WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

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

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

<u>*Notice to Reader*</u>

For the convenience of readers, this report has been translated into English from the original Chinese version, prepared and used in the Republic of China. The English version has not been audited or reviewed by independent auditors. If there are any discrepancies between the English version and the original Chinese version, or any difference in the interpretation of the two versions, the Chinese-language report shall prevail.

DECLARATION OF CONSOLIDATION OF THE FINANCIAL STATEMENTS OF AFFILIATED COMPANIES

The companies required to be included in the consolidated financial statements of WHA YU INDUSTRIAL CO., LTD for the year ended 31 December under the criteria for the preparation of affiliation reports, consolidated business reports and consolidated financial statements of affiliated enterprises are the same as those included in the consolidated financial statements prepared in accordance with International Financial Reporting Standard 10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Accordingly, WHA YU INDUSTRIAL CO., LTD and its subsidiaries do not prepare separate combined financial statements.

Very truly yours,

WHA YU INDUSTRIAL CO., LTD.

By

Chairman: Tsou Mi-Fu
March 26, 2024

INDEPENDENT AUDITORS' REPORT

(Consolidated Financial Statements)

The Board of Directors and Shareholders

WHA YU INDUSTRIAL CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries (the "Company"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the consolidated financial statements, including a summary of significant accounting policies. (collectively referred to as the "consolidated financial statements").

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Company as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing 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 in accordance with The Norm of Professional Ethics for Certified Public Accountant of the Republic of China and we have fulfilled our other ethical responsibilities in accordance with these requirements. Based on the audit findings from our accounting firm and other audit reports, it is our belief that the evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

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

<u>Revenue recognition</u>

The company's primary sources of revenue are wireless radio communication devices, electronic signal connection devices, electronic products and trade. The net operating revenue for the 2023 fiscal year was NT$1,401,492 thousand. The auditor has identified the sales revenue growth against market trends for the current fiscal year as a key audit matter, given the risk of authenticity associated with the company's sales of products and transactions. For further information regarding the revenue recognition policy, please refer to Note 4(16) of the consolidated financial statements.

Our auditing procedures included the following:

1. Understanding the Company's internal control system and operating procedures relating to the sales transaction cycle in order to assess the effectiveness of internal control operations.
2. Selecting samples of sales proceeds for audit, reviewing documents such as purchase orders, bills of lading or customs declarations confirmed by the counterparties to confirm the authenticity of the sales proceeds, and also reviewing whether there are any anomalies in the sales counterparty's subsequent receipts and returns of goods.

Other Matter

We have also audited the parent company only financial statements of WHA YU INDUSTRIAL CO., LTD. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

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

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Tsai, Mei-Chen and Lin, Hsin-Tung.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 26, 2024

Notice to Readers

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

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

Code	ASSETS	December 31,2023		December 31,2022	
		金 額	%	金 額	%
	CURRENT ASSETS				
1100	Cash and cash equivalents（Notes 4 and 6）	$ 515,590	25	$ 272,902	11
1136	Financial assets at amortized cost - current（Notes 4 and 8）	6,166	-	-	-
1150	Notes receivable（Notes 4 、9 and 23）	1,257	-	1,025	-
1170	Trade receivable, net（Notes 4、5、9 and 23）	437,152	22	809,515	32
1200	Other receivables（Notes 4 and 9）	1,703	-	7,424	-
130X	Inventories（Notes 4、5 and 10）	225,784	11	346,861	14
1460	Non-current assets held for sale（Notes 4 and 11）	-	-	169,642	7
1470	Other current assets（Note 18）	12,798	1	22,527	1
11XX	Total current assets	1,200,450	59	1,629,896	65
	NON-CURRENT ASSETS				
1517	Financial assets at fair value through other comprehensive income - Non-current（Notes 4、7 and 31）	35,101	2	34,537	1
1600	Property, plant and equipment（Notes 4、13 and 33）	771,422	38	778,752	31
1755	Right-of-use assets（Notes 4、14 and 33）	31,547	1	33,442	1
1760	Investment properties（Notes 4 and 15）	-	-	12,526	1
1780	Intangible assets（Notes 4 and 17）	7,483	-	12,002	-
1805	Goodwill（Notes 4 and 16）	-	-	15,414	1
1920	Refundable deposits	1,761	-	939	-
1990	Other non-current assets（Note 18）	1,824	-	2,604	-
15XX	Total non-current assets	849,138	41	890,216	35
1XXX	Total assets	$ 2,049,588	100	$ 2,520,112	100

Code	LIABILITIES AND EQUITY	December 31,2023		December 31,2022	
		金 額	%	金 額	%
	CURRENT LIABILITIES				
2100	Short-term borrowings（Note 19）	$ 61,294	3	$ 61,400	2
2170	Notes and trade payables	227,137	11	421,632	17
2230	Income tax payable	2,570	-	-	-
2280	Lease liabilities - current（Notes 4 and 14）	232	-	310	-
2320	Long-term borrowings - current portion（Notes 19and 33）	68,983	3	57,981	2
2399	Accrued expenses and other current liabilities（Notes 20 and 23）	94,597	5	143,796	6
21XX	Total current liabilities	454,813	22	685,119	27
	NON-CURRENT LIABILITIES				
2540	Long-term borrowings（Notes 19 and 33）	250,058	12	316,374	13
2580	Lease liabilities - non-current（Notes 4 and 14）	-	-	236	-
2630	Deferred revenue - non-current（Note 27）	5,409	-	7,311	-
2640	Net defined benefit liabilities - non-current（Notes 4 and 21）	9,459	1	8,735	-
2645	Guarantee deposits	437	-	563	-
25XX	Total non-current liabilities	265,363	13	333,219	13
2XXX	Total liabilities	720,176	35	1,018,338	40
	EQUITY（Notes 4 and 22）				
3110	Share capital	1,204,804	59	1,204,804	48
3200	Capital surplus	201,451	10	201,451	8
	Retained earnings				
3310	Legal reserve	3,398	-	-	-
3320	Special reserve	104,610	5	104,610	4
3350	(Accumulated deficit)Unappropriated earnings	(114,581)	(6)	33,976	2
3300	Total retained earnings	(6,573)	(1)	138,586	6
	Other equity				
3410	Exchange differences arising on translation of foreign operations	(93,307)	(4)	(75,106)	(3)
3420	Unrealized gain on investments in equity instruments at fair value through other comprehensive Income	6,741	-	6,177	-
3470	Equity related to non-current assets or disposal groups classified as held for sale	-	-	3,887	-
3400	Total other equity	(86,566)	(4)	(65,042)	(3)
31XX	Total equity attributable to owners of the Company	1,313,116	64	1,479,799	59
36XX	Non-controlling Interests	16,296	1	21,975	1
3XXX	Total equity	1,329,412	65	1,501,774	60
	Total liabilities and equity	$ 2,049,588	100	$ 2,520,112	100

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Auditor's Report issued by Deloitte & Touche on March 26, 2024)

Chairman: Tsou Mi-Fu　　Managerial officers: Peng, Chao-Chung　　Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

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

		2023		2022	
Code		Amount	%	Amount	%
4100	OPERATING REVENUE (Notes4、23 and 36)	$ 1,401,492	100	$ 1,981,157	100
5110	OPERATING COSTS(Notes10 and 24)	1,180,151	84	1,600,946	81
5950	GROSS PROFIT	221,341	16	380,211	19
	OPERATING EXPENSES(Notes 24 and 32)				
6100	Selling and marketing	130,677	9	143,935	7
6200	General and administrative	147,148	11	112,042	6
6300	Research and development	128,721	9	118,813	6
6450	Expected credit (gain) loss	9,515	1	(2,018)	-
6000	Total operating expenses	416,061	30	372,772	19
6510	Other Operating Expenses (Note 24)	(51)	-	93	-
6900	Profit(Loss) From Operations	(194,771)	(14)	7,532	-
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income (Note24)	8,065	1	1,798	-
7010	Other income(Notes 4、24、27 and 32)	20,665	1	83,232	4
7020	Other gains and losses (Note24)	56,591	4	(65,675)	(3)
7050	Finance costs (Notes 4 and 24)	(13,154)	(1)	(7,609)	-
7060	Share of profit of associates(Note 4)	-	-	5,711	-
7000	Total non-operating income and expenses	72,167	5	17,457	1
7900	PROFIT/(LOSS) BEFORE INCOME TAX FROM CONTINUING OPERATIONS	(122,604)	(9)	24,989	1
7950	INCOME TAX (EXPENSE)/BENEFIT (Notes 4 and 25)	(3,140)	-	5,187	1
8200	NET PROFIT/(LOSS) FOR THE YEAR	(125,744)	(9)	30,176	2

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Code		2023 Amount	2023 %	2022 Amount	2022 %
	OTHER COMPREHENSIVE INCOME (LOSS) (Notes 4、12、21 and 22)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans	($ 998)	-	$ 548	-
8316	Unrealized (loss) gain on investments in equity instruments at fair value through other comprehensive income	564	-	213	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(18,201)	(2)	19,835	1
8365	Equity related to non-current assets or disposal groups classified as held for sale	(3,887)	-	3,887	-
8370	Share of other comprehensive income of associates accounted for using the equity method	-	-	5,624	-
8300	Other comprehensive income (loss) for the year, net of income tax	(22,522)	(2)	30,107	1
8500	TOTAL COMPREHENSIVE INCOME FOR THE YEAR	($ 148,266)	(11)	$ 60,283	3
	NET PROFIT (LOSS) ATTRIBUTABLE TO:				
8610	Owners of the Company	($ 120,065)	(9)	$ 33,428	2
8620	Non-controlling interests	(5,679)	-	(3,252)	-
8600		($ 125,744)	(9)	$ 30,176	2
	TOTAL COMPREHENSIVE INCOME (LOSS) ATTRIBUTABLE TO:				
8710	Owners of the Company	($ 142,587)	(10)	$ 63,535	3
8720	Non-controlling interests	(5,679)	(1)	(3,252)	-
8700		($ 148,266)	(11)	$ 60,283	3
	EARNINGS PER SHARE (Note 26)				
9710	Basic	($ 1.00)		$ 0.28	
9810	Diluted	($ 1.00)		$ 0.28	

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Auditor's Report issued by Deloitte & Touche on March 26, 2024)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

		Equity Attributable to Owners of the Company											
		Share Capital			Retained Earnings			Other Equity					
Code		Shares (in Thousands)	Amount	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated earnings (Accumulated Deficit)	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain on Financial Assets at Fair Value Through Other Comprehensive	Equity related to non-current assets or disposal groups classified as held for sale	Total	Non-controlling Interests	Total Equity
A1	BALANCE AT JANUARY 1, 2022	120,481	$ 1,204,804	$ 222,863	$ 13,055	$ 104,610	($ 34,467)	($ 100,565)	$ 5,964	$ -	$ 1,416,264	$ 3,029	$ 1,419,293
	Appropriation of 2021 earnings												
B13	Legal reserve used to offset accumulated deficits	-	-	-	(13,055)	-	13,055	-	-	-	-	-	-
C11	Capital surplus used to offset accumulated deficits	-	-	(21,412)	-	-	21,412	-	-	-	-	-	-
D1	Net profit (loss) for the year ended December 31, 2022	-	-	-	-	-	33,428	-	-	-	33,428	(3,252)	30,176
D3	Other comprehensive income for the year ended December 31, 2022, net of income tax	-	-	-	-	-	548	25,459	213	3,887	30,107	-	30,107
D5	Total comprehensive income for the year ended December 31, 2022	-	-	-	-	-	33,976	25,459	213	3,887	63,535	(3,252)	60,283
O1	Non-controlling Interests	-	-	-	-	-	-	-	-	-	-	22,198	22,198
Z1	BALANCE AT DECEMBER 31, 2022	120,481	1,204,804	201,451	-	104,610	33,976	(75,106)	6,177	3,887	1,479,799	21,975	1,501,774
	Appropriation of 2022 earnings												
B1	Legal reserve	-	-	-	3,398	-	(3,398)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	(24,096)	-	-	-	(24,096)	-	(24,096)
D1	Net loss for the year ended December 31,2023	-	-	-	-	-	(120,065)	-	-	-	(120,065)	(5,679)	(125,744)
D3	Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	(998)	(18,201)	564	(3,887)	(22,522)	-	(22,522)
D5	Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(121,063)	(18,201)	564	(3,887)	(142,587)	(5,679)	(148,266)
Z1	BALANCE AT DECEMBER 31, 2023	120,481	$ 1,204,804	$ 201,451	$ 3,398	$ 104,610	($ 114,581)	($ 93,307)	$ 6,741	$ -	$ 1,313,116	$ 16,296	$ 1,329,412

