Stock Code 3577

ICP DAS CO., LTD.

Individual Financial Statements and Independent Auditors' Report

2023 and 2022

Address:	No. 111, Guangfu N. Rd., Hsinchu Industrial Park, Hukou Township, Hsinchu County
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Notice to Reader

For the convenience of readers, this report has been translated into English from the original Chinese version. The English version has not been audited or reviewed by independent auditors. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

ICP DAS CO., LTD.
Individual Financial Statements and Independent Auditors' Report
2023 and 2022

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INDEPENDENT AUDITORS' REPORT

(113) Financial Audit Report No. 23004180.

ICP DAS Co., Ltd.

Audit Opinion

The individual balance sheets of ICP DAS Co., Ltd. as of December 31, 2023 and 2022, as well as the individual statements of comprehensive income, individual statements of changes in equity, individual statements of cash flows for the years then ended January 1 to December 31, 2023 and 2022, and notes to the individual financial statements, including a summary of significant accounting policies, have been audited by us.

In our opinion, the accompanying individual financial statements present fairly, in all material respects, the individual financial position of ICP DAS Co., Ltd. as of December 31, 2023 and 2022, and its individual financial performance and its individual cash flows for the year then ended January 1 to December 31, 2023 and 2022, in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinions

"The accountants conducted the audit in accordance with the Regulations Governing the Auditing and Certification of Financial Statements by Certified Public Accountants and generally accepted auditing standards in the Republic of China. The accountants' responsibilities under those standards will be further described in the Auditors' Responsibilities for the Audit of the Financial Statements section. The personnel of the firm to which the accountants belong have remained independent of ICP DAS Co., Ltd. in accordance with the Code of Ethics for Professional Accountants in the Republic of China and have fulfilled other ethical responsibilities in accordance with the Code. The Certified Public Accountant believes that sufficient and appropriate audit evidence has been obtained to provide a basis for the audit opinion.

Key Audit Matter

Key audit matters refer to those matters that, in our professional judgment, were of most significance in the audit of the 2023 individual financial statements of ICP DAS Co., Ltd. These matters were addressed in the context of our audit of the individual financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters for the 2023 individual financial statements of Transcend Information, Inc. are as follows:

Inventory Allowance for Loss on Decline in Market Value

Event Description

The accounting policies, significant accounting estimates and assumptions for inventory valuation, and the explanation of the accounting item for inventory loss allowance, please refer to Notes 4.(9), 5(2), and 6(3) of the individual financial statements. As of December 31, 2023, the balances of inventories and allowance for inventory valuation losses of ICP DAS Co., Ltd. were NT$763,223 thousand and NT$134,210 thousand, respectively.

ICP DAS Co., Ltd. is primarily engaged in the production and sales of industrial computer hardware, software, and peripherals. Since the market demand for industrial control, real-time monitoring, and automation products is diverse, ICP DAS Co., Ltd. needs to stock various types of products to meet the demand, resulting in a higher risk of inventory obsolescence. Moreover, as the assessment process often involves subjective judgments, it may lead to a high degree of uncertainty in accounting estimates. Therefore, the provision for inventory valuation of ICP DAS Co., Ltd. has been identified as one of the most critical audit matters for the current year.

Corresponding Audit Procedures

The auditor has performed the following audit procedures for inventories exceeding a certain aging period and individually obsolete inventories:

1. Based on our understanding of ICP DAS Co., Ltd., we assessed the reasonableness of the policies and procedures adopted for the valuation of inventory allowances, including determining the extent of inventory obsolescence using historical information, and evaluating the reasonableness of the inventory allowance policies.

2. Review its annual inventory plan and observe the annual inventory count and management status to assess the effectiveness of management's segregation and control of obsolete inventory.

3. Verify the accuracy of the inventory aging report and the information on inventory turnover, to ensure that the report information is consistent with the relevant policies.

4. Inspect and verify the accuracy of the calculation of inventory impairment losses and assess the appropriateness of the allowance for impairment losses.

Management's and Those Charged with Governance Responsibilities for the Individual Financial Statements

The responsibilities of management are to prepare individual financial statements that present fairly in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and to maintain such internal control as management determines is necessary to enable the preparation of individual financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Consolidated Financial Statements, the management is responsible for assessing ICP DAS Co., Ltd.'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 the management either intends to liquidate ICP DAS Co., Ltd. or to cease operations, or has no realistic alternative but to do so.

The governance entities (including the Audit Committee) of ICP DAS Co., Ltd. are responsible for overseeing the financial reporting process.

The Responsibilities of Auditors for the Audit of Financial Statements

The purpose of our audit of the individual financial statements is to obtain reasonable assurance about whether the individual financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report. Reasonable assurance is a high level of assurance, however is not a guarantee that an audit conducted in accordance with the Republic of China Auditing Standards will always be anle to detect material misstatements. Misstatements can arise from fraud or error. Materiality is considered to exist if an individual amount or aggregate of misstatements can reasonably be expected to influence the economic decisions made by users of the financial statements.

In accordance with the auditing standards generally accepted in the Republic of China, the CPA exercises professional judgment and maintains professional skepticism throughout the audit. The CPA also performs the following tasks:

1. Identify and evaluate the risk of material misstatements due to fraud or error in the Parent Company Only Financial Statements; design and perform appropriate responses to the assessed risks; and obtain sufficient and appropriate audit evidence as 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 ICP DAS Co., Ltd.'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 ICP DAS Co., Ltd.s ability to continue as a going concern. If the CPA concludes that a material uncertainty exists, it is required to draw attention in the auditor's 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 auditor's report. However, future events or conditions may cause ICP DAS Co., Ltd.to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the individual financial statements (including related notes), and whether the individual financial statements appropriately present the underlying transactions and events.

6. To obtain sufficient and appropriate audit evidence about the financial information of the entities or business activities within ICP DAS Co., Ltd. to express an opinion on the entity's financial statements. The CPA is responsible for the direction, supervision and performance of the entity audit, and remain solely responsible for the audit opinion on the entity's financial statements.

The CPA communicates 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 provided to the governing body a statement that the personnel of the firm to which they belong have complied with the ethical requirements regarding independence outlined in the Code of Professional Ethics for Certified Public Accountants in the Republic of China, and communicated with the governing body all relationships and other matters that may reasonably be thought to bear on their independence (including related safeguards).

From the matters communicated with those charged with governance, we determine the key audit matters in the audit of the individual financial statements of ICP DAS Co., Ltd. for the year 2023. The CPA communicates these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audits resulting in this independent auditors' report are Wu,Wei-Hao and Cheng, Ya-Hui.

PwC Taiwan
Taipei, Taiwan
Republic of China
March 4, 2024

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ICP DAS CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

	Assets	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Assets					
1100	Cash and cash equivalents	6(1)	$ 27,726	2	$ 33,483	2
1150	Net notes receivable	6(2)	3,708	-	4,191	-
1170	Net accounts receivable	6(2)	84,152	5	77,707	5
1180	Net accounts receivable - related parties	6(2) and 7	7,381	1	9,516	-
130X	Inventories	6(3)	629,013	38	621,573	37
1410	Prepayments		7,120	-	9,984	1
11XX	**Total Current Assets**		759,100	46	756,454	45
	Non-Current Assets					
1517	Non-current financial assets measured at fair value through other comprehensive income	6(4)	16,307	1	14,333	1
1550	Investments accounted for using equity method	6(5)	103,331	6	108,829	7
1600	Property, plant, and equipmen	6(6) and 8	724,408	43	724,853	44
1780	Intangible assets		3,403	-	3,885	-
1840	Deferred income tax assets	6(22)	43,378	3	39,136	2
1900	Other non-current assets	6(8) and 7	14,783	1	18,666	1
15XX	**Total Non-Current Assets**		905,610	54	909,702	55
1XXX	**Total Assets**		$ 1,664,710	100	$ 1,666,156	100

	Liabilities and Equity	Note	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current Liabilities					
2100	Short-term loans	6(9)	$ 120,000	7	$ 70,000	4
2130	Contract liability- Current	6(17)	6,686	-	7,749	1
2170	Accounts payable		37,217	2	74,265	4
2200	Other payables	6(10)	83,007	5	116,933	7
2230	Current tax liabilities	6(22)	31,435	2	44,491	3
2320	Current portion of long-term liabilities	6(11)	-	-	32,000	2
2399	Other current liabilities – Others		9,387	1	2,806	-
21XX	**Total Non-Current Liabilities**		287,732	17	348,244	21
	Non-Current Liabilities					
2540	Long-term loans	6(11)	70,000	4	-	-
2570	Deferred income tax liabilities	6(22)	1,214	-	2,211	-
2640	Net defined benefit liability- Non-current	6(12)	32,108	2	46,182	3
25XX	**Total Non-Current Liabilities**		103,322	6	48,393	3
2XXX	**Total Liabilities**		391,054	23	396,637	24
	Equity					
	Capital stock	6(13)				
3110	Capital stock - Common shares		639,657	39	581,506	35
	Capital surplus	6(14)				
3200	Capital surplus		68,630	4	68,630	4
	Retained earnings	6(15)				
3310	Legal reserve		189,271	11	166,762	10
3320	Special reserve		4,549	-	7,396	-
3350	undistributed earnings		376,431	23	449,774	27
	Other equity interest	6(16)				
3400	Other equity interest		(4,882)	-	(4,549)	-
3XXX	**Total Equity**		1,273,656	77	1,269,519	76
	Significant commitments and contingencies	9(2)				
3X2X	**Total Liabilities and Equity**		$ 1,664,710	100	$ 1,666,156	100

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti **Managerial Officer: Chen, Ruei-Yu** **Accounting Manager: Cheng, Pi-Yu**

ICP DAS CO., LTD.

INDIVIDUAL STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2023, and 2022

Unit: NTD Thousand (Except earnings per share in NTD)

	Item	Note	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating Revenue	6(17) and 7	$ 946,131	100	$ 1,160,177	100
5000	Operating Costs	6(3)(20)(21)	(464,319)	(49)	(481,249)	(42)
5900	Operating Gross Profit		481,812	51	678,928	58
5910	Unrealized Profit on Sales		(19,618)	(2)	(26,879)	(2)
5920	Realized Profit on Sales		26,879	3	12,438	1
5950	Net Operating Gross Profit		489,073	52	664,487	57
	Operating Expenses	6(20)(21) and 7				
6100	Selling and marketing expense		(87,490)	(9)	(83,049)	(7)
6200	General and administrative expenses		(87,206)	(9)	(86,351)	(7)
6300	Research and development expense		(203,404)	(22)	(216,194)	(19)
6450	Expected credit impairment gains (losses)		58	-	(58)	-
6000	Total operating expenses		(378,042)	(40)	(385,652)	(33)
6900	Operating Profit		111,031	12	278,835	24
	Operating Income and Expenses					
7100	Interest revenue		417	-	204	-
7010	Other revenue	6(18) and 7	5,884	1	1,853	-
7020	Other gains or losses	6(19)	(182)	-	9,777	1
7050	Financial costs		(3,748)	(1)	(1,958)	-
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(5)	(10,368)	(1)	765	-
7000	Total non-operating income and expenses		(7,997)	(1)	10,641	1
7900	**Profit Before Tax**		103,034	11	289,476	25
7950	Income tax expense	6(22)	(20,982)	(2)	(58,130)	(5)
8200	**Net Profit for the Period**		$ 82,052	9	$ 231,346	20
	Other Comprehensive Income (Net)					
	Items that May not Be Reclassified to Profit or Loss					
8311	Remeasurements of defined benefit plan	6(12)	$ 9,644	1	($ 6,255)	-
8316	Unrealized gains (losses) from investment in equity instrument measured at fair value through other comprehensive income	6(16)	1,579	-	1,273	-
8310	Total of items that may not be reclassified to profit or loss		11,223	1	(4,982)	-
	Items That May Be Subsequently Reclassified to Profit or Loss					
8380	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method	6(16)	(1,912)	-	1,574	-
8360	Total items that may be subsequently reclassified to profit or loss		(1,912)	-	1,574	-
8300	**Other Comprehensive Income (Net)**		$ 9,311	1	($ 3,408)	-
8500	**Total Comprehensive Income**		$ 91,363	10	$ 227,938	20
	Basic Earnings per Share	6(23)				
9750	Total basic Earnings per Share		$	1.28	$	3.62
	Diluted Deficit per Share	6(23)				
9850	Total Diluted Deficit per Share		$	1.28	$	3.59

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti **Managerial Officer: Chen, Ruei-Yu** **Accounting Manager: Cheng, Pi-Yu**

ICP DAS CO., LTD.

