YUAN High-Tech Development Co., Ltd.
Financial Report and Independent Auditors' Review Report
Second Quarter of 2024 and 2023
(Stock Code: 5474)

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"For the convenience of readers, the independent auditors' report and the accompanying individual financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and individual financial statements shall prevail."

YUAN High-Tech Development Co., Ltd.

Financial Report and Independent Auditors' Review Report for the Second Quarter of 2024 and 2023

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Independent Auditors' Review Report

(113) Financial Review Report No. 24001288

To YUAN High-Tech Development Co., Ltd.,

Introduction

The Balance Sheet as of June 30, 2024 and 2023, the Comprehensive Income Statement for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, the Statement of Changes in Equity and Cash Flow Statement for the period from January 1 to June 30, 2024 and 2023, as well as the Notes to the Financial Statements (including a summary of major accounting policies) of YUAN High-Tech Development Co., Ltd., have been reviewed by us. 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 IAS 34 Interim Financial Reporting as endorsed and issued by the Financial Supervisory Commission (FSC). Our responsibility is to express a conclusion on the financial statements based on our reviews.

Scope

We conducted our reviews in accordance with R.O.C. Audit Standards No. 2410 “Review of Financial Information” performed by the Independent Auditor of the Entity. A review of the financial statements consists of making inquiries, primarily to persons responsible for financial and accounting affairs, and applying analytical and other review procedures. Since the scope of review is substantially than that of audit, we might not be fully aware of all material matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusions

According to our review results, we have determined that the foregoing financial statements have been prepared in all material respects in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and IAS 34 Interim Financial Reporting as endorsed and issued by the Financial Supervisory Commission (FSC), with a fair presentation of the financial position as of June 30, 2024 and 2023, the financial performance for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, and the cash flows for the period from January 1 to June 30, 2024 and 2023 of YUAN High-Tech Development Co., Ltd.

PwC Taiwan

Lin, Po-Chuan

CPA Hsu, Yung-Chien

Financial Supervisory Commission R.O.C.(Taiwan)
Approval Document No.: Jin-Guan-Cheng-Shen-Zi No.1100350706
Securities and Exchange Commission of the Ministry of Finance
Approval Document No.: (84) Taiwan-Finance-Securities-(VI)-13377

August 1, 2024

Yuan High-Tech Development Co., Ltd.
Balance Sheet
June 30, 2024, December 31 and June 30, 2023

Unit: NT$ thousand

	Assets	Note	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Current assets							
1100	Cash and cash equivalents	VI(I)	$ 637,813	27	$ 518,406	23	$ 568,009	25
1150	Net notes receivable	VI(II)	3,502	-	-	-	5,318	-
1170	Net accounts receivable	VI(II)(III)	6,978	-	9,175	-	30,969	2
130X	Inventories	VI(IV)	397,857	17	390,929	18	402,779	18
1470	Other current assets	VI(III)	124,826	6	145,883	7	65,735	3
11XX	**Total current assets**		1,170,976	50	1,064,393	48	1,072,810	48
	Non-current assets							
1600	Property, plant and equipment	VI(V)	5,888	-	7,578	-	9,378	-
1755	Right-of-use assets	VI(VI)	25,198	1	16,238	1	11,838	1
1760	Net amount of investment properties	VI(VIII) & VIII	1,100,780	47	1,100,855	49	1,100,930	49
1780	Intangible assets		4,265	-	4,266	-	4,709	-
1840	Deferred income tax assets		21,176	1	22,590	1	21,918	1
1900	Other non-current assets		15,556	1	16,191	1	20,013	1
15XX	**Total non-current assets**		1,172,863	50	1,167,718	52	1,168,786	52
1XXX	**Total assets**		$ 2,343,839	100	$ 2,232,111	100	$ 2,241,596	100

(Continued on the next page)

Yuan High-Tech Development Co., Ltd.
Balance Sheet
June 30, 2024, December 31 and June 30, 2023

Unit: NT$ thousand

	Liabilities and equity	Note	June 30, 2024 Amount	%	December 31, 2023 Amount	%	June 30, 2023 Amount	%
	Liabilities							
	Current liabilities							
2130	Contract liabilities - current	VI(XV)	$ 24,347	1	$ 20,506	1	$ 24,298	1
2150	Notes payable		62,725	3	65,195	3	59,186	3
2170	Accounts payable		72,222	3	101,319	5	96,678	4
2200	Other payables	VI(IX)	211,779	9	94,297	4	225,344	10
2230	Current tax liabilities		88,868	4	61,673	3	67,348	3
2250	Liability provision - current	VI(XI)	21,986	1	21,728	1	22,243	1
2280	Lease liabilities - current		14,402	-	10,806	-	11,732	1
2300	Other current liabilities		2,118	-	2,183	-	1,868	-
21XX	**Total current liabilities**		498,447	21	377,707	17	508,697	23
	Non-current liabilities							
2550	Liability provision - non-current	VI(XI)	40,878	2	40,356	2	41,402	2
2570	Deferred income tax liabilities		2,419	-	538	-	1,357	-
2580	Lease liabilities - non-current		10,827	1	5,508	-	262	-
2600	Other non-current liabilities		2,409	-	2,409	-	2,409	-
25XX	**Total non-current liabilities**		56,533	3	48,811	2	45,430	2
2XXX	**Total liabilities**		554,980	24	426,518	19	554,127	25
	Equity							
	Share capital	VI(XII)						
3110	Share capital of common stock		403,559	17	403,559	18	403,559	18
	Capital reserve	VI(XIII)						
3200	Capital reserve		793	-	793	-	793	-
	Retained earnings	VI(XIV)						
3310	Legal capital reserve		334,067	14	314,398	14	314,398	14
3350	Unappropriated earnings		1,088,736	47	1,125,139	51	1,007,015	45
	Other equity							
3500	Treasury shares	VI(XII)	(38,296)	(2)	(38,296)	(2)	(38,296)	(2)
3XXX	**Total equity**		1,788,859	76	1,805,593	81	1,687,469	75
3X2X	**Total liabilities and equity**		$ 2,343,839	100	$ 2,232,111	100	$ 2,241,596	100

The notes to the financial statements attached hereto are part of this financial report and shall be referred to accordingly.

Chairman: :Chao, Hsi-Cheng President: :Lin, Hung-Pei Accounting Manager: :Lo, Chia-Ling

YUAN High-Tech Development Co., Ltd.
Comprehensive Income Statement
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand
(Except for earnings per share in NT$)

	Item	Note	From April 1 to June 30, 2024 Amount	%	From April 1 to June 30, 2023 Amount	%	From January 1 to June 30, 2024 Amount	%	From January 1 to June 30, 2023 Amount	%
4000	Operating income	VI(XV)	$ 312,777	100	$ 280,531	100	$ 625,000	100	$ 533,043	100
5000	Operating costs	VI(IV)	(142,240)	(45)	(141,162)	(50)	(313,727)	(50)	(265,245)	(50)
5900	Gross profit		170,537	55	139,369	50	311,273	50	267,798	50
	Operating expenses	VI(XIX)(XX)								
6100	Selling and marketing expenses		(22,283)	(7)	(18,864)	(7)	(38,495)	(6)	(33,441)	(6)
6200	Administrative expenses		(26,592)	(9)	(23,242)	(8)	(51,726)	(9)	(47,342)	(9)
6300	R&D expenses		(47,939)	(15)	(44,444)	(16)	(94,765)	(15)	(88,360)	(16)
6450	Expected credit impairment benefit (loss)	XII(II)	604	-	(3,420)	(1)	244	-	(3,432)	(1)
6000	Total operating expenses		(96,210)	(31)	(89,970)	(32)	(184,742)	(30)	(172,575)	(32)
6900	Operating profit		74,327	24	49,399	18	126,531	20	95,223	18
	Non-operating income and expenses									
7100	Interest income	VI(XVI)	2,402	1	1,506	-	3,248	1	2,095	-
7010	Other income	VI(XVII)	6,778	2	3,958	1	13,256	2	7,841	2
7020	Other gains and losses	VI(XVIII)	3,697	1	4,373	2	12,540	2	1,683	-
7050	Finance costs		(94)	-	(127)	-	(188)	-	(218)	-
7000	Total non-operating income and expenses		12,783	4	9,710	3	28,856	5	11,401	2
7900	**Net income before tax**		87,110	28	59,109	21	155,387	25	106,624	20
7950	Income tax expenses	VI(XXI)	(19,316)	(6)	(18,561)	(7)	(32,971)	(5)	(28,064)	(5)
8200	**Net profit in the current period**		$ 67,794	22	$ 40,548	14	$ 122,416	20	$ 78,560	15
8500	**Total comprehensive income for the period**		$ 67,794	22	$ 40,548	14	$ 122,416	20	$ 78,560	15
	Earnings per share	VI(XXII)								
9750	Basic earnings per share		$ 1.71		$ 1.02		$ 3.08		$ 1.98	
9850	Diluted earnings per share		$ 1.70		$ 1.02		$ 3.08		$ 1.97	

The notes to the financial statements attached hereto are part of this financial report and shall be referred to accordingly.

