ADVANCED WIRELESS SEMICONDUCTOR COMPANY

FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Advanced Wireless Semiconductor Company

Opinion

We have audited the accompanying balance sheets of Advanced Wireless Semiconductor Company (the "Company") as of December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Company's 2023 financial statements. These matters were addressed in the context of financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 financial statements are stated as follows:

Occurrence of sales revenue

Description

Refer to Note 4(25) for the accounting policy on revenue recognition and Note 6(15) for the details of operating revenue.

The sales revenue of the Company mainly arose from the manufacture and sales of GaAs products. Given that the sales counterparties spread over Taiwan and America, the sales are easily influenced by the demand of terminal market, the transaction volume of the sales revenue is huge and the verification of the existence of transactions takes a long time, we considered the occurrence of the Company's sales revenue a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Evaluated the internal control system designed and implemented by management in reviewing customers' credit and tested whether the counterparty and credit valuation documents had been properly approved.
2. Selected samples and compared transaction details and supporting documents for consistency from transaction counterparties who have higher turnover growth.
3. Selected samples of sales revenue transactions during the year and confirmed whether the sales revenue transactions actually occurred.
4. Sent out confirmation letters for significant transaction counterparty, checked the confirmation replies against accounting records and customers' data, and investigated the differences, if any, between the replies and accounting records.

Timing of depreciation recognition for property, plant and equipment transferred from unfinished construction and equipment under acceptance

Description

Refer to Note 4(12) for accounting policies on property, plant and equipment and Note 6(6) for details of property, plant and equipment.

The Company continues to expand plants and production lines and replace old production lines with new ones to meet the market demand, which resulted in an increase in capital expenditures. The unfinished construction and equipment under acceptance are transferred to property, plant and equipment and depreciated once they become available for use. Given that the assessment as to whether the unfinished construction and equipment under acceptance are available for use involves subjective judgement and the amounts of property, plant and equipment are significant to the financial statements, we considered the timing of depreciation recognition for property, plant and equipment transferred from unfinished construction and equipment under acceptance a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

1. Obtained an understanding on the completion and inspection procedures of property, plant and equipment, checked the internal control procedures and related purchase contracts to assess the effectiveness of the management's control over timing of recognition of property, plant and equipment and depreciation.
2. Selected samples of unfinished construction and equipment under acceptance at the end of current year, assessed whether they were not yet available for use and observed the physical count of unfinished construction and equipment under acceptance.
3. Selected samples of unfinished construction and equipment under acceptance that were available for use in the current year and ascertained whether they were transferred to appropriate asset categories, the transfer date had been recorded accurately in the appropriate period and the depreciation had started accurately.

Responsibilities of management and those charged with governance for the financial statements

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

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

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

Auditors' responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period 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.

Lin, Tzu-Shu

Independent Accountants

Yeh, Fang-Ting

PricewaterhouseCoopers, Taiwan
Republic of China
February 20, 2024

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,979,054	23	$ 1,913,241	24
1150	Notes receivable, net	6(3)	1,145	-	1,978	-
1170	Accounts receivable, net	6(3) and 12	516,302	6	175,435	2
1200	Other receivables		19,124	-	4,674	-
130X	Inventory	5 and 6(4)	973,371	11	380,531	5
1410	Prepayments	6(5)(6) and 7	74,665	1	203,054	3
1476	Other current financial assets	6(1) and 8	9,322	-	10,628	-
11XX	**Total current assets**		3,572,983	41	2,689,541	34
	Non-current assets					
1600	Property, plant and equipment	6(6)	4,974,668	56	4,939,403	63
1755	Right-of-use assets	6(7)	81,691	1	88,090	1
1780	Intangible assets	6(8)	6,766	-	14,583	-
1840	Deferred income tax assets	6(22)	12,535	-	9,828	-
1915	Prepayments for equipment	6(6)	144,874	2	161,232	2
1920	Guarantee deposits paid		174	-	174	-
1990	Other non-current assets		7,360	-	717	-
15XX	**Total non-current assets**		5,228,068	59	5,214,027	66
1XXX	**Total assets**		$ 8,801,051	100	$ 7,903,568	100

(Continued)

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(15)	$ 167,702	2	$ 15,920	-
2170	Accounts payable	7	347,579	4	115,243	2
2200	Other payables	6(9)	264,387	3	271,237	3
2230	Current income tax liabilities	6(22)	10,269	-	25	-
2280	Lease liabilities - current		6,019	-	5,918	-
2320	Long-term liabilities, current portion	6(10)	32,083	-	-	-
21XX	**Total current liabilities**		828,039	9	408,343	5
	Non-current liabilities					
2540	Long-term borrowings	6(10)	397,917	5	-	-
2580	Lease liabilities - non-current		78,979	1	84,998	1
2645	Guarantee deposits received		14,000	-	12,000	-
25XX	**Total non-current liabilities**		490,896	6	96,998	1
2XXX	**Total liabilities**		1,318,935	15	505,341	6
	Equity					
	Share capital					
3110	Common stock	6(12)	1,965,161	23	1,965,161	25
3200	Capital surplus	6(13)	4,262,693	48	4,261,530	54
	Retained earnings	6(14)				
3310	Legal reserve		457,760	5	456,389	6
3350	Unappropriated retained earnings		796,502	9	715,147	9
3XXX	**Total equity**		7,482,116	85	7,398,227	94
	Significant Contingent Liabilities and Unrecognized Contract Commitments	9				
3X2X	**Total liabilities and equity**		$ 8,801,051	100	$ 7,903,568	100

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

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except for earning per share amounts)

	Items	Notes	Year ended December 31 2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Sales revenue	6(15)	$ 2,723,100	100	$ 2,163,751	100
5000	Operating costs	6(4)(8)(11)(20)(21) and 7	(2,308,371)	(85)	(1,820,053)	(84)
5900	Gross profit		414,729	15	343,698	16
	Operating expenses	6(8)(11)(20)(21), 7 and 12				
6100	Selling expenses		(19,593)	(1)	(14,058)	(1)
6200	General and administrative expenses		(105,910)	(4)	(121,522)	(6)
6300	Research and development expenses		(219,629)	(8)	(242,344)	(11)
6450	Expected credit impairment loss		(1,864)	-	(2,657)	-
6000	Total operating expenses		(346,996)	(13)	(380,581)	(18)
6900	Operating profit (loss)		67,733	2	(36,883)	(2)
	Non-operating income and expenses					
7100	Interest income	6(16)	31,160	1	19,062	1
7010	Other income	6(17)	738	-	1,310	-
7020	Other gains and losses	6(2)(18) and 12	(4,171)	-	32,631	2
7050	Finance costs	6(6)(7)(19)	(1,480)	-	(1,579)	-
7000	Total non-operating income and expenses		26,247	1	51,424	3
7900	**Profit before income tax**		93,980	3	14,541	1
7950	Income tax expense	6(22)	(11,254)	-	(829)	-
8200	**Profit for the year**		$ 82,726	3	$ 13,712	1
8500	**Total comprehensive income for the year**		$ 82,726	3	$ 13,712	1
	Earnings per share (in dollars)	6(23)				
9750	Basic		$ 0.42		$ 0.07	
9850	Diluted		$ 0.42		$ 0.07	