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Auditor's Report issued by Deloitte & Touche on March 26, 2024)

Chairman: Tsou Mi-Fu　　Managerial officers: Peng, Chao-Chung　　Principal Accounting Officer: Tsao, Fu-Yi

WHA YU INDUSTRIAL CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021

(In Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Income (Loss) before income tax	($ 122,604)	$ 24,989
A20010	Adjustments for:		
A20100	Depreciation expense	71,014	68,044
A20200	Amortization expense	6,490	5,117
A20300	Expected credit loss (Gain)	9,515	(2,018)
A20900	Finance costs	13,154	7,609
A21200	Interest income	(8,065)	(1,798)
A22300	Share of profit of associates	-	(5,711)
A22500	Loss (gain) on disposal of property, plant and equipment, net	51	(93)
A22700	Gains on disposals of investment property	(57,261)	-
A23100	Gains on disposals of investments	(3,887)	-
A23700	Net loss on disposal of financial assets	15,414	102,219
A23800	Write-downs of inventories	22,767	18,725
A24100	Unrealized loss on foreign currency exchange	16,429	2,567
A30000	Changes in operating assets and liabilities		
A31130	Notes receivable	(232)	1,159
A31150	Trade receivables	351,568	(243,307)
A31200	Inventories	99,060	(38,983)
A31240	Other current assets	16,207	7,809
A32150	Notes and trade payables	(192,496)	44,566
A32230	Other payables and other current liabilities	(43,832)	33,864
A32240	Net defined benefit liabilities	(274)	(464)
A32250	Deferred revenue	(1,902)	(1,864)
A33000	Cash generated from operations	191,116	22,430
A33300	Interest paid	(12,866)	(8,982)
A33500	Income taxes refund (paid)	(1,230)	4,835
AAAA	Net cash generated from operating activities	177,020	18,283

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Code		2023	2022
	CASH FLOWS FROM INVESTING ACTIVITIES		
B00030	Capital reduction of financial assets at fair value through other comprehensive income and loss	$ -	$ 1,240
B00040	Purchase of financial assets at amortized cost	(6,166)	-
B01900	Proceeds from disposal of investments accounted for associates	169,642	-
B02200	Acquisition of subsidiary	-	(2,665)
B02300	Net cash outflow on disposal of subsidiaries	-	243
B02700	Acquisition of property, plant and equipment	(76,365)	(65,458)
B02800	Proceeds from disposal of property, plant and equipment	9,275	407
B03700	Decrease (increase) in refundable deposits	(822)	507
B04500	Acquisition of intangible assets	(1,971)	(7,605)
B07500	Interest received	7,928	3,722
B05500	Gains on disposals of investment property	69,456	-
BBBB	Net cash generated (used in) from investing activities	170,977	(69,609)
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00200	Repayments of short-term borrowings	(2,769)	(69,178)
C01600	Proceeds from long-term borrowings	-	17,442
C01700	Repayments of long-term borrowings	(57,981)	(11,111)
C03100	Increase (Decrease) in guarantee deposits	(126)	504
C04020	Repayments of the principal portion of lease liabilities	(309)	(314)
C04500	Dividends paid to owners of the Company	(24,096)	-
C05800	Changes in non-controlling interests	-	(2,324)
CCCC	Net cash used in financing activities	(85,281)	(64,981)
DDDD	Effect of exchange rate changes on the balance of cash held in foreign currencies	(20,028)	6,899
EEEE	NET INCREASE IN CASH AND CASH EQUIVALENTS	242,688	(109,408)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	272,902	382,310
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 515,590	$ 272,902

The accompanying notes are an integral part of the consolidated financial statements.
(Please refer to the Auditor's Report issued by Deloitte & Touche on March 26, 2024)

Chairman: Tsou Mi-Fu

Managerial officers: Peng, Chao-Chung

Principal Accounting Officer: Tsao, Fu-Yi

1、GENERAL

Wha Yu Industrial Co.,Ltd. (the” Company”) was incorporated in Hsinchu city, Taiwan in November 1970 and commenced operations that month. The Company is engaged in the production of industrial plastic products, electrical wires and cables, wholesale and retail of electronic materials and international trading.

In May 2006, the Company's shares were listed and traded on the Taipei Exchange (OTC). In January 2008, they were transferred to the Taiwan Stock Exchange (TWSE).

The functional currency of the Company is the New Taiwan dollar.

2、THE AUTHORIZATION OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Board of Directors on March 15, 2024.

3、APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

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

The initial application of the IFRS accounting standards endorsed and issued by the FSC did not have a material impact on the accounting policies of WHA YU INDUSTRIAL CO., LTD. and its subsidiaries (the "Company").

(B) The IFRS Accounting Standards endorsed by the FSC for application starting from 2024.

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

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

Remark 2:A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS16.

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

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

(C) The IFRS Accounting Standards issued by IASB,but not yet endorsed and issued into effect by the FSC.

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

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

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

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

4、SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

(A) Statement of Compliance

The accompanying consolidated financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards endorsed by the FSC with the effective dates (collectively, "Taiwan-IFRS Accounting Standards").

(B) Basis of Preparation

The accompanying parent company only consolidated financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values and net defined benefit liabilities that are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

3)Level 3 inputs are unobservable inputs for an asset or liability.

(C) Classification of Current and Non-Current Assets and Liabilities Current Assets include:

1) Assets held primarily for the purpose of trading；
2) Assets expected to be realized within 12 months after the reporting period; and
3) Cash

Current Liabilities include:

1) Liabilities held primarily for the purpose of trading；
2) Liabilities due to be settled within 12 months after the reporting period; and
3) Liabilities for which the Company does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

(D) Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries). The income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisition up to the effective dates of disposals, as appropriate. Where necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those of the Company. In preparing the consolidated financial statements, all intercompany transactions, balances, gains and losses have been eliminated. The total consolidated profit or loss of the subsidiaries is attributed to the owners and non-controlling interests of the Company, even if the non-controlling interests have a deficit balance.

If a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The carrying amounts of the Company's and non-controlling interests are adjusted to reflect changes in their relative ownership interests in the subsidiaries. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the company.

When the Company loses control of a subsidiary, the gain or loss on disposal is the difference between (1) the sum of the fair value of the consideration received and the remaining investment in the former subsidiary, based on the fair value at the date of loss of control, and (2) the sum of the assets (including goodwill) and liabilities of the former subsidiary and the non-controlling interest, based on the carrying amount at the date of loss of control. The Company accounts for all amounts recognised in other comprehensive income or loss relating to that subsidiary on the same basis as it would if the Company were to dispose directly of the related assets or liabilities.

Please refer to Notes 12 and 35 for detailed information on subsidiaries (including percentages of ownership and main businesses).

(E) Business Combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed.

Non-controlling interests that represent a present ownership interest and entitle the holder to a proportionate share of the net assets of the entity on liquidation may be measured at fair value. Other types of non-controlling interests are measured at fair value.

(F) Foreign Currencies

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

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on the translation of monetary items are recognised in profit and loss in the period when the difference arises.

Non-monetary items denominated in foreign currencies and measured at fair value are retranslated at the rate prevailing at the date when the fair value was determined. Exchange differences arising on the retranslation of non-monetary items are recognised in the income statement, except for exchange differences arising on the retranslation of non-monetary items for which gains and losses are recognised directly in other comprehensive income, in which case the exchange differences are also recognised directly in other comprehensive income.

Non-monetary items denominated in foreign currencies and carried at historical cost are translated at the exchange rates prevailing at the dates of the transactions and are not retranslated.

For the purpose of presenting in dividual financial statements, the assets and liabilities of foreign operations (including subsidiaries and affiliates that operate in countries or with currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing at each balance sheet date.

Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are included in other comprehensive income.

If the Company disposes of its entire interest in a foreign operation, all cumulative translation differences relating to that foreign operation are reclassified to the income statement.

(G) Inventories

Inventories consist of raw materials, work-in-progress, finished goods and merchandise. Inventories are stated at the lower of cost and net realisable value. Comparisons between cost and net realisable value are made on an item-by-item basis, except when comparing similar types of inventories. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs to make the sale. The cost of inventories is determined using the weighted average method.

(H) Investment in Associates

An associate is an entity over which the Company has significant influence and that is neither a subsidiary nor a joint venture. Investments accounted for using the equity method are investments in associates.

Under the equity method, an investment in an associate is initially recognised at cost and is subsequently adjusted to recognise the Company's share of the associate's profit or loss and other comprehensive income. The Company also recognises changes in the Company also recognises changes in the Company's share of the associate's equity attributable to the Company.

The operating results and assets and liabilities of associates are incorporated in these consolidated financial statements using the equity method of accounting. Under the equity method, an investment in an associate is initially recognized in the consolidated statements of financial position at cost and adjusted thereafter to recognize the Company's share of profit or loss and other comprehensive income of the associate as well as the distribution received. The Company also recognizes its share in the changes in the equities of associates.

When the Company subscribes for additional new shares in an associate in a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates accounted for using the equity method. When the Company's ownership interest is reduced due to its additional subscription of the new shares of the associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. 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.

In assessing impairment, the Company tests the entire carrying amount of an investment (including goodwill) for impairment as if it were a single asset by comparing its recoverable amount with its carrying amount, and the impairment loss recognised is not allocated to any of the assets, including goodwill, that form an integral part of the carrying amount of the investment. Any reversal of an impairment loss is recognised to the extent of any subsequent increase in the recoverable amount of the investment.

The Company discontinues the equity method of accounting from the date that its investment ceases to be an associate. The Company measures its retained interest in the former associate at fair value and the difference between the fair value and the disposal price and carrying amount of the investment at the date the equity method is discontinued is recognised in profit or loss for the current period. In addition, any amounts recognised in other comprehensive income relating to the related party are accounted for on the same basis as if the related party had directly disposed of the related assets or liabilities. When an investment in an associate becomes a joint venture or an investment in a joint venture becomes an investment in an associate, the Company continues to account for the investment using the equity method without remeasuring the retained interest.

When the company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the company’s consolidated financial statements only to the extent of interests in the associate theat are not related to the company.

(I) Property, Plant and Equipment

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment.

Except for owned land, which is not depreciated, property, plant and equipment are depreciated separately on a straight-line basis over their useful lives for each significant portion. The Company reviews the estimated useful lives, salvage values and depreciation methods at least at each year-end and defers the effect of changes in applicable accounting estimates.

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

(J) INVESTMENT PROPERTY

Investment real estate is defined as real estate held with the intention of generating rental income or capital appreciation, or a combination of both. Furthermore, investment property encompasses land held for a purpose for which the future use has not yet been determined.

Investment property is initially recorded at cost, inclusive of transaction costs, and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

Upon the derecognition of an investment property, the difference between the net disposal price and the carrying amount of the asset is recognised in profit or loss.

(K) GOODWILL

Goodwill acquired in a business combination is measured at cost based on the amount of goodwill recognised at the acquisition date and subsequently measured at cost less accumulated impairment losses.

For the purpose of impairment testing, goodwill is allocated to each cash-generating unit or group of cash-generating units that the company expects to benefit from the combination.

A cash-generating unit to which goodwill is allocated is tested for impairment annually (and whenever there is an indication that the unit may be impaired) by comparing the carrying amount of the unit containing the goodwill with its recoverable amount. In the event that goodwill has been allocated to a cash-generating unit in the course of a business combination during the year, the aforementioned unit should be subjected to an impairment test before the end of the year. In the event that the recoverable amount of the cash-generating unit to which goodwill has been allocated is less than its carrying amount, an impairment loss is recognised for the goodwill allocated to the cash-generating unit. This is achieved by first reducing the carrying amount of the goodwill allocated to the cash-generating unit, and then by reducing the carrying amount of each asset in proportion to the carrying amount of the other assets in the unit. Any impairment loss is recognised directly in equity. It is not permitted to reverse an impairment loss on goodwill in subsequent periods.