Chairman: :Chao, Hsi-Cheng President: :Lin, Hung-Pei Accounting Manager: :Lo, Chia-Ling

YUAN High-Tech Development Co., Ltd.
Statement of Changes in Equity
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Note	Share capital of common stock	Capital reserve	Retained earnings: Legal capital reserve	Retained earnings: Unappropriated earnings	Treasury shares	Total equity
2023							
Balance as of January 1, 2023		$ 403,559	$ 793	$ 282,637	$ 1,111,292	($ 38,296)	$ 1,759,985
Net profit in the current period		-	-	-	78,560	-	78,560
Other Comprehensive Income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	78,560	-	78,560
Appropriation and distribution of earnings of 2022:	VI(XIV)						
Provision for legal surplus reserve		-	-	31,761	(31,761)	-	-
Cash dividends		-	-	-	(151,076)	-	(151,076)
Balance as of June 30, 2023		$ 403,559	$ 793	$ 314,398	$ 1,007,015	($ 38,296)	$ 1,687,469
2024							
Balance as of January 1, 2024		$ 403,559	$ 793	$ 314,398	$ 1,125,139	($ 38,296)	$ 1,805,593
Net profit in the current period		-	-	-	122,416	-	122,416
Other Comprehensive Income		-	-	-	-	-	-
Total comprehensive income for the period		-	-	-	122,416	-	122,416
Appropriation and distribution of earnings of 2023:	VI(XIV)						
Provision for legal surplus reserve		-	-	19,669	(19,669)	-	-
Cash dividends		-	-	-	(139,150)	-	(139,150)
Balance as of June 30, 2024		$ 403,559	$ 793	$ 334,067	$ 1,088,736	($ 38,296)	$ 1,788,859

The notes to the financial statements attached hereto are part of this financial report and shall be referred to accordingly.

Chairman: Chao, Hsi-Cheng   President: Lin, Hung-Pei   Accounting Manager: Lo, Chia-Ling

YUAN High-Tech Development Co., Ltd.
Cash Flow Statement
January 1 to June 30, 2024 and 2023

Unit: NT$ thousand

	Note	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cash flows from operating activities			
Current net profit before tax		$ 155,387	$ 106,624
Adjustments			
Income and expenses			
Depreciation expenses	VI(V)(VI)(VIII)(XIX)	9,551	9,829
Amortization expenses	VI(XIX)	2,027	1,772
Expected credit impairment loss (reversal gain)	XII(II)	(244)	3,432
Interest income	VI(XVI)	(3,248)	(2,095)
Interest expense		188	218
Changes in assets/liabilities relating to operating activities			
Net changes in assets related to operating activities			
Increase in notes receivable		(3,502)	(1,766)
Decrease (increase) in accounts receivable		2,441	(34,317)
Increase in other receivables		(5,078)	(2,910)
Increase in inventory		(6,928)	(49,485)
Decrease in other current assets		26,135	60,156
Decrease (increase) in other non-current assets		635	(2,224)
Net change in liabilities related to operating activities			
(Decrease) increase in contract liabilities - current		3,841	(4,200)
Increase (decrease) in notes payable		(2,470)	29,521
Increase (decrease) in accounts payable		(29,097)	40,481
Decrease in other payables		(21,667)	(23,136)
(Decrease) increase in other current liabilities		(65)	169
Increase (decrease) in liability provision		780	(3,578)
Cash inflow from operating activities		128,686	128,491
Interest received		3,248	2,095
Interest paid		(188)	(218)
Income tax paid		(2,482)	(8,228)
Net cash inflow from operating activities		129,264	122,140
Cash flows from investing activities			
Acquisition of property, plant and equipment	VI(V)	(250)	(365)
Purchase of intangible assets		(2,026)	(2,373)
Increase in refundable deposits		-	21
Net cash outflow from investment activities		(2,276)	(2,717)
Cash flows from financing activities			
Repayment of leasing principal	VI(XXIV)	(7,581)	(7,467)
Increase in guarantee deposits		-	23
Net cash outflow from financing activities		(7,581)	(7,444)
Increase in cash and cash equivalents for the current period		119,407	111,979
Balance of cash and cash equivalents at the beginning of period		518,406	456,030
Balance of cash and cash equivalents at the end of the period		$ 637,813	$ 568,009

The notes to the financial statements attached hereto are part of this financial report and shall be referred to accordingly.

Chairman: :Chao, Hsi-Cheng　　President: :Lin, Hung-Pei　　Accounting Manager: :Lo, Chia-Ling

YUAN High-Tech Development Co., Ltd.
Notes to the Financial Report
Second Quarter of 2024 and 2023

Unit: NT$ thousand
(unless otherwise specified)

I. Company History

YUAN High-Tech Development Co., Ltd. (hereinafter referred to as "the Company") was established in October, 1990 in the Republic of China, and is mainly engaged in the manufacturing, processing and trading of computer multimedia peripheral video converters and interface cards, electronic and computer parts, general import and export business of the aforementioned products, and the distribution and bidding business of the aforementioned products on behalf of domestic manufacturers.

II. Date and Procedures for Adoption of the Financial Report

This financial report was reported to and issued by the Board of Directors on August 1, 2024.

III. Application of New and Amended Standards and Interpretations

(I) Effect of the application of new and amended International Financial Reporting Standards ("IFRSs") as endorsed and promulgated by the Financial Supervisory Commission (hereinafter referred to as "FSC")

The following table lists the newly issued, amended and revised IFRSs and interpretations as endorsed and promulgated by the FSC in 2024:

Newly Issued, Amended, and Revised Standards and Interpretations	The effective date published by International Accounting Standards Board (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 IAS7 and IFRS7 - Supplier Finance Arrangements	January 1, 2024

The Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance.

(II) The impact of newly issued and amended IFRS endorsed by FSC but yet has not been adopted by the Company

The following table lists the newly issued, amended and revised IFRSs and interpretations as endorsed by the FSC in 2025:

Newly Issued, Amended, and Revised Standards and Interpretations	The effective date published by International Accounting Standards Board (IASB)
Amendment of IAS 21 - Lack of Exchangeability	January 1, 2025

The Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance.

(III) <u>The impact of IFRS published by the IASB but not yet endorsed by the FSC</u>

The following table lists the newly issued, amended and revised IFRSs and interpretations published by the IASB but not yet endorsed by the FSC:

Newly Issued, Amended, and Revised Standards and Interpretations	The effective date published by International Accounting Standards Board (IASB)
Amendments to IFRS 9 and IFRS 7 - Amendment to the Classification and Measurement of Financial Instruments	January 1, 2026
Amendments to IFRS 10 and IAS 28 - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be decided by IASB
IFRS 17 - Insurance Contracts	January 1, 2023
Amendments to IFRS 17 - Insurance Contracts	January 1, 2023
Amendments to IFRS 17 - Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
IFRS 18 - Presentation and Disclosure in Financial Statements	January 1, 2027
IFRS 19 Subsidiaries without Public Accountability: Disclosures	January 1, 2027
Annual Improvements to IFRS Accounting Standards — Issue 11	January 1, 2026

Except as described below, the Company assessed the above standards and interpretations and there is no significant impact to the Company's financial position and financial performance. The related impact amounts will be disclosed upon the completion of the assessment:

IFRS 18 - Presentation and Disclosure in Financial Statements

IFRS 18 "Presentation and Disclosure of Financial Statements" replaces IAS 1, updates the structure of the statement of Comprehensive Income Statement, introduces new disclosures for management performance measures, and enhances the principles of aggregation and disaggregation applied to primary financial statements and notes.

IV. Summary of Significant Accounting Policies

The main accounting policies adopted in the preparation of this financial report are described below. Unless otherwise stated, these policies apply consistently throughout all reporting periods.

(I) Statement of Compliance

This financial report has been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IAS 34 Interim Financial Reporting as endorsed and issued by the FSC.

(II) Basis of Preparation

1. Except for the following important items, this financial report is prepared at historical cost:

   A defined benefit liability is recognized as the net value of the pension fund assets minus the present value of the defined benefit obligation.

2. The preparation of financial report in compliance with International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations, and SIC Interpretations (collectively referred to as "IFRSs") endorsed and issued by the FSC requires the use of certain significant accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. Please refer to Note V for items involving in a higher degree of judgment or complexity or items involving in significant assumptions and estimates to the financial report.

(III) Translation of foreign currency

The items presented in the financial report of the Company are measured at the currency (i.e., functional currency) of the main economic environment in which the Company operating. This financial report is presented in the functional currency of the Company, New Taiwan Dollar.

Transaction in foreign currencies and balances

1. Transaction in foreign currencies are translated into functional currencies at the spot exchange rate on the trading day or the measurement date, and the translation differences generated by such transactions are recognized as profit or loss for the current period.

2. The balance of monetary assets and liabilities in foreign currencies shall be evaluated and adjusted according to the spot exchange rate on the balance sheet date, and the translation differences generated by such adjustment shall be recognized as profit and loss for the current period.