PARENT COMPANY CHANGES IN EQUITY

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

				Retained Earnings			Other Equity Interest		
	Note	Capital Stock - Common Shares	Capital Surplus - Share Premium	Legal Reserve	Special Reserve	Undistributed Earnings	Exchange Differences on Translation of Foreign Financial Statements	Unrealized Gains (Losses) From Financial Assets Measured at Fair Value Through Other Comprehensive Income	Total Equity
2022									
Balance as of January 1, 2022		$ 528,642	$ 68,630	$ 149,934	$ 7,084	$ 373,983	($ 9,401)	$ 2,005	$ 1,120,877
Net income in 2022		-	-	-	-	231,346	-	-	231,346
Other comprehensive income in 2022	6(16)	-	-	-	-	(6,255)	1,574	1,273	(3,408)
Total comprehensive income in 2022		-	-	-	-	225,091	1,574	1,273	227,938
Appropriation and distribution of earnings	6(15)								
Legal reserve		-	-	16,828	-	(16,828)	-	-	-
Special reserve		-	-	-	312	(312)	-	-	-
Cash dividends		-	-	-	-	(79,296)	-	-	(79,296)
Stock dividends		52,864	-	-	-	(52,864)	-	-	-
Balance as of December 31, 2022		$ 581,506	$ 68,630	$ 166,762	$ 7,396	$ 449,774	($ 7,827)	$ 3,278	$ 1,269,519
2023									
Balance as of January 1, 2023		$ 581,506	$ 68,630	$ 166,762	$ 7,396	$ 449,774	($ 7,827)	$ 3,278	$ 1,269,519
Net income in 2023		-	-	-	-	82,052	-	-	82,052
Other comprehensive income in 2023	6(16)	-	-	-	-	9,644	(1,912)	1,579	9,311
Total comprehensive income in 2023		-	-	-	-	91,696	(1,912)	1,579	91,363
Appropriation and distribution of earnings	6(15)								
Legal reserve		-	-	22,509	-	(22,509)	-	-	-
Special reserve		-	-	-	(2,847)	2,847	-	-	-
Cash dividends		-	-	-	-	(87,226)	-	-	(87,226)
Stock dividends		58,151	-	-	-	(58,151)	-	-	-
Balance as of December 31, 2023		$ 639,657	$ 68,630	$ 189,271	$ 4,549	$ 376,431	($ 9,739)	$ 4,857	$ 1,273,656

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti **Managerial Officer: Chen, Ruei-Yu** **Accounting Manager: Cheng, Pi-Yu**

ICP DAS CO., LTD.

INDIVIDUAL STATEMENT OF CASH FLOWS

December 31, 2023 and December 31, 2022

Unit: NTD Thousand

	Note	2023	2022
Cash Flows from Operating Activities			
Net profit before tax of the period		$ 103,034	$ 289,476
Adjustment item			
Revenue and expense items			
Expected credit losses	6(2)	(58)	58
Depreciation expenses (right-of-use asset)	6(20)	48,981	43,567
Various amortization	6(20)	1,298	1,307
Share of profit or loss of subsidiaries accounted for using the equity method		10,368	(765)
Unrealized gross profit on sales		(7,261)	14,441
Interest revenue		(417)	(204)
Interest expense		3,748	1,958
Cost transferred from property, plant and equipment		-	1,945
Changes in operating assets/liabilities			
Net changes in liabilities relating to operating activities			
Notes Receivable		488	(831)
Accounts receivable		(6,392)	14,498
Accounts receivable due from related parties		2,135	5,543
Other receivables		-	758
Inventories		(7,440)	(187,854)
Prepayments		2,865	11,287
Net changes in assets relating to operating activities			
Contract liability - Current		(1,063)	(1,328)
Accounts payable		(37,048)	(13,906)
Other payables		(33,532)	9,453
Other current liabilities		6,581	372
Net defined benefit liability - non-current		(2,019)	(2,653)
Cash flows from operating activities		84,268	187,122
Interest income		417	204
Interest payable		(3,748)	(1,958)
Income tax paid		(41,605)	(49,313)
Net cash inflow from operating activities		39,332	136,055
Cash Flows from Operating Activities			
Property, plant, and equipment	6(24)	($ 31,624)	($ 124,166)
Acquire intangible assets		(816)	(428)
Decrease (increase) in refundable deposits		294	(1,184)
Increase other non-current assets		(13,717)	(10,060)
Net Cash outflow from operating activities		(45,863)	(135,838)
Cash Flows from Financing Activities			
Raise short-term loans	6(25)	680,000	430,000
Repayment of short-term loans		(630,000)	(360,000)
Repayment of long-term loans		(62,000)	(32,000)
Raise long-term loans		100,000	-
Distribute cash dividends	6(15)	(87,226)	(79,296)
Net cash inflows (outflow) from financing activities		774	(41,296)
Increase (decrease) in cash and cash equivalents for the current period		(5,757)	(41,079)
Beginning cash and cash equivalent balances		33,483	74,562
Ending cash and cash equivalents balance		$ 27,726	$ 33,483

The notes to the individual financial statements are an integral part of these individual financial reports. Please refer to them together.

Chairman: Yeh, Nai-Ti **Managerial Officer: Chen, Ruei-Yu** **Accounting Manager: Cheng, Pi-Yu**

ICP DAS CO., LTD.

NOTES TO FINANCIAL STATEMENTS

2023 and 2022

Unit: NTD Thousand (Unless specified)

1. Company History and Business Scope

ICP DAS Co., Ltd.(hereinafter referred to as “the Company”) was established in the Republic of China. The Company’s main business activities are the production and sales of industrial computer hardware, software and related peripheral equipment. The Company’s shares have been officially listed and traded on the Republic of China Over-the-Counter Securities Exchange since January 6, 2009.

2. Approval Dates and Procedures of Financial Statements

These separate financial statements were authorized for issue by the Board of Directors on March 4, 2024.

3. New Standards, Amendments and Interpretations Adoptions

(1) The Impact of Adopting New and Amended IFRSs as Endorsed and Issued Into Effect by the Financial Supervisory Commission (“FSC”)

The following table summarizes the new issuances, amendments and revisions to IFRS accounting standards applicable in 2023, as approved by the FSC:

New Standards, Amendments and Interpretations Issued	Effective Date Issued by IASB
Amendment to IAS 1 “Disclosure of Accounting Policies”	January 1, 2023
Amendment to IAS 8 “Definition of Accounting Estimates”	January 1, 2023
Amendment to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023
Amendment to IAS 12 “International Tax Reform – Pillar Two Model Rules”	May 23, 2023

The Company assessed that the above-mentioned criteria and interpretations had no material impact on the Company’s financial position and financial performance.

(2) The Impact of not Adopting New and Revised IFRSs Recognized by the FSC

The following table summarizes the new, amended and revised standards and interpretations of the applicable IRFSs for 2024 endorsed by the FSC:

New Standards, Amendments and Interpretations Issued	Effective Date Issued 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

(3) Impact of IFRSs Issued by the IASB but not yet Endorsed by the FSC

The following lists the new issuances, amendments and revisions of standards and interpretations issued by the International Accounting Standards Board (IASB) but not yet incorporated into the International Financial Reporting Standards (IFRSs) as endorsed and issued into effect by the Financial Supervisory Commission (FSC):

New Standards, Amendments and Interpretations Issued	Effective Date Issued 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 the International Accounting Standards Board
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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company assessed that the above mentioned criteria and interpretations had no material impact on the Company's financial position and financial performance.

4. Summary of Significant Accounting Policies

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

(1) Follow the Statement

These parent company only financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of Preparation

1. Except for the following significant items, the individual financial statements have been prepared on the historical cost basis:

   (1) Financial assets and liabilities at fair value through other comprehensive income.

   (2) The net defined benefit liability recognized as the defined benefit obligation present value deducted from the fair value of plan assets.

2. The preparation of financial statements in compliance with the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC) and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission (FSC) requires the use of certain critical accounting estimates and the use of management’s judgment in the process of applying the Corporation’s accounting policies. For items involving a high degree of judgment or complexity, or involving significant assumptions and estimates in the financial statements, please refer to Note 5 for details.

(3) Translation of Foreign Currency

These parent company only financial statements are presented in New Taiwan Dollars, which is the Company’s functional currency.

1. Foreign Currency Transaction and Balances

(1) 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 and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in profit or loss.

(2) The balance of foreign currency monetary assets and liabilities is evaluated and adjusted based on the spot exchange rate on the balance sheet date, and any translation differences arising from the adjustment are recognized as profit or loss for the current period.

(3) For foreign currency non-monetary asset and liability balances that are measured at fair value through profit or loss, they are evaluated and adjusted at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment are recognized as profit or loss for the current period; for those measured at fair value through other comprehensive income, the adjustment is evaluated at the spot exchange rate on the balance sheet date, and the exchange differences arising from the adjustment is recognized in other comprehensive income; for those not measured at fair value, they are measured at the historical exchange rate on the initial transaction date.

2. Translation of foreign operating entities

For all entities and affiliates of the Company whose functional currency is different from the presentation currency, the operating results and financial position are converted into the presentation currency in the following manner:

(1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the date of that balance sheet.

(2) Revenue and expenses expressed in each statement of comprehensive income are translated at the average exchange rate for the period; and

(3) All exchange differences arising from translation are recognized in other comprehensive income.

(4) The Criteria for Classifying Assets and Liabilities as Current and Non-Current

1. An asset shall be classified as a current asset when it satisfies any of the following criteria:

   (1) It is expected to be realized or intended to be sold or consumed in the normal operating cycle.

   (2) Held for trading purposes.

   (3) Expected to be realized within twelve months after the balance sheet date.

   (4) Cash or cash equivalents, excluding those that are restricted for exchange or settlement of a liability for at least twelve months after the balance sheet date.

   The company classifies all assets that do not meet the above conditions as non-current.

2. Liabilities that meet one of the following conditions are classified as current liabilities:

   (1) Expected to be settled in the normal operating cycle.

   (2) Held for trading purposes.

   (3) Expected to be realized within twelve months after the balance sheet date.

   (4) It is not permissible to unconditionally defer the repayment period until at least twelve months after the balance sheet date.The terms of a liability which may, at the option of the counterparty, result in its settlement by the issuance of equity instruments, do not affect its classification.

   The Company classifies all liabilities not meeting the above conditions as non-current.

(5) Financial Assets Measured at Fair Value Through Other Comprehensive Income

1. It is an irrevocable option at initial recognition to present the changes in fair value of non-derivative equity instrument investments in other comprehensive income.

2. For financial assets at fair value through other comprehensive income that conform to the trading practice, the Company adopts trade-date accounting.

3. At initial recognition, the Company measures it at fair value plus transaction costs. Subsequently, it is measured at fair value. Changes in fair value of equity instruments are recognized in other comprehensive income. Upon derecognition, the cumulative gain or loss previously recognized in other comprehensive income is not subsequently reclassified to profit or loss but is transferred to retained earnings. When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Company, and the amount of the dividends can be measured reliably, the Company recognizes dividend income in profit or loss.

(6) Accounts and Notes Receivable

1. Refer to the account with the right to unconditionally receive the consideration amount in exchange for the transfer of goods or services according to the contract.

2. Short-term accounts and notes receivable without interest paid which are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(7) Impairment Loss on Financial Assets

When the right to receive dividends is established, it is probable that the economic benefits associated with the dividends will flow to the Company, and the amount of the dividends can be measured reliably, the Company recognizes dividend income in profit or loss. for those whose credit risk has increased significantly since the original recognition, the Corporation measures the allowance loss at the expected credit loss amount during the duration; For receivables that do not contain significant financing components, the allowance for losses is measured at an amount equal to the lifetime expected credit losses.

