

**NEW ADVANCED ELECTRONICS
TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY FINANCIAL
STATEMENTS AND INDEPENDENT AUDITORS’
REPORT
DECEMBER 31, 2023 AND 2022**

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

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Stockholders of New Advanced Electronics Technologies Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of New Advanced Electronics Technologies Co., Ltd. (the “Company”) as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of material accounting policies.

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

Basis for opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements of the current period. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements of the current period are stated as follows:

Appropriateness of the timing of sales revenue recognition

Description

For accounting policies on recognition of revenue, please refer to Note 4(26). For details of sales revenue, please refer to Note 6(16).

The Company is primarily engaged in exports. Sales are recognised when the control of the products has been transferred to customers based on the sales orders, contracts or other trading terms. The procedures for the timing of revenue recognition involve checking the sales situation and relevant documents, and those procedures were performed manually, and it may have a significant effect on the appropriateness of revenue recognition around the end of the reporting period. Therefore, we consider the appropriateness of the timing of sales revenue recognition timing as a key audit matter.

How our audit addressed the matter

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

- (1) Obtained an understanding of and assessed the design of internal control.
- (2) Performed cut-off tests on export sales revenue for a certain period around the end of the reporting period, verified the supporting documents of sales revenue recognition, and assessed the timing of revenue recognition based on trade terms to ascertain the appropriateness of sales revenue recognition.

Assessment of the balance of investments accounted for using equity method

For accounting policies on investments accounted for using equity method, please refer to Note 4(11). For details of investments accounted for using equity method, please refer to Note 6(6).

As of December 31, 2023, the balance of investments accounted for using equity method of the subsidiary held by the Company amounted to NT\$884,023 thousand. As the balance of the subsidiary's investments accounted for using equity method constituted 58% of the Company's total assets and was material to the parent company only financial statements, we consider the key audit matter of the subsidiary as one of the key areas of focus for this fiscal year's audit. Details are as follows:

Valuation of subsidiary's inventories

Description

The Company's subsidiary is mainly engaged in the manufacturing of speakers and related products. Inventories are stated at the lower of cost and net realisable value. As the amount of inventory is material, and the estimated amount of net realizable value involves management's subjective judgement and a high degree of uncertainty, we consider valuation of subsidiary's inventories a key audit matter.

How our audit addressed the matter

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

1. Compared financial statements to ascertain whether the provision policy on allowance for inventory valuation losses had been consistently applied and assessed the reasonableness of the provision policy.
2. Obtained an understanding of the inventory management processes, reviewed the annual physical count plan, and performed physical inventory observation to assess the effectiveness of judgement and control of obsolete or slow-moving inventory.

3. Obtained the Company's valuation reports of inventory, sampled and tested the estimation basis of the net realisable value with relevant information, including verifying the sales and purchase prices with supporting evidence, and recalculated and evaluated the reasonableness of the inventory valuation.

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

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

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

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

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wu, Chien-Chih

Wang, Chun-Kai

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Assets		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current assets						
1100	Cash and cash equivalents	6(1)	\$ 253,279	17	\$ 289,872	19
1136	Current financial assets at amortised cost	6(3) and 8	76,497	5	15,222	1
1170	Accounts receivable, net	6(4)	208,480	14	102,638	7
1200	Other receivables	6(5)	54,929	4	92,375	6
1210	Other receivables due from related parties	7	5,745	-	55,906	4
1410	Prepayments		2,864	-	6,286	-
1479	Other current assets, others		1,004	-	24	-
11XX	Current Assets		602,798	40	562,323	37
Non-current assets						
1535	Non-current financial assets at amortised cost	6(3) and 8	-	-	5,421	-
1550	Investments accounted for under equity method	6(6) and 7	884,023	58	941,414	61
1600	Property, plant and equipment	6(7)	597	-	826	-
1755	Right-of-use assets	6(8)	2,751	-	6,894	1
1780	Intangible assets		73	-	198	-
1840	Deferred income tax assets	6(23)	29,431	2	16,656	1
1920	Guarantee deposits paid		1,420	-	1,420	-
15XX	Non-current assets		918,295	60	972,829	63
1XXX	Total assets		\$ 1,521,093	100	\$ 1,535,152	100

(Continued)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

Liabilities and Equity		Notes	December 31, 2023		December 31, 2022	
			AMOUNT	%	AMOUNT	%
Current liabilities						
2100	Short-term borrowings	6(9) and 8	\$ 80,000	5	\$ 130,000	8
2120	Current financial liabilities at fair value through profit or loss	6(2)	3,840	-	9,602	1
2180	Accounts payable - related parties	7	96,242	7	48,699	3
2200	Other payables	6(10)	14,236	1	27,840	2
2230	Current income tax liabilities		12,061	1	297	-
2280	Current lease liabilities	7	2,267	-	4,167	-
2320	Long-term liabilities, current portion	6(11) and 7	85,024	6	556,816	36
2399	Other current liabilities, others		117	-	167	-
21XX	Current Liabilities		293,787	20	777,588	50
Non-current liabilities						
2530	Bonds payable	6(11) and 7	377,491	25	-	-
2570	Deferred income tax liabilities	6(23)	21,072	1	22,961	2
2580	Non-current lease liabilities	7	525	-	2,792	-
25XX	Non-current liabilities		399,088	26	25,753	2
2XXX	Total Liabilities		692,875	46	803,341	52
Equity						
	Share capital	6(11)(12)				
3110	Share capital - common stock		353,298	23	323,298	21
	Capital surplus	6(11)(13)(14)				
3200	Capital surplus		320,400	22	207,177	14
	Retained earnings	6(15)				
3310	Legal reserve		50,798	3	51,408	3
3350	Unappropriated retained earnings		98,042	6	117,785	8
	Other equity interest					
3400	Other equity interest		5,680	-	32,143	2
3XXX	Total equity		828,218	54	731,811	48
	Significant events after the balance sheet date	11				
3X2X	Total liabilities and equity		\$ 1,521,093	100	\$ 1,535,152	100

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except for earnings per share)

			Year ended December 31			
	Items	Notes	2023		2022	
			AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(16)	\$ 1,153,193	100	\$ 1,329,533	100
5000	Operating costs	6(21)(22) and 7	(1,056,897)	(92)	(1,167,994)	(88)
5900	Net operating margin		96,296	8	161,539	12
	Operating expenses	6(21)(22)				
6100	Selling expenses		(19,070)	(2)	(14,358)	(1)
6200	General and administrative expenses		(41,325)	(3)	(51,449)	(4)
6300	Research and development expenses		(3,989)	-	(3,205)	-
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	71	-	529	-
6000	Total operating expenses		(64,313)	(5)	(68,483)	(5)
6900	Operating profit		31,983	3	93,056	7
	Non-operating income and expenses					
7100	Interest income	6(17)	10,788	1	2,129	-
7010	Other income	6(18)	11,101	1	21,600	2
7020	Other gains and losses	6(2)(19)	4,944	-	64,775	5
7050	Finance costs	6(20) and 7	(16,836)	(1)	(18,734)	(2)
7070	Share of loss of associates and joint ventures accounted for using equity method	6(6)	(24,312)	(2)	(18,682)	(1)
7000	Total non-operating income and expenses		(14,315)	(1)	51,088	4
7900	Profit before income tax		17,668	2	144,144	11
7950	Income tax expense	6(23)	(5,691)	(1)	(33,125)	(3)
8200	Profit for the year		\$ 11,977	1	\$ 111,019	8
	Other comprehensive income					
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Other comprehensive income, before tax, exchange differences on translation	6(6)	(\$ 33,079)	(3)	\$ 57,688	5
8399	Total income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(23)	6,616	1	(11,537)	(1)
8300	Other comprehensive (loss) income for the year		(\$ 26,463)	(2)	\$ 46,151	4
8500	Total comprehensive (loss) income for the year		(\$ 14,486)	(1)	\$ 157,170	12
	Basic earnings per share	6(24)				
9750	Total basic earnings per share		\$ 0.36		\$ 3.43	
9850	Diluted earnings per share		\$ 0.28		\$ 3.43	

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Share Capital			Retained earnings			Financial statements translation differences of foreign operations	Former owner of business combination under common control	Total equity
		Common stock	Certificate of entitlement to new shares from convertible bond	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings			
<u>2022</u>										
Balance at January 1, 2022		\$ 321,603	\$ 1,695	\$ 231,558	\$ 16,001	\$ 14,209	\$ 238,108	(\$ 14,008)	\$ 24,111	\$ 833,277
Profit for the year		-	-	-	-	-	111,019	-	-	111,019
Other comprehensive income for the year		-	-	-	-	-	-	46,151	-	46,151
Total comprehensive income		-	-	-	-	-	111,019	46,151	-	157,170
Appropriations and distribution of retained earnings of 2021 and 2022:										
Legal reserve		-	-	-	35,407	-	(35,407)	-	-	-
Supcial reserve		-	-	-	-	(14,209)	14,209	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(210,144)	-	-	(210,144)
Conversion of convertible bonds	6(11)(12)	1,695	(1,695)	-	-	-	-	-	-	-
Group reorganization impact	6(6)(13)	-	-	(24,381)	-	-	-	-	(24,111)	(48,492)
Balance at December 31, 2022		\$ 323,298	\$ -	\$ 207,177	\$ 51,408	\$ -	\$ 117,785	\$ 32,143	\$ -	\$ 731,811
<u>2023</u>										
Balance at January 1, 2023		\$ 323,298	\$ -	\$ 207,177	\$ 51,408	\$ -	\$ 117,785	\$ 32,143	\$ -	\$ 731,811
Profit for the year		-	-	-	-	-	11,977	-	-	11,977
Other comprehensive loss for the year		-	-	-	-	-	-	(26,463)	-	(26,463)
Total comprehensive income (loss)		-	-	-	-	-	11,977	(26,463)	-	(14,486)
Appropriations and distribution of retained earnings of 2022:										
Legal reserve		-	-	-	(610)	-	610	-	-	-
Cash dividends	6(15)	-	-	-	-	-	(32,330)	-	-	(32,330)
Cash dividends from capital surplus	6(13)(15)	-	-	(102,990)	-	-	-	-	-	(102,990)
Issuance of shares	6(12)(13)	30,000	-	192,835	-	-	-	-	-	222,835
Employee compensation cost for capital increase by cash	6(13)(14)	-	-	1,644	-	-	-	-	-	1,644
Due to recognition of equity component of convertible bonds issued	6(11)(13)	-	-	21,734	-	-	-	-	-	21,734
Balance at December 31, 2023		\$ 353,298	\$ -	\$ 320,400	\$ 50,798	\$ -	\$ 98,042	\$ 5,680	\$ -	\$ 828,218