3. If the balance of non-monetary assets and liabilities in foreign currencies is not measured at fair value, it shall be measured at the historical exchange rate of the initial trading day.

4. All other exchange gains and losses shall be presented under "Other gains and losses" in the Income Statement.

(IV) <u>The classification criteria for assets and liabilities whether are current or non-current</u>

1. An asset that meets any of the following conditions shall be classified as current asset:

   (1) The asset is expected to be realized, or intended to be sold or consumed in the normal operating cycle;

   (2) The liability is held primarily for trading purposes;

   (3) The asset is expected to be realized within 12 months after the balance sheet date; and

   (4) The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to pay off a liability at least 12 months after the balance sheet date.

   The Company classifies all assets that do not meet the foregoing conditions as non-current.

2. A liability that meets any of the following conditions shall be classified as current liability:

   (1) The liability is expected to be paid off in the normal operating cycle;

   (2) The liability is held primarily for trading purposes;

   (3) The liability is expected to be paid off within 12 months after the balance sheet date; and

   (4) Not having the right to defer the settlement of liabilities for at least twelve months after the reporting period.

   The Company classifies all liabilities that do not meet the foregoing conditions as non-current.

(V) <u>Cash equivalents</u>

Cash equivalents refer to short term investments with highly liquidity that can be converted into quota cash at any time with little risk of change in value. Time deposits that meet the foregoing definition and are held for the purpose of meeting short-term cash commitments in operation are classified as cash equivalents.

(VI) <u>Accounts and notes receivable</u>

1. Accounts and notes receivable refer to the accounts and notes which have the right to unconditionally receive the consideration for the transfer of goods or services in accordance with the contract.

2. The Company measures the short term accounts and notes receivable without interest paid at the original invoice value, due to the little effect from discount.

3. The Company's expected factoring receivables are operated for the purpose of selling, and shall be measured at fair value subsequently, with changes recognized as profit and loss for the current period.

(VII) Impairments of financial assets

At each balance sheet date, the Company, taking into account all reasonable and verifiable information (including forward-looking information) regarding financial assets measured at amortized cost, and accounts receivable with material financial components, measures the loss allowance by the expected credit loss in 12 months for those without credit risk increased significantly since the initial recognition, and measures the loss allowance by the expected credit loss during the duration for those with credit risk increased significantly since the initial recognition. For accounts receivable that do not contain a material financial component, the Company measures the loss allowance by the expected credit loss during the duration.

(VIII) Derecognition of financial assets

The Company will derecognize a financial asset if:

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

2. The Company transfers the contractual rights to receive cash flows from the financial asset and virtually has transferred all the risks and rewards of the ownership of the financial asset.

3. The Company transfers the contractual rights to receive cash flows from the financial asset without retaining control over the financial asset.

(IX) Lessor's lease transaction - operating lease

The deduction of any inducement given to the lessee from the lease income of an operating lease shall be recognized as the current profit or loss by the straight-line method during the lease term.

(X) Inventories

Inventory shall be measured at the lower of cost or net realized value, and the cost is determined by weighted average method. The costs of finished goods and work in process include raw materials, direct labor, other direct costs and manufacturing overhead related to production, but does not include borrowing costs. The item by item comparison method is adopted for the lower of comparative cost and net realized value. The net realized value refers to the balance of the estimated selling price in the normal course of business minus the estimated cost to be invested until completion and estimated costs required to complete the sale.

(XI) Property, plant and equipment

1. Property, plant and equipment are accounted for on the basis of acquisition cost.

2. Subsequent costs are included in the asset's carrying amount or recognized as 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 replacement shall be derecognized. All other maintenance costs shall be recognized as current profit or loss when incurred.

3. Property, plant and equipment shall be subsequently measured by the cost model, and shall be depreciated by the straight-line method based on the estimated service life except for land. If each item of property, plant and equipment is material, it shall be depreciated separately.

4. The Company reviews each asset's residual values, service lives and depreciation methods at the end date of each fiscal year. If expected values of residual values and service lives differ from the previous estimates or there has been a material change in the expected consumption pattern of the future economic benefits contained in the asset, it shall be treated in accordance with the provisions of the IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors for changes in accounting estimates since the date of the change. The service life of each asset is as follows:

Machinery equipment	2 to 5 Years
Transportation equipment	5 Years
Office equipment	3 to 5 Years

(XII) Lessee's lease transaction - right-of-use assets/lease liabilities

1. The leased assets shall be recognized as the right-of-use assets and lease liabilities on the date when they are available to the Company. When the lease contract is a short-term lease or a lease of an underlying asset of low value, the lease payment shall be recognized as expense during the lease period by straight-line method.

2. The lease liabilities shall be recognized at the present value of the unpaid lease payments at the commencement date of lease discounted at the Company's interest rate on the increment loan. A lease payment is a fixed payment minus any lease inducement that may be received.

   The lease liabilities shall be measured by the interest method and the amortized cost method subsequently, and the provision for interest expense shall be made during the lease term. When the lease term or lease payment changes not due to the contract modification, the lease liability will be reassessed and the remeasurement amount will be adjusted to the right-of-use asset.

3. The right-of-use assets shall be recognized at cost on the commencement date of lease, and the cost shall include:

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

(2) Any lease payment paid on or before the commencement date.

The right-of-use assets shall be measured by the cost model subsequently, and the provision for depreciation expense shall be made on the earlier of the expiry date of the asset's service life or the expiry date of the lease term. When the lease liability is reassessed, the right-of-use assets will be adjusted to any remeasurement of the lease liability.

4. For a lease modification that reduces the scope of the lease, lessee will reduce the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize the difference between the carrying amount and the remeasurement amount of the lease liability in the profit and loss.

(XIII) Investment properties

Investment properties shall be recognized at acquisition cost, and measured by the cost model subsequently. Except for land, investment property shall be depreciated by the straight-line method according to the estimated service life, which is 10-20 years.

(XIV) Intangible assets

Computer software

Computer software shall be recognized at acquisition cost, and amortized over an estimated service life of 1 - 5 years by the straight-line method.

(XV) Impairment of non-financial assets

On the balance sheet date, the Company estimates the recoverable amount of the assets with an indication of impairment, and recognizes the impairment loss when the recoverable amount is lower than the book value. The recoverable amount refers to the fair value of an asset minus the cost of disposal or its use value, whichever is higher. When the impairment of an asset recognized in previous years does not exist or decreases, the impairment loss shall be reversed, provided that the increase in the carrying amount of the asset resulting from the reversal of the impairment loss shall not exceed the carrying amount of the asset after deducting depreciation or amortization if the impairment loss is not recognized.

(XVI) Accounts and notes payable

1. Accounts and notes payable are debts incurred for the purchase of raw materials, goods or services on credit and notes payable incurred either arising from business or not arising from business.

2. The Company measures the short-term accounts and notes payable without interest paid at the original invoice value, due to the little effect from discount.

(XVII) Derecognition of financial liabilities

The Company derecognizes financial liabilities when its contractual obligations specified have been performed, canceled or due.

(XVIII) Offsetting of financial assets and liabilities

The Company may offset the financial assets and financial liabilities against each other and present them net in the balance sheet only when it has a legally enforceable right to offset the recognized amount of financial assets and liabilities, and intends to close on a net basis or realize assets and pay off liabilities at the same time.

(XIX) Liability provision

Provision for liabilities (including warranties and provisions for liabilities arising from litigation) shall be recognized when the Company has a current legal or constructive obligation arising from a past event, and it is likely that the Company will have to discharge resources with economic benefit in the future to fulfill the obligation, the amount of such obligation can be reliably estimated. The provision for liabilities shall be measured by the best estimated present value of the expenditure required to fulfill the obligation at the balance sheet date, with a pre-tax discount rate which reflects the current market assessment of the time value of money and the specific risk of the liability. The amortization of the discount shall be recognized as interest expense. No provision for liabilities shall be recognized for future operating losses.

(XX) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits shall be measured at the undiscounted amount expected to be paid and shall be recognized as expenses when the services are provided.

2. Pension

   (1) Defined contribution plans

   For a defined contribution plan, the amount of the pension fund to be contributed shall be recognized as the current pension cost on an accrual basis. Contributions paid in advance shall be recognized as assets to the extent refundable cash or reduced future payments.

   (2) Defined benefit plans

   A. Net obligations under defined benefit plans shall be calculated by discounting the amount of future benefits earned by the employee from the current or past services, and by present value of defined benefit obligations less the fair value of plan assets at the balance sheet date. Net obligations under defined benefit plan shall be calculated on an annually basis by actuaries using the projected unit benefit method. The discount rate adopted shall be the market yield (at the balance sheet date) of government bonds in the same currency and period as the defined benefit plan at the balance sheet date.

   B. The remeasurement amount generated by the defined benefit plan shall be recognized in other comprehensive income for the period in which it is incurred and expressed in retained earnings.

C. The pension cost for the interim period shall be calculated on the basis of actuarial pension cost rates as at the end date of the preceding fiscal year from the beginning to the end of the year. If there are material market changes and material reductions, liquidations or other material one-off events after such end date, the pension cost shall be adjusted and disclosed in accordance with the foregoing policy.

