as follows:

	December 31, 2023	December 31, 2022	Difference	%
Contract assets, noncurrent	$6,495	$3,638	$2,857	78.53%
Contract liabilities, current	(168,052)	(175,489)	7,437	(4.24%)
Contract liabilities, noncurrent	(146,411)	(163,802)	17,391	(10.62%)

Contract assets increased by NT$2,857 thousand from December 31, 2022 to December 31, 2023, because the new film and television licensing contracts in 2023 were entitled to collect the consideration beyond one year and recognized as non-current contract assets. In the current year, certain contract assets were reclassified to accounts receivable as the payment rights were obtained.

Contract liabilities decreased by NT$24,828 thousand from December 31, 2022 to December 31, 2023, mainly due to the recognition of revenue totaling approximately NT$393,181 thousand as performance obligations were satisfied, and an increase in advance receipts of approximately NT$412 thousand in the current year.

C. Transaction price allocated to unsatisfied performance obligations

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT$314,463 thousand as of December 31, 2023. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one to two years.

The Group's transaction price allocated to unsatisfied performance obligations amounted to NT$339,291 thousand as of December 31, 2022. Management expects that the transaction price allocated to unsatisfied performance obligations will be recognized as revenue within one to two years.

(22) Expected credit losses (gains)

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses (gains)		
Accounts receivable	$20,380	$4,111
Contract assets	(1,071)	8,930
Total	$19,309	$13,041

The credit risks of the Group's financial assets measured at amortized cost were assessed as low (same as the assessment result in the beginning of the period) as of December 31, 2023 and 2022. As the Group's trade partners are financial institutions with good credit, the loss allowance was NT$0 thousand measured at a loss ratio of 0%.

The Group measures the loss allowance of its contract assets and trade receivables (including notes receivable, notes receivable-related parties, accounts receivable and accounts receivable-related parties) at an amount equal to lifetime expected credit losses. The assessments of the Group's loss allowance are as follows:

A. the gross carrying amount of contract assets are NT$6,495 thousand and NT$3,638 thousand as of December 31, 2023 and 2022, respectively. The loss allowance amounts to NT$0 where an expected credit loss ratio of 0% is used as of December 31, 2023.

B. the Group groups its trade receivables by counterparties' credit rating, geographical region and industry sector, and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2023

Group 1

	Not yet due (Note)	Overdue <=30 days	Overdue 31-60 days	Overdue 61-150 days	Overdue >=151 days	Total
Gross carrying amount	$121,460	$502	$372	$3,509	$16,300	$142,143
Loss ratio	-%	-%	7.36%	16.13%	99.15%	
Lifetime expected credit losses	-	-	(28)	(566)	(16,161)	(16,755)
Subtotal	$121,460	$502	$344	$2,943	$139	$125,388

Group 2

	Not yet due (Note)	Overdue <=90 days	Overdue 91-180 days	Overdue 181-270 days	Overdue >=271 days	Overdue >=365 days	Total
Gross carrying amount	$165,282	$1,129	$9	$11	$-	$32,581	$199,012
Loss ratio	-%	5.41%	100%	100%	-%	100%	
Lifetime expected credit losses	-	(61)	(9)	(11)	-	(32,581)	(32,662)
Subtotal	$165,282	$1,068	$-	$-	$-	$-	$166,350

Group 3

	Not yet due (Note)	Overdue <=90 days	Overdue 91-120 days	Overdue 121-365 days	Overdue >=365 days	Total
Gross carrying amount	$188,317	$3,409	$-	$-	$-	$191,726
Loss ratio	-%	2%	-%	-%	-%	
Lifetime expected credit losses	-	(68)	-	-	-	(68)
Subtotal	$188,317	$3,341	$-	$-	$-	$191,658

Group 4

	Not yet due (Note)	Overdue <=180 days	Overdue 181-270 days	Overdue 271-360 days	Overdue >=360 days	Total
Gross carrying amount	$374,579	$58,065	$29,245	$1,133	$2,608	$465,630
Loss ratio	0.12%	8.53%	4.76%	69.29%	100%	
Lifetime expected credit losses	(444)	(4,951)	(1,392)	(785)	(2,608)	(10,180)
Subtotal	$374,135	$53,114	$27,853	$348	$-	$455,450

Group 5

	Not yet due	Overdue				
	(Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$86,934	$-	$-	$-	$-	$86,934
Loss ratio	-%	-%	-%	-%	-%	
Lifetime expected credit losses	-	-	-	-	-	-
Subtotal	$86,934	$-	$-	$-	$-	$86,934
Total						$1,025,780

As of December 31, 2022

Group 1

	Not yet due	Overdue				
	(Note)	<=30 days	31-60 days	61-150 days	>=151 days	Total
Gross carrying amount	$17,624	$2,497	$27	$19,081	$59	$39,288
Loss ratio	-%	3.72%	100%	24.1%	99.15%	
Lifetime expected credit losses	-	(93)	(27)	(4,599)	(58)	(4,777)
Subtotal	$17,624	$2,404	$-	$14,482	$1	$34,511

Group 2

	Not yet due	Overdue				
	(Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$92,052	$42	$-	$-	$-	$92,094
Loss ratio	-%	89.04%	-%	-%	-%	
Lifetime expected credit losses	-	(37)	-	-	-	(37)
Subtotal	$92,052	$5	$-	$-	$-	$92,057

Group 3

	Not yet due	Overdue				
	(Note)	<=90 days	91-120 days	121-365 days	>=365 days	Total
Gross carrying amount	$252,610	$31,884	$21,469	$-	$-	$305,963
Loss ratio	-%	3.17%	-%	-%	-%	
Lifetime expected credit losses	-	(1,012)	-	-	-	(1,012)
Subtotal	$252,610	$30,872	$21,469	$-	$-	$304,951

Group 4

	Not yet due	Overdue				
	(Note)	<=180 days	181-270 days	271-360 days	>=360 days	Total
Gross carrying amount	$263,396	$114,002	$1,058	$393	$25,810	$404,659
Loss ratio	-%	2.47%	50.00%	45.8%	100%	
Lifetime expected credit losses	-	(2,817)	(529)	(180)	(25,810)	(29,336)
Subtotal	$263,396	$111,185	$529	$213	$-	$375,323

Group 5

	Not yet due	Overdue				
	(Note)	<=90 days	91-180 days	181-270 days	>=271 days	Total
Gross carrying amount	$89,970	$2	$-	$-	$1,441	$91,413
Loss ratio	-%	-%	-%	-%	100%	
Lifetime expected credit losses	-	-	-	-	(1,441)	(1,441)
Subtotal	$89,970	$2	$-	$-	$-	$89,972
Total						$896,814

Note: The Group's notes receivables are not overdue.

C. the Group measures the loss allowance of its other receivable and other receivable-related parties at an amount equal to lifetime expected credit losses. As of December 31, 2023 and 2022, the Group both recognized NT$0 thousand allowance loss.

The movement in the provision for impairment of accounts receivable and contract assets during the December 31, 2023 and 2022 are as follows:

	Contract Assets	Accounts Receivable
As of January 1, 2023	$-	$36,603
Reversal and write off due to receipt	(1,071)	20,380
Write off due to inability to receive	1,071	(30,486)
Acquisition of subsidiaries	-	32,581
Exchange differences	-	587
As of December 31, 2023	$-	$59,665
Beginning balance	$-	$2,166
Reversal and write off due to receipt	8,930	4,111
Write off due to inability to receive	(8,930)	(1,570)
Acquisition of subsidiaries	-	30,047
Exchange differences	-	2,015
Others	-	(166)
As of December 31, 2022	$-	$36,603

Please refer to Note 12 for further details on credit risk.

(23) Leases

A. Group as a lessee

The Group leases various properties, including real estate (buildings), transportation equipment and other equipment. The lease terms range from 1 to 7 years.

The Group’s leases effect on the financial position, financial performance and cash flows are as follow:

(A) Amounts recognized in the balance sheet

a. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Buildings	$157,584	$124,361
Transportation equipment	10,479	7,596
Other equipment	4,312	2,067
Total	$172,375	$134,024

The Group’s right-of-use assets increased by NT$113,225 thousand (including the addition of NT$86,127 thousand and the acquisition of NT$27,098 thousand for the current period) and NT$136,837 thousand as from January 1 to December 31, 2023 and 2022.

b. Lease liabilities

	As of December 31,	
	2023	2022
Lease liabilities	$179,093	$139,933
Current	$64,867	$51,220
Non-current	$114,226	$88,713

Please refer to Note 6 (24) for the interest on lease liabilities recognized for the years ended December 31, 2023 and 2022 and refer to Note 12 (5) Liquidity Risk Management for the maturity analysis for lease liabilities.

(B) Amounts recognized in the statement of profit or loss

Depreciation expense of right-of-use assets

	For the years ended December 31,	
	2023	2022
Buildings	$54,997	$36,980
Transportation equipment	3,845	3,260
Other equipment	1,191	808
Total	$60,033	$41,048

(C) Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	$12,977	$11,700
The expenses relating to leases of low-value assets (Not including the expenses relating to short-term leases of low-value assets)	2,713	240
Total	$15,690	$11,940

(D) Cash outflow relating to leasing activities

As of December 31, 2023 and 2022, the Group's total cash outflows for leases were amounted to NT$79,757 thousand and NT$60,076 thousand, respectively.

B. Group as a lessor

The Group signs operating lease contract to lend parts of leasing office and factory. Because almost all the risk and benefit of the ownership of identified assets were not transferred, the leases were classified as operating lease.

	For the years ended December 31,	
	2023	2022
Rental income from operating lease		
Income relating to fixed rental	$2,299	$2,916

The Group signs operating lease contract, the expected total amount of undiscounted rental payment and residual years as of December 31, 2023 and 2022 are as follows:

	As of December 31,	
	2023	2022
Within 1 year	$1,458	$1,353
Between 1-2 years	1,458	-
Between 3-4 years	1,458	-
Between 4-5 years	729	-
Total	$5,103	$1,353

(24) Summary statement of employee benefits, depreciation and amortization expense by function during the years ended December 31, 2023 and 2022:

	For the years ended December 31,					
	2023			2022 (Adjusted)		
	Operating costs	Operating expenses	Total amount	Operating costs	Operating expenses	Total amount
Employee benefits expense						
Salaries	$57,110	$587,574	$644,684	$31,527	$445,061	$476,588
Labor and health insurance	10,911	60,115	71,026	6,482	48,373	54,855
Pension	1,658	17,620	19,278	355	11,797	12,152
Other employee benefits expense	2,342	16,444	18,786	21,462	224,335	245,797
Depreciation	20,288	87,949	108,237	5,329	56,836	62,165
Amortization	20,924	57,112	78,036	3,693	38,926	42,619

According to the Articles of Incorporation, no less than 3% of profit of the current year is distributable as employees' compensation and no higher than 3% of profit of the current year is distributable as remuneration to directors and supervisors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition thereto a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

The Company set the compensation policy for directors and employees, the amount of distributed compensation was determined by the salary price level of the industry, the responsibilities and authority of the position and the individual contribution to the operating goal. The determination of compensation to directors and executive officers is based on the operation results and contributions, domestic and foreign industry trends was considered also. The distribution of directors' and executive officers' compensations were approved through the compensation committee, and resolved by the meeting of the Board of Directors.

Based on the profit for the year ended December 31, 2022, the Company estimated the amounts of the employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 to be 3% of profit of the current year and 1% of profit of the current year, respectively, recognized as employee benefits expense. As such, employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2022 amount to NT$21,398 thousand and NT$7,133 thousand, respectively. The shareholders' meeting held on June 26, 2023 resolved to distribute NT$21,398 thousand and NT$7,133 thousand in cash as employees' compensation and remuneration to directors and supervisors of 2022, with no material variance with the estimated amount accrued in the financial statements for the year ended December 31, 2022.

For the year ended December 31, 2023, the Company incurred a net loss after tax, hence employees' compensation and remuneration to directors and supervisors were not estimated.

(25) Non-operating income and expenses

A. Interest income

	For the years ended December 31,	
	2023	2022
Interest income		
Financial assets measured at amortized cost	$11,664	$5,908

B. Other income

	For the years ended December 31,	
	2023	2022
Government support	$14,835	$-
Rental income	2,299	2,916
Other income	16,650	1,557
Total	$33,784	$4,473

The Group applied to the U.S. federal government for employee retention tax credits in the third quarter of 2023 and has received the subsidy of NT$14,835 thousand.

