SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED FINANCIAL STATEMENTS AND

INDEPENDENT AUDITORS' REPORT

YEARS ENDED DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 independent auditors' report and consolidated financial statements shall prevail.

Representation Letter

In connection with the Consolidated Financial Statements of Affiliated Enterprises of Sigurd Microelectronics Corporation (the “Consolidated FS of the Affiliates”), we represent to you that, the entities required to be included in the Consolidated FS of the Affiliates as of and for the year ended December 31, 2023 in accordance with the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those required to be included in the Consolidated Financial Statements of Sigurd Microelectronics Corporation and its subsidiaries (the “Consolidated FS of the Group”) in accordance with International Financial Reporting Standard 10. In addition, the information required to be disclosed in the Consolidated FS of Affiliates is disclosed in the Consolidated FS of the Group. Consequently, Sigurd Microelectronics Corporation does not prepare a separate set of Consolidated FS of Affiliates.

Very truly yours,
Sigurd Microelectronics Corporation
By

Shin-Yang Huang, Chairman
February 29, 2024

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

PWCR23000389

To the Board of Directors and Shareholders of Sigurd Microelectronics Corporation

Opinion

We have audited the accompanying consolidated balance sheets of Sigurd Microelectronics Corporation and subsidiaries (the "Sigurd Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to consolidated financial statements, including a summary of significant accounting policies.

In our opinion, based on our audits and the reports of other independent auditors (please refer to the *Other matters* section), the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sigurd Group as at December 31, 2023 and 2022, and its consolidated financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

We conducted our audits in accordance with the Regulations Governing Financial Statements Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated* *financial statements* section of our report. We are independent of the Sigurd Group in accordance with the Norm of Professional Ethics for Certified Public Accountants in 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 independent auditors, we believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matter

Key audit matters are the matters that, in our professional judgement, were of most significance in our audit of consolidated financial statements of the current period. This matter was addressed in the context of our audit of consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on this matter.

Key audit matter for Sigurd Group's consolidated financial statements of the current period is stated as follows:

Capitalisation of property, plant and equipment

<u>Description</u>

Sigurd Group increased its capital expenditure to meet its operational needs. Please refer to Note 4(15) for accounting policies on property, plant and equipment, and Note 6(7) for details of property, plant and equipment. Considering that capitalisation of property, plant and equipment is significant to Sigurd Group's consolidated financial statements, thus, we identified the audit of capitalisation of property, plant and equipment as a key audit matter.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter: Assessed and validated the effectiveness of the internal control system over additions to property, plant and equipment, as well as sample tested and examined respective purchase orders and invoices to ensure that transactions were approved accordingly and recognised amounts were accurate. Sample tested and examined the acceptance documents to validate the appropriateness of the timing that assets are ready for use and capitalisation (timing of starting depreciation).

Other matter – Audited by other independent auditors

We did not audit the financial statements of certain consolidated subsidiaries. Those financial statements were audited by other independent auditors, whose reports thereon have been furnished to us, and our opinion expressed herein, insofar as it relates to the amounts included in the consolidated financial statements, was based solely on the reports of other independent auditors. Total assets of those consolidated subsidiaries amounted to NT$317,506 thousand and NT$307,194 thousand, constituting 0.85% and 0.82% of the consolidated total assets as at December 31, 2023 and 2022, respectively, and total operating revenues amounted to NT$276,681 thousand and NT$254,340 thousand, constituting 1.79% and 1.36% of the total operating revenues for the years ended December 31, 2023 and 2022, respectively.

Other matter – Parent company only financial statements

We have also expressed an unqualified opinion on the parent company only financial statements of Sigurd Microelectronics Corporation as of and for the years ended December 31, 2023 and 2022.

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

Management is responsible for the preparation and fair presentation of consolidated 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 controls as the management determines are necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including the audit committee, are responsible for overseeing the Sigurd Group’s financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal controls 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 Sigurd Group's internal controls.
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 Sigurd

Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Sigurd Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Sigurd Group to express an opinion on consolidated financial statements. We are responsible for the direction, supervision and performance of the group 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 controls 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 those matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe the matter in our 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.

Hsieh, Chih-Cheng	Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan
February 29, 2024

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 9,406,220	25	$ 8,873,912	24
1110	Current financial assets at fair value through profit or loss	6(2)	314,538	1	396,204	1
1136	Current financial assets at amortised cost	6(4) and 8	3,332,000	9	2,002,321	5
1140	Current contract assets	6(18)	127,696	-	152,984	-
1150	Notes receivable, net	6(5)	29	-	5,283	-
1170	Accounts receivable, net	6(5)	3,696,519	10	3,828,076	10
1180	Accounts receivable - related parties, net	6(5) and 7	3,333	-	3,349	-
1200	Other receivables		52,312	-	67,126	-
130X	Inventories	6(6)	426,002	1	351,924	1
1410	Prepayments		681,698	2	595,670	2
1470	Other current assets		49,060	-	37,343	-
11XX	**Total current assets**		18,089,407	48	16,314,192	43
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	2,158,967	6	1,590,784	4
1535	Non-current financial assets at amortised cost	6(4) and 8	169,887	1	69,886	-
1600	Property, plant and equipment	6(7) and 8	15,915,723	42	18,155,700	48
1755	Right-of-use assets	6(8)	535,919	1	737,727	2
1780	Intangible assets		191,297	1	241,920	1
1840	Deferred tax assets	6(25)	346,786	1	320,597	1
1900	Other non-current assets		109,432	-	138,548	1
15XX	**Total non-current assets**		19,428,011	52	21,255,162	57
1XXX	**Total assets**		$ 37,517,418	100	$ 37,569,354	100

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SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(9)	$ 147,985	1	$ 135,000	-
2130	Current contract liabilities	6(18)	9,929	-	30,455	-
2150	Notes payable		6,596	-	3,842	-
2170	Accounts payable		378,696	1	289,033	1
2200	Other payables	6(10)	2,394,098	6	2,801,752	7
2230	Current income tax liabilities		594,836	2	537,016	1
2250	Current provisions		1,163	-	11,241	-
2280	Current lease liabilities		88,245	-	240,946	1
2320	Long-term borrowings, current portion	6(11)(12) and 8	4,617,694	12	1,600,579	4
2399	Other current liabilities, others	6(18)	360,064	1	235,255	1
21XX	**Total current liabilities**		8,599,306	23	5,885,119	15
	Non-current liabilities					
2530	Bonds payable	6(11)	2,967,588	8	4,419,632	12
2540	Long-term borrowings	6(12) and 8	5,307,839	14	6,993,078	19
2570	Deferred tax liabilities	6(25)	69,168	-	67,445	-
2580	Non-current lease liabilities		459,081	1	473,893	1
2600	Other non-current liabilities	6(13)	314,850	1	349,708	1
25XX	**Total non-current liabilities**		9,118,526	24	12,303,756	33
2XXX	**Total liabilities**		17,717,832	47	18,188,875	48
	Equity					
	Equity attributable to owners of parent					
	Share capital	6(14)				
3110	Ordinary share		4,567,446	12	4,567,410	12
	Capital surplus	6(15)				
3200	Capital surplus		539,458	2	539,296	1
	Retained earnings	6(16)				
3310	Legal reserve		2,117,155	6	1,810,884	5
3350	Unappropriated retained earnings		8,750,118	23	9,225,323	25
	Other equity interest	6(17)				
3400	Other equity interest		863,984	2	336,307	1
31XX	**Equity attributable to owners of parent**		16,838,161	45	16,479,220	44
36XX	**Non-controlling interests**		2,961,425	8	2,901,259	8
3XXX	**Total equity**		19,799,586	53	19,380,479	52
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the reporting period	11				
3X2X	**Total liabilities and equity**		$ 37,517,418	100	$ 37,569,354	100

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(18) and 7	$ 15,479,501	100	$ 18,694,345	100
5000	Operating costs	6(6)(23)(24)	(11,900,735)	(77)	(13,165,811)	(70)
5950	Gross profit from operations		3,578,766	23	5,528,534	30
	Operating expenses	6(23)(24)				
6100	Selling and marketing expenses		(200,729)	(1)	(234,386)	(1)
6200	General and administrative expenses		(899,098)	(6)	(1,043,021)	(6)
6300	Research and development expenses		(391,863)	(2)	(423,867)	(2)
6450	Expected credit loss	12(2)	(8,871)	-	(578)	-
6000	Total operating expenses		(1,500,561)	(9)	(1,701,852)	(9)
6900	Operating profit		2,078,205	14	3,826,682	21
	Non-operating income and expenses					
7100	Interest income	6(19)	374,269	2	108,198	-
7010	Other income	6(20)	148,130	1	170,648	1
7020	Other gains and losses	6(21)	237,451	2	532,773	3
7050	Finance costs	6(22)	(263,342)	(2)	(211,842)	(1)
7000	Total non-operating income and expenses		496,508	3	599,777	3
7900	**Profit before income tax**		2,574,713	17	4,426,459	24
7950	Income tax expense	6(25)	(436,199)	(3)	(912,510)	(5)
8000	**Profit from continuing operations**		2,138,514	14	3,513,949	19
8200	**Profit for the year**		$ 2,138,514	14	$ 3,513,949	19
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(13)	$ 14,589	-	$ 37,857	-
8316	Unrealised gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	6(3)	568,183	4	(531,384)	(3)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss		(1,818)	-	(373)	-
8310	Components of other comprehensive income (loss) that will not be reclassified to profit or loss		580,954	4	(493,900)	(3)
	Components of other comprehensive income (loss) that might be reclassified to profit or loss					
8361	Exchange differences on translation of foreign operations	6(17)	(54,571)	(1)	418,270	2
8360	Components of other comprehensive income (loss) that might be reclassified to profit or loss		(54,571)	(1)	418,270	2
8300	**Other comprehensive income (loss)**		$ 526,383	3	($ 75,630)	(1)
8500	**Total comprehensive income**		$ 2,664,897	17	$ 3,438,319	18
	Profit, attributable to:					
8610	Owners of the parent		$ 1,737,319	11	$ 3,033,285	16
8620	Non-controlling interests		401,195	3	480,664	3
	Total profit		$ 2,138,514	14	$ 3,513,949	19
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 2,277,055	14	$ 2,767,286	14
8720	Non-controlling interests		387,842	3	671,033	4
	Total comprehensive income		$ 2,664,897	17	$ 3,438,319	18
	Basic earnings per share (in dollars)	6(26)				
9750	Basic earnings per share		$	3.80	$	6.68
	Diluted earnings per share (in dollars)	6(26)				
9850	Diluted earnings per share		$	3.59	$	6.21

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

		Equity attributable to owners of the parent								
				Retained earnings		Other equity interest				
	Notes	Ordinary share	Capital surplus	Legal reserve	Unappropriated retained earnings	Exchange differences on translation of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Total	Non-controlling interests	Total equity
2022										
Balance at January 1, 2022		$ 4,520,782	$ 942,353	$ 1,526,636	$ 7,816,291	($ 130,865)	$ 767,339	$15,442,536	$ 2,384,287	$17,826,823
Profit for the year		-	-	-	3,033,285	-	-	3,033,285	480,664	3,513,949
Other comprehensive income (loss)	6(3)(17)	-	-	-	33,831	231,554	(531,384)	(265,999)	190,369	(75,630)
Total comprehensive income (loss)		-	-	-	3,067,116	231,554	(531,384)	2,767,286	671,033	3,438,319
Appropriation of 2021 earnings	6(16)									
Legal reserve		-	-	284,248	(284,248)	-	-	-	-	-
Reversal of special reserve		-	-	-	(1,369,427)	-	-	(1,369,427)	-	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)	-	-	-	-	(502,123)	-	(502,123)
Conversion of corporate bonds	6(11)(14)(15)	46,628	99,066	-	-	-	-	145,694	-	145,694
Disposal of equity instruments at fair value through other comprehensive income	4(3)	-	-	-	337	-	(337)	-	-	-
Cash dividends paid to non-controlling interest from subsidiary		-	-	-	-	-	-	-	(150,731)	(150,731)
Adjustments arising from changes in percentage of ownership in a subsidiary		-	-	-	(4,746)	-	-	(4,746)	(3,330)	(8,076)
Balance at December 31, 2022		$ 4,567,410	$ 539,296	$ 1,810,884	$ 9,225,323	$ 100,689	$ 235,618	$16,479,220	$ 2,901,259	$19,380,479
2023										
Balance at January 1, 2023		$ 4,567,410	$ 539,296	$ 1,810,884	$ 9,225,323	$ 100,689	$ 235,618	$16,479,220	$ 2,901,259	$19,380,479
Profit for the year		-	-	-	1,737,319	-	-	1,737,319	401,195	2,138,514
Other comprehensive income (loss)	6(3)(17)	-	-	-	12,059	(40,506)	568,183	539,736	(13,353)	526,383
Total comprehensive income (loss)		-	-	-	1,749,378	(40,506)	568,183	2,277,055	387,842	2,664,897
Appropriation of 2022 earnings	6(16)									
Legal reserve		-	-	306,271	(306,271)	-	-	-	-	-
Cash dividends		-	-	-	(1,918,312)	-	-	(1,918,312)	-	(1,918,312)
Conversion of corporate bonds	6(11)(14)(15)	36	162	-	-	-	-	198	-	198
Cash dividends paid to non-controlling interest from subsidiary	4(3)	-	-	-	-	-	-	-	(327,676)	(327,676)
Balance at December 31, 2023		$ 4,567,446	$ 539,458	$ 2,117,155	$ 8,750,118	$ 60,183	$ 803,801	$16,838,161	$ 2,961,425	$19,799,586

