Stock Code: 6874

M-Power Information Co., Ltd.

Individual Financial Statements
and Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

Address: 12F, No. 85, Sec. 4, Ren Ai Rd., Da' an Dist., Taipei City
Phone: (02)2731-6868

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

Table of Contents

Independent Auditors' Report

M-Power Information Co., Ltd. Board of Directors The Board of Directors and Shareholders:

Audit Opinion

We have audited the accompanying financial statements of M-Power Information Co., Ltd. (the “Company”), which comprise the balance sheets as of December 31, 2023 and 2022, and the statements of income, changes in equity and cash flows of total for the years then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Regulations Governing the Preparation of Financial Reports by Securities Issuers. as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Financial Supervisory Commission and International Financial Reporting Standards , International Accounting Standards , IFRIC Interpretations, and Statement on Internal Control (SIC) as endorsed by the FSC of the Republic of China.

Basis for opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Auditing Standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with International Code of Ethics for Professional Accountants (IESBA Code) and M-Power Information Co., Ltd., and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion. Basis for opinions

Key audit matters

Key audit matters is the matter that, in our professional judgment, was of most significance in our audit of the financial statements for the year 2023 of M-Power Information Co., Ltd.. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the Key audit matters to be communicated in our report.

Revenue recognition

Please refer to Note 4 (12) for accounting policies on revenue recognition. Please refer to note 6 (14) for revenue recognition.

Key audit matters Description:

M-Power Information Co., Ltd. primarily engages in the sale of computer software, Item engages in the design and integration of computer software and the provision of professional consulting services. The types of transactions are different. Revenue is recognized in a single transaction when performance obligations are satisfied and based on the degree of completion of the transaction on the reporting date. Since the judgment on the method and timing of revenue recognition will significantly affect the presentation of the financial statements of M-Power Information Co., Ltd., we have included revenue recognition as one of the important matters in the audit of the financial report for the year.

Audit Procedures:

Our main audit procedures for Key audit matters included the following:

- We obtained an understanding of the operations and industry characteristics of M-Power Information Co., Ltd. and reviewed the sales contracts to confirm whether the timing of revenue recognition and accounting treatment were appropriate.
- Test the design and implementation of internal control related to revenue recognition.
- Conducting trend analysis for the top ten customers, including a comparison of the customer list and sales revenue amounts between the current period and the most recent period and the same period of last year, to assess whether there are any significant abnormalities, and to identify and analyze the reasons for any significant changes.
- Sampled and verified sales transactions of the whole year to evaluate the authenticity of sales transactions, the correctness of the recognized amount of sales revenue, and the reasonableness of the time of accounting.
- Test a sample of sales transactions for a period before and after the end of the year to assess whether the timing of revenue recognition is appropriate.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

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

Those charged with governance are responsible for overseeing M-Power Information Co., Ltd.'s financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Auditing Standards, we exercise professional judgment and professional skepticism throughout the audit. We also perform the following tasks:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error; Design and implement appropriate countermeasures for the assessed risks; Obtain sufficient and appropriate audit evidence as a basis for Basis for opinions. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the M-Power Information Co., Ltd. internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on M-Power Information Co., Ltd.'s ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our

conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause M-Power Information Co., Ltd. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in accordance with fair.

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

We also provide those charged with governance with a statement that we have complied with International Code of Ethics for Professional Accountants (IESBA Code) regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of M-Power Information Co., Ltd. for the year ended December 31, 2023 Key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partners on the audit resulting in this independent auditors' report are Chun-I, Chang and Chun-Hsiu Kuang.

KPMG Taiwans
Taipei, Taiwan (The Republic of China)
February 27, 2024

Notes to Readers

The accompanying company only financial statements are intended only to present the financial position, financial performance and cash flows in accordance with the accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such the company only financial statements are those generally accepted and applied in the Republic of China.