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Gains on disposal of investments	$38,410	$648,250
Gains on disposal of intangible assets	30	23,709
Foreign exchange gains and losses, net	(4,653)	96,340
Evaluation loss from financial assets, net	(4,182)	(16,639)
Impairment loss from non-financial assets, net	(4,174)	(11,885)
Losses on disposal of property, plant and equipment	(3,612)	(1,977)
Others	(15,175)	(379)
Total	$6,644	$737,419

D. Finance costs

	For the years ended December 31,	
	2023	2022
Interest on borrowings from bank	$36,259	$11,685
Interest on lease liabilities	5,142	3,694
Total	$41,401	$15,379

(26) Components of other comprehensive income (loss)

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(359)	$-	$(359)	$72	$(287)
Unrealized gains or losses from financial assets at fair value through other comprehensive income	7,307	-	7,307	-	7,307
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	2,670	-	2,670	-	2,670
Items that may be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	(384)	-	(384)	-	(384)
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(5)	-	(5)	-	(5)
Total of other comprehensive income	$9,229	$-	$9,229	$72	$9,301

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (loss)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$2,568	$-	$2,568	$(427)	$2,141
Unrealized gains or losses from financial assets at fair value through other comprehensive income	(11,286)	-	(11,286)	-	(11,286)
Share of other comprehensive loss of associates and joint ventures accounted for using the equity method	513	-	513	-	513
Items that may be reclassified subsequently to profit or loss:					
Exchange differences resulting from translating the financial statements of a foreign operation	17,223	-	17,223	-	17,223
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(15)	-	(15)	-	(15)
Total of other comprehensive income	$9,003	$-	$9,003	$(427)	$8,576

(27) Income tax

The major components of income tax expense for the years ended 31 December 2023 and 2022 are as follows:

Income tax expense recognized in profit or loss

	For the years ended December 31,	
	2023	2022 (Adjusted)
Current income tax expense:		
Current income tax charge	$105,042	$65,503
Adjustments in respect of current income tax of prior periods	11,018	(6,555)
Deferred tax (income) expense:		
Deferred tax (income) expense relating to origination and reversal of temporary differences	(21,707)	(3,993)
Others		
Total income tax expense	$94,353	$54,955

A. Income tax expense recognized in other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$(72)	$427

B. Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022 (Adjusted)
Accounting (loss) profit before tax from continuing operations	$(285,642)	$607,343
Tax at the domestic rates applicable to profits in the country concerned	$(55,633)	$121,469
Tax adjustments for prior periods	11,018	(6,555)
Tax effect of revenues exempt from taxation	101,444	(88,337)
Tax effect of deferred tax assets/liabilities	673	(21,422)
Additional income tax on unappropriated earnings	103	17,915
Unrecognized loss carryforwards	17,062	8,367
Effect of different tax rates of entities operating in other jurisdictions	8,230	-
Overseas withholding tax	11,456	23,518
Total income tax (income) expense recognized in profit or loss	$94,353	$54,955

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning balance as of January 1, 2023 (Adjusted)	Recognized in profit or loss	Recognized in other comprehensive income	Effect of acquisition of subsidiaries	Ending balance as of December 31, 2023
Temporary differences					
Unrealized bad debt expense	$809	$2,419	$-	$-	$3,228
Unrealized foreign exchange gains and losses	1,519	(1,491)	-	-	28
Investment Losses	-	14,194	-	-	14,194
Unrealized impairment loss	-	2,501	-	6,204	8,705
Gain on land revaluation	(3,551)	-	-	(38,491)	(42,042)
Fiscal and tax differences in amortization of intangible assets	(60,591)	6,895	-	(38,569)	(92,265)
Fiscal and tax differences in depreciation of fixed assets	(13,662)	1,724	-	(3,541)	(15,479)
Unrealized loss on inventory valuations	1,178	(13)	-	-	1,165
Defined benefit liability, non-current	1,798	(100)	72	-	1,770
Defined benefit asset, non-current	(2,789)	(232)	-	-	(3,021)
Others	705	3,248	-	-	3,953
Unused tax losses	7,438	(7,438)	-	-	-
Deferred tax (expense)/ income		$21,707	$72	$(74,397)	
Net deferred tax assets/(liabilities)	$(67,146)				$(119,764)
Reflected in balance sheet as follows:					
Deferred tax assets	$15,516				$33,345
Deferred tax liabilities	$82,662				$153,109

For the year ended December 31, 2022 (Adjusted)

	Beginning balance as of January 1, 2022	Recognized in profit or loss	Recognized in other comprehensive income	Effect of acquisition of subsidiaries	Ending balance as of December 31, 2022
Temporary differences					
Unrealized bad debt expense	$29	$780	$-	$-	$809
Unrealized foreign exchange gains and losses	976	(2,022)	-	2,565	1,519
Gain on land revaluation	-	-	-	(3,551)	(3,551)
Fiscal and tax differences in amortization of intangible assets	(6,276)	(147)	-	(54,168)	(60,591)
Fiscal and tax differences in depreciation of fixed assets	(5,710)	(70)	-	(7,882)	(13,662)
Unrealized loss on inventory valuations	1,178	-	-	-	1,178
Defined benefit liability, non-current	3,749	(1,524)	(427)	-	1,798
Defined benefit asset, non-current	(2,658)	(131)			(2,789)
Others	701	(331)	-	335	705
Unused tax losses	-	7,438	-	-	7,438
Deferred tax (expense)/ income		$3,993	$(427)	$(62,701)	
Net deferred tax assets/(liabilities)	$(8,011)				$(67,146)
Reflected in balance sheet as follows:					
Deferred tax assets	$7,217				$15,516
Deferred tax liabilities (Adjusted)	$15,228				$82,662

C. The information of the unused tax losses for the Group is as follows:

	Unused tax losses		
	As of December 31,		
Year	2023	2022	Expiration year
2012	$-	$9,217	2022
2013	23,777	23,777	2023
2014	31,975	31,975	2024
2015	-	-	2025
2016	35,511	40,104	2026
2017	672,598	703,780	2027
2018	57,037	48,250	2028
2019	35,425	45,543	2029
2020	198,221	179,621	2030
2021 (predicted)	94,772	72,993	2031
2022 (predicted)	100,377	53,691	2032
2023 (predicted)	170,394	-	2033
Subtotal	1,420,087	1,208,951	
Foreign subsidiaries	992,199	210,150	
Total	$2,412,286	$1,419,101	

D. As of December 31, 2023 and 2022, the total amount of unrecognized deferred tax assets in respect of tax losses, investment credits, foreign tax credit and capital expenditure losses in the balance sheet amounted to NT$2,324,754 thousand and NT$2,781,742 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company and its subsidiaries in Taiwan is as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2020
Subsidiary - Loftstar Interactive Entertainment Inc.	Assessed and approved up to 2021
Subsidiary - Activision Entertainment Ltd.	Assessed and approved up to 2021
Subsidiary - Gamebase Digital Media Corporation	Assessed and approved up to 2021
Subsidiary - Uniplus Electronics Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Red Sunrise Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Lanjing Ltd.	Assessed and approved up to 2021
Subsidiary - Jiwei Technology Ltd.	Assessed and approved up to 2021
Subsidiary - Sun Tech Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Chander Electronics Corp.	Assessed and approved up to 2020
Indirect subsidiary - Green Bless Co., Ltd.	Assessed and approved up to 2021
Indirect subsidiary - Hang Zheng Technology Co., Ltd.	Assessed and approved up to 2021
Indirect subsidiary - San Jiang Electric MFG. Co., Ltd.	Assessed and approved up to 2021
Indirect subsidiary - Toptrend Technologies Corp.	Assessed and approved up to 2021

(28) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022 (Adjusted)
(A) Basic earnings (losses) per share		
Net (loss) income attributable to ordinary equity holders of the Company (in thousand NT$)	$(335,127)	$618,795
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,735	99,877
Basic earnings (losses) per share (NT$)	$(3.39)	$6.20
(B) Diluted earnings per share		
Net (loss) income attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$(335,127)	$618,795
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	98,735	99,877
Effect of dilution:		
Employee compensation-stock (in thousands)	(Note)	81
Weighted average number of ordinary shares outstanding after dilution (in thousands)	(Note)	99,958
Weighted average outstanding ordinary shares (effects adjusted after dilution) (in thousands)	98,735	99,958
Diluted earnings (losses) per share (NT$)	$(3.39)	$6.19

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

Note: For the year ended December 31, 2023, the net loss caused the potential ordinary shares into anti-dilutive.

(29) Business combinations

A. Obtain control of subsidiaries

(A) Acquisition of Uniplus Electronic Co., Ltd.

As the Company obtained the substantial controls over Uniplus Electronics Co., Ltd. in September 2021, it was consolidated as the Company’s subsidiary from the control acquisition date.

The non-controlling interest was measured by the proportionate share of Uniplus Electronics Co., Ltd.’s identifiable net assets.

The fair value of the identifiable assets and liabilities of Uniplus Electronics Co., Ltd. as at the date of acquisition are as follows:

	Fair value as at the date of acquisition
Cash and cash equivalents	$282,327
Financial assets at amortized cost, current	107,080
Notes and accounts receivable	108,677
Other receivables	969
Current income tax assets	1,185
Inventories	88,748
Prepayments	31,252
Other current assets	2,032
Financial assets at fair value through other comprehensive income, non-current	77,369
Financial assets at amortized cost, non-current	3,000
Property, plant and equipment	34,159
Intangible assets	51,993
Right-of-use assets	67,358
Deferred tax assets	303
Refundable deposits	5,417
Other noncurrent assets	1,940
Notes and accounts payable	(22,813)
Other payables	(16,933)
Other payables-related parties	(100)
Current income tax liabilities	(302)
Other current liabilities	(926)
Deferred tax liabilities	(17,316)
Lease liabilities	(67,597)
Other noncurrent liabilities	(2,766)
Total net assets of Uniplus Electronics Co., Ltd. and its subsidiaries	735,056
Percentage of ownership	34.39%
Net assets attributed based on percentage of ownership	252,785
Fair value of the equity investment on the date of acquisition	350,000
Goodwill	$97,215
Gain on disposal of investment accounted for using the equity method	
Fair Value of remaining investments	$160,048
Less: Carrying amount of net assets on the disposal date	(160,553)
Gains (losses) on disposal of investments	$(505)

Cash outflow of acquiring the subsidiary

Cash consideration paid	$350,000
Less: Balance of cash and equivalent cash acquired	(282,327)
Cash outflow of acquiring the subsidiary, net	$67,673

The Group had sought an independent appraisal of the assets held by Uniplus Electronics Co., Ltd. and its subsidiaries and the purchase price allocation was completed in July 2022. According to the purchase price allocation result, the fair value on the acquisition date was NT$735,056 thousand, an increase of NT$58,781 thousand compared to the provisional value.

(B) Acquisition of Red Sunrise Co., Ltd.

The Group acquired 5,476 thousand shares of Red Sunrise Co., Ltd. in a private placement with 55.03% shareholdings in January 2022. As the Company obtained the substantial controls over Red Sunrise Co., Ltd., it was consolidated as the Company's subsidiary from the control acquisition date.

The non-controlling interest of was measured by the proportionate share of Red Sunrise Co., Ltd.'s identifiable net assets.

The fair value of the identifiable assets and liabilities of Red Sunrise Co., Ltd. as at the date of acquisition are as follows:

	Carrying amount
Cash and cash equivalents	$208,145
Notes and accounts receivable	108,438
Other receivables-related parties	577
Current income tax assets	1,457
Prepayments	4,491
Other financial assets, current	630,388
Other current assets	238
Property, plant and equipment	5,404
Intangible assets	20,743
Refundable deposits	2,838
Notes and accounts payable	(1,847)
Other payables	(14,005)
Contract liabilities, current	(9,785)
Other current liabilities	(839,764)
Deferred tax liabilities	(4,014)
Guarantee deposits	(16,365)
Total net assets of Red Sunrise Co., Ltd. and its subsidiaries	96,939
Non-controlling interests	(8,676)
Total net assets attributed to Red Sunrise Co., Ltd.	88,263
Percentage of ownership	55.03%
Net assets attributed based on percentage of ownership	48,571
Fair value of the equity investment on the date of acquisition	136,899
Goodwill	$88,328

Cash outflow of acquiring the subsidiary

	Carrying amount
Cash consideration paid	$136,899
Less: Balance of cash and equivalent cash acquired	(208,145)
Cash inflow of acquiring the subsidiary, net	$(71,246)

The Group had sought an independent appraisal of the assets held by Red Sunrise Co., Ltd. and its subsidiaries and the purchase price allocation was completed in December 2022. According to the purchase price allocation result, the fair value on the acquisition date was NT$96,939 thousand, an increase of NT$16,055 thousand compared to the provisional value.

(C) Acquisition of Chander Electronics Corp.

The Group acquired 28,181 thousand shares of Chander Electronics Corp. in a private placement with 41.04% shareholdings in April 2022. As the Company obtained the substantial controls over Chander Electronics Corp., it was consolidated as the Company's subsidiary from the control acquisition date. The non-controlling interest was measured by the proportionate share of Chander Electronics Corp.'s identifiable net assets.