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Year ended December 31	
	Notes	2023	2022
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Profit before tax		\$ 17,668	\$ 144,144
Adjustments			
Adjustments to reconcile profit (loss)			
Cost of employees' compensation arising from cash capital increase	6(14)	1,644	-
Net (gain) loss on financial assets or liabilities at fair value through profit or loss	6(2)(19)	(805)	9,658
Gain on expected credit impairments	12(2)	(71)	529
Depreciation expense	6(7)(8)(21)	4,372	4,397
Amortization expense	6(21)	125	52
Interest expense	6(20)	10,407	5,546
Interest income	6(17)	(10,788)	(2,129)
Share of loss of subsidiaries, associates and inoint ventures accounted for using equity method	6(6)	24,312	18,682
Gains on repurchase of convertible bonds	6(19)	(2,159)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable		(105,771)	601,256
Other receivables		37,446	(75,990)
Other receivable due from related parties		(1,432)	4,003
Prepayments		3,422	2,133
Other current assets-others		(980)	361
Changes in operating liabilities			
Accounts payable - related parties		47,543	(42,650)
Other payables		(13,604)	(14,904)
Other current liabilities, others		(50)	(721)
Cash inflow generated from operations		11,279	653,309
Interest paid		(3,032)	(2,044)
Income tax refunded		-	56
Income tax paid		(1,975)	(109,368)
Net cash flows from operating activities		<u>6,272</u>	<u>541,953</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
(Increase) decrease in financial assets at amortised cost-current		(61,275)	58,147
Decrease in financial assets at amortised cost non-currentt		5,421	-
Decrease (increase) in other receivable due from related parties		51,593	(51,593)
Acquisition of investments accounted for using equity method	6(6)	-	(332,836)
Acquisition of proerty, plant and equipment	6(7)	-	(360)
Acquisition of intangible assets		-	(250)
Interest received		10,788	2,129
Net cash flows from (used in) investing activities		<u>6,527</u>	<u>(324,763)</u>
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Increase in short-term borrowings	6(25)	618,684	473,475
Decrease in short-term borrowings	6(25)	(668,684)	(563,209)
Payments of lease liabilities	6(25)	(4,167)	(4,119)
Proceeds from issuing bonds (net of cost of issuance)	6(25)	395,944	-
Repayments of bonds	6(25)	(478,684)	-
Cash capital increased (net of issuance cost)	6(12)	222,835	-
Cash dividends paid	6(15)	(135,320)	(210,144)
Net cash flows used in financing activities		<u>(49,392)</u>	<u>(303,997)</u>
Net decrease in cash and cash equivalents		(36,593)	(86,807)
Cash and cash equivalents at beginning of year		289,872	376,679
Cash and cash equivalents at end of year		<u>\$ 253,279</u>	<u>\$ 289,872</u>

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

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) New Advanced Electronics Technologies Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company is primarily engaged in research and development, manufacture and sales of speakers and related products.

On September 15, 2004, the Company started public offering in Taiwan’s security trading market in accordance with the approval from the Securities and Futures Bureau. On January 28, 2008, the Company became listed on the Taipei Exchange.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE PARENT COMPANY ONLY FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

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

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

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

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

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

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

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

<u>New Standards, Interpretations and Amendments</u>	<u>Effective date by International Accounting Standards Board</u>
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 International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

- A. Except for the financial assets (including derivative instruments) at fair value through profit or loss, the parent company only financial statements have been prepared under the historical cost convention.
- B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the “IFRSs”) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company’s accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

Items included in the financial statements of each of the Company’s entities are measured using the currency of the primary economic environment in which the entity operates (the “functional currency”). The parent company only financial statements are presented in New Taiwan dollars, which is the Company’s functional currency.

A. Foreign currency transactions and balances

- (a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.
- (b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.
- (c) Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.
- (d) All foreign exchange gains and losses are presented in the statement of comprehensive income within ‘other gains and losses’.

B. Translation of foreign operations

- (a) The operating results and financial position of all the Company entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
 - i. Assets and liabilities presented in each balance sheet are translated at the closing exchange rate at the date of that balance sheet;

- ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and
- iii. All resulting exchange differences are recognised in other comprehensive income.

- (b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(4) Classification of current and non-current items

- A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:
 - (a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Assets that are expected to be realised within twelve months from the balance sheet date;
 - (d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.
- B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:
 - (a) Liabilities that are expected to be settled within the normal operating cycle;
 - (b) Assets held mainly for trading purposes;
 - (c) Liabilities that are to be settled within twelve months from the balance sheet date;
 - (d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at amortised cost

- A. Financial assets at amortised cost are those that meet all of the following criteria:
 - (a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

- (b) The assets' contractual cash flows represent solely payments of principal and interest.
- B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.
- C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.
- D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts receivable

- A. Accounts receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or services.
- B. The short-term accounts receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.
- C. The Company's operating pattern of accounts receivable that are expected to be factored is for the purpose of receiving contract cash flow and selling, and the accounts receivable are subsequently measured at fair value, with any changes in fair value recognised in other comprehensive income.

(8) Impairment of financial assets

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

(9) Derecognition of financial assets

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

- A. The contractual rights to receive the cash flows from the financial asset expire.
- B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.
- C. The contractual rights to receive cash flows of the financial asset have been transferred; however, the Company has not retained control of the financial asset.

(10) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method /subsidiaries and associates

- A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Investments in subsidiaries are accounted for using equity method in these non-consolidated financial statements.
- B. Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Company are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.
- D. If the change in the share holding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, as a transaction with the owner. The difference between the adjustment amount of non-controlling interests and the fair value of the amounts paid or received is directly recognized as equity.
- E. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.
- F. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.
- G. When changes in an associate's equity do not arise from profit or loss or other comprehensive income and such changes do not affect the Company's ownership percentage of the associate, the Company recognises change in ownership interests of the associate in 'capital surplus' in proportion to its ownership.
- H. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.
- I. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

J. Pursuant to the “Regulations Governing the Preparation of Financial Reports by Securities Issuers,” profit (loss) of the current period and other comprehensive income in the non-consolidated financial statements shall equal to the amount attributable to owners of the parent in the consolidated financial statements. Owners’ equity in the non-consolidated financial statements shall equal to equity attributable to owners of the parent in the consolidated financial statements prepared.

(12) Property, plant and equipment

- A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.
- B. Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.
- C. Property, plant and equipment are measured at cost model subsequently. Land is not depreciated. Other property, plant and equipment are depreciated using the straight-line method over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.
- D. The assets’ residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year-end. If expectations for the assets’ residual values and useful lives differ from previous estimates or the patterns of consumption of the assets’ future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, ‘Accounting Policies, Changes in Accounting Estimates and Errors’, from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Machinery equipment	6 years
Furniture and fixtures	4 years
Miscellaneous equipment	2~6 years

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

- A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.
- B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

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

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

- (a) The amount of the initial measurement of lease liability;
- (b) Any lease payments made at or before the commencement date; and
- (c) Any initial direct costs incurred by the lessee.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term.

When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 2 years.

(15) Impairment of non-financial assets

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

(16) Borrowings

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

(17) Accounts payable

- A. Accounts payable are liabilities for purchases of raw materials, goods or services.
- B. The short-term accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(18) Financial liabilities at fair value through profit or loss

- A. Financial liabilities are classified in this category of held for trading if acquired principally for the purpose of repurchasing in the short-term. Derivatives are also categorised as financial liabilities held for trading unless they are designated as hedges.
- B. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

(19) Convertible bonds payable

Convertible bonds issued by the Group contain conversion options (that is, the bondholders have the right to convert the bonds into the Company's common shares by exchanging a fixed amount of cash for a fixed number of common shares), call options and put options. The Company classifies the bonds payable upon issuance as a financial asset, a financial liability or an equity instrument in accordance with the contract terms. They are accounted for as follows:

- A. The embedded call options and put options are recognised initially at net fair value as 'financial assets or financial liabilities at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets or financial liabilities at fair value through profit or loss'.
- B. The host contracts of bonds are initially recognised at fair value. Any difference between the initial recognition and the redemption value is accounted for as the premium or discount on bonds payable and subsequently is amortised in profit or loss as an adjustment to 'finance costs' over the period of circulation using the effective interest method.
- C. The embedded conversion options which meet the definition of an equity instrument are initially recognised in 'capital surplus—share options' at the residual amount of total issue price less the amount of financial assets or financial liabilities at fair value through profit or loss and bonds payable as stated above. Conversion options are not subsequently remeasured.
- D. Any transaction costs directly attributable to the issuance are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.
- E. When bondholders exercise conversion options, the liability component of the bonds (including 'bonds payable' and 'financial assets or financial liabilities at fair value through profit or loss') shall be remeasured on the conversion date. The issuance cost of converted common shares is the total book value of the abovementioned liability component and 'capital surplus—share options'.

(20) Derecognition of financial liabilities

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

(21) Employee benefits

A. Short-term employee benefits

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

B. Pensions

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

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognised as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

For the cash-settled share-based payment arrangements, the employee services received and the liability incurred are measured at fair value of the liability to pay for those services, and are recognised as compensation cost and liability over the vesting period. The fair value of the liability shall be remeasured at each balance sheet date until settled at the settlement date, with any changes in fair value recognised in profit or loss.

(23) Income taxes

- A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.
- B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.
- C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in associates, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.
- D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

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

(24) Share capital

Ordinary shares are classified as equity.