In the event of the disposal of an operation within an amortised goodwill cash-generating unit, the amount of goodwill relating to the operation being disposed of is included in the carrying amount of the operation in order to determine the gain or loss on disposal.

(L) Intangible Assets

1) Intangible assets acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss.Amortization is recognized on a straight-line basis. The estimated useful lives,residual values,and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

2) Derecognition of intangible assets

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

(M) Impairment of property, plant and equipment, right-of-use asset and intangible assets (excluding goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right of use assets and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated to determine the amount of the impairment loss. If it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount and the resulting impairment loss is recognised in profit or loss.

If an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but only up to the carrying amount that would have been determined(net of amortization or depreciation) if no impairment loss had been recognised for the asset or cash-generating unit in prior years. The reversal of an impairment loss is recognised in profit or loss.

(N) Non-Current Assets

The carrying amount of a non-current asset is classified as held for sale when it is expected that the asset will be recovered principally through a sale transaction rather than through continuing use. Non-current assets that qualify for this classification must be available for immediate sale in their present condition and their sale must be highly probable. A sale is classified as highly probable when management at the appropriate level has committed to a plan to sell the asset and the sale transaction is expected to be completed within one year from the date of classification.

When an entity disposes of all or part of an investment in a an associate, only the portion of the investment that meets the criteria to be that meets the criteria to be classified as held for sale is reclassified to held for sale and the equity method is discontinued for that portion. for that part. Any investment that is not classified as held for sale continues to be accounted for using the equity method. When the significant influence over the investment after the disposal, any equity disposed of, any equity interest not classified as available for sale is accounted for is accounted for in accordance with the accounting policy for financial instruments at the date of disposal of the classified as available to sell.

(O) Financial Instruments

Financial assets and liabilities shall be recognized when the Company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are recognised initially, if a financial asset or a financial liability is not measured at fair value through profit or loss, it is measured at fair value plus transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability. Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

1) Financial assets

It would appear that the customary practice is to recognise and derecognise transactions in financial assets on a trade date basis.

(1) Measurement categories

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

A. Financial assets at amortised cost

Financial assets that meet the following conditions will be subsequently measured at amortised cost:

a. The financial assets are held within a business model whose objective is to hold financial assets to collect contractual cash flows; and
b. The contractual terms of the financial assets give rise on specific date to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets carried at amortised cost, including cash, notes receivable and trade receivables (including related parties) and other receivables (including related parties), are measured at amortised cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognised in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the gross carrying amount of financial assets, with the following two exceptions:

a. Credit-impaired financial assets purchased or originated for which interest income is calculated by multiplying the credit-adjusted effective interest rate by the amortised cost of the financial asset; and
b. Financial assets that are not credit impaired at purchase or origination but subsequently become credit impaired, for which interest income is calculated by multiplying the effective interest rate by the amortised cost of the financial assets in the subsequent period.

The cash equivalents comprise time deposits which are highly liquid, readily convertible into fixed amounts of cash and subject to an insignificant risk of changes in value. They are used to meet short-term cash commitments.

B. Investments in equity instruments at FVTOCI

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

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recogized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

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

(2) Impairment of financial assets

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

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

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

(3) Derecognition of financial assets

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

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

2. Equity Instruments

The equity instruments issued by the Company are classified as equity based on the substance of the contractual agreements and the definition of equity instruments.

Equity instruments issued by the Company are recognized at the acquisition price less direct issue costs.

The carrying amount of equity instruments repurchased from the Company is based on the weighted average of the number of shares of the Company's stock. Transactions involving the purchase, sale, issuance or cancellation of the Company's equity instruments are not recognised in profit or loss.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Deductions from financial liabilities

The difference between the carrying amount of a financial liability is derecognised, and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised as profit or loss.

(P) Revenue Recognition

Upon the recognition of performance obligations under customer contracts, the Company allocates the transaction price to each performance obligation and recognises revenue when each performance obligation is satisfied.

For contracts with an interval of one year or less between the date of transfer of goods or services and the date of receipt of consideration, the significant financial components are not subject to price adjustment.

<u>Revenue from the sale of goods</u>

The proceeds from the sale of wireless communication equipment, electronic and optical communication components, electronic signal connectors and electronic products are recognised when the customer has the right to determine the price and use of the goods, has the primary responsibility for reselling the goods and bears the risk of obsolescence of the goods.

The Company does not recognise revenue on materials supplied to subcontractors. This is because there is no transfer of control.

When the other party is involved in the supply of goods to customers, we act as principal if our company has control over the goods before they are transferred to the customer; otherwise we act as agent. The principal recognises revenue for the full amount of economic benefits associated with the transaction, while the agent recognises revenue only for the net amount of economic benefits received.

(Q) Leases

At the inception of a contract, the Company assesses whether the contract is (or contains) a lease at the inception date.

1) The Company as lessor

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

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

Lease payments from operating leases are recognized as income on a straight-line basis over the term of the relevant leases.

2) The Company as lessee

The Company recognises right-of-use assets and lease liabilities for all leases at the commencement date of a lease, with the exception of short-term leases and low-value asset leases, which are accounted for by applying a recognition exemption. In such instances, lease payments are recognised as an expense over the lease term on a straight-line basis.

Right-of-use assets are initially measured at cost, which includes the original measurement of the lease liability, lease payments made prior to the commencement date of the lease, less lease incentives received, original direct costs, and the estimated cost to reinstate the underlying asset. Subsequent measurement occurs at cost less accumulated depreciation and accumulated impairment losses, adjusted for the remeasurement of the lease liability. The right-of-use assets are presented separately on the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates until the earlier of the end of the useful life of the right-of-use assets or the end of the lease terms.

Lease liabilities are generally initially measured at the present value of the lease payments, which depend on an index or a rate. In most cases, the lease payments are discounted using the interest rate implicit in a lease. However, in instances where that rate cannot be readily determined, the lessee's incremental borrowing rate may also be considered.

Subsequently, lease liabilities are measured at amortised cost using the effective interest method, with interest expense recognised over the lease terms. In the event of a change in a lease term resulting from a change in an index or a rate used to determine those payments, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. Nevertheless, in the event that the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognised in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

(R) Borrowing costs

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

(S) Government Grants

Government grants are recognised only when there is reasonable assurance that the Company will comply with the conditions attached to them and that the grants will be received.

Government grants related to revenue are recognised in on a systematic basis over the periods in which they are intended to income over the periods in which the costs they are intended to compensate are by the company. Government grants that are conditional on the the purchase, construction or otherwise assets are recognised as deferred income and and released to income on a systematic basis over the useful life of the related assets. over the useful lives of the related assets.

Government grants are recognised in the income statement in the period in which they are received if they are intended to compensate for expenses or losses already incurred or are intended to are intended to provide immediate financial assistance to the the company and there are no future related costs.

The difference between the amount of the loan received and the fair value of the loan based on the prevailing market rate of interest is recognised as a government grant for below-market rate government loans.

(T) Employee Benefits

1) Short-term employee benefits

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

2) Retirement benefits

For defined contribution retirement benefit plans, payments to the benefit plan are recognized as an expense when the employees have rendered service entitling them to the contribution.

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

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

3) Other long-term employee benefits

Other long-term employee benefits are accounted for in the same way as defined benefit plans, except that the related remeasurements are recognised in the income statement. or loss.

4) Separation Benefits

The Company recognises a liability for postemployment liability for post-employment benefits at the earlier of the date when it is no longer able to the offer of postemployment benefits or when it recognises the related restructuring costs. the related restructuring costs.

(U) Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

The Income Tax Act of the Republic of China provides for an additional tax on retained earnings in the year in which the shareholders have approved the retention of earnings.

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

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the parent company only financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences, net operating loss carryforwards and tax credits for research and development expenses to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be recovered. A previously unrecognised deferred tax asset is also reviewed at each reporting period and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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

3) Current and deferred tax for the year

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

5、MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

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

In developing critical accounting estimates, the Company considers the potential effects of inflation and market interest rate fluctuations on its critical accounting estimates relating to cash flow projections, growth cash flow projections, growth rates, discount rates, profitability, etc. The estimates and underlying assumptions are reviewed on a regular basis. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised if the revision affects only that year, or in the year of the revision and subsequent years if the revision affects both the current and subsequent years.

Key Sources of Estimation Uncertainty

(A) Estimated impairment of financial assets

The provision for impairment of trade receivables is based on the Company's assumptions about the probability of default and the loss rate. The Company considers historical experience, current market conditions and forward looking information in making assumptions and selecting inputs for impairment assessments. If actual future cash flows are less than the Company's expectations, a significant impairment loss may be incurred.

(B) Impairment of inventories

The net realisable value of inventories is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale. The estimates are based on current market conditions and historical sales experience for similar products, and changes in market conditions could materially affect the results of these estimates.

6、CASH AND CASH EQUIVALENTS

	December31,2023	December31,2022
Cash on hand	$ 134	$ 77
Checking accounts and demand deposits	509,315	272,825
Cash equivalents(Time deposits with an original maturity of less than three months)		
Bank Fixed Deposit	6,141	-
	$515,590	$272,902

The market rates for cash and fixed deposits held in banks at the conclusion of the reporting period were as follows:

	December31,2023	December31,2022
Bank balance	0.001%~1.450%	0.001%~1.050%
Fixed Deposit	1.950%~5.000%	-

7、FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December31,2023	December31,2022
Non-current		
Domestic Investments		
Unlisted stocks		
Common Stock of Ubiik Inc.	$ 35,101	$ 34,537

The Company invests in the ordinary shares of Ubiik Inc. for medium to long-term strategic purposes and expects to earn a return on its long-term investments. The Company's management believes that including short-term fluctuations in the fair value of these investments in profit or loss would be inconsistent with the long-term investment planning described above and has elected to designate these investments as at fair value through other comprehensive income.

8、FINANCIAL ASSETS AT AMORTIZED COST

	December31,2023	December31,2022
Current		
Time deposits with an original maturity of less than three months	$ 6,166	$ -

9、TRADE RECEIVABLES AND OTHER RECEIVABLES

	December31,2023	December31,2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 1,257	$ 1,025
Notes receivable-operating	$ 1,257	$ 1,025
Trade receivables		
At amortized cost		
Gross carrying amount	$451,275	$813,562
Less：Loss allowance	(14,123)	(4,047)
	$437,152	$809,515
Other receivables		
Others	$ 1,703	$ 7,424

The average credit period for sales of goods is 90 days, and some customers have credit periods of 30 to 180 days from the end of the month. No interest is charged on trade receivables.

The Company's policy is to obtain adequate collateral, where appropriate, to mitigate the risk of financial loss from default. The Company uses other publicly available financial information and its own historical transaction records to evaluate its major customers.

The Company measures the allowance for trade receivables at an amount equal to the lifetime ECL. Expected credit losses on trade receivables are estimated using a provision matrix approach, taking into account the customer's past default history, the customer's current financial condition and the economic condition of the industry in which the customer operates. The allowance for credit losses is established based on the expected loss rate for each group, which is categorised into risk groups based on industry characteristics.

The Company writes off a trade receivable when there is evidence that the debtor is in serious financial difficulty and there is no realistic prospect of recovery, for example when the debtor has gone into liquidation. For trade receivables that have been written off, the Group continues to pursue collection of the amounts due. Where recoveries are made, they are recognised in the income statement.