The independent auditors' audit report and the accompanying company only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and the company only financial statements, the Chinese version shall prevail.

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)

Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.
Balance sheet
December 31, 2023 and 2022

Unit: NT $thousands

	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6 (1))	$ 209,790	17	242,888	20
1136	Current financial assets at amortized cost (notes 6 (1), (6) and 8)	-	-	3,580	-
1150	Notes receivable, net (note 6 (2) and (14))	126	-	402	-
1170	Accounts receivable, net (note 6 (2) and (14))	555,256	44	473,222	40
1200	Other receivables	47	-	220	-
130X	Inventories (note 6 (3))	353,871	28	344,301	29
1410	Prepayments	6,565	-	6,061	1
1470	Other current assets	160	-	92	-
	Current assets total	1,125,815	89	1,070,766	90
15xx	**Non-current assets:**				
1600	Property, plant and equipment (note 6 (4))	1,148	-	2,236	-
1755	Right-of-use assets (note 6 (5) and (8))	21,556	2	27,034	2
1780	Intangible assets	784	-	841	-
1840	Deferred income tax assets (note 6 (10))	1,525	-	1,547	-
1920	Guarantee deposits paid	23,376	2	18,930	2
1930	Long-term receivables (note 6 (2) and (14))	96,620	7	75,761	6
	Non-current assets total	145,009	11	126,349	10
1xxx	**Total assets**	$ 1,270,824	100	1,197,115	100

	Liabilities and Equity	2023.12.31 Amount	%	2022.12.31 Amount	%
21xx	**Current liabilities:**				
2100	Short-term borrowings (notes 6 (1), (6), 7 and 8)	$ 95,000	8	150,565	13
2130	Current contract liabilities (note 6 (14))	91,288	7	35,059	3
2170	Accounts payable (note 7)	475,504	37	424,782	35
2200	Other payables (note 6 (15))	57,054	5	60,671	5
2230	Income tax liabilities for the current period	11,391	1	11,749	1
2280	Current lease liabilities (note 6 (8))	6,735	1	6,401	1
2322	Long-term borrowings, current portion (Notes 6 (7) and 7)	11,948	1	-	-
2399	Other current liabilities	5,229	-	2,257	-
	Current liabilities total	754,149	60	691,484	58
25xx	**Non-current liabilities:**				
2540	Long-term borrowings (notes 6 (7) and 7)	11,221	1	-	-
2580	Non-current lease liabilities (note 6 (8))	15,644	1	21,444	2
2640	Net defined benefit liability, non-current (note 6 (9))	3,427	-	3,534	-
	Total non-current liabilities	30,292	2	24,978	2
2xxx	**Total liabilities**	784,441	62	716,462	60
31xx	**Equity attributable to owners of parent (notes 6 (9), (10) and (11)):**				
3110	Ordinary shares	220,000	17	220,000	18
3200	Capital surplus	133,284	10	133,284	11
3300	Retained earnings:				
3310	Legal reserve	35,239	3	25,963	2
3350	Unappropriated earnings	97,860	8	101,406	9
	Retained earnings total	133,099	11	127,369	11
3xxx	**Total equity**	486,383	38	480,653	40
23xx	**Total liabilities and equity**	$ 1,270,824	100	1,197,115	100

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)

Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.