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31, 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 2,574,713	$ 4,426,459
Adjustments			
Adjustments to reconcile (profit) loss			
Depreciation	6(7)(8)(23)	4,375,499	4,479,750
Amortisation	6(23)	85,174	75,248
Expected credit loss	12(2)	8,871	578
Net (profit) loss on financial assets at fair value through profit or loss	6(2)(21)	(27,168)	15,293
Finance costs		263,342	211,842
Interest income	6(19)	(374,092)	(108,198)
Dividends income	6(20)	(27,533)	(20,578)
Gains on disposal of property, plant and equipment	6(21)	(152,826)	(31,055)
Gains arising from lease modifications	6(8)(28)	(32)	-
Impairment loss on property, plant and equipment		-	34,643
Impairment loss on non-financial assets	6(7)(21)	-	213
Government grants	6(12)	(34,564)	(21,705)
Gains on liquidation of a consolidated entity		(31,394)	-
Changes in operating assets and liabilities			
Changes in operating assets			
Current financial assets at fair value through profit or loss		108,834	69,785
Contract assets		25,046	41,501
Notes receivable		5,254	(4,563)
Accounts receivable		117,037	94,743
Accounts receivable-related parties		(5)	2,213
Other receivables		32,686	54,983
Inventories		(73,814)	(36,990)
Prepayments		(86,320)	153,373
Other current assets		(11,716)	130,232
Net defined benefit assets		(383)	-
Other non-current assets		200	4,893
Changes in operating liabilities			
Contract liabilities		(20,596)	(75,978)
Notes payable		2,754	(333)
Accounts payable		90,014	(98,863)
Other payables		(280,227)	(415,991)
Provisions		(10,253)	396
Other current liabilities		124,973	(11,497)
Net defind benefit liabilities		(11,245)	(15,048)
Other non-current liabilities		-	59,955
Cash inflow generated from operations		6,672,229	9,015,301
Interest received		355,967	100,333
Interest paid		(232,560)	(169,005)
Dividends received		27,533	20,578
Income tax paid		(397,892)	(760,133)
Net cash flows from operating activities		6,425,277	8,207,074

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SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS)

	Notes	Years ended December 31, 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at fair value through other comprehensive income	7	$ -	($ 546,000)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)	-	337
Acquisition of financial assets at amortised cost		(8,373,132)	(3,651,045)
Proceed from disposal of financial assets at amortised cost		7,036,192	2,604,461
Acquisition of property, plant and equipment	6(27)	(2,300,880)	(4,012,422)
Proceeds from disposal of property, plant and equipment		371,267	117,261
Acquisition of intangible assets		(32,585)	(118,345)
Increase in refundable deposits		(24,495)	(3,968)
Decrease in refundable deposits		26,419	4,752
Increase in other non-current assets		(4,276)	-
Net cash flows used in investing activities		(3,301,490)	(5,604,969)
CASH FLOWS FROM FINANCING ACTIVITIES			
Proceeds from short-term borrowings	6(28)	142,417	590,888
Repayments of short-term borrowings	6(28)	(133,246)	(703,264)
Repayments of corporate bonds	6(28)	-	(100)
Proceeds from long-term borrowings	6(28)	8,401,592	11,262,420
Repayments of long-term borrowings	6(28)	(8,541,163)	(10,859,070)
Increase in guarantee deposits received	6(28)	1,345	8,267
Decrease in guarantee deposits received	6(28)	(368)	(2,788)
Repayments of lease liabilities	6(28)	(147,199)	(210,071)
Cash dividends paid	6(16)	(1,918,312)	(1,369,427)
Cash distribution from capital surplus	6(15)(16)	-	(502,123)
Cash dividends paid to non-controlling interests	4(3)	(327,676)	(150,731)
Net cash flows used in financing activities		(2,522,610)	(1,935,999)
Effect of changes in exchange rate		(68,869)	264,535
Net increase in cash and cash equivalents		532,308	930,641
Cash and cash equivalents at beginning of year	6(1)	8,873,912	7,943,271
Cash and cash equivalents at end of year	6(1)	$ 9,406,220	$ 8,873,912

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

SIGURD MICROELECTRONICS CORPORATION AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. HISTORY AND ORGANISATION

Sigurd Microelectronics Corporation (formerly named More Power Electronic Co., Ltd., the "Company") was established in the Republic of China (R.O.C.) on December 15, 1988. In 1998, the Company acquired Sigurd Corporation, via assets purchase (the acquired company was liquidated and dissolved after the merger), in order to expand and provide turnkey assembly and testing services to customers. The name of the Company was changed to Sigurd Microelectronics Corporation on November 27, 1998. The main business activities of the Company and its subsidiaries (collectively referred herein as "Sigurd Group" or the "Group") include the design, processing, testing, burn-in treatment, manufacture, trading, etc., of integrated circuits.

On February 11, 2004, the Company's Board of Directors resolved to acquire Ucomm Caesar Technology Co., Ltd., whose main business was RF testing. The Company is the surviving company and Ucomm Caesar Technology Co., Ltd. is the dissolved company. After the merger, the Company's name was retained. The effective date for the merger was March 1, 2005.

On December 30, 2005, the Company's Board of Directors resolved to acquire ASI Semiconductor Co., Ltd., whose main business was integrated circuit testing. The Company is the surviving company and ASI Semiconductor Co., Ltd. is the dissolved company. After the merger, the Company's name was retained. The effective date for the merger was June 12, 2006.

On May 8, 2013, the Company's Board of Directors resolved to acquire Meicer Semiconductor Co., Ltd., whose main business was integrated circuits packaging. The Company is the surviving company and the effective date for the merger was May 31, 2013.

2. THE DATE OF AND PROCEDURES FOR AUTHORISATION FOR ISSUANCE OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were authorised for issuance by the Board of Directors on February 29, 2024.

3. APPLICATION OF NEW AND AMENDED INTERNATIONAL FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS

(1) Effect of the adoption of new or amended 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:

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

The above standards and interpretations have no significant impact to Sigurd Group's financial position and financial performance based on Sigurd Group's assessment.

(2) Effect of new or amended IFRSs Accounting Standards as endorsed by the FSC but not yet adopted

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
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 Sigurd Group's financial position and financial performance based on Sigurd Group's assessment.

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

A. Except for the following items, the consolidated financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets (liabilities) recognised based on the net amount of pension funds assets less present value of defined benefit obligation.

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

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in Sigurd Group's consolidated financial statements. Subsidiaries are all entities controlled by Sigurd Group. Sigurd Group controls an entity when Sigurd Group 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. Consolidation of subsidiaries begins from the date Sigurd Group obtains control of the subsidiaries and ceases when Sigurd Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within Sigurd Group have been eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by Sigurd Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	Description
Sigurd Microelectronics Corporation	Sigurd International Co., Ltd.	Investment company	100	100	Note 6
Sigurd Microelectronics Corporation	Burgurd Co., Ltd.	International trade company	100	100	-
Sigurd Microelectronics Corporation	TEST-SERV Inc.	Semiconductor assembly and testing	100	100	-
Sigurd Microelectronics Corporation	Bloomeria Limited	Investment company	100	100	Note 4
Sigurd Microelectronics Corporation	AMBERSAN Medical Technology Co., Ltd.	Medical equipment manufacturing and sales	55	55	-
Sigurd Microelectronics Corporation	Flatek, Inc.	Digital information supply service	58.77	58.77	-

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Sigurd Microelectronics Corporation	Flusol Co., Ltd.	Investment company	96.66	96.66	-
Sigurd Microelectronics Corporation	SIGWIN Cooperation	Investment company	83.23	68.99	Note 4
Sigurd Microelectronics Corporation	UTC Holdings Corporation	Investment company	100	100	Note 5
Sigurd International Co., Ltd.	Sigurd Microelectronics (Cayman) Co., Ltd.	Investment company	78.33	78.33	-
Sigurd International Co., Ltd.	Flusol Co., Ltd.	Investment company	3.34	3.34	-
Flusol Co., Ltd.	SIRIZE Technology (Suzhou) Corp.	Design of testing application for integrated circuits and advanced service of circuits testing	100	100	-
Sigurd Microelectronics (Cayman) Co., Ltd.	Sigurd Micro Electronics (Wuxi) Co., Ltd.	Manufacture and sales of microelectronic products	-	100	Note 6
Bloomeria Limited	SIGWIN Cooperation	Investment company	16.77	31.01	Note 4
SIGWIN Cooperation	Winstek Semiconductor Co., Ltd.	Research, design and testing of integrated circuits	51.90	51.90	-
TEST-SERV Inc.	Winstek Semiconductor Co., Ltd.	Research, design and testing of integrated circuits	0.03	0.03	-
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Services of turnkey wafer bumping and wafer level	100	100	Note 3
Winstek Semiconductor Co., Ltd.	TST Co., Ltd.	Plant development and leasing	100	100	Note 1
FLATEK, INC.	OPS Electronic Limited	Investment company	100	100	-
FLATEK, INC.	TPFUSION, INC.	Digital information supply service	83.77	83.77	Note 2
FLATEK, INC.	Valuenet International Limited	Digital information supply service	100	100	-

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	Description
OPS Electronic Limited	OPS Electronic (ShenZhen) Limited	Manufacture and sales of IC programmers and its parts, IC copiers, components for chip testers and electronic	100	100	-
TPFUSION INC.	TPfusion Corp.	Digital information supply service	98	98	-
UTC Holdings Corporation	Sigurd UTC Corporation	Testing service of integrated circuits and manufacture, sales and design of dies, flip chip and substrate based boards	100	100	-

Note 1: TST CO., LTD. was established on May 10, 2022. The company's subsidiary, Winstek Semiconductor Co,. Ltd., invested $200,000 to obtain its 100% shareholding.

Note 2: In June 2022, TPFUSION INC. increased cash capital in the amount of $8,100. In June 2022, FLATEK, INC has remitted capital in the amount of $8,100 and acquired all of increased share equity.

Note 3: On October 17, 2022, Winstek Semiconductor Technology Co., Ltd. performed capital reduction and returned cash to the Company’s subsidiary, Winstek Semiconductor Co., Ltd., in the amount of $1,000,000, the ratio of capital reduction was 32.25%.

Note 4: The Company planned to adjust the shareholding structure of Bloomeria Limited and of SIGWIN Cooperation which it held indirectly to activate the utilisation efficiency of the Group’s assets and optimise the shareholders’ equity as resolved by the Board of Directors on November 1, 2022. As of December 31, 2023, the adjustment results are as follows:

(A.) On November 7, 2022, SIGWIN Cooperation performed capital reduction by retiring ordinary shares in the amount of $216,557 and cash distribution from capital surplus in the amount of $1,133,443 and returned cash to the Company and the Company’s subsidiary, Bloomeria, in the amount of $8,727 and $1,341,273, respectively, the ratio of capital reduction was 70%.

(B.) On November 29, 2022, SIGWIN Cooperation increased cash capital in the amount of $1,500,000 by issuing 7,653,061 ordinary new shares with a par value of $10 (in dollars) and an issuance price of $196 (in dollars) per share. All proceeds from shares issued have been collected and the legal registration procedures had been completed.

(C.) On December 16, 2022, the Board of Directors of SIGWIN Cooperation resolved the capitalisation of earnings by issuing new shares. The legal registration procedures for the capitalisation of dividends amounting to $128,000 by issuing 12,800,000 ordinary shares with a par value of NT$10 (in dollars) per share had been completed.

(D.) On April 21, 2023, the Board of Directors of SIGWIN Corporation resolved the capitalisation of earnings by issuing new shares. The legal registration procedures for the capitalisation of dividends amounting to $252,659 by issuing 25,265,927 ordinary shares with a par value of NT$10 (in dollars) per share had been completed.

(E.) Bloomeria Limited had performed capital reduction in the amount of $1,427,162 by retiring 1,384,602,258 issued shares to activate the utilisation efficiency of the assets of the group, company and shareholders as resolved by the Board of Directors on December 14, 2022, and the legal registration procedures had been completed.

(F.) Bloomeria Limited had performed capital reduction in the amount of $77,050 by retiring 74,272,133 issued shares to activate the utilisation efficiency of the assets of the group, company and shareholders as resolved by the Board of Directors on April 21, 2023, and the legal registration procedures had been completed.

Note 5: On April 25, 2023, UTC Holdings Corporation reduced cash capital as resolved by the Board of Directors on behalf of the shareholders' meeting. In order to strengthen the financial structure and activate funds, UTC Holdings Corporation reduced the cash capital amounting to $203,860 by retiring 20,385,996 issued shares. The capital reduction ratio is 6.15%, and the legal registration procedures had been completed.

Note 6: Sigurd Micro Electronics (Wuxi) Co., Ltd. had ceased operations in Jane 2023 and the liquidation in mainland China had been completed. Sigurd Micro Electronics (Wuxi) Co., Ltd. had returned the remaining investment amount repatriated amounting to 29,546,539.40 CNY to its parent company, Sigurd Microelectraonics (Cayman) Co., Ltd in August 2023.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to Sigurd Group:

As of December 31, 2023 and 2022, the non-controlling interests amounted to $2,961,425 and $2,901,259, respectively. The information on non-controlling interests and respective subsidiaries is as follows:

		Non-controlling interest				
		December 31, 2023		December 31, 2022		
Name of subsidiary	Principal place of business	Amount	Ownership (%)	Amount	Ownership (%)	Description
Winstek Semiconductor Co., Ltd. and its Subsidiary	Taiwan	$2,882,777	48.10%	$2,813,457	48.10%	-

Summarised financial information of subsidiaries:

Balance sheets

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	December 31, 2023	December 31, 2022
Current assets	$ 4,500,225	$ 4,052,276
Non-current assets	3,123,302	3,401,599
Current liabilities	(1,086,154)	(762,486)
Non-current liabilities	(543,245)	(837,473)
Total net assets	$ 5,994,128	$ 5,853,916

Statements of comprehensive income

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	Years ended December 31,	
	2023	2022
Revenue	$ 3,667,818	$ 3,947,152
Profit before income tax	1,009,645	1,111,932
Income tax expense	(169,802)	(194,465)
Profit from continuing operations	839,843	917,467
Profit for the year	839,843	917,467
Other comprehensive loss (income), net of tax	(18,323)	373,940
Total comprehensive income for the year	$ 821,520	$ 1,291,407
Comprehensive income attributable to non-controlling interests	$ 395,111	$ 621,104
Dividends paid to non-contronlling interests	$ 327,676	$ 150,731

Statements of cash flows

	Winstek Semiconductor Co., Ltd. and Subsidiaries	
	Years ended December 31,	
	2023	2022
Net cash provided by operating activities	$ 1,536,566	$ 1,603,658
Net cash used in investing activities	(1,231,419)	(1,414,497)
Net cash used in financing activities	(736,731)	(210,081)
Effect of exchange rates on cash and cash equivalents	10,085	137,099
Decrease in cash and cash equivalents	(421,499)	116,179
Cash and cash equivalents, beginning of year	1,719,592	1,603,413
Cash and cash equivalents, end of year	$ 1,298,093	$ 1,719,592

(4) Foreign currency translation

Items included in the consolidated financial statements of each of Sigurd Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan dollar, which is the Company's functional and Sigurd Group's presentation 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 based on the nature of those transactions 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 Sigurd Group entities, that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented 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;

iii. All resulting exchange differences are recognised in other comprehensive income (loss).