The following table details the loss allowance of trade receivables based on the Company’s provision matrix:

December31,2023

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	$ 380,284	$ 46,038	$ 11,514	$ 2,629	$ 10,810	$ 451,275
Loss allowance (Lifetime ECLs)	(522)	(1,344)	(1,446)	(1)	(10,810)	(14,123)
Amortized cost	$ 379,762	$ 44,694	$ 10,068	$ 2,628	$ -	$ 437,152

December31,2022

	Not Past Due	1 to 60 Days Past Due	61 to 120 Days Past Due	121 to 180 Days Past Due	Over 180 Days Past Due	Total
Gross carrying amount	$ 733,167	$ 51,003	$ 23,095	$ 1,542	$ 4,755	$ 813,562
Loss allowance (Lifetime ECLs)	(107)	(172)	(706)	(72)	(2,990)	(4,047)
Amortized cost	$ 733,060	$ 50,831	$ 22,389	$ 1,470	$ 1,765	$ 809,515

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

	Years Ended December 31	
	2023	2023
Balance , beginning of year	$ 4,047	$ 3,356
Add：Provision	9,515	-
Less：Reversal	-	(2,018)
Foreign exchange gains	561	2,709
Balance , end of year	$ 14,123	$ 4,047

10、INVENTORIES

	December31,2023	December31,2022
Merchandise	$ 27,257	$ 54,841
Finished goods	112,135	140,102
Work in process	32,060	52,098
Raw materials and Supplies	54,332	99,820
	$225,784	$346,861

The components of operating costs relating to inventories are as follows:

	Years Ended December 31	
	2023	2023
Operating Costs	$ 1,180,151	$ 1,600,946
Write-downs of inventories	$ 22,767	$ 18,725

11、NON-CURRENT ASSETS HELD FOR SALE

	December31,2022
Investments in associates held for sale	$169,642
Investments directly associated with non-current assets held for sale	$ 3,887

The Company's Board of Directors approved the sale of its entire 21.87% interest in PBT on 14 December 2022 and the sale was completed on 19 May 2023.

12、SUBSIDIARIES

Associates consisted of the following:

Investor	Subsidiaries	Principal Activities	Percentage of Ownership December 31,2023	Percentage of Ownership December 31,2022	Remark
WHA YU	HUA HONG INTERNATIONAL LTD.(HUA HONG)	Investment activities	100%	100%	—
	HANG JIAN TECHNOLOGY CO., LTD.(HANG JIAN)	The application-related business for unmanned aerial vehicles was integrated.	50.12%	50.12%	(1)
	Wha Yu USA Inc.	Consultancy and customer service activities for the local markets of the Internet communication products.	100%	-	(2)
	Wha Yu Vietnam Limited Liability Company	The company is engaged in the manufacture and sale of equipment for the communication systems of the broadband access network	100%	-	(3)

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Investor	Subsidiaries	Principal Activities	Percentage of Ownership December 31,2023	Percentage of Ownership December 31,2022	Remark
HUA HONG	DONGGUAN AEON Tech Co., Ltd. (DONGGUAN AEON)	Production and sales of broadband access network communication system equipment (wireless fixed access network communication equipment), new instrumentation elements (instrumentation connectors)	100%	100%	—
DONGGUAN AEON	AEON TECHNOLOGY (SHANG HAI) CO., LTD.	Wholesales of communication parts,electronic parts, cables, optical fibers and antennas; import and export of self-developed products; provision of supporting and consultating services; development of antennas	100%	100%	(4)

Remark：

1. On 16 October 2004, HANG JIAN was approved by the Ministry of Economic Affairs (MOEA) with a nominal and paid-in capital of NT$100,000 thousand and NT$42,500 thousand, respectively, divided into 4,250 thousand shares at NT$10 per share. WHA YU holds 2,130,000 shares of HANG JIAN, representing a 50.12% shareholding ratio. The application-related business for unmanned aerial vehicles was integrated.
2. On 2 March 2023, the State of California, USA, granted approval to Wha Yu USA Inc., with a nominal and paid-in capital of US$500,000. The company holds a 100% equity interest in this entity.
3. On 11 September 2023, the Registration and Administration Bureau of the Ministry of Industry and Commerce of Vietnam granted approval for the establishment of Wha Yu Vietnam Limited Liability Company, with a nominal capital of USD5,000 thousand. The company holds a 100% equity interest in this entity. As of 31 December 2023, a total of US$3,500 thousand has been remitted as capital.
4. In August 2023, the Company's Board of Directors resolved to dispose of and liquidate AEON TECHNOLOGY (SHANG HAI) CO., LTD. As of 31 December 2023, the liquidation has not been completed.

13、PROPERTY, PLANT AND EQUIPMENT

Assets used by the Company

	Land	Buildings	Machinery and Equipment	R&D Equipment	Office Equipments	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance at January 1, 2023	$ 185,606	$ 711,808	$ 199,762	$ 147,124	$ 56,608	$ 10,214	$ 10,530	$ 197,248	$ 938	$ 1,519,838
Additions	-	4,394	7,351	23,508	4,430	927	-	7,640	23,412	71,662
Disposals	-	(102)	(11,309)	(503)	(1,778)	(832)	(10,234)	(24,187)	-	(48,945)
Reclassify	-	-	2,483	-	-	-	-	-	-	2,483
Effect of foreign currency exchange differences	-	(3,726)	(2,285)	(630)	(515)	(151)	(29)	(2,946)	(901)	(11,183)
Balance at December 31, 2023	$ 185,606	$ 712,374	$ 196,002	$ 169,499	$ 58,745	$ 10,158	$ 267	$ 177,755	$ 23,449	$ 1,533,855
Accumulated depreciation and impairment										
Balance at January 1, 2023	$ -	$ 255,221	$ 131,367	$ 123,186	$ 47,760	$ 8,412	$ 8,404	$ 166,736	$ -	$ 741,086
Additions	-	28,859	15,370	7,805	4,628	406	267	12,082	-	69,417
Disposals	-	(102)	(4,026)	(503)	(1,738)	(735)	(8,390)	(24,125)	-	(39,619)
Effect of foreign currency exchange differences	-	(2,801)	(1,827)	(518)	(473)	(112)	(22)	(2,698)	-	(8,451)
Balance at December 31, 2023	$ -	$ 281,177	$ 140,884	$ 129,970	$ 50,177	$ 7,971	$ 259	$ 151,995	$ -	$ 762,433
Carrying amounts at December 31, 2023	$ 185,606	$ 431,197	$ 55,118	$ 39,529	$ 8,568	$ 2,187	$ 8	$ 25,760	$ 23,449	$ 771,422

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	Land	Buildings	Machinery and Equipment	R&D Equipment	Office Equipments	Transportation Equipment	Leasehold Improvements	Other Equipment	Construction in Progress	Total
Cost										
Balance at January 1, 2022	$ 185,606	$ 699,227	$ 188,344	$ 121,972	$ 53,439	$ 9,875	$ 10,381	$ 171,787	$ -	$ 1,440,631
Additions	-	9,637	10,184	19,707	4,949	-	-	12,477	12,097	69,051
Disposals	-	-	(3,717)	-	(2,071)	-	-	(658)	-	(6,446)
Acquisition by business combination	-	-	2,351	-	129	222	-	148	-	2,850
Disposal of subsidiaries	-	-	-	-	(227)	-	-	-	-	(227)
Reclassify	-	-	919	5,076	-	-	-	11,133	(11,159)	5,969
Effect of foreign currency exchange differences	-	2,944	1,681	369	389	117	149	2,361	-	8,010
Balance at December 31, 2022	$ 185,606	$ 711,808	$ 199,762	$ 147,124	$ 56,608	$ 10,214	$ 10,530	$ 197,248	$ 938	$ 1,519,838
Accumulated depreciation and impairment										
Balance at January 1, 2022	$ -	$ 225,917	$ 116,605	$ 116,349	$ 46,081	$ 7,746	$ 7,723	$ 154,721	$ -	$ 675,142
Additions	-	27,418	16,922	6,499	3,566	580	572	10,464	-	66,021
Disposals	-	-	(3,441)	-	(2,065)	-	-	(626)	-	(6,132)
Disposal of subsidiaries	-	-	-	-	(166)	-	-	-	-	(166)
Effect of foreign currency exchange differences	-	1,886	1,281	338	344	86	109	2,177	-	6,221
Balance at December 31, 2022	$ -	$ 255,221	$ 131,367	$ 123,186	$ 47,760	$ 8,412	$ 8,404	$ 166,736	$ -	$ 741,086
Carrying amounts at December 31, 2022	$ 185,606	$ 456,587	$ 68,395	$ 23,938	$ 8,848	$ 1,802	$ 2,126	$ 30,512	$ 938	$ 778,752

In 2023 and 2022 no impairment loss was recognised or reversed.

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

Buildings	50 years
Electrical System	10 years
Machinery and equipment	3-10 years
R&D equipment	2-10 years
Office equipments	2-5 years
Transportation equipment	5 years
Leasehold improvements	3 years
Other equipment	2-6 years

Plesae refer to Note 33 for the amount of fixed assets pledged to secure loans.

14、LEASE ARRANGEMENTS

(A) Right-of-use assets

	December31,2023	December31,2022
Carrying amounts		
Land	$ 31,318	$ 32,896
Transportation equipment	229	546
	$ 31,547	$ 33,442

	Years Ended December 31	
	2023	2022
Depreciation of right-of-use assets		
Land	$ 990	$ 996
Transportation equipment	311	312
	$ 1,301	$ 1,308

Plesae refer to Note 33 for the amount of right-of-use assets pledged to secure loans.

(B) Lease liabilities

	December31,2023	December31,2022
Carrying amounts		
Current portion	$ 232	$ 310
Noncurrent portion	$ -	$ 236

Ranges of discount rates for lease liabilities are as follows:

	December31,2023	December31,2022
Transportation equipment	1.83%	1.83%

(C) Material terms of right-of-use assets

The company has a lease of land use rights in Mainland China, which is valid for a term of 47 years.

(D) Other lease information

	Years Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 221	$ 376
Expenses relating to low-value assets	$ 182	$ 244
Excluding variable lease payments from measuring lease liabilities	$ 126	$ 80
Total cash outflow for leases	($ 845)	($ 1,019)

15、INVESTMENT PROPERTIES

	Buildings
Cost	
Balance at January 1, 2023	$ 39,894
Disposals	(39,780)
Effect of foreign currency exchange differences	(114)
Balance at December 31, 2023	$ -
Accumulated depreciation	
Balance at January 1, 2023	$ 27,368
Additions	296
Disposals	(27,585)
Effect of foreign currency exchange differences	(79)
Balance at December 31, 2023	$ -
Carrying amounts at December 31, 2023	$ -
Cost	
Balance at January 1, 2022	$ 39,314
Effect of foreign currency exchange differences	580
Balance at December 31, 2022	$ 39,894
Accumulated depreciation	
Balance at January 1, 2022	$ 26,268
Additions	715
Effect of foreign currency exchange differences	385
Balance at December 31, 2022	$ 27,368
Carrying amounts at December 31, 2022	$ 12,526

On 25 May 2022, AEON TECHNOLOGY (SHANG HAI) CO., LTD. sold investment properties and recognised a gain on disposal of investment properties of NT$ 57,261 thousand.

The lease terms for investment property range from 1 to 5 years. If the lessee exercises the option to extend the lease, the lessee agrees to adjust the rent in line with the market rent. The lessee has no preferential right to purchase the investment property at the end of the lease term.

Total future lease payments for investment property under operating leases are as follows:

	December31,2023	December31,2022
Year 1	$ -	$ 4,669
Year 2	-	3,338
Year 3	-	955
Year 4	-	-
Year 5	-	-
	$ -	$ 8,962

Depreciation is provided on a straight-line basis over 20 years. The Company's investment property is located in Xuhui District, Shanghai, China.

The fair value of the investment properties has not been determined by independent valuers and the value per square metre has been determined solely by the Company's management based on similar market transaction prices in neighbouring regions.