(8) Derecognition of Financial Assets

The Company derecognizes a financial asset when the contractual rights to receive cash flows from the financial asset expire.

(9) Inventories

Inventories are measured at the lower of cost and net realizable value, with cost carry-forward calculated using the weighted average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads (allocated based on normal operating capacity),but excludes borrowing costs. The comparison of costs and net realizable values is made on an item-by-item basis, with the net realizable value being the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments Accounted for Using the Equity Method - Subsidiaries and Affiliates

1. Subsidiary means an entity (including structured entity) that is controlled by the Corporation when the Corporation is exposed to or entitled to variable remuneration arising from participation in such entity and is able to influence such remuneration through its power over such entity.

2. All unrealized gains or losses arising from transactions between the Corporation and its subsidiaries have been written off. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with those adopted by the Corporation.

3. The Corporation recognizes the share of profit and loss of the subsidiaries after acquisition as current profit and loss,and recognizes the share of other comprehensive income as other comprehensive income. When the shares of losses of a subsidiary recognized by the Corporation equal or exceed its equity in that subsidiary, the Corporation continues recognizing its losses in proportion to its holdings.

4. According to the provisions of the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the current profit and loss and other comprehensive income of the Parent Company Only Financial Statements shall be the same as the apportionment of the current profit and loss and other comprehensive income attributable to the owners of the parent company in the financial statements prepared on a consolidated basis, and the owner's equity of the Parent Company Only Financial Statements shall be the same as the equity attributable to the owners of the parent company in the financial statements prepared on a consolidated basis.

(11) Property, Plant, and Equipment

1. Property, plant and equipment are recorded on the basis of acquisition cost, and the relevant interest during the period of acquisition and construction is capitalized.

2. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset only when it is probable that future economic benefits associated with the item will flow to the Corporation and the cost of the item can be measured reliably. The carrying amount of the replacement part 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 useful life except for land. The depreciation of each component of property, plant and equipment is provided separately if it is significant.

4. The Corporation reviews the residual value, useful life and depreciation method of each asset at the end of each financial year. If the expected value of residual value

and useful life is different from previous estimates, or if there is a material change in the expected consumption pattern of future economic benefits contained in the asset, it shall be treated in accordance with the provisions of IAS 8 “Changes in Accounting Policies, Estimates and Errors” for changes in accounting estimates since the date of the change. The useful life of each asset are as follows:

Housing and Construction	3-50 years
Machinery and Equipment	3-6 years
Mold Equipment	2 years
Transportation Equipment	5 years
Office Equipment	3-5 years
Other Equipment	3-10 years

(12) Lessee’s Lease Transaction - Right-of-Use Asset/Lease Liability

1. Lease assets are recognized as right-of-use assets and lease liabilities when they become available for use by the Group. When the lease contract is for a short-term lease or a lease of a low-value underlying asset, the lease payment is recognized as an expense by the straight-line method during the lease term.

2. The lease liability is measured at the present value of the lease payments that are not paid at the commencement date, discounted using the Group’s incremental borrowing rate. The lease payments comprise:

   (1) Fixed payments, less any lease incentives receivable.

   (2) Lease payments that depend on an index or a rate.

   (3) The amount that the Group is expected to pay under residual value guarantees.

   (4) The exercise price of a purchase option if the lessee is reasonably certain to exercise that option.

   (5) Penalties payable for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

   Subsequently, the interest method is used to measure at amortized cost, with interest expense accrued over the lease term. When there is a change in the lease term or lease payments not resulting from a contract modification, the lease liability is remeasured and the remeasurement amount is adjusted against the right-of-use asset.

3. The right-of-use asset is recognized at cost on the lease commencement date, the cost including:

   (1) The original measurement amount of the lease liability.

   (2) Any lease payments made on or before the commencement date.

(3) Any incurred original direct costs.

(4) The estimated costs of dismantling, removing the underlying asset, and restoring the site where it is located, or restoring the underlying asset to the condition required by the terms and conditions of the lease.

Subsequently measured using the cost model, depreciation expense is provided throughout the shorter of the useful life of the right-of-use asset or the lease term when the useful life of the right-of-use asset expires or the lease term ends, whichever occurs first.The right-of-use asset is adjusted for any remeasurement of the lease liability.

(13) Intangible Assets

1. Computer Software

Computer software is recognized at cost of acquisition and amortized on a straight-line basis over an estimated useful life of 2 to 3 years.

2. Technology Licensing

The medical technology licenses are recognized at cost and amortized using the straight-line method over an amortization period of 10 years.

(14) Non Impairment Loss on Financial Assets

The Company estimates the recoverable amount of assets with impairment indications on the balance sheet date. When the recoverable amount is lower than its carrying amount, an impairment loss is recognized. The recoverable amount is the higher of an asset’s fair value less costs to sell or its value in use. 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.

(15) Loans

Refers to the long-term and short-term borrowings from banks. The Company measures them at fair value less transaction costs at initial recognition, and subsequently recognizes interest expense in profit or loss over the circulation period using the effective interest method for any difference between the amount less transaction costs and the redemption amount.

(16) Accounts and Notes Payable

1. Refers to debts arising from the purchase of raw materials, goods or services on credit, and notes payable arising from business and non-business operations.

2. Short-term accounts payable and notes that do not bear interest are measured by the Group at the original invoice amount as the effect of discounting is insignificant.

(17) Derecognition of Financial Liabilities

The Company derecognizes financial liability when its contractual obligations are discharged, cancelled, or expire.

(18) Employee Benefits

1. Short-Term Employee Benefits

Short-term employee benefits are measured at the undiscounted amount expected to be paid and recognized as an expense when the related service is rendered.

2. Pension

(1) Defined Contribution Plans

For defined contribution plans, the amount of pension fund contributions to be made is recognized as retirement benefit costs for the period in which the service is rendered by the employees. Prepaid contributions are recognized as an asset to the extent that a cash refund or a reduction in future payments is available.

(2) Defined Benefit Plans

A. The net obligation under the defined benefit plan is calculated by discounting the future benefit amount earned by the employee's current or past service, and the present value of the defined benefit obligation on the balance sheet date minus the fair value of the plan assets. The net defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined with reference to the market yield on high-quality corporate bonds consistent with the currency and period of the defined benefit plan; The defined benefit obligation is calculated annually by actuaries using the projected unit credit method. The discount rate is determined by reference to market yields on high-quality corporate bonds, in countries where there is no deep market for such bonds, the market yield on government bonds (as of the balance sheet date) is used.

B. Remeasurements arising from defined benefit plans are recognized in other comprehensive income in the period in which they occur and are presented in retained earnings.

C. The related expenses of costs of services rendered in the preliminary stage are immediately recognized as expenses.

3. Employee Compensation and Compensation for Directors and Supervisors

   Employee benefits and remuneration to directors and supervisors are recognized as expenses and liabilities when the company has a legal or constructive obligation, and the amounts can be reasonably estimated. If there is a discrepancy between the actual distribution amount and the estimated amount in subsequent resolutions, it shall be treated as a change in accounting estimate. For employee compensation paid in shares, the number of shares is calculated based on the closing price of the day before the Board of Directors' resolution.

(19) Income Tax

1. Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except for those relating to items included in other comprehensive income or directly in equity, which is recognized in other comprehensive income or directly in equity, respectively.

2. The Group calculates current income tax based on the tax rates enacted or substantively enacted on the balance sheet date in the countries in which it operates and generates its taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities. The income tax imposed on undistributed earnings under the Income Tax Act shall not be recognized for the distribution of undistributed earnings until after the shareholders' meeting has approved the distribution of surplus in the year after the year in which the surplus is generated.

3. Deferred income tax is accounted for using the asset and liability method, which accounts for temporary differences arising from the tax bases of assets and liabilities and their carrying amounts in the consolidated balance sheets. For temporary differences associated with investments in subsidiaries, the Company does not recognize them if it can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income tax is subject to the tax rates (and tax laws) that are enacted or substantively enacted at the balance sheet date and that are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is paid off.

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

5. 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 when

the entity has a legally enforceable right to offset current tax assets against current tax liabilities and they relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle current tax assets and liabilities on a net basis or their tax assets and liabilities will be realized simultaneously.

6. The unused tax credit carryforwards arising from the purchase of equipment and research and development expenditures are recognized as deferred tax assets to the extent that it is probable that future taxable profits will be available against which the unused tax credits can be utilized.

(20) Capital Stock

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

(21) Dividend Distribution

Dividends distributed to the Company's shareholders are recognized as a liability in the financial statements in the period in which they are approved by the shareholders' meeting. Cash dividends are recognized as a liability, while stock dividends are recognized as dividends distributable and transferred to ordinary shares on the record date of new shares issued.

(22) Revenue Recognition

The Company manufactures and sells industrial computer hardware, software and related peripheral products. Revenue from sales is recognized when control of the products is transferred to the customer, which is when the products are delivered to the customer, the customer has discretion over the channel and price for sales of the products, and the Company has no unsatisfied performance obligations that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products in accordance with the sales contract, or there is objective evidence that all acceptance criteria have been satisfied.

(23) Government Grants

Government grants are recognized at fair value when there is reasonable assurance that the enterprise will comply with the conditions attaching to them and that the grants will be received. Where the government grant is of a revenue nature and is intended to compensate expenses incurred by the Company, the grant is recognized as income on a systematic basis over the periods in which the related costs are recognized as expenses.

5. Significant Accounting Judgments, Assumptions and Main Sources of Estimation Uncertainty

In preparing these individual financial statements of the Group, management has used its judgment in determining the accounting policies adopted and has made accounting estimates and assumptions regarding future events based on the conditions prevailing at the balance sheet date. Significant accounting estimates and assumptions made may differ from actual results and will be continuously evaluated and adjusted by taking into account historical experience and other factors. These estimates and assumptions carry a risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. Please refer to the following descriptions of significant accounting judgments, estimates and assumptions of uncertainty:

(1) Significant Judgments in Applying Accounting Policies

None.

(2) Significant Accounting Estimates and Assumptions

Since inventories must be stated at the lower of cost or net realizable value, the Company must exercise judgment and make estimates to determine the net realizable value of inventories on the balance sheet date. Due to technology’s rapid changes, the Company assesses the amount of normal waste, obsolescence, or lack of marketable price of inventories on the balance sheet date and writes down the cost of inventories to net realizable value. This inventory valuation is primarily based on estimates of product demand within a specific future period and may be subjected to significant flunctuations.

The carrying amount of the Group’s inventory on December 31, 2023 was $629,013.

6. Explanation of Significant Accounts

(1) Cash

	December 31, 2023	December 31, 2022
Cash on Hand and Working Capital	$ 469	$ 316
Checks for Deposit and Demand Deposits	27,257	33,167
Total	$ 27,726	$ 33,483

1. The financial institutions with which our company has transactions maintain good credit quality, and our company transacts with multiple financial institutions to diversify credit risk, so the probability of default is expected to be extremely low.

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

(2) Notes and Accounts Receivable

	December 31, 2023	December 31, 2022
Notes Receivable	$ 3,745	$ 4,233
Less: Loss Allowance	(37)	(42)
	$ 3,708	$ 4,191
Accounts receivable - Non-related parties	$ 84,154	$ 77,762
Less: Loss Allowance	(2)	(55)
	84,152	77,707
Accounts receivable - Related parties	7,381	9,516
	$ 91,533	$ 87,223

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

	December 31, 2023		December 31, 2022	
	Accounts Receivable	Notes Receivable	Accounts Receivable	Notes Receivable
Not past due	$ 90,070	$ 3,745	$ 85,317	$ 4,233
1-30 days	1,438	-	1,912	-
31-90 days	27	-	49	-
	$ 91,535	$ 3,745	$ 87,278	$ 4,233

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

2. The balances of accounts receivable and notes receivable as of December 31, 2023 and December 31, 2022 were both derived from customer contracts. Additionally, the balance of receivables from customer contracts as of January 1, 2022 was $110,721.

3. The Company has not pledged notes receivable or accounts receivable as collateral.

4. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk of notes receivable was $3,708 and $4,191 as of December 31, 2023 and 2022, respectively. the maximum exposure to credit risk of accounts receivable was $91,533 and $87,223 as of December 31, 2023 and 2022, respectively.