(25) Dividends

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

(26) Revenue recognition

The Company manufactures and sells speakers, portable power supplies and chargers. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the use to sell the products, and the Company has no unfulfilled obligation. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

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

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. The Company has no significant risk that such assumptions and estimates cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand	\$ 20	\$ 20
Demand deposits	84,381	90,237
Time deposits	<u>168,878</u>	<u>199,615</u>
	<u>\$ 253,279</u>	<u>\$ 289,872</u>

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

B. The Company has no cash pledged to others.

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

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Financial liabilities held for trading		
Options embedded in convertible bonds	<u>\$ 3,840</u>	<u>\$ 9,602</u>

For the years ended December 31, 2023 and 2022, the net gain (loss) recognised for trading derivative instruments amounted to \$805 and (\$9,658), respectively.

(3) Financial assets at amortised cost

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Restricted bank deposits(Note)	\$ 70,110	\$ 1,403
Pledged time deposits	<u>6,387</u>	<u>13,819</u>
	<u>\$ 76,497</u>	<u>\$ 15,222</u>
Non-current items:		
Restricted bank deposits	<u>\$ -</u>	<u>\$ 5,421</u>

Note : On December 31, 2023, the amount of \$68,700 in the restricted bank deposits was the capital increase for the year ended December 31, 2023 reserved for the repayment of the third domestic secured convertible bonds issued by the Company.

A. Interest income from time deposits is provided in Note 6(17).

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was \$76,497 and \$20,643, respectively.

- C. Details of the Company's financial assets at amortised cost pledged to others as collateral are provided in Note 8.
- D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Company's investments in certificates of deposit are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	\$ 208,689	\$ 102,918
Less: Allowance for uncollectible accounts	(209)	(280)
	<u>\$ 208,480</u>	<u>\$ 102,638</u>

- A. The ageing analysis of accounts receivable that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	\$ 208,685	\$ 83,264
Up to 30 days	-	19,654
31 to 90 days	4	-
	<u>\$ 208,689</u>	<u>\$ 102,918</u>

The above ageing analysis was based on past due dates.

- B. As of December 31, 2023 and 2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to \$704,174.
- C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the accounts receivable held by the Company was \$208,480 and \$102,638, respectively.
- D. For the years ended December 31, 2023 and 2022, the Company's accounts receivable that are expected to be factored were classified as financial assets at fair value through other comprehensive income amounting to \$0 and \$33,530, respectively.
- E. Please refer to Note 6(5) for information on transfer of financial assets.
- F. The Company did not hold collateral as security for accounts receivable.
- G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Transfer of financial assets

On August 17, 2023 and July 28, 2022, respectively, the Company entered into a factoring agreement with CTBC Bank to sell its accounts receivable. Under the agreement, the Company is not obligated to bear the default risk of the transferred accounts receivable, but is liable for the losses incurred on any business dispute. The Company does not have any continuing involvement in the transferred accounts receivable. Thus, the Company derecognised the transferred accounts receivable, and the related information is as follows:

December 31, 2023

(Expressed in thousands)					
Purchaser of accounts	Accounts receivable	Amount derecognised	Amount advanced	Amount available for	Interest rate of amount advanced
CTBC Bank	US\$1,755	US\$1,755	-	US\$1,580	-

December 31, 2022

(Expressed in thousands)					
Purchaser of accounts	Accounts receivable	Amount derecognised	Amount advanced	Amount available for	Interest rate of amount advanced
CTBC Bank	US\$2,847	US\$2,847	-	US\$2,562	-

The abovementioned accounts receivable that are expected to be factored were transferred from accounts receivables to other receivables. As of December 31, 2023 and 2022, the balance amount were \$53,901 and \$87,421, respectively.

(6) Investments accounted for using equity method

	2023	2022
At January 1	\$ 941,414	\$ 618,064
Group reorganization impact	-	(24,111)
Addition of investments accounted for using equity method	-	332,836
Share of profit or loss of investments accounted for using equity method	(24,312)	(18,682)
Exchange differences on translation of foreign financial statements	(33,079)	57,688
Changes in capital surplus	-	(24,381)
At December 31	<u>\$ 884,023</u>	<u>\$ 941,414</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Subsidiaries:		
New Advanced Electronics Technologies (Vietnam) Company Limited	\$ 552,547	\$ 631,982
New Advanced Electronics Technologies (Hong Kong) Company Limited	16,281	39,137
Jensen Electronics Company Limited	14,762	7,649
Advanced Sound Technologies, Inc.	<u>300,433</u>	<u>262,646</u>
	<u>\$ 884,023</u>	<u>\$ 941,414</u>

- A. Details of the subsidiaries are provided in Note 4(3) in the Company's consolidated financial statements for the year ended December 31, 2023.
- B. In January 2022, the Company acquired 80% equity interest in Advanced Sound Technologies, Inc. at a total cash consideration of \$244,182, which was included in the Company's consolidated subsidiaries. The entity was previously wholly owned by the Company's ultimate controlling party. Thus, the transaction pertains to a reorganisation of entities under common control. The Company has retrospectively restated the prior period parent company only financial statements as if the entity had always been consolidated since the beginning.
- C. In December 2022, the Company increased the capital of New Advanced Electronics Technologies (Vietnam) Co., Ltd. for a cash consideration of \$88,654.

(7) Property, plant and equipment

	2023			
<u>Cost</u>	Machinery and equipment	Furniture and fixtures	Miscellaneous equipment	Total
Balance at January 1	\$ 723	\$ 114	\$ 638	\$ 1,475
Additions	-	-	-	-
Balance at December 31	723	114	638	1,475
<u>Accumulated depreciation and impairment</u>				
Balance at January 1	(281)	(114)	(254)	(649)
Depreciation expense	(121)	-	(108)	(229)
Balance at December 31	(402)	(114)	(362)	(878)
Carrying amount at December 31	<u>\$ 321</u>	<u>\$ -</u>	<u>\$ 276</u>	<u>\$ 597</u>
	2022			
<u>Cost</u>	Machinery and equipment	Furniture and fixtures	Miscellaneous equipment	Total
Balance at January 1	\$ 723	\$ 114	\$ 278	\$ 1,115
Additions	-	-	360	360
Balance at December 31	723	114	638	1,475
<u>Accumulated depreciation and impairment</u>				
Balance at January 1	(161)	(114)	(121)	(396)
Depreciation expense	(120)	-	(133)	(253)
Balance at December 31	(281)	(114)	(254)	(649)
Carrying amount at December 31	<u>\$ 442</u>	<u>\$ -</u>	<u>\$ 384</u>	<u>\$ 826</u>

The Company did not have property, plant and equipment pledged as collaterals and capitalized borrowing costs as a part of property, plant and equipment for the years ended December 31, 2023 and 2022.

(8) Leasing arrangements — lessee

- A. The Company leases various assets including buildings and transportation equipment. Rental contracts are typically made for periods of 3~5 years. The lease agreements do not impose

covenants, but leased assets may not be used as security for borrowing purposes.

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

	Year ended		Year ended	
	December 31, 2023	December 31, 2023	December 31, 2022	December 31, 2022
	Carrying amount	Depreciation charge	Carrying amount	Depreciation charge
Buildings	\$ 2,265	\$ 3,413	\$ 5,678	\$ 3,415
Transportation equipment	486	730	1,216	729
	<u>\$ 2,751</u>	<u>\$ 4,143</u>	<u>\$ 6,894</u>	<u>\$ 4,144</u>

C. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
<u>Items affecting profit or loss</u>		
Interest expense on lease liabilities	<u>\$ 53</u>	<u>\$ 101</u>

D. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases amounted to \$4,220.

(9) Short-term borrowings

	December 31, 2023	December 31, 2022
<u>Type of borrowings</u>		
Bank unsecured borrowings	<u>\$ 80,000</u>	<u>\$ 130,000</u>
Interest rate range	<u>1.93%~1.95%</u>	<u>1.55%~1.80%</u>

Interest expense recognised in profit or loss amounted to \$2,979 and \$1,943 for the years ended December 31, 2023 and 2022, respectively.

(10) Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	\$ 4,427	\$ 9,609
Employees' compensation and directors' remuneration payable	6,690	10,190
Payables for service fees	700	1,630
Other accrued expenses	493	4,000
Others	<u>1,926</u>	<u>2,411</u>
	<u>\$ 14,236</u>	<u>\$ 27,840</u>

(11) Bonds payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Current items:		
Bonds payable	\$ 85,200	\$ 561,500
Less: Discount on bonds payable	(176)	(4,684)
	<u>\$ 85,024</u>	<u>\$ 556,816</u>
Non-current items:		
Bonds payable	\$ 400,000	\$ -
Less: Discount on bonds payable	(22,509)	-
	<u>\$ 377,491</u>	<u>\$ -</u>

A. The terms of the third domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$600,000, 0% third domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (April 21, 2021 ~ April 21, 2024) and will be redeemed in cash at face value at the maturity date. The bonds were listed on the Taipei Exchange on April 21, 2021.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three month of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares. As of December 31, 2023, convertible bonds amounting to \$38,500 in total par value were requested for conversion into 170 thousand ordinary shares.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price is \$232.4 (in dollars) per share upon issuance. However, after the issuance of this convertible bond, except for the issuance (or private placement) of various securities with common stock conversion rights or stock options for the conversion of common shares or issuing new shares for employee bonus, if there is an increase in the common shares issued (or private placement) by the Company, the conversion price of the bonds shall be calculated on the base date in accordance with the provisions of the issuance regulations and subsequently adjusted based on the formula defined in the regulations, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2023, the conversion price was adjusted to \$201.8 (in dollars) per share.
- (d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 0.5006% (return rate of 0.25%) of the face value as interests upon two years from the issue date. As of December 31, 2023, the face value of the convertible bonds amounting to \$476,300 was required to be repurchased.

- (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be sold and re-issued; all rights and obligations attached to the bonds are also extinguished.
- (g) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$10,111 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. As of December 31, 2023, the abovementioned 'capital surplus—share options' after exercising the conversion rights and reversed amounted to \$1,318. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective annual interest rate of the bonds after separation is 1.91%.