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

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share capital - common stock	Total capital surplus, additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Unappropriated retained earnings	Total equity
Year ended December 31, 2022						
Balance at January 1, 2022		$ 1,965,161	$ 4,261,530	$ 372,028	$ 1,336,041	$ 7,934,760
Profit for the year		-	-	-	13,712	13,712
Total comprehensive income for the year		-	-	-	13,712	13,712
Appropriations of 2021 earnings:						
Legal reserve		-	-	84,361	(84,361)	-
Cash dividends	6(14)	-	-	-	(550,245)	(550,245)
Balance at December 31, 2022		$ 1,965,161	$ 4,261,530	$ 456,389	$ 715,147	$ 7,398,227
Year ended December 31, 2023						
Balance at January 1, 2023		$ 1,965,161	$ 4,261,530	$ 456,389	$ 715,147	$ 7,398,227
Profit for the year		-	-	-	82,726	82,726
Total comprehensive income for the year		-	-	-	82,726	82,726
Appropriations of 2022 earnings:						
Legal reserve		-	-	1,371	(1,371)	-
Payment of unpaid cash dividends from previous years transferred to capital reserve	6(13)	-	1,163	-	-	1,163
Balance at December 31, 2023		$ 1,965,161	$ 4,262,693	$ 457,760	$ 796,502	$ 7,482,116

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

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 93,980	$ 14,541
Adjustments			
Adjustments to reconcile profit (loss)			
Loss on financial assets at fair value through profit or loss	6(2)(18)	-	3,440
Expected credit impairment loss	12	1,864	2,657
Loss on inventory market price decline	6(4)	8,221	6,232
Depreciation	6(6)(7)(20)	583,683	472,008
Gain on disposal of property, plant and equipment	6(18)	-	(104)
Spare parts transferred to expenses	6(6)	48,925	-
Amortization	6(8)(20)	10,105	11,460
Interest income	6(16)	(31,160)	(19,062)
Interest expense	6(19)	1,480	1,579
Changes in operating assets and liabilities			
Changes in operating assets			
Financial assets at fair value through profit or loss - current		-	30,082
Notes receivable		833	(563)
Accounts receivable		(342,731)	115,558
Other receivables		(13,860)	14,534
Inventory		(601,061)	209,809
Prepayments		(58,183)	6,372
Changes in operating liabilities			
Current contract liabilities		151,782	(38,774)
Accounts payable		232,336	(164,469)
Other payables		24,786	(119,190)
Cash inflow generated from operations		111,000	546,110
Interest received		30,570	17,839
Interest paid		(1,261)	(1,579)
Income tax paid		(3,717)	(54,672)
Net cash flows from operating activities		136,592	507,698

(Continued)

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
(Increase) decrease in other financial assets - current		$ 1,306	($ 56)
Cash paid for acquisition of property, plant and equipment	6(24)	(364,414)	(713,648)
Proceeds from disposal of property, plant and equipment		-	411
Interest paid for acquisition of property, plant and equipment	6(6)(19)(24)	(2,345)	(1)
Acquisition of intangible assets	6(8)	(2,288)	(7,714)
Increase in prepayments for equipment		(135,539)	(367,404)
Decrease in guarantee deposits paid		-	20
(Increase) decrease in other non-current assets		5,256	(684)
Net cash flows used in investing activities		(498,024)	(1,089,076)
CASH FLOWS FROM FINANCING ACTIVITIES			
Payments of lease liabilities	6(25)	(5,918)	(5,819)
Increase in long-term borrowings	6(25)	430,000	-
Increase in guarantee deposits received	6(25)	2,000	-
Payments of cash dividends	6(14)	-	(550,245)
Payment of unpaid cash dividends from previous years transferred to	6(13)	1,163	-
Net cash flows from (used in) financing activities		427,245	(556,064)
Net increase (decrease) in cash and cash equivalents		65,813	(1,137,442)
Cash and cash equivalents at beginning of year	6(1)	1,913,241	3,050,683
Cash and cash equivalents at end of year	6(1)	$ 1,979,054	$ 1,913,241

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

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANIZATION

(1) Advanced Wireless Semiconductor Company (the "Company") was incorporated on December 30, 1998 as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) and other related regulations. The Company is primarily engaged in the research, development, production, testing, and manufacture and sales of GaAs wafers.

(2) The common stocks of the Company had been traded in the Taipei Exchange since June, 2009.

2. THE DATE OF AUTHORIZATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORIZATION

The financial statements were authorized for issuance by the Board of Directors on February 20, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board ("IASB")
Amendments to IAS 1, 'Disclosure of accounting policies'	January 1, 2023
Amendments to IAS 8, 'Definition of accounting estimates'	January 1, 2023
Amendments to IAS 12, 'Deferred tax related to assets and liabilities arising from a single transaction'	January 1, 2023
Amendments to IAS 12, 'International tax reform - pillar two model rules'	May 23, 2023

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Statement of compliance

The financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs")

(2) Basis of preparation

A. Except for Financial assets (including derivative instruments) at fair value through profit or loss, these financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in Note 5, critical accounting judgements, estimates and key sources of assumption uncertainty.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognized in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All other foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within 12 months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than 12 months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within 12 months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than 12 months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amount of cash and subject to an insignificant risk of changes in value.

B. Time deposits and repurchase bills that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) Financial assets at fair value through profit or loss

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortized cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognized and derecognized using trade date accounting.

C. At initial recognition, the company measures the financial assets at fair value and recognizes the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognizes the gain or loss in profit or loss.

(7) Financial assets at amortized cost

A. Financial assets at amortiszed cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortized cost are recognized and derecognized using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognized in profit or loss when the asset is derecognized or impaired.