5. For credit risk information related to accounts receivable and notes receivable, please refer to Note 12.(2).

(3) Inventories

	December 31, 2023		
	Cost	Allowance to Reduce Inventory to Market	Carrying Amount
Raw materials	$ 451,936	($ 95,471)	$ 356,465
Work in progress	134,202	(17,789)	116,413
Finished good	177,085	(20,950)	156,135
Total	$ 763,223	($ 134,210)	$ 629,013

	December 31, 2022		
	Cost	Allowance to Reduce Inventory to Market	Carrying Amount
Raw materials	$ 427,386	($ 62,967)	$ 364,419
Work in progress	157,427	(15,717)	141,710
Finished good	133,089	(17,645)	115,444
Total	$ 717,902	($ 96,329)	$ 621,573

Costs related to inventories recognized in the current period:

	2023	2022
Cost of Inventories Sold	$ 426,437	$ 472,559
Inventory Impairment Loss	37,882	8,690
	$ 464,319	$ 481,249

(4) Financial Assets Measured at Fair Value Through Other Comprehensive Income

	December 31, 2023	December 31, 2022
Unlisted/OTC Stocks	$ 10,236	$ 10,236
Valuation Adjustment	6,071	4,097
Total	$ 16,307	$ 14,333

1. The Company elected to classify the equity investments in ICP DAS EUROPE GmbH and ICP DAS USA INC, which are strategic investments, as financial assets at fair value through other comprehensive income. The fair values of these investments were $16,307 and $14,333 as of December 31, 2023 and 2022, respectively.

2. The Company does not have any fair value through other comprehensive income financial assets pledged as collateral.

3. For the credit risk information of financial assets at fair value through other comprehensive income, please refer to Note 12.(3).

(5) Investments Accounted for Using Equity Method

	December 31, 2023	December 31, 2022
ADVANCE AHEAD LTD.	$ 49,214	$ 54,135
ICP DAS INVEST LTD.	54,117	54,694
	$ 103,331	$ 108,829

For information regarding the subsidiaries of the Company, please refer to Note 4.(3) to the Company’s 2023 consolidated financial statements.

(6) Property, Plant, and Equipment

	2023								
	Land	Housing and Construction	Machinery and Equipment	Mold Equipment	Transportation Equipment	Office Equipment	Other Equipment	Construction in Progress	Total
January 1									
Cost	$ 324,536	$ 430,604	$ 66,671	$ 1,581	$ 9,393	$ 2,330	$ 23,762	$ 59,356	$ 918,233
Accumulated depreciation and impairment	-	(156,016)	(22,413)	(638)	(3,210)	(1,240)	(9,863)	-	(193,380)
	$ 324,536	$ 274,588	$ 44,258	$ 943	$ 6,183	$ 1,090	$ 13,899	$ 59,356	$ 724,853
January 1	$ 324,536	$ 274,588	$ 44,258	$ 943	$ 6,183	$ 1,090	$ 13,899	$ 59,356	$ 724,853
Acquisition	-	2,171	20,299	-	1,196	478	3,531	3,555	31,230
Disposal									
Cost	-	-	(2,012)	(562)	(2,641)	(451)	(4,170)	-	(9,836)
Accumulated depreciation	-	-	2,012	562	2,641	451	4,170	-	9,836
Reclassification (Note)	17,244	15,917	17,113	-	-	212	-	(33,180)	17,306
Depreciation expense	-	(26,478)	(15,275)	(648)	(1,770)	(663)	(4,147)	-	(48,981)
December 31, 2023	$ 341,780	$ 266,198	$ 66,395	$ 295	$ 5,609	$ 1,117	$ 13,283	$ 29,731	$ 724,408
December 31, 2023									
Cost	$ 341,780	$ 448,692	$ 102,071	$ 1,019	$ 7,948	$ 2,569	$ 23,123	$ 29,731	$ 956,933
Accumulated depreciation and impairment	-	(182,494)	(35,676)	(724)	(2,339)	(1,452)	(9,840)	-	(232,525)
	$ 341,780	$ 266,198	$ 66,395	$ 295	$ 5,609	$ 1,117	$ 13,283	$ 29,731	$ 724,408

Note: Transfers were from other non-current assets being transferred in and reclassified as expenses and intangible assets for the period.

	2022								
	Land	**Housing and Construction**	**Machinery and Equipment**	**Mold Equipment**	**Transportation Equipment**	**Office Equipment**	**Other Equipment**	**Construction in Progress**	**Total**
January 1									
Cost	$ 309,451	$ 441,273	$ 68,380	$ 6,847	$ 9,438	$ 3,538	$ 18,314	$ 2,934	$ 860,175
Accumulated depreciation and impairment	-	(156,704)	(44,743)	(5,668)	(8,085)	(1,991)	(7,342)	-	(224,533)
	$ 309,451	$ 284,569	$ 23,637	$ 1,179	$ 1,353	$ 1,547	$ 10,972	$ 2,934	$ 635,642
January 1	$ 309,451	$ 284,569	$ 23,637	$ 1,179	$ 1,353	$ 1,547	$ 10,972	$ 2,934	$ 635,642
Acquisition	12,085	14,445	25,161	1,019	6,059	402	5,072	58,367	122,610
Disposal									
Cost	-	(28,114)	(31,737)	(6,285)	(6,104)	(1,610)	(870)	-	(74,720)
Accumulated depreciation	-	28,114	31,737	6,285	6,104	1,610	870	-	74,720
Reclassification (Note)	3,000	3,000	4,867	-	-	-	1,246	(1,945)	10,168
Depreciation expense	-	(27,426)	(9,407)	(1,255)	(1,229)	(859)	(3,391)	-	(43,567)
December 31, 2022	$ 324,536	$ 274,588	$ 44,258	$ 943	$ 6,183	$ 1,090	$ 13,899	$ 59,356	$ 724,853
December 31, 2022									
Cost	$ 324,536	$ 430,604	$ 66,671	$ 1,581	$ 9,393	$ 2,330	$ 23,762	$ 59,356	$ 918,233
Accumulated depreciation and impairment	-	(156,016)	(22,413)	(638)	(3,210)	(1,240)	(9,863)	-	(193,380)
	$ 324,536	$ 274,588	$ 44,258	$ 943	$ 6,183	$ 1,090	$ 13,899	$ 59,356	$ 724,853

Note: Transfers were from other non-current assets being transferred in and reclassified as expenses and intangible assets for the period.

1. The amounts of interest capitalized in 2023 and 2022 were both $0.

2. The major components of the Company's buildings and construction include buildings and high-voltage electrical facilities, which are depreciated over 10 to 50 years and 20 years, respectively.

3. There is no impairment of property, plant and equipment.

4. Please refer to Note 8 for information on guarantees provided with property, plant and equipment.

(7) Lease Transactions - Lessor

1. The lease term for the office premises and parking spaces leased by the Company does not exceed 12 months, and the leases of low-value assets such as water dispensers and office equipment are also accounted for.

2. Information on profit or loss items related to lease agreements is as follows:

	2023	**2022**
Items Affecting Current Profit or Loss		
Expense attributable to short-term leases	$ 2,010	$ 1,437
The Cost of leases of low-value assets	746	1,762

3. The Group's total lease cash outflows in 2023 and 2022 were $2,756 and $3,199, respectively.

(8) Other Non-Current Assets

	December 31, 2023	**December 31, 2022**
Refundable Deposits	$ 11,304	$ 11,598
Others	3,479	7,068
	$ 14,783	$ 18,666

(9) Short-Term Loans

Nature of Loan	**December 31, 2023**	**Interest Rate**	**Collateral**
Bank Loan			
Credit Loans	$ 120,000	1.8%-1.98%	–

Nature of Loan	**December 31, 2022**	**Interest Rate**	**Collateral**
Bank Loan			
Credit Loans	$ 70,000	1.775%-2.03%	–

Interest expense recognized in profit or loss for 2023 and 2022 amounted to $2,915 and $1,282, respectively.

(10) Other Payables

	December 31, 2023	December 31, 2022
Salaries and Bonus Payable	$ 41,833	$ 54,168
Compensation Payable to Directors, Supervisors and Employees	10,240	28,693
Equipments Payable	2,360	2,754
Others	28,574	31,318
	$ 83,007	$ 116,933

(11) Long-Term Loans

Nature of Loan	Borrowing Period and Repayment Method	Interest Rate	Collateral	December 31, 2023
Secured loan	From September 27, 2023 to May 25, 2026, with interest payable monthly, and principal repayable in full upon maturity	2.335 %	Land, Housing and Construction	$ 70,000
Less: Current portion of long-term borrowings (presented under other current liabilities)				-
				$ 70,000

Nature of Loan	Borrowing Period and Repayment Method	Interest Rate	Collateral	December 31, 2022
Collateral borrowing	From October 2018 to October 2023, with interest payable monthly, and principal repayable quarterly starting from April 2020	1.968 %	Land, Housing and Construction	$ 32,000
Less: Current portion of long-term borrowings (presented under other current liabilities)				(32,000)
				$ -

Interest expense recognized in profit or loss for 2023 and 2022 amounted to $833 and $676, respectively.

(12) Pension

1. (1) The Company has established a defined benefit pension plan under the Labor Standards Law, which applies to the service years of all formal employees prior to the implementation of the Labor Pension Act on July 1, 2005, as well as the subsequent service years of employees who choose to continue to apply the Labor Standards Law after the implementation of the Labor Pension Act. When employees meet the retirement conditions, the payment of pension is calculated based on the service years and the average salary of the last 6 months before retirement. For service years of 15 years or less, two base units are given for each full year of service; for service years exceeding 15 years, one base unit is given for each full year of service, with a maximum of 45 base units. The Company contributes 2% of the total salary on a monthly basis to the retirement fund, which is deposited in a special account under the name of the Labor Retirement Reserve Supervision Committee at the Bank of Taiwan. Furthermore, before the end of each year, the Company estimates the balance of the aforementioned labor retirement reserve

special account. If the balance is insufficient to pay the retirement pensions calculated based on the above method for employees expected to meet the retirement conditions in the following year, the Company will make an additional contribution to cover the shortfall by the end of March of the following year.

(2) Amounts recognized in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of a defined benefit obligation	($ 40,826)	($ 64,958)
Fair value of plan assets	8,718	18,776
Net defined benefit liability	($ 32,108)	($ 46,182)

(3) Changes in net defined benefit liability are as follows:

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Asset (Liability)
2023			
Balance as of January 1	($ 64,958)	$ 18,776	($ 46,182)
Current period service cost	-	-	-
Interest expenses (revenue)	(870)	257	(613)
Settlement gain (loss)	1,014	-	1,014
	(64,814)	19,033	(45,781)
Remeasurement Amount:			
Return on plan assets (excluding amounts included in interest income or expense)	-	131	131
Effect of demographic assumption changes	(1)	-	(1)
Effect of financial assumption changes	11,085	-	11,085
Experience adjustments	840	-	840
	11,924	131	12,055
Pension contribution fund	-	1,618	1,618
Benefits paid	12,064	(12,064)	-
Balance as of December 31	($ 40,826)	$ 8,718	($ 32,108)

	Present Value of Defined Benefit Obligation	Fair Value of Plan Assets	Net Defined Benefit Asset (Liability)
2022			
Balance as of January 1	($ 55,658)	$ 14,641	($ 41,017)
Current period service cost	-	-	-
Interest expenses (revenue)	(387)	104	(283)
	(56,045)	14,745	(41,300)
Remeasurement Amount:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,095	1,095
Effect of demographic assumption changes	1	-	1
Effect of financial assumption changes	(2,303)	-	(2,303)
Experience adjustments	(6,611)	-	(6,611)
	(8,913)	1,095	(7,818)
Pension contribution fund	-	2,936	2,936
Benefits paid	-	-	-
Balance as of December 31	($ 64,958)	$ 18,776	($ 46,182)

(4) The assets of the Company’s defined benefit pension plans are entrusted to the Bank of Taiwan for operation in accordance with the ratio and amount range of the commissioned operating items stipulated in the annual investment operation plan of the fund, in accordance with Article 6 of the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund (i.e., depositing in domestic or foreign financial institutions, investing in domestic or foreign listed, over-the-counter, or private equity securities, and investing in securitized real estate products, etc.). The utilization of the fund is supervised by the Labor Retirement Fund Supervisory Committee. The minimum earnings to be distributed upon annual settlement of the fund shall not be less than the earnings calculated based on the two-year term deposit interest rates of local banks. If there is a shortfall, it shall be supplemented by the national treasury after approval by the competent authority. As the Company does not have the authority to participate in the operation and management of the fund, it is unable to disclose the classification of fair values of the plan assets in accordance with paragraph 142 of IAS 19. For the composition of the fair values of the fund’s total assets as of December 31, 2023 and December 31, 2022, please refer to the annual Labor Retirement Fund Utilization Report published by the government.