The fair value of the identifiable assets and liabilities of Chander Electronics Corp. and its subsidiaries on the acquisition date are as follows:

	Carrying amount
Cash and cash equivalents	$273,809
Financial assets at fair value through other comprehensive income, current	1,368
Notes and accounts receivable, net	342,660
Other receivables	4,927
Inventories	111,075
Other current assets	10,713
Other financial assets	44,151
Financial assets at fair value through other comprehensive income, non-current	29,301
Investments accounted for using the equity method	640,117
Property, plant and equipment	137,357
Right-of-use assets	2,933
Intangible assets	301,752
Deferred tax assets	4,934
Other noncurrent assets	2,868
Short-term borrowings	(282,700)
Contract liabilities, current	(41,945)
Accounts payable	(148,348)
Other payables	(48,447)
Current income tax liabilities	(5,742)
Lease liabilities, current	(1,121)
Current portion of long-term borrowings	(48,793)
Other current liabilities	(677)
Long-term borrowings	(99,525)
Deferred tax liabilities	(64,691)
Lease liabilities, non-current	(1,820)
Other noncurrent liabilities	(15)
Total net assets of Chander Electronics Corp. and its subsidiaries	1,164,141
Non-controlling interests	(256,880)
Total net assets attributed to Chander Electronics Corp.	907,261
Percentage of ownership	41.04%
Net assets attributed based on percentage of ownership	372,340
Fair value of the equity investment on the date of acquisition	520,059
Goodwill	$147,719

Cash outflow of acquiring the subsidiary

	Carrying amount
Cash consideration paid	$296,487
Less: Balance of cash and equivalent cash acquired	(273,809)
Cash outflow of acquiring the subsidiary, net	$22,678

The Group had sought an independent appraisal of the assets held by Chander Electronics Corp. and its subsidiaries and the purchase price allocation was completed. According to the purchase price allocation result, the fair value on the acquisition date was NT$1,164,141 thousand, an increase of NT$353,875 thousand compared to the provisional value.

The comparative information as of December 31, 2022 had been retrospectively adjusted to reflect the aforementioned differences. The adjusted amounts are as follows:

Increase in property, plant, and equipment	46,919
Increase in investments accounted for using the equity method	106,776
Increase in intangible assets excluding goodwill	249,970
Decrease in retained earnings	3,894
Increase in non-controlling interests	(203,526)
Decrease in goodwill	(145,230)
Increase in deferred tax liabilities	(58,803)

(D) Acquisition of Array Inc.

As the Group obtained the substantial controls over Array Inc. with additional 29.21% shares through acquiring the control of Chander Electronics Corp. in April 2022, Chander Electronics Corp. and Array Inc. were consolidated in the financial statements. The Company’s subsidiary, Jiwei Tchnology Ltd., acquired all the shares of Array Holdings for APGFIII Fund LPs in the same month, therefore, the Group held 21,172 thousand shares of Array Inc. in a private placement, with 41.42% shareholdings. The carrying amount of assets and liabilities of Array Inc. and its subsidiaries on the acquisition date are as follow:

	Carrying amount
Cash and cash equivalents	$137,034
Financial assets at fair value through other comprehensive income, current	47,633
Financial assets at amortized cost, current	117,075
Accounts receivable-third party	211,714
Other receivables	545
Inventories	44,466
Other current assets	12,777
Property, plant and equipment	13,008
Right-of-use assets	44,610
Other intangible assets	19,946
Deferred tax assets	2,591
Other noncurrent assets	1,898
Contract liabilities, current	(119,243)
Accounts payable	(21,809)
Other payables	(50,663)
Current income tax liabilities	(2,299)
Lease liabilities, current	(12,689)
Other current liabilities	(3,789)
Contract liabilities, non-current	(126,795)
Deferred tax liabilities	(3,510)
Lease liabilities, non-current	(36,586)
Other noncurrent liabilities	(3,115)
Total net assets of Array Inc. and its subsidiaries	272,799
Non-controlling interests	(35)
Total net assets attributed to Array Inc.	272,764
Percentage of ownership	41.42%
Net assets attributed based on percentage of ownership	$112,979

Array Inc. was consolidated since the Group obtained the substantial controls over Chander Electronics Corp. in April 2022, without any cash outflow.

The Group had sought an independent appraisal of the assets held by Array Inc. and its subsidiaries and the purchase price allocation was completed in 2023. According to the purchase price allocation result, the fair value on the acquisition date was NT$272,799 thousand, an increase of NT$14,038 thousand compared to the provisional value.

The comparative information as of December 31, 2022 had been retrospectively adjusted to reflect the aforementioned differences. The adjusted assets and differences of amounts are as follows:

Increase in intangible assets excluding goodwill	12,125
Decrease in retained earnings	1,797
Increase in non-controlling interests	(5,682)
Decrease in goodwill	(5,815)
Increase in deferred tax liabilities	(2,425)

(E) Acquisition of San Jiang Electric MFG. Co., Ltd.

The Group acquired 11,550 ordinary shares of San Jiang Electric MFG. Co., Ltd. from its original shareholders, Mighty Firm International Ltd. and individual shareholders, on March 6, 2023. Each share had a par value of NT$10,000 and the total amount of investment amounted to NT$1,294,000 thousand. The Group's ownership interest after the acquisition was 76.49%. As the Group obtained majority voting rights in the shareholders’ meeting and exercises control over its relevant activities, San Jiang Electric MFG. Co., Ltd. was considered a subsidiary from the acquisition date and consolidated in the financial statements from the day of gaining control.

The fair values of the identifiable assets and liabilities of San Jiang Electric MFG. Co., Ltd. as of the acquisition date are as follows:

	The fair value on the day of gaining control
Cash and cash equivalents	$85,743
Notes and accounts receivable, net	176,080
Other receivables	182
Inventories, net	606,776
Prepayments	23,906
Other current assets	25
Financial assets at fair value through other comprehensive income	31
Property, plant and equipment	589,705
Right-of-use assets	26,022
Other intangible assets	192,847
Net defined benefit assets	3,418
Other non-current assets	167,606
Short-term borrowings	(559,448)
Contract liabilities	(1,563)
Notes and accounts payable	(305,944)
Other payables	(41,035)
Lease liabilities	(26,081)
Current income tax liabilities	(75)
Other current liabilities	(733)
Long-term borrowings	(45,034)
Deferred tax liabilities	(92,419)
Guarantee deposits	(78)
Total net assets of San Jiang Electric MFG. Co., Ltd.	799,931
Fair value of the equity investment on the date of acquisition	1,294,000
Goodwill	$494,069

	The fair value on the day of gaining control
Acquisition consideration	
Cash	$794,000
Contingent consideration liabilities (recognized as other payables)	500,000
Total consideration	$1,294,000

Analysis of cash flows from acquisition:	
Cash consideration paid in current year	$794,000
Less: Balance of cash and equivalent cash acquired	(85,743)
Cash outflow of acquiring the subsidiary, net	$708,257

The Group had sought an independent appraisal of the net assets held by San Jiang Electric MFG. Co., Ltd. and the purchase price allocation was completed. According to the purchase price allocation result, the fair value on the acquisition date was NT$799,931 thousand, an increase of NT$228,544 thousand compared to the provisional assessment.

Contingent consideration

The contingent consideration for the equity acquisition has been agreed upon and was included in the purchase agreement and supplementary agreements signed with the former owners of San Jiang Electric MFG. Co., Ltd. According to the agreement terms, the Group shall make additional payments to the former owners of San Jiang Electric MFG. Co., Ltd. under the following circumstances:

(A) The financial statements of San Jiang Electric MFG. Co., Ltd. for the year ended December 31, 2022 had been audited by the auditor with an unqualified audit opinion, and the financial statements for the three month period ended March 31, 2023 had been reviewed by the auditor with an unqualified review conclusion. When the collateral agreement was reached, the Group should pay NT$100,000 thousand, with a payment deadline no later than June 30, 2023. On July 3, 2023, the Group had already completed the payment.

(B) During the year ended December 31, 2023, the Group obtained additional procurement contracts from Taiwan Power Company. Within 30 days of each contract acquired in 2023, payment was made based on the tender amount divided by NT$1,300,000 thousand, multiplied by NT$100,000 thousand. The total payment was capped at NT$100,000 thousand. The Group completed the payments on August 30, 2023.

(C) During the year ended December 31, 2023, the Group performed the procurement contract with Taiwan Power Company. The total sales amount of transformer products as recorded in the allocation notice issued by Taiwan Power Company, less material costs, resulted in an actual profit of NT$357,425 thousand for the products. When the collateral agreement was reached, the Group should pay NT$350,000 thousand, with a payment deadline no later than June 30, 2024.

(D) Before December 31, 2024, all major suppliers of components and materials required to produce transformers by San Jiang Electric MFG. Co., Ltd. had entered into long-term supply agreements with San Jiang Electric MFG. Co., Ltd. in writing. Furthermore, the supply terms of the major suppliers could meet the production capacity requirements of San Jiang Electric MFG. Co., Ltd. in practice. When the collateral agreement was reached, the Group paid NT$50,000 thousand, with a payment deadline no later than December 31, 2024.

(E) From the settlement date to March 31, 2024, no transformer products inspected by Taiwan Power Company had been or reasonably expected to be fined by Taiwan Power Company for an amount exceeding NT$50,000 thousand. The Group will pay NT$50,000 thousand less the fines or expected fines, with a payment capped at NT$50,000 thousand payable no later than April 30, 2024.

(F) During the year ended December 31, 2024, the cumulative amount of additional procurement contracts acquired from Taiwan Power Company reached NT$500,000 thousand. The Group will pay NT$50,000 thousand, with the payment deadline no later than December 31, 2024.

B. Equity transactions with non-controlling interests

(A) The Company additionally acquired 680,000 shares of Red Sunrise Co., Ltd. in July 2023, paying a cash consideration of NT$14,620 thousand to non-controlling interest shareholders. The carrying amount of net assets of Red Sunrise Co., Ltd. (initial acquisition and without goodwill) amounted to NT$188,235 thousand. The equity in Red Sunrise Co., Ltd. acquired additionally including a decrease in non-controlling interests is as follow:

	Carrying amount
Considerations paid in cash	$14,620
Decrease in non-controlling interests	(9,186)
Difference recognized as additional paid-in capital in equity	$5,434

(B) Array Inc. acquired 100% shareholdings of Array Taiwan Inc. from Jiwei Technology Ltd. in the amount of NT$10,000 thousand in January 2023. As the aforementioned transactions didn’t change the Group’s controls over the subsidiaries, the Group regarded it as an equity transaction.

	Carrying amount
Consideration paid in cash	$(10,000)
Carrying amount of the net assets of the subsidiary	8,171
Differences between actual consideration and carrying value	$(1,829)
Line items adjusted for equity transactions	
Retained earnings	$1,829

(C) The Company’s subsidiary, Chander Electronics Corp, increased its interest in Toptrend Technologies Corp. by 32.52% and 27.23% in April and October 2022, respectively, and eventually increased its interest from 30% to 89.75%.

	Carrying amount
Consideration paid in cash	$(117,643)
Consideration exchange in share	(95,258)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	227,133
Difference in equity transaction	$14,232
Unappropriated earnings	$14,232

(D) The Company’s subsidiary, Jiwei Technology Ltd., acquired 50% shareholdings of Array Holdings for APGDIII Fund LPs from Quan Zhe Investment Co., Ltd. amounted to NT$100,567 thousand, which contributed to 12.21% shareholdings of Array Inc. The shareholdings increased from 29.21% to 41.42%. As the aforementioned transactions didn’t change the Group’s controls over the subsidiaries, the Group regarded it as an equity transaction.