(b) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when Sigurd Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(c) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) <u>Classification of current and non-current items</u>

A. Assets that meet one of the following criteria are classified as 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 realized 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.

Sigurd Group classifies the assets which do not meet the above criteria as non-current assets.

B. Liabilities that meet one of the following criteria are classified as current liabilities:

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

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within 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.

Sigurd Group classifies the liabilities which do not meet the above criteria as non-current liabilities.

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

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.

(7) <u>Financial assets at fair value through profit or loss</u>

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

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

C. At initial recognition, Sigurd Group measures the financial assets at fair value and recognises the transaction costs in profit or loss. Sigurd Group subsequently measures the financial assets at fair value and recognises the gain or loss in profit or loss.

D. Sigurd Group recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to Sigurd Group and the amount of the dividend can be measured reliably.

(8) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which Sigurd Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of Sigurd Group'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 fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, Sigurd Group measures the financial assets at fair value plus transaction costs. Sigurd Group subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as income when the right to receive payment is established, future economic benefits associated with the dividend will flow to Sigurd Group and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income (loss) is reclassified from equity to profit or loss.

(9) Financial assets at amortised cost

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

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

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

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, Sigurd Group 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 ,and recognizing impairment loss. A gain or loss is recognised in profit or loss when the asset is derecognised.

D. Sigurd Group'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.

(10) Accounts and notes receivable

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

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

(11) Impairment of financial assets

For debt instruments measured at fair value through other comprehensive income and financial assets or contract assets at amortised cost, at each reporting date, Sigurd Group 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, Sigurd Group recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

Sigurd Group 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 Sigurd Group 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, Sigurd Group has not retained control of the financial asset.

(13) Operating leases (lessor)

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(14) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. 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.

(15) 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 Sigurd Group 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. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant, and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

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

Buildings and structures	4 ~ 60 years
Machinery and equipment	1 ~ 10 years
Office equipment	3 ~ 6 years
Other equipment	2 ~ 15 years

(16) 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 Sigurd Group. 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 the following:

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

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

Sigurd Group 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.

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

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 5 years.

(18) Impairment of non-financial assets

A. Sigurd Group 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 recognising 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.

B. The recoverable amounts of goodwill, intangible assets with an indefinite useful life and intangible assets that have not yet been available for use are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill is acquired to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination.

(19) Borrowings

A. Borrowings comprise long-term and 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.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(20) Notes and accounts payable

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

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

(21) Provisions

A. Provisions are recognised when Sigurd Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognised as interest expense.

B. In the process of service provision, customers were unable to sell their products due to Sigurd Group's operational errors or poor product yield. Sigurd Group has assessed the liability for compensation when facts occur, and therefore has estimated related expenses and the provision for the recognition of liabilities. The provision is measured based on historical data and all possible outcomes.

(22) 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 expenses in that period when the employees render service.

B. Pensions

(a) Defined contribution plans

For 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 refunds or a reduction in the future payments.

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with Sigurd Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, Sigurd Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plans are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

iii. Past service costs are recognised immediately in profit or loss.

C. Termination benefits

Termination benefits are employee benefits provided in exchange for the termination of employment as a result from either the Company's decision to terminate an employee's employment before the normal retirement date, or an employee's decision to accept an offer of redundancy benefits in exchange for the termination of employment. The Company recognises expense as it can no longer withdraw an offer of termination benefits or it recognises relating restructuring costs, whichever is earlier. Benefits that are expected to be due more than 12 months after balance sheet date shall be discounted to their present value.

D. Employees' compensation and directors' remuneration

Employees' compensation and directors' 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.

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'Finance costs'.

(24) Convertible bonds payable

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

A. The embedded redemption rights 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 equity 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) 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".

(25) Income tax

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 in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the shareholders 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 parent balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by Sigurd Group 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 at 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. A deferred tax assets shall be recognised for the carry forward of unused tax credits resulting from acquisitions of equipment or technology and research and development expenditures to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

F. 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.

(26) Share capital

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

(27) Dividends

Dividends are recorded in Sigurd Group's financial statements in the period in which they are resolved by Sigurd Group'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.

(28) Revenue recognition

A. Sales of goods

(a) Sigurd Group manufactures and sells electronic components. Sales are recognised when control of the products has transferred, being when the products are delivered to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or Sigurd Group has objective evidence that all criteria for acceptance have been satisfied.

(b) Since the time interval between the transfer of the promised services to the customer and payment by the customer has not exceeded one year, Sigurd Group has not adjusted the transaction price to reflect the time value of money.

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

B. Provision of services

(a) Sigurd Group provides the services of research and design, engineering and testing of integrated circuits as well as the related services such as wafer bumping and wafer assembly services. An entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognises revenue over time, if one of the following criteria is met: (a) the customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs; (b) the entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or (c) the entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The testing and packaging services provided by Sigurd Group are in compliance with the (b) above, and shall be gradually recognised as revenue over time, and recognised as revenue via the progress towards satisfication of completion performance obligation.

(b) Since the time interval between the transfer of the promised services to the customer and payment by the customer has not exceeded one year, Sigurd Group has not adjusted the transaction price to reflect the time value of money.

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

(29) Government grants

Government grants are recognised at their fair value only when there is reasonable assurance that the Group will comply with any conditions attached to the grants and the grants will be received. Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises expenses for the related costs for which the grants are intended to compensate.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. Sigurd Group's chief operating decision-maker, has been identified as Board of Directors who is responsible for allocating resources and assessing performance of the operating segments.

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

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

(1) Critical judgements in applying Sigurd Group's accounting policies

None.

(2) Critical accounting estimates and assumptions

On June 20,2023, the Board of Directors of the subsidiary of the Company resolved to retroactively adjust the estimated useful lives of parts of machinery and equipment from April 1, 2023, from the range of 2 to 6 years to the range of 2 to 9 years based on their actual use conditions and rationalities. Therefore, the impact of changes in accounting estimates on the increase (decrease) in depreciation expense from April 1, 2023 to December 31, 2023 and in the future years is as follows:

	April 1, 2023 to December 31, 2023	2024	2025	2026	2027	2028
Depreciation Expense	($ 61,995)	($47,964)	($ 1,436)	$44,427	$53,385	$13,583

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 1,411	$ 1,742
Checking accounts and demand deposits	3,202,141	3,285,029
Time deposits	6,202,668	5,587,141
	$ 9,406,220	$ 8,873,912

A. Sigurd Group 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. Sigurd Group has no cash and cash equivalents pledged to others.

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

	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 210,000	$ 240,000
Corporate bonds	98,507	143,480
Redemption right of convertible bonds of the Company	1,050	1,050
	309,557	384,530
Valuation adjustment	4,981	11,674
	$ 314,538	$ 396,204

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	Years ended December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 17,354	($ 23,707)
Corporate bonds	9,814	9,464
Convertible bonds	-	(1,050)
	$ 27,168	($ 15,293)

B. Information relating to price risk and fair value of financial assets at fair value through profit or loss is provided in Notes 12(2) and (3).

(3) Financial assets at fair value through other comprehensive income

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	$ 150,000	$ 150,000
Unlisted stocks	1,205,166	1,205,166
	1,355,166	1,355,166
Valuation adjustment	803,801	235,618
	$ 2,158,967	$ 1,590,784

A. Sigurd Group has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $2,158,967 and $1,590,784 as at December 31, 2023 and 2022, respectively.

B. In 2022, the Group disposed investments in the fair value amount of $337 due to the acquisition of the acquirer, the accumulated gain from disposal was $337 and was reclassified as retained earnings.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Year ended December 31,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 568,183	($ 531,384)
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 337
Dividend income recognised in profit or loss held at end of year	$ 27,523	$ 20,578

D. Information relating to price risk and fair value of financial assets at fair value through other comprehensive income is provided in Notes 12(2) and (3).

(4) Financial assets at amortised cost

Items	December 31, 2023	December 31, 2022
Current items:		
Time deposits	$ 3,332,000	$ 1,802,321
Repurchase Agreements	-	200,000
	$ 3,332,000	$ 2,002,321
Non-current items:		
Pledged time deposits	$ 39,887	$ 39,886
Corporate bonds	130,000	30,000
	$ 169,887	$ 69,886

A. Amounts recognised in profit or loss in relation to financial assets at amortised cost are listed below:

	Years ended December 31,	
	2023	2022
Interest income	$ 95,079	$ 19,932

B. As of December 31, 2023 and 2022, without taking into account 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 Sigurd Group was $3,501,887 and $2,072,207, respectively.

C. On December 31, 2023 and 2022, time deposits amounting to $39,887 and $39,886, respectively, which were restricted for the purpose of customs guarantee and rental guarantee were shown as "Current financial assets at amortised cost" and "Non-current financial assets at amortised cost". Please refer to Note 8 for details.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2). The counterparties of the Group's investments in certificates of deposits are financial institutions with high credit quality, so the Group expects that the probability of counterparty default is remote.

(5) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 29	$ 5,283
Accounts receivable	$ 3,706,924	$ 3,881,358
Accounts receivable - related parties	3,333	3,349
	3,710,257	3,884,707
Less: Loss allowance	(10,405)	(53,282)
	$ 3,699,852	$ 3,831,425

A. As of December 31, 2023 and 2022, accounts receivable and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $3,872,944.

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

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 3,623,409	$ 29	$ 3,624,608	$ 5,283
Up to 30 days	67,079	-	76,947	-
31 to 90 days	5,527	-	126,049	-
91 to 180 days	2,817	-	25	-
Over 181 days	11,425	-	57,078	-
	$ 3,710,257	$ 29	$ 3,884,707	$ 5,283

The above ageing analysis was based on past due date.

C. As at December 31, 2023 and 2022, without taking into account other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents Sigurd Group's notes receivable was $29 and $5,283, respectively, and the maximum exposure to credit risk in respect of Sigurd Group's accounts receivable was $3,710,257 and $3,884,707, respectively.

D. As of December 31, 2023 and 2022, Sigurd Group held collateral amounting to $11,412 and $0, respectively, for the guarantee of accounts receivable.

E. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(6) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 311,007	($ 16,451)	$ 294,556
Supplies	81,761	(6,349)	75,412
Work in progress	21,362	(2,126)	19,236
Merchandises and finished goods	47,578	(10,780)	36,798
	$ 461,708	($ 35,706)	$ 426,002

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 259,177	($ 16,122)	$ 243,055
Supplies	83,646	(7,380)	76,266
Work in progress	16,691	(1,375)	15,316
Merchandises and finished goods	20,716	(3,429)	17,287
	$ 380,230	($ 28,306)	$ 351,924

The cost of inventories recognised as expense for the year:

	Year ended December 31, 2023	2022
Cost of goods used	$ 11,893,335	$ 13,146,564
Inventory valuation loss	7,483	18,291
Inventory scrapped loss	-	230
Net exchange differences	(83)	726
	$ 11,900,735	$ 13,165,811

(7) Property, plant and equipment

2023	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1							
Cost	$ 891,422	$ 4,154,822	$ 32,675,391	$ 438,461	$ 2,794,893	$ 472,202	$ 41,427,191
Accumulated depreciation and impairment	-	(1,470,659)	(19,694,764)	(275,348)	(1,830,720)	-	(23,271,491)
	$ 891,422	$ 2,684,163	$ 12,980,627	$ 163,113	$ 964,173	$ 472,202	$ 18,155,700
2023							
At January 1	$ 891,422	$ 2,684,163	$ 12,980,627	$ 163,113	$ 964,173	$ 472,202	$ 18,155,700
Additions	3,064	63,597	1,241,517	57,295	235,126	506,310	2,106,909
Transferred from right-of-use assets	-	-	165,899	-	-	-	165,899
Reclassifications (Note)	-	70,473	175,842	2,406	22,283	(289,843)	(18,839)
Disposals	-	-	(218,441)	-	-	-	(218,441)
Depreciation	-	(182,601)	(3,682,849)	(92,138)	(288,260)	-	(4,245,848)
Net exchange differences	-	(10,556)	(18,663)	(311)	(281)	154	(29,657)
At December 31	$ 894,486	$ 2,625,076	$ 10,643,932	$ 130,365	$ 933,041	$ 688,823	$ 15,915,723
At December 31, 2023							
Cost	$ 894,486	$ 4,268,309	$ 31,987,032	$ 430,299	$ 2,880,105	$ 688,823	$ 41,149,054
Accumulated depreciation and impairment	-	(1,643,233)	(21,343,100)	(299,934)	(1,947,064)	-	(25,233,331)
	$ 894,486	$ 2,625,076	$ 10,643,932	$ 130,365	$ 933,041	$ 688,823	$ 15,915,723

	2022						
	Land	Buildings and structures	Machinery and equipment	Office equipment	Other equipment	Construction in progress and equipment to be inspected	Total
At January 1							
Cost	$ 844,353	$ 3,947,609	$ 28,945,355	$ 412,521	$ 2,647,787	$ 1,378,065	$ 38,175,690
Accumulated depreciation and impairment	-	(1,378,192)	(16,480,813)	(224,174)	(1,613,210)	-	(19,696,389)
	$ 844,353	$ 2,569,417	$ 12,464,542	$ 188,347	$ 1,034,577	$ 1,378,065	$ 18,479,301
2022							
At January 1	$ 844,353	$ 2,569,417	$ 12,464,542	$ 188,347	$ 1,034,577	$ 1,378,065	$ 18,479,301
Additions	47,069	159,685	3,024,904	66,731	145,296	380,112	3,823,797
Transferred from right-of-use assets	-	-	107,828	-	-	-	107,828
Reclassifications (Note)	-	127,850	1,108,101	713	51,264	(1,287,864)	64
Disposals	-	(26,470)	(57,247)	(167)	(2,322)	-	(86,206)
Depreciation	-	(154,742)	(3,779,972)	(95,988)	(283,512)	-	(4,314,214)
Impairment loss	-	-	(34,643)	-	-	-	(34,643)
Net exchange differences	-	8,423	147,114	3,477	18,870	1,889	179,773
At December 31	$ 891,422	$ 2,684,163	$ 12,980,627	$ 163,113	$ 964,173	$ 472,202	$ 18,155,700
At December 31, 2022							
Cost	$ 891,422	$ 4,154,822	$ 32,675,391	$ 438,461	$ 2,794,893	$ 472,202	$ 41,427,191
Accumulated depreciation and impairment	-	(1,470,659)	(19,694,764)	(275,348)	(1,830,720)	-	(23,271,491)
	$ 891,422	$ 2,684,163	$ 12,980,627	$ 163,113	$ 964,173	$ 472,202	$ 18,155,700

Note: In 2023, the transfers-out of construction in progress and equipment to be inspected amounted to $289,843, of which $18,389 were transferred to prepaid expenses (shown as “Prepayments”). In 2022, the transfers-out of construction in progress and equipment to be inspected amounted to $1,287,864. In addition, the prepaid expenses amounted to $64 were transferred into machinery and equipment.

A. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31,	
	2023	2022
Amount capitalised	$ 16,830	$ 15,653
Range of the interest rates for capitalisation	1.552%~2.087%	1.127%~2.166%

B. The significant components of buildings and structures include buildings, laboratory and facility equipment, which are depreciated over 50 to 60 years.

C. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8.

D. As of December 31, 2023 and 2022, both the area of the land held by Sigurd Group were 43,207 square meters. In 2023 and 2022, the area of the land amounting to 3,499 and 11,524 square meters was a farming and grazing land held in the name of others, respectively. Sigurd Group has obtained the mortgage set by the landowner to secure Sigurd Group's right on the untransferred part of the land.

(8) Leasing arrangements－lessee

A. Sigurd Group leases various assets, including buildings, machinery and equipment and transportation equipment for the purposes of manufacture and operations. Lease agreements are typically made for periods of 1 to 32 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases consisted of machinery and equipment and transportation equipment leased by Sigurd Group with lease terms no more than 12 months, and low-value assets are comprised of office equipment.

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

	December 31,	
	2023	2022
	Carrying amount	Carrying amount
Land	$ 190,424	$ 196,879
Buildings	198,334	207,284
Machinery and equipment	137,174	321,909
Transportation equipment (business vehicles)	8,877	11,410
Office equipments	1,110	245
	$ 535,919	$ 737,727

	Year ended December 31,	
	2023	2022
	Depreciation	Depreciation
Land	$ 6,455	$ 6,445
Buildings	63,669	65,898
Machinery and equipment	52,763	83,699
Transportation equipment (business vehicles)	6,540	9,320
Office equipments	223	173
	$ 129,650	$ 165,535

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets was $100,275 and $182,581, respectively.

E. When the lease terms ceased, the Company had preemptive right on some of leased machinery and equipment. For the years ended December 31, 2023 and 2022, aforementioned lease contracts with preemptive right were due, the Company exercised the preemptive right to buy machinery and equipment in the amount of $165,899 and $107,828, respectively.

F. The information on profit and loss accounts relating to lease agreements is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 20,535	$ 23,569
Expense on short-term lease agreements	103,526	204,675
Expense on leases of low-value assets	9,603	8,451
Gains arising from lease modifications	(32)	-

G. For the years ended December 31, 2023 and 2022, Sigurd Group's total cash outflow for leases were $396,730 and $535,722, respectively.

(9) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 147,985	1.90%~3.70%	None

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings	$ 135,000	1.58%~1.90%	None

(10) Other payables

	December 31, 2023	December 31, 2022
Accrued salaries and bonuses	$ 711,026	$ 874,279
Accrued employees' compensation and directors' remuneration	383,779	522,859
Payable for equipment and construction	361,782	470,350
Others	937,511	934,264
	$ 2,394,098	$ 2,801,752

(11) Bonds payable

	December 31, 2023	December 31, 2022
Convertible bonds payable	$ 1,500,000	$ 1,500,000
Bonds payable	3,000,000	3,000,000
Less: Bonds payable converted	(200)	-
Less: Discount on bonds payable	(44,446)	(80,368)
	4,455,354	4,419,632
Less: Current portion (shown as "Other current liabilities")	(1,487,766)	-
	$ 2,967,588	$ 4,419,632

Domestic 1st Secured Bonds

In order to fulfill working capital, on March 10, 2021, the Company's Board of Directors approved to issue domestic first secured corporate bonds, the issuance has been filed to Taipei Exchange and has been effective. Main terms of the issuance were as follows:

(a) Total issuance amount: The bonds were issued at face value of $1,000, the issuance number was 3,000 with a total issuance amount of $3,000,000.

(b) Issuance duration: 5 years, from March 19, 2021 to March 19, 2026.

(c) Coupon rate and payment method: The coupon rate was fixed rate at 0.58%. Interest will be paid annually. The principle will be paid at once when it is due.

(d) Secured method: The corporate bond was guaranteed by the syndicated guaranteed contract and performance obligation contract of corporate bond guarantee which were entered by banks.

Domestic 4th Unsecured Convertible Bonds

A. To raise the capital for acquiring machinery and equipment, the Board of Directors of the Company resolved to issue the 4th domestic unsecured convertible bonds on August 4, 2021, which had been approved by the FSC. The aforementioned unsecured convertible bonds were priced on October 2, 2021 and were issued on October 13, 2021. The major terms of issuance are as follows:

(a) Issue amount: Issued at 106.2% of par value of $100. The units for this offering were 15,000, with aggregated offering amount of $1,592,946.

(b) Issuance duration: Three years, from October 13, 2021 to October 13, 2024.

(c) Coupon rate and principal payment method: The coupon rate is 0% per annum. Except for converting the corporate bonds into the Company's ordinary share by the holder or redemption and written off by the Company through a securities firm, the Company shall repay the nominal amount of the bonds via cash in one lump sum at the time of maturity.

(d) Conversion period: Except for exercising the right of conversion, provided by the law, or due to a transfer suspension period stipulated in a contract (if any); the corporate bonds held by the bondholders shall be converted into ordinary shares of the Company from three months after the issuance (January 14, 2022) until the maturity date (October 13, 2024).

(e) Conversion price and its adjustment: The conversion price at the time of issuance is set at $65.4 (in dollars) per share. However, in case of ex-rights or ex-dividends after the issuance of the Company's bonds, the closing price used to calculate the conversion price shall first be calculated as the price after ex-rights or ex-dividends. After the conversion price is determined and prior to the actual issuance date, it should be adjusted according to the conversion price adjustment formula in case of ex-dividend or ex-rights. The conversion price was adjusted from $65.4 (in dollars) to $60.5 (in dollars) on July 20, 2022; and the conversion price was adjusted from $60.5 (in dollars) to $56.1 (in dollars) on August 2, 2023.

(f) The rights and obligations of the new shares converted from the bonds are the same as the issued and outstanding common shares.

(g) Under the terms of the bonds, all bonds redeemed (including bonds repurchased from the Taipei Exchange), matured and converted are retired and not to be re-issued; all rights and obligations attached to the bonds are also extinguished.

B. Regarding the issuance of the domestic 4th unsecured convertible bonds, the equity conversion options amounting to $136,893 were separated from the liability component and were recognised in "Capital surplus—share options" in accordance with IAS 32. The 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 0.09%.

C. As of December 31, 2023,the 4th unsecured convertible bonds totaling $200 (face value) had been converted into 3,564 shares of common stock.

(12) Long-term borrowings

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Credit borrowings	Borrowing period is from May 25, 2020 to April 15, 2032; principal and interest are repayable by instalments	1.1%~7.31%	(Note 1)	$ 7,605,674
Secured borrowings	Borrowing period is from September 26, 2019 to February 15, 2027; principal and interest are repayable by instalments	1.225%~2.04%	Land, plant and machinery and equipment (Note 3)	832,093
				8,437,767
Less: Current portion				(3,129,928)
				$ 5,307,839

Type of borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Credit borrowings	Borrowing period is from April 27, 2018 to May 9, 2032; principal and interest are repayable by instalments	0.6%~4.60%	(Note 1)	$ 7,319,097
Secured borrowings	Borrowing period is from October 17, 2018 to January 8, 2026; principal and interest are repayable by instalments	0.6%~2.96%	Land, plant and machinery and equipment (Note 3)	1,274,560
				8,593,657
Less: Current portion				(1,600,579)
				$ 6,993,078

For the years ended December 31, 2023 and 2022, interest expenses arising from long-term and short-term bank borrowings amounted to $206,233 and $146,078, respectively.

Note 1: Credit borrowings

According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:

A. Current ratio: the net current assets divided by the net current liabilities in the consolidated financial statements shall not be less than 130%.

B. Debt ratio: the total net liabilities plus contingent liabilities divided by net tangible assets shall not be more than 100%.

C. Times interest earned: the net profit before tax plus interest expenses, depreciation expenses and amortisation expenses divided by interest expenses of consolidated financial statements shall be more than ten.

D. Net tangible assets shall not be less than $11 billion.

E. Committed that in the borrowing period, there can not be new machinery and equipment pledged to others.

F. Shares of TEST-SERV Inc. and Sigurd UTC Corporation held by the Company shall not be less than 51%.

G. Shares of Winstek Semiconductor Co., Ltd. held by the Company shall not be less than 51% and not less than half of the total number of directors. Shares of Winstek Semiconductor Technology Co., Ltd. held by Winstek Semiconductor Co., Ltd. shall not be less than 100%.

H. The balance of deposits of Winstek Semiconductor Co., Ltd. and its subsidiaries at the contracted bank over the recent three months on average shall not be less than $ 60 million.

I. On July 1, 2019, Ministry of Economic Affairs, R.O.C. ("MOEA") implemented the "Action Plan for Accelerated Investment by Domestic Corporations" and companies are subsidised by financial institutions with preferential interest loans, 1.1%~1.85% of loan interest for qualified investment projects. The Company has obtained the qualification from the MOEA, and signed loan agreements with financial institutions for the line of credit amounted to $3.066 billion with terms of 5 years. Funding from these borrowings were used in machinery and equipment and working capital. For the years ended December 31, 2023 and 2022, Sigurd Group recognised grant revenue from the borrowing project in the amount of $8,259 and $6,519, respectively (shown as 'Other income').

J. On July 1, 2019 Ministry of Economic Affairs R.O.C. ("MOEA") implemented the "Action Plan for welcoming Overseas Taiwanese Businesses to Return to Invest in Taiwan" and companies are subsidized by financial institutions with preferential interest loans 1.025% ~ 1.35% of loan interest for qualified investment projects. The Group has obtained the qualification from the MOEA and signed loan agreements with financial institutions for the line of credit amounted to $3.18 billion with term of 10 years. For the years ended December 31, 2023 and 2022, the Company recognised grant revenue from the borrowing project in the amount of $3,196 and $1,188, respectively (shown as 'Other income').

Note 2: Credit borrowings

According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:

A. Current ratio: the net current assets divided by the net current liabilities in the consolidated financial statements shall not be less than 130%.

B. Debt ratio: the total net liabilities plus contingent liabilities divided by net tangible assets shall not be more than 120%.

C. Times interest earned: the net profit before tax plus interest expenses, depreciation expenses and amortisation expenses divided by interest expenses of consolidated financial statements shall be more than ten.

D. Net tangible assets shall not be less than $11 billion.

E. Committed that in the borrowing period, there can not be new machinery and equipment pledged to others.

F. Shares of TEST-SERV Inc. and Sigurd UTC Corporation held by the Company shall not be less than 51%.

G. Shares of Winstek Semiconductor Co., Ltd. held by the Company shall not be less than 51% and not less than half of the total number of directors. Shares of Winstek Semiconductor Technology Co., Ltd. held by Winstek Semiconductor Co., Ltd. shall not be less than 100%.

H. The balance of deposits of Winstek Semiconductor Co., Ltd. and its subsidiaries at the contracted bank over the recent three months on average shall not be less than $ 60 million.

Note 3: Secured borrowings

According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:

A. Net debt ratio: the total liabilities minus cash and cash equivalents divided by net tangible assets shall not be more than 120%.

B. Times interest earned: the net profit before tax plus interest expenses, depreciation expenses and amortisation expenses divided by interest expenses of consolidated financial statements shall be more than ten.

C. Net tangible assets shall not be less than $11 billion.

D. The purpose of bank borrowings shall be acquisition of equipment and working capital.

Note 4: Secured borrowings

According to the signed loan agreements, the following financial ratios and terms should be maintained before the full settlement of the debts:

A. Debt ratio: the total net liabilities plus contingent liabilities divided by net tangible assets shall not be more than 100%.

B. Cash and cash equivalents divided by short-term borrowings plus current portion of long-term borrowings and corporate bond shall not less than 1.

C. The purpose of bank borrowings shall be acquisition of equipment and working capital.

The abovementioned ratios were calculated based on the quarterly consolidated financial statements audited or reviewed by the independent auditors. The 2023 and 2022 consolidated financial statements met the requirements of the abovementioned ratios.