3. Employees' compensation and remuneration to directors

Employees' compensation and remuneration to directors shall be recognized as expenses and liabilities where there are legal or constructive obligations and the amounts can be reasonably estimated. If there is a difference between the actual amount distributed and the accrued amount resolved subsequently, it shall be treated as a change in accounting estimate. In addition, if employees' compensation is issued in stock, the number of shares shall be calculated based on the closing price of the day prior to the resolution of the Board of Directors.

(XXI) <u>Income tax</u>

1. Income tax expense includes current and deferred income taxes. Income tax shall be recognized in profit and loss, except that income tax related to items included in other comprehensive income or directly included in equity shall be separately included in other comprehensive income or directly included in equity.

2. The Company shall calculate the current income tax on the basis of the tax rates that are legislated or substantially legislated at the balance sheet date by the country in which the Company operates and generates its taxable income. Management shall evaluate on a regularly basis the status of income tax returns in respect of applicable income tax regulations and, where applicable, estimate income tax liabilities based on the taxes expected to be paid to tax authorities. The expense of income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized according to the actual distribution of undistributed earnings until the next year of the year in which the surplus is generated after the earnings distribution plan is approved by the shareholders' meeting.

3. Deferred income tax shall be recognized on the basis of temporary differences between the tax basis of assets and liabilities and their carrying amounts on the balance sheet, using the balance sheet method. Deferred tax is subject to the tax rate (and tax law) that is legislated or substantially legislated at the balance sheet date and is expected to apply at the time of realization of the relevant deferred tax asset or settlement of the deferred tax liability.

4. Deferred income tax assets shall be recognized to the extent that temporary differences are likely to be used to offset future taxable income, and the unrecognized and recognized deferred income tax assets shall be reassessed on each balance sheet date.

5. The Company shall offset the current income tax assets and current income tax liabilities against each other only when it has the legal enforcement power to offset the recognized current income tax assets and liabilities against each other and intends to repay them on a net basis or realize assets and pay off liabilities at the same time.

The Company shall offset the deferred income tax assets and liabilities against each other only when it has the legal enforcement power to offset the current income tax assets and the current income tax liabilities against each other, and the deferred income tax assets and liabilities are generated by the same taxpayer, or by different taxpayers, levied by the same tax authority, provided that each taxpayer intends to repay them on a net basis or realize assets and pay off liabilities at the same time.

6. Unused income tax credits transferred in later period arising from research and development expenditure shall be recognized as income tax assets to the extent that future tax income is likely to be available for the use of the unused income tax credit.

7. Income tax expense for the interim period shall be calculated by the profit and loss before tax for the interim period applying the estimated annual average effective tax rate and shall be disclosed in accordance with the foregoing policy.

(XXII) Share capital

1. Common stock is classified as equity, and the incremental costs directly attributable to the issuance of new shares or stock options shall be included as price deduction in equity with the net amount after deduction of income tax.

2. When the Company repurchases its outstanding shares, it recognizes the consideration paid, including any directly attributable incremental costs, as a reduction of shareholders' equity on a net after-tax basis. When the repurchased shares are subsequently re-issued, the difference between the book value and the consideration received after deducting any directly attributable increment costs and income tax effects of the repurchased shares shall be recognized as an adjustment of shareholders' equity.

(XXIII) Dividend distribution

Cash dividends distributed to the Company's shareholders shall be recognized in the financial report when the dividends distribution are approved by resolution of the shareholders' meeting or by special resolution of the Board of Directors. Cash dividends distribution shall be recognized as liabilities, while stock dividends distributed to the shareholders of the Company shall be recognized as stock dividends to be distributed when the distribution is resolved at the Company's stockholders' meeting, and recognized as ordinary shares on the base date of issue of new shares.

(XXIV) Recognition of revenue

1. Merchandise sales

(1) The Company develops, manufactures and sells computer multimedia peripheral video converters, interface cards and other related products, and recognizes the sales revenue when the control of the products is transferred to the customer, that is, when the products are delivered to the customer, the customer has the discretion over the distribution and price of the products, and the Company has no outstanding performance obligations that may affect the customer's acceptance of the products. The delivery of products shall be deemed to have

occurred only when the products are shipped to the designated location, the risk of obsolescence and loss has been transferred to the customer and the customer has accepted the products pursuant to the sales contract or there is objective evidence that all acceptance criteria have been met.

(2) The Company provides standard warranty for the products sold, shall be obligated to refund for product defects, and shall recognize liability provisions at the time of sales.

(3) Accounts receivable shall be recognized when the goods are delivered to the customer, since the Company has an unconditional right to the contract price from that point on and can collect consideration from the customer only after the lapse of time.

2. Acquisition costs of customer contracts

The incremental costs incurred by the Company in obtaining the customer contracts are expected to be recoverable. However, as the contract period is less than one year, such costs shall be recognized as expenses when incurred.

(XXV) Operating segments

Information about the Company's operating segments is reported in a manner consistent with internal management reports provided to principal operating decision maker. The principal operating decision maker is responsible for allocating resources to the operating segments and evaluating their performance. The principal operating decision maker of the Company is identified as the Board of Directors.

V. Major sources of uncertainty in major accounting judgments, estimates and assumptions

At the time of the preparation of this financial report, management has used its judgment in determining the accounting policies to be adopted and has made accounting estimates and assumptions based on reasonable expectations concerning future events according to the current conditions as at the balance sheet date. Significant accounting estimates and assumptions made that may differ from actual results will be continuously evaluated and adjusted taking into account historical experience and other factors. Such estimates and assumptions are subject to the risk of a material adjustment of the carrying amounts of assets and liabilities in the following fiscal year. Please refer to the following descriptions of the uncertainties in significant accounting judgments, estimates and assumptions:

(I) Significant judgments adopted for accounting policies

None.

(II) Significant accounting estimates and assumptions

Valuation of inventory

Since inventories are valued at the lower of cost and net realized value, the Company must use judgment and estimation to determine the net realized value of inventories at the balance sheet date. Due to rapid changing technology, the Company evaluates the amount of inventory for normal wear and tear, obsolescence, or without market value at the balance sheet date and offsets the cost of inventory to net realized value. This inventory valuation is based primarily on product demand estimates for specific periods in the future and may be subject to material change.

As of June 30,2024, the carrying amount of the Company's inventory is NT$397,857.

VI. Description of Material Accounting Items

(I) Cash and cash equivalents

1. The Company transacts with financial institutions of high credit quality, and transacts with a variety of financial institutions to diversify credit risk; therefore, the probability of counterparty's default is remote.

2. The Company has not pledged any cash and cash equivalents.

(II) Notes and accounts receivable

	June 30, 2024	December 31, 2023	June 30, 2023
Notes receivable	$ 3,502	$ -	$ 5,318
Accounts receivable	$ 7,753	$ 10,194	$ 34,410
Less: allowance for loss	(775)	(1,019)	(3,441)
	$ 6,978	$ 9,175	$ 30,969

1. The aging analysis of accounts receivable and notes receivable is as follows:

	June 30, 2024		December 31, 2023	June 30, 2023	
	Accounts receivable	Notes receivable	Accounts receivable	Accounts receivable	Notes receivable
Not overdue	$ 7,001	$ 3,502	$ 10,054	$ 34,393	$ 5,318
Within 30 days	558	-	106	1	-
31-90 days	178	-	18	-	-
91-180 days	-	-	-	16	-
More than 181 days	16	-	16	-	-
	$ 7,753	$ 3,502	$ 10,194	$ 34,410	$ 5,318

The above aging analysis is based on the number of days overdue.

2. Balances of accounts receivable and notes receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 were generated by contracts with customer, and the balance of accounts receivable under contracts with customer as of January 1, 2023 was NT$3,645.

3. Without regard to collateral held or other credit enhancements, the maximum exposure amount representing most the credit risk of the Company's notes receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 is NT$3,502, NT$0 and NT$5,318, respectively; the maximum exposure amount representing most the credit risk of the Company's accounts receivable as of June 30, 2024, December 31, 2023 and June 30, 2023 is NT$6,978, NT$9,175 and NT$30,969, respectively.