	Carrying amount
Consideration paid in cash	$(59,294)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	56,171
Differences between actual consideration and carrying value	$(3,123)

Line items adjusted for equity transactions	
Unappropriated earnings	$(3,113)
Exchange differences resulting from translating the financial statements of foreign operations	(10)
Difference in equity transaction	$(3,123)

(30) Changes in subsidiaries' ownership

Acquisition of additional interest of a subsidiary

The Group acquired 150 thousand shares with voting rights issued by Seconds Media Corp. on October 4, 2023, and the Group's shareholding ratio increased from 66.67% to 100%. The cash consideration paid to non-controlling interests was NT$500 thousand, and the carrying amount of Seconds Media Corp.'s net assets (initial acquisition and without goodwill) was NT$1,620 thousand. The equity of Seconds Media Corp.'s equity acquired additionally, including a decrease in non-controlling interests and adjustment of accumulated other comprehensive income, are as follows:

Cash consideration paid to non-controlling interests	$500
Decrease in non-controlling interests	(540)
Differences recognized as additional paid-in capital in equity	$(40)

Sale of issued shares of a subsidiary

The Group disposed of 0.72% of the voting shares of Chander Electronics Ltd. during December 2023, decreasing the Group's shareholdings to 42.49%. The cash consideration acquired was NT$24,461 thousand, and the carrying amount of Chander Electronics Ltd.'s net assets (initial acquisition and without goodwill) was NT$860,714 thousand as of December 31, 2023. The equity adjustments due to the sale of Chander Electronics Ltd., including the decrease in non-controlling interests and adjustment of accumulated other comprehensive income, are as follow:

Cash consideration paid to non-controlling interests	$(860,714)
Increase in non-controlling interests	843,486
Differences recognized as additional paid-in capital in equity	$(17,228)

Acquire subsidiaries' shares newly issued different from to the original ownership interest

A. Uniplus Electronics Co., Ltd.

Uniplus Electronics Co., Ltd. increased its capital on February 22, 2023. The Group fully subscribed to the shares, thereby increasing the shareholdings to 43.76%. The cash obtained from the capital increase was NT$0 thousand, and the carrying amount of Uniplus Electronics Co., Ltd.'s net assets (initial acquisition without goodwill) was NT$929,394 thousand. The equity adjustments related to Uniplus Electronics Co., Ltd. are as follows:

Cash obtained from the capital increase	$-
Increase in non-controlling interests	(40,855)
Differences recognized as additional paid-in capital in equity	$(40,855)

B. Array, Inc.

Array, Inc. increased its capital on March 30, 2023. As the Group did not proportionally acquire shares newly issued to its original ownership interest, the Group's shareholdings ratio was reduced to 36.43%. The cash obtained from the capital increase amounted to NT$89,880 thousand, and the carrying amount of Array, Inc.'s net assets (initial acquisition without goodwill) was NT$302,527 thousand. The equity adjustments related to Array, Inc. are as follows:

Cash obtained from the capital increase	$89,880
Increase in non-controlling interests	(67,746)
Differences recognized as additional paid-in capital in equity and retained earnings	$22,134

C. Hang Zheng Technology Co., Ltd.

Hang Zheng Technology Co., Ltd. increased its capital on August 10, 2023. As the Group did not acquire shares newly issued to its original ownership interest, the Group's interest was reduced to 55%. The cash obtained from the capital increase amounted to NT$45,000 thousand, and the carrying amount of Hang Zheng Technology Co., Ltd.'s net assets (initial acquisition without goodwill) was NT$92,093 thousand. The equity adjustments related to Hang Zheng Technology Co., Ltd. are as follows:

Cash obtained from the capital increase	$45,000
Increase in non-controlling interests	(41,442)
Differences recognized as additional paid-in capital in equity	$3,558

D. Quan Zhe Metal Corp.

Quan Zhe Metal Corp. conducted a capital increase in 2023, but the Group did not subscribe in proportion to its shareholdings, resulting in the shareholding ratio deduction from 100% to 82.81%. The following summarized the effect of changes in equity of Chander Electronics Ltd. due to changes in the ownership interest of Quan Zhe Metal Corp.:

Carrying amount transferred to non-controlling interests	$(386)
Consideration received from non-controlling interests	516
Differences recognized as additional paid-in capital in equity	$130

Cancellation of treasury shares of a subsidiary

A. Toptrend Technologies Corp.

Toptrend Technologies Corp. cancelled its treasury shares in September 2023, increasing the Group's shareholding ratio to 94.37%. The following summarized the effect of changes in equity of Chander Electronics Ltd. due to changes in the ownership interests of Toptrend Technologies Corp.:

Increase in equity after the cancellation of treasury shares of Toptrend Technologies Corp.	$19,509
Additional paid-in capital -recognized increase in ownership interests of Toptrend Technologies Corp.	19,509

(31) Disposal of the material assets

On July 1, 2022, the shareholders' meeting of the Company approved to dispose the material assets, the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only), and granted the Board of Directors an authorization to dispose the assets as follows:

A. The total transaction price of the Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) transfer shall not be lower than NT$2.2 billion.

B. Or sole license the IP of Chinese Paladin (in Mainland China only) to the third party based on a long-term license agreement.

A resolution was passed at a Board of Directors meeting held on August 5, 2021 to dispose of the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) in the following ways:

A. Counterparty and price: CMGE Technology Group Limited, at a price of HK$641.84 million, approximately NT$2,312,550 thousand.

B. Broker: Hongkong Siyuan Group Limited; Broker fee: HK$3,209.2 thousand, approximately NT$115,627 thousand.

C. The Company has transferred the interests of Softstar Technology (Beijing) Co., Ltd. and the IP of Chinese Paladin (in Mainland China only) through Time Vision International Limited, a subsidiary of the Company. Time Vision International has disposed its subsidiary, Best Classic International Limited, to transfer 49% shareholdings of Softstar Technology (Beijing) Co., Ltd. and disposed another subsidiary, Mighty Leader Limited, to transfer the IP of Chinese Paladin (in Mainland China only). These relevant disposal procedures have been completed in the end of 2021, and all the directly related interests reclassed to groups held for sale of NT$456,535 thousand has been derecognized. For the year ended December 31, 2022, the Group had received all the consideration.

(32) Subsidiaries with material non-controlling interests

Financial information of the subsidiaries with material non-controlling interests are provided below:

Proportion of equity interests held by non-controlling interests:

Name	Country of operation	As of December 31, 2023	As of December 31, 2022
Uniplus Electronics Co., Ltd. and its subsidiaries	Taiwan	56.24%	65.61%
Chander Electronics Corp. and its subsidiaries	Taiwan	57.51%	56.79%

Note: The aforementioned percentage of equity interests refers to the total shareholding ratio of non-controlling interests. As Uniplus Electronics Co., Ltd. and Chander Electronics Corp. both hold subsidiaries, the information below is their consolidated financial information.

Accumulated balance of material non-controlling interests:	As of December 31, 2023	As of December 31, 2022 (Adjusted)
Uniplus Electronics Co., Ltd. and its subsidiaries	$485,482	$358,862
Chander Electronics Corp. and its subsidiaries	$650,152	$680,195

Profit (loss) allocated to material non-controlling interests:	As of December 31, 2023	As of December 31, 2022 (Adjusted)
Uniplus Electronics Co., Ltd. and its subsidiaries	$(110)	$(1,990)
Chander Electronics Corp. and its subsidiaries	$(32,975)	$2,580

The summarized financial information of the subsidiaries is provided below; the information is based on amounts before inter-company eliminations.

Summarized information of profit or loss for the year ended December 31, 2023:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating revenue	$1,189,052	$707,966
Profit (loss) for current period from continuing operations	13,414	(44,686)
Total comprehensive income for current period	$225,473	$(5,282)

Summarized information of profit or loss for the year ended December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating revenue	$323,262	$1,017,451
Profit (loss) for current period from continuing operations	17,325	(7,855)
Total comprehensive income for current period	$92,184	$25,625

Summarized information of assets and liabilities as of December 31, 2023:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Current assets	$1,399,739	$485,692
Non-current assets	2,041,538	797,681
Current liabilities	1,695,215	332,540
Non-current liabilities	468,545	67,067

Summarized information of assets and liabilities as of December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Current assets	$486,519	$698,403
Non-current assets	399,682	773,708
Current liabilities	40,281	462,769
Non-current liabilities	33,876	113,547

Summarized cash flow information for the year ended December 31, 2023:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating activities	$(21,827)	$(11,640)
Investing activities	(723,694)	(11,045)
Financing activities	693,952	(89,526)
Effect of exchange rate	-	10
Net decrease in cash and cash equivalents	(51,569)	(112,201)

Summarized cash flow information for the year ended December 31, 2022:

	Uniplus Electronics Co., Ltd. and its subsidiaries	Chander Electronics Corp. and its subsidiaries
Operating activities	$67,846	$(63,079)
Investing activities	(128,841)	117,889
Financing activities	(14,205)	81,748
Effect of exchange rate	-	718
Net (decrease) increase in cash and cash equivalents	(75,200)	137,276

7. Related party transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Global Angel Investments Limited	The chairman of the Group is the chairman of this company
Bacchus Wine Group Co., Ltd.	The chairman of the Group is the chairman of this company
Care & Love Wine Co., Ltd.	The chairman of the Group is the chairman of this company
A.R.T. Games Co., Ltd.	Associate
Double Edge Entertainment Corp.	Associate
Niusnews Co., Ltd.	Associate
Heshan Ltd.	The juridical director of the Group’s subsidiary
Jiangsu Dingmao Amorphous Technology Inc. (Note)	The general manager of the Group’s sub-subsidiary is the chairman of this company
Mr. Jiun-Kuang, Tu	Chairman
Mr. Jiun-Rung, Tu	The chairman of the Group’s subsidiary
Mr. Bau-Lin, Lu	The chairman of the Group’s subsidiary
Mr. Yuan-Kai, Wang	The chairman of the Group’s sub-subsidiary
Galaxy Power Holdings Limited	Other related parties
Starlight Gaming India Private Limited	Other related parties

Note: Since the acquisition date in March 2023, San Jiang Electric MFG. Co., Ltd. had been included in the consolidated entities, therefore, Jiangsu Dingmao Amorphous Technology Inc. was considered as other related party of the Group.

Significant transactions with the related parties

(1) Sales

	For the years ended December 31,	
	2023	2022
Sale of goods		
Other related parties		
Care & Love Wine Co., Ltd.	$8,393	$12,093
Bacchus Wine Group Co., Ltd.	1,493	8,594
Associates		
Niusnews Co., Ltd.	63	766
Rendering of services		
Other related parties		
Galaxy Power Holdings Limited	2,248	534
Bacchus Wine Group Co., Ltd.	625	1,307
Care & Love Wine Co., Ltd.	-	450
Total	$12,822	$23,744

The sales terms of the above related parties were determined through mutual agreement. The collection period from sales to the related party customers are 30~60 days, which is not significantly different from that with unrelated parties.

(2) Purchases

	For the years ended December 31,	
	2023	2022
Other related parties		
Jiangsu Dingmao Amorphous Technology Inc.	$66,350	$-
Bacchus Wine Group Co., Ltd.	13,257	22,007
Galaxy Power Holdings Limited	527	148
Associates		
Double Edge Entertainment Corp.	270	444
Niusnews Co., Ltd.	300	-
Total	$80,704	$22,599

The purchase price and collection terms to related parties are similar to those to third party customers for the purchase between the Group and related parties.

(3) Operating cost

	For the years ended December 31,	
	2023	2022
Other related parties		
Starlight Gaming India Private Limited (Note)	$16,921	$-
Global Angel Investments Limited	4,596	2,834
Bacchus Wine Group Co., Ltd.	1,639	3,013
Mr. Bau-Lin, Lu	1,200	-
Heshan Ltd.	1,143	-
Care & Love Wine Co., Ltd.	406	385
Total	$25,905	$6,232

Note: It was the transaction between Softstar Entertainment Inc. and Starlight Gaming India Private Limited before Starlight Gaming India Private Limited was consolidated.

(4) Other operating cost

	For the years ended December 31,	
	2023	2022
Associates		
Niusnews Co., Ltd.	$-	$185

(5) Accounts receivable-related parties

	As of December 31,	
	2023	2022
Other related parties		
Bacchus Wine Group Co., Ltd.	$4,970	$7,509
Galaxy Power Holdings Limited	1,577	-
Care & Love Wine Co., Ltd.	826	3,939
Associates		
Niusnews Co., Ltd.	-	-
Total	$7,373	$11,448

(6) Notes receivable-related parties

	As of December 31,	
	2023	2022
Associates		
Niusnews Co., Ltd.	$	$804

(7) Other receivable-related parties

	As of December 31,	
	2023	2022
Associates		
Niusnews Co., Ltd.	$763	$106

(8) Prepayments

	As of December 31,	
	2023	2022
Other related parties		
Galaxy Power Holdings Limited	$14,244	$14,286
Global Angel Investments Limited	435	165
Bacchus Wine Group Co., Ltd.	100	-
Others	-	-
Associates		
Double Edge Entertainment Corp.	904	1,079
A.R.T. Games Co., Ltd.	-	7,619
Total	$15,683	$23,149

Prepayment-related parties relates to prepayments for game royalties and technical service expenses.