(13) Pensions

A. (a) The Company and its domestic subsidiaries have defined benefit pension plans in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plans, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the pension funds deposited with Bank of Taiwan, the trustee, under the name of the independent pension funds committees. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

(b) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 458,569)	($ 485,238)
Fair value of plan assets	206,631	211,220
Net defined benefit liabilities	($ 251,938)	($ 274,018)

(c) Movements in net defined benefit liabilities are as follows:

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
At January 1	($ 485,239)	$ 211,221	($ 274,018)
Current service cost	(932)	-	(932)
Interest (expense) income	(6,007)	2,700	(3,307)
	(492,178)	213,921	(278,257)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	1,355	1,355
Change in demographic assumptions	-	-	-
Change in financial assumptions	2,009	-	2,009
Experience adjustments	11,225	-	11,225
	13,234	1,355	14,589
Pension fund contribution	-	11,720	11,720
Paid pension	20,375	(20,375)	-
At December 31	($ 458,569)	$ 206,621	($ 251,948)

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
At January 1	($ 507,993)	$ 181,440	($ 326,553)
Current service cost	(1,224)	-	(1,224)
Interest (expense) income	(3,764)	1,386	(2,378)
	(512,981)	182,826	(330,155)
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	13,874	13,874
Change in demographic assumptions	(4,567)	-	(4,567)
Change in financial assumptions	31,896	-	31,896
Experience adjustments	(3,346)	-	(3,346)
	23,983	13,874	37,857
Pension fund contribution	-	18,280	18,280
Paid pension	3,759	(3,759)	-
At December 31	($ 485,239)	$ 211,221	($ 274,018)

(d) The Bank of Taiwan was commissioned to manage the funds of the Company's and its domestic subsidiaries' defined benefit pension plan in accordance with the funds' annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Funds" (Article 6: The scope of utilisation for the funds includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the funds their minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company and its domestic subsidiaries have no right to participate in managing and operating that funds and hence the Company and its domestic subsidiaries are unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Funds Utilisation Report announced by the government.

(e) The principal actuarial assumptions used were as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Discount rate	1.15%~1.3%	1.15%~1.43%
Future salary increase rate	3.00%~4.00%	3.00%~4.00%

Assumptions regarding future mortality rate are set based on actuarial advice in accordance with published statistics and experience in each territory.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
December 31, 2023				
Effect on present value of defined benefit obligations	($ 10,166)	$ 10,593	$ 30,999	($ 28,657)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 1%	Decrease 1%
December 31, 2022				
Effect on present value of defined benefit obligations	($ 11,851)	$ 12,375	$ 36,413	($ 33,455)

The sensitivity analysis above is based on a change in one assumption while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liabilities in the balance sheet are the same.

The method of analysing sensitivity and the method of assumptions did not change compared to the previous period.

(f) Expected amount of contributions to the defined benefit pension plans of Sigurd Group for the year ending December 31, 2024 is $11,662.

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established defined contribution pension plans (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The Company's mainland China subsidiaries, Sigurd Micro Electronics (Wuxi) Co., Ltd. and SIRIZE Technology (Suzhou) Corp., have defined contribution plans. Monthly contributions to an independent funds administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2023 and 2022, was 16%, and 16%, respectively. Other than the monthly contributions, Sigurd Group has no further obligations.

(c) The pension costs under defined contribution pension plans of Sigurd Group for the years ended December 31, 2023 and 2022 were $145,707 and $146,506, respectively.

(14) Share capital

As of December 31, 2023, the Company's authorised capital was $10,000,000, consisting of 1,000,000 thousand shares of ordinary stock (including 20,000 thousand shares reserved for employee stock options), and the paid-in capital was $4,567,410 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:

Unit: shares

	2023	2022
At January 1	456,741,020	452,078,156
Conversion of corporate bands	3,564	4,662,864
At December 31	456,744,584	456,741,020

(15) Capital surplus

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 capitalized mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	2023			
	Share premium	Consolidation premium	Share options	Total
At January 1	$ 158,254	$ 244,129	$ 136,913	$ 539,296
Conversion of corporate bonds	181	-	(19)	162
At December 31	$ 158,435	$ 244,129	$ 136,894	$ 539,458

	2022			
	Share premium	Consolidation premium	Share options	Total
At January 1	$ 555,999	$ 244,129	$ 142,225	$ 942,353
Conversion of corporate bonds	104,378	-	(5,312)	99,066
Cash distribution from capital surplus	(502,123)	-	-	(502,123)
At December 31	$ 158,254	$ 244,129	$ 136,913	$ 539,296

(16) 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 and then 10% of the remaining amount shall be set aside as legal reserve. Legal reserve is not necessary once the reserve is equal to total paid-in capital. The balance plus past undistributed earnings is the distributable earnings.

B. The Company's shareholders approved to appropriate earnings in cash or in shares, the first priority when appropriating earnings is cash, it also can be appropriated in shares. The appropriation of shareholders dividends was 10%~80% of distributable earnings in the current year, the ratio of cash dividends can not be lower than 10%.

The Company's shareholders approved the Company may, pursuant to a resolution to adopted by the Board of Directors as required in Item 5 Article 240 of the Company Act, distribute its dividends and bonuses, in whole or in part by cash ; and in addition there to a report of such distribution shall be submitted to the shareholders' meeting.

The Company may pursuant to be adopted by the Board of Directors as required in Article 241 of the Company Act, distribute its legal reserve and the following capital reserve, in whole or in part; by cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

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

D. The appropriations for 2022 and 2021 earnings had been resolved at shareholders' meeting on June 7, 2023 and June 9, 2022, respectively. Details are as follows:

	2022		2021	
	Amount	Dividends per share (in dollars)	Amount	Dividends per share (in dollars)
Legal reserve	$ 306,271		$ 284,248	
Cash dividends	1,918,312	$ 4.20	1,369,427	$ 3.00
Total	$ 2,224,583		$ 1,653,675	

E. June 9, 2022, the shareholders' meeting resolved the distribution of capital surplus amounting to $502,123 in cash ($1.10 (in dollars) per share).

F. On February 29, 2024, the Board of Directors resolved the appropriation for 2023 earnings through distribution of cash dividends amounting to $1,222,309 in cash ($2.68 (in dollars) per share).

G. Information of appropriation resolved by shareholder's meeting and the Board of Directors will be posted in the "Market Observation Post System".

(17) Other equity interest

	2023		
	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation difference of foreign operations	Total
At January 1	$ 235,618	$ 100,689	$ 336,307
Revaluation			
– Parent company	568,183	-	568,183
– Subsidiaries	-	-	-
Revaluation transferred to retained earnings			
– Subsidiaries	-	-	-
Currency translation			
– Subsidiaries	-	(40,506)	(40,506)
At December 31	$ 803,801	$ 60,183	$ 863,984

	2022		
	Unrealized gains (losses) on valuation of financial assets at fair value through other comprehensive income	Financial statements translation difference of foreign operations	Total
At January 1	$ 767,339	($ 130,865)	$ 636,474
Revaluation			
– Parent company	(503,403)	-	(503,403)
– Subsidiaries	(27,981)	-	(27,981)
Revaluation transferred to retained earnings			
– Subsidiaries	(337)	-	(337)
Currency translation			
– Subsidiaries	-	231,554	231,554
At December 31	$ 235,618	$ 100,689	$ 336,307

(18) Operating revenue

	Year ended December 31,	
	2023	2022
Revenue from contracts with customers	$ 15,479,501	$ 18,694,345

A. Disaggregation of Sigurd Group's revenue from contracts with customers:

2023	Sales revenue	Assembly and testing service revenue	Others service revenue	Total
Revenue from external customer contracts	$ 82,600	$ 15,383,385	$ 13,516	$ 15,479,501
Timing of revenue recognition				
Over time	$ -	$ 15,383,385	$ 13,516	$ 15,396,901
At a point in time	$ 82,600	$ -	$ -	$ 82,600

2022	Sales revenue	Assembly and testing service revenue	Others service revenue	Total
Revenue from external customer contracts	$ 59,521	$ 18,591,290	$ 43,534	$ 18,694,345
Timing of revenue recognition				
Over time	$ -	$ 18,591,290	$ 43,534	$ 18,634,824
At a point in time	$ 59,521	$ -	$ -	$ 59,521

B. Contract assets and liabilities

Sigurd Group has recognised the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract assets – Assembly and testing	$ 127,696	$ 152,984	$ 193,381
Contract liabilities:			
Contract liabilities – Unearned sales revenue	$ 9,929	$ 11,901	$ 15,124

C. Revenue recognised that was included in the contract liabilities balance at the beginning of the year.

	Year ended December 31, 2023	Year ended December 31, 2022
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
Revenue from external customer contracts	$ 5,113	$ 6,205

D. Refund liabilities (shown as "Other current liabilities")

The Company estimated sales discounts based on historical experience, the estimates was updated on every balance sheet dates, the details of related refund liabilities were as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Refund liabilities- current	$ 302,199	$ 189,055

(19) Interest income

	Year ended December 31, 2023	Year ended December 31, 2022
Interest income from bank deposits	$ 278,382	$ 87,445
Interest income from financial assets measured at amortised cost	95,079	19,932
Other interest income	808	821
	$ 374,269	$ 108,198

(20) Other income

	Year ended December 31, 2023	Year ended December 31, 2022
Rental revenue	$ 822	$ 766
Dividend income	27,533	20,578
Government grants	33,622	31,027
Other income, others	86,153	118,277
	$ 148,130	$ 170,648

(21) Other gains and losses

	Year ended December 31, 2023	Year ended December 31, 2022
Gains on disposals of property, plant and equipment	$ 152,826	$ 31,055
Gains on liquidation of sub-subsidiary	31,394	-
Net currency exchange gains	17,427	556,620
Gains (losses) on financial assets at fair value through profit or loss	27,168	(15,293)
Impairment loss on property, plant and equipment	-	(34,643)
Impairment loss on non-financial assets	-	(213)
Gains arising from lease modifications	32	-
Other gains (losses)	8,604	(4,753)
	$ 237,451	$ 532,773

(22) Finance costs

	Year ended December 31, 2023	Year ended December 31, 2022
Bank borrowings	$ 206,233	$ 146,078
Bonds payable	53,320	54,098
Lease liabilities	20,535	23,569
Others	84	3,750
Less: Capitalisation of assets	(16,830)	(15,653)
	$ 263,342	$ 211,842

(23) Expenses by nature

	Year ended December 31, 2023	Year ended December 31, 2022
Employee benefit expense	$ 4,336,246	$ 4,857,984
Depreciation expenses on property, plant and equipment	$ 4,245,848	$ 4,314,214
Depreciation expenses on right-of-use assets	$ 129,651	$ 165,536
Amortisation expenses on intangible assets and other asstes	$ 85,174	$ 75,248

(24) Employee benefit expense

	Year ended December 31, 2023	Year ended December 31, 2022
Wages and salaries	$ 3,656,741	$ 4,170,074
Labour and health insurance fees	335,073	342,383
Pension costs	149,946	150,108
Other personnel expenses	194,486	195,419
	$ 4,336,246	$ 4,857,984

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 range between 8%~12% for employees' compensation and shall not be higher than 3% for directors' remuneration.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $220,000 and $375,000, respectively; while directors' remuneration was accrued at $2,420 and $42,760, respectively. The aforementioned amounts were recognised in wages and salaries.
The employees' compensation and directors' remuneration were estimated and accrued based on 10.20% and 0.11%, respectively, of distributable profit of 2023.

C. Employees' compensation and directors' remuneration of 2023 and 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2023 and 2022 financial statements.

D. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System."

(25) Income tax

A. Income tax expense

(1) Components of income tax expense:

	Year ended December 31, 2023	Year ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 621,943	$ 868,759
Tax on unappropriated retained earnings	21,666	5,503
Prior year income tax overestimation	(181,126)	(45,631)
Total current tax	462,483	828,631
Deferred tax:		
Origination and reversal of temporary differences	(26,284)	83,879
Total deferred tax	(26,284)	83,879
Income tax expense	$ 436,199	$ 912,510

(2) The income tax charge relating to components of other comprehensive income is as follows:

	Year ended December 31, 2023	Year ended December 31, 2022
Losses on remeasurements of defined benefit plans	($ 1,818)	($ 373)

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31, 2023	Year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 868,709	$ 1,146,959
Tax exempt income by tax regulation	(382,816)	(294,502)
Expenses disallowed by tax regulation	11,055	15
Taxable losses not recognised as deferred tax assets	79,534	91,771
Effect from investment tax credits	(5,084)	(14,747)
Tax on unappropriated retained earnings	21,666	5,503
Prior year income tax overestimation	(181,126)	(45,631)
Change in assessment of realisation of deferred tax assets	2,493	(5,855)
Temporary differences not recognised as deferred tax liabilities	-	8,669
Separate tax amount	20,952	21,961
Other	816	(1,633)
Income tax expense	$ 436,199	$ 912,510

C. Amounts of deferred tax assets or liabilities as a result of temporary differences, tax losses and investment tax credit are as follows:

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised inventory valuation loss	$ 3,806	($ 815)	$ -	$ 2,991
Unrealised pension	(325)	(70)	-	(395)
Defined benefit liabilities	21,298	(1,547)	(1,818)	17,933
Long-term investment	6,436	-	-	6,436
Depreciation expense	28,240	(8,327)	-	19,913
Unrealised exchange loss	10,992	26,684	-	37,676
Others	89,742	15,385	-	105,127
Tax losses	160,408	(3,303)	-	157,105
Subtotal	320,597	28,007	(1,818)	346,786

Temporary differences:				
－Deferred tax liabilities:				
Defined benefit liabilities	(145)	-	-	(145)
Unrealised exchange gain	(16,369)	(1,012)	-	(17,381)
Bargain purchase gain	(40,434)	-	-	(40,434)
Unrealised gain or loss on financial instrument	(168)	168	-	-
Currency translation differences	(359)	(613)	-	(972)
Others	(9,970)	(266)	-	(10,236)
Subtotal	(67,445)	(1,723)	-	(69,168)
Total	$ 253,152	$ 26,284	($ 1,818)	$ 277,618

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
－Deferred tax assets:				
Unrealised inventory valuation loss	$ 1,617	$ 2,189	$ -	$ 3,806
Unrealised pension	(142)	(183)	-	(325)
Defined benefit liabilities	22,107	(436)	(373)	21,298
Long-term investment	6,436	-	-	6,436
Depreciation expense	35,619	(7,379)	-	28,240
Unrealised exchange loss	13,138	(2,146)	-	10,992
Others	50,634	39,108	-	89,742
Tax losses	260,361	(99,953)	-	160,408
Subtotal	389,770	(68,800)	(373)	320,597
Temporary differences:				
－Deferred tax liabilities:				
Defined benefit liabilities	(1,704)	1,559	-	(145)
Unrealised exchange gain	(338)	(16,031)	-	(16,369)
Bargain purchase gain	(40,434)	-	-	(40,434)
Unrealised gain or loss on financial instrument	(52)	(116)	-	(168)
Currency translation differences	-	(359)	-	(359)
Others	(9,838)	(132)	-	(9,970)
Subtotal	(52,366)	(15,079)	-	(67,445)
Total	$ 337,404	($ 83,879)	($ 373)	$ 253,152