B. The terms of the fourth domestic secured convertible bonds issued by the Company are as follows:

- (a) The Company issued \$400,000, 0% fourth domestic secured convertible bonds, as approved by the regulatory authority. The bonds mature three years from the issue date (May 11, 2023 ~ May 11, 2026) and will be redeemed in cash at face value within 10 trading days after the maturity date. The bonds were listed on the Taipei Exchange on May 11, 2023.
- (b) The bondholders have the right to ask for conversion of the bonds into common shares of the Company during the period from the date after three months of the bonds issue before the maturity date, except for the stop transfer period as specified in the terms of the bonds or the laws/regulations. The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.
- (c) The conversion price of the bonds is set up based on the pricing model specified in the terms of the bonds, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. The conversion price is \$98 (in dollars) per share upon issuance. However, after the issuance of this convertible bond, except for the issuance (or private placement) of various securities with common stock conversion rights or stock options for the conversion of common shares or issuing new shares for employee bonus, if there is an increase in the common shares issued (or private placement) by the Company, the conversion price of the bonds shall be calculated on the base date in accordance with the provisions of the issuance

regulations and subsequently adjusted based on the formula defined in the regulations, and is subject to adjustments if the condition of the anti-dilution provisions occurs subsequently. As of December 31, 2023, the conversion price was adjusted to \$91.8 (in dollars) per share.

- (d) The bondholders have the right to require the Company to redeem any bonds at the price of the bonds' face value plus 1.0025% (yield to call of 0.5%) of the face value as interests upon two years from the issue date.
- (e) The Company may repurchase all the bonds outstanding in cash at the bonds' face value within 30 trading days after the following events occur: (i) the closing price of the Company common shares is above the then conversion price by 30% for 30 consecutive trading days during the period from the date after three months of the bonds issue to 40 days before the maturity date, or (ii) the outstanding balance of the bonds is less than 10% of total initial issue amount during the period from the date after three months of the bonds issue to 40 days before the maturity date.
- (f) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from securities trading markets), matured and converted are retired and not to be sold and re-issued; all rights and obligations attached to the bonds are also extinguished.
- (g) Regarding the issuance of convertible bonds, the equity conversion options amounting to \$21,734 were separated from the liability component and were recognised in 'capital surplus—share options' in accordance with IAS 32. The call options and put options embedded in bonds payable were separated from their host contracts and were recognised in 'financial assets or liabilities at fair value through profit or loss' in net amount in accordance with IFRS 9 because the economic characteristics and risks of the embedded derivatives were not closely related to those of the host contracts. The effective interest rates of the bonds payable after such separation was 2.48%.

C. Please refer to Note 7 for the details of collateral for the bonds payable.

(12) Share capital

- A. As of December 31, 2023, the Company's authorised capital was \$600,000, consisting of 60 million shares of ordinary stock (including 2 million shares reserved for employee stock options), and the paid-in capital was \$353,298 with a par value of \$10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023	2022
At January 1	32,330	32,160
Cash capital increase	3,000	-
Convertible bonds converted to stock	-	170
At December 31	35,330	32,330

- B. The right and obligation of the Company's privately placed ordinary shares are the same as other issued ordinary shares, except for the restrictions on transfers and procedures that the Company shall submit an application for public offering where three full years have elapsed since the delivery date and for trading on the over-the-counter markets. As of December 31, 2023, the Company's privately placed ordinary shares that have not been submitted an application for public offering amounted to 11,000 thousand shares, which were issued in 2020, and the issuance amount was \$276,270.
- C. The convertible bonds requested for conversion into common stocks amounted to \$1,695 and the change in registration was completed on March 21, 2022.
- D. On March 23, 2023, the Board of Directors resolved to increase capital by issuing 3,000 thousand new shares at the issuance price of \$74.5 and the total amount of capital increase was \$223,500. The capital increase was approved by the Financial Supervisory Commission, and the record date for the capital increase was set on August 4, 2023, and the registration of the capital increase was completed. The additional paid-in capital arising from the capital increase amounted to \$193,500, and after deducting the necessary costs of issuing new shares, the net premium amounted to \$192,835.

(13) Capital surplus

- A. The transaction wherein the Company acquired the shares in Advanced Sound Technology Inc. from the ultimate controlling party was treated as a reorganisation of entities under common control in accordance with the IFRS Q&A issued by the ARDF on October 26, 2018, the ARDF Interpretation 95-081 and the ARDF Interpretation 100-390. Refer to Note 6(6) B., the excess of consideration paid over the net equity obtained by the Company shall be adjusted in 'capital surplus - additional paid-in capital', which if insufficient, shall decrease the retained earnings.
- B. Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. However, capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

2023					
	Additional paid -in capital	Difference between consideration and carrying amount of subsidiaries	Share options	Other	Total
At January 1	\$ 189,999	\$ 7,401	\$ 9,463	\$ 314	\$ 207,177
Cash capital increase	192,835	-	-	-	192,835
Cost of employees' compensation arising from cash capital increase	-	-	1,644	-	1,644
Cash distributed from capital surplus	(102,990)	-	-	-	(102,990)
Repurchase of convertible bonds	-	-	(8,145)	8,145	-
Due to recognition of equity component of convertible bonds issued	-	-	21,734	-	21,734
At December 31	<u>\$ 279,844</u>	<u>\$ 7,401</u>	<u>\$ 24,696</u>	<u>\$ 8,459</u>	<u>\$ 320,400</u>
2022					
	Additional paid -in capital	Difference between consideration and carrying amount of subsidiaries	Share options		Total
At January 1	\$ 214,694	\$ 7,401	\$ 9,463		\$ 231,558
Group reorganization impact	(24,381)	-	-		(24,381)
At December 31	<u>\$ 190,313</u>	<u>\$ 7,401</u>	<u>\$ 9,463</u>		<u>\$ 207,177</u>

C. About cash dividend from capital surplus is provided in Note 6(15)C.

(14) Share-based payment

A. For the year ended December 31, 2023, the Group's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Cash capital increase reserved for employee preemption	2023.07.10	153 In thousand shares	Vested immediately

The abovementioned share-based payment arrangements are equity-settled. For the year ended December 31, 2023, the Company recognised compensation cost (shown as contract account of "capital surplus") amounting to \$1,644.

B. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model or other. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit
Cash capital increase reserved for employee preemption	2023.07.10	\$87.20	\$74.50	27.82%	0.05 years	-	0.70%	\$ 10.74

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected

life, and the standard deviation of return on the stock during this period.

(15) Retained earnings

- A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses (including adjusting unappropriated earnings), then 10% of the remaining amount shall be set aside as legal reserve. After setting aside or reversing a special reserve in accordance with related laws, the appropriation of the remaining earnings, shall be proposed by the Board of Directors and resolved by the shareholders as dividends to shareholders. As the Company operates in a volatile business environment and is in the growth stage, the residual dividend policy is adopted taking into consideration the Company's future capital requirement and longterm financial plans. The Company's distributable earnings as of the end of the period, if any, shall be appropriated as dividends, and cash dividends shall account for at least 10% of the total dividends distributed.
- B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.
- C. On March 4, 2022, the Board of Directors resolved to distribute cash dividends of \$145,484 (NT\$4.5 per share) from the earnings for the fourth quarter of 2021. On August 11, 2022, the Board of Directors resolved to distribute cash dividends of \$64,660 (NT\$2 per share) from the earnings for the second quarter of 2022. On March 23, 2023, the Board of Directors resolved to distribute a cash dividend of \$32,330 (NT\$1 per share) from the fourth quarter earnings of 2022 and a cash dividend from capital surplus of \$32,330 (NT\$1 per share). On August 8, 2023, the Board of Directors resolved to distribute cash dividends of \$70,660 (NT\$2 per share) from the earnings for the second quarter of 2023. On March 14, 2024, the Board of Directors resolved to distribute a cash dividend of \$10,599 (NT\$0.3 per share) from the fourth quarter earnings of 2023 and a cash dividend from capital surplus of \$24,731 (NT\$0.7 per share).

(16) Operating revenue

The Company recognises revenue at a point in time in the following major product lines and geographical regions:

	Years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sales revenue-speakers	\$ 1,153,193	\$ 1,329,533

		Years ended December 31,	
		2023	2022
<u>Main business market</u>			
America	\$	985,538	\$ 1,035,470
Japan		167,655	294,063
	\$	<u>1,153,193</u>	<u>\$ 1,329,533</u>

(17) Interest income

		Years ended December 31,	
		2023	2022
Interest income from bank deposits	\$	10,672	\$ 1,216
Other interest income		116	913
	\$	<u>10,788</u>	<u>\$ 2,129</u>

(18) Other income

		Years ended December 31,	
		2023	2022
Revenue from samples and models	\$	3,479	\$ 19,405
Others		7,622	2,195
	\$	<u>11,101</u>	<u>\$ 21,600</u>

(19) Other gains and losses

		Years ended December 31,	
		2023	2022
Net currency exchange gains	\$	1,980	\$ 74,433
Net losses on financial assets (liabilities) at fair value through profit or gains (losses)		805	(9,658)
Gains on repurchase of convertible bonds		2,159	-
	\$	<u>4,944</u>	<u>\$ 64,775</u>

(20) Finance costs

	Years ended December 31,	
	2023	2022
Interest expenses		
Bank borrowings	\$ 2,979	\$ 1,943
Convertible bonds	7,375	3,502
Lease liabilities	53	101
Accounts receivable factored expenses	4,018	7,562
Other finance charges	2,411	5,626
	<u>\$ 16,836</u>	<u>\$ 18,734</u>

(21) Expenses by nature

	Years ended December 31,	
	2023	2022
Employee benefit expense	\$ 27,036	\$ 33,216
Depreciation expense on property, plant and equipment	229	253
Amortisation charges on right-of-use assets	4,143	4,144
Amortisation charges on intangible assets	125	52
	<u>\$ 31,533</u>	<u>\$ 37,665</u>

(22) Employee benefit expense

	Years ended December 31,	
	2023	2022
Pension costs	\$ 890	\$ 898
Short-term employee benefits	23,246	29,267
Other employee benefits	2,900	3,051
	<u>\$ 27,036</u>	<u>\$ 33,216</u>

A. In accordance with the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 5% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at \$300 and \$4,000, respectively; while directors' remuneration was accrued at \$200 and \$4,000, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' compensation and directors' remuneration were estimated and accrued based on

the profit of current year distributable for the year ended December 31, 2023 and a certain percentage. The employees' compensation and directors' remuneration resolved by the Board of Directors amounted to \$300 and \$200, respectively, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2022 as resolved at the Board of Directors' meeting were in agreement with those amounts recognised in the profit or loss of 2022.