4. Please refer to Note XII (II) for information on the credit risks.

(III) Transfer of financial assets

Transferred financial assets derecognized as a whole

The Company entered into an account receivable factoring agreement with EnTie Commercial Bank Co., Ltd., Taipei Fubon Commercial Bank Co., Ltd., CTBC Bank Co., Ltd., and Cathay United Bank Co., Ltd. On August 4, 2023, September 22, 2023, January 22, 2024, and September 18, 2023 respectively. The Company is contractually free from the risk of non-collection of such transferred receivables and is only liable for losses arising from commercial disputes, and the Company has no ongoing involvement in such transferred receivables. Therefore, the Company derecognizes such factoring accounts receivable. The relevant information regarding those outstanding accounts receivable is as follows:

	June 30, 2024				
Factoring object	Amount of factoring accounts receivable	Derecogniti on amount	Prepaid Amount	The amount that can still be prepaid	Interest rate range for prepaid amounts
Taipei Fubon Commercial Bank Co., Ltd.	$ 3,867	$ 3,867	$ -	$ -	N/A
CTBC Bank Co., Ltd.	5,843	5,843	-	-	N/A
EnTie Commercial Bank Co., Ltd.	90,173	90,173	-	-	N/A
Cathay United Bank Co., Ltd.	951	951	-	-	N/A
	$ 100,834	$ 100,834	$ -	$ -	

December 31, 2023					
Factoring object	Amount of factoring accounts receivable	Derecognition amount	Prepaid Amount	The amount that can still be prepaid	Interest rate range for prepaid amounts
Taipei Fubon Commercial Bank Co., Ltd.	$ 2,756	$ 2,756	$ -	$ -	N/A
CTBC Bank Co., Ltd.	2,697	2,697	-	-	N/A
EnTie Commercial Bank Co., Ltd.	115,561	115,561	-	-	N/A
Cathay United Bank Co., Ltd.	533	533	-	-	N/A
	$ 121,547	$ 121,547	$ -	$ -	

June 30, 2023					
Factoring object	Amount of factoring accounts receivable	Derecognition amount	Prepaid Amount	The amount that can still be prepaid	Interest rate range for prepaid amounts
Taipei Fubon Commercial Bank Co., Ltd.	$ 7,696	$ 7,696	$ -	$ -	N/A
CTBC Bank Co., Ltd.	36,816	36,816	-	-	N/A
Cathay United Bank Co., Ltd.	1,779	1,779	-	-	N/A
	$ 46,291	$ 46,291	$ -	$ -	

The foregoing derecognition amounts are unadvanced and presented as "other current assets". The Company transacts its factoring accounts receivable with financial institutions of high credit quality, and transacts with a variety of financial institutions to diversify credit risk; therefore, the probability of counterparty's default is remote.

(IV) Inventories

	June 30, 2024		
	Costs	Loss allowance for falling price	Carrying amount
Raw material	$ 367,533	($ 17,364)	$ 350,169
Work in process	73,250	(26,538)	46,712
Finished products	1,281	(305)	976
Total	$ 442,064	($ 44,207)	$ 397,857

	December 31, 2023		
	Costs	Loss allowance for falling price	Carrying amount
Raw material	$ 369,507	($ 21,960)	$ 347,547
Work in process	60,909	(21,723)	39,186
Finished products	4,502	(306)	4,196
Total	$ 434,918	($ 43,989)	$ 390,929

	June 30, 2023		
	Costs	Loss allowance for falling price	Carrying amount
Raw material	$ 387,568	($ 25,749)	$ 361,819
Work in process	59,066	(18,702)	40,364
Finished products	898	(302)	596
Total	$ 447,532	($ 44,753)	$ 402,779

Inventory cost recognized as expense and loss in the current period:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Cost of inventory sold	$ 144,345	$ 139,497
Loss from falling price (Recovery gain)	(2,105)	1,665
	$ 142,240	$ 141,162

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Cost of inventory sold	$ 313,509	$ 259,747
Loss from falling price	218	5,498
	$ 313,727	$ 265,245

From April 1 to June 30, 2024, a recovery gain was realized due to a reduction in inventory resulting in a recovery of net realizable value.

(V) Property, plant and equipment

	2024			
	Machinery equipment	Transportation equipment	Office equipment	Total
January 1				
Costs	$ 7,091	$ 5,276	$ 9,915	$ 22,282
Accumulated depreciation	(3,908)	(4,257)	(6,539)	(14,704)
	$ 3,183	$ 1,019	$ 3,376	$ 7,578
January 1	$ 3,183	$ 1,019	$ 3,376	$ 7,578
Additions	250	-	-	250
Disposal cost	(287)	-	(164)	(451)
Accumulated depreciation disposed of	287	-	164	451
Depreciation expenses	(755)	(175)	(1,010)	(1,940)
June 30	$ 2,678	$ 844	$ 2,366	$ 5,888
June 30				
Costs	$ 7,054	$ 5,276	$ 9,751	$ 22,081
Accumulated depreciation	(4,376)	(4,432)	(7,385)	(16,193)
	$ 2,678	$ 844	$ 2,366	$ 5,888

	2023			
	Machinery equipment	Transportation equipment	Office equipment	Total
January 1				
Costs	$ 8,150	$ 5,706	$ 12,033	$ 25,889
Accumulated depreciation	(3,410)	(4,280)	(6,947)	(14,637)
	$ 4,740	$ 1,426	$ 5,086	$ 11,252
January 1	$ 4,740	$ 1,426	$ 5,086	$ 11,252
Additions	-	-	365	365
Disposal cost	(1,054)	-	(2,499)	(3,553)
Accumulated depreciation disposed of	1,054	-	2,499	3,553
Depreciation expenses	(857)	(233)	(1,149)	(2,239)
June 30	$ 3,883	$ 1,193	$ 4,302	$ 9,378
June 30				
Costs	$ 7,096	$ 5,706	$ 9,899	$ 22,701
Accumulated depreciation	(3,213)	(4,513)	(5,597)	(13,323)
	$ 3,883	$ 1,193	$ 4,302	$ 9,378

The real property, plant and equipment of the Company have not been provided as guarantee.

(VI) Leasing transaction - lessee

1. The underlying assets leased by the Company are buildings, with a general lease term between 1 and 2 years. The lease agreements are negotiated individually and contain a variety of terms and conditions. There are no restrictions other than that the leased assets may not be used as guaranteed for loan.

2. Information on the book value and recognized depreciation expenses of the right-of-use assets is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
	Carrying amount	Carrying amount	Carrying amount
Buildings	$ 25,198	$ 16,238	$ 11,838

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
	Depreciation expenses	Depreciation expenses
Buildings	$ 3,768	$ 3,757
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
	Depreciation expenses	Depreciation expenses
Buildings	$ 7,536	$ 7,514

3. The increase of the Company's right to use assets for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 is NT$16,469 NT$0, and NT$16,496 NT$0, respectively.

4. Information on the profit and loss relating to the lease contract is as follows:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 84	$ 91
Expenses attributable to short-term lease contract	89	79
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Items affecting current profit and loss		
Interest expense on lease liabilities	$ 169	$ 181
Expenses attributable to short-term lease contract	174	172

5. The total lease cash outflow of the Company for the period from January 1 to June 30, 2024 and 2023 are NT$7,924 and NT$7,820, respectively.

(VII) Lease transactions - lessor

1. The underlying assets rented out by the Company include land and buildings, with a general lease term between 1 and 9 years. Lease agreements are negotiated individually and contain a variety of terms and conditions. In order to preserve the use of the leased assets, the lessee is usually required not to use the leased assets as guarantee for loan or to provide salvage value guarantee.

2. For the rental income recognized by the Company under operating lease agreement for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, please refer to Note VI (VIII), on which there is no variable lease payment.

3. The maturity date analysis of the lease payment made by the Company under operating lease is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
2023	$ -	$ -	$ 5,951
2024	5,152	11,106	11,106
2025	10,158	10,158	10,158
2026	10,158	10,158	10,158
2027	10,158	10,158	10,158
2028	10,158	10,158	10,158
2029	10,158	10,158	10,158
After 2030	12,697	12,697	12,697
	$ 68,639	$ 74,593	$ 80,544

(VIII) Investment Properties

	2024		
	Land	Buildings and structures	Total
January 1			
Costs	$ 1,100,263	$ 23,653	$ 1,123,916
Accumulated depreciation	-	(23,061)	(23,061)
	$ 1,100,263	$ 592	$ 1,100,855
January 1	$ 1,100,263	$ 592	$ 1,100,855
Depreciation expenses	-	(75)	(75)
June 30	$ 1,100,263	$ 517	$ 1,100,780
June 30			
Costs	$ 1,100,263	$ 23,653	$ 1,123,916
Accumulated depreciation	-	(23,136)	(23,136)
	$ 1,100,263	$ 517	$ 1,100,780

	2023		
	Land	Buildings and structures	Total
January 1			
Costs	$ 1,100,263	$ 23,653	$ 1,123,916
Accumulated depreciation	-	(22,910)	(22,910)
	$ 1,100,263	$ 743	$ 1,101,006
January 1	$ 1,100,263	$ 743	$ 1,101,006
Depreciation expenses	-	(76)	(76)
June 30	$ 1,100,263	$ 667	$ 1,100,930
June 30			
Costs	$ 1,100,263	$ 23,653	$ 1,123,916
Accumulated depreciation	-	(22,986)	(22,986)
	$ 1,100,263	$ 667	$ 1,100,930

1. Rental income and direct operating expenses of investment properties:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Rental income from investment properties (Note)	$ 2,987	$ 2,990
Direct operating expenses incurred in investment properties with rental income in the current period	$ 209	$ 209

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Rental income from investment properties (Note)	$ 5,973	$ 5,947
Direct operating expenses incurred in investment properties with rental income in the current period	$ 254	$ 254

Note: Accounted for "Other income".