Statements of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		2023		2022	
		Amount	%	Amount	%
4110	**Operating revenue (note 6 (14))**	$ 1,604,345	100	1,481,937	100
4190	Less: Sales discounts and allowances	5,566	-	5,171	-
	Net operating revenue	1,598,779	100	1,476,766	100
5000	**Operating costs (notes 6 (3), (4), (5), (9) and 7)**	1,367,877	86	1,256,104	85
5900	**Gross profit**	230,902	14	220,662	15
6000	**Operating expenses (notes 6 (2), (4), (5), (8), (9), (15) and 7):**				
6100	Selling and marketing expenses	57,845	4	51,173	4
6200	Administrative expenses	37,182	2	33,784	2
6300	Research and development expenses	20,386	1	16,771	1
6450	Reversal of expected credit loss	(25)	-	(82)	-
	total	115,388	7	101,646	7
6900	**PROFIT FROM OPERATIONS**	115,514	7	119,016	8
7000	**Non-operating income and expenses (notes 6 (5), (8) and (16)):**				
7100	Interest income	1,110	-	246	-
7020	Other gains and losses	2,364	-	1,687	-
7050	Finance costs	(6,962)	-	(6,526)	-
	Non-operating income and expenses total	(3,488)	-	(4,593)	-
7900	**Net profit before tax**	112,026	7	114,423	8
7950	**Less: expenses of income tax (note 6 (10))**	22,594	1	22,866	2
8200	**Net income**	89,432	6	91,557	6
8300	**Other gains (losses) of total (notes 6 (9) and (10)):**				
8310	**Item that will not be reclassified to profit or loss**				
8311	Remeasurement of defined benefit plans	(127)	-	1,510	-
8349	Less: Adjustments relating to Item that will not be reclassified to profit or loss	(25)	-	302	-
8300	**Other losses of total**	(102)	-	1,208	-
8500	**Total gains and losses of total for the period**	$ 89,330	6	92,765	6
	Earnings per share (Unit: NT $, Note 6 (13))				
9750	Basic earnings per share	$	4.07		4.81
9850	Diluted earnings per share	$	4.04		4.72

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)

Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.

Statements of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

	Common Shares Share capital	Capital surplus	Retained earnings: Statutory earnings Surplus reserve	Retained earnings: Undistributed Surplus	Retained earnings: total	Total equity
Balance at January 1, 2022	$ 145,000	26,600	18,740	81,114	99,854	271,454
Appropriation and distribution of earnings:						
Legal reserve	-	-	7,223	(7,223)	-	-
Cash dividends	-	-	-	(21,750)	(21,750)	(21,750)
Stock dividends	43,500	-	-	(43,500)	(43,500)	-
Net income	-	-	-	91,557	91,557	91,557
Other losses of total	-	-	-	1,208	1,208	1,208
Total gains and losses of total for the period	-	-	-	92,765	92,765	92,765
Cash capital increase	31,500	106,684	-	-	-	138,184
Balance as of December 31, 2022	220,000	133,284	25,963	101,406	127,369	480,653
Appropriation and distribution of earnings:						
Legal reserve	-	-	9,276	(9,276)	-	-
Cash dividends	-	-	-	(83,600)	(83,600)	(83,600)
Net income	-	-	-	89,432	89,432	89,432
Other losses of total	-	-	-	(102)	(102)	(102)
Total gains and losses of total for the period	-	-	-	89,330	89,330	89,330
Balance at December 31, 2023	**$ 220,000**	**133,284**	**35,239**	**97,860**	**133,099**	**486,383**

(See the attached notes to financial statements)

(English Translation of Individual Financial Statements and Report Originally Issued in Chinese)

Only reviewed, not audited in accordance with auditing standards

M-Power Information Co., Ltd.

Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT $thousands

		2023	2022
Cash flows from operating activities:			
Profit before tax	$	112,026	114,423
Adjustment of Item:			
Item			
Depreciation expense		7,524	7,427
Amortization expense		431	132
Reversal of expected credit loss		(25)	(82)
Interest expense		6,962	6,526
Interest income		(1,110)	(246)
Gain on lease modification		(5)	(18)
Item total		13,777	13,739
Changes in operating assets and liabilities:			
Changes in operating assets:			
Notes receivable		276	113
Accounts receivable		(82,009)	(195,198)
Other receivables		173	(179)
Inventories		(9,570)	(307,105)
Prepayments		(504)	(3,285)
Other current assets		(68)	(77)
Long-term receivables		(20,859)	(50,461)
Changes in operating assets total		(112,561)	(556,192)
Changes in operating liabilities:			
Contract liabilities		56,229	(2,265)
Accounts payable		50,722	314,567
OTHER PAYABLES		(3,617)	2,965
Other current liabilities		2,972	(2,222)
Net defined benefit liabilities		(234)	(247)
Changes in operating liabilities total		106,072	312,798
Changes in operating assets and liabilities total		(6,489)	(243,394)
Item total		7,288	(229,655)
Cash inflow (outflow) generated from operations		119,314	(115,232)
Interest received		1,110	246
Interest paid		(6,962)	(6,526)
income tax		(22,905)	(24,958)
Net cash flows from (used in) operating activities		90,557	(146,470)
Cash flows from investing activities:			
Acquisition of financial assets at amortized cost		-	(3,000)
Proceeds from disposal of financial assets at amortized cost		3,580	-
Acquisition of property, plant and equipment		-	(702)
Increase in refundable deposits		(4,446)	(2,271)
Acquisition of intangible assets		(374)	(906)
Net cash used in investing activities		(1,240)	(6,879)
Cash flows from financing activities:			
Increase (decrease) in short-term loans		(55,565)	122,565
Proceeds from long-term borrowings		30,000	-
Repayments of long-term borrowings		(6,831)	-
Repayment of lease principal		(6,419)	(6,113)
Cash dividends		(83,600)	(21,750)
Cash capital increase		-	138,184
Net cash flows from (used in) financing activities		(122,415)	232,886
Net increase (decrease) in cash and cash equivalents		(33,098)	79,537
Cash and cash equivalents at beginning of period		242,888	163,351
Cash and cash equivalents at end of period	**$**	**209,790**	**242,888**

(See the attached notes to financial statements)

M-Power Information Co., Ltd.
Notes to Financial Statements
2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. Company History

M-Power Information Co., Ltd. (the "Company") was incorporated on September 10, 1999 under the provisions of the Company Law of the Republic of China Ministry of Economic Affairs. On December 22, 2021, the Company began trading in the emerging stock market of Taipei Exchange, and on May 3, 2022, the Company began trading in the emerging stock market. In addition, the Company has been trading Taipei Exchange on TPEx since December 14, 2022. Item is engaged in the wholesale and retail of information software, and the provision of professional consulting, education and training and technical services.

2. Date and Procedures of Approval of the Financial Reports

The financial statements were approved by the board of directors and authorized for issue on February 27, 2024.

3. Application of new, amended and revised standards and interpretations

(1) Effect of the adoption of new and amended standards and interpretations endorsed by the Financial Supervisory Commission (hereinafter referred to as the Financial Supervisory Commission)

The Company has applied the following new amendments to International Financial Reporting Standards from January 1, 2023, which did not have a significant impact on the financial statements.

- Amendments to International Accounting Standards "Disclosure of Accounting Policies"
- Amendments to International Accounting Standards "Definition of Accounting Estimates"
- Amendments to International Accounting Standards "Deferred Tax related to Assets and Liabilities arising from a Single Transaction income tax"

The Company applied the following new amendments to International Financial Reporting Standards from May 23, 2023, which did not have a significant impact on its financial statements.

- Amendment to International Accounting Standards No. 12, "International Tax Reform-Pillar Two Rules Template"

(2) Effect of the Financial Supervisory Commission-endorsed International Financial Reporting Standards not yet adopted

The Company assesses that the adoption of the following new amendments to International Financial Reporting Standards starting from January 1, 2024 will not have any material impact on its financial statements.