D. The Company’s time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial. In addition, the Company’s restricted time deposits related to pledge meet the definition of ‘financial assets at amortized cost’ but are presented in ‘other current financial assets’.

(8) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and applicable variable selling expenses. When the cost of inventory is higher than net realizable value, a write-down is provided and recognized in operating costs. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent and recognized as deduction of operating costs.

(10) Impairment of financial assets

For debt instruments measured as financial assets at amortized cost, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (“ECLs”) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(11) Derecognition of financial assets

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

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

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

C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalized.

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

C. Property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Buildings and structures	31 ～ 50 years
Machinery and equipment	3 ～ 15 years
Research and development equipment	3 ～ 7 years
Transportation equipment	5 years
Office equipment	3 years
Other equipment	5 years

(13) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate.

Lease payments are comprised of the following:

(a) Fixed payments, less any lease incentives receivable;

(b) Variable lease payments that depend on index or a rate.

The Company subsequently measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between remeasured lease liability in profit or loss.

(14) Intangible assets

Computer software, is stated initially at cost and amortized on a straight-line basis over its estimated useful lives of 1 ~ 3 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(16) Borrowings

Borrowings comprise long-term and short-term banks loans. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(17) Accounts and notes payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(20) Non-hedging and embedded derivatives

Non-hedging derivatives are initially recognized at fair value on the date a derivative contract is entered into and recorded as financial assets or financial liabilities at fair value through profit or loss. They are subsequently remeasured at fair value and the gains or losses are recognized in profit or loss.

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

Defined contribution plan

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

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognized as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Income tax

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

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

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

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

F. A deferred tax asset shall be recognized for the carryforward of unused tax credits resulting from acquisitions of equipment or technology to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilized.

(23) Share capital

A. Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is resolved from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(24) Dividends

A. Prior to 2022, dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Company's shareholders. Stock dividends are recorded as stock dividends to be distributed and are reclassified to ordinary shares on the effective date of new shares issuance.

B. From 2023, cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed in which they are resolved by the Company's shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

Sales of goods

A. The Company manufactures and sells GaAs wafers. Sales are recognized when control of the products has been transferred, being when the products are delivered to the external customer, and there is no unfulfilled obligation that could affect the buyer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Sales revenue is recognized based on the contract price, net of output tax and sales returns and discounts. The sales are made with a credit term of 30 ~ 90 days after monthly closing. As the time interval between the transfer of committed goods and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

C. A receivable is recognized when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(26) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker, who is responsible for allocating resources and assessing performance of the operating segments.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

(1) As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand of the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

(2) As of December 31, 2023, the carrying amount of inventories was $973,371.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand	$ 20	$ 20
Checking accounts and demand deposits	56,026	60,811
	56,046	60,831
Cash equivalents:		
Time deposits	1,913,008	1,830,410
Repurchase bills	10,000	22,000
	1,923,008	1,852,410
	$ 1,979,054	$ 1,913,241

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. Information about the classification of cash and cash equivalents pledged to others as collateral in 'other current financial assets' by the Company as of December 31, 2023 and 2022 is provided in Note 8.

(2) Financial assets at fair value through profit or loss-current

A. The Company has no financial assets at fair value through profit or loss as of December 31, 2023 and 2022.

C. The loss recognized in relation to financial assets and liabilities at fair value through profit or loss amounted to $－ and $3,440 (listed as 'other gains and losses') for the years ended December 31, 2023 and 2022, respectively.

D. Information relating to credit risk of financial assets at fair value through profit or loss is provided in Note 12(2), 'Financial instruments'.

(3) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 1,145	$ 1,978
Accounts receivable	$ 520,823	$ 178,092
Less: Allowance for doubtful accounts	(4,521)	(2,657)
	$ 516,302	$ 175,435

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 511,760	$ 1,145	$ 175,052	$ 1,978
Up to 30 days	4,542	-	383	-
Over 91 days	4,521	-	2,657	-
	$ 520,823	$ 1,145	$ 178,092	$ 1,978

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, the balance of accounts receivable and notes receivable arose from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $295,065.

C. As of December 31, 2023 and 2022, the Company does not hold any collateral as security for accounts receivable.

D. Information relating to credit risk is provided in Note 12(2), 'Financial instruments'.

(4) Inventories

	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 159,941	($ 21,358)	$ 138,583
Supplies	312,177	(825)	311,352
Work in progress	530,428	(7,018)	523,410
Finished goods	26	-	26
	$ 1,002,572	($ 29,201)	$ 973,371

	December 31, 2022		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 138,168	($ 1,597)	$ 136,571
Supplies	41,616	(807)	40,809
Work in progress	218,948	(17,006)	201,942
Finished goods	2,779	(1,570)	1,209
	$ 401,511	($ 20,980)	$ 380,531

The cost of inventories recognized as expense for the year:

	For the years ended December 31,	
	2023	2022
Cost of goods sold	$ 2,132,996	$ 1,857,651
Underapplied manufacturing overhead	234,654	-
Allowance for inventory market price decline	8,221	6,232
Loss on discarding of inventory	27	131
Revenue from sale of scraps	(67,527)	(43,961)
	$ 2,308,371	$ 1,820,053

(5) Prepayments

	December 31, 2023	December 31, 2022
Office supplies	$ -	$ 192,523
Prepaid expenses	74,665	10,531
	$ 74,665	$ 203,054

(6) Property, plant and equipment

At January 1, 2023	Buildings and structures	Machinery and equipment	Research and development equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 172,191	$ 5,629,933	$ 244,379	$ 790	$ 33,630	$ 4,789	$ 2,536,171	$ 8,621,883
Accumulated depreciation	(62,621)	(3,364,699)	(233,695)	(790)	(19,298)	(1,377)	-	(3,682,480)
	$ 109,570	$ 2,265,234	$ 10,684	$ -	$ 14,332	$ 3,412	$ 2,536,171	$ 4,939,403
2023								
At January 1	$ 109,570	$ 2,265,234	$ 10,684	$ -	$ 14,332	$ 3,412	$ 2,536,171	$ 4,939,403
Additions	-	30,538	660	-	280	60,861	242,565	334,904
Transferred from office supplies (Note)	-	-	-	-	-	174,673	-	174,673
Transferred from prepayments for equipment	-	4,202	-	-	-	-	147,695	151,897
Transferred after acceptance inspection	436,694	1,169,438	-	-	-	-	(1,606,132)	-
Reclassifications	-	37,004	-	-	-	(37,004)	-	-
Transferred to expense	-	-	-	-	-	(48,925)	-	(48,925)
Depreciation	(10,401)	(538,432)	(5,669)	-	(6,081)	(16,701)	-	(577,284)
At December 31	$ 535,863	$ 2,967,984	$ 5,675	$ -	$ 8,531	$ 136,316	$ 1,320,299	$ 4,974,668
At December 31, 2023								
Cost	$ 608,885	$ 6,871,115	$ 245,039	$ 790	$ 33,910	$ 154,394	$ 1,320,299	$ 9,234,432
Accumulated depreciation	(73,022)	(3,903,131)	(239,364)	(790)	(25,379)	(18,078)	-	(4,259,764)
	$ 535,863	$ 2,967,984	$ 5,675	$ -	$ 8,531	$ 136,316	$ 1,320,299	$ 4,974,668