	December31,2023	December31,2022
Xuhui District, Shanghai	$ -	$ 18,333

16、 GOODWILL

	Years Ended December 31	
	2023	2022
Cost		
Balance at January 1, 2023	$ 15,414	$ -
Acquisition by business combination	-	15,414
Impairment loss	(15,414)	-
Balance at December 31, 2023	$ -	$ 15,414

17、 INTANGIBLE ASSETS

	Computer Software	Patents	Others	Total
Cost				
Balance at January 1, 2023	$ 58,158	$ 3,640	$ 2,708	$ 64,506
Additions	1,971	-	-	1,971
Effect of foreign currency exchange differences	(99)	-	-	(99)
Balance at December 31, 2023	$ 60,030	$ 3,640	$ 2,708	$ 66,378
Accumulated amortization and impairment				
Balance at January 1, 2023	$ 49,564	$ 780	$ 2,160	$ 52,504
Additions	5,996	253	241	6,490
Effect of foreign currency exchange differences	(99)	-	-	(99)
Balance at December 31, 2023	$ 55,461	$ 1,033	$ 2,401	$ 58,895
Carrying amounts at December 31, 2023	$ 4,569	$ 2,607	$ 307	$ 7,483
Cost				
Balance at January 1, 2022	$ 49,597	$ -	$ 2,708	$ 52,305
Additions	7,605	-	-	7,605
Acquisition by business combination	878	3,640	-	4,518
Effect of foreign currency exchange differences	78	-	-	78
Balance at December 31, 2022	$ 58,158	$ 3,640	$ 2,708	$ 64,506
Accumulated amortization and impairment				
Balance at January 1, 2022	$ 45,494	$ -	$ 1,818	$ 47,312
Additions	3,995	780	342	5,117
Effect of foreign currency exchange differences	75	-	-	75
Balance at December 31, 2022	$ 49,564	$ 780	$ 2,160	$ 52,504
Carrying amounts at December 31, 2022	$ 8,594	$ 2,860	$ 548	$ 12,002

The above intangible assets are amortised on a straight-line basis over their estimated useful lives as follows:

Computer Software	1-3 years
Patents	5 years
Others	5-10 years

18、 OTHER ASSETS

	December31,2023	December31,2022
Current		
Temporary payments	$ 5,470	$ 4,153
Other prepaid expenses	3,675	4,232
Prepayment for purchases	2,441	5,110
Prepaid income tax	660	-
Prepaid sales tax	-	7,763
Others	552	1,269
	$ 12,798	$ 22,527
Non-current		
Prepayment for equipment	$ 1,824	$ 2,604

19、 BORROWINGS

(A) Short-term borrowings

	December31,2023	December31,2022
Unsecured borrowings		
Credit Line Borrowing	$ 61,294	$ 61,400

Interest rates on revolving bank loans range from 1.35% to 7.10% and from 1.35% to 3.20% at 31 December 2023 and 2022 respectively.

(B) Long-term borrowings

	December31,2023	December31,2022
Secured and Unsecured (Note 33)		
Bank Borrowing (Remark 1)	$ 96,330	$112,385
Government Professional Bank Borrowing (Remark 2&3)	224,500	266,427
Less:Discounts on government grants	(1,789)	(4,457)
Less:Long-term borrowings-current portion	(68,983)	(57,981)
Long-term borrowings	$250,058	$316,374

Remark 1:The long-term borrowings have a grace period of three years from the date of first drawdown in December 2019 for the first instalment of principal, with equal monthly instalments thereafter until December 2029. Interest rates range from 1.5759% to 2.019% and 0.930% to 1.8592% per annum for 2023 and 2022 respectively.

Remark 2:The bank borrowings are government borrowings with preferential interest rates under the ‘Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan’. It is our understanding that these will mature in stages before February 2030. We would like to bring your attention to the fact that the annual interest rates are 1.46% to 1.90% minus the government subsidy rate of 0.97% to 1.14% and 1.62% minus the government subsidy rate of 1.13% for bank loans and 0.49% to 0.89% and 0.49% for bank loans and government subsidy rate of 1.13% for bank loans as of 31 December 2023 and 2022, respectively.

Remark 3: Includes secured and unsecured borrowings.

20、 OTHER LIABILITIES

	December31,2023	December31,2022
Current		
Other payables		
Payable for salaries	$ 29,276	$ 32,534
Payable for bonuses	17,291	16,441
Payable for leave benefits	3,638	3,665
Payable for equipment	2,933	5,918
Payable for service	1,497	1,862
Payable for Directors and Employee	-	4,220
Others(Remark 1)	33,991	52,673
	88,626	117,313
Others		
Contract Liabilities	3,559	26,169
Others(Remark 2)	2,412	314
	5,971	26,483
Total	$ 94,597	$143,796

Remark1:Includes commissions, shipping costs, property taxes, interest, insurance premiums and other liabilities.

Remark 2: Includes temporary credits and receipts.

21、 RETIREMENT BENEFIT PLANS

(A) Defined contribution plans

The Company's pension plan, which falls under the Labor Pension Act (the “Act”), is a defined contribution plan that is administered by the government. The Company contributes 6% of the employees' monthly wages to their individual accounts at the Bureau of Labor Insurance.

The employees of the Company's subsidiaries in Mainland China are members of a pension plan operated by the Mainland Chinese government. The subsidiary is required to contribute a percentage of its payroll to the plan to fund the plan. The Company's obligation to this government-sponsored pension plan is to contribute only a specified amount.

(B) Defined benefit plans

The Company has defined benefit plans under the R.O.C. Labor Standards Law that provide benefits based on an employee’s length of service and average monthly salary for the six-month period prior to retirement. The Company contributes an amount equal to 2% of salaries paid each month to their respective pension funds (the Funds), which are administered by the Labor Pension Fund Supervisory Committee (the Committee) and deposited in the Committee’s name in the Bank of Taiwan. Before the end of each year, the Company assesses the balance in the Funds. If the amount of the balance in the Funds is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, the Company is required to fund the difference in one appropriation that should be made before the end of March of the next year. The Funds are operated and managed by the government’s designated authorities; as such, the Company does not have any right to intervene in the investments of the Funds.

The amounts included in the consolidated balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31,2023	December 31,2022
Present value of defined benefit obligation	$ 15,144	$ 13,920
Fair value of plan assets	(5,685)	(5,185)
Net defined benefit liability	$ 9,459	$ 8,735

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1,2022	$ 14,164	($ 4,417)	$ 9,747
Net interest expense(income)	73	(31)	42
Recognized in profit or loss	73	(31)	42
Remeasurement			
Return on plan assets(excluding amounts included in net interest)	-	(231)	(231)
Actuarial gain arising from changes in financial assumptions	(1,035)	-	(1,035)
Actuarial loss arising from experience adjustments	718	-	718
Recognized in other comprehensive loss(income)	(317)	(231)	(548)
Contributions from the employer	-	(506)	(506)
Balance at December 31,2022	13,920	(5,185)	8,735
Net interest expense(income)	189	(74)	115
Recognized in profit or loss	189	(74)	115
Remeasurement			
Return on plan assets(excluding amounts included in net interest)	-	(37)	(37)
Actuarial gain arising from changes in financial assumptions	1,098	-	1,098
Actuarial loss arising from experience adjustments	(63)	-	(63)
Recognized in other comprehensive loss(income)	1,035	(37)	998
Contributions from the employer	-	(389)	(389)
Balance at December 31,2023	$ 15,144	($ 5,685)	$ 9,459

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

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

2)Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the debt investments of the plan assets.

3)Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations were as follows:

	December 31,2023	December 31,2022
Discount rates	1.25%	1.36%
Expected rates of salary increase	3.00%	2.50%

It is to be hoped that, if possible, reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31,2023	December 31,2022
Discount rates		
0.25% increase	($ 405)	($ 391)
0.25% decrease	$ 421	$ 406
Expected rates of salary increase		
0.25% increase	$ 406	$ 394
0.25% decrease	($ 393)	($ 382)

The sensitivity analysis presented above may not be representative of the actual change in the present value of the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

	December 31,2023	December 31,2022
Expected contributions to the plans for the next year	$ 45	$ 519
Average duration of the defined benefit obligation	11.12 years	11.68 years

22、EQUITY

(A) Capital stock

	December 31,2023	December 31,2022
Authorized shares (in thousands)	200,000	200,000
Authorized capital	$ 2,000,000	$ 2,000,000
Issued and fully paid shares (in thousands)	120,481	120,481
Issued capital	$ 1,204,804	$ 1,204,804

The par value of issued common shares is NT$10 per share. A holder of common shares has one vote for each common share and is entitled to receive dividends.

The authorized shares include 2,000 thousand shares allocated for the exercise of employee stock options.

(B) Capital surplus

	December 31,2023	December 31,2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Remark 1)		
Additional paid-in capital	$115,958	$115,958
From convertible bonds	77,396	77,396
Treasury share transactions	7,672	7,672
May not be used for any purpose		
Additional paid-in gain on disposal of assets	425	425
	$201,451	$201,451

Remark 1:Such capital surplus may be used to offset a deficit; in addition,when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital(limited to a certain percentage of the Company’s capital surplus and to once a year.)

(C) Retained earnings and dividends policy

Under the dividends policy as set forth in the Articles, where the Company generates a profit at the end of each fiscal year, it shall first allocate funds for tax provisions to cover any deficits, and then set aside 10% as the legal reserve, However, if the legal reserve has already reached the Company's paid-in capital, no further allocation shall be made. If there is any remaining surplus after the special reserve is set aside or reversed in accordance with the law or the regulations of the competent authority, the Board of Directors shall prepare a proposal for the appropriation of the surplus and submit it to the shareholders' meeting for resolution, taking into account the accumulated undistributed surplus from previous years. Refer to note 24-8 for the Company's policy on the distribution of remuneration to employees and directors as set out in the Company's Articles of Association.

The Company's Articles of Association state that the dividend policy shall be consistent with the Company's present and future development plans, capital requirements and long-term financial planning, as well as the Company's business objectives of sustainable operations, the pursuit of the long-term interests of shareholders and stable operating performance, and that the Company shall distribute to shareholders part or all of its distributable profits, including cash dividends of not less than 10% of the distributable dividends for the year.

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

As of December 31, 2022, the Company's deficit was to be covered. On June 27, 2022, the stockholders' meeting resolved not to distribute earnings for fiscal year 2021 and to use legal reserve to cover the deficit of $13,055 thousand and capital surplus to cover the deficit of $21,412 thousand.

The appropriation of profit for the year ended 31 December 2023, as resolved by the shareholders at the Annual General Meeting on 19 June 2023, was as follows:

	Years Ended December 31 2022
Legal reserve	$ 3,398
Cash dividends	$ 24,096
Cash dividend per share (NT$)	$ 0.2

As at 31 December 2023, the company had a loss to be covered. On 15 March 2024, the Board of Directors proposed not to distribute profits and to use the legal reserve to cover a loss of $3,398 thousand, and capital surplus to cover the loss of $111,182 thousand.

The appropriation of the loss for the year 2023 is subject to the approval of the Annual General Meeting of Shareholders, which is expected to be held on 26 June 2024.

(D) Special reserves

	Years Ended December 31	
	2023	2022
Beginning and end of year balances	$104,610	$104,610

As the increase in retained earnings resulting from the first-time adoption of IFRS was not sufficient to provide for, a special reserve has been created only for the increase in retained earnings of $104,610 thousand resulting from the transition to IFRS. The special reserve for exchange differences arising on the translation of the financial statements of foreign operating companies (including subsidiaries) is released in proportion to the Company's share of the difference and is released in full when the Company loses its significant influence. When profit is distributed, a special reserve is created for the difference between the net decrease in other equity at the end of the period and the amount of the special reserve created for the first time under IFRS. If the balance of other equity is subsequently reversed, the reversed portion may be distributed as an appropriation of retained earnings.

(E) Other equity items

1) Exchange differences on the translation of the financial statements of foreign operations

Exchange differences arising on the translation of the net assets of foreign operations from their functional currency to the presentation currency, the New Taiwan dollar, are recognised in other comprehensive income as cumulative translation differences on the financial statements of foreign operations. Exchange differences previously arising on the translation of the financial statements of foreign operations are reclassified to profit or loss on disposal of the foreign operations.

2) Unrealized valuation gain (loss) on financial assets at FVTOCI.