- Amendments to International Accounting Standards "Classification of Liabilities as Current or Non-current"
- Amendments to International Accounting Standards No. 1 "Non-current liabilities with contract terms"
- Amendments to International Accounting Standards and International Financial Reporting Standards "Supplier Financing Arrangements"
- Amendment to International Financial Reporting Standards No. 16 "Lease liabilities in sale and leaseback"

(3) New and amended standards and interpretations not yet endorsed by the Financial Supervisory Commission

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to International Financial Reporting Standards No. 10 and International Accounting Standards No. twenty-eight "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to International Financial Reporting Standards "Insurance Contracts" and International Financial Reporting Standards "Insurance Contracts"
- Amendments to International Financial Reporting Standards "Initial Application of IFRS 17 and IFRS 9 Comparative Information"
- Amendment to International Accounting Standards No. twenty-one "Lack of marketability"

4. Summary of significant accounting policies

The significant accounting policies presented in the financial statements are summarized below. The following accounting policies were applied consistently throughout the periods presented in the financial statements.

(1) Statement of compliance

These financial statements have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers. ("the Regulations") and the Financial Supervisory Commission endorsed and issued into effect by the FSC, International Financial Reporting Standards , International Accounting Standards , IFRIC

Interpretations, and Statement on Internal Control (SIC) ("International Financial Reporting Standards endorsed by the FSC").

(2) Basis of preparation

A. Basis of measurement

The financial statements have been prepared on the historical cost basis except for net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets and the effect of the asset ceiling mentioned in note 4 (13).

B. Functional and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(3) Foreign currencies

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. At the end of each subsequent reporting period (hereinafter referred to as the reporting date), monetary items denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at that date.

Fair value non-monetary assets and liabilities denominated in foreign currencies Item are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary assets and liabilities denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Foreign currency differences arising on retranslation are recognized in profit or loss.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

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

B. The Company holds the asset primarily for the purpose of trading.

C. The Group expects to realize the asset within twelve months after the reporting period; Or

D. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading.
C. The liability is due to be settled within twelve months after the reporting period; Or
D. The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand, demand deposits and checking deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(6) Financial instruments

Accounts receivable are recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), Fair value, transaction costs that are directly attributable to its acquisition or issue.

A. Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost.

Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(A) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL under Fair value:

The objective of the Group's business model is achieved by collecting contractual cash flows.

its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

(B) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost (including cash and cash equivalents, amortized costs, notes and accounts receivable, other receivable and guarantee deposit paid).

If the credit risk of bank deposits, financial assets measured at amortized cost, other receivables and refundable deposits (that is, the risk of default occurring over the expected life of the financial instrument) has not increased significantly since the original recognition, it is measured as the 12-month expected credit loss amount.

Loss allowance for notes and accounts receivable are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is ' credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial assets is credit-impaired includes the following observable data:

significant financial difficulty of the borrower or issuer;

- ·Default, such as delay or overdue for more than one year;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- It is probable that the borrower will enter bankruptcy or other financial reorganization; Or
- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

(C) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

B. Financial liabilities

(A) Financial liabilities

Financial liabilities are measured at amortized cost. Net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(B) Equity transactions

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

(C) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or canceled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(D) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the weighted average method and includes expenditure and other costs incurred in bringing them to their present location and condition. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Property, plant and equipment

A. Recognition and measurement

Item is measured at cost less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items under Item.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

B. Subsequent cost

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

C. Depreciation

Depreciation Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment. The estimated useful life of office equipment is 3 ~ 5 years.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(9) Leasing-lessee

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

A. fixed payments, including in-substance fixed payments;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable under a residual value guarantee; and
D. the exercise price or penalty to be paid when the purchase option or lease termination option is reasonably determined to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

A. there is a change in future lease payments arising from the change in an index or rate; or
B. There is a change in the amount of residual value guarantee expected to be paid;
C. there is a change in the evaluation of the underlying asset purchase option;
D. there is a change of its assessment on whether it will exercise an extension or termination option; or
E. any lease modifications in lease subject, scope of the lease or other terms.

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases of office equipment that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

(10) Intangible assets

A. Recognition and measurement

Computer software with finite useful lives that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

B. Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognized in profit or loss as incurred.