(Note) Listed as ‘Prepayments’

At January 1, 2022	Buildings and structures	Machinery and equipment	Research and development equipment	Transportation equipment	Office equipment	Other equipment	Construction in progress and equipment before acceptance inspection	Total
Cost	$ 172,191	$ 4,619,359	$ 262,489	$ 790	$ 32,445	$ 1,973	$ 2,502,554	$ 7,591,801
Accumulated depreciation	(58,606)	(2,936,035)	(244,201)	(789)	(16,497)	(1,269)	-	(3,257,397)
	$ 113,585	$ 1,683,324	$ 18,288	$ 1	$ 15,948	$ 704	$ 2,502,554	$ 4,334,404
2022								
At January 1	$ 113,585	$ 1,683,324	$ 18,288	$ 1	$ 15,948	$ 704	$ 2,502,554	$ 4,334,404
Additions	-	102,820	432	-	4,500	3,016	522,531	633,299
Transferred from prepayments for equipment	-	18,404	540	-	-	-	418,672	437,616
Transferred after acceptance inspection	-	907,586	-	-	-	-	(907,586)	-
Depreciation	(4,015)	(446,635)	(8,536)	(1)	(6,114)	(308)	-	(465,609)
Disposals－Cost	-	(18,236)	(19,082)	-	(3,315)	(200)	-	(40,833)
－Accumulated depreciation	-	17,971	19,042	-	3,313	200	-	40,526
At December 31	$ 109,570	$ 2,265,234	$ 10,684	$ -	$ 14,332	$ 3,412	$ 2,536,171	$ 4,939,403
At December 31, 2022								
Cost	$ 172,191	$ 5,629,933	$ 244,379	$ 790	$ 33,630	$ 4,789	$ 2,536,171	$ 8,621,883
Accumulated depreciation	(62,621)	(3,364,699)	(233,695)	(790)	(19,298)	(1,377)	-	(3,682,480)
	$ 109,570	$ 2,265,234	$ 10,684	$ -	$ 14,332	$ 3,412	$ 2,536,171	$ 4,939,403

A. Property, plant and equipment of the Company were all for operating purposes as of December 31, 2023 and 2022.

B. Amount of borrowing costs capitalized as part of property, plant and equipment and the range of the interest rates for such capitalization are as follows:

	For the years ended December 31,	
	2023	2022
Amount capitalized	$ 2,345	$ 1
Range of the interest rates for capitalization	0.67%～1.26%	0.82%～0.85%

C. As of December 31, 2023 and 2022, the Company has not pledged any property, plant and equipment as collateral.

(7) Leasing arrangements－lessee

A. The Company leases various assets including land. Rental contracts are typically made for periods of 10 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise stackers. Low-value assets comprise printers.

C. The carrying amount of right-of-use assets and the depreciation charge are as follows:

Carrying amount:

	December 31, 2023	December 31, 2022
Land	$ 81,691	$ 88,090

Depreciation charge:

	For the years ended December 31,	
	2023	2022
Land	$ 6,399	$ 6,399

D. For the years ended December 31, 2023 and 2022, there were no additions to right-of-use assets; revaluations to right-of-use assets were $－ and $6,488, respectively.

E. The information on income and expense accounts relating to lease contracts is as follows:

	For the years ended December 31,	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 1,480	$ 1,579
Expense on short-term lease contracts	263	211
Expense on leases of low-value assets	488	1,140

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $8,149 and $8,749, respectively.

(8) Intangible assets

	Software	
	For the years ended December 31,	
	2023	2022
At January 1		
Cost	$ 34,749	$ 30,581
Accumulated amortization	(20,166)	(12,252)
	$ 14,583	$ 18,329
Net value at January 1	$ 14,583	$ 18,329
Additions－acquired separately	2,288	7,714
Amortization	(10,105)	(11,460)
Write-off－Cost	(18,159)	(3,546)
－Accumulated amortization	18,159	3,546
Net value at December 31	$ 6,766	$ 14,583
At December 31		
Cost	$ 18,878	$ 34,749
Accumulated amortization	(12,112)	(20,166)
	$ 6,766	$ 14,583

Details of amortization on intangible assets are as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$ 390	$ 721
Selling expenses	7	6
General and administrative expenses	3,037	1,791
Research and development expenses	6,671	8,942
	$ 10,105	$ 11,460

(9) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	$ 78,166	$ 75,906
Employees' compensation and directors' remuneration payable	23,194	34,135
Equipment payable	73,359	105,214
Others	89,668	55,982
	$ 264,387	$ 271,237

(10) Long-term borrowings

Type of borrowings	Range of maturity dates	December 31, 2022	Range of Interest rate	Collateral	Footnote
Unsecured borrowings	February 15, 2028～May 15, 2028	$ 430,000	1.195%～1.250%	None	(Note)
Less: Current portion		(32,083)			
		$ 397,917			

(Note) The principal of long-term borrowings has a grace period of 1 to 2 years. After the grace period expires, the principal and interest will be amortized in 36 to 48 installments.

A. There was no such situation for the year ended December 31, 2022.

B. For more information about interest expense recognized by the Company for the years ended December 31, 2023 and 2022, refer to Note 6(19),'Finance cost'.

(11) Pensions

Effective July 1, 2005, the Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $23,536 and $26,898, respectively.

(12) Share capital

A. Movements in the number of the Company's ordinary shares outstanding are as follows (in thousands of shares):

	For the years ended December 31,	
	2023	2022
Number of shares at the beginning and end of the year	196,516	196,516

B. As of December 31, 2023, the Company's authorized capital was $5,000,000 (including $300,000 reserved for employee stock options) and the paid-in capital was $1,965,161 (including $450,000 of ordinary shares raised through private placement), consisting of 196,516 thousand shares, with a par value of NT$10 (in dollars) per share. All proceeds from shares issued have been collected.