2. The fair value of the investment properties held by the Company as of June 30, 2024, December 31 and June 30, 2023 is NT$1,216,422, NT$1,311,940, and NT$1,241,590, respectively. The fair value is based on the evaluation of the transaction prices of similar properties in the vicinity of the related assets and belongs to the third level fair value.

3. The Company's investment properties are not provided as collateral.

(IX) Other payables

	June 30, 2024	December 31, 2023	June 30, 2023

Dividends payable	$ 139,150	$ -	$ 151,076
Wages payable	50,336	77,993	49,774
Remuneration payable to directors	8,661	5,424	10,195
Remuneration payable to employees	8,661	5,424	10,195
Commission payable	877	877	877
Other expense payables	4,094	4,579	3,227
	$ 211,779	$ 94,297	$ 225,344

(X) Pension

1. (1) In accordance with the provisions of the Labor Standards Act, the Company has formulated a retirement plan with defined benefits, which applies to the seniority of all regular employees prior to the implementation of the Labor Pension Act on July 1, 2005, and to the subsequent seniority of employees who choose to continue to apply the Labor standards Act after the implementation of the Labor Pension Act. If an employee is eligible for retirement, the pension payment shall be based on his/her seniority and the average salary of the six months prior to his/her retirement. Two bases will be given for each year of service up to 15 years (inclusive), and one base will be given for each year of service exceeding 15 years, subject to a maximum of 45 accumulated bases. The Company allocates 2% of the total salary per month to the retirement fund, which is deposited in a special account at the Bank of Taiwan in the name of the Supervisory Committee of Labor Retirement Reserve. In addition, before the end of each fiscal year, the Company shall estimate the balance of the special account for the retirement reserve fund for the employees referred to in the preceding paragraph. If the balance is insufficient to cover the estimated pension amount of the employees eligible for retirement in the following year, the Company will allocate the balance in a lump sum before the end of March next year.

   (2) The pension costs recognized by the Company under the foregoing pension plan for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 are NT$750, NT$750, NT$1,500 and NT$1,500 respectively.

   (3) The Company's projected contribution to retirement plan for 2025 is NT$ 274.

2. (1) Since July 1, 2005, the Company has established a defined contribution retirement plan for employees of Taiwan nationality in accordance with the Labor Pension Act. The Company contributes 6% of the monthly salary as labor pension funds to individual labor pension accounts at the Bureau of Labor Insurance, Ministry of Labor for employees every month in respect of the employee's choice to apply the labor pension system stipulated in the Labor Pension Act. The employee's pension shall be paid by monthly or in a lump sum based on his/her special pension account and accumulated income.

   (2) The pension costs recognized by the Company under the foregoing pension

plan for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 are NT$1,954, NT$1,838, NT$3,902 and NT$3,680 respectively.

(XI) Liability provision

	Repair and warranty	Litigation compensation	Total
Balance as of January 1, 2024	$ 60,232	$ 1,852	$ 62,084
Increase in provision for liabilities during the current period	780	-	780
Balance as of June 30, 2024	$ 61,012	$ 1,852	$ 62,864

	Repair and warranty	Litigation compensation	Total
Balance as of January 1, 2023	$ 65,371	$ 1,852	$ 67,223
Increase in provision for liabilities during the current period	(3,578)	-	(3,578)
Balance as of June 30, 2023	$ 61,793	$ 1,852	$ 63,645

The analysis of liability provision is as follows:

	June 30, 2024	December 31, 2023	June 30, 2023
Current	$ 21,986	$ 21,728	$ 22,243
Non-current	$ 40,878	$ 40,356	$ 41,402

1. Repair and warranty

The provision for liabilities of repair and warranty of the Company's are mainly related to the sales of computer multimedia peripheral video converters and interface cards, etc., and are estimated based on the historical repair and warranty information of such products. The Company expects that such liability provision will occur over the next three years.

2. Litigation compensation

In a patent infringement dispute with Societa Italiana per lo Sviluppo dell‘Elettronica S.p.A, the German court ruled on January 9, 2013 that the Company had infringed the German Patent No. EP402973 of Sisvel, and the Company shall: (1) bear the court fees of the second instance; (2) bear the reasonable legal fees of Sisvel; (3) indemnify Sisvel for any loss incurred as a result of the infringement. The calculation of actual damages shall be based on royalty, and the actual sales figures of the Company shall be used as the basis for royalty calculation. Since the whole case has been concluded, the Company has made a liability provision of NT$1,852 according to the judgment.

(XII) Share capital

1. The authorized capital of the Company is NT$800,000, which is divided into 80,000 shares with a face value of NT$10 per share. As of June 30, 2024, the paid-in capital is NT$403,559. The payments of all shares issued by the Company have been received.

2. A reconciliation of the number of outstanding shares of the Company's common stock at the beginning and end of the period is as follows (Unit: thousand shares)

	2024	2023
January 1 (i.e. June 30)	39,757	39,757

3. Treasury shares

(1) The reasons for the recovery of shares and the number:

		June 30, 2024	
Name of the holding company	Reasons for recovery	Number of shares	Carrying amount
The Company	Shares transferred to employees	599,000	$ 38,296

		December 31, 2023	
Name of the holding company	Reasons for recovery	Number of shares	Carrying amount
The Company	Shares transferred to employees	599,000	$ 38,296

		June 30, 2023	
Name of the holding company	Reasons for recovery	Number of shares	Carrying amount
The Company	Shares transferred to employees	599,000	$ 38,296

(2) It is stipulated by the Securities and Exchange Act that the proportion of the number of shares repurchased by a company shall not exceed 10% of the total number of shares issued by such company, and the total amount of shares repurchased shall not exceed the retained earnings plus the premium of issued shares and the realized capital reserve.

(3) The treasury shares held by the Company shall not be pledged in accordance with the Securities and Exchange Act, and no shareholders are entitled to their rights until the shares have been transferred.

(4) In accordance with the provisions of the Securities and Exchange Act, shares repurchased for the purpose of transferring shares to employees shall be transferred within five years from the date of repurchase. If the shares are not transferred within the time limit, the Company shall be deemed to have not issued shares, and shall go through the alteration registration to cancel the shares. For the purpose of maintaining the Company's credit and shareholders' equity, the Company shall go through the alteration registration and cancellation of shares within six months from the date of repurchase.

(XIII) Capital reserve

In accordance with the Company Act, the surplus from the issuance of shares in excess of par value and the capital reserves from the receipt of donations shall be used to cover losses, and shall be distributed as new shares or distributed in cash to shareholders according to their original shareholding ratio when the Company has no accumulated losses. In addition, in accordance with the relevant provisions of the Securities and Exchange Act, when the foregoing capital reserve is appropriated to capital, the total amount shall not exceed 10% of the paid-in capital each year. The Company shall not appropriate capital reserve to capital if the loss is still not covered after appropriating capital surplus to capital deficiency.

(XIV) Retained earnings

1. In accordance with the Articles of Incorporation, if there is earnings in the annual total account, in addition to paying all taxes in accordance with the law, the earnings shall be used to make up the loss of the previous year first, and 10% shall be set aside as the legal surplus reserve. If there is surplus, it shall be retained or distributed according to the resolution of the shareholders' meeting. When the surplus is distributed by cash dividends, the Company shall authorize the Board of Directors to adopt a special resolution and report to the shareholders' meeting in accordance with laws and regulations. The amendment to the Articles of Incorporation was completed on July 20, 2021.

2. The Company's dividend policy is as follows: At the end of each fiscal year, the Company's Board of Directors shall make a proposal for the earnings distribution or loss recovery plan, and dividends shall be distributed in the form of cash dividends in part or in whole, of which stock dividends shall not exceed 90% of the dividends distributed for the current fiscal year.

3. The legal surplus reserve shall be exclusively used to cover accumulated deficit, to issue new shares or distribute cash to shareholders in proportion to their original shareholding ratio, provided that legal surplus reserve used for the issue of new shares or cash distributed to shareholders shall be limited to the portion in excess of 25% of the paid-in capital.