C. Amortization

Amortization Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets from the date that they are available for use.

Amortization of computer software is recognized in profit or loss on a straight-line basis over the estimated useful lives of 3 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(11) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories and deferred income tax) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized immediately in profit or loss if the carrying amount of an asset or CGU exceeds its recoverable amount.

(12) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company’s main types of revenue are explained below under Item:

A. Sale of goods

Revenue is recognized when control over the products has been transferred to the customer. The control of the products has transferred when the products are delivered to the customer, the customer has full discretion over the use of the products, 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, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

B. 2. Service revenue

The Company provides product maintenance and consulting services. If the outcome of services provided can be estimated reliably, revenue is recognized by reference to the stage of completion at the reporting date. The Company measures the stage of completion of the transaction based on the stage of completion of services performed.

If the contract includes an hourly fee, revenue is recognized in the amount to which the Company has a right to invoice. Customers are invoiced on a monthly basis and a consideration is payable when invoiced.

(13) Employee benefits

A. Defined contribution plan

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

B. Defined benefit plans

The Company's net obligation in respect of defined benefit plans is calculated separately for each the plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognized asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognized immediately in other total gains and losses, and accumulated in retained earnings within equity. The Company determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset). Net interest expense and other expenses related to defined benefit plans are recognized in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognized immediately in profit or loss. The Company recognizes gains and losses on the settlement of a defined benefit plan when the settlement occurs.

C. Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(14) Share-based payment transactions

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the vesting period of the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met. The amount ultimately recognized is based on the number of awards that meet the service conditions and non-market vesting conditions on the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions, and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the Company informs its employee of the subscription price and the number of shares that can be subscribed.

(15) income tax

income tax includes current and deferred income tax. Except for those related to business combinations, directly recognized in equity or other total profit or loss, current income tax and deferred income tax should be recognized in profit or loss.

Current income tax includes an estimate of tax payables or receivables from income tax based on taxable profit (losses) for the year and any adjustment to tax payables or receivables from income tax in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax measures temporary differences between the carrying amounts of assets and liabilities at the reporting date and their tax bases.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences of income tax to the extent that it is probable that future taxable profits will be available against which they can be utilized. It will be re-evaluated on each reporting day, and the relevant income tax interests will be reduced to the extent that it is not likely to be realized; or to the extent that it becomes probable that sufficient taxable profits will be available to allow the deferred tax asset to be recovered.

Deferred income tax is measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred income tax assets and deferred income tax liabilities are offset if the following criteria are met:

A. The Company has a legally enforceable right to set off current income tax assets against current income tax liabilities; and

B. The deferred assets of income tax and the deferred liabilities of income tax relate to income taxes levied by the same taxation authority on either:

   (A) the same taxable entity; Or

   (B) different taxable entities which intend to settle current income tax's liabilities and assets on a net basis, or to realize the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred income tax's assets are expected to be recovered and deferred income tax's liabilities are expected to be settled.

(16) EARNINGS PER SHARE

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Company's dilutive potential common shares are profit sharing for employees to be settled in the form of common stock.

(17) Segment information

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses. Operating results of the operating segment are regularly reviewed by the Company's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance.

5. Critical Accounting Judgments and Key Sources of Estimation and Uncertainty

The preparation of the financial statements in conformity with the Regulations and the IFRSs endorsed by the FSC requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

There are no critical judgments in applying the accounting policies that have significant effect on the amounts recognized in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year is as follows.

6. Item Description of Significant Accounts

(1) Cash and cash equivalents

	2023.12.31	2022.12.31
Demand deposits	$ 209,100	242,198
Check deposits	690	690
	$ 209,790	**242,888**

Please refer to note 6 (17) for the exchange rate risk, interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company. In addition, due to the application for a loan line from the bank on December 31, 2022, the Company used NT $3,580,000 of demand deposits as collateral, which were recorded under financial assets measured at amortized cost-current. Please refer to Note 8 for more details on collateral.