(13) Capital reserve

A. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Law requires that the amount of capital surplus to be capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

B. Movements of the Company's capital reserve for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31, 2023			
	Share premium	Lapsed stock options	Others	Total
Balance, beginning of year	$ 4,235,765	$ 25,765	$ -	$ 4,261,530
Non-payment of expired cash dividends from previous years transferred to capital reserve	-	-	1,163	1,163
Balance, end of year	$ 4,235,765	$ 25,765	$ 1,163	$ 4,262,693

	For the year ended December 31, 2022		
	Share premium	Lapsed stock options	Total
Balance, beginning of year and Balance, end of year	$ 4,235,765	$ 25,765	$ 4,261,530

C. Pursuant to the Business Letter No. 10602420200 issued by Ministy of Economic Affairs in September 2017, the Company transferred the dividend of $1,163 and $－ , which were expired and not received by the shareholders, to capital reserve for the years ended December 31, 2023 and 2022, respectively.

D. On February 20, 2024, the Board of Directors proposed for the distribution of cash dividends from the capital surplus of the premium obtained by issuing stocks exceeding the par value of $122,062 (per share NT$0.62).

(14) Retained earnings

A. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted provided that the balance of such reserve exceeds 25% of the Company's paid-in capital.

B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After that, special reserve shall be set aside in accordance with other laws and regulations. The remainder along with the prior year's accumulated unappropriated earnings comprise the accumulated distributable earnings which to be distributed as dividends or retained shall be proposed by the Board of Directors and submitted to the shareholders for resolution. In order to give consideration to balanced dividends and financial plans and assess the impact of distribution of stock dividends to dilution of future earnings per share, the Company has to maintain a stable distribution of dividends without excessively diluting earnings per share. At least 10% of the total dividends distributed shall be distributed in the form of cash and the remaining are distributed in the form of shares.

All or part of dividends and bonuses shall be resolved by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors which shall be reported to the shareholders during their meeting in accordance with Paragraph 5 of Article 240 of the Company Act when they are distributed in the form of cash; and shall be submitted to the shareholders during their meeting for resolution when they are distributed in the form of shares.

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

D. The Company recognized cash dividends distributed to owners amounting to $－ and $550,245 (NT$2.80 (in dollars) per share) for the years ended December 31, 2023 and 2022, respectively. On February 20, 2024, the Board of Directors proposed for the distribution of cash dividends from 2023 earnings in the amount of $74,454 ($0.38 (in dollars) per share as cash dividends).

(15) Operating revenue

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 2,723,100	$ 2,163,751

A. The Company derives revenue from the transfer of goods and services at a point in time. Revenue is mainly from GaAs wafer products.

B. The Company has recognized revenue-related contract liabilities related to the contract revenue of $167,702, $15,920 and $54,694 as of December 31, 2023, December 31, 2022 and January 1, 2022, respectively.

C. The revenue from contracts with customers recognized that were included in the contract liability －current balance at the beginning of 2023 and 2022 amounted to $14,619 and $53,077 for the years ended December 31, 2023 and 2022, respectively.

(16) Interest income

	For the years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 31,160	$ 19,062

(17) Other income

	For the years ended December 31,	
	2023	2022
Other income－others	$ 738	$ 1,310

(18) Other gains and losses

	For the years ended December 31,	
	2023	2022
Currency exchange (loss) gain	($ 4,171)	$ 35,967
Gain (loss) on financial assets at fair value through profit or loss	-	(3,440)
Gain on disposal of property, plant, and equipment	-	104
	($ 4,171)	$ 32,631

(19) Finance costs

	For the years ended December 31,	
	2023	2022
Interest expense:		
Interest expense on bank borrowings	$ 2,345	$ 1
Interest expense on lease liabilities	1,480	1,579
Less: Capitalization of qualifying assets	(2,345)	(1)
	$ 1,480	$ 1,579

(20) Expenses by nature

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 531,323	$ 110,381	$ 641,704
Depreciation	564,018	19,665	583,683
Amortization	390	9,715	10,105
	$ 1,095,731	$ 139,761	$ 1,235,492

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefit expense	$ 491,331	$ 101,903	$ 593,234
Depreciation	450,259	21,749	472,008
Amortization	721	10,739	11,460
	$ 942,311	$ 134,391	$ 1,076,702

(21) Employee benefit expense

	For the year ended December 31, 2023		
	Operating cost	Operating expense	Total
Wages and salaries	$ 451,216	$ 91,066	$ 542,282
Labor and health insurance expense	44,298	9,737	54,035
Pension costs	19,561	3,975	23,536
Directors' remuneration	-	2,706	2,706
Other personnel expenses	16,248	2,897	19,145
	$ 531,323	$ 110,381	$ 641,704

	For the year ended December 31, 2022		
	Operating cost	Operating expense	Total
Wages and salaries	$ 402,893	$ 83,965	$ 486,858
Labor and health insurance expense	48,711	10,243	58,954
Pension costs	22,664	4,234	26,898
Directors' remuneration	-	470	470
Other personnel expenses	17,063	2,991	20,054
	$ 491,331	$ 101,903	$ 593,234

A. As of December 31, 2023 and 2022, the Company had 778 and 824 workers, among these, 8 and 7 directors were not full-time employees, respectively. The average employee benefit expense for the years ended December 31, 2023 and 2022 were $830 and $725, respectively. The average wages and salaries for the years ended December 31, 2023 and 2022 were $704 and $596, respectively with an increase of 18.12%.

B. Under the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' and supervisors' remuneration. The ratio shall be 5% to 10% for employees' compensation and shall not be higher than 2% for directors' and supervisors' remuneration.