(9) Refundable deposits

	As of December 31,	
	2023	2022
Other related parties		
Global Angel Investments Limited	$1,839	$1,485

(10) Other payables-related parties

	As of December 31,	
	2023	2022
Other related parties		
Heshan Ltd.	$100	$100
Mr. Bau-Lin, Lu	88	-
Associates		
Niusnews Co., Ltd.	-	300
Bacchus Wine Group Co., Ltd.	-	229
Care & Love Wine Co., Ltd.	-	176
Total	$188	$805

(11) Property transactions

The Company sold property, plant, and equipment to related parties, and the amounts are as follows:

	As of December 31,	
	2023	2022
Other related parties		
Bacchus Wine Group Co., Ltd.	$26	$-

(12) Lease-related parties

A. Right-of-use assets

	As of December 31,	
	2023	2022
Other related parties		
Global Angel Investments Limited	$5,736	7,548

B. Lease liabilities

	As of December 31,	
	2023	2022
Other related parties		
Global Angel Investments Limited		
Lease liabilities, current	$1,819	$1,795
Lease liabilities, non-current	4,028	5,847
Total	$5,847	$7,642

C. Interest expenses

	For the years ended December 31,	
	2023	2022
Other related parties		
Bacchus Wine Group Co., Ltd.	$278	$-
Global Angel Investments Limited	91	$115
Total	$369	$115

D. For the years ended December 31, 2023 and 2022, the Group's rental payments for leasing the offices from other related parties were paid monthly through remittance or checks. For the years ended December 31, 2023 and 2022, the amounts were paid NT$7,536 thousand and NT$3,772 thousand, respectively.

(13) As of December 31, 2023, the Group obtained financing from financial institutions which were endorsed and guaranteed by other related parties (Mr. Jiun-Kuang, Tu, Mr. Jiun-Rung, Tu and Mr. Yuan-Kai, Wang).

(14) On October 4, 2023, the Group acquired 33.33% of the voting shares of Seconds Media Corp. from Niusnews Co., Ltd. in the amount of NT$500 thousand, resulting in an increase in the shareholdings to 100%.

(15) In the three-month period ended March 31, 2023, the Group acquired JiangFu Enterprise Co., Ltd. from individual shareholders, including Jiang, Jia-Shi, Jiang, Man-Shi, and other individual shareholders for NT$6,000 thousand, resulting in 100% shareholdings.

(16) Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$77,395	$72,240
Post-employment benefits	905	640
Other long-term benefits	1,800	912
Share-based payment	538	232
Total	$80,638	$74,024

8. Assets pledged as security

The following table lists assets of the Group pledged as security:

Items	Carrying amount December 31, 2023	Carrying amount December 31, 2022	Secured liabilities
Other financial assets, current	$110,077	$154,249	Short-term borrowings and current portion of long-term borrowings, collateral for letter of credit and customs duty guarantee
Other financial assets, non-current	205,166	23,345	Long-term borrowings, collateral for letter of credit, customs duty guarantee, bank credits and merchant services and performance bond
Land and buildings	586,459	87,963	Long-term and short-term borrowings secured by land and buildings
Shares of subsidiary Toptrend Technologies Corp.	385,328	355,908	Long-term borrowings
Shares of subsidiary Chander Electronics Corp.	74,084	-	Short-term borrowings
Shares of associate Neweb Technologies Co., Ltd.	449,573	332,919	Long-term borrowings
Total	$1,810,687	$954,384	

(a) Uniplus Electronics Co., Ltd. pledged 5,326 thousand ordinary shares of the Company as equity collateral for long-term borrowings.

(b) Array Networks, Inc. (Array US) obtained borrowings from Cathay Bank. According to the provisions of the Uniform Commercial Code of the United States, the creditor has priority security rights over the entire assets of the borrower.

9. Commitments and contingencies

(1) As of December 31, 2023, amounts available under unused letters of credit of the Group were NT$70,435 thousand.

(2) On September 28, 2022, Uniplus Electronics Co., Ltd. signed the agreement of limited partnership with Outstanding Capital Limited Partnership and promised to invest NT$30,000 thousand. As of December 31, 2023, the accumulated investment amount was NT$9,000 thousand and accounted for financial assets at fair value through profit or loss.

(3) As of December 31, 2023, San Jiang Electric MFG. Co., Ltd. issued bank guarantee notes for material purchases in the amount of NT$74,988 thousand.

(4) In response to the content reported by Mirror Weekly (i.e. " "Mirror Media Inc." ") in February 2023, "The manufacturer surrendered to huge fake transactions, Chander Electronics Corp. was involved in false financial reports," Chander Electronics Corp. recognized that it was obviously inconsistent with the facts, and therefore filed a lawsuit against Mirror Weekly in Taiwan Taipei District Court for civil tort damages, seeking compensation of NT$5,000 thousand from Mirror Weekly and related parties. It also requested the court to order Mirror Weekly to remove the false reports and publish a correction notice. As of December 31, 2023, this case was still under trial in the Court.

10. Loss due to major disasters

None.

11. Significant subsequent events

(1) On January 23, 2024, the Board of Directors of the Company approved the capital increase by cash of Zhu International Group Inc., with NT$10 per share and a total of 15,000 thousand ordinary shares, in the amount of NT$150,000 thousand. The Company subscribed to a total of 10,000 thousand ordinary shares, in the amount of NT$100,000 thousand, reducing its ownership from 100% to 66.88%.

(2) The Company had applied to the Financial Supervisory Commission for a capital increase of 5,200 thousand new shares issuance by cash at a par value of NT$10, as well as the issuance of the second domestic unsecured convertible corporate bonds, each with a face value of NT$100,000, the maximum number of bonds to be issued was 3,000, and the total maximum face value of the issuance was NT$300,000 thousand. The issuance would be at 100% to 101% of the face value, subject to approval of the competent authority.

(3) On January 23, 2024, the Board of Directors of Uniplus Electronics Co., Ltd. resolved to issue restricted stocks of 4,050,000 shares to the employees, with a par value of NT$0 per share, meaning to distribute the shares to employees without consideration. The capital increase base date was set on January 23, 2024.

(4) On January 24, 2024, the Board of Directors of Red Sunrise Co., Ltd. resolved the capital increase by cash, at the price of NT$14 per share and a total of 1,500 thousand ordinary shares, in the amount of NT$21,000 thousand. This issuance reserved 15% for preemptive subscription by employees in accordance with the Company Act, and the remaining 85% was subscribed by original shareholders proportionately. The capital increase base date was set on February 21, 2024.

12. Others

(1) Categories of financial instruments

Financial assets	As of December 31,	
	2023	2022
Financial assets at fair value through profit or loss	$68,032	$47,467
Financial assets at fair value through other comprehensive income	122,299	69,519
Financial assets measured at amortized cost		
Cash and cash equivalents (except for cash on hand)	842,412	1,589,062
Notes receivable	7,834	11,506
Notes receivable-related parties	-	804
Accounts receivable	1,010,573	873,506
Accounts receivable-related parties	7,373	11,448
Other receivables	30,917	8,263
Other receivables-related parties	763	106
Other financial assets, current	311,687	392,179
Refundable deposits	30,469	24,517
Other financial assets, non-current	205,166	23,345
Total	$2,637,525	$3,051,722

Financial liabilities	As of December 31,	
	2023	2022
Financial liabilities at amortized cost:		
Short-term borrowings	$1,043,669	$441,181
Notes payable	24,885	4,975
Accounts payable	561,340	186,745
Accounts payable-related parties	-	-
Other payables	745,991	297,016
Other payables-related parties	188	805
Long-term borrowings (including current portion)	765,536	258,251
Lease liabilities	179,093	139,933
Guarantee deposits	26,164	23,486
Total	$3,346,866	$1,352,392

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and RMB. The information of the sensitivity analyses as follows:

A. When NTD strengthens/weakens against USD by 1%, the profit or loss for the years ended December 31, 2023 and 2022 is decreased/increased by NT$2,619 thousand and NT$8,433 thousand, respectively.
B. When NTD strengthens/weakens against RMB by 1%, the profit or loss for the years ended December 31, 2023 and 2022 is decreased/increased by NT$292 thousand and NT$723 thousand, respectively.
C. When NTD strengthens/weakens against JPY by 1%, the profit or loss for the years ended December 31, 2023 and 2022 is decreased/increased by NT$5 thousand and NT$39 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's investment of debt instruments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group managed interest rate risk by sustaining appropriate combination of fixed and floating interest rate, but it's not applicable to hedge accounting because of not meeting the criteria of hedge accounting.

The sensitivity analysis of the interest rate risk pertains primarily to the interest rate exposure items at the end of financial statement reporting period, including borrowings with floating rate. Assuming holding in a whole fiscal year, an increase/ decrease of 10% in interest rate, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by NT$1,282 thousand and NT$638 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions. An increase/decrease of 10% in the price of the listed companies' stocks classified as equity instruments investments measured at fair value through other comprehensive income could have an impact of NT$1,004 thousand and NT$948 thousand on the equity attributable to the Group for the years ended December 31, 2023 and 2022, respectively.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for contract assets, accounts receivables and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all trading partners based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain trading partners' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023 and 2022, contract assets and accounts receivable from top ten customers represent 64.52% and 40.61% of the total accounts receivables of the Group, respectively. The credit concentration risk of other accounts receivable is relatively insignificant.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies, and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as of the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
As of December 31, 2023					
Accounts payable (including other payables)	$1,332,504	$-	$-	$-	$1,332,504
Short-term borrowings	1,079,928	-	-	-	1,079,928
Long-term borrowings (including estimated interest)	239,869	544,354	-	-	784,223
Lease liabilities (Note)	68,373	97,192	20,291	-	185,856
As of December 31, 2022					
Accounts payable (including other payables)	$489,541	$-	$-	$-	$489,541
Short-term borrowings	452,866	-	-	-	452,866
Long-term borrowings (including estimated interest)	124,367	128,270	7,492	-	260,129
Lease liabilities (Note)	51,470	67,986	26,021	-	145,477

Note: Including cash flows resulted from short-term leases or leases of low-value assets.

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits	Total liabilities from financing activities
As of January 1, 2023	$441,181	$258,251	$139,933	$5,269	$844,634
Cash flows	43,040	462,250	(64,067)	2,600	443,823
Non-cash changes	559,448	45,035	103,227	18,295	726,005
As of December 31, 2023	$1,043,669	$765,536	$179,093	$26,164	$2,014,462

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Long-term borrowings (including current portion)	Lease liabilities	Guarantee deposits	Total liabilities from financing activities
As of January 1, 2022	$-	$150,151	$81,119	$990	$232,260
Cash flows	158,481	(40,218)	(48,136)	(12,101)	58,026
Non-cash changes	282,700	148,318	106,950	34,597	572,565
As of December 31, 2022	$441,181	$258,251	$139,933	$23,486	$862,851

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(A) The carrying amount of cash and cash equivalents, accounts receivables, refundable deposits, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(B) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(C) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method or income approach valuation techniques. The market method valuation is based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities). The income method is based on the estimated recoverable amount of the present value of similar financial assets that are expected to be received from cash dividends or disposals of investments.

(D) Fair value of debt instruments without market quotations, bank loans, bonds payable and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument (such as yield curves published by the GreTai Securities Market, average prices for Fixed Rate Commercial Paper published by Reuters and credit risk, etc.)

(E) The fair value of derivatives which are not options and without market quotations, is determined based on the counterparty prices or discounted cash flow analysis using interest rate yield curve for the contract period. Fair value of option-based derivative financial instruments is obtained using on the counterparty prices or appropriate option pricing model (for example, Black-Scholes model) or other valuation method (for example, Monte Carlo Simulation).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Group's financial assets and financial liabilities measured at amortized cost is approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12 (8) for fair value measurement hierarchy for financial instruments of the Group.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$13,306	$-	$-	$13,306
Limited partnership	-	-	51,726	51,726
Film investment agreement	-	-	3,000	3,000
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	3,085	6,951	112,263	122,299

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Fund	$12,562	$-	$-	$12,562
Limited partnership	-	-	31,905	31,905
Film investment agreement	-	-	3,000	3,000
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	3,386	6,093	60,040	69,519

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets			
	Measured at fair value through profit or loss			Measured at fair value through other comprehensive income
	Limited partnership	Film investment agreement	Total	Stocks
Beginning balances as of January 1, 2023	$31,905	$3,000	$34,905	$60,040
Total gains and losses recognized for the year ended December 31, 2023				
Amount recognized in profit or loss (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(4,936)	-	(4,936)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	-	6,773
Acquired in 2023	24,757	-	24,757	-
Reclassified in 2023	-	-	-	45,450
Ending balances as of December 31, 2023	$51,726	$3,000	$54,726	$112,263

	Assets				
	Measured at fair value through profit or loss				Measured at fair value through other comprehensiv e income
	Limited partnership	Film investment agreement	Profit sharing contract of game development and publishing	Total	Stocks
Beginning balances as of January 1, 2022	$37,894	$-	$17,143	$55,037	$93,524
Total gains and losses recognized for the year ended December 31, 2022					
Amount recognized in profit or loss (presented in "Unrealized gains (losses) from financial asset at fair value through profit or loss)	(16,788)	-	-	(16,788)	-
Amount recognized in OCI (presented in "Unrealized gains (losses) from financial asset at fair value through other comprehensive income)	-	-	-	-	991
Acquisition of subsidiaries	-	-	-	-	29,285
Acquired in 2022	10,799	3,000	1,905	15,704	6,430
Disposed in 2022	-	-	-	-	(67,397)
Reclassified to investments accounted for using the equity method in 2022	-	-	-	-	(2,793)
Repaid in 2022	-	-	(19,048)	(19,048)	-
Ending balances as of December 31, 2022	$31,905	$3,000	$-	$34,905-	$60,040

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

The fair value of fund, limited partnership and unlisted stocks are estimated by the asset-based approach. The asset-based approach involves assessing the total value of individual assets and liabilities to reflect the overall value of the enterprise or business and calculating the equity value of the company based on the fair value of its net assets.