	Years Ended December 31	
	2023	2022
Balance at January 1	$ 6,177	$ 5,964
Recognized for the year		
Unrealized gain		
-equity insrruments	564	213
Balance at December 31	$ 6,741	$ 6,177

(F) Non-controlling interests

	Years Ended December 31	
	2023	2022
Balance at January 1	$ 21,975	$ 3,029
Net loss for the year	(5,679)	(3,252)
Increase in non-controlling interests from acquisition of HANG JIAN(Note 28)	-	24,939
Decrease in non-controlling interest in return of CLICK capital reduction	-	(2,324)
Disposal of non-controlling interests decreased by CLICK(Note 29)	-	(417)
Balance at December 31	$ 16,296	$ 21,975

23、NET REVENUE

	Years Ended December 31	
	2023	2022
Disaggregation of revenue from contracts with customers		
Revenue from the sale of goods	$ 1,401,492	$ 1,981,157

(A) Contact balances

	December 31,2023	December 31,2022	December 31,2021
Notes and Trade receivables(Note 9)	$ 438,409	$ 810,540	$ 577,006
Contact liabilities(Note20)			
Sale of goods	$ 3,559	$ 26,169	$ 19,848

(B) Disaggregation of revenue

	Years Ended December 31	
Product	2023	2022
Wireless radio communication devices	$ 1,116,424	$ 1,623,506
Electronic and optical communication components	219,894	241,699
Electronic signal connection devices	59,568	107,565
Electronic products	5,606	8,387
	$ 1,401,492	$ 1,981,157

	Years Ended December 31	
Geography	2023	2022
Asia	$ 1,314,116	$ 1,908,803
America	84,267	69,240
Europe	3,109	3,102
Other	-	12
	$ 1,401,492	$ 1,981,157

24、NET CONTINUING OPERATING PROFIT

(A) Other Gains And Losses, Net

	Years Ended December 31	
	2023	2022
Gain (Loss) from disposal of property, plant and equipment	($ 51)	$ 93

(B) Interest Income

Years Ended December 31

	2023	2022
Bank deposits	$ 8,065	$ 1,798

(C) Other Income

	Years Ended December 31	
	2023	2022
Rental Income		
Others	$ 2,432	$ 2,442
Investment Properties (Note 15)	1,521	4,723
Deferred Income from Government Grants	1,947	3,882
Compensation Income (Note 32)	$ 600	$ 52,077
Income from Government Grants	45	108
Others	14,120	20,000
	$ 20,665	$ 83,232

(D) Other Gains and Losses

	Years Ended December 31	
	2023	2022
Gains on disposals of investment property	$ 57,261	$ -
Foreign exchange gain,Net	13,831	37,540
Gain on disposal of investments	3,887	-
Impairment loss of Non-Financial assets	(15,414)	(102,219)
Others	(2,974)	(996)
	$ 56,591	($ 65,675)

(E) Finance costs

	Years Ended December 31	
	2023	2022
Interest on Bank Loans	$ 13,147	$ 7,604
Interest on Lease liabilities	7	5
	$ 13,154	$ 7,609

(F) Depreciation and amortisation

	Years Ended December 31	
	2023	2022
Property, plant and equipment	$ 69,417	$ 66,021
Right-of-use Assets	1,301	1,308
Investment Properties	296	715
Intangible Assets	6,490	5,117
Total	$ 77,504	$ 73,161
An analysis of depreciation by function		
Operating costs	$ 45,751	$ 44,398
Operating expenses	25,263	23,646
	$ 71,014	$ 68,044
An analysis of amortisation by function		
Operating costs	$ 916	$ 641
Selling and marketing expenses	695	292
General and administrative expenses	1,729	2,262
Research and development expenses	3,150	1,922
	$ 6,490	$ 5,117

(G) Employee benefits expense

	Years Ended December 31	
	2023	2022
Short-term benefits	$401,054	$440,890
Post-employment benefits (Note21)		
Defined contribution plan	11,002	10,114
Defined benefit plans	115	42
	11,117	10,156
Other employee benefits	14,375	17,028
Total	$426,546	$468,074
An analysis of employee benefits expense by function		
Operating costs	$178,217	$231,207
Operating expenses	248,329	236,867
	$426,546	$468,074

(H) Compensation of employees and remuneration of directors

In accordance with the Company's Articles of Association, between 10% and 20% of the Company's profit before tax, before deduction of employee and director emoluments, is appropriated to employees and no more than 3% of the Company's director emoluments for the current year.

The net loss before tax for the year 2023 has not been the subject of an estimate for employee remuneration and directors' remuneration.

The estimated employee and director remuneration for the 2022 financial year was approved by the Board of Directors on 27 March 2023 as follows:

Accrual rate

	Years Ended December 31 2022
Compensation of employees	10%
Remuneration of directors	3%

Amount

	Years Ended December 31 2022
	Cash
Compensation of employees	$ 3,246
Remuneration of directors	$ 974

If there is a change in the amounts after the consolidated financial statements are authorised for issue, the differences are recorded as changes in accounting estimates and adjusted in the following year.

There is no difference between the actual amount of employee and director remuneration paid and the amounts recognised in the financial statements for the years ended 31 December 2022 and 2021.

In the 2021 financial year, the net loss before tax was not estimated and therefore the employee and director remuneration was not estimated.

For information on the remuneration of employees and directors as determined by the Board of Directors, please refer to the Market Observation Post System website of the Taiwan Stock Exchange.

(I) Exchange of foreign currencies

	Years Ended December 31	
	2023	2022
Foreign Exchange Gain	$ 39,075	$ 65,944
Foreign Exchange Loss	(25,244)	(28,404)
Net Gains	$ 13,831	$ 37,540

25、INCOME TAX

(A) Income tax expense recognized in profit or loss

Income tax expense consisted of the following:

	Years Ended December 31	
	2023	2022
Current income tax expense		
Current tax expense recognized in the current year	$ 3,140	$ -
Income tax adjustments on prior years	-	(5,187)
In respect of the current year	$ 3,140	($ 5,187)

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

	Years Ended December 31	
	2023	2022
Income before tax	($122,604)	$ 24,989
Income tax expense at the statutory rate	($ 10,110)	$ 4,621
Deductible benefit for tax purposes	(5,534)	(398)
Deductible expenses for tax purposes	(20,444)	-
Taxable income for tax purposes	6,548	4,177
Temporary difference	(8,934)	1,857
Income tax credits	41,614	(10,257)
Adjustments for prior year's tax	-	(5,187)
Income tax expense recognized in profit or loss	$ 3,140	($ 5,187)

(B) Income tax examination

The tax authorities have examined income tax returns of the Company through 2021.

26、EARNINGS PER SHARE

	Years Ended December 31	
	2023	2022
Basic and Diluted EPS	($ 1.00)	$ 0.28

The profit and weighted average number of ordinary shares in issue used in the calculation of earnings per share are as follows:

Net Profit for the Year

	Years Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted earnings per share	($120,065)	$ 33,428

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

	Years Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	120,481	120,481
Effect of potentially dilutive ordinary shares:		
Compensation of employees	-	176
Weighted average number of ordinary shares used in the computation of diluted earnings per share	120,481	120,657

The company will make a loss for the year. The inclusion of the effect of employee share options would have an anti-dilutive effect and has therefore been excluded from the calculation of diluted earnings per share.

The company may settle employee share awards in cash or shares and therefore the company assumes that all awards will be settled in shares and the resulting potential shares are included in the weighted average number of shares outstanding used in the calculation of diluted earnings per share as the effect is dilutive. The dilutive effect of the potential shares is included in the calculation of diluted earnings per share until the number of shares to be issued to employees is determined in the following year.

27、GOVERNMENT GRANTS

As of 31 December 2023, the Company has received a preferential government loan of NT$226,289 thousand from the "Action Plan for Welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" for capital expenditure and operating turnover. The loan will be repaid in full in instalments over a period of five to ten years. At the time of borrowing, the market interest rate was 1.23% and 0.97% respectively. Based on this, the fair value of the loan is estimated to be NT$224,500 thousand. The difference between the amount obtained and the fair value of the loan is NT$1,789 thousand, which is regarded as a government low-interest loan and recognized as deferred income.

28、BUSINESS COMBINATIONS

(A) Subsidiaries acquired

	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired(%)	Consideration transferred
HANG JIAN TECHNOLOGY CO., LTD.(HANG JIAN)	The application-related business for unmanned aerial vehicles was integrated.	April ,2022	50.12	$ 40,470

In order to expand the Company's diversified business and combine the development of unmanned carrier and antenna products, the Company participated in the capital increase of HANG JIAN with cash in March 2022 and completed the relevant business registration procedures in April.

(B) Consideration transferred

	HANG JIAN
Cash paid	$ 40,470

(C) Assets acquired and liabilities assumed at the date of acquisition

	HANG JIAN
Current Assets	
Cash and cash equivalents	$ 37,805
Notes and Trade receivables	1,578
Income tax assets for the period	49
Inventories	3,998
Prepayments and Other Current Assets	220
Non-Current Assets	
Property, Plant, and Equipment	2,850
Intangible Assets	4,518
Refundable deposits	1,347
Current Liabilities	
Other payables	(262)
Long-term Borrowings-Current Portion	(902)
Accrued expenses and Other Current Liabilities	(641)
Non-Current Liabilities	
Long-term Borrowings	(565)
	$ 49,995

(D) Non-controlling interests

The non-controlling interest in HANG JIAN was quantified as net equity at the time of acquisition, representing 49.88% ownership interest.

(E) Goodwill resulting from the acquisition of assets

	HANG JIAN
Consideration transferred	$ 40,470
Add：Non-controlling interests	24,939
Less：Fair value of identifiable net assets acquired	(49,995)
Goodwill arising from acquisitions	$ 15,414

(F) Net cash inflow on the acquisition of subsidiaries

	HANG JIAN
Consideration paid in cash	$ 40,470
Less: Cash and Cash Equivalent Balance.	(37,805)
	$ 2,665

29、DISPOSAL OF SUBSIDIARY

The sale of the entire 76.77% stake in CLICK and the loss of control of CLICK occurred in June 2022.

(A) Consideration transferred

	CLICK
Cash and cash equivalents	$ 1,379

(B) An analysis of the assets and liabilities in the event of a loss of control.

	CLICK
Current Assets	
Cash and cash equivalents	$ 1,136
Trade receivables	512
Inventories	986
Other receivables	2
Others	429
Non-Current Assets	
Property, plant, and equipment	61
Intangible assets	13
Refundable deposits	63
	3,202
Current Liabilities	
Trade payables	($ 4)
Other accrued expenses payable	(1,056)
Others	(327)
Non-current liabilities	
Deferred revenue	(11)
Guarantee deposits	(8)
	(1,406)
Net assets disposed	$ 1,796

(C) Gain of subsidiary

	CLICK
Consideration received	$ 1,379
Add: Non-controlling interests	417
Less: Fair value of identifiable net assets acquired	(1,796)
Gain (Loss) from disposal	$ -

(D) Net cash inflow on the disposal of subsidiary

	CLICK
Consideration received in Cash and cash equivalent	$ 1,379
Less：Cash and Cash Equivalent Balance.	(1,136)
	$ 243

30、CAPITAL MANAGEMENT

The company manages its capital to ensure that it is able to maximise returns to shareholders by optimising its debt and equity balances on a going concern basis. There have been no significant changes to the Company's overall strategy.

The Company's capital structure consists of the Company's equity (i.e. share capital, share premium, retained earnings and other equity items).

The Company is not subject to any other external capital requirements.

31、FINANCIAL INSTRUMENTS

(A) Fair value of financial instruments not measured at fair value

Management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value approximate their fair values.

(B) Fair value of financial instruments measured at fair value on a recurring basis.

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
—Unlisted shares	$ -	$ -	$ 35,101	$ 35,101

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
—Unlisted shares	$ -	$ -	$ 34,537	$ 34,537

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

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

For the year ended December 31,2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1,2023	$ 34,537
Recognized in other comprehensive income	564
Balance at December 31,2023	$ 35,101

For the year ended December 31,2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1,2022	$ 35,564
Recognized in other comprehensive income	213
Capital reduction and return of shares	(1,240)
Balance at December 31,2022	$ 34,537

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

Taiwan's unquoted equity investments are valued using the income approach. The income approach is based on the expected future earnings of the underlying assets discounted at the cash flow rate using an annual discount rate, and the cash flow rate is projected over five years using a flat growth rate to calculate the present value of the expected earnings to be generated by the investment.

(C) Categories of financial instruments

	December 31,2023	December 31,2022
Financial assets		
Amortized cost(Remark 1)	$ 963,629	$ 1,091,805
Financial assets at FVTOCI		
Equity instruments	35,101	34,537
Financial liabilities		
Amortized cost(Remark 2)	647,895	924,564

Remark 1: The balances include financial assets at amortized cost, which comprise cash, cash equivalents, financial assets at amortized cost ,

notes and trade receivables, other receivables and refundable deposits. Those reclassified to held-for-sale disposal groups are also included.

Remark 2: The balances include financial liabilities at amortized cost, which comprise Short-term borrowings, long-term borrowings-current portion, long-term borrowings ,notes and trade payable, other payables and guarantee deposits. Those reclassified to held-for-sale disposal groups are also included.

(D) Financial risk management objectives and policies

The Company's principal financial instruments include equity, cash, notes and accounts receivable, bank borrowings and notes and accounts payable. The company's financial management department supports each business unit in monitoring and managing the financial risks associated with the company's operations through internal risk reports that analyse risks according to their degree and breadth. These risks include market risk (including foreign exchange and interest rate risk), credit risk and liquidity risk.