C. For the years ended December 31, 2023 and 2022, the Company's employees' compensation and directors' remuneration were accrued at $9,295 and $1,102, respectively. The aforementioned amounts were recognized in salary expenses and were estimated and accrued based on the earnings of current year and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors amounted to $1,102. The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors were equal to the amounts recognized in the 2022 financial statements. The employees' compensation and directors' remuneration as resolved by the Board of Directors for the year ended December 31, 2023 amounted to $9,295. The employees' compensation will be distributed in the form of cash. Information about the appropriation of employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(22) Income tax

A. Income tax expense:

(a) Components of income tax expense:

	For the years ended December 31,	
	2023	2022
Current income tax:		
Income tax incurred in current year	$ 22,373	$ 2,908
Effects from investment tax credits	(9,398)	(1,453)
Prior year's income tax under (over) estimation	986	(507)
	13,961	948
Deferred income tax:		
Origination and reversal of temporary differences	(2,707)	(119)
Income tax expense	$ 11,254	$ 829

B. Reconciliation between income tax expense and accounting profit:

	For the years ended December 31,	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 18,796	$ 2,908
Effects of items disallowed by tax regulation	870	(119)
Effects from investment tax credits	(9,398)	(1,453)
Prior year's income tax under (over) estimation	986	(507)
Income tax expense	$ 11,254	$ 829

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognized in profit or loss	December 31
Deferred tax assets			
Temporary differences			
Allowance for doubtful accounts	$ 531	$ (531)	$ -
Loss on inventory market value decline	4,196	1,644	5,840
Unused compensated absences	4,107	774	4,881
Unrealized loss on foreign currency exchange	994	820	1,814
Income tax expense	$ 9,828	$ 2,707	$ 12,535

	2022		
	January 1	Recognized in profit or loss	December 31
Deferred tax assets			
Temporary differences			
Allowance for doubtful accounts	$ -	$ 531	$ 531
Loss on inventory market value decline	3,262	934	4,196
Unused compensated absences	5,582	(1,475)	4,107
Unrealized loss on foreign currency exchange	865	129	994
Income tax expense	$ 9,709	$ 119	$ 9,828

D. The Company's income tax returns through 2020 have been assessed and approved by the Tax Authority. There were no disputes existing between the Company and the Tax Authority as of February 20, 2024.

(23) Earnings per share ("EPS")

	For the year ended December 31, 2023		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 82,726	196,516	$ 0.42
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 82,726	196,516	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	67	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 82,726	196,583	$ 0.42

	For the year ended December 31, 2022		
	Amount after tax	Weighted average number of shares outstanding (shares in thousands)	EPS (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders	$ 13,712	196,516	$ 0.07
Diluted earnings per share			
Profit attributable to ordinary shareholders	$ 13,712	196,516	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	205	
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$ 13,712	196,721	$ 0.07

(24) Supplemental cash flow information

A. Investing activities with partial cash payments:

	For the years ended December 31,	
	2023	2022
Purchase of property, plant and equipment	$ 334,904	$ 633,299
Add: Opening balance of other payables	105,214	185,564
Less: Ending balance of other payables	(73,359)	(105,214)
Capitalization for interest	(2,345)	(1)
Cash paid during the year	$ 364,414	$ 713,648

B. Investing and financing activities with no cash flow effects:

	For the years ended December 31,	
	2023	2022
(a) Prepayments reclassified to property, plant and equipment	$ 174,673	$ -
(b) Prepayments reclassified to other non-current assets	$ 11,899	$ -
(c) Prepayments for equipment reclassified to property, plant and equipment	$ 151,897	$ 437,616

(25) Changes in liabilities from financing activities

	liabilities	Long-term borrowings	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2023	$ 90,916	$ -	$ 12,000	$ 102,916
Changes in cash flow from financing activities	(5,918)	430,000	2,000	426,082
At December 31, 2023	$ 84,998	$ 430,000	$ 14,000	$ 528,998

	Lease liabilities	Guarantee deposits received	Liabilities from financing activities-gross
At January 1, 2022	$ 90,247	$ 12,000	$ 102,247
Changes in cash flow from financing activities	(5,819)	-	(5,819)
Changes in cash flow from other non-financing activities	6,488	-	6,488
At December 31, 2022	$ 90,916	$ 12,000	$ 102,916

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Sino-American Silicon Products Inc.	Ultimate parent entity
IQE Taiwan Corporation	The Chairman of the entity is the director of the Company (Note)
Crystalwise Technology Inc.	A fellow subsidiary of the Company

(Note) The Company re-elected all of its directors at the shareholders' annual meeting for the year ended December 31, 2022. As the Chairman of IQE Taiwan Corporation is no longer a director of the Company since June 20, 2022, the entity is no longer a related party of the Company.

(2) Key management compensation

A. Purchases

	For the years ended December 31,	
	2023	2022
Purchases of goods:		
IQE Taiwan Corporation	$ -	$ 42,851
Crystalwise Technology Inc.	203	59
	$ 203	$ 42,910

The purchase prices from related parties were the same with third parties. The payment terms for related parties are 30 days after monthly billings by remittance. Except for the noble metals which shall be prepaid, the payment terms for third parties are 10 to 90 days after monthly billings by telegraphic transfer.

B. Outstanding balance of goods purchased

	December 31, 2023	December 31, 2022
Payables to related parties:		
Crystalwise Technology Inc.	$ 77	$ 72

The payables to related parties arise mainly from purchase transactions of consumables. The payables bear no interest.

C. Office supplies

	December 31, 2023	December 31, 2022
Crystalwise Technology Inc.	$ -	$ 72

(3) Key management compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$ 13,636	$ 10,495

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

Asset pledged	December 31, 2023	December 31, 2022	Purpose of collateral
Restricted time deposit (Note)	$ 9,322	$ 10,628	Performance guarantee

(Note) Listed as 'Other current financial assets'.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED CONTRACT COMMITMENTS

As of December 31, 2023 and 2022, the Company's remaining balance due for construction in progress and prepayments for equipment were $227,747 and $454,628, respectively.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT SUBSEQUENT EVENTS

None.

12. OTHERS

(1) Capital management

As the Company has to maintain a large amount of capital to meet the needs of expanding and upgrading plants and equipment, the capital management of the Company is to ensure it has necessary financial resources and operational plans to meet the needs of working capital, capital expenditure, research and development expenses, debt repayment and dividend expenditure in the next 12 months.

(2) Financial instruments

A. Financial instruments

Details of the Company's financial instruments by category are provided in Note 6.

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Risk management is carried out by a central treasury department (Company treasury) under policies approved by the Board of Directors. Company treasury identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. Foreign exchange risk

(i) As the Company is an export supplier and mainly quoted the product prices in USD, it is more significantly affected by the foreign exchange risk arising from the USD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities. As the Company mainly pays the purchases of raw materials, supplies and equipment in USD, it can reach the function of natural hedge.

(ii) The risk management policy of the Company treasury is to control the USD account balance based on anticipated monthly cash flows (mainly export sales and purchases of inventory) and settle USD into NTD in due course and in moderation to decrease the risk exposure in USD.