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's Finance Department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

(Expressed in thousands)

	December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$10,881	30.71	$334,104
RMB	6,739	4.34	29,248
JPY	2,356	0.22	519
Financial liabilities			
Monetary items:			
USD	2,350	30.71	72,157

	December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$29,035	30.71	$891,665
RMB	16,397	4.41	72,309
JPY	16,708	0.23	3,904
Financial liabilities			
Monetary items:			
USD	1,576	30.71	48,310

The above information is disclosed based on the carrying amount of foreign currency (after conversion of functional currency).

The Group has a variety of functional currencies, therefore the monetary impact on financial assets and liabilities impact for each individual currency cannot be disclosed. For the years ended December 31, 2023 and 2022, foreign exchange losses were NT$4,653 thousand and foreign exchange gains NT$96,340 thousand, respectively.

(10) Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosure

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

(A) Financing provided to other: Please refer to Attachment 1-1, 1-2 and 1-3.
(B) Endorsement/Guarantee provided to others: Please refer to Attachment 2.
(C) Securities held (excluding subsidiaries, associates and joint venture): Please refer to Attachment 3.
(D) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million and 20 percent of the capital stock: Please refer to Attachment 4.

(E) Business relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and amounts of any significant transactions: Please refer to Attachment 7.
(F) Names, locations and related information of investee companies (Not including investment in Mainland China): Please refer to Attachment 8.
(G) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million and 20 percent of the capital stock: Please refer to Attachment 5.
(H) Acquisition of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(I) Disposal of individual real estate with amount exceeding the lower of NT$300 million and 20 percent of the capital stock: None.
(J) Receivables from related parties with amounts exceeding the lower of NT$100 million and 20 percent of capital stock: Please refer to Attachment 6.
(K) Financial instruments and derivative transactions: None.

(2) Information on investments in mainland China

(A) Basic information: Please refer to Attachment 9-1 and 9-2.
(B) Directly or indirectly significant transactions through third regions with the investees in Mainland China: None.

(3) Information on major shareholders: Please refer to Attachment 10.

14. Segment information

For management purposes, the Group is organized into business units based on their products and services and has seven reportable operating segments as follows:

Operating Department: this segment is mainly responsible for researching, licensing, sales of products and research and development of products and licensing.

Electronic Products Department: this segment is mainly responsible for manufacturing, designing, and sales of electronic products.

Electronic Parts and Components Department: this segment is mainly responsible for sales of electronic parts and components.

Network Application Department: this segment is mainly responsible for researching, manufacturing and sale of application delivery controllers, high-end SSL VPN systems, remote desktop access solutions, application acceleration and WAN optimization controllers.

Third-payment Department: this segment is mainly responsible for third-party payment services.

Power Distribution Machinery Manufacturing Department: this segment is mainly responsible for production and sale of transformers and distribution boards.

Other Department: this segment mainly includes manufacturing and sales of beauty and skincare products, domestic and foreign liquor agent sale, and others.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

(1) The following table presents segment profit and loss of the Group' operating segments:

(Expressed in thousands)

	For the year ended December 31, 2023								
Revenue	Operating Department	Electronic Products Department	Electronic parts and components Department	Network Application Department	Third-party payment Department	Power Distribution Machinery Manufacturing Department	Other Department	Adjustment and elimination	Total
External customer	$501,391	$283,622	$693,647	$626,690	$237,477	$893,692	$25,662	$-	$3,262,181
Inter-segment	65,491	-	395	-	-	-	-	(65,886)	-
Total revenue	$566,882	$283,622	$694,042	$626,690	$237,477	$893,692	$25,662	$(65,886)	$3,262,181
Segment (loss) profit	$(245,146)	$(31,447)	$(56,685)	$8,383	$(18,367)	$39,590	$4,647	$11,805	$(287,220)

(Expressed in thousands)

	For the year ended December 31, 2022							
Revenue	Operating Department	Electronic Products Department	Electronic parts and components Department	Network Application Department	Third-party payment Department	Other Department	Adjustment and elimination	Total
External customer	$517,960	$304,078	$661,220	$398,063	$333,718	$37,095	$-	$2,252,134
Inter-segment	67,444	-	-	-	-	24	(67,468)	-
Total revenue	$585,404	$304,078	$661,220	$398,063	$333,718	$37,119	$(67,468)	$2,252,134
Segment (loss) profit (Adjusted)	$24,654	$(23,063)	$(39,061)	$(113,010)	$20,001	$40	$2,824	$(127,615)

Inter-segment revenue is eliminated on consolidation and recorded under the "adjustment and elimination" column, all other adjustments and eliminations are disclosed below.

The following table presents segment assets of the Group's operating segments as at December 31, 2023 and 2022:

Operating segment assets

	Operating Department	Electronic Products Department	Electronic Parts and Components Department	Network Application Department	Third-party Payment Department	Power Distribution Machinery Manufacturing Department	Other Department	Reportable operating segments	Adjustment and elimination	Total
December 31, 2023	$959,357	$2,448,800	$1,219,868	$864,646	$581,822	$1,112,734	$506,523	$7,693,750	$(561,280)	$7,132,470
December 31, 2022 (Adjusted)	$1,291,206	$1,082,243	$1,523,498	$794,534	$586,563	$-	$512,506	$5,790,550	$(467,990)	$5,322,560

Operating segment liabilities

	Operating Department	Electronic Products Department	Electronic Parts and Components Department	Network Application Department	Third-party Payment Department	Power Distribution Machinery Manufacturing Department	Other Department	Reportable operating segments	Adjustment and elimination	Total
December 31, 2023	$817,988	$981,316	$454,504	$480,680	$288,769	$1,183,532	$1,344	$4,208,133	$(66,243)	$4,141,890
December 31, 2022 (Adjusted)	$628,648	$180,691	$631,607	$478,007	$297,846	$-	$5,513	$2,222,312	$(171,641)	$2,050,671

Other reconciliations of reportable segments

	For the years ended December 31,	
	2023	2022 (Adjusted)
Total profit or loss for reportable segments	$(287,220)	$(127,615)

	For the years ended December 31,	
	2023	2022 (Adjusted)
Other profit or (loss)	1,578	734,958
(Loss) or profit before tax from continuing operations	$(285,642)	$607,343

(3) Geographical information

Revenue from external customers:

	For the years ended December 31,	
	2023	2022
Taiwan	$1,791,516	$831,370
Mainland China	497,229	597,893
India	376,934	239,331
United States	107,059	93,889
Other	489,443	489,651
Total	$3,262,181	$2,252,134

The revenue information above is based on the location of the customer.

Attachment 1-1: Financing provided to others - Softstar Entertainment Inc.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	Other Receivables - related parties	Yes	$100,000	$50,000	$-	3.12%	2	$-	Operating capital	$-	-	$-	$465,845	$621,127

Note 1: The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: Limit of financing amount for individual counter-party shall not exceed 30% of the Company's net value; limit of total financing amount shall not exceed 40% of the Company’s net asset value.

Attachment 1-2: Financing provided to others - Chander Electronics Corp.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Yun Fang Co., Ltd.	Chander Electronics Corp.	Other Receivables	Yes	$20,000	$-	$-	1.20%	1	$25,000	-	$-	-	$-	$25,000	$16,314

Note 1: The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: For those who have business transactions, the total amount of loans granted by Yun Fang Co., Ltd. should not exceed 600% of the net value of Yun Fang Co., Ltd., and the individual financing amount should not exceed the amount of business transactions between the two parties in the most recent year.

Note 5: All transactions listed above were eliminated in the consolidated financial statement.

(Expressed in thousands of NTD/foreign currency unless otherwise stated)

Attachment 1-3: Financing provided to others - Array Inc.

NO. (Note 1)	Lender	Counter-party	Financial statement account (Note 2)	Related party	Maximum amount of current period	Ending balance	Amount actually drawn (Note4)	Interest rate	Nature of financing (Note 3)	Amount of sales to (purchases from) counter-party	Reason for short-term financing	Loss allowance	Collateral		Limit of financing amount for individual counter-party (Note 4)	Limit of financing amount (Note 4)
													Item	Value		
1	Array Cayman	Zentry Security Inc.	-	Yes	$106,491 (USD 3,300)	$- (USD -)	$- (USD -)	-	2	$-	Operating capital	$-	-	$-	$128,280	$128,280
2	Array Inc.	Array Networks, Inc. (Array US)	-	Yes	15,353 (USD 500)	15,353 (USD 500)	15,353 (USD 500)	-	2	-	Operating capital	-	-	-	128,280	128,280

Note 1: The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Name of account in which the loans are recognized including but not limited to accounts receivables-related parties, other receivables-related parties and, current account with stockholders, prepayments, and temporary payments, etc.

Note 3: The number filled in for nature of loan are as follows:

(1) Business transaction is "1".

(2) Short-term financing is "2".

Note 4: The financing limit for each individual counter-party should not exceed 40% of the lender’s net worth as stated in its latest audited or reviewed financial statements.

(Expressed in thousands of NTD unless otherwise stated)

Attachment 2: Endorsement/Guarantee provided to others - Uniplus Electronics Co., Ltd.

No. (Note 1)	Endorsor/Guarantor	Guaranteed Party		Limits on Endorsement/Guarantee to Each Guaranteed Party (Note 3)	Maximum Balance for the Period	Ending Balance (Note 5)	Amount Actually Drawn (Note 6)	Amount of Endorsement/ Guarantee Collateralized by Properties	Ratio of Accumulated Endorsement/Guarantee Amount to Net Equity per Latest Financial Statement	Maximum Endorsement/Guarantee Amount Allowable (Note 4)	Guarantee Provided by Parent Company (Note 7)	Guarantee Provided by A Subsidiary (Note 7)	Guarantee Provided to Subsidiaries in Mainland China (Note 7)
		Company Name	Relationship (Note 2)										
1	Uniplus Electronics Co., Ltd.	San Jiang Electric MFG. Co., Ltd.	4	$1,848,890	$1,025,000	$1,025,000	$823,560	$-	83.16%	$2,465,186	Y	N	N

Note 1: The number filled in for the loans provided by the Company or subsidiaries are as follows:

(1) The Company is "0".

(2) The subsdiaries are numbered in order starting from "1".

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories:

(1) Having business relationship.

(2) The endorser/guarantor parent company owns directly more than 50% voting shares of the endorsed/guaranteed subsidiary.

(3) The endorser/guarantor parent company and its subsidiaries jointly own more than 50% voting shares of the endorsed/guaranteed company.

(4) The endorsed/guaranteed parent company directly or indirectly owns more than 90% voting shares of the endorser/guarantor subsidiary.

(5) Mutual guarantee of the trade as required by the construction contract.

(6) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.

(7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

Note 3: Fill in the limits and maximum amount on endorsement/guarantee to individual guaranteed party which are in accordance with the operating procedures of endorsement/guarantee provided to others by the Company. According to the "operating procedures of endorsement/guarantee" of Uniplus Electronics Co., Ltd., the total amount of endorsement/guarantee of Uniplus Electronics Co., Ltd. shall not exceed 200% of the net value of Uniplus Electronics Co., Ltd. for the current period and the limits on endorsement/guarantee to each guaranteed party shall not exceed 150% of the net value of Uniplus Electronics Co., Ltd. for the current period.

Note 4: Year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: Fill in the amount approved by the Board of Directors or the chairman if the chairman has been authorised by the Board of Directors based on subparagraph 8, Article 12 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: 'Y' represents cases of provision of endorsements/guarantees by listed parent company to subsidiary, provision by subsidiary to listed parent company, or provision to the party in Mainland China.