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 268,312	$ 255,847

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

(26) Earnings per share

	Year ended December 31, 2023		
	Amount after income tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 1,737,319	456,741	$ 3.80
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	1,737,319	456,741	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	4,592	
Convertible bonds	12,838	26,738	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,750,157	488,071	$ 3.59

	Year ended December 31, 2022		
	Amount after income tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 3,033,285	453,932	$ 6.68
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	3,033,285	453,932	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	9,475	
Convertible bonds	13,660	27,603	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 3,046,945	491,010	$ 6.21

(27) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31,	
	2023	2022
Acquisition of property, plant and equipment	$ 2,106,909	$ 3,823,797
Add: Opening balance of payable on equipment	470,350	645,355
Add: Ending balance of prepaid on equipment	11,822	42,282
Add: Payment of preemptive right of lease liabilities	115,863	88,956
Less: Opening balance of prepaid on equipment	(42,282)	(117,618)
Less: Ending balance of payable on equipment	(361,782)	(470,350)
Cash paid during the year	$ 2,300,880	$ 4,012,422

B. Financing activities with no cash flow effects

	Year ended December 31,	
	2023	2022
Convertible bonds being converted to capital stocks	$ 198	$ 145,694

(28) Changes in liabilities from financing activities

	2023					
	Short-term borrowings	Long-term borrowings	Bonds payable (include current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activites
At January 1	$ 135,000	$ 8,593,657	$ 4,419,632	$ 714,839	$ 13,277	$ 13,876,405
Changes in cash flow from financing activities	9,171	(139,571)	-	(147,199)	977	(276,622)
Interest paid	-	-	(17,400)	(20,535)	-	(37,935)
Payment of preemptive right of lease liabilities	-	-	-	(115,863)	-	(115,863)
Changes in other non-cash items:						
Interest expense	-	-	-	20,535	-	20,535
Effect of foreign exchange	3,814	(16,319)	-	(4,526)	87	(16,944)
Option exercised	-	-	(198)	-	-	(198)
Discount on bonds payable	-	-	53,320	-	-	53,320
Increase in lease liabilities	-	-	-	100,275	-	100,275
Others	-	-	-	(200)	(6,228)	(6,428)
At December 31	$ 147,985	$ 8,437,767	$ 4,455,354	$ 547,326	$ 8,113	$ 13,596,545

	2022					
	Short-term borrowings	Long-term borrowings	Bonds payable (include current portion)	Lease liabilities	Guarantee deposits received	Total liabilities from financing activites
At January 1	$ 245,444	$ 8,171,817	$ 4,528,728	$ 823,592	$ 7,798	$ 13,777,379
Changes in cash flow from financing activities	(112,376)	403,350	(100)	(210,071)	5,479	86,282
Interest paid	-	-	(17,400)	(23,569)	-	(40,969)
Payment of preemptive right of lease liabilities	-	-	-	(88,956)	-	(88,956)
Changes in other non-cash items:						
Interest expense	-	-	-	23,569	-	23,569
Effect of foreign exchange	1,932	18,490	-	7,693	-	28,115
Option exercised	-	-	(145,694)	-	-	(145,694)
Discount on bonds payable	-	-	54,098	-	-	54,098
Increase in lease liabilities	-	-	-	182,581	-	182,581
At December 31	$ 135,000	$ 8,593,657	$ 4,419,632	$ 714,839	$ 13,277	$ 13,876,405

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Ene Technology Inc.	The Company is the Director of Ene Technology Inc.
Yann Yuan Investments Co., Ltd	The Company is the Director of Yann Yuan Investments Co., Ltd

(2) Significant related party transactions

A. Operating revenue:

	Year ended December 31, 2023	Year ended December 31, 2022
Provision of services:		
Others-Ene Technology Inc.	$ 16,151	$ 15,068

Goods are sold based on the price lists in force and terms that would be available to third parties.

B. Receivables from related parties:

	December 31, 2023	December 31, 2022
Receivables from related parties:		
Others-Ene Technology Inc.	$ 3,333	$ 3,349

The receivables from related parties arise mainly from provision of services. The receivables are unsecured in nature and bear no interest.

C. Property transactions

Acquisition of financial assets:

For the year ended December 31, 2023 : None.

		Year ended December 31, 2022		
	Accounts	No. of shares	Object	Consideration
Yann Yuan Investments Co., Ltd.	Financial asset at fair value through other comprehensive income	8,400,000	Common Stock	$ 546,000

In addition, the Company received a dividend of 2 shares per share, totaling 14,000 thousand shares from Yann Yuan Investment Co., Ltd.

D. Other transactions

	Items	Year ended December 31, 2023	Year ended December 31, 2022
Yann Yuan Investments Co.,	Dividends income	$ 20,580	$ 14,000
Ene Technilogy Inc.	Dividends income	799	-
		$ 21,379	$ 14,000

(3) Key management compensation

	Year ended December 31,	
	2023	2022
Short-term employee benefits	$ 143,513	$ 163,114
Post-employment benefits	1,986	1,912
Total	$ 145,499	$ 165,026

8. PLEDGED ASSETS

Sigurd Group's assets pledged as collateral are as follows:

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment	$ 1,117,356	$ 1,417,405	Long-term borrowings
Pledged time deposits (Note 1)	39,887	39,886	Guarantee for import customs and lease
	$ 1,157,243	$ 1,457,291	

Note 1: Shown as "Non-current financial assets at amortised cost".

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

Capital expenditures contracted for at the balance sheet date but not yet incurred are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 1,120,185	$ 2,116,284

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

Please refer to Note 6(16) for the appropriation for 2023 earnings.

12. OTHERS

(1) Capital management

Sigurd Group's capital management objectives are to ensure that Sigurd Group can continue to operate, maintain the best capital structure to reduce capital costs, and provide compensation to shareholders. To maintain or adjust the capital structure, Sigurd Group may adjust the number of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets to reduce debt. Sigurd Group uses the debt-to-capital ratio to monitor its capital, which is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including current and non-current borrowings as reported in the consolidated balance sheet) less cash and cash equivalents. The calculation of total capital is the equity reported in the consolidated balance sheet plus the net debt.

Sigurd Group's strategy for 2023 remained the same as that of 2022, which was committed to maintain the debt-to-capital ratio at around 40%. As of December 31, 2023 and 2022, Sigurd Group's debt ratio was both less than 40%.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 314,538	$ 396,204
Financial assets at fair value through other comprehensive income	2,158,967	1,590,784
Financial assets at amortised cost		
Cash and cash equivalents	9,406,220	8,873,912
Financial assets at amortised cost (including non-current portion)	3,501,887	2,072,207
Notes receivable	29	5,283
Accounts receivable (including related parties)	3,699,852	3,831,425
Other receivables	52,312	67,126
Guarantee deposits paid	48,109	49,957
	$ 19,181,914	$ 16,886,898

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 147,985	$ 135,000
Notes payable	6,596	3,842
Accounts payable	378,696	289,033
Other payables	2,394,098	2,801,752
Corporate bonds payable (including current portion)	4,455,354	4,419,632
Long-term borrowings (including current portion)	8,437,767	8,593,657
Guarantee deposits received	8,113	13,277
	$ 15,828,609	$ 16,256,193
Lease liabilities	$ 547,326	$ 714,839

B. Financial risk management policies

(a) Sigurd Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk. The overall risk management policies are carried out to focus on unforeseen events in markets and to minimise any adverse effects on the financial position and financial performance of Sigurd Group.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

<u>Foreign exchange risk</u>

i. Sigurd Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and subsidiaries using various functional currencies, primarily with respect to the USD. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. Management has set up policies to require group companies to manage their foreign exchange risk against their functional currencies. Group companies are required to hedge their entire foreign exchange risk exposure through coordination with Sigurd Group treasury. Foreign exchange rate risk is resulted by each business unit records their future commercial transactions and recognised assets or liabilities as foreign currency instead of their functional currency.

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

	December 31, 2023		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 370,083	30.705	$ 11,363,399
NTD:USD	565,912	0.033	565,912
USD:RMB	17,071	7.096	524,165
Financial liabilities			
Monetary items			
USD:NTD	$ 3,981	30.705	$ 122,237
USD:RMB	30,470	7.096	216,219
NTD:USD	1,056,300	0.033	1,056,300

	December 31, 2022		
	Foreign currency amount (in thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 398,246	30.710	$ 12,230,145
NTD:USD	272,797	0.033	272,797
USD:RMB	18,364	6.967	563,955
JPY:TWD	173,632	0.232	40,352
Financial liabilities			
Monetary items			
USD:NTD	$ 4,290	30.710	$ 131,760
USD:RMB	38,547	6.967	1,183,807
NTD:USD	1,035,997	0.033	1,035,997

iv. The total exchange gains from significant foreign exchange variations on the monetary items held by Sigurd Group for the years ended December 31, 2023 and 2022 amounted to $17,427 and $556,620, respectively.

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

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 113,634	$ -
NTD:USD	1%	5,659	-
USD:RMB	1%	5,242	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 1,222)	$ -
USD:RMB	1%	(2,162)	-
NTD:USD	1%	(10,563)	-

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 122,301	$ -
NTD:USD	1%	2,728	-
USD:RMB	1%	5,640	-
JPY:NTD	1%	404	-
Financial liabilities			
Monetary items			
USD:NTD	1%	($ 1,318)	$ -
USD:RMB	1%	(11,838)	-
NTD:USD	1%	(10,360)	-

Price risk

i. Sigurd Group's investments in equity securities, which are exposed to price risk, consist of financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, Sigurd Group diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by Sigurd Group.

ii. Sigurd Group's investments in equity securities comprise shares and open-end funds issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,173 and $2,453, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss; other comprehensive income would have increased/decreased by $21,590 and $15,908, respectively, as a result of the above change of financial assets at fair value through other comprehensive income.

Cash flow and fair value Interest rate risk

i. Sigurd Group's main interest rate risk arises from short-term and long-term borrowings with floating rates, which expose Sigurd Group to cash flow interest rate risk. During 2023 and 2022, Sigurd Group's borrowings at floating rate were mainly denominated in New Taiwan dollars and US dollars.

ii. Sigurd Group'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 1% with all other variables held constant, profit before tax for the years ended December 31, 2023 and 2022 would have decreased/increased by $85,858 and $87,287, respectively. 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 Sigurd Group 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 the contract cash flows of debt instruments stated at amortised cost.

ii. Sigurd Group manages their credit risk taking into consideration the entire group's perspective. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to Sigurd Group's credit policy, each entity in Sigurd Group 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. Individual credit limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. Sigurd Group adopts the assumptions under IFRS 9, and the default occurs when the contract payments are past due over 90 days.

iv. Sigurd Group categorised customers' accounts receivable and contract assets in accordance with credit rating of customer. Sigurd Group applies the modified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

v. Sigurd 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:

(i) 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.

(ii) For investments in bonds that are traded over the counter, if any external credit rating agency rates these bonds as investment grade, the credit risk of these financial assets is treated low.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter into bankruptcy or other financial reorganisation due to financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties of the issuer;

(iii) Default or delinquency in interest or principal repayments; and

(iv) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. Sigurd Group used the forecastability of the future to adjust historical and current information to assess the default possibility of accounts receivable and contract assets. As of December 31, 2023 and 2022, the provision matrix is as follows:

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days	Total
At December 31, 2023						
Expected loss rate	0.33%	0.33%-0.58%	4.81%-42.25%	49.2%-87.3%	50%-100%	
Total book value	$ 3,751,105	$ 67,079	$ 5,527	$ 2,817	$ 11,425	$ 3,837,953
Loss allowance	$ -	$ -	$ -	$ -	$ 10,405	$ 10,405

	Not past due	Up to 30 days past due	31~90 days past due	91~180 days past due	Over 180 days	Total
At December 31, 2022						
Expected loss rate	0.33%	0.33%-0.58%	23.66%-24.79%	32.18%-50%	50%-100%	
Total book value	$ 3,777,592	$ 76,947	$ 126,049	$ 25	$ 57,078	$ 4,037,691
Loss allowance	$ -	$ -	$ -	$ -	$ 53,282	$ 53,282

The abovementioned provision amounts took the collateral of guarantee of accounts receivable into account, thus, Sigurd Group's unrecognised loss allowance amounted to $549 for the year ended December 31, 2023. In addition, there was no collaterals held by Sigurd Group for the year ended December 31, 2022.

viii. Sigurd Group writes off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, Sigurd Group will continue executing the recourse procedures to secure their rights. Sigurd Group has no financial assets subject to write off on December 31, 2023 and 2022.

ix. Movements in loss allowance for investments in debt instruments carried at amortised cost are as follows:

	December 31, 2023			
		Lifetime		
	12 months	Significant increase in credit	Impairment of credit	Total
Financial assets at amortised cost	$ 3,501,887	$ -	$ -	$ 3,501,887

	December 31, 2022			
		Lifetime		
	12 months	Significant increase in credit	Impairment of credit	Total
Financial assets at amortised cost	$ 2,072,207	$ -	$ -	$ 2,072,207

The financial assets at amortised cost held by the Company are all time deposits with maturity over three months and pledged time deposit. The credit risk rating has no significant abnormal situation.

x. Movements in relation to the Group applying the modified approach to provide loss allowance for notes receivable and accounts receivable are as follows:

	2023 Notes receivable and accounts receivable
At January 1	$ 53,282
Provision for impairment	8,871
Writes-offs	(51,511)
Effect of foreign exchange	(237)
At December 31	$ 10,405

	2022 Notes receivable and accounts receivable
At January 1	$ 47,708
Provision for impairment	578
Effect of foreign exchange	4,996
At December 31	$ 53,282

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of Sigurd Group and aggregated by Group treasury. Group treasury monitors rolling forecasts of Sigurd Group's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn borrowing facilities at all times so that Sigurd Group does not breach borrowing limits or covenants on any of its borrowing facilities. Such forecasting takes into consideration Sigurd Group's debt financing plans, covenant compliance, compliance with internal balance sheet ratio targets and, if applicable, external regulatory or legal requirements, for example, currency restrictions.

ii. Sigurd Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 3,942,318	$ 3,614,863
Expiring beyond one year	2,224,824	3,126,259
	$ 6,167,142	$ 6,741,122

iii. The table below analyses Sigurd Group's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 148,307	$ -	$ -	$ -	$ 148,307
Notes payable	6,596	-	-	-	6,596
Accounts payable	378,696	-	-	-	378,696
Other payables	2,394,098	-	-	-	2,394,098
Lease liabilities	59,452	69,475	101,021	483,832	713,780
Bonds payable	17,400	1,499,800	17,400	3,017,400	4,552,000
Guarantee deposits received	-	-	-	8,113	8,113
Long-term borrowings (including current portion)	1,734,417	1,411,460	3,226,674	2,339,460	8,712,011

December 31, 2022	Less than 6 months	Between 6 months and 1 year	Between 1 and 2 years	Over 2 years	Total
Non-derivative financial liabilities					
Short-term borrowings	$ 135,000	$ -	$ -	$ -	$ 135,000
Notes payable	3,842	-	-	-	3,842
Accounts payable	289,033	-	-	-	289,033
Other payables	2,801,752	-	-	-	2,801,752
Lease liabilities	197,270	77,475	85,857	555,867	916,469
Bonds payable	17,400	-	17,400	4,552,200	4,587,000
Guarantee deposits received	-	-	-	13,277	13,277
Long-term borrowings (including current portion)	1,045,561	662,934	3,072,877	4,057,351	8,838,723

(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. The fair value of Sigurd Group's investments in listed stocks and beneficiary certificates are included in Level 1.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability. The fair value of Sigurd Group's investments in equity investment without active market are included in Level 3.