4. When distributing the earnings, in accordance with the regulations, the Company shall set aside special surplus reserve from the debit balance of other equity items at the

balance sheet date in the current year. When the debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

5. The resolution on earnings distribution for 2024 resolved by the shareholders' meeting on June 13, 2023 and the resolution on earnings distribution for 2023 resolved by at shareholders' meeting on June 20, 2022 are as follows:

	2023		2022	
	Amount	Dividends Per Share (NT$)	Amount	Dividends Per Share (NT$)
Legal capital reserve	$ 19,669		$ 31,761	
Cash dividends	139,150	$ 3.5	151,076	$ 3.8
	$ 158,819		$ 182,837	

(XV) Operating income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Income from contracts with customers	$ 312,777	$ 280,531

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income from contracts with customers	$ 625,000	$ 533,043

1. Disaggregation of income from contracts with customers

The income of the Company is derived from the rendering of goods that are transferred at a certain point and can be broken down by the following main product lines:

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Sales income		
Computer multimedia peripheral video Converters and interface cards, etc.	$ 312,019	$ 280,171
Others	758	360
Total	$ 312,777	$ 280,531

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Sales income		
Computer multimedia peripheral video Converters and interface cards, etc.	$ 623,648	$ 532,116
Others	1,352	927
Total	$ 625,000	$ 533,043

2. Contract liabilities

	June 30, 2024	December 31, 2023	June 30, 2023	January 1, 2023
Contract liabilities:				
Contract liabilities - advances on sales	$ 24,347	$ 20,506	$ 24,298	$ 28,498

3. Contract liabilities at the beginning of period recognized as income in the current period

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
The beginning balance of contract liabilities is recognized as income in the current period		
Advances on sales	$ 21	$ 235
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
The beginning balance of contract liabilities is recognized as income in the current period		
Advances on sales	$ 8,001	$ 14,551

(XVI) Interest income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Interest on bank deposits	$ 2,402	$ 1,506
	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Interest on bank deposits	$ 3,248	$ 2,095

(XVII) Other income

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Rental income	$ 2,987	$ 2,991
Other income - others	3,791	967
	$ 6,778	$ 3,958

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Rental income	$ 5,973	$ 5,948
Other income - others	7,283	1,893
	$ 13,256	$ 7,841

(XVIII) Other gains and losses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Foreign exchange gains	$ 3,810	$ 4,373
Other losses	(113)	-
	$ 3,697	$ 4,373

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Foreign exchange gains	$ 12,653	$ 1,683
Other losses	(113)	-
	$ 12,540	$ 1,683

(XIX) Additional information on the nature of expense

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Employee benefit expenses	$ 68,914	$ 63,871
Depreciation expenses of right-of-use assets	3,768	3,757
Depreciation expenses of real property, plant and equipment	952	1,028
Depreciation expenses of investment properties - buildings and structures	38	38
Amortization expense of intangible assets	1,067	898
	$ 74,739	$ 69,592

	From January 1 to June 30, 2024	From January 1 to June 30, 2023

Employee benefit expenses	$ 135,751	$ 127,526
Depreciation expenses of right-of-use assets	7,536	7,514
Depreciation expenses of real property, plant and equipment	1,940	2,239
Depreciation expenses of investment properties - buildings and structures	75	76
Amortization expense of intangible assets	2,027	1,772
	$ 147,329	$ 139,127

(XX) Employee benefit expenses

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Salary expenses	$ 59,266	$ 56,447
Labor and health insurance expenses	3,441	3,279
Pension expenses	2,704	2,588
Other employment costs	3,503	1,557
	$ 68,914	$ 63,871

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Salary expenses	$ 117,459	$ 111,906
Labor and health insurance expenses	6,797	6,514
Pension expenses	5,402	5,180
Other employment costs	6,093	3,926
	$ 135,751	$ 127,526

1. In accordance with the Articles of Incorporation, the Company shall, after deducting the accumulated losses based on the current year's profits, if there is still earnings, allocate no less than 2% as employee compensation and no more than 2% as remuneration to directors.

2. For the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023, the Company estimated the employee compensation as NT$1,815, NT$1,231, NT$3,237 and NT$2,221 respectively, estimated the remuneration to directors as NT$1,815, NT$1,231, NT$3,237 and NT$2,221 respectively, and presented the said amounts in the salaries expense account.

   The amounts are estimated at 2% based on the profits for the period from January 1 to June 30, 2024.

The compensation for employees and remuneration to directors resolved by the Board of Directors for 2023 are consistent with the amounts recognized in the financial report of 2023.

Information on remuneration for employees and directors approved by the Board of Directors of the Company is available at the Market Observation Post System.

(XXI) Income tax

1. Income tax expenses

Components of income tax expense

Current tax:	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Income tax incurred in current period	$ 27,782	$ 17,894
Additional income tax on unappropriated earnings	1,894	6,739
Total income tax in the period	29,676	24,633
Deferred income tax:		
Initial generation and reversal of temporary differences	3,295	3,431
Total deferred income tax	3,295	3,431
Income tax expenses	$ 32,971	$ 28,064

Current tax:	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Income tax incurred in current period	$ 15,411	$ 11,376
Additional income tax on unappropriated earnings	1,894	6,739
Total income tax in the period	17,305	18,115
Deferred income tax:		
Initial generation and reversal of temporary differences	2,011	446
Total deferred income tax	2,011	446
Income tax expenses	$ 19,316	$ 18,561

2. The Company's profit-seeking enterprise income tax has been approved by the tax collection authority to the year 2021.

(XXII) Earnings per share

	From April 1 to June 30, 2023		
	After-tax amount	Number of weighted outstanding shares retroactively adjusted (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to common shareholders in the current period	$ 40,548	39,757	$ 1.02
Diluted earnings per share			
Net profit attributable to common shareholders in the current period	40,548	39,757	
Effect of potentially dilutive common shares			
Employees' compensation	-	20	
Impact of net current profit attributable to common shareholders plus potential common stocks	$ 40,548	39,777	$ 1.02

	From January 1 to June 30, 2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to common shareholders in the current period	$ 122,416	39,757	$ 3.08
Diluted earnings per share			
Net profit attributable to common shareholders in the current period	122,416	39,757	
Effect of potentially dilutive common shares			
Employees' compensation	-	34	
Impact of net current profit attributable to common shareholders plus potential common stocks	$ 122,416	39,791	$ 3.08

	From April 1 to June 30, 2024		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to common shareholders in the current period	$ 67,794	39,757	$ 1.71
Diluted earnings per share			
Net profit attributable to common shareholders in the current period	67,794	39,757	
Effect of potentially dilutive common shares			
Employees' compensation	-	20	
Impact of net current profit attributable to common shareholders plus potential common stocks	$ 67,794	39,777	$ 1.70

	From January 1 to June 30, 2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per share (NT$)
Basic earnings per share			
Net profit attributable to common shareholders in the current period	$ 78,560	39,757	$ 1.98
Diluted earnings per share			
Net profit attributable to common shareholders in the current period	78,560	39,757	
Effect of potentially dilutive common shares			
Employees' compensation	-	57	
Impact of net current profit attributable to common shareholders plus potential common stocks	$ 78,560	39,814	$ 1.97

(XXIII) Supplementary information on cash flow

Financing activities that do not affect cash flow:

	2024	2023
Cash dividend declared to pay	$ 139,150	$ 151,076

(XXIV) Changes in liabilities generated from financing activities

	2024	2023
	Lease liabilities	Lease liabilities
January 1	$ 16,314	$ 19,461
Changes in cash flow from financing	(7,581)	(7,467)
Other non-cash changes	16,496	-
June 30	$ 25,229	$ 11,994

VII. Related Party Transactions

(I) Parent company and ultimate controller: None.

(II) Information of remuneration to the main management

	From April 1 to June 30, 2024	From April 1 to June 30, 2023
Short-term employee benefits	$ 8,456	$ 8,014
Post-employment benefits	750	750
Total	$ 9,206	$ 8,764

	From January 1 to June 30, 2024	From January 1 to June 30, 2023
Short-term employee benefits	$ 16,480	$ 15,763
Post-employment benefits	1,500	1,500
Total	$ 17,980	$ 17,263

VIII. Pledged Assets

The Company's assets provided as guarantee are as follows:

	Carrying amount		
Asset item	June 30, 2024	June 30, 2023	Guarantee purpose
Investment properties - land	$ 21,520	$ -	Guarantee of borrowing limit
Investment properties - buildings and structures	502	-	Guarantee of borrowing limit
	$ 22,022	$ -	

IX. Material Contingent Liabilities and Unrecognized Contractual Commitments

None.

X. Losses due to Major Disasters

None.

XI. Significant Events after the Balance Sheet Date

None.

XII. Others

(I) Capital management

The capital management of the Company aims to ensure the Company's ability as a going concern, so as to maintain an optimal capital structure to reduce the cost of capital, and provide returns to shareholders. In order to maintain or restructure its capital structure, the Company may adjust the dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt. The Company uses a debt-to-capital ratio to monitor its capital, which is calculated by dividing the total liabilities of the balance sheet by the total liabilities and equity.

The Company’s strategy in 2024 remains the same as that in 2023, with a commitment to maintain a debt ratio below 40%-45%. The debt-to-capital ratio of the Company as of June 30, 2024, December 31, 2023 and June 30, 2023, is 25%, 19% and 25%, respectively.

(II) Financial instruments

1. Categories of financial instruments

   As of June 30, 2024, December 31, 2023 and June 30, 2023, the carrying amounts of financial assets (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets of factoring accounts receivable, and refundable deposits) classified as measured at amortized cost under IFRS 9 by the Company are NT$762,955, NT$657,877 and NT$660,026 respectively, the carrying amounts of financial liabilities (including notes payable, accounts payable and other payables) classified as measured at amortized cost are NT$349,135, NT$263,220 and NT$383,617 respectively, and the carrying amounts of lease liabilities are NT$25,229, NT$16,314 and NT$11,994 on June 30, 2024, December 31, 2023 and June 30, 2023, respectively.

2. Risk Management Policy

   (1) The Company's daily operations are subject to a number of financial risks, including market risks (including exchange rate risks and interest rate risks), credit risks and liquidity risks. The Company adopts a comprehensive risk management and control system to clearly identify, measure and control the risks described, seeking to mitigate the potential adverse impact on the Company's financial position and performance.