(5) The principal actuarial assumptions are summarized as follows:

	2023	**2022**
Discount Rate	1.25%	1.35%
Future Salary Increase Rate	2.00%	4.00%

The assumptions for future mortality rates are based on the 6th Experience Mortality Table issued by the Actuarial Institute of Taiwan Life Insurance Industry.

The impact of changes in the principal actuarial assumptions on the present value of the defined benefit obligation is analyzed as follows:

	Discount Rate		**Future Salary Increase Rate**	
	Increase by 0.25%	**Decrease of 0.25%**	**Increase by 0.25%**	**Decrease of 0.25%**
December 31, 2023				
Impacts on present value of defined benefit obligation	($ 1,001)	$ 1,039	$ 1,029	($ 996)
December 31, 2022				
Impacts on present value of defined benefit obligation	($ 1,768)	$ 1,837	$ 1,785	($ 1,727)

The above sensitivity analysis is based on the impact of changes in individual assumptions with all other assumptions remaining unchanged. In practice, many changes in assumptions are likely to be interconnected. The sensitivity analysis is consistent with the method used in calculating the net pension liability recognized in the balance sheet.

The methods and assumptions used in the preparation of the sensitivity analysis for the current period are the same as those for the previous period.

(6) The Company estimates the contribution to be paid to the retirement plan in 2024 to be $1,310.

(7) As of December 31, 2023, the weighted average duration of the retirement plan is 10 years. The maturity analysis of pension payments is as follows: The analysis of the timing of future pension payments is as follows:

Less 1 years	$	776
1-2 years		1,690
2-5 years		11,615
More than 5 years		31,662
	$	45,743

2. (1) Since July 1, 2005, the Corporation, has formulated a retirement method with defined contributions in accordance with the “Labor Pension Act”, which is applicable to employees in Taiwan. For the part of employees’ retirement fund scheme defined under the “Labor Pension Act” adopted by the Company, 6% of the employee’s monthly salary is contributed to the employee’s personal account at the Labor Insurance Bureau. The employee’s pension shall be paid on a monthly pension basis or on a lump sum basis according to the dedicated pension account and the number of accumulated incomes.

(2) In 2023 and 2022, the Company recognized pension costs of $14,481 and $12,917, respectively, in accordance with the aforementioned pension plan.

(13) Capital Stock

1. As of December 31, 2023 and 2022, the Company’s authorized capital was $800,000 (including $75,000 reserved for the issuance of employee stock options), and the paid-in capital was $639,657 and $581,506, respectively, with a par value of $10 per share. All proceeds from the issuance of shares have been received.

2. Based on the resolution of the shareholders’ meeting in June 2022, the Company issued 5,286,417 new shares with a par value of NT$10 per share, totaling NT$52,864, by capitalizing unappropriated earnings. The capital increase was completed and registered on September 22, 2022.

3. In June 2023, the Company resolved to issue 5,815,059 new shares at NT$10 par value per share, totaling NT$58,151 thousand, by transferring from unappropriated earnings in accordance with the shareholders’ resolution. The capital increase was completed and registered on October 4, 2023.

(14) Capital Surplus

In accordance with the Company Act, the capital surplus derived from the issuance of shares at a premium over par value from endowments received shall, except for covering deficits, be distributed to shareholders in the form of new shares or cash in proportion to their original shareholdings when the company has no accumulated deficit.Additionally, according to relevant regulations of the Securities and Exchange Act, when the aforementioned capital surplus is capitalized, the annual total shall not exceed 10% of the paid-in capital. A company shall not use its capital surplus to make up for capital deficits if its surplus reserve is insufficient to offset the deficits.

(15) Retained Earnings

1. The Company's Articles of Incorporation stipulate that if there is a surplus in the annual total budget, taxes shall be paid first, previous deficits shall be made up, and 10% shall be set aside as a legal reserve surplus, followed by a special surplus reserve as required by laws or regulations of the competent authority. If there is still a surplus, it shall be combined with the undistributed surplus from previous years to form the accumulated distributable surplus, for which the Board of Directors shall propose a distribution plan to be resolved at the Shareholders' Meeting.

2. With regard to the business operations of the Company, as the Company's business is currently in the growth stage, the dividend distribution policy shall take into account the current and future operational plans, investment projects, capital budgets, changes in internal and external environments, as well as the interests of shareholders and the balance of dividends. Each year, the Board of Directors shall propose a distribution proposal in accordance with the law and submit it to the shareholders' meeting for approval. The Company's shareholder dividend distribution may be made in the form of stock dividends, and the proportion of cash dividends distributed to shareholders shall not be less than 10% of the total shareholder dividends.

3. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks or distribute cash to shareholders in proportion to their share ownership. The use of a 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.

4. The Company resolved to distribute cash dividends of NT$79,296 (NT$1.5 per share) and stock dividends of NT$52,864 (NT$1 per share) from 2021 retained earnings at the shareholders' meeting on June 14, 2022.

5. The Company resolved at the shareholders' meeting on June 9, 2023, to distribute cash dividends of $87,226 (NT$1.5 per share) and stock dividends of $58,151 (NT$1 per share) from the retained earnings for the year 2022 to its common shareholders.

6. On March 4, 2024, the Board of Directors proposed to distribute a cash dividend of $51,173 (NT$0.8 per share) on common shares from the retained earnings of 2023.

(16) Other Equity Items

	2023		
	Unrealized Valuation Gain (Loss)	Foreign Currency Exchange	Total
January 1, 2023	$ 3,278	($ 7,827)	($ 4,549)
Valuation adjustment	1,973	-	1,973
Assessment adjustment tax amount	(394)	-	(394)
Foreign currency exchange differences:			
－Associated enterprise	-	(2,390)	(2,390)
－Associates' tax	-	478	478
December 31, 2023	$ 4,857	($ 9,739)	($ 4,882)

	2022		
	Unrealized Valuation Gain (Loss)	Foreign Currency Exchange	Total
January 1, 2022	$ 2,005	($ 9,401)	($ 7,396)
Valuation adjustment	1,591	-	1,591
Assessment adjustment tax amount	(318)	-	(318)
Foreign currency exchange differences:			
－Associated enterprise	-	1,967	1,967
－Associates' tax	-	(393)	(393)
December 31, 2022	$ 3,278	($ 7,827)	($ 4,549)

(17) Operating Revenue

	2023	2022
Revenue from Contracts with Customers	$ 946,131	$ 1,160,177

1. Breakdown of Customer Contract Revenue

The Company's revenue is derived from the transfer of goods at a point in time, and revenue can be broken down into the following major product categories:

	2023	2022
Remote controllers, industrial computer interface cards	$ 849,177	$ 1,032,558
Others	96,954	127,619
Total	$ 946,131	$ 1,160,177

2. Contract Liabilities

The contract liabilities in relation to revenue from contracts with customers recognized by the Company are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract Liability	$ 6,686	$ 7,749	$ 9,077

Revenue recognized in the current period for contract liabilities at the beginning of the period:

	2023	2022
Merchandise sales contracts	$ 5,581	$ 8,999

(18) Other Revenues

	2023	2022
Subsidy Revenue	$ 4,927	$ 236
Sundry Revenue	957	1,617
Total	$ 5,884	$ 1,853

(19) Other Gains and Losses

	2023	2022
Net foreign exchange (loss) gain	($ 182)	$ 9,777

(20) Additional Information on the Nature of Expenses

	2023		
	Operating Cost	Operating Expenses	Total
Employee Benefits Expenses	$ 99,667	$ 247,829	$ 347,496
Depreciation expense	12,996	35,985	48,981
Amortization expense	552	746	1,298

	2022		
	Operating Cost	Operating Expenses	Total
Employee Benefits Expenses	$ 91,718	$ 270,208	$ 361,926
Depreciation expense	10,315	33,252	43,567
Amortization expense	425	882	1,307

(21) Employee Benefits Expenses

	2023		
	Operating Costs	**Operating Expenses**	**Total**
Salaries and wages	$ 80,070	$ 208,415	$ 288,485
Expenses for labor and health insurance	9,915	19,772	29,687
Pension expense payable	3,561	10,519	14,080
Other personnel expenses	6,121	9,123	15,244
	$ 99,667	$ 247,829	$ 347,496

	2022		
	Operating Costs	**Operating Expenses**	**Total**
Salaries and wages	$ 76,581	$ 233,214	$ 309,795
Expenses for labor and health insurance	7,764	19,053	26,817
Pension expense payable	3,000	10,200	13,200
Other personnel expenses	4,373	7,741	12,114
	$ 91,718	$ 270,208	$ 361,926

1. In accordance with the Company's articles of incorporation, the Company should allocate 3%-12% as employee compensation and no more than 3% as compensation for directors and supervisors from the remaining profits after deducting accumulated losses for the year, if there is any remaining balance.

2. The estimated employee compensation amounts for the Company in 2023 and 2022 are $9,102 and $25,505, respectively. The estimated amounts of directors and supervisors remuneration were $1,138 and $3,188, respectively, and the aforementioned amounts were charged to the remuneration expenses.

   For 2023, the provision for employee bonuses and directors' remuneration is estimated at 8% and 1% respectively, based on the profit situation as of the current period.The employee compensation and remuneration to directors and supervisors resolved by the Board of Directors for 2023 are consistent with the amounts recognized in the 2023 financial statements.

   The employee compensation and remuneration to directors and supervisors for 2022 resolved by the Board of Directors are consistent with the amounts recognized in the 2022 financial statements.

   Information related to employee and director compensation approved by the company's board of directors can be found on the Public Information Observatory website.

(22) Income Tax

1. Income Tax Expenses

(1) Components of income tax expenses:

	2023	2022
Current Income Tax:		
Income Tax Incurred in Current Period	$ 28,749	$ 62,512
Income tax on unappropriated earnings	2,718	949
Prior year's income tax overestimation	(2,919)	(1,335)
Total current income tax	28,548	62,126
Deferred Income Tax:		
Origination and reversal of temporary differences	(7,566)	(3,996)
Total deferred income tax	(7,566)	(3,996)
Income tax expense	$ 20,982	$ 58,130

(2) Income tax relating to other comprehensive income:

	2023	2022
Remeasurements of the defined benefit obligation	$ 2,412	($ 1,564)
Changes in fair value of financial assets at fair value through other comprehensive income	394	318
Associates' share of other comprehensive income	(478)	393

(3) Income tax directly debited or credited to equity: None.