(Expressed in thousands of NTD unless otherwise stated)

Attachment 3: Securities held as of December 31, 2023

Names of companies held	Type of securities (Note 1)	Name of securities (Note 1)	Relationship with the Issuer (Note 2)	Financial statement account	December 31, 2023				Note (Note 4)
					Shares (in thousand)	Carrying amount (Note 3)	Shareholding (%)	Fair value	
Softstar Entertainment Inc.	Stock	Taiwan Smart Card Co.	-	Financial assets at fair value through other comprehensive income, non-current	2,552	$12,971	15.95	$12,971	None
Softstar Entertainment Inc.	Stock	Funfia Inc.	-	Financial assets at fair value through other comprehensive income, non-current	600	-	11.51	-	None
Softstar Entertainment Inc.	Emerging stock	Meimaii Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	266	3,085	1.22	3,085	None
Softstar Entertainment Inc.	Listed stock	Newretail Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	657	6,951	2.26	6,951	None
Softstar Entertainment Inc.	Limited partnership	Cathay Private Equity Ecology Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	9,293	16.21	9,293	None
Softstar Entertainment Inc.	Limited partnership	Cathy Private Equity Smart Technology Limited Partnership	-	Designated as financial assets at fair value through profit or loss, non-current	-	12,910	4.43	12,910	None
Softstar Entertainment Inc.	Limited partnership	Vertex Ventures (SG) SEA V LP	-	Financial assets at fair value through profit or loss, non-current	-	3,928	1.02	3,928	None
Mega Media Group Limited	Stock	BLC Group Holding Limited	-	Financial assets at fair value through other comprehensive income, non-current	678	8,352	8.82	8,352	None
Mega Media Group Limited	Stock	Boom Fintech Inc.	-	Financial assets at fair value through other comprehensive income, non-current	250	-	9.22	-	None
Uniplus Electronics Co., Ltd.	Limited partnership	Outstanding Capital Limited Partnership	-	Financial assets at fair value through profit or loss, non-current	-	8,272	4.86	8,272	None
Uniplus Electronics Co., Ltd.	Listed stock	Softstar Entertainment Inc.	Parent company	Financial assets at fair value through other comprehensive income, non-current	6,370	490,512	6.13	490,512	None
Chander Electronics Corp.	Listed stock	Array Inc.	-	Financial assets at fair value through other comprehensive income, non-current	2	48	-	48	None
Chander Electronics Corp.	Stock	Super Energy Materials Inc.	-	Financial assets at fair value through other comprehensive income, non-current	4,544	90,880	16.85	90,880	None
Chander Electronics Corp.	Listed stock	Softstar Entertainment Inc.	Parent company	Financial assets at fair value through other comprehensive income, non-current	623	47,985	0.60	47,986	None
Toptrend Technologies Corp.	Fund	Allianz Global Investors Income and Growth Fund	-	Financial assets at fair value through profit or loss, current	5	1,461	-	1,461	None
Toptrend Technologies Corp.	Limited partnership	Wisdom Capital Limited Partnership	-	Financial assets at fair value through profit or loss, current	-	17,323	-	17,323	None
Toptrend Technologies Corp.	Listed stock	Softstar Entertainment Inc.	Parent company	Financial assets at fair value through other comprehensive income, non-current	821	63,182	0.79	63,182	None
Toptrend Technologies Corp.	Stock	Hanbang Precision Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	93	60	1.56	60	None
Array US	Fund	Morgan Stanley Mutual Funds	-	Financial assets at fair value through profit or loss, current	-	11,845	-	11,845	None
Red Sunrise Co., Ltd.	Stock	Field System Inc.	-	Financial assets at fair value through other comprehensive income, non-current	10	-	2.39	-	None
Red Sunrise Co., Ltd.	Stock	Spreadsun Information Co., Ltd.	-	Financial assets at fair value through other comprehensive income, non-current	190	-	19.00	-	None

Note 1: Securities on the list refer to securities such as stocks, bonds, beneficiary certificates and securities derived from those items included in IFRS 9 “Financial Instruments”.

Note 2: Fields do not have to be filled in if the security issuer is not a related party.

Note 3: Securities which were acquired by using fair value method, please fill in amount based on calculating after adjustment from fair value minus accumulated impairment; fill in the rest amount based on original acquired cost or after amortization minus accumulated impairment.

Note 4: Listed securities due to guarantees, pledged loans, or others who are restricted by agreement shall specify in the remarks column the number of guarantees or the number of shares borrowed, the amount of the guarantee or the amount of the loan, and restrictions on use.

(Expressed in thousands of NTD unless otherwise stated)

Attachment 4: Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital

Purchaser/Seller	Marketable securities type and name (Note1)	Financial statement account	Counter -party	Relationship	Beginning balance		Acquisition		Disposal				Ending balance	
					Shares/Units	Amount	Shares/Units	Amount	Shares/Units	Amount	Carrying value	Gain/Loss on disposal	Shares/Units	Amount
Uniplus Electronics Co., Ltd.	San Jiang Electric MFG. Co., Ltd.	Investments accounted for using the equity method	Note 1	-	-	$-	12,000	$1,344,400 (Note 2 and 3)	-	$-	$-	$-	12,000	$1,344,400

Note 1: Mighty Firm International Ltd. and individual shareholder, etc.

Note 2: The acqusition price amounted to NT$844,400 thousand was paid, and an additional amount of NT$500,000 thousand was recognized in other payables.

Note 3: In March 2023, Uniplus Electronics Co., Ltd. participated in the cash capital increase of San Jiang Electric MFG. Co., Ltd. in the amount of NT$50,400 thousand, at NT$112 thousand per share, with a total of 450 shares.

Attachment 5: Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

Purchaser/Seller	Counter-party	Relationship with the counter-party	Transaction				Differences in transaction terms compared to third party transactions		Notes/accounts receivable (payable)		Note
			Purchases/ sales	Amount	Percentage of total purchases/ sales	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	
Hang Zheng Technology Co., Ltd.	Uniplus Electronics Co., Ltd.	Parent company	Purchases	$144,363	11.82%	According to the agreement	The transaction price and payment terms are not materially different from the third party.	According to the agreement	Accounts payable $49,205	12.08%	Note

Note: Eliminated in the consolidated financial statement.

Attachment 6: Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

Creditor	Counter-party	Relationship with the counter-party	Balance of receivables from related parties	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts
					Amount	Action taken		
Array US	Array Networks India Private Limited	Same parent company	Accounts receivable-related parties $148,302	0.96%	$-	-	$48,781	$-

(Expressed in thousands of NTD unless otherwise stated)

Attachment 7: Significant intercompany transactions between consolidated entities

No. (Note 1)	Company	Counter-party	Relationship (Note 2)	Business Transactions			
				Account	Amount	Term	As a percentage of consolidated revenues (Note 3)
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Operating Revenue	$46,946	Negotiated by both parties	1
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Operating Costs	7,504	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Accounts Receivable	17,127	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Other Receivables	1,659	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Prepayment	19,048	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Accounts Payable	2,120	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	1	Other Payables	10	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Gamebase Digital Media Corporation	1	Other Receivables	1,955	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Gamebase Digital Media Corporation	1	Prepayment	1,905	Negotiated by both parties	0
0	Softstar Entertainment Inc.	San Jiang Electric MFG. Co., Ltd.	1	Other Receivables	192	Negotiated by both parties	0
0	Softstar Entertainment Inc.	San Jiang Electric MFG. Co., Ltd.	1	Other Payables	438	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Red Sunrise Co., Ltd.	1	Service Revenue-others	136	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Chander Electronics Corp.	1	Other Receivables	463	Negotiated by both parties	0
0	Softstar Entertainment Inc.	Chander Electronics Corp.	1	Other Payables	7	Negotiated by both parties	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Sales Revenue	144,363	90 days monthly settlement for sales of products 30 days monthly settlement for processing fees revenue	4
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Rental Income	4,334	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Other Income	1,329	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Accounts Receivable	49,205	90 days monthly settlement for sales of products 30 days monthly settlement for processing fees revenue	1
1	Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	3	Other Receivables	4,680	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	3	Rental Income	366	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	3	Rental Income	29	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	Ruihe Investment Co.,Ltd.	3	Rental Income	14	Monthly settlement	0
1	Uniplus Electronics Co., Ltd.	San Jiang Electric MFG. Co., Ltd.	3	Other Income	2,634	Monthly settlement	0
2	Hang Zheng Technology Co., Ltd.	Uniplus Electronics Co., Ltd.	2	Sales Revenue	11,901	90 days monthly settlement for sales of products 30 days monthly settlement for processing fees revenue	0
3	Green Bless Co., Ltd.	Uniplus Electronics Co., Ltd.	2	Sales Revenue	22	Monthly settlement	0
4	Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	3	Sales Revenue	3,328	Based on regular terms	0
4	Chander Electronics Corp.	Changsha Zecheng Technology Co., Ltd.	3	Accounts Receivable	2,334	Based on regular terms	0
5	Toptrend Technologies Corp.	Changsha Zecheng Technology Co., Ltd.	3	Sales Revenue	53,511	Based on regular terms	2
5	Toptrend Technologies Corp.	Changsha Zecheng Technology Co., Ltd.	3	Accounts Receivable	36,238	Based on regular terms	1
	Array Inc.(Cayman)	Array US	3	Other Receivables-related parties	15,353	Based on regular terms	0
	Array US	Zentry Security Inc.	3	Other Receivables-related parties	97,264	Based on regular terms	1
6	Array US	Array Networks Japan Kabishiki Kaisha	3	Accounts Payable- related parties	10,506	Based on regular terms	0
	Array US	Array Networks Japan	3	Accounts Payable- related parties	9,841	Based on regular terms	0
	Array US	Array Networks India Private Limited	3	Accounts Receivable- related parties	148,302	Based on regular terms	2
6	Array US	Array Networks India Private Limited	3	Operating Revenue	104,322	Based on regular terms	3
6	Array US	Array Networks India Private Limited	3	Royalties	43,610	Based on regular terms	1
7	Array Networks Japan Kabishiki Kaisha	Array US	2	Operating Revenue	13,300	Based on regular terms	0
8	Array Networks India Private Limited	Zentry Security Inc.	3	Other Receivables-related parties	37,910	Based on regular terms	1

Note 1: Information about related party transactions should be stated. The numbers of each company are illustrated as follows:
1. 0 is for the parent company.
2. Each subsidiary is numbered from 1.

Note 2: Transactions are categorized into three types as follows: (There is no need to repeat the disclosure of the same transaction between the parent company and each subsidiary. For example, if the parent company has disclosed the transaction with the subsidiary, the subsidiary does not need to disclose it; if transactions between subsidiaries has been disclosed by one company, the other company does not need to disclose the transaction.
1. Parent company and subsidiary.
2. Subsidiary and Parent company.
3. Subsidiary and subsidiary.

Note 3: Transaction amount is stated as a percentage of total revenues or assets. Percentages of assets or liabilities accounts are calculated as ending balance divided by consolidated assets, and percentages of profit or loss accounts are calculated as accumulated amount for the year divided by consolidated revenues.

(Expressed in thousands of NTD unless otherwise stated)

Attachment 8: Names, locations and related information of investee companies (Not including investment in Mainland China)