(2) Risk management shall be carried out by the Finance and Accounting Department of the Company in accordance with the policies approved by the Board of Directors. The Finance and Accounting Department of the Company is responsible for identifying, assessing and mitigating financial risks through close cooperation with the Company's internal operating units. The Board of Directors has established written principles for overall risk management and written policies on specific areas and issues, such as exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of surplus working capital.

3. The nature and extent of the material financial risk

(1) Market risks

Exchange rate risk

A. The Company is engaged in the business involved in several non-functional currencies (the functional currency of the Company is new Taiwan dollar), which are subject to exchange rate fluctuations. Information on assets and liabilities in foreign currency that are significantly affected by exchange rate fluctuations is as follows:

	June 30, 2024		
(Foreign currency: functional currency)	Foreign currency (NT$ thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD:NTD	$ 7,885	32.45	$ 255,868
Financial liabilities			
Monetary items			
USD:NTD	$ 1,380	32.45	$ 44,781

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency (NT$ thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD:NTD	$ 8,253	30.71	$ 253,450
Financial liabilities			
Monetary items			
USD:NTD	$ 2,561	30.71	$ 78,648

	June 30, 2023		

(Foreign currency: functional currency)	Foreign currency (NT$ thousand)	Exchange rate	Carrying amount (NT$)
Financial assets			
Monetary items			
USD:NTD	$ 7,443	31.14	$ 231,775
Financial liabilities			
Monetary items			
USD:NTD	$ 2,322	31.14	$ 72,307

B. The aggregate amount of total conversion (losses) gains (realized and unrealized) recognized by the Company for the period from April 1 to June 30, 2024 and 2023, and from January 1 to June 30, 2024 and 2023 for the monetary items, which have a significant impact due to exchange rate fluctuations, is NT$3,810, NT$4,373, NT$12,653 and NT$1,683, respectively.

C. The impacts on foreign currency market risks of the Company due to material exchange rate fluctuations are analyzed as follows:

	From January 1 to June 30, 2024		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of changes	Impacts on profit and loss	Impacts on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 2,047	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 358	$ -

	From January 1 to June 30, 2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of changes	Impacts on profit and loss	Impacts on other comprehensive income
Financial assets			
Monetary items			
USD:NTD	1%	$ 1,854	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 578	$ -

Cash flow and interest rate risks with fair value

A. The main interest-bearing assets of the Company are cash (presented as "cash and cash equivalents"). As all the maturity dates are less than 12 months, there is no material risk of interest rate changes affecting the cash flow.

B. The Company does not use any financial instruments to hedge its interest rate risk.

(2) Credit risk

A. The credit risk of the Company is the risk of financial loss of the Company due to the failure of a customer or a counterparty of a financial instrument to fulfill its contractual obligations, which is mainly caused by the inability of the counterparty to repay the cash flow of accounts receivable payable on the terms of collection.

B. The Company establishes credit risk management from a corporate perspective. In accordance with the stated internal credit policy, each of the Company's operating units shall carry out the management and credit risk analysis of each new customer before establishing the payment and delivery terms and conditions with such customer. Internal risk control is to assess the credit quality of customers by taking into account their financial position, historical experience, and other factors.

C. The Company adopts IFRS 9 to provide the following assumptions as a basis for judging whether the credit risk of a financial instrument has increased significantly since the initial recognition:

When the contract payment is overdue for more than 90 days according to the agreed terms, it is deemed that the credit risk of a financial asset has increased significantly since the initial recognition.

D. The Company adopts IFRS 9 to provide assumptions that if the contract payment is overdue for more than 180 days according to the agreed terms, it is deemed to have breached the contract.

E. The Company groups the accounts receivable from customers according to the characteristics of customer ratings and customer types and adopts a simplified approach to estimate the expected credit losses based on a provision matrix.

F. The Company adjusts the loss rate based on historical and current information for a specific period by taking into account the forward-looking considerations for the future to estimate the allowance for losses on accounts receivable. The reserve matrices as of June 30, 2024, December 31 and June 30, 2023 are as follows:

	Not overdue	1 - 90 days overdue
June 30, 2024		
Expected loss rate	6.9%	6.9%
Total book value	$ 10,503	$ 736
Allowance for loss	708	51

	91-180 days overdue	More than 181 days overdue	Total
June 30, 2024			
Expected loss rate	67.84%	100%	
Total book value	$ -	$ 16	$ 11,255
Allowance for loss	-	16	775

	Not overdue	1 - 90 days overdue
December 31, 2023		
Expected loss rate	5.75%	5.75%
Total book value	$ 10,054	$ 124
Allowance for loss	996	7

	91-180 days overdue	More than 181 days overdue	Total
December 31, 2023			
Expected loss rate	37.50%	100%	
Total book value	$ -	$ 16	$ 10,194
Allowance for loss	-	16	1,019

	Not overdue	1 - 90 days overdue
June 30, 2023		
Expected loss rate	5.75%	5.75%
Total book value	$ 39,711	$ 1
Allowance for loss	3,440	-

	91-180 days overdue	More than 181 days overdue	Total
June 30, 2023			
Expected loss rate	5.75%	100.00%	
Total book value	$ 16	$ -	$ 39,728
Allowance for loss	1	-	3,441

G. The statement of changes in allowance loss of the Company's accounts receivable adopting simplified approach is as follows:

	2024
	Accounts receivable
January 1	$ 1,019
Reverse for This Period	(244)
June 30	$ 775

	2023
	Accounts receivable
January 1	$ 9
Provision for the current period	3,432
June 30	$ 3,441

(3) Liquidity risk

A. The Company's Finance Department monitors the Company's working capital requirements to ensure that adequate funds are available to meet operational requirements.

B. The Company invests the remaining funds in interest-bearing demand deposits and time deposits (presented as "cash and contractual cash"). The instrument chosen by the Company has an appropriate maturity date or sufficient liquidity. The Company held the monetary market positions of NT$636,679, NT$517,294 and NT$566,812 as of June 30, 2024, December 31 and June 30, 2023, respectively, which are expected to generate immediate cash flows to manage liquidity risk.

C. The following table shows the Company's non-derivative financial liabilities grouped according to their respective maturity dates, which are analyzed based on the remaining period from the balance sheet date to the contract maturity date. The amount of contract cash flow disclosed in the following table is the amount undiscounted.

June 30, 2024	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities:				
Lease liabilities	$ 14,853	$ 11,022	$ -	$ -

December 31, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities:				
Lease liabilities	$ 11,072	$ 5,601	$ -	$ -

June 30, 2023	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years
Non-derivative financial liabilities:				
Lease liabilities	$ 11,911	$ 267	$ -	$ -

(III) Information on fair value

1. Please refer to Note VI. (VIII) for the details of fair value of investment properties measured at costs.

2. The carrying amounts of financial instruments not measured at fair value, including cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable and other payables, are a reasonable approximation of their fair values.

(IV) Other Matters

none

XIII. Separately Disclosed Items

(I) Information on significant transactions

1. Lending of funds to others: None.

2. Endorsement/guarantee provided for others: None.

3. Marketable securities held at the end of year (excluding investments in subsidiaries, associates, and joint ventures): None.

4. Accumulated purchase or disposal of individual marketable securities in excess of NT$300 million or 20% of the paid-in capital: None.

5. Acquisition of real estate at cost in excess of NT$300 million or 20% of paid-in capital: None.

6. Disposal of real estate at price in excess of NT$300 million or 20% of the paid-in capital: None.

7. Purchases or sales to related parties of at least NT$100 million or 20% of paid-in capital: None.

8. Accounts receivable from related parties equal to or in excess of NT$100 million or 20% of paid-in capital: None.

9. Engaged in derivatives trading: None.

10. The business relationship between the parent company and subsidiaries, and between subsidiaries, and significant transactions and amounts: None.

(II) Information on investees

None.

(III) Information on investments in mainland China

None.

(IV) Information on substantial shareholders

Information of major shareholders: Please refer to Schedule 1.

XIV. Segment Information

(I) General information

The Company operates in a single industry and has been identified as a single reporting segment by the operating decision maker, the Board of Directors, who evaluates performance of and allocates resources to the Company as a whole.

(II) Segment Information

1. The Company's operating segment profit and loss is measured at the pre-tax operating profit and loss and is used as a basis for performance evaluation. The accounting policies and estimates of the operating segment is the same as the summary of significant accounting policies and significant accounting estimates and assumptions set forth in Note IV and Note V.

2. The financial information presented to key operating decision makers is the same as and with the same measurement method as that in the consolidated income statement.

YUAN High-Tech Development Co., Ltd.

Information on substantial shareholders

June 30, 2024

Schedule 1

Name of substantial shareholders	Shares	
	Shares held	Ratio
Wei Sheng Investment Co., Ltd.	9,381,321	23.24%
Li, Shih-Chang	3,916,005	9.70%
Li, Shih-Kuei	3,174,000	7.86%
Xiang Li Investment Co., Ltd.	2,814,705	6.97%