Information about employees' compensation and directors' remuneration of the Company as resolved at the meeting of Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

- C. The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. The Company contributes monthly an amount of 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. For the years ended December 31, 2023 and 2022, the Company recognised pension costs in line with the pension act amounting to \$890 and \$898, respectively.

(23) Income tax

A. Components of income tax expense:

	Years ended December 31,	
	2023	2022
Current tax:		
Current tax on profits for the year	\$ 12,191	\$ 33,364
Tax on undistributed surplus earnings	847	3,456
Prior year income tax underestimation	701	165
Total current tax	<u>13,739</u>	<u>36,985</u>
Deferred tax:		
Origination and reversal of temporary differences	(8,048)	(3,860)
Income tax expense	<u>\$ 5,691</u>	<u>\$ 33,125</u>

B. The income tax (charge) / credit relating to components of other comprehensive income is as follows:

	Years ended December 31,	
	2023	2022
Currency translation differences	<u>(\$ 6,616)</u>	<u>\$ 11,537</u>

C. Reconciliation between income tax expense and accounting profit

	Years ended December 31,	
	2023	2022
Income tax calculated by applying statutory rate to the profit before tax	\$ 3,534	\$ 28,828
Expenses disallowed by tax regulation	609	676
Tax on undistributed earnings	847	3,456
Prior year income tax underestimation	701	165
Income tax expense	<u>\$ 5,691</u>	<u>\$ 33,125</u>

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

	2023			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Temporary differences				
– Deferred tax assets:				
Loss on long-term foreign equity investments accounted for using equity method	\$ 14,524	\$ 10,506	\$ -	\$ 25,030
Unrealized exchange loss	-	2,430	-	2,430
Others	2,132	(161)	-	1,971
	<u>\$ 16,656</u>	<u>\$ 12,775</u>	<u>\$ -</u>	<u>\$ 29,431</u>
– Deferred tax liabilities:				
Gain on long-term foreign equity investments accounted	(14,068)	(5,644)	-	(19,712)
Unrealized exchange gain	(917)	917	-	-
Currency translation differences	(7,976)	-	6,616	(1,360)
	<u>(22,961)</u>	<u>(4,727)</u>	<u>6,616</u>	<u>(21,072)</u>
	<u>(\$ 6,305)</u>	<u>\$ 8,048</u>	<u>\$ 6,616</u>	<u>\$ 8,359</u>
	2022			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Temporary differences				
– Deferred tax assets:				
Currency translation differences	\$ 3,561	\$ -	(\$ 3,561)	\$ -
Loss on long-term foreign equity investments accounted for using equity method	5,083	9,441	-	14,524
Unrealized exchange loss	929	(929)	-	-
Others	162	1,970	-	2,132
	<u>\$ 9,735</u>	<u>\$ 10,482</u>	<u>(\$ 3,561)</u>	<u>\$ 16,656</u>
– Deferred tax liabilities:				
Gain on long-term foreign equity investments accounted	(8,363)	(5,705)	-	(14,068)
Unrealized exchange gain	-	(917)	-	(917)
Currency translation differences	-	-	(7,976)	(7,976)
	<u>(\$ 8,363)</u>	<u>(\$ 6,622)</u>	<u>(\$ 7,976)</u>	<u>(\$ 22,961)</u>
	<u>\$ 1,372</u>	<u>\$ 3,860</u>	<u>(\$ 11,537)</u>	<u>(\$ 6,305)</u>

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(24) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 11,977	33,559	\$ 0.36
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 11,977	33,559	
Convertible corporate bonds	(2,168)	1,092	
Employees' compensation	-	4	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 9,809	34,655	\$ 0.28
	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
<u>Basic earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 111,019	32,330	\$ 3.43
<u>Diluted earnings per share</u>			
Earnings attributable to ordinary shareholders of the Company	\$ 111,019	32,330	
Convertible bonds	-	-	
Employees' compensation	-	59	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	\$ 111,019	32,389	\$ 3.43

For the year ended December 31, 2022, the convertible bonds had anti-dilutive effect and thus were not included in the calculation of diluted earnings per share.

(25) Changes in liabilities from financing activities

	Short-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2023	\$ 130,000	\$ 6,959	\$ 556,816	\$ 693,775
Changes in cash flow from financing activities	(50,000)	(4,167)	(82,740)	(136,907)
Changes in other non-cash items	-	-	(11,561)	(11,561)
At December 31, 2023	\$ 80,000	\$ 2,792	\$ 462,515	\$ 545,307

	Short-term borrowings	Lease liabilities	Corporate bonds payable	Liabilities from financing activities-gross
At January 1, 2022	\$ 219,734	\$ 11,078	\$ 553,314	\$ 784,126
Changes in cash flow from financing activities	(89,734)	(4,119)	-	(93,853)
Changes in other non-cash items	-	-	3,502	3,502
At December 31, 2022	<u>\$ 130,000</u>	<u>\$ 6,959</u>	<u>\$ 556,816</u>	<u>\$ 693,775</u>

7. RELATED PARTY TRANSACTIONS

(1) Parent and ultimate controlling party

The Company is controlled by the Chairman, Hsing, Chia-chen, who owns 54.67% of the Company's shares. The remaining 45.33% of the shares are widely held.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Group
Taihong Asset Management Co., Ltd. (Taihong Asset)	Other related party -substantial relationship (Note)
Frontier Technologies Holdings Limited (Frontier)	Other related party -substantial relationship (Note)
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.	Subsidiary
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Subsidiary
Jensen Electronics Co., Ltd. (Jensen)	Subsidiary
OXTOP (DONG GUAN) Electronics Co., Ltd.	Subsidiary
Hsing, Chia-chen	Company's chairman

Note: The person in charge is the same person as the chairman of the company.

(3) Significant related party transactions

A. Purchases:

	Years ended December 31,	
	2023	2022
Purchases of goods:		
OXTOP (DONG GUAN) Electronics Co., Ltd.	\$ 912,605	\$ 1,157,380
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	144,279	10,614
	<u>\$ 1,056,884</u>	<u>\$ 1,167,994</u>

Goods are purchased from related parties based on the transaction prices and payment terms agreed upon by both parties as there are no similar counterparties or transactions available.

B. Payables to related parties

	Years ended December 31,	
	2023	2022
Accounts payable:		
OXTOP (DONG GUAN) Electronics Co., Ltd.	\$ 90,236	\$ 45,069
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	6,006	3,630
	<u>\$ 96,242</u>	<u>\$ 48,699</u>

The payables to related parties arise mainly from purchase transactions and are due 30 days end of month. The payables bear no interest.

C. In January 2022, the Company acquired 80% equity interest in Advanced Sound Technologies, Inc. at a total cash consideration of \$244,182.

D. The Company increased the capital of New Advanced Electronics Technologies (Vietnam) Company Limited in the amount of \$88,654 from Dec 2022.

E. Lease transactions — lessee

(a) The Company leases buildings from Taihong Asset Rental contracts covering the period from, May, 2021 to April, 2024 and July, 2021 to June 2024. Rents are paid at the end of month.

(b) The Company leases buildings from Hsing, Chia-chen. Rental contracts covering the period from December, 2020 to November, 2025. Rents are paid at the end of month.

(c) Lease liabilities

(i) Outstanding balance:

	December 31,	
	2023	2022
Hsing, Chia-chen	\$ 1,073	\$ 1,653
Taihong Asset	1,190	4,082
	<u>\$ 2,263</u>	<u>\$ 5,735</u>

(ii) Interest expense

	Years ended December 31,	
	2023	2022
Hsing, Chia-chen	\$ 16	\$ 22
Taihong Asset	30	63
	<u>\$ 46</u>	<u>\$ 85</u>

F. Other receivables

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
New Advanced Electronics Technologies		
(Hong Kong) Co., Ltd.	\$ 5,175	\$ 4,313
OXTOP (DONG GUAN) Electronics Co., Ltd.	570	-
	<u>\$ 5,745</u>	<u>\$ 4,313</u>

Other receivables mainly are salary that were paid on behalf of others.

G. Loans to related parties (shown as “Other receivables due from related parties”)

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
OXTOP (DONG GUAN) Electronics Co., Ltd.	<u>\$ -</u>	<u>\$ 51,593</u>

The borrowing bears no interest.

H. Provision of endorsements and guarantees

(1) Endorsed/guaranteed for related parties by the Company

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
New Advanced Electronics Technologies		
(Vietnam) Co., Ltd.	\$ 61,410	\$ 61,420
OXTOP (DONG GUAN) Electronics Co., Ltd.	122,820	122,840
New Advanced Electronics Technologies		
(Hong Kong) Co., Ltd.	-	30,710
	<u>\$ 184,230</u>	<u>\$ 214,970</u>

(2) Endorsed/guaranteed by related parties

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Frontier	<u>\$ -</u>	<u>\$ 300,000</u>

Frontier provided guarantees for the Company's bonds payable.

(4) Key management remuneration

	<u>Years ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
Short-term employee benefits	<u>\$ 7,660</u>	<u>\$ 10,178</u>

8. PLEDGED ASSETS

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

Pledged asset	Book value		Purpose
	December 31, 2023	December 31, 2022	
Non-current financial assets at amortised cost	\$ 7,797	\$ 15,222	Performance guarantee and short-term borrowings
Non-current financial assets at amortised cost	-	5,421	Seizure by court
	<u>\$ 7,797</u>	<u>\$ 20,643</u>	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

None.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On March 14, 2024, the Board of Directors resolved to distribute a cash dividend of \$10,599 (NT\$0.3 per share) from the fourth quarter earnings of 2023 and a cash dividend from capital surplus of \$24,731 (NT\$0.7 per share), please refer to Note 6 (15) for details.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. 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 the debts.