2. The relationship between income tax expense and accounting profit:

	2023	2022
Income tax calculated at statutory tax rate on profit before tax	$ 20,607	$ 57,895
Income tax impact of adjustments in accordance with tax regulations	24	17
Changes in the realization of deferred tax assets	552	604
Prior year's income tax overestimation	(2,919)	(1,335)
Undistributed surplus profit surtax	2,718	949
income tax expense	$ 20,982	$ 58,130

3. The amount of each deferred tax asset or liability arising from the temporary difference is as follows:

	2023			
	January	Recognized in Profit or Loss	Recognized in Other Consolidated Net Income	December 31, 2023
Deferred tax assets:				
- Temporary Differences:				
Inventory Impairment Loss	$ 19,265	$ 7,576	$ -	$ 26,841
Employee write-down	9,762	(404)	(2,411)	6,947
Investment loss accounted for using the equity method	-	683	-	683
Associates' share of other comprehensive income	1,957	-	478	2,435
Others	8,152	(1,680)	-	6,472
Total	$ 39,136	$ 6,175	($ 1,933)	$ 43,378
Deferred income tax liabilities:				
Temporary Differences:				
Changes in fair value of financial assets at fair value through other comprehensive income	($ 820)	$ -	($ 394)	($ 1,214)
Income from investments accounted for using the equity method	(1,391)	1,391	-	-
Total	($ 2,211)	$ 1,391	($ 394)	($ 1,214)

	2022			
	January	Recognized in Profit or Loss	Recognized in Other Consolidated Net Income	December 31, 2023
Deferred tax assets:				
- Temporary Differences:				
Inventory Impairment Loss	$ 18,132	$ 1,133	$ -	$ 19,265
Employee write-down	8,176	22	1,564	9,762
Associates' share of other comprehensive income	2,350	-	(393)	1,957
Others	5,223	2,994	(65)	8,152
Total	$ 33,881	$ 4,149	$ 1,106	$ 39,136
Deferred income tax liabilities:				
- Temporary Differences:				
Changes in fair value of financial assets at fair value through other comprehensive income	($ 567)	$ -	($ 253)	($ 820)
Income from investments accounted for using the equity method	(1,238)	(153)	-	(1,391)
Total	($ 1,805)	($ 153)	($ 253)	($ 2,211)

4. The Company's profit-seeking enterprise income tax has been approved by the tax authorities through 2021.

(23) Earnings per Share

	2023		
	After-Tax Amount	Weighted Average Number of Outstanding Shares (in thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Current Net Profit Attributable to Common Shareholders of the Parent Company	$ 82,052	63,966	$ 1.28
Diluted deficit per share			
Current Net Profit Attributable to Common Shareholders of the Parent Company	$ 82,052	63,966	
Effect of potentially dilutive ordinary shares	-	206	
Current Net Profit Attributable to Common Shareholders of the Parent Company plus the Effects of Potential Common Shares	$ 82,052	64,172	$ 1.28

	2022		
	After-Tax Amount	Weighted Average Number of Outstanding Shares (in thousands)	Earnings per Share (NTD)
Basic Earnings per Share			
Current Net Profit Attributable to Common Shareholders of the Parent Company	$ 231,346	63,966	$ 3.62
Diluted deficit per share			
Current Net Profit Attributable to Common Shareholders of the Parent Company	$ 231,346	63,966	
Effect of potentially dilutive ordinary shares	-	440	
Current Net Profit Attributable to Common Shareholders of the Parent Company plus the Effects of Potential Common Shares	$ 231,346	64,406	$ 3.59

Note: The weighted-average number of outstanding shares for 2023 and 2022 has been retrospectively adjusted based on the 10% stock dividend distribution rate for 2023.

(24) Cash Flow Supplementary Information

Investing activities with only partial cash payments:

	2023	2022
Property, Plant, and Equipment	$ 31,230	$ 122,610
Add: Beginning equipment payable	2,754	4,310
Less: Ending equipment payable	(2,360)	(2,754)
Cash Paid During the Period	$ 31,624	$ 124,166

(25) Changes in Liabilities from Financing Activities

	2023			
	Short-Term Loans	**Long-Term Loans**	**Lease Liabilities**	**Total Liabilities from Financing Activities**
January 1	$ 70,000	$ 32,000	$ -	$ 102,000
Changes in cash flows from financing activities	50,000	38,000	-	88,000
December 31	$ 120,000	$ 70,000	$ -	$ 190,000

	2022			
	Short-Term Loans	**Long-Term Loans**	**Lease Liabilities**	**Total Liabilities from Financing Activities**
January 1	$ -	$ 64,000	$ -	$ 64,000
Changes in cash flows from financing activities	70,000	(32,000)	-	38,000
December 31	$ 70,000	$ 32,000	$ -	$ 102,000

7. Related Party Transactions

(1) Names and Relationships of Related Parties

Name of Related Party	Relationship with the Group
ADVANCE AHEAD LTD.	Subsidiaries of the Company
ICP DAS INVEST LTD.	Subsidiaries of the Company
Shanghai Golden ICP DAS International Trade Co.,Ltd.	Second-tier Subsidiary of the Company
ICP DAS(Wuhan) Co.	Second-tier Subsidiary of the Company
Yeh,Nai-Ti	The Company’s Chairman
Chairman, Supervisors, President, and Vice Presidents, who are the key management personnel of the Company	The Company’s key management personnel

(2) Significant Transactions with Related Parties

1. Operating Revenue

	2023	2022
Merchandise sales:		
Second-tier Subsidiary－ Company	$ 55,018	$ 92,982

The selling price is based on the price offered to general customers and is determined through negotiation between both parties. The selling price is slightly lower than that for general customers. The payment term is 30 to 120 days after the end of the month, which is comparable to general customers.

2. Rent Expenses

	2023	2022
Rent Expenses:		
Yeh,Nai-Ti	$ 720	$ 720

(1) The aforementioned rent is the general rent paid for renting an office, and the rent is determined with reference to the general market price, payable on a monthly basis.

(2) The Company leased dormitories in Korea from the Chairman, Yeh Nai-Ti, and deposited a guarantee of USD 350 thousand, which was recorded under other non-current assets.

3. Receivables: Related parties

	December 31, 2023	December 31, 2022
Accounts receivable		
Shanghai Golden ICP DAS International Trade Co.,Ltd.	$ 6,203	$ 3,528
ICP DAS(Wuhan) Co.	1,178	5,988
Total	$ 7,381	$ 9,516

(3) Key Management Personnel Compensation

	2023	2022
Short-Term Employee Benefits	$ 23,528	$ 24,090
Post-Employment Benefits	895	733
Total	$ 24,423	$ 24,823

8. Assets Pledged as Security

Details of the Company’s assets pledged as collateral are as follows:

Name of Assets	December 31, 2023	December 31, 2022	Purpose of Collateral
Land	$ 125,500	$ 125,500	Long-term loans
Housing and Construction	161,095	181,633	Long-term loans

9. Significant Commitments and Contingencies

(1) Contingency

None.

(2) Commitment

As of December 31, 2023 and December 31, 2022, performance guarantees totaling $11,600 and $600 were provided to the Customs Administration, Ministry of Finance and the Small and Medium Enterprise Credit Guarantee Fund of Taiwan, respectively, which were guaranteed by banks.

As of December 31, 2023 and 2022, the Company had outstanding commitments of $13,557 and $35,412, respectively, for research and development projects, equipment acquisition, and construction of plant facilities.

10. Losses Due to Major Disasters

None.

11. Significant Events After the Balance Sheet Date

None.

12. Others

(1) Capital Management

The capital management objective of the Company's capital management is to safeguard the Company's ability to continue as a going concern, maintain an optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. The Company monitors its capital using a net debt-to-equity ratio, which is calculated by dividing total liabilities by total equity.

The Company's strategy for 2023 remains the same as 2022, aiming to maintain a reasonable and safe level for its net debt-to-equity ratio. As of December 31, 2023 and 2022, the Company's net debt-to-equity ratios were as follows:

	December 31, 2023	December 31, 2022
Total Liabilities	$ 391,054	$ 396,637
Total Equity	1,273,656	1,269,519
Debt to Equity Ratio	31%	31%

(2) Financial Instruments

1. Types of Financial Instruments

	December 31, 2023	December 31, 2022
Financial Assets		
Financial assets at fair value through other comprehensive income		
Equity instrument investments elected to be designated	$ 16,307	$ 14,333
Financial assets at amortized cost/loans and receivables		
Cash and cash equivalents	$ 27,726	$ 33,483
Notes Receivable	3,708	4,191
Accounts receivable (including related parties)	91,533	87,223
Deposit margin	11,304	11,598
	$ 134,271	$ 136,495

	December 31, 2023	December 31, 2022
Financial Liabilities		
Financial liabilities at amortized cost		
Short-term loans	$ 120,000	$ 70,000
Accounts payable	37,217	74,265
Other payables	83,007	116,933
Long-term borrowings (including portions maturing within one year or one operating cycle)	70,000	32,000
	$ 310,224	$ 293,198

2. Risk Management Policies

(1) The Company's daily operations are affected by a variety of financial risks, including market risk (comprising foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(2) Risk management is carried out by the Finance Department of the Corporation in accordance with the policies approved by the Board of Directors. The Corporation's Finance Department is responsible for identifying, assessing and avoiding financial risks through close cooperation with the Corporation's 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, and the investment of surplus working capital.

3. The Nature and Extent of Significant Financial Risks

(1) Market Risk

Exchange Rate Risk

A. The Company operates across borders and is exposed to foreign exchange risk arising from transactions in currencies other than the functional currency of the Company and its subsidiaries, primarily with respect to the U.S. dollar and the RMB. The foreign exchange risk arises from future commercial transactions and recognized assets and liabilities.

B. The Company's management has set policies requiring the companies within the group to manage their foreign exchange risk against their functional currencies. The companies shall hedge their overall foreign exchange risk exposure through the corporate finance department.

C. C. The Company engages in businesses involving certain non-functional currencies (the functional currencies of the Company and certain subsidiaries are New Taiwan Dollars, while the functional currencies of certain other subsidiaries are RMB), and therefore is affected by fluctuations in exchange rates. Information on foreign currency assets and liabilities with significant effects from exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign Currency (NT$ thousand)	**Exchange Rate**	**Carrying Amount (NTD)**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	$ 1,332	30.71	$ 40,906

	December 31, 2022		
	Foreign Currency (NT$ thousand)	**Exchange Rate**	**Carrying Amount (NTD)**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	$ 1,939	30.71	$ 59,548

D. An explanation of the significant unrealized foreign exchange gains or losses arising from exchange rate fluctuations on the monetary items of the Company is as follows:

	December 31, 2023		
	Foreign Currency (NT$ thousand)	**Exchange Rate**	**Carrying Amount (NTD)**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	$ -	30.71	($ 878)

	December 31, 2022		
	Foreign Currency (NT$ thousand)	**Exchange Rate**	**Carrying Amount (NTD)**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	$ -	30.71	($ 511)

E. The analysis of the Company's foreign currency market risk arising from significant fluctuations in foreign exchange rates is as follows:

	2023		
	Sensitivity Analysis		
	Movement	**Impact on Profit or Loss**	**Impact on Other Comprehensive Income**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	1%	$ 409	$ -

	2022		
	Sensitivity Analysis		
	Movement	**Impact on Profit or Loss**	**Impact on Other Comprehensive Income**
(Foreign currency: Functional currency)			
Financial Assets			
Monetary Items			
USD: NTD	1%	$ 595	$ -

Price Risk

The equity instruments exposed to price risk by the Company are those financial assets at fair value through other comprehensive income.

Cash Flow and Fair Value Interest Rate Risk

A. The Company’s interest rate risk primarily arises from long-term and short-term borrowings issued at floating interest rates, exposing the Company to cash flow interest rate risk. In 2023 and 2022, the Company’s borrowings issued at floating rates were primarily denominated in New Taiwan Dollars.

B. The Company’s borrowings are measured at amortized cost, and the interest rates are repriced annually according to the contract terms, exposing the Company to the risk of future market interest rate fluctuations.

C. C. When the New Taiwan dollar borrowing rates increase or decrease by 1%, while all other factors remain unchanged, the net profit after tax for 2023 and 2022 will decrease or increase by $1,520 and $816, respectively, mainly due to the change in interest expenses caused by floating-rate borrowings.

(2) Credit Risk

A. A. The Company’s credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, arising principally from the inability of counterparties to pay accounts receivable when due, and contract cash flows from debt instrument investments classified as measured at amortized cost, measured at fair value through other comprehensive income, and measured at fair value through profit or loss. And contract cash flows from debt instrument investments classified as measured at fair value through other comprehensive income.

B. The Company establishes credit risk management from a corporate perspective. For corresponding banks and financial institutions, only institutions with good credit ratings and no significant default records in recent times are set to be accepted as trading counterparties. In accordance with the internal credit policies defined by the Company, each operating entity is required to conduct credit and risk analysis on each new customer before offering payment and delivery terms and conditions. Internal risk control is conducted through assessing the credit quality of customers, taking into account their financial position, past experience, and other factors. Individual risk limits are set by the Board of Directors based on internal or external ratings, and the utilization of credit limits is monitored regularly.