Investor company	Investee company	Location	Main business and products	Original investment amount		Investment as of December 31, 2023			Net income (loss) of investee (Note 1)	Investment income (loss) recognized (Note 1)	Note
				Ending balance	Beginning balance	Number of shares (in thousand)	Percentage of ownership (%)	Book value			
Softstar Entertainment Inc.	Loftstar Interactive Entertainment Inc.	Taiwan	Software wholesale and information software services	$157,533	$58,500	14,850	100	$11,464	$(53,760)	$(53,760)	Subsidiary
Softstar Entertainment Inc.	Activision Entertainment Ltd.	Taiwan	Performing arts	6,000	6,000	-	100	886	(57)	(57)	Subsidiary
Softstar Entertainment Inc.	Red Sunrise Co., Ltd.	Taiwan	Third-party payment services	191,519	176,899	7,756	55.60	202,091	9,575	2,749 (Note 4)	Subsidiary
Softstar Entertainment Inc.	Gamebase Digital Media Corporation	Taiwan	Software publishing and information software services	163,000	151,000	16,700	100	99,075	(31,996)	(31,996)	Subsidiary
Softstar Entertainment Inc.	Softstar Animation Limited	Samoa	Investment holding	29,888	29,888	980	100	6,950	142	142	Subsidiary
Softstar Entertainment Inc.	A.R.T. Games Co., Ltd.	Taiwan	Network software development and technical services	12,250	12,250	1,225	49	360	(2,602)	(1,275)	Investee accounted for using the equity method
Softstar Entertainment Inc.	Chia-e International Inc.	Taiwan	Investment holding	20,000	20,000	814	28.21	-	-	-	Investee accounted for using the equity method
Softstar Entertainment Inc.	Time Vision International Limited	Samoa	Investment holding	47,154	-	1,500	100	30,355	(30,422)	(30,422)	Subsidiary
Softstar Entertainment Inc.	Uniplus Electronics Co., Ltd.	Taiwan	Electronic component manufacturing, lamination, research and development and trade of business operation	545,012	350,012	91,955	43.76	432,983	9,932	(2,256) (Note 4)	Subsidiary
Softstar Entertainment Inc.	New Profit Holding Ltd.	Seychelles	Investment holding	24,501	24,501	1,610	100	26,386	(1,040)	(1,040)	Subsidiary
Softstar Entertainment Inc.	JFN Investment Holding Corp.	BVI	Investment holding	78,605	78,605	13	100	82,812	(3,145)	(3,145)	Subsidiary
Softstar Entertainment Inc.	Lanjing Ltd.	Taiwan	Investment holding	316,916	316,916	-	100	345,375	(12,973)	(12,973)	Subsidiary
Softstar Entertainment Inc.	Jiwei Technology Ltd.	Taiwan	Investment holding	229,197	229,197	-	100	204,290	(8,936)	(8,936)	Subsidiary
Softstar Entertainment Inc.	Chander Electronics Corp.	Taiwan	Electronic products distribution	232,188	191,330	10,513	13.02	129,812	(45,824)	(7,936) (Note 4)	Subsidiary
Softstar Entertainment Inc.	Double Edge Entertainment Corp.	Taiwan	Film production and media distribution	34,926	34,926	1,591	30.31	11,084	(4,971)	(1,507)	Investee accounted for using the equity method
Softstar Entertainment Inc.	Softstar Singapore Private Limited	Singapore	Investment holding	3,191	-	135	100	1,714	(2,458)	(2,458)	Subsidiary
Softstar Entertainment Inc.	Zhu International Group Inc.	Taiwan	Hospitality service	1,000	-	100	100	757	(243)	(243)	Subsidiary
Lanjing Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	316,703	316,703	17,479	21.64	345,348	(45,824)	(12,914) (Note 4)	Subsidiary
Jiwei Technology Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	17,480	17,480	920	1.14	18,996	(45,824)	(680) (Note 4)	Subsidiary
Jiwei Technology Ltd.	Array Holdings for APGFIII Fund LPs	British Cayman Islands	Investment holding	201,134	201,134	-	100	178,021	(10,088)	(10,088)	Indirect subsidiary
New Profit Holding Ltd.	Chander Electronics Corp.	Taiwan	Electronic products distribution	24,213	24,213	1,274	1.58	26,298	(45,824)	(943) (Note 4)	Subsidiary
JFN Investment Holding Corp.	Chander Electronics Corp.	Taiwan	Electronic products distribution	78,480	78,480	4,131	5.11	82,496	(45,824)	(3,049) (Note 4)	Subsidiary
Gamebase Digital Media Corporation	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	49,644	42,471	1,784	26.01	25,996	(20,900)	(5,436)	Investee accounted for using the equity method
Gamebase Digital Media Corporation	Mega Media Group Limited	Seychelles	General investment	93,260	93,260	2,800	100	72,758	(4,194)	(4,194)	Indirect subsidiary
Gamebase Digital Media Corporation	Seconds Media Corp.	Taiwan	Advertisement and information software services	3,500	-	450	100	1,607	(2,493)	(1,933)	Indirect subsidiary
Mega Media Group Limited	Niusnews Co., Ltd.	Taiwan	Advertisement and information software services	73,260	73,260	666	9.71	64,401	(20,900)	(2,029)	Investee accounted for using the equity method
Array Holdings for APGFIII Fund LPs	Array Inc.	British Cayman Islands	Investment holding	193,291 (Note 3)	193,291	21,172	36.17	168,168	(21,223)	(10,088) (Note 4)	Indirect subsidiary
Softstar Singapore Private Limited	Starlight Gaming India Private Limited	India	Game agent and marketing	3,124	-	800	99.99	1,658	(1,400)	(2,448)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Green Bless Co., Ltd.	Taiwan	Beauty and skincare products	94,736	94,736	2,900	100	22,927	(561)	(561)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Hang Zheng Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	55,000	10,000	5,500	55	54,907	2,794	(689)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Jiu He Yi Technology Co., Ltd.	Taiwan	Wholesale of electronic equipments	1,000	41,000	100	100	641	(263)	(263)	Indirect subsidiary
Uniplus Electronics Co., Ltd.	Ruihe Investment Co.,Ltd.	Taiwan	Investment holding	-	100	-	-	-	(40)	(40)	Dismissed in September 2023
Uniplus Electronics Co., Ltd.	San Jiang Electric MFG. Co., Ltd.	Taiwan	Production and sale of transformers and distribution boards	1,344,400	-	12	100	1,372,129	82,598	28,571 (Note 4)	Indirect subsidiary
Red Sunrise Co., Ltd.	Sun Tech Co., Ltd.	Taiwan	Sale of vouchers and BNPL	101,000	51,000	10,100	100	86,854	(14,091)	(14,091)	Indirect subsidiary
Red Sunrise Co., Ltd.	Soundnet Tech Co., Ltd.	Taiwan	Design of computer software	1,820	1,820	282	100	-	-	-	Indirect subsidiary
Red Sunrise Co., Ltd.	PayNow Inc.	Taiwan	Third-party payment services	-	332	-	-	-	936	385	Investee accounted for using the equity method
Chander Electronics Corp.	Chander Electronics (HK) Corporation	Hong Kong	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	114,142	114,142	28,200	100	8,402	(244)	(244)	Indirect subsidiary
Chander Electronics Corp.	Neweb Technologies Co., Ltd.	Taiwan	Software wholesale and retail sales; electronic data supply services	349,954	349,954	24,649	32.63	449,573	2,295	749	Investee accounted for using the equity method
Chander Electronics Corp.	Yun Fang Co., Ltd.	Taiwan	Tobacco, liquor, beverage, food and medical equipment wholesale and retail	5,000	5,000	500	100	2,726	(1,624)	(1,624)	Indirect subsidiary
Chander Electronics Corp.	Toptrend Technologies Corp.	Taiwan	Distribution and trade of electronic components, integrated circuits, computer equipment and related products	321,440	321,440	18,040	94.37	385,328	15,493	10,929	Indirect subsidiary
Chander Electronics Corp.	Quan Zhe Metal Corp.	Taiwan	Electronic component products, information software wholesale and retail, and data processing services	2,484	50	248	82.81	268	(2,675)	(2,346)	Indirect subsidiary
Chander Electronics Corp.	Dara Power Co., Ltd.	Taiwan	Electronic parts and components manufacturing and energy technical service	8,000	-	800	100	6,318	(1,682)	(1,682)	Indirect subsidiary
Array Inc.	Array Cayman	British Cayman Islands	Investment holding	370,326	370,326	37,032	100	209,696	11,459	11,459	Indirect subsidiary
Array Inc.	Array Taiwan Inc.	Taiwan	Research and development of network functional platform products	30,000	-	3,000	100	9,541	(18,623)	(18,623)	Indirect subsidiary
Array Cayman	Array US	US	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	184,843	184,843	-	100	347,690	12,442	12,442	Indirect subsidiary
Array Cayman	Zentry Security Inc.	US	Zentry modernizes the secure access with enhanced security, improved productivity, and ease of use. It helps customers migrate to Zero Trust Security model from obsolete perimeter model (Firewall & VPN)	343,896	343,952	-	99.95	(137,994)	(983)	(983)	Indirect subsidiary
Array US	Array Networks Japan Kabishiki	Japan	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	2,579	2,342	200	100	21,351	916	916	Indirect subsidiary
Array US	Array Networks India Private Limited	India	Research, manufacture and sale of Application Delivery Controllers, high-end SSL VPN systems, Remote Desktop Access Solutions and Application Acceleration	51,646	36,298	-	100	78,888	39,842	39,842	Indirect subsidiary

Note 1: If the listed company set up the overseas investment company and consolidated financial statements are primary financial statements under local regulations, information about overseas investees can be disclosed only to the extent of the overseas investment company.

Note 2: If not qualified for the situation stated in Note 1, the above table should be made under rules as follows:

(1)Information about the Company's investments should be filled in the "Investee", "Location", "Main business", "Original investment" and "Investment as of December 31, 2018" columns. The relationship between the investee and the Company should be filled in the "Note" column.

(2)The net income for the year of each investee should be filled in the "Net income (loss) of investee" column.

(3)Only the investment income (loss) of subsidiaries or investees accounted for using the equity method recognized by the Company should be filled in the "Investment income (loss) recognized" column. The investment income (loss) recognized should include investment income (loss) recognized by the investee.

Note 3: The original investment was completed through share swap.

Note 4: Including the amortization of differences between the carrying amount and the fair value based the purchase price allocation reports.

(Expressed in thousands of NTD unless otherwise stated)

Attachment 9-1: Informations on investments in Mainland China - Softstar Entertainment Inc.

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023	Note (Note 2(2))
					Outflow	Inflow							
Softstar Technology (Shanghai) Co., Ltd.	Information processing service	$134,694	2	$22,294	-	-	$22,294	(Note 4)	-	-	-	-	C

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations (Note 5)
$22,294	$285,526	$1,794,348

Note 1: The method for engaging in investment in Mainland China include the following：

(1) Direct investment in Mainland China with capital increase through companies registered in third region.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)

(3) Other method.

Note 2: For the investment income (loss) recognized in current period, the investment income (loss) was determined based on the following basis:

A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B.The financial statement was audited by the auditors of the parent company.

C.Others.

Note 3: The amount is stated in NTD.

Note 4: The shares of Softstar Technology (Beijing) Co., Ltd. and Softstar Technology (Shanghai) Co., Ltd. were disposed on November 25, 2021, thus the information pertaining to net income (loss) of the investee was not available.

Note 5: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

(Expressed in thousands of NTD/foreign currency unless otherwise stated)

Attachment 9-2: Informations on investments in Mainland China - Chander Electronics Corp.

1. The following table presents names, main businesses and products, total amount of paid-in capital, method of investment, accumulated outflow of investment from Taiwan, investment income recognized, carrying amount, and accumulated inward remittance of earnings on investment of investees in Mainland China

Investee Company	Main business and products	Total amount of paid-in capital	Method of investment (Note 1)	Accumulated outflow of investment from Taiwan as at January 1, 2023	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (loss) of investee Company	Percentage of ownership	Investment income (loss) recognized (Note 2)	Carrying value as of December 31, 2023	Accumulated inward remittance of earnings as of December 31, 2023	Note
					Outflow	Inflow							
Trendwin Electronics (Shenzhen) Corporation (Note4)	Distribution and trade of electronic components, integrated circuits, computer equipment and related products.	HKD -	2	HKD 7,639 (USD 980)	$-	$-	HKD 7,639 (USD 980)	$-	-	$-	$-	$-	
Changsha Zecheng Technology Co., Ltd.	Distribution and trade of electronic components, integrated circuits, computer equipment and related products.	26,486 (USD 858)	1	22,170 (USD 718)	4,316 (USD 140)	-	26,486 (USD 858)	(9,980)	100	(8,206)	13,161	-	Note 5 and 6

2. Investment quota for Mainland China:

Accumulated investment in Mainland China as of December 31, 2023	Investment amounts authorized by Investment Commission, MOEA	Upper limit on investment in accordance with Ministry of Economic Affairs regulations
USD 1,838	$1,838	$518,124

Note 1: The method for engaging in investment in Mainland China include the following：

(1) Direct investment in Mainland China with capital increase through companies registered in third region.

(2) Indirectly investment in Mainland China through companies registered in a third region (Please specify the name of company in third region)

(3) Other method.

Note 2: For the investment income (loss) recognized in current period, the investment income (loss) was determined based on the following basis:

(1) It should be noted if it is in preparation which there is no investment profit or loss.

(2) The investment income (loss) were determined based on the following basis:

A.The financial statement was audited by an international certified public accounting firm in cooperation with an R.O.C. accounting firm.

B.The financial statement was audited by the auditors of the parent company.

C.Others.

Note 3: The upper limit of investment amount in Mainland China is the higher of 60% of the net value or 60% of consolidated net value.

Note 4: Trendwin Electronics (Shenzhen) Corporation was liquidated in mainland China in August 2016, but the registration in the Investment Commission, MOEA has not yet been cancelled.

Note 5: Chander Electronics Corp. newly invested NT$4,316 thousand (US$140 thousand) in Changsha Zecheng Technology Co., Ltd. which had been approved by the Investment Commission, MOEA on October 31, 2023.

Attachment 10: Major shareholder information

Shares / Name	Holding shares	Holding percentage(%)
Oriental Golden Richness Ltd.	9,708,162	9.34
Angel Fund (ASIA) Investments Limited	8,581,682	8.26
Global Angel Investments Limited	7,555,018	7.27
Uniplus Electronics Co., Ltd.	6,370,290	6.13