(iii) The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 20,461	30.705	$ 628,269
JPY:NTD	1,089	0.2172	237
Financial liabilities			
Monetary items			
USD:NTD	8,298	30.705	254,791
JPY:NTD	37,932	0.2172	8,239

	December 31, 2022			
	Foreign currency amount (in thousands)		Exchange rate	Book value (NTD)
(Foreign currency: functional currency)				
Financial assets				
Monetary items				
USD:NTD	$	12,823	30.71	$ 393,805
Financial liabilities				
Monetary items				
USD:NTD		1,949	30.71	59,857
JPY:NTD		16,995	0.2324	3,950

(iv) The total exchange (loss) gain, including realized and unrealized arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022 amounted to ($4,171) and $35,967, respectively.

(v) Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If the exchange rate of NTD to other currencies had appreciated/depreciated by 1% with all other factors remaining constant, the Company's net profit after tax for the years ended December 31, 2023 and 2022 would decrease/increase by $2,924 and $2,640, respectively.

II. Price risk

(i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(ii) Sensitivity analysis of price risk related to equity instruments is calculated based on the changes in fair value at the end of the financial reporting period. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $－, respectively.

III. Cash flow and fair value interest rate risk

(i) The Company's main interest rate risk arises from borrowings with variable rates, which expose the Company to cash flow interest rate risk. For the years ended December 31, 2023 and 2022, the Company's borrowings at variable rate were mainly denominated in NTD.

(ii)The Company's borrowings are measured at amortized cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.

(iii)If the borrowing interest rate had increased/decreased by 10% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have decreased/increased by $188 and $－. The main factor is that changes in interest expense result from floating rate borrowings.

(b) Credit risk

I. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

II. According to the Company’s credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. The utilization of credit limits is regularly monitored.

III. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

IV. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

V. The Company classifies customers’ accounts receivable in accordance with credit rating of customer and credit risk on trade. The Company applies the simplified approach using the provision matrix and the forecast ability to adjust historical and timely information to estimate expected credit loss. The expected credit loss ranges from 0.03% to 100%. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable are as follows:

	For the years ended December 31,	
	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 2,657	$ -
Provision for impairment	1,864	2,657
At December 31	$ 4,521	$ 2,657

(c) Liquidity risk

I. Cash flow forecasting is performed by the Finance division of the Company. Finance division monitors rolling forecasts of the Company’s liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

II. Company treasury invests surplus cash in interest bearing current accounts, time deposits, repurchase bills and beneficiary certificate choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. The Company is expected to readily generate cash inflows for managing liquidity risk.

III. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 1,280,000	$ 2,230,479
Expiring beyond one year	1,070,000	-
	$ 2,350,000	$ 2,230,479

The facilities expiring within one year are annual facilities subject to review at various dates during 2023.

IV. The table below analyzes the Company's non-derivative financial liabilities and relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Accounts payable (including related parties)	$ 347,579	$ -	$ -	$ -
Other payables	264,387	-	-	-
Lease liabilities	7,398	7,398	21,762	58,627
Long-term borrowings	37,174	113,281	296,440	-
Guarantee deposit received	-	-	-	14,000

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	More than 5 years
Non-derivative financial liabilities:				
Accounts payable (including related parties)	$ 115,243	$ -	$ -	$ -
Other payables	271,237	-	-	-
Lease liabilities	7,398	7,398	22,195	65,592
Guarantee deposit received	-	-	-	12,000

V. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

The different levels that the carrying amount of the Company's financial instruments not measured at fair value (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other current financial assets, guarantee deposits paid, accounts payable, other payables, lease liabilities, long-term borrowings and guarantee deposits received) are approximate to their fair values.

13. SUPPLEMENTARY DISCLOSURES

(According to the regulatory requirement, only information related to the year ended December 31, 2023 is disclosed.)

(1) Significant transactions information

A. Loans to others: None

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period: None.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Refer to table 1.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting period: None.

J. Significant inter-company transactions during the reporting period: None.

(2) Information on investees

(According to the regulatory requirement, only information related to the year ended December 31, 2023 is disclosed.)

None.

(3) Information on investments in Mainland China

(According to the regulatory requirement, only information related to the year ended December 31, 2023 is disclosed.)

None.

(4) Major shareholders information

(According to the regulatory requirement, only information related to the year ended December 31, 2023 is disclosed.)

Refer to table 2.

14. SEGMENT INFORMATION

(1) General information

The Company operates business only in a single industry. The chief operating decision-maker, who allocates resources and assesses performance as a whole, has identified that the Company has only one reportable operating segment.

(2) Measurement of segment information

The chief operating decision-maker evaluates the performance of the operating segments based on a measure of financial statements prepared in accordance with the IFRSs.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the chief operating decision-maker for the reportable segments is as follows:

	For the years ended December 31,	
	2023	2022
Revenue from external customers	$ 2,723,100	$ 2,163,751
Interest income	31,160	19,062
Depreciation and amortization	593,788	483,468
Interest expense	1,480	1,579
Segment pre-tax income	93,980	14,541
Segment assets	8,801,051	7,903,568
Other acquisition of non-current assets	472,434	1,009,101
Segment liabilities	1,318,935	505,341

(4) Reconciliation for segment income (loss)

The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income. The amounts provided to the chief operating decision maker with respect to segment income (loss), total assets and total liabilities are measured in a manner consistent with that of the financial statements. Therefore, the reconciliation is not required.

(5) Information on product and service

Revenue from external customers is mainly from sales and processing of GaAs wafers. Refer to Note 6(14) for details.

(6) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
China	$ 1,620,817	$ -	$ 752,993	$ -
Taiwan	563,196	5,215,359	613,305	5,204,025
USA	459,953	-	722,249	-
Others	79,134	-	75,204	-
	$ 2,723,100	$ 5,215,359	$ 2,163,751	$ 5,204,025

(7) Major customer information

Major customer information of the Company for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Client	Revenue	Revenue
Company A	$ 531,214	$ 578,559
Company B	7,569	300,557
Company C	850,549	306,717
Company D	182,187	84,178
Company E	396,285	374,722
Company F	282,742	86,607

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash:		
Cash on hand		$ 20
Checking Deposits		142
Demand Deposits－New Taiwan dollar		23,528
－Foreign Currency	Including USD1,046 thousand @30.705 and JPY1,089 thousand @0.2172	32,356
		56,046
Cash Equivalents:		
Time Deposits－New Taiwan dollar	Maturity date: between January 2, 2024 to, March 30, 2024 Interest rates: 1.13% ~ 1.5%	1,837,781
－Foreign Currency	USD2,450 thousand @30.705, Maturity date: between January 6, 2024 to January 8, 2024 Interest rates: 5.6% ~ 5.62%	75,227
Repurchase bills	Maturity date: January 9, 2024 Interest rates: 1.1%	10,000
		1,923,008
		$ 1,979,054