C. For financial assets, the Company presumes that the credit risk has increased significantly since initial recognition when contractual payments are more than 30 days past due, in accordance with the presumption of IFRS 9.

D. After the recovery process, the Company writes off the amount of financial assets that cannot reasonably be expected to be recovered. However, the Company continues to carry out legal recovery procedures to preserve its claim rights. The amount of claims written off by the Company but still under recovery activities was $0 and $0 as of December 31 ,2023 and 2022, respectively.

E. The indicators used by the Company to determine whether a debt instrument investment is credit-impaired are as follows:

   a. The issuer is experiencing significant financial difficulties or there is an increased likelihood of bankruptcy or other financial restructuring.

   b. The issuer experiences financial difficulties leading to the disappearance of an active market for that financial asset.

   c. The issuer delays or fails on the payment of interest or principal.

   d. Adverse changes in national or regional economic conditions relevant to the issuer's default.

F. The Company groups notes and accounts receivable from customers based on the customer rating characteristics and adopts the simplified approach of using a provision matrix to estimate expected credit losses.

G. The Company considers forward-looking adjustments and establishes loss rates based on historical and current information for specific periods to estimate the allowance for doubtful accounts for accounts receivable and notes receivable. The provision matrices as of 2023 and December 31, 2022 are as follows:

	Not Past due	1-30 Days	31-90 Days	90-180 Days	More Than 181 Days	Total
December 31, 2023						
Expected loss rate	0.0007%	0.0229%	8.5031%	0%	0%	
Total book value	$ 93,815	$ 1,438	$ 27	$ -	$ -	$ 95,280
Loss Allowance	39	-	-	-	-	39
December 31, 2022						
Expected loss rate	0.0431%	0.07049%	4.1693%	0%	100%	
Total book value	$ 89,550	$ 1,912	$ 49	$ -	$ -	91,511
Loss Allowance	79	14	4	-	-	97

H. The movement of the Company's allowance for doubtful accounts using the simplified approach is as follows:

	2023	
	Notes Receivable	Accounts Receivable
January 1	$ 42	$ 55
Impairment loss (reversal)	(5)	(53)
December 31, 2023	$ 37	$ 2

	2022	
	Notes Receivable	Accounts Receivable
January 1	$ 34	$ 5
Impairment loss (reversal)	8	50
December 31, 2022	$ 42	$ 55

(3) Liquidity Risk

A. Cash flow forecasts are prepared by the operating entities of the Company and consolidated by the Company's finance department. The Company's finance department 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 on any of its borrowing facilities. Such forecasting takes into consideration the Company's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

B. Any excess cash held by the operating entities, beyond working capital management needs, will be remitted to the corporate Finance Department. The Company's Finance Department will invest the remaining funds in interest-bearing demand deposits, time deposits, money market deposits and marketable securities, the instruments selected have an appropriate maturity date or sufficient liquidity to meet the aforementioned forecasts and provide adequate working capital.

C. The following table details the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The contractual cash flow amounts disclosed in the table below are undiscounted amounts. The contractual cash flow amounts disclosed in the table below are undiscounted amounts.

Non-Derivative Financial Liabilities:

December 31, 2023	**Less than 1 year**	**1-2 years**	**2-5 years**
Short-term loans	$ 120,000	$ -	$ -
Accounts payable	37,217	-	-
Other payables	83,007	-	-
Long-term loans (due within 1 year)	70,000	-	-

Non-Derivative Financial Liabilities:

December 31, 2022	**Less than 1 year**	**1-2 years**	**2-5 years**
Short-term loans	$ 70,000	$ -	$ -
Accounts payable	74,265	-	-
Other payables	116,933	-	-
Long-term loans (due within 1 year)	32,394	-	-

(3) Fair Value Information

1. The definitions of the different levels of valuation techniques adopted for measuring fair value of financial and non-financial instruments are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. An active market is one in which transactions of assets or liabilities occur with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Observable inputs other than quoted prices included within Level 1, either directly or indirectly, for the asset or liability.

Level 3: An unobservable input for an asset or liability. The equity instruments invested by the Company without an active market belong to this level.

2. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable, other receivables, notes payable, accounts payable, other payables, and long-term borrowings approximate their fair values.

3. For financial instruments measured at fair value, the Company classifies based on the nature, characteristics and risks of the assets and liabilities and the fair value hierarchy levels, with relevant information as follows:

   (1) The company classifies assets and liabilities according to their nature, and the relevant information is as follows:

December 31, 2023	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Recurring Fair Value				
Current financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 16,307	$ 16,307

December 31, 2022	**Level 1**	**Level 2**	**Level 3**	**Total**
Assets				
Recurring Fair Value				
Current financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 14,333	$ 14,333

   (2) The methods and assumptions used by the Company to measure fair value are described as follows:

      A. The company assesses the total value of the valuation subject, covering individual assets and individual liabilities, reflecting the overall value of the enterprise or business, and estimates the consideration required to reconstitute or acquire the valuation subject under the going concern premise.

      B. The outputs of the valuation models are estimated values, and the valuation techniques may not reflect all relevant factors of the financial instruments and non-financial instruments held by the Company. Therefore, the estimated values of the valuation models will be appropriately adjusted based on additional parameters, such as model risk or liquidity risk.

4. There was no transfer between Level 1 and Level 2 in 2023 and 2022.

5. There was no transfer in or out from Level 3 in 2023 and 2022.

6. The Company's valuation process for fair value classification in Level 3 is managed by the management department, which is responsible for performing independent fair value verification of financial instruments. This is done by using independent source data to ensure that the valuation results are close to market conditions, confirming that the data sources are independent, reliable, and consistent with other resources, as well as making any other necessary fair value adjustments to ensure that the valuation results are reasonable.

7. The quantitative information about significant unobservable inputs used in the valuation models for items measured at fair value categorized within Level 3 of the fair value hierarchy, and the sensitivity analysis of changes in significant unobservable inputs, are as follows:

	December 31, 2023				
	Fair Value	**Valuation Technique**	**Significant Unobservable Input**	**Interval (Weighted Average)**	**Relations Between Input and Fair Value**
Non-derivative equity instruments:					
Unlisted stocks	$ 16,307	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value

	December 31, 2022				
	Fair Value	**Valuation Technique**	**Significant Unobservable Input**	**Interval (Weighted Average)**	**Relations Between Input and Fair Value**
Non-derivative equity instruments:					
Unlisted stocks	$ 14,333	Net asset value method	N/A.	N/A.	The higher the net asset value, the higher the fair value

8. The Group selects the evaluation model and evaluation parameters after careful evaluation, but the use of different evaluation models or evaluation parameters may lead to different evaluation results.

13. Other Disclosures

(1) Information on Significant Transactions

1. Capital loan to others: No such situation.

2. Endorsement guarantees for others: No such situation.

3. As of the end of the period, the status of securities held (excluding investments in subsidiaries, associates and joint ventures): Please refer to Table 1 for details.

4. The cumulative amount of purchases or sales of the same securities reaching NT$300 million or 20% of the paid-in capital: No such situation.

5. The amount of real estate acquired reaching NT$300 million or 20% of the paid-in capital: No such situation.

6. The amount of disposing of real estate reaching NT$300 million or 20% of the paid-in capital: No such situation.

7. The amount of inward or outward merchandise trading with related parties reaching NT$100 Million or 20% of the paid-in capital: No such situation.

8. The amount receivable from related parties reaching NT$100 million or 20% of the paid-in capital: No such situation.

9. Derivative transactions: No such situation.

10. Intercompany relationships and significant intercompany transactions between the Parent Company and subsidiaries, and between subsidiaries and their amounts: Please refer to Table 2 for details.

(2) Information on Investees

Names, Locations and Relevant Information of Investee Companies (Excluding Investee Companies in Mainland China): Please refer to Table 3.

(3) Information on Investment in Mainland China

1. Basic Information: Please refer to Table 4 for details.

2. Direct or indirect material transactions between the Company and the Mainland Chinese investees through third areas: Please refer to Table 2 for details.

(4) Major Shareholders

If the issuer’s shares have been traded on the securities trading location, the names, shareholdings, and percentages of shareholders holding 5% or more of the issuer’s equity shall be disclosed: Please refer to Table 5 for details.

14. Segment Information

N/A.

ICP DAS CO., LTD.

STATUS OF SECURITIES HELD AT PERIOD-END
(EXCLUDING INVESTMENTS IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)

December 31, 2023

Table 1

Unit: NTD Thousand (Unless otherwise specified)

Companies Held	Types and Names of Securities	Relationship With Issuers of Securities	Account Item	End of Period				Remarks
				Number of Shares	Carrying Amount	Shareholding Ratio	Fair Value	
The Company	ICP DAS EUROPE GmbH	None	Financial assets measured at fair value through other comprehensive income	4,500	$ 9,141	18	$ 9,141	Unencumbered
The Company	ICP DAS USA INC (Note)	None	As above	1,800	7,166	18	7,166	Unencumbered

Note: In October 2023, due to the share swap merger, the number of shares held in the U.S. Texas company has changed, but the ownership ratio and company name remain the same.

ICP DAS CO., LTD.

THE BUSINESS RELATIONSHIP AND SIGNIFICANT TRANSACTIONS BETWEEN THE PARENT COMPANY, SUBSIDIARIES, AND AMONG SUBSIDIARIES, AND THEIR AMOUNTS

January 1 to December 31, 2023

Table 2

Unit: NTD Thousand (Unless otherwise specified)

No. (Note 1)	Name of Trader	Transaction Counterparties	Relationship with the Trader (Note 2)	Transaction Dealings			
				Item	Amount (Note 5)	Transaction Terms	Percentage in Consolidated Total Revenue or Total Assets (Note 3)
0	The Company	Shanghai Golden ICP DAS	1	Sales revenue	$ 48,785	(Note 4)	5%
0	The Company	Shanghai Golden ICP DAS	1	Accounts receivable	6,203	(Note 4)	0%
0	The Company	ICP DAS(Wuhan)	1	Sales revenue	6,233	(Note 4)	1%
0	The Company	ICP DAS(Wuhan)	1	Accounts receivable	1,178	(Note 4)	0%
1	ICP DAS(Wuhan)	Shanghai Golden ICP DAS	3	Sales revenue	20,353	(Note 4)	2%

Note 1: Information on business transactions between the Parent Company and its subsidiaries should be noted separately in the number column, with the numbering method as follows:
(1)Fill in 0 for Parent Company
(2)The subsidiary companies shall be numbered sequentially starting from 1 using Arabic numerals, according to their respective companies.

Note 2: There are three types of relationships with the counterparties, please indicate the type:
(1)The parent company to the subsidiary.
(2)A subsidiary to its parent company.
(3)A subsidiary against a subsidiary.

Note 3: The ratio of transaction amount to consolidated total revenue or total assets shall be calculated as the ratio of ending balance to consolidated total assets for those belongs to balance sheet item. If it is an income statement item, it shall be calculated in a way of period-end cumulative amount over the consolidated total revenue.

Note 4: The sales price is based on the selling price to general customers, and this sales price is slightly lower than that for general customers. The payment period is 30 to 120 days from the end of the month, which is comparable to that for general customers.

Note 5: The disclosure standard for business relationships and significant transactions between the parent company and its subsidiaries from January 1, 2023 to December 31 is NT$1 million or more.

ICP DAS CO., LTD.

NAMES, LOCATIONS AND RELEVANT INFORMATION OF INVESTEE COMPANIES (EXCLUDING INVESTEE COMPANIES IN MAINLAND CHINA):

December 31, 2023

Table 3

Unit: NTD Thousand (Unless otherwise specified)

Name of Investee	Name of Investee	Location	Main Business Activities	Initial Investment Amount		Period-End Holding			Income for the Period of the Invested Entity	Investment Gains or Losses Recognized for the Period	Remarks
				End of This Period	End of Last Year	Number of Shares	Ratio	Carrying Amount			
The Company	ADVANCE AHEAD LTD.	British Virgin Islands	Reinvest in related businesses	$ 33,161	$ 33,161	1,000,000	100	$ 49,214	($ 7,866)	($ 7,866)	Subsidiary
The Company	ICP DAS INVEST LTD.	British Virgin Islands	Reinvest in related businesses	100,682	100,682	3,200	100	54,117	(3,830)	(2,502)	Subsidiary

ICP DAS CO., LTD.