The Company's strategy was to maintain a stable gearing ratio to monitor capital, and the gearing ratios were as follows:

	December 31, 2023	December 31, 2022
Total liabilities	<u>\$ 692,875</u>	<u>\$ 803,341</u>
Total assets	<u>\$ 1,521,093</u>	<u>\$ 1,535,152</u>
Gearing ratio	<u>46%</u>	<u>52%</u>

(2) Financial instruments

A. Financial instruments by category

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets</u>		
Financial assets at fair value through profit or loss		
Financial assets at amortised cost		
Cash and cash equivalents	\$ 253,279	\$ 289,872
Financial assets at amortised cost	76,497	20,643
Accounts receivable	208,480	102,638
Other receivables	60,674	148,281
Guarantee deposits paid	<u>1,420</u>	<u>1,420</u>
	<u>\$ 600,350</u>	<u>\$ 562,854</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial liabilities</u>		
Financial liabilities at fair value through profit or loss		
Financial liabilities held for trading	\$ 3,840	\$ 9,602
Financial liabilities at amortised cost		
Short-term borrowings	80,000	130,000
Accounts payable (including related parties)	96,242	48,699
Other payables	14,236	27,840
Corporate bonds payable	<u>462,515</u>	<u>556,816</u>
	<u>\$ 656,833</u>	<u>\$ 772,957</u>
Lease liability	<u>\$ 2,792</u>	<u>\$ 6,959</u>

B. Risk management policies

The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Company's financial position and financial performance.

To monitor and manage those risks, the Board of Directors make the related regulations to authorise management operating those activities under an acceptable risk, and ask the internal auditors who are directly under the Board of Directors to examine management's assessment regularly. If there is any abnormal situation, the internal auditors shall report to the Board of Directors immediately, and adopt appropriate corrective measures.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Exchange rate risk

- i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and VND. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.
- ii. Management has set up a policy to require group companies to manage their foreign exchange risk against their functional currency. The companies are required to hedge their entire foreign exchange risk exposure with the Group treasury.
- iii. The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023		
	Foreign currency		Book value
(Foreign currency: functional currency)	amount (In thousands)	Exchange rate	(NTD)
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 1,680	30.71	\$ 516,162
<u>Non-monetary items</u>			
USD:NTD	10,315	30.71	316,714
RMB:NTD	3,412	4.33	14,762
VND:NTD	435,076,552	0.0013	552,547
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	3,140	30.71	96,400

	December 31, 2022		
	Foreign currency		Book value
(Foreign currency: functional currency)	amount	Exchange rate	(NTD)
	(In thousands)		
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	\$ 16,782	30.71	\$ 515,375
<u>Non-monetary items</u>			
USD:NTD	9,827	30.71	301,783
RMB:NTD	1,735	4.41	7,649
VND:NTD	475,174,145	0.0013	631,982
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1,584	30.71	48,645

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to \$1,980 and \$74,433, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	December 31, 2023		
	Degree of	Effect on	Effect on other
(Foreign currency: functional currency)	variation	profit or loss	comprehensive
			income
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,162	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	3,167
RMB:NTD	1%	-	148
VND:NTD	1%	-	5,525
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	964	-

	December 31, 2022		
<u>(Foreign currency: functional currency)</u>	<u>Degree of variation</u>	<u>Effect on profit or loss</u>	<u>Effect on other comprehensive income</u>
<u>Financial assets</u>			
<u>Monetary items</u>			
USD:NTD	1%	5,154	\$ -
<u>Non-monetary items</u>			
USD:NTD	1%	-	3,018
RMB:NTD	1%	-	76
VND:NTD	1%	-	6,320
<u>Financial liabilities</u>			
<u>Monetary items</u>			
USD:NTD	1%	486	-

Price risk

The Company has no significant interest rate risk.

Cash flow and fair value interest rate risk

- i. The Group is exposed to cash flow risk of floating-rate assets held and floating-rate liabilities which expose the Group to cash flow interest rate risk. During 2023 and 2022, the Group's borrowings at variable rate were mainly denominated in New Taiwan dollars.
- ii. The Company's borrowings are measured at amortised cost. The borrowings are periodically contractually repriced and to that extent are also exposed to the risk of future changes in market interest rates.
- iii. If the borrowing interest rate had increased/decreased by 0.5% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by \$150. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

- i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms and contract cash flow of financial assets at amortised cost.

- ii. The Company manages their credit risk taking into consideration the entire Company's concern. Only those financial institutions with good credit standing are accepted as trading counterparties. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors.
- iii. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Company's written-off financial assets that are still under recourse procedures amounted to \$0.
- iv. Under IFRS 9, the Company applies the simplified approach to provide loss allowance for accounts receivable. The Company uses provision matrix to estimate lifetime expected credit loss which takes into consideration the customers' historical default records, actual financial conditions and future economic tendency. In accordance with the Company's historical experiences in relation to credit loss, no obvious difference on the loss types was identified among different customer groups, therefore, provision matrix has not been further classified based on customer groups. The Company estimates expected credit loss based on the past due date of accounts receivable.

If the contract payments were past due over 90 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 365 days.

The Company adjusted provision matrix with the time value of money and the historical loss of accounts receivable and forecastability, which considered the economic condition of next year.

	Not past due	1~ 30 days past due	31~90 days past due	91~180 days past due	181~270 days past due	271~365 days past due	Total
Expected loss rate	0.1%	1%	5%	10%	25%	50%	100%

- v. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

- vi. The following indicators are used to determine whether the credit impairment of financial assets has occurred:

- (i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;
 - (ii) Default or delinquency in interest or principal repayments.
- vii. Movements in relation to the Group applying the modified approach to provide loss allowance for accounts receivable and other receivables are as follows:

	Year ended December 31,	
	2023	2022
At January 1	\$ 280	\$ 809
Provision for impairment	(71)	(529)
At December 31	<u>\$ 209</u>	<u>\$ 280</u>

For the years ended December 31, 2023 and 2022, the impairment (loss) profit recognised on receivables from contracts with customers amounted to \$71 and \$529, respectively.

(c) Liquidity risk

- i. The Company maintains financial flexibility using cash and bank borrowings. The table below analyses the Company's non-derivative financial liabilities based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

Non-derivative financial instruments

December 31, 2023

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 80,448	\$ -	\$ -	\$ -
Accounts payable	96,242	-	-	-
(Including related parties)				
Other payables	14,236	-	-	-
Corporate bonds payable	85,200	400,000	-	-
Lease liability	2,280	528	-	-
	<u>\$ 278,406</u>	<u>\$ 400,528</u>	<u>\$ -</u>	<u>\$ -</u>

Non-derivative financial instruments

December 31, 2022

	Within 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Short-term borrowings	\$ 130,480	\$ -	\$ -	\$ -
Accounts payable	48,699	-	-	-
(Including related parties)				
Other payables	27,840	-	-	-
Corporate bonds payable	561,500	-	-	-
Lease liability	4,220	2,280	528	-
	<u>\$ 772,739</u>	<u>\$ 2,280</u>	<u>\$ 528</u>	<u>\$ -</u>

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

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and accounts receivable that are expected to be factored are included in Level 2.

Level 3: Unobservable inputs for the asset or liability, and put and call options embedded in convertible bonds are included in Level 3.

B. Financial instruments not measured at fair value

(a) Financial assets and liabilities not measured at fair value, including the carrying amounts of (cash and cash equivalents, financial assets at amortised cost, accounts receivable, other receivables, guarantee deposits paid, short-term borrowings, accounts payable, other payables, lease liabilities and bonds payable) are approximate to their fair values.

December 31, 2023				
	Carrying Amounts	Fair Values		
		Level 1	Level 2	Level 3
Financial liabilities :				
Bonds Payable	\$ 462,515	\$ -	\$ -	\$ 465,405
December 31, 2022				
	Carrying Amounts	Fair Values		
		Level 1	Level 2	Level 3
Financial liabilities :				
Bonds Payable	\$ 556,816	\$ -	\$ -	\$ 551,337

(b) The methods and assumptions of fair value estimate are as follows:

Bonds payable were valued using the binomial tree model.

C. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

<u>December 31, 2023</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Accounts receivable that are expected to be factored	\$ -	\$ -	\$ -	\$ -
Financial liabilities at fair value through profit or loss				
Options embedded in convertible bonds (Note)	\$ -	\$ -	\$ 3,840	\$ 3,840
<u>December 31, 2022</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets				
<u>Recurring fair value measurements</u>				
Financial assets at fair value through other comprehensive income				
Accounts receivable that are expected to be factored	\$ -	\$ 33,530	\$ -	\$ 33,530
Financial liabilities at fair value through profit or loss				
Options embedded in convertible bonds (Note)	\$ -	\$ -	\$ 9,602	\$ 9,602

Note: Please refer to Note 6(11) for the value of the put and call options of convertible bonds issued by the Company.

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

The fair value of financial instrument without active market is determined by using valuation techniques. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	<u>Year ended December 31,</u>	
	<u>2023</u>	<u>2022</u>
	<u>Derivative instrument</u>	<u>Derivative instrument</u>
At January 1	(\$ 9,602)	\$ 56
Issued in the period	(2,568)	-
Conversion eliminated for the year	7,525	-
Recognised in profit or loss		
Listed as non-operating revenue and expenses	805	(9,658)
At December 31	(\$ 3,840)	(\$ 9,602)
Movement of unrealised gain or loss in profit or		
loss of assets and liabilities held as at December 31	\$ 805	(\$ 9,658)

F. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

Derivative Instrument:	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Options embedded in convertible bonds	\$ 3,840	Binomial Model	Price volatility rate	26.44%	The higher the price volatility, the higher the fair value
Derivative Instrument:	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Options embedded in convertible bonds	(\$ 9,602)	Binomial Model	Price volatility rate	40.72%	The higher the price volatility, the higher the fair value

G. The Group has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Derivative						
Instrument:						
Options embedded in convertible bonds	Price volatility rate	± 5%	\$ 360	(\$ 600)	\$ -	\$ -
			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
	Input	Change				
Financial assets						
Derivative						
Instrument:						
Options embedded in convertible bonds	Price volatility rate	± 5%	\$ 898	(\$ 562)	\$ -	\$ -

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

- D. Acquisition of sale of the same security with the accumulated cost exceeding \$300 million or 20% of the company's paid-in capital: None.
- E. Acquisition of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- F. Disposal of real estate reaching \$300 million or 20% of paid-in capital or more: None.
- G. Purchases or sales of goods from or to related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 3.
- H. Receivables from related parties reaching \$100 million or 20% of paid-in capital or more: Please refer to table 4.
- I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 6(2).
- J. Significant inter-company transactions during the reporting periods: Please refer to table 5.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China) : Please refer to table 6.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 7.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 8.