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount	Footnote
Company A	Accounts receivable	$ 136,517	—
Company B	〃	95,901	—
Company C	〃	92,375	—
Company D	〃	90,828	—
Company E	〃	49,928	—
Others (less than 5%)	〃	55,274	—
		520,823	
Less: Allowance for doubtful accounts		(4,521)	
		$ 516,302	

Note: For accounts receivable past due over one year, the Company recognizes 100% loss allowance.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount Cost	Amount Net Realizable Value	Footnote
Raw materials	—	$ 159,941	$ 160,881	(Note1)
Supplies	—	312,177	312,161	(Note1)
Work in progress	—	530,428	807,345	(Note2)
Finished goods	—	26	32	(Note2)
		1,002,572	$ 1,280,419	
Less: Allowance for inventory valuation losses		(29,201)		
		$ 973,371		

(Note 1) Replacement cost is used as net realizable value.

(Note 2) Net realizable value is the estimated selling price, less the estimated costs of completion and applicable variable selling expenses.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(6) ‘Property, plant and equipment’ of the financial statements.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED DEPRECIATION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(6) ‘Property, plant and equipment’ of the financial statements for the change in accumulated depreciation of Property, plant and equipment.

Refer to Note 4(12) ‘Property, plant and equipment’ of the financial statements for the depreciation method and useful lives of the assets.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF CHANGES IN PREPAYMENTS FOR EQUIPMENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Balance as of January 1, 2023	Additions	Reclassifications	Balance as of December 31, 2023
Prepayments for equipment	$ 161,232	$ 135,539	($ 151,897)	$ 144,874

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF CURRENT CONTRACT LIABILITIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Supplier Name	Description	Amount	
Company F	Unearned sales revenue	$	94,243
Company G	〃		27,536
Company H	〃		19,221
Company I	〃		17,047
Others (less than 5%)	〃		9,655
		$	167,702

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Vendor Name	Description	Amount	Footnote
Company AA	Accounts payable	$ 134,577	–
Company BB	〃	58,470	–
Company CC	〃	31,987	–
Others (less than 5%)	〃	122,545	–
		$ 347,579	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(9) ‘Other payables’ of financial statements.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Creditor	Description	Loan amount	Period of contract	Rate	Collateral	Footnote
Cathay United Commercial Bank	Unsecured borrowings	$ 220,000	2023/6/15~2028/5/15	1.195%	None	
Bank of Taiwan	〃	110,000	2023/3/15~2028/3/15	1.250%	〃	
E.SUN Commercial Bank	〃	100,000	2023/2/20~2028/2/15	1.250%	〃	
		$ 430,000				
	Less：Current portion	(32,083)				
		$ 397,917				

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF SALES REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Amount	Footnote
Sales:			
GaAs wafers	72,226 pieces	$ 2,727,735	—
Less: Sales discounts and allowances		(4,635)	—
Sales revenue, net		$ 2,723,100	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Raw materials at January 1, 2023	$ 138,168
Add: Raw materials purchased	839,360
Less: Sale of Raw materials	(4,875)
Used in research and development	(11,356)
Raw materials at December 31, 2023	(159,941)
Raw materials during the year	801,356
Supplies at January 1, 2023	41,616
Add: Supplies purchased	758,324
Less: Sale of supplies	(303)
Loss on physical count of supplies	(27)
Supplies at December 31, 2023	(312,177)
Supplies used during the year	487,433
Direct labor	201,188
Manufacturing overhead	1,003,306
Manufacturing cost	2,493,283
Work in progress at January 1, 2023	218,948
Less: Used in research and development	(95,408)
Work in progress at December 31, 2023	(530,428)
Cost of finished goods	2,086,395
Finished goods at January 1, 2023	2,779
Finished goods at December 31, 2023	(26)
Cost of production and marketing	2,089,148
Sale of cost of raw materials	4,875
Sale of cost of supplies	303
Cost of office supplies transfer costs	38,670

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF OPERATING COSTS (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Cost of goods sold	2,132,996
Unallocated fixed manufacturing overhead	234,654
Loss on discarding of inventory	8,221
Allowance for inventory market price decline	27
Revenue from sale of scrap	(67,527)
Operating costs	$ 2,308,371

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF MANUFACTURING OVERHEAD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Depreciation	—	$ 564,018	—
Wages and salaries	—	247,658	—
Utilities expense	—	119,693	—
Others (less than 5%)	—	71,937	—
		$ 1,003,306	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Wages and salaries	—	$ 15,181	—
Others (less than 5%)	—	4,412	—
		$ 19,593	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Wages and salaries	—	$ 33,100	—
Depreciation	—	13,949	—
Expense on environmental protection and industrial safety	—	13,314	—
Sundry expenses	—	6,984	—
Fees	—	5,635	—
Others (less than 5%)	—	32,928	—
		$ 105,910	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount	Footnote
Research material expense	—	$ 106,764	—
Wages and salaries	—	42,785	—
Supply masks	—	25,923	—
Sundry expenses	—	14,561	—
Others (less than 5%)	—	29,596	—
		$ 219,629	

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF INTEREST INCOME
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(16) ‘Interest income’ of financial statements.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES IN THE CURRENT PERIOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(20) ‘Expense by nature’ and Note 6(21) ‘Employee benefit expense’.

ADVANCED WIRELESS SEMICONDUCTOR COMPANY

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 1

Expressed in thousands of NTD

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	If the counterparty is a related party, information as to the last transaction of the real estate is disclosed below: Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
ADVANCED WIRELESS SEMICONDUCTOR COMPANY	Expansion construction of new plant	November 5, 2018	$ 415,000	$ 415,000	YUNG CHING CONSTRUCTION CO., LTD.	–	–	–	–	$ -	Negotiation	Building for operation use. In use.	–

ADVANCED WIRELESS SEMICONDUCTOR COMPANY

Major shareholders information

December 31, 2023

Table 2

Expressed in share

	Number of shares			
Name of the major shareholder	Common stock	Preferred stock	Ownership (%)	Footnote
Sino-American Silicon Products lnc.	54,287,000	–	27.62%	–

Note: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.