MAINLAND CHINA INVESTMENT INFORMATION - BASIC DATA

December 31, 2023

Table 4

Unit: NTD Thousand (Unless otherwise specified)

Name of Investee	Main Business Activities	Paid-In Capital (Note 2)	Method of Investments (Note 2)	The Cumulative Amount of Outward Investment from Taiwan for the Period	Amount of Investment Remitted or Repatriated This Period		The Cumulative Amount of Outward Investment from Taiwan for the End of This Period	Income for the Period of the Invested Entity	The Shareholding Ratio Invested Directly or Indirectly by the Company	Investment Profit (Loss) Recognized for the Period (Note 3)	Period-End Investment Book Value	Investment Income Repatriated as of the End of the Period	Remarks
					Remittance	Recovery							
Shanghai Golden ICP DAS International Trade Co.,Ltd.	International trade, entrepot trade, bonded area trade between enterprises, and trade agency of industrial computer controllers and interface cards.	$ 33,161	2 (ADVANCE AHEAD LTD.)	$ 33,161	$ -	$ -	$ 33,161	($ 7,866)	100	($ 7,866)	$ 49,214	$ -	
ICP DAS(Wuhan) Co.	Research, development, production and sales of software, hardware, electronic products, instruments, meters and automatic equipment for the automatic control industry; automation engineering and project reconstruction; related technical services and transfers.	$ 100,682	2 (ICP DAS INVEST LTD.)	$ 100,682	$ -	$ -	$ 100,682	($ 3,830)	100	($ 2,502)	$ 54,117	$ -	

Name of Company	Cumulative Amount of Investment Remitted from Taiwan to the Mainland China Area for the Current Period (Note 4)	The Investment Commission of the Ministry of Economic Affairs Approved Investment Amount (Note 5)	Ceiling on Amount of Investments Authorized by Investment Commission, M.O.E.A.
ICP DAS Co., Ltd.	$ 133,843	$ 128,961	$ 764,194

Note 1: The originally contributed capital is as follows: Shanghai Golden ICP DAS International Trading Co., Ltd. US$1,000,000, ICP DAS(Wuhan) Co., Ltd. US$3,200,000

Note 2: The investment methods are divided into the following three types, indicate the type accordingly:

(1) Direct investment in mainland China

(2) Investing in mainland China through a third-party regional company

(3) Other methods

Note 3: Financial statements audited by the accounting firm of the Parent Company in Taiwan.

Note 4: The original amount is US$4,200,000, The NTD amount is converted based on historical exchange rates.

Note 5: The original amount is US$4,200,000, The NTD amount is translated using the exchange rate on the balance sheet.

ICP DAS CO., LTD.

MAJOR SHAREHOLDERS

December 31, 2023

Table 5

Major shareholders	**Share**	
	Shares Held	**Shareholding Ratio**
Chen,Ruei-Yu	8,182,110	12.79%
Tin Hung Investment Co., Ltd.	7,716,140	12.06%
Top Grouping International Co., Ltd.	5,140,796	8.03%
Yeh,Nai-Ti	5,074,874	7.93%

Description:
This company has applied to the Taiwan Depository & Clearing Corporation to obtain the information in this form.

(1) The information of principal shareholders in this table is provided by the Taiwan Depository & Clearing Corporation, which calculates the shareholders holding 5% or more of the company's outstanding common shares and preferred shares (including treasury shares) at the end of each quarter based on the last business day of the quarter.
As for the discrepancy that may exist between the capital stock recorded in the Company's financial statements and the number of shares actually issued and delivered without physical registration due to the different bases of calculation adopted for compiling such statements, it is addressed as follows.

(2) If the above-mentioned data involves shareholders entrusting their shareholdings to a trust, it shall be disclosed in the separate accounts of the individual principals opened by the trust custodian. As for shareholders who report their insider shareholdings exceeding 10 percent in accordance with securities trading laws and regulations, Its shareholding includes personal shareholding plus shares of a trust over which it has the power to make decisions regarding the trust property, etc. For information on insider shareholding reports, please refer to the Market Observation Post System. For shareholding reports, please refer to the Market Observation Post System.

ICP DAS CO., LTD.

CASH AND CASH EQUIVALENTS

December 31, 2023

Statement 1

Unit: NTD Thousand

Item	Abstract	Amount	Remarks
Petty Cash		$ 469	
Cash in Banks			
Demand deposits		16,587	
Foreign currency deposits	USD 347 thousands Exchange rate 30.71	10,670	
Total		$ 27,726	

ICP DAS CO., LTD.

ACCOUNTS RECEIVABLE

December 31, 2023

Statement 2

Unit: NTD Thousand

Customer Name	Amount	Remarks
Non-Related parties		
F.P.	$ 17,973	
I.U.	9,419	
S.T.	9,344	
L.T.	7,530	
Others	39,888	No individual customer balance exceeds 5% of the account balance
	84,154	
Less: Allowance for uncollectible accounts	(2)	
	84,152	
Related Parties:		
Shanghai Golden ICPDAS International Trade Co.,Ltd.	6,203	
Others	1,178	
	7,381	
Total	$ 91,533	

ICP DAS CO., LTD.

INVENTORIES

December 31, 2023

Statement 3 Unit: NTD Thousand

Item	Amount		Remarks
	Cost	Market Price	
Raw Materials	$ 451,936	$ 424,862	
Work in Progress	134,202	273,869	
Finished Good	177,085	347,372	
Subtotal	763,223	$ 1,046,103	
Less: Allowance for inventory obsolescence and devaluation losses	(134,210)		The item-by-item comparison method is used to evaluate the lower of cost or net realizable value.
Total	$ 629,013		

ICP DAS CO., LTD.

INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD

Ended December 31, 2023

Statement 4

Unit: NTD Thousand

Name	Beginning Balance		Additions During the Period		Deductions During the Period		Ending Balance			Net Equity		Collateral or Pledge Provided
	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Shareholding Ratio	Amount	Unit Price (NTD)	Total Price or Collateral Provided	
ADVANCE AHEAD LTD.	1,000,000	$ 54,135	-	$ -	-	($ 4,921)	1,000,000	100%	$ 49,214	$ 49	$ 49,214	None
ICP DAS INVEST LTD.	3,200	54,694	-	-	-	(577)	3,200	100%	54,117	16,912	54,117	None
		$ 108,829		$ -		($ 5,498)			$ 103,331			

ICP DAS CO., LTD.

ACCOUNTS PAYABLE

December 31, 2023

Statement 5 Unit: NTD Thousand

Name	Amount	Remarks
Non-Related Parties		
C.Y.	$ 5,985	
D.E.	3,653	
G.G.	2,964	
A.S.	2,939	
W.T.	1,978	
Others	19,698	No individual supplier balance exceeds 5% of the account balance
	$ 37,217	

ICP DAS CO., LTD.

OPERATING REVENUE

2023

Statement 6 Unit: NTD Thousand

Item	Quantity	Amount	Remarks
Remote controllers, industrial computer interface cards, etc	248 (Unit: Thousand)	$ 852,923	
Others		97,117	
		950,040	
Less: Sales returns		(2,014)	
Sales discounts and allowances		(1,895)	
Total		$ 946,131	

ICP DAS CO., LTD.

OPERATING COSTS

2023

Statement 7 Unit: NTD Thousand

Item	Amount
Beginning materials	$ 427,386
Add: Materials purchased during the period	337,604
Work in process transferred to materials	3,447
Others	(6)
Less: Transferred to expenses	(14,219)
Cost of materials sold	(13,438)
Ending materials	(451,936)
Materials consumed during the period	288,838
Direct labor	38,330
Overhead	112,896
Manufacturing costs	440,064
Add: Beginning work in process	157,427
Surplus of semi-finished goods	33
Finished goods transferred to work in process	31,593
Others	4,048
Less: Ending work in process	(134,202)
Work in process transferred to materials	(3,447)
Transferred to expenses	(1,944)
Cost of semi-finished goods sold	(4,668)
Cost of finished goods	488,904
Beginning finished goods	133,089
Less: Finished goods transferred to work in process	(31,593)
Transferred to expenses	(4,951)
Ending finished goods	(177,085)
Cost of sales and services	408,364
Other operating costs	
Cost of materials sold	13,438
Cost of semi-finished goods sold	4,668
Inventory Impairment Loss	37,882
Others	(33)
Operating Costs	$ 464,319

ICP DAS CO., LTD.

OPERATING EXPENSES

2023

Statement 8 Unit: NTD Thousand

Item	Abstract	Amount	Remarks
Selling Expenses			
Wages and salaries		$ 42,351	
Advertisement expenses		10,849	
Export expenses		6,371	
Other Expenses		27,919	
		87,490	
General & Administrative Expenses			
Wages and salaries		34,608	
Depreciation expense		24,362	
Services expenses		5,643	
Others		22,593	
		87,206	
R & D Expense			
Wages and salaries		131,456	
Depreciation expense		10,177	
R & D Expense		10,767	
Other Expenses		51,004	
		203,404	
Expected Credit Loss Benefit			
		(58)	
Total Operating Expenses		$ 378,042	

ICP DAS CO., LTD.

SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION FOR THE CURRENT PERIOD

2023

Statement 9

Unit: NTD Thousand

Classification of Function / Classification of Nature	2023			2022		
	Belonging to Operating Costs	**Belonging to Operating Expenses**	**Total**	**Belong Operating Costs**	**Belong Operating Expenses**	**Total**
Employee Benefits Expenses						
Salaries and wages	80,070	205,176	285,246	76,581	228,421	305,002
Expenses for labor and health insurance	9,915	19,772	29,687	7,764	19,053	26,817
Pension expense payable	3,561	10,519	14,080	3,000	10,200	13,200
Directors' remuneration	-	3,239	3,239	-	4,793	4,793
Other employee benefits expenses	6,121	9,123	15,244	4,373	7,741	12,114
Depreciation Expense	12,996	35,985	48,981	10,315	33,252	43,567
Amortization Expense	552	746	1,298	425	882	1,307

Note:

1. The number of employees for the current year and the previous year was 401 and 374 respectively, among which the number of non-concurrent employees serving as directors was 4 and 4 respectively.
2. For companies whose stocks are listed and traded on a stock exchange or over-the-counter securities exchange, they should disclose the following additional information:
   (1) The average employee benefit expense for the current year is $ 867 ('Total employee benefit expenses for the current year - Total directors' remuneration' / 'Total number of employees for the current year - Number of directors who are not also employees').
   The average employee benefit expense for the previous year was $965 ([Total employee benefit expense for the previous year - Total directors' remuneration] / [Number of employees for the previous year - Number of directors who are not also employees]).
   (2) The average employee compensation cost this year was $719 (Total compensation cost this year / [Number of employees this year - Number of non-employee directors]).
   The average employee salary expense of the previous year was $824 (total salary expense of the previous year / ["number of employees in the previous year - number of directors who are not concurrent employees"]).
   (3) Average employee salary expense adjustment change of -13% (["Average employee salary expense for the current year - Average employee salary expense for the previous year"] / Average employee salary expense for the previous year).
   (4) For this fiscal year, the remuneration for supervisors is $0, and the remuneration for supervisors in the previous fiscal year was $393.
   (5) Please state the company's salary and compensation policy (including directors, supervisors, managers, and employees)
      A. In accordance with the provisions of the Company's Articles of Incorporation, the compensation for directors and supervisors is authorized to the Board of Directors to grant based on their degree of participation and the value of their contributions to the Company, regardless of operating profit or loss, at a level that is in line with industry standards.
      B. For information on remuneration to directors and supervisors as well as employee compensation, please refer to Note 6.(21).
      C. The salary compensation for managers and non-supervisory employees is determined based on different job positions, job grades, and years of service.
         (a) The remuneration of managers shall be approved by the Chairman and submitted to the Remuneration Committee for review.
         (b) The salary and compensation of non-managerial employees shall be proposed by the department head to the administrative vice president and approved by the general manager.