(4) Major shareholders information

Major shareholders information: Please refer to table 9.

14. SEGMENT INFORMATION

None.

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

STATEMENT OF CASH AND CASH EQUIVALENTS

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Summary</u>	<u>Amounts</u>	<u>Note</u>
Cash on hand		\$ 20	
Demand deposits - NTD deposits		6,325	
- USD deposits	USD 2,542 thousand; exchange rate30.71	78,056	
Time Deposit - USD deposits	USD 5,500 thousand; exchange rate30.71	168,878	
	Periods from 1~3 month(s), interest rate 5.2%~6.2%		
		<u>\$ 253,279</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF FINANCIAL ASSETS AT AMORTISED COST
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Financial assets at amortised cost ' is provided in Note 6(3).

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.

STATEMENT OF TRADE RECEIVABLES

DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Customer name</u>	<u>Amount</u>	<u>Note</u>
A Company	\$ 33,155	
B Company	175,525	
C Company	<u>9</u>	
	208,689	
Allowance for bad debts	(<u>209</u>)	
	<u>\$ 208,480</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Name										Market price or net			
	Opening balance		Additions(Note)		Reductions(Note)		Ending balance			value per share			
	Number of shares		Number of shares		Number of shares		Number of shares		%	Price		Collateral	
	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Amount	(per thousand share)	Ownership	Amount	(in dollar)	Total price	or pledged	Note
New Advanced Electronics Technologies (Vietnam) Co., Ltd.	-	\$ 631,982	-	\$ -	-	(\$ 79,435)	-	100%	\$ 552,547	\$ -	\$ 552,547	None	
New Advanced Electronics Technologies (Hong Kong) Co., Ltd.	-	39,137	-	329	-	(23,185)	-	100%	16,281	-	16,281	None	
Jensen Electronics Co., Ltd.	-	7,649	-	7,418	-	(305)	-	100%	14,762	-	19,290	None	
Advanced Sound Technologies, Inc.	-	262,646	-	43,983	-	(6,196)	-	80%	300,433	-	300,336	None	
		<u>\$ 941,414</u>		<u>\$ 51,730</u>		<u>(\$ 109,121)</u>			<u>\$ 884,023</u>				

Note : Including additional investment amount, recognised gain (loss) on investment profit, realised (unrealised) profit or loss and Currency translation differences.

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Nature</u>	<u>Description</u>	<u>Ending balance</u>	<u>Contract period</u>	<u>Range of interest rate</u>	<u>Credit line</u>	<u>Collateral</u>	<u>Note</u>
Unsecured borrowings	Shin Kong Bank Co., Ltd.	\$ 20,000	2023/10/30~2024/01/30	1.95%	\$ 300,000	None	
Unsecured borrowings	Shin Kong Bank Co., Ltd.	30,000	2023/12/25~2024/03/25	1.95%	300,000	None	
Unsecured borrowings	Mega International Commercial Bank Co., Ltd.	<u>30,000</u>	2023/12/25~2024/06/22	1.93%	50,000	None	
		<u>\$ 80,000</u>					

Note: The credit line of the same bank is a common quota.

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF PAYABLES TO RELATED PARTIES
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

The information on 'Payables to related parties ' is provided in Note 7(3).

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF BONDS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Bonds Name	Trustee	Issued Date	Interest Date	Rates	Amount						Repayments	Collateral	Notes
					Total Issuance Amount	Converted Amount	Repurchased amount	Ending Balance	Unamortized Premiums (Discounts)	Carrying amount			
The third domestic secured convertible bonds	Shin Kong Commercial Bank Co., Ltd.	2021.04.21	-	Note 1	\$ 600,000	(\$ 38,500)	(\$ 476,300)	\$ 85,200	(\$ 176)	\$ 85,024	Note 1	Note 2	
The fourth domestic secured convertible bonds	Shin Kong Commercial Bank Co., Ltd.	2023.05.11	-	Note 1	\$ 400,000	\$ -	\$ -	\$ 400,000	(\$ 22,509)	\$ 377,491	Note 1		

Note 1: Please refer to Note 6(11).

Note 2: The convertible bonds were entrusted to ChinaTrust Commercial Bank as the guarantor bank. Information of collateral, please refer to Note 7.

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Quantity</u>	<u>Amount</u>	<u>Notes</u>
Speakers	683 thousand PCS	\$ <u>1,153,193</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Total	Note
Beginning inventory	\$ -	
Add: Net purchase for the year	1,056,897	
Ending inventory	-	
Cost of goods sold	<u>\$ 1,056,897</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF SELLING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
 (Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Summary	Amount	Note
Travel expense		\$ 4,393	
Service expense		3,421	
Entertainment expense		3,268	
Advertising expense		3,075	
Wages and salaries		1,501	
Transportation expenses		1,066	
Others (balance of each expense account has not exceeded 5% of the selling expenses)		2,346	
		\$ 19,070	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Items	Summary	Amount	Notes
Wages and salaries		\$ 16,985	
Service expense		4,705	
Depreciation expense		4,252	
Others (balance of each expense account has not exceeded 5% of the general and administrative expenses)		15,383	
		<u>\$ 41,325</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Notes</u>
Wages and salaries		\$ 2,074	
Commissioned development fee		397	
Travel expense		254	
Insurance expense		247	
Others (balance of each expense account has not exceeded 5% of the general and administrative expenses)		1,017	
		<u>\$ 3,989</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
STATEMENT OF FINANCE COST
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

<u>Items</u>	<u>Summary</u>	<u>Amount</u>	<u>Note</u>
Accounts receivable factored expenses		\$ 4,018	
Corporate bond charges		2,392	
Interest expense on convertible bonds		7,375	
Interest expense on bank borrowings		2,979	
Others (balance of each expense account has not exceeded 5% of the general and administrative expenses)		72	
		<u>\$ 16,836</u>	

(Remainder of page intentionally left blank)

NEW ADVANCED ELECTRONICS TECHNOLOGIES CO., LTD.
SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

By function	Years ended December 31,					
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefit expense						
Salaries and bonus	\$ -	\$ 20,860	\$ 20,860	\$ -	\$ 23,050	\$ 23,050
Labour and health insurance fees	-	2,235	2,235	-	2,279	2,279
Pension costs	-	890	890	-	898	898
Directors' remuneration	-	1,778	1,778	-	5,578	5,578
Others	-	1,273	1,273	-	1,411	1,411
Depreciation	-	4,372	4,372	-	4,397	4,397
Amortisation	-	125	125	-	52	52
Total	\$ -	\$ 31,533	\$ 31,533	\$ -	\$ 37,665	\$ 37,665

Note :

A. As of December 31, 2023 and 2022, the numbers of employees of the Company was 28 and 29, respectively, and the numbers of non-employee directors were both 6.

B. (a) Average employee benefit expense in current year was \$1,148. Average employee benefit expense in previous year was \$1,202.

(b) Average employees salaries in current year was \$948. Average employees salaries in previous year was \$1,002.

(c) Adjustments of average employees salaries was (5.39%).

(d) The Company has no supervisors' remuneration for current and previous years as the Company sets up the audit committee.

(e) The Company's Remuneration Policy (including directors, supervisors, managers and employees): The directors' emoluments include transportation allowance and directors' remuneration distributed from earnings.

The transportation allowance paid to directors is determined based on their attendance to the Meeting of Board of Directors by reference to the pay levels in the same industry. The directors' remuneration distributed from earnings shall be proposed by the Board of Directors and approved at the shareholders' meeting in accordance with the Article 20 of the Company's Articles of Incorporation, and will be paid proportionally to each director based on the length of their tenure. The emoluments to the chairman, general manager, deputy general manager and department heads, including salaries, incentive payments and employee bonuses, etc., are determined based on their positions and assumed responsibilities by reference to the pay levels of the same position in the same industry, and shall be approved by the Remuneration Committee.

New Advanced Electronics Technologies Co., Ltd.
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023 (Note 2)	Balance at December 31, 2023	Actual amount drawn down	Interest rate	Nature of loan (Note 3)	Amount of transactions with the borrower	Reason for short-term financing	Allowance for uncollectible accounts	Collateral		Limit on loans granted to a single party (Note 4)	Ceiling on total loans granted (Note 4)	Footnote
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP (DONG GUAN) Electronics Co., Ltd.	Other receivables from related parties	Y	\$ 76,763	\$ 76,763	\$ -	-	Business relationship	\$ 912,605	-	\$ -	None	\$ -	\$ 331,287	\$ 331,287	
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Other receivables from related parties	Y	30,705	30,705	-	-	Business relationship	144,279	-	-	None	-	144,279	331,287	
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Other receivables from related parties	Y	70,622	-	-	1.25	Short-term financing		Working capital	-	None	-	331,287	331,287	

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

- (1)The Company is ‘0’.
- (2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: Fill in the maximum outstanding balance of loans to others during the year ended December 31, 2023.

Note 3: The column of ‘Nature of loan’ shall fill in ‘Business transaction or ‘Short-term financing’.