The Company uses derivative financial instruments to hedge its exposures and to mitigate the effects of these exposures. The use of derivative financial instruments is governed by policies approved by the Board of Directors, which cover foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments and written policies for the investment of excess liquidity. Compliance with these policies and the level of risk are monitored on an ongoing basis by the internal auditors. The Company has not traded financial instruments (including derivative financial instruments) for speculative purposes.

The Financial Management Department reports quarterly to the Company's Board of Directors, an independent body responsible for monitoring risk and implementing risk mitigation strategies.

1) Market risk

The Company’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) , interest rates (see (2) below) and other prices. (see (3) below)

There has been no change to the Company’s exposure to market risks or the manner in which these risks are managed and measured.

(1) Foreign currency risk

The Company is exposed to foreign exchange risk from sales and purchases denominated in foreign currencies.

The Company balances net assets and liabilities in foreign currencies using economic hedges to avoid fluctuations in future cash flows due to changes in exchange rates.

The carrying amounts of monetary assets and liabilities denominated in non-functional currencies at the balance sheet date are disclosed in Note 34.(Monetary items that include non-functional currency-denominated items that have been eliminated in the consolidated financial statements.)

Sensitivity analysis

The Company is primarily affected by fluctuations in the exchange rates of the USD and the RMB.

The following table details the Company’s sensitivity to a 1% increases and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis takes into account monetary items in foreign currencies in circulation and adjusts the period-end translation for a 1% change in exchange rates. The following table shows the changes in profit before tax that would occur if the functional currency were to weaken by 1% against the respective currencies. The sensitivity analysis includes cash, trade and other receivables, short-term borrowings, trade payables and other payables.

	USD Impact		RMB Impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	$ 4,087(i)	$ 6,196(i)	$ 266 (ii)	$ 406 (ii)

(i) This arises mainly from the Company outstanding USD-denominated receivables, payables and borrowings at the balance sheet date, which are not hedged against cash flows.

(ii) Mainly due to the Company's RMB-denominated receivables and payables outstanding at the balance sheet date which are not hedged against cash flows.

(2) Interest rate risk

Interest rate risk arises when the Company borrows funds at both fixed and floating rates. The Company manages its interest rate risk by maintaining an appropriate mix of fixed and floating rates.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting periods were as follows:

	December 31 2023	December 31 2022
Fair value interest rate risk		
Financial assets	$ 12,307	$ -
Financial liabilities	232	546
Cash flow interest rate risk		
Financial assets	509,315	272,825
Financial liabilities	380,335	435,755

Sensitivity analysis

The following sensitivity analyses are based on the interest rate risk of non-derivative instruments at the balance sheet date. For floating rate assets and liabilities, the analysis assumes that the amounts of assets and liabilities outstanding at the balance sheet date were outstanding during the period.

If interest rates had increased or decreased by 1%, the Company's pre-tax net (loss) income would have decreased by NT$1,290 thousand and NT$1,629 thousand for the years ended 31 December 2023 and 2022, respectively, primarily due to the Company's exposure to interest rate risk on its variable rate net assets and liabilities, with all other variables held constant.

(3) Other price risk

The Company's equity instruments are exposed to price risk primarily from investments in financial assets at fair value through other comprehensive income.

Sensitivity analysis

The following sensitivity analysis is based on the equity price risk at the balance sheet date.

If equity prices had been 0.1% higher/lower, the post-tax other comprehensive income for the years ended 31 December 2023 and 2022 would have increased/ decreased by NT$351 thousand and NT$345 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

2) Credit risk

Credit risk is the risk of financial loss resulting from the failure of counterparties to meet their contractual obligations. At the balance sheet date, the Company's maximum exposure to credit risk (not taking into account collateral or other credit enhancement instruments and not taking into account the maximum amount of irrevocable commitments), which could result in financial loss due to the failure of counterparties to meet their contractual obligations, and the Company's provision of financial guarantees, was mainly attributable to the following:

(1) The carrying amount of consolidated financial assets recognised in each balance sheet.

(2) The amount of contingent liabilities arising from financial guarantees issued by the Company.

The Company uses other publicly available financial information and mutual transaction records to evaluate major customers. The Company monitors credit risk and counterparty creditworthiness on an ongoing basis and spreads total transaction amounts across creditworthy customers and controls credit risk through counterparty credit limits which are reviewed and approved by management on an annual basis.

3) Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Company’s operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Company relies on bank borrowings as a significant source of liquidity. As at 31 December 2023 and 2022, the Company's unused short-term bank facilities amounted to NT$777,519 thousand and NT$812,475 thousand, respectively.

The table below summarizes the maturity profile of the Company’s financial liabilities based on contractual undiscounted payments, including principal and interest.

December 31, 2023

	On Demand or Less than 1 Month	1 ~3 Months	3 Months to 1 Year	More Than 1 Years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 61,294	$ -	$ -	$ -	$ 61,294
Long-term borrowings - current portion	5,749	17,246	45,988	250,058	319,041
Notes and Trade payable to unrelated parties	72,828	109,770	42,034	2,505	227,137
Lease liabilities	26	52	156	-	234
Accrued expenses and other current liabilities	39,415	64	507	-	39,986
	$ 179,312	$ 127,132	$ 88,685	$ 252,563	$ 647,692

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
Variable interest rate liabilities	$ 130,277	$ 203,219	$ 46,839	$ 380,335
Lease liabilities	234	-	-	234
	$ 130,511	$ 203,219	$ 46,839	$ 380,569

December 31, 2022

	On Demand or Less than 1 Month	1~3 Months	3 Months to 1 Year	More Than 1 Years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ -	$ 61,400	$ -	$ -	$ 61,400
Long-term borrowings - current portion	2,449	10,634	44,898	316,374	374,355
Notes and Trade payable to unrelated parties	103,781	185,067	131,277	1,507	421,632
Lease liabilities	26	53	238	238	555
Accrued expenses and other current liabilities	65,261	416	937	-	66,614
	$ 171,517	$ 257,570	$ 177,350	$ 318,119	$ 924,556

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less Than 1 Year	1-5 Years	More Than 5 Years	Total
Variable interest rate liabilities	$ 119,381	$ 227,094	$ 89,280	$ 435,755
Lease liabilities	317	238	-	555
	$ 119,698	$ 227,332	$ 89,280	$ 436,310

32、 RELATED PARTY TRANSACTIONS

The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

(A) Related party name and categories

Related Party Name	Related Party Categories
LIN CHI SHENG	Key management personnel (Non-related party since June 10,2022)

(B) Others

	General and administrative	
	Years Ended December 31	
	2023	2022
Key management personnel	$ -	$ 29

	Other Income	
	Years Ended December 31	
	2023	2022
LIN CHI SHENG	$ -	$ 52,077

Leases between related parties, including determining and collecting rental payments, are consistent with standard leases.

The Company's directors, Mr LIN,CHI-SHENG (who has resigned from the Board with effect from 10 June 2022), Mr CHANG,HUNG-YI and Mr PENG,CHAO-CHANG, have been indicted by the Hsinchu District Prosecutor's Office in Taiwan for allegedly violating the Securities and Exchange Act. The Company has filed a criminal and ancillary civil lawsuit with the Hsinchu District Court in Taiwan against the above named defendants for alleged violation of the Securities and Exchange Act and has requested the above named defendants to compensate the Company for losses of US$3,686 thousand and NT$6,934 thousand, which has been referred to the civil court for adjudication. Compensation income of NT$600 thousand and NT$52,077 thousand was recognised in fiscal years 2023 and 2022, respectively.

(C) Remuneration of key management personnel

	Years Ended December 31	
	2023	2022
Short-term employee benefits	$ 25,480	$ 27,411
Post-employment benefits	758	987
Other benefits	1,110	766
	$ 27,348	$ 29,164

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

(D) Endorsement and Guarantee provided

Please refer to Attachment 35 for the Status of Endorsement and Guarantee.

33、 ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings, tariff guarantee for imported raw material:

	December31,2023	December31,2022
Buildings	$405,329	$426,965
Freehold Land	185,606	185,606
Right-of-use Assets	31,318	32,896
	$622,253	$645,467

34、 SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 16,879	30.7050	$ 518,270
RMB	6,597	4.3270	28,545
JPY	15,720	0.2172	3,414
HKD	435	3.9290	1,709
			$ 551,938
Financial liabilities			
Monetary items			
USD	3,569	30.7050	$ 109,586
RMB	442	4.3270	1,913
JPY	17,291	0.2172	3,756
			$ 115,255

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(Continued from the previous page)

December 31, 2022

Financial assets	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 22,878	30.7100	$ 702,583
RMB	9,902	4.4080	43,648
JPY	25,455	0.2324	5,916
HKD	434	3.9380	1,709
			$ 753,856

Financial liabilities	Foreign Currencies	Exchange Rate	Carrying Amount
Monetary items			
USD	$ 2,703	30.7100	$ 83,009
RMB	695	4.4080	3,064
JPY	25,398	0.2324	5,902
			$ 91,975

The company is mainly exposed to the USD and the RMB. The following information is presented in summary form based on the functional currencies of the individuals who hold foreign currencies. The disclosed exchange rates represent the rates at which the functional currencies are translated into the presentation currency. The significant realised and unrealised foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Functional Currency	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)	Exchange Rate (Functional Currency: Presentation Currency)	Net Foreign Exchange Gain (Loss)
NTD	1 (NTD：NTD)	$ 14,214	1 (NTD：NTD)	$ 41,384
RMB	4.396 (RMB：NTD)	(383)	4.422 (RMB：NTD)	(3,844)
		$ 13,831		$ 37,540

35、 ADDITIONAL DISCLOSURES

(A) Following are the additional disclosures required by the Securities and Futures Bureau for the Company:

1) Lending Funds to Other Parties: See Table 1 attached.

2) Endorsement/guarantee provided: See Table 2 attached.

3) Marketable securities held (excluding investments in subsidiaries and associates) : See Table 3 attached.
4) Marketable securities acquired and disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5) Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital: None.
6) Disposal of individual real estate properties at prices of at least NT$300 million or 20% of the paid-in capital: None.
7) Total purchases from or sales to related parties of at least NT$100 million or 20% of the paid-in capital: See Table 4 attached.
8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9) Information about the derivative financial instruments transaction: None.
10) Information about the intercompany relationships and significant intercompany transactions: See Table 6 attached.

(B) Names, locations, and related information of investees over which the Company exercises significant influence (excluding information on investment in mainland China)： See Table 5 attached.

(C) Information on investment in mainland China

1) The name of the investee in mainland China, the main businesses and products, its issued capital, method of investment, information on inflow or outflow of capital, percentage of ownership, income (losses) of the investee, share of profits/losses of investee, ending balance, amount received as dividends from the investee, and the limitation on investee: See Table 7 attached.
2) Significant direct or indirect transactions with the investee, its prices and terms of payment, unrealized gain or loss, and other related information which is helpful to understand the impact of investment in mainland China on financial reports: See Table 6 attached.

(D) Information of major shareholder: List of all shareholders with ownership of 5 percent or greater showing the names and the number of shares and percentage of ownership held by each shareholder: None.

36、 OPERATING SEGMENTS INFORMATION

The information provided to the chief operating decision maker for the purpose of allocating resources and evaluating departmental performance is focused on each type of product or service delivered or provided. The Company's reportable segments are as follows:

(a) The Business Division of Wireless Radio Communication Devices and Electronic Signal Connection Devices.

(b) The Business Division of Trading Agent Parts and Accessories.

The operating department profit or loss of the company is primarily gauged by operating profit or loss and serves as a foundation for performance evaluation. Furthermore, there are no material inconsistencies between the accounting policies employed by the operating departments and the significant accounting policies set forth in Note 4.