(2) Notes and accounts receivable

	2023.12.31	2022.12.31
Notes receivable	$ 126	402
Accounts receivable	555,256	473,247
Long-term receivables	100,523	78,280
Less: Allowance for doubtful accounts	-	(25)
Unrealized interest income-long-term receivables	(3,903)	(2,519)
	$ 652,002	549,385

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, notes and accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information, including macroeconomic and relevant industry information. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Company's different customer base.

As of December 31, 2023 and 2022, the expected credit loss analysis of the Company's notes receivable and accounts receivable is as follows:

	2023.12.31		
	Notes and accounts receivable Carrying amount	**Expected weighted average Credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 648,623	-	-
Past due 31-60 days	4,108	-	-
91 to 120 days past due	3,174	-	-
	$ 655,905		-

	2022.12.31		
	Notes and accounts receivable Carrying amount	**Expected weighted average Credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 546,343	-	-
1 to 30 days past due	2,332	-	-
Past due 31-60 days	2,672	0.34	9
61 to 90 days past due	539	2.04	11

121 to 180 days past due	43	11.63	5
	$ 551,929		25

	2023	2022
Beginning balance	$ 25	107
Reversal of impairment loss	(25)	(82)
Ending balance	$ -	25

As of December 31, 2023 and 2022, the Company's accounts receivable were not discounted or pledged as collateral.

(3) Inventories

	2023.12.31	2022.12.31
Merchandise inventory	$ 358,070	348,500
Allowance for inventory valuation losses	(4,199)	(4,199)
	$ 353,871	344,301

The cost of goods sold recognized by the Company in the current period is as follows:

	2023	2022
Cost of inventories sold	$ 1,320,389	1,218,535
Gain on reversal of inventory write-downs	-	(4,908)
Service and maintenance costs	47,488	42,477
	$ 1,367,877	1,256,104

As of December 31, 2023 and 2022, no inventories of the Company were pledged as collateral.

(4) Property, plant and equipment

The cost and accumulated depreciation of the property, plant and equipment of the Company in 2023 and 2022 are detailed as follows:

	Office equipment
Costs:	
Balance at January 1, 2023	$ 5,355
Disposals	(358)
Balance at December 31, 2023	$ 4,997
Balance at January 1, 2022	$ 6,772
Additions	702
Disposals	(2,119)
Balance as of December 31, 2022	$ 5,355
Accumulated depreciation:	

Balance at January 1, 2023	$	3,119
Depreciation		1,088
Disposals		(358)
Balance at December 31, 2023	$	3,849
Balance at January 1, 2022	$	4,046
Depreciation		1,192
Disposals		(2,119)
Balance as of December 31, 2022	$	3,119
Carrying amounts:		
Balance at December 31, 2023	$	1,148
Balance as of December 31, 2022	$	2,236

As of December 31, 2023 and 2022, no property, plant and equipment of the Company were pledged as collateral.

(5) Right-of-use assets

The Company leases many assets including buildings and transportation equipment. Information about leases for which the Company as a lessee is presented below:

		Buildings and structures	Transportation equipment	Total
Cost of right-of-use assets:				
Balance at January 1, 2023	$	43,712	2,659	46,371
Additions		1,469	-	1,469
Contractual maturities		(800)	-	(800)
Balance at December 31, 2023	$	44,381	2,659	47,040
Balance at January 1, 2022	$	43,996	2,229	46,225
Additions		800	2,659	3,459
Contractual maturities		(1,084)	(2,229)	(3,313)
Balance as of December 31, 2022	$	43,712	2,659	46,371
Accumulated depreciation and impairment losses:				
Balance at January 1, 2023	$	18,598	739	19,337
Depreciation		5,550	886	6,436
Contractual maturities		(289)	-	(289)
Balance at December 31, 2023	$	23,859	1,625	25,484
Balance at January 1, 2022	$	13,737	2,167	15,904
Depreciation		5,434	801	6,235
Contractual maturities		(573)	(2,229)	(2,802)