Note 4: The total loans of the Company granted to others shall not exceed 40% of the Company’s net assets. Limit on the loans granted to a single party is as follows: (1) For business relationship, the total amount shall not exceed 40% of the Company’s net assets; the limit amount for a single party is the higher value of purchasing and selling between both parties during current year on the year of financing. Limit on loans to a single party with business transactions is the higher value of purchasing and selling during current year on the year of financing. (2) For short-term financing, the total amount shall not exceed 40% of the Company’s net assets; the limit amount for single party shall not exceed 10% of the Company’s net assets. For those loans granted to the Company’s subsidiaries (including indirectly invested second-tier subsidiary), the limit amount shall not exceed 40% of the Company’s net assets. The financing amount is the accumulated balance of the short-term financing.

New Advanced Electronics Technologies Co., Ltd.
Provision of endorsements and guarantees to others
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Number 1)	Endorser/ guarantor	Company name	Party being endorsed/guaranteed	Limit on	Maximum	Outstanding endorsement/ guarantee	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
			Relationship with the endorser/ guarantor (Note 2)	endorsements/ guarantees provided for a single party (Note 3)	outstanding endorsement/ guarantee amount as of December 31, 2023									
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Hong Kong) Company Limited	2	\$ 414,109	\$ 30,705	\$ -	\$ -	\$ -	-	\$ 828,218	Y	N	N	
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	2	414,109	61,410	61,410	10,988	6,387	7.41	828,218	Y	N	N	
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP (DONG GUAN) Electronics Co., Ltd.	2	414,109	122,820	122,820	-	-	14.83	828,218	Y	N	Y	

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

- (1)The Company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between the endorser/guarantor and the party being endorsed/guaranteed is classified into the following seven categories; fill in the number of category each case belongs to:

- (1)Having business relationship.
- (2)The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.
- (3) The endorsed/guaranteed company owns directly and indirectly more than 50% voting shares of the endorser/guarantor parent company.
- (4)The endorser/guarantor parent company owns directly and indirectly more than 90% voting shares of the endorsed/guaranteed company.
- (5)Mutual guarantee of the trade made by the endorsed/guaranteed company or joint contractor as required under the construction contract.
- (6)Due to joint venture, all shareholders provide endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
- (7) Joint guarantee of the performance guarantee for pre-sold home sales contract as required under the Consumer Protection Act.

- Note 3: (1) Ceiling on total amount of endorsements/guarantees provided by the Company shall not exceed 100% of the Company's net assets. Limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (2) For the companies having business relationship with the Company and thus being provided endorsements/guarantees, in addition to the aforementioned rules, limit on endorsements/guarantees provided to a single party shall not exceed the amount of business transaction with the Company in the current year (which is the higher between sales and purchases) of the Company's net assets; limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.
- (3) Ceiling on total amount of endorsement/guarantee provided by the Company and its subsidiaries to others shall not exceed 100% of the Company's net assets; limit on cumulative amount of endorsements/guarantees provided to a single party shall not exceed 20% of the Company's net assets. For those endorsements/guarantees provided to the Company's parent company or subsidiaries (including indirectly invested second-tier subsidiary), the limit on endorsements/guarantees shall not exceed 50% of the Company's net assets.

New Advanced Electronics Technologies Co., Ltd.
Purchases or sales of goods from or to related parties reaching NT\$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 3

Expressed in thousands of NTD
(Except as otherwise indicated)

							Differences in transaction terms compared to third party transactions				Notes/accounts receivable (payable)	
Purchaser/seller	Counterparty	Relationship with the counterparty	Transaction		Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote	
			Purchases (sales)	Amount								
New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	Other related party	Purchases	\$ 912,605	86%	Note	\$ -	-	(\$ 90,236)	(94%)		
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam)	Other related party	Purchases	144,279	14%	Note	-	-	(6,006)	(6%)		

Note: Credit term is determined based on the mutual agreement as there were no similar counterparties or products.

New Advanced Electronics Technologies Co., Ltd.
 Receivables from related parties reaching NT\$100 million or 20% of paid-in capital or more
 Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
 (Except as otherwise indicated)

Creditor	Counterparty	Relationship with the counterparty	Balance as at December 31, 2023	Turnover rate	Overdue receivables		Amount collected subsequent to the balance sheet date	Allowance for doubtful accounts	Footnote
					Amount	Action taken			
OXTOP (DONG GUAN) Electronics Co., Ltd.	New Advanced Electronics Technologies Co., Ltd.	Parent company	\$ 90,236	13.43	\$ -	\$ -	\$ 89,824	\$ -	

New Advanced Electronics Technologies Co., Ltd.
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Transactions amount between the parent company and subsidiaries or between subsidiaries reaching NT\$10 million is provided below:

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Transaction		Percentage of consolidated total operating revenues or total assets
					Amount	Transaction terms	
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	1	Purchases	\$ 912,605	30 days after monthly billings	74%
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	1	Accounts payable	90,236	30 days after monthly billings	5%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Purchases	144,279	30 days after monthly billings	12%
0	New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	1	Endorsements and guarantees	61,410	Note 4	4%
0	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	1	Endorsements and guarantees	122,820	Note 4	7%
1	New Advanced Electronics Technologies Co., Ltd.	OXTOP(DONG GUAN) Electronics Co., Ltd.	3	Purchases	64,783	30 days after monthly billings	5%
2	New Advanced Electronics Technologies Co., Ltd.	Jensen Electronics Co.,Ltd.(Jensen)	3	Purchases	39,369	30 days after monthly billings	3%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

- (1)Parent company is '0'.
- (2)The subsidiaries are numbered in order starting from '1'.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories:

- (1)Parent company to subsidiary.
- (2)Subsidiary to parent company.
- (3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: Base on the Company's 'Operation Procedure for Provision of Endorsements and Guarantees to Other Parties'.

New Advanced Electronics Technologies Co., Ltd.

Information on investees

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2023			Net profit (loss) of the investee for the year ended	Investment income (loss) recognised by the Company for the year ended	Footnote
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership		December 31, 2023	December 31, 2023	
							(%)	Book value	(Note 2(2))	(Note 2(3))	
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Vietnam) Co., Ltd.	Vietnam	Manufacture of speakers	\$ 665,110	\$ 665,110	-	100	\$ 552,547	(\$ 52,528)	(\$ 52,528)	
New Advanced Electronics Technologies Co., Ltd.	New Advanced Electronics Technologies (Hong Kong) Company Limited	Hong Kong	Design, research and development and manufacture of speakers	5,778	5,778	-	100	16,281	(23,185)	(23,185)	
New Advanced Electronics Technologies Co., Ltd.	Advanced Sound Technologes, Inc.	Samoa	Holding company	244,182	244,182	-	80	300,433	56,016	43,983	

Note 1: If a public company is equipped with an overseas holding company and takes consolidated financial report as the main financial report according to the local law rules, it can only disclose the information of the overseas holding company about the disclosure of related overseas investee information.

Note 2: If situation does not belong to Note 1, fill in the columns according to the following regulations:

- (1) The columns of 'Investee', 'Location', 'Main business activities', 'Initial investment amount' and 'Shares held as at December 31, 2023' should fill orderly in the Company's (public company's) information on investees and every directly or indirectly controlled investee's investment information, and note the relationship between the Company (public company) and its investee each (ex. direct subsidiary or indirect subsidiary) in the 'footnote' column.
 - (2) The 'Net profit (loss) of the investee for the year ended December 31, 2023' column should fill in amount of net profit (loss) of the investee for this period.
 - (3) The 'Investment income (loss) recognised by the Company for the year ended December 31, 2023' column should fill in the Company (public company) recognised investment income (loss) of its direct subsidiary and recognised investment income (loss) of its investee accounted for under the equity method for this period.
- When filling in recognised investment income (loss) of its direct subsidiary, the Company (public company) should confirm that direct subsidiary's net profit (loss) for this period has included its investment income (loss) which shall be recognised by regulations.

New Advanced Electronics Technologies Co., Ltd.
Information on investments in Mainland China
Year ended December 31, 2023

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee as of 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
				Remitted to Mainland China	Remitted back to Taiwan								
Jensen Electronics Co.,Ltd.(Jensen)	Trading company	\$ 7,678	Note 1	\$ 7,678	\$ -	\$ -	\$ 7,678	\$ 6,716	100.00	\$ 7,418	\$ 14,762	\$ -	
OXTOP(DONG GUAN) Electronics Co., Ltd.	Manufacture of speakers	337,810	Note 2	270,248	-	-	270,248	56,015	80.00	43,983	300,433	-	
Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA										
New Advanced Electronics Technologies Co., Ltd.	\$ 277,926	\$ 277,926	\$ 541,996										

Note 1: Invested directly by OXTOP (DONG GUAN) Electronics Co., Ltd. of USD 250 thousand.

Note 2: Through investing in Advanced Sound Technologes, Inc. in the third area by capital increase of USD 8,800 thousand, which then invested in the OXTOP (DONG GUAN) Electronics Co., Ltd.

Note 3: Based on investees’ financial statements audited by independent auditors.

Note 4: The numbers in this table are expressed in New Taiwan Dollar, except current profit (loss) for the year ended December 31, 2023 is translated using the average exchange rate of 31.16, amounts disclosed by investees in currencies other than NTD are translated using spot rate of 30.71 on December 31, 2023.

Note 5: Ceiling on investments in Mainland China imposed by the Investment Commission of the Ministry of Economic Affairs was the 60% of the net assets.

Table 8

New Advanced Electronics Technologies Co., Ltd.
Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas
Year ended December 31, 2023

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				
	Amount	%	Amount	%	Balance at Dcember 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Others
									31, 2023				
OXTOP(DONG GUAN) Electronics Co., Ltd.	(\$ 912,605)	(86)	\$ -	-	(\$ 90,236)	(94)	122,820	Collateral of borrowings	\$ 76,763	\$ 76,763	-	\$ -	

New Advanced Electronics Technologies Co., Ltd.

Major shareholders information

December 31, 2023

Table 9

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Taihong Asset Management Co., Ltd.	6,317,000	17.88%
New Advanced Asset Management Co., Ltd.	6,114,000	17.30%
Hong Zhen Asset Management Co., Ltd.	3,033,000	8.58%
Nae Technologies, Inc.	2,388,000	6.75%