B. Financial instruments not measured at fair value

Except for those listed in the table below, the carrying amounts of cash and cash equivalents, financial assets at amortised cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes payable, accounts payable and other payables are approximate to their fair values.

	December 31, 2023			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable				
(including current portion)	$ 4,455,354	$ -	$ 4,378,779	$ -

	December 31, 2022			
		Fair value		
	Book value	Level 1	Level 2	Level 3
Financial liabilities:				
Bonds payable				
(including current portion)	$ 4,419,632	$ -	$ 4,249,048	$ -

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 is as follows:

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

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$217,308	$ -	$ -	$ 217,308
Corporate bonds	97,230	-	-	97,230
Financial assets at fair value through other comprehensive income				
Equity securities	136,588	-	2,022,379	2,158,967
	$451,126	$ -	$2,022,379	$ 2,473,505

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Beneficiary certificates	$245,341	$ -	$ -	$ 245,341
Corporate bonds	150,863	-	-	150,863
Financial assets at fair value through other comprehensive income				
Equity securities	106,675	-	1,484,109	1,590,784
	$502,879	$ -	$1,484,109	$ 1,986,988

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

i. The instruments Sigurd Group used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Open-end fund	Corporate bond	Convertible (exchangeable) bond
Market quoted price	Closing price	Closing price	Weighted average quoted price	Closing price

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to Convertible 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:

	2023	2022
	Equity securities	Equity securities
At January 1	$ 1,484,109	$ 1,447,659
Gains and losses recognised in other comprehensive income		
Recorded as unrealised gains (losses) on valuation of investments in equity instruments measured at fair value through other comprehensive income	538,270	(509,213)
Purchases in the year	-	546,000
Transfer to retain earnings in the year	-	(337)
At December 31	$ 2,022,379	$ 1,484,109

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. Group treasury is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to Convertible market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

H. 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:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 1,928,337	Net asset value	Not applicable	0.90	Not applicable
Unlisted shares	94,042	Market comparable companies	Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2022		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:						
Unlisted shares	$	1,400,856	Net asset value	Not applicable	0.90	The higher the net asset value, the higher the fair value
Unlisted shares		83,253	Market comparable companies	Price to book ratio multiple	0.89 ~3.05	The higher the market comparable companies, the higher the fair value
				Discount for lack of marketability	25%	The higher the discount for lack of marketability, the lower the fair value

I. The Company has carefully assessed the valuation models and assumptions used to measure fair value; therefore, the fair value measurement is reasonable. However, use of different valuation models or assumptions may result in difference measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets 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	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio	±1%	$ -	$ -	$ 940	($ 940)

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Price to book ratio	±1%	$ -	$ -	$ 845	($ 845)

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 year (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: 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 4.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 5.

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

J. Significant inter-company transactions during the reporting year: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

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

(4) Major shareholders information

Major shareholders information: As of December 31, 2023, there is no major shareholder who held equally or more than 5% shareholding of the Company.

14. SEGMENT INFORMATION

(1) General information

The management of Sigurd Group has identified reporting segments based on the information used by the chief operating decision-maker in decision making.

Sigurd Group's chief operating decision-maker has conducted businesses from a product line perspective. Sigurd Group's segments include assembly and testing and international trading.

(2) Measurement of segment information

The General Manager evaluates the performance of reporting segments based on a measure excluded the effects of non-recurring expenditure such as restructuring costs, legal fees and goodwill impairments when the impairment is the result of an isolated, non-recurring event, as well as the effects of equity-settled share-based payment and unrealised gains/losses on financial instruments. Interest income and expense are not allocated to reporting segments, as these types of activities are driven by Sigurd Group's treasury, which manages the cash position of Sigurd Group.

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

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

	Year ended December 31, 2023		
	Assembly and testing	International trading	Total
Revenue from external customers	$ 15,447,339	$ 32,162	$ 15,479,501
Segment income (loss) (Note)	2,554,136	20,577	2,574,713

	December 31, 2023		
	Assembly and testing	International trading	Total
Segnent Assets	$ 36,810,728	$ 706,690	$ 37,517,418

	Year ended December 31, 2022		
	Assembly and testing	International trading	Total
Revenue from external customers	$ 18,682,874	$ 11,471	$ 18,694,345
Segment income (loss) (Note)	4,448,635	(22,176)	4,426,459

	December 31, 2022		
	Assembly and testing	International trading	Total
Segnent Assets	$ 37,022,840	$ 546,948	$ 37,569,788

Note: Exclusive of income tax.

(4) Reconciliation for segment income (loss)

Sales between segments are carried out at arm's length. The revenue from external customers reported to the chief operating decision-maker is measured in a manner consistent with that in the statement of comprehensive income.

Revenue, profit and loss, assets and liabilities under reporting segments are carried out the same manner as in the consolidated financial statements. Thus, no reconciliation is needed.

(5) Information on products and services

External customer revenue is mainly derived from the assembly and testing services of integrated circuits. The performance of reporting segments is the same as that in Note 6(18).

(6) Geographical information

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

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 10,824,983	$ 15,420,335	$ 12,698,288	$ 17,419,473
Singapore	2,138,091	-	3,177,285	-
America	537,433	-	737,835	-
China	1,019,531	1,330,744	1,130,774	1,852,389
Others	959,463	908	950,163	1,647
Total	$ 15,479,501	$ 16,751,987	$ 18,694,345	$ 19,273,509

(7) Major customers information

Major customers information of Sigurd Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
A	$ 3,048,914	All group	$ 3,863,578	All group
D	1,451,051	All group	1,809,499	All group
B	1,467,991	All group	1,929,317	All group

Sigurd Microelectronics Corporation

Loans to others

Year ended December 31, 2023

Table 1

No. (Note 1)	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, (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	Allowancef or doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party	Ceiling on total loans granted	Footnote
0	Sigurd Microelectionics Corporation	SIGWIN Corporation	Other receivables - related party	Y	$ 1,200,000	$ -	$ -	1.4% ~ 2.29%	Reason for short-term financing	$ -	Operational need	$ -	-	$ -	$ 3,367,632	$ 6,735,264	Note 6
1	FLATEK, Inc.	Greenflatek, Inc.	Other receivables	N	832	832	832	1.0%	Reason for short-term financing	-	Operational need	-	-	-	31,203	31,203	Note 4、Note 7
2	Valuenet International Ltd.	Greenflatek, Inc.	Other receivables	N	7,524	7,202	7,202	1.0%	Reason for short-term financing	-	Operational need	-	-	-	22,322	22,322	Note 4、Note 7
2	Valuenet International Ltd.	TPfusion Corp.	Other receivables - related party	Y	9,729	9,213	9,213	1.0%	Reason for short-term financing	-	Operational need	-	-	-	22,322	22,322	Note 4
2	Valuenet International Ltd.	OPS Electronic Limited	Other receivables - related party	Y	31,295	29,635	29,455	1.0%	Reason for short-term financing	-	Operational need	-	-	-	167,413	167,413	Note 5

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: In accordance with this entity's Procedures for Provision of Loans: the ceiling on total loans granted is 40% of its net equity, and the limit on loans granted to a single party is 40% of its net equity, except loans to subsidiaries.

Note 5: In accordance with this entity's Procedures for Provision of Loans: ceiling on total loans granted by an overseas subsidiary to all overseas subsidiaries is 300% of the creditor's net assets; limit on loans granted by an overseas subsidiary to a single subsidiary is 300% of the creditor’s net assets.

Note 6: In accordance with this entity's Procedures for Provision of Loans: the ceiling on total loans granted is 40% of its net equity; and the limit on leans granted to a single party is 20% of its net equity.

Note 7: The loans provided by FLATEK, Inc. its fully owned subsidiary , Valuenet International Ltd .("Valuenet") to Greenflatek, Inc. were expired. Novemer 24, 2023. The Company's dealing methods are explained as follows:

1. On December 21, 2023 the Board of FLATEK, Ins. and Valuenet had resolved not to loan to Greenflatek, Inc.
2. To protect the company's rights and interests, FLATEK, Inc. and Valuenent had issued certified letter to greenflatek, Inc. on November 22, 2023 and December 13, 2023, respectively.
3. As of December 31, 2023 the unpaid principal of Greenflatek, Inc. to FLATEK, Inc. and Valuenent was $822 and $7,125, respectively ; the unpaid interest was $10 and $77, respectively.

Sigurd Microelectronics Corporation

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor (Note 8)	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023 (Note 4)	Outstanding endorsement/ guarantee amount at December 31, 2023 (Note 5)	Actual amount drawn down (Note 6)	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company (Note 10)	Ceiling on total amount of guarantees provided (Note 9)	Provision of endorsements/ guarantees by parent company to subsidiary (Note 7)	Provision of endorsements/ guarantees by subsidiary to parent company (Note 7)	Provision of endorsements/ guarantees to the party in Mainland China (Note 7)	Footnote
0	Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	3	$ 7,577,173	$ 1,721,440	$ 1,105,560	$ 266,310	$ -	6.56%	$ 7,577,173	Y	N	Y	
0	Sigurd Microelectronics Corp.	Flatek, Inc.	3	7,577,173	200,000	200,000	135,000	-	0.89%	7,577,173	Y	N	N	
1	Winstek Semiconductor Co., Ltd	Winstek Semiconductor Technology Co., Ltd.	2	5,994,128	300,000	300,000	-	-	5.00%	5,994,128	Y	N	N	

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 six 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 50% 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.

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

Note 3: Fill in limit on endorsements/guarantees provided for a single party and ceiling on total amount of endorsements/guarantees provided as prescribed in the endorser/guarantor company's "Procedures for Provision of Endorsements and Guarantees", and state each individual party to which the endorsements/guarantees have been provided and the calculation for ceiling on total amount of endorsements/guarantees provided in the footnote.

Note 4: Fill in the year-to-date maximum outstanding balance of endorsements/guarantees provided as of the reporting period.

Note 5: As of the end of the year, the Company shall bear the responsibility for endorsement/guarantee upon the signing of the endorsement/guarantee contract with the bank or upon the approval of limit. Other relevant endorsements/guarantees should be included in the endorsement/guarantee balance.

Note 6: Fill in the actual amount of endorsements/guarantees used by the endorsed/guaranteed company.

Note 7: Fill in 'Y' for those cases of provision of endorsements/guarantees by listed parent company to subsidiary and provision by subsidiary to listed parent company, and provision to the party in Mainland China.

Note 8: In accordance with the Company's Procedures for Provision of Loans: the limit on endorsements/guarantees to a single party is 45% of its net assets.

Note 9: In accordance with the Company's Procedures for Provision of Loans: the ceiling on total endorsements/guarantees is 45% of the Company's net assets,

Note 10: The total endorsement/guarantee amount provided by Winstek Semiconductor Co., Ltd. (Winstek Technology) shall not exceed 50% of the its net value in the latest period.

The endorsement guarantee limit for a single enterprise shall be limited at 20% of the net value of Winstek Semiconductor Co., Ltd. (Winstek Technology) at the time when the endorsement/guarantee was made.

However, an endorsement/guarantee between Winstek Semiconductor Co., Ltd. (Winstek Technology) and among companies of which Winstek Technology directly or indirectly holds 100% of the voting shares, or other companies that Winstek Technology has agreed to purchase and upon completion will become a subsidiary of which Winstek Technology directly or indirectly holds 100% shares, and approved by a resolution of the Board of Directors, its endorsement/guarantee amount shall not be restricted by the aforesaid total amount of endorsement/guarantee and the limit of endorsement/guarantee for a single enterprise. However, the endorsement/guarantee to a single enterprise shall not exceed 100% of the net value of Winstek Technology in its most recent financial reports audited or reviewed by CPA.

In addition, the endorsement/guarantee not between Winstek Technology and among companies of which Winstek Technology directly or indirectly holds 100% voting shares, the total cumulative amount of such external endorsements/guarantees shall not exceed 100% of the net value of Winstek Technology in its most recent financial reports audited or reviewed by CPA.