Balance as of December 31, 2022	$	18,598	739	19,337
Carrying amounts:				
Balance at December 31, 2023	$	20,522	1,034	21,556
Balance as of December 31, 2022	$	25,114	1,920	27,034

(6) Short-term loans

The details of short-term loans of the Company are as follows:

	2023.12.31	2022.12.31
Unsecured loans	$ 95,000	150,565
Unused credit lines	$ 499,000	351,435
Interest Rate (%)	0.50 ~ 2.51	1.87 ~ 2.54

For the collateral for long-term borrowings, please refer to note 8.

(7) Long-term borrowings

Details, conditions, and terms of long-term loans of the Company are as follows:

	2023.12.31				
	Currency	Range of interest rates	Maturity date		Amount
Unsecured loans	TWD	2.53	2025.11.19	$	23,169
Less: current portion					(11,948)
				$	11,221
Unused credit lines				$	-

During the year ended December 31, 2023, the Company obtained new borrowings in the amount of NT $30,000,000, with an interest rate of 2.53%. The maturity date is from May 2023 to November 2025, and the amount repaid in 2023 is NT $6,831,000.

(8) Lease liabilities

The carrying amount of lease liabilities was as follows:

		2023.12.31	2022.12.31
Current	$	6,735	6,401
Non-current		15,644	21,444
total	$	22,379	27,845

For the maturity analysis, please refer to note 6 (17).

The amounts recognized in profit or loss were as follows:

		2023	2022
Interest on lease liabilities	$	466	570
Expenses relating to short-term leases	$	24	12

Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$	**294**	**22**

The amounts recognized in the statement of cash flows for the Company were as follows:

		2023	2022
Total cash outflow from operating activities	$	784	604
Total cash outflow from financing activities		6,419	6,113
Total cash outflow for leases	$	**7,203**	**6,717**

The Company leases houses and buildings as office premises and leases transportation equipment for operational use. The lease period of office premises is usually five years, and the lease period of transportation equipment is three years.

(9) Employee benefits

A. Defined benefit plans

Reconciliation of defined benefit obligation at present value and plan asset at fair value were as follows:

		2023.12.31	2022.12.31
Present value of defined benefit obligations	$	9,997	9,680
Plan assets at fair value		(6,570)	(6,146)
Net defined benefit liabilities	$	**3,427**	**3,534**

The Company makes defined benefit plan contributions to the pension fund account with Bank of Taiwan that provides pensions for employees upon retirement. Plans (covered by Labor Standards Act) entitle a retired employee to receive retirement benefits based on years of service and average monthly salary for the six months prior to retirement.

(A) Composition of plan assets

The Company allocates pension funds in accordance with Labor Standards Act, and such funds are managed by the Bureau of Labor Funds, Ministry of Labor (hereinafter referred to as the Bureau of Labor Funds). According to the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund, with regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from two-year time deposits with interest rates offered by local banks. The Company also established a pension fund in accordance with the "Regulations Governing the Management, Investment, and Distribution of the Employees' Retirement Fund Established by a Profit-seeking Enterprise", which is deposited in a designated financial institution with a time or demand deposit account. The use of the pension fund is completely separated from the Company, and the principal and interest of the fund shall not be used in any name other than the payment of pension and severance to employees.

As of December 31, 2023, the balance of the Company's labor retirement reserve account and employee pension account at Bank of Taiwan was NT $6,499,000. For information on the utilization of the labor pension fund assets, including the asset allocation and yield of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

(B) Movements in present value of defined benefit obligations

Movements in the present value of the defined benefit obligations for the Company were as follows:

		2023	2022
Defined benefit obligations at January 1	$	9,680	10,708
Current service costs		-	-
Interest cost		169	67