(A) Departmental Revenue and Operating Results

The following section presents a detailed analysis of the revenues and results of operations of the Company's continuing business units, disaggregated by reportable segment:

	Departmental Revenue		Department profit and loss	
	Years Ended December 31		Years Ended December 31	
	2023	2022	2023	2022
Wireless radio communication devices、Electronic signal connection devices and Electronic products	$ 1,245,837	$ 1,808,282	$ 203,768	$ 359,891
Trading Agent Parts and Accessories	155,655	172,875	17,573	20,320
Continuing Operating Units	$ 1,401,492	$ 1,981,157	221,341	380,211
Unapportioned amount:				
Operating expenses			(416,061)	(372,772)
Other gains and losses			(51)	93
Non-operating income and expenses			72,167	17,457
Profit Before Income Tax			($ 122,604)	$ 24,989

Departmental revenue is defined as the profit earned by each department, with the exclusion of allocable operating expenses, non-operating income and gains, as well as non-operating expenses and losses. This measurement is provided to the chief operating decision maker for the purpose of allocating resources to the departments and evaluating their performance.

(B) Total assets of the department

The measurement amounts of the Company's assets have not been provided to the chief operating decision maker, therefore the measurement amounts of segment assets are zero.

(C) Revenue from major products

The following is an analysis of the Company’s revenue from continuing operations from its major products.

	Years Ended December 31	
Product	2023	2022
Wireless radio communication devices	$ 1,116,424	$ 1,623,506
Electronic and optical communication components	219,894	241,699
Electronic signal connection devices	59,568	107,565
Electronic products	5,606	8,387
	$ 1,401,492	$ 1,981,157

(D) Geographic information

The Company’s revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed as follows:

	Revenue from External Customers		Non-current Assets	
	Years Ended December 31		December 31	
	2023	2022	2023	2022
Asia	$ 834,175	$ 1,293,915	$ 152,570	$ 182,531
Taiwan	479,941	614,888	661,467	673,148
America	84,267	69,240		-
Europe	3,109	3,102		-
Other	-	12		-
	$ 1,401,492	$ 1,981,157	$ 814,037	$ 855,679

Non-current assets include property, plant and equipment and other assets. Non-current assets exclude long-term investments accounted for using the equity method and financial assets at FVTOCI.

(E) Information on major customers

Single customers contributing 10% or more to the Company's revenue were as follows:

	Years Ended December 31			
	2023		2022	
Customers	Amount	% to Total	Amount	% to Total
Customer B	$ 302,405	22	$ 596,220	30
Customer A	128,603	9	239,902	12
	$ 431,008		$ 836,122	

TABLE 1

WHA YU INDUSTRIAL CO., LTD.

LENDING FUNDS TO OTHER PARTIES

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Financing Company	Counterparty	Financial Statement Account	Related Party	Maximum Balance for the Period	Ending Balance	Amount Actually Drawn	Interest Rate	Nature for Financing	Transaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Financing Company's Total Financing Amount Limits (Note 3)	Note
													Item	Value			
1	Hua Hong International Co., Ltd.	WHA YU	Other receivables	Yes	$ 99,521	$ 99,521	$ 99,521	2.5%	Short-term financing funds	$ -	Operating capital	$ -	—	$ -	$ 289,031	$ 289,031	—

Note 1：The lending of funds by the Company to an individual entity shall not exceed 10% of the Company's net value; the lending of funds by an overseas subsidiary to an individual entity shall not exceed 15% of the net value of the subsidiary.

Note 2：The total amount of funds lent by the Company shall not exceed 40% of its net value; and the total amount of funds lent by an overseas subsidiary shall not exceed 40% of the net value of the subsidiary

Note 3： There is no restriction on short-term financing between affiliates in which the Company directly or indirectly holds 100% of the voting shares, provided that the total loan amount and the individual loan amount do not exceed 60% of the net value of such affiliates.

TABLE 2

WHA YU INDUSTRIAL CO., LTD.

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement/ Guarantee Given on Behalf of Each Party	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement/ Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collaterals	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements	Aggregate Endorsement/ Guarantee Limit (Note 3)	Guarantee Provided by Parent Company	Guarantee Provided by A Subsidiary	Guarantee Provided to Subsidiaries in Mainland China
		Name of Company	Relationship										
0	WHA YU	DONGGUAN AEON Tech Co., Ltd.	Subsidiary with 100% indirect shareholding	$ 656,558 (Note 2)	$ 61,410 (US$ 2,000 thousand)	$ 61,410 (US$ 2,000 thousand)	$ -	$ -	4.68%	$ 656,558	Yes	No	Yes
		DONGGUAN AEON Tech Co., Ltd.	Subsidiary with 100% indirect shareholding	656,558 (Note 2)	92,115 (US$ 3,000 thousand)	92,115 (US$ 3,000 thousand)	61,410	-	7.01%	656,558	Yes	No	Yes

Note 1：The Company's limit on endorsements and guarantees provided for a single entity shall not exceed 20% of the current net value.

Note2：The Company's 100%-owned subsidiaries are not subject to the aforementioned limit on endorsements and guarantees for single entity. 。

Note3：The total amount of the Company's external endorsements and guarantees shall not exceed 50% of the net value of the current period.

Note4：The relevant figures in this table that are denominated in foreign currencies are translated into New Taiwan dollars using the exchange rates prevailing on the date of the financial statements.

WHA YU INDUSTRIAL CO., LTD.

MARKETABLE SECURITIES HELD
December 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Marketable Securities Type	Marketable Securities Name	Relationship with the Company	Financial Statement Account	December 31, 2023				Note
				Shares	Carrying Value	Percentage of Ownership (%)	Fair Value	
Non-publicly traded equity investments-Stocks	Ubiik Inc. Common Stock	—	Financial assets at fair value through other comprehensive income - Non-current	672,000	$ 35,101	3.00	$ 35,101	—

TABLE 4

WHA YU INDUSTRIAL CO., LTD.

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

<table>
<tr><th rowspan="3">Company Name</th><th rowspan="3">Related Party</th><th rowspan="3">Nature of Relationships</th><th colspan="4">Transaction Details</th><th colspan="2" rowspan="2">Abnormal Transaction</th><th colspan="2">Notes/Accounts Payable or Receivable</th><th rowspan="3">Note</th></tr>
<tr><th rowspan="2">Purchases/ Sales</th><th rowspan="2">Amount</th><th rowspan="2">% to Total</th><th rowspan="2">Payment Terms</th><th rowspan="2">Ending Balance</th><th rowspan="2">% to Total</th></tr>
<tr><th>Unit Price</th><th>Payment Terms</th></tr>
<tr><td>WHA YU</td><td>DONGGUAN AEON</td><td>Subsidiary</td><td>Purchases</td><td>$600,893</td><td>65</td><td>Net 90 days from the end of the month of when invoice is issued</td><td>Note</td><td>-</td><td>($ 88,923)</td><td>55</td><td>—</td></tr>
</table>

WHA YU INDUSTRIAL CO., LTD.

INFORMATION ON INVESTEES (EXCLUDING INFORMATION ON INVESTMENT IN MAINLAND CHINA)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		Balance as of December 31, 2023			Net Income (Losses) of the Investee(Note 2)	Profits/Losses of Investee (Note 2)	Note
				December 31, 2023	December 31, 2022	Shares (In Thousands)	Percentage of Ownership	Carrying Value(Note 2)			
WHA YU INDUSTRIAL CO., LTD.	HUA HONG INTERNATIONAL LTD.	Republic of Mauritius	Investment activities	$ 230,226 (US$ 7,498 Thousand)	$ 230,264 (US$ 7,498 Thousand)	7,498,093	100	$ 482,491	$ 41,296	$ 41,296	Subsidiary
	HANG JIAN TECHNOLOGY CO., LTD.	Hsin-Chu, Taiwan	The application-related business for unmanned aerial vehicles was integrated.	40,470	40,470	2,130,000	50.12	16,373	(11,385)	(5,705)	Subsidiary
	Wha Yu USA Inc.	U.S.A.	Consultancy and customer service activities for the local markets of the Internet communication products.	15,353 (US$ 500 Thousand)	-	500,000	100	9,433	(6,107)	(6,107)	Subsidiary
	Wha Yu Vietnam Limited Liability Company	Vietnam	The company is engaged in the manufacture and sale of equipment for the communication systems of the broadband access network.	107,468 (US$ 3,500 Thousand)	-	-	100	99,888	(1,813)	(1,813)	Subsidiary
	PRO BRAND TECHNOLOGY, INC.(PBT)	Cayman Islands	The company deals in a variety of downconverters, multiplexers, and electronic components.	-	276,200	- (Note 3)	- (Note 3)	- (Note 3)	-	-	Associate

Note 1: Amounts in this table denominated in foreign currencies have been translated into New Taiwan Dollars at the exchange rates prevailing at the balance sheet date.

Note 2:Based on audited financial statements.

Note 3: Successful completion of the sale of the stake in PBT on 19 May 2023.

WHA YU INDUSTRIAL CO., LTD.

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Amounts in Thousands of New Taiwan Dollars)

No.	Investee Company	Counterparty	Relationship (Note 1)	Transaction Details			
				Financial Statements Accounts	Amount	Payment Terms (Note 2)	% of Total Sales or Assets
0	WHA YU	Hua Hong International Co., Ltd.	1	Other payables to related parties	$ 3,824	—	-
		DONGGUAN AEON Tech Co., Ltd.	1	Sales	33,680	—	2%
				Purchases	600,893	—	43%
				Trade receivables from related parties	5,565	—	-
				Other receivables from related parties	30	—	-
				Other payables to related parties	46	—	-
				Trade payables to related parties	88,923	—	4%

Note1: No.1 represents the transaction between the parent company.

Note2: The prices of goods sold to related parties are determined by both parties with reference to the market price. The terms of payment are identical to those applied to non-related parties, although they are contingent upon the cash flow requirements of the subsidiaries.

The company does not engage in the purchase of goods from other suppliers due to the absence of a market price that can be used for comparison. The transaction price is determined by both parties with reference to the market price, and the payment terms are identical to those applied to other customers.

WHA YU INDUSTRIAL CO., LTD.

INFORMATION ON INVESTMENT IN MAINLAND CHINA
FOR YEAR ENDED DECEMBER 31, 2023

(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Total Amount of Paid-in Capital	Method of Investment	Accumulated Outflow Remittance for Investment from Taiwan as of January 1, 2023	Amount of Investments Remitted or Repatriated for the Period		Accumulated Outflow Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31,2023	Accumulated Repatriation of Investment Income as of December 31,2023	Note
					Remitted	Repatriated							
DONGGUAN AEON Tech Co., Ltd.	Production and sales of broadband access network communication system equipment (wireless fixed access network communication equipment), new instrumentation elements (instrumentation connectors)	RMB78,767 thousand (US$ 11,100 thousand)) Note 3	(Note 1)	US$ 5,600 thousand	$ -	$ -	US$ 5,600 thousand	RMB 220 thousand	100%	RMB 220 thousand	RMB85,061 thousand	$ -	—
AEON TECHNOLOGY (SHANG HAI) CO., LTD.	Wholesales of communication parts,electronic parts, cables, optical fibers and antennas; import and export of self-developed products; provision of supporting and consulting services; development of antennas	RMB42,364 thousand (US$5,970 thousand) Note 4	(Note 1)	US$ 1,250 thousand	-	-	US$ 1,250 thousand	RMB2,314 thousand	100%	RMB2,314 thousand	RMB18,229 thousand	-	—

Accumulated Investment in Mainland China as of December 31, 2023	Amount of Investments Authorized by Investment Commission, M.O.E.A.	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, M.O.E.A.
US$13,662 thousand ($419,492)	US$21,762 thousand ($668,202)	$787,870

Note 1：The Company has invested in Mauritius Hua Hong International Co., Ltd. and then invested in mainland companies through this company, which has been approved by the Investment Review Committee of the Ministry of Economic Affairs.

Note 2：The calculation is based on the financial statements audited by the CPAs for the same period.

Note 3：The reinvestment was made based on the accumulated amount of US$ 5,600 thousand transferred from Taiwan and the earnings of US$ 5,500 thousand owned by Hua Hong International Co., Ltd.

Note 4：The reinvestment was made based on the accumulated amount of US$ 1,250 thousand transferred from Taiwan, and the earnings of US$ 2,600 thousand owned by Gaosheng International Co., Ltd.. Then Dongguan Tailin Co., Ltd. used its own earnings to increase the capital of Shanghai Puxiang Techology Co., Ltd. by RMB 13,500 thousand.

Note 5：The relevant figures in this table that are denominated in foreign currencies are translated into New Taiwan dollars using the exchange rates prevailing on the date of the financial statements.