Sigurd Microelectronics Corporation

Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Sigurd Microelectronics Corp.	Fuh Hwa Emerging Market Short-term Income Fund	None	Current financial assets at fair value through profit or loss	1,798,561	$ 20,467	-	$ 20,467	
Sigurd Microelectronics Corp.	Fuh Hua Global Bond Fund	None	Current financial assets at fair value through profit or loss	1,983,786	30,265	-	30,265	
Sigurd Microelectronics Corp.	Jih Sun Rising Dragon Fund.	None	Current financial assets at fair value through profit or loss	1,000,000	10,782	-	10,782	
Sigurd Microelectronics Corp.	UPAMC. CB Strategy Fund	None	Current financial assets at fair value through profit or loss	5,000,000	55,249	-	55,249	
Sigurd Microelectronics Corp.	Yuanta USD Money Market Fund	None	Current financial assets at fair value through profit or loss	2,886,558	30,275	-	30,275	
Sigurd Microelectronics Corp.	Union Money Market Fund	None	Current financial assets at fair value through profit or loss	3,704,911	50,294	-	50,294	
Sigurd Microelectronics Corp.	Taishin Flexible Income Fund	None	Current financial assets at fair value through profit or loss	1,994,018	19,976	-	19,976	
Sigurd Microelectronics Corp.	Codeis Securities S.A. - Smart Cash Notes	None	Current financial assets at fair value through profit or loss	2,900,000	97,230	-	97,230	
Sigurd Microelectronics Corp.	Redemption rights of Sigurd 4th convertible bonds	None	Current financial assets at fair value through profit or loss	-	-	-	-	
Sigurd Microelectronics Corp.	ENE Technology Inc.	Board of Director	Non-current financial assets at fair value through other comprehensive income	665,543	49,649	1.47%	49,649	
Sigurd Microelectronics Corp.	Advanplating Technology Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	1,185,000	-	11.36%	-	
Sigurd Microelectronics Corp.	Ordinary Shares of EGTRAN Inc.	None	Non-current financial assets at fair value through other comprehensive income	21,689	-	2.16%	-	
Sigurd Microelectronics Corp.	iDESYN Semiconductor Corp. Co., Ltd.	None	Non-current financial assets at fair value through other comprehensive income	17,280	-	0.14%	-	
Sigurd Microelectronics Corp.	Yann Yuan Investments Co., Ltd.	Board of Director	Non-current financial assets at fair value through other comprehensive income	29,400,000	1,926,944	5.70%	1,926,944	
Sigurd Microelectronics Corp.	WPG Holdings Limited Preferred Share A	None	Non-current financial assets at fair value through other comprehensive income	600,000	28,200	0.30%	28,200	
Sigurd Microelectronics Corp.	Chailease Holding Co., Ltd-PFD (5871ATT)	None	Non-current financial assets at fair value through other comprehensive income	500,000	48,950	0.33%	48,950	

Sigurd Microelectronics Corporation

Holding of marketable securities at the end of the year (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

				As of December 31, 2023				
Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	Number of shares	Book value	Ownership (%)	Fair value	Footnote
Sigurd Microelectronics Corp.	Cathe life issurance accumlated subordiate corporate bonds without maturity	None	Non-current financial assets at amortised cost	$ 300,000	$ 30,000	-	$ 30,000	
Sigurd Microelectronics Corp.	The First Issue of Unsecured Cumulative Subordinated Corporate Bonds of Taiwan Life in 2023 – Tranche B	None	Non-current financial assets at amortised cost	1,000,000	100,000	-	100,000	
TEST-SERV Inc.	Samhop Microelectronics Corp.	None	Non-current financial assets at fair value through other comprehensive income	114,757	-	1.07%	-	
TEST-SERV Inc.	Sitec Semiconductor Ltd.	None	Non-current financial assets at fair value through other comprehensive income	20,545,354	-	1.22%	-	
TEST-SERV Inc.	Deepwaters Digital Support Inc.	None	Non-current financial assets at fair value through other comprehensive income	190,476	-	0.70%	-	
TEST-SERV Inc.	Chailease Holding Co., Ltd-PFD (5871ATT)	None	Non-current financial assets at fair value through other comprehensive income	100,000	9,790	0.07%	9,790	
Sigurd UTC Corporation	Paradigm I Venture Capital Company	None	Non-current financial assets at fair value through other comprehensive income	875,000	1,393	7.92%	1,393	
Sigurd UTC Corporation	Nano Electronics and Micro System Technologies, INC.	None	Non-current financial assets at fair value through other comprehensive income	2,664,090	94,042	9.23%	94,042	

Sigurd Microelectronics Corporation

Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more

For the year ended December 31, 2023

Table 4

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Differences in transaction terms compared to third party transactions (Note)		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Subsidiary	Sales	($ 359,859)	(22%)	Net 30 days from the end of the month of when invoice is issued	-	-	$ 53,982	15%	Note
Winstek Semiconductor Technology Co., Ltd..	Winstek Semiconductor Co., Ltd	Parent Company	Purchases	359,859	18%	Net 30 days from the end of the month of when invoice is issued	-	-	(53,982)	(37%)	Note

Note：The sales prices and payment terms of intercompany sales are not significantly different from those to third parties. For other intercompany transactions, prices and terms are determined in accordance with mutual agreements.

Sigurd Microelectronics Corporation

Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more

December 31, 2023

Table 5

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			
Sigurd Microelectronics Corp.	SIRIZE Technology (Suzhou) Corp.	Subsidiary	$ 217,354	1.11%	$ -	-	$ -	$ -	Shown as ' Accounts receivable'

Nore：The calculation of turnover days excludes other receivables from related parties.

Sigurd Microelectronics Corporation

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

(Except as otherwise indicated)

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction: General ledger account	Transaction: Amount	Transaction: Transaction terms	Transaction: Percentage of consolidated total operating revenues or total assets (Note 3)
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Operating revenue	$ 218,811	Note 6	1.41%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Accounts receivable	217,354	Note 6	0.58%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Other receivables	92,942	Note 6	0.25%
0	Sigurd Microelectronics Corporation	SIRIZE Technology (Suzhou) Corp.	1	Acquisition of property, plant and equipment	214,544	Note 6	1.39%
0	Sigurd Microelectronics Corporation	TEST-SERV Inc.	1	Dividend (shown as "the deduction of investments accounted for using equity method")	120,300	Note 6	0.78%
0	Sigurd Microelectronics Corporation	SIGWIN Cooperation	1	Dividend (shown as "the deduction of investments accounted for using equity method")	211,000	-	1.36%
1	Sigurd Microelectronics Corporation	TEST-SERV Inc.	1	Rental expense	40,401	Note 6	0.26%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Operating revenue	359,859	Note 6	2.32%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Accounts receivable	53,982	Note 6	0.14%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Other receivables	83,229	Note 6	0.22%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Dividend (shown as "the deduction of investments accounted for using equity method")	203,677	-	1.32%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Business revenue from coordinated management (shown as "deduction of operating cost and operating expenses")	10,872	-	0.26%
2	VALUENET INTERNAIONAL LIMITED	OPS Electronic Ltd.	3	Other receivables	29,776	Note 6	0.08%
3	TPFUSION INC.	FLATEK INC.	2	Other payables	60,980	Note 6	0.16%
4	SIGWIN Cooperation	Winstek Semiconductor Co., Ltd.	3	Dividend (shown as "the deduction of investments accounted for using equity method")	353,632	-	2.28%
1	Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	3	Supported Business Fee (shown as the deduction of "operating cost and operating expense")	20,326	-	0.13%

Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 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; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(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 year-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the year to consolidated total operating revenues for income statement accounts.

Note 4: The Company may decide to disclose or not to disclose transaction details in this table based on the Materiality Principle.

Note 5: Including the amount of the parent company's fund loaned to subsidiary, according to the agreed interest rate plus interest.

Note 6: For these transactions, the prices and times were determined in accordance with mutual agreements.

Note 7: Only the transactions over $20,000 are disclosed, and the related party transactions are not disclosed.

Sigurd Microelectronics Corporation

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
Sigurd Microelectronics Corp.	Sigurd International Co., Ltd.	British Virgin Islands	Investment company	$ 975,135	$ 975,135	30,254,043	100.00	$ 159,582	$ 14,695	$ 14,695	
Sigurd Microelectronics Corp.	Burgurd Co., Ltd.	Hongkong	International trade company	62,391	62,391	-	100.00	1,245	(43)	(43)	
Sigurd Microelectronics Corp.	TEST-SERV Inc.	Taiwan	Semiconductor assembly and testing	1,403,337	1,403,337	80,200,031	100.00	1,383,879	107,101	108,072	
Sigurd Microelectronics Corp.	Bloomeria Limited	Singapore	Investment company	139,564	216,614	743,343,902	100.00	634,113	23,138	27,132	
Sigurd Microelectronics Corp.	AMBERSAN medical technology Co., Ltd.	Taiwan	Medical equipment manufacturing and sales	36,300	36,300	3,630,000	55.00	29,779	10,543	5,810	
Sigurd Microelectronics Corp.	FLATEK, INC.	Taiwan	Digital Information supply service	100,000	100,000	10,000,000	58.77	44,125	(41,221)	(24,039)	
Sigurd Microelectronics Corp.	Flusol Co., Ltd.	Hongkong	Investment company	1,359,400	1,359,400	-	96.66	468,695	(282,541)	(278,023)	
Sigurd Microelectronic Corp.	SIGWIN Cooperation	Taiwan	Investment company	1,501,272	1,629,272	45,778,988	83.23	3,113,493	440,011	347,030	
Sigurd Microelectronic Corp.	Sigurd UTC Corporation	Taiwan	Investment company	2,299,319	2,503,179	311,175,011	100.00	2,876,358	196,354	181,266	
Sigurd International Co., Ltd.	Sigurd Microelectronics (Cayman) Co., Ltd.	Cayman Islands	Investment company	795,850	795,850	35,503,018	78.33	123,358	28,462	-	
Sigurd International Co., Ltd.	Flusol Co., Ltd.	Hongkong	Investment company	47,106	47,106	-	3.34	16,681	(282,541)	-	

Sigurd Microelectronics Corporation

Information on investees

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote
Bloomeria Limited	SIGWIN Cooperation	Taiwan	Investment company	$ 1,048,833	$ 1,098,833	$ 9,221,012	16.77	$ 627,134	$ 440,011	$ -	
Ge-Shing Cooperation	Winstek Semiconductor Co., Ltd.	Taiwan	Packaging testing	2,390,790	2,390,790	70,726,438	51.90	3,111,244	839,843	-	
Winstek Semiconductor Co., Ltd.	Winstek Semiconductor Technology Co., Ltd.	Taiwan	Packaging testing	1,875,740	1,875,740	210,000,000	100.00	2,552,776	302,361	-	
Winstek Semiconductor Co., Ltd.	TST Co., Ltd.	Taiwan	Plant development and leasing	200,000	200,000	20,000,000	100.00	201,481	1,435	-	
TEST-SERV Inc.	Winstek Semiconductor Co., Ltd.	Taiwan	Packaging testing	1,120	1,120	43,000	0.03	3,926	839,843	-	
FLATEK, INC.	OPS Electronic Ltd.	Hongkong	Investment company	40	40	10,000	100.00	52,002	(1,097)	-	
FLATEK, INC.	TPFUSION INC.	Taiwan	Digital Information supply service	19,350	11,250	1,935,000	83.77	(50,352)	5,574	-	
FLATEK, INC.	Valuenet International Ltd.	British Virgin Islands	Digital Information supply service	1,568	1,568	50,000	100.00	55,804	289	-	
TPFUSION INC.	TPfusion Corp.	Japan	Digital Information supply service	6,684	6,684	97,971	98.00	(55,625)	5,727	-	
Holding UTC Corporation	Sigurd UTC Corporation	Taiwan	Packaging testing	6,247,262	6,247,262	101,929,982	100.00	2,912,774	196,440	-	

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

Table 7

Expressed in thousands of NTD
(Except as otherwise indicated)

Investor	Investee (Notes 1 and 2)	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023 (Note 2(2))	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 2(3))	Footnote

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 year.

(3)The 'Investment income (loss) recognised by the Company for the 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 year. 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 year has included its investment income (loss) which shall be recognised by regulations.

Sigurd Microelectronics Corporation

Information on investments in Mainland China

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Investee in China	Main business activities	Paid-in capital	Investment method (Note 1)	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 December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognized by the Company for the year ended December 31 2023 (Note 2(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							
Sigurd Micro Electronics (Wuxi) Co., Ltd.	Production and sales of microelectronic products	$ -	2	$ 611,991	$ -	$ -	$ 611,991	$ 2,734	78.33	$ 2,142	$ -	$ -	Note 2(2)B、Note 3
OPS Electronic (ShenZhen) Limited	Manufacture and sales of IC programmers and its parts, IC copiers, components for chip testers and electronic components	26,033	2	40	-	-	40	1,952	100	1,147	71,755	-	Note 2(2)B、Note 3
SIRIZE Technology (Suzhou) Corp.	Design of testing application for integrated and advanced services of packing and testing for integrated circuit	1,359,700	2	1,359,700	-	-	1,359,700	(282,544)	100	(287,457)	491,382	-	Note 2(2)B、Note 3

Sigurd Microelectronics Corporation

Information on investments in Mainland China

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

Note 1: Investment methods are classified into the following three categories; fill in the number of category each case belongs to:

(1)Directly invest in a company in Mainland China.

(2) Through Investment in an existing company in the third area, which then invested in the investee in Mainland China. (Invested Sigurd Micro Electronics (Wuxi) Co., Ltd, through Sigurd Microelectronics (cayman) Co., Ltd; invested Flusol(Shenzhen) Co., Ltd and SIRIZE Technology (Suzhou) Corp. through Flusol Co., Ltd and invested OPS Electronic (ShenZhen) Limited through OPS Electronic Limited.

(3) Others

Note 2: In the 'Investment income (loss) recognized by the Company for the year ended December 31, 2023' column:

(1)It should be indicated if the investee was still in the incorporation arrangements and had not yet any profit during this period.

(2)Indicate the basis for investment income (loss) recognition in the number of one of the following three categories:

A.The financial statements that are audited and attested by international accounting firm which has cooperative relationship with accounting firm in R.O.C.

B.The financial statements that are audited and attested by R.O.C. parent company's CPA.

C.Self-contained financial statements.

Note 3: As of December 31, 2023, the accumulated ampunt of remittance including other investors from Taiwan to Sigurd Micro Electronics (Wuxi) Co., Ltd. is US$27,700 thousand (NT$ 826,153).

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
Sigurd Micro Electronics (Wuxi) Co., Ltd.	$ 611,991	$ 626,325	$ 11,879,752
OPS Electronic (ShenZhen) Limited	40	40	39,895
SIRIZE Technology (Suzhou) Corp.	1,359,700	1,359,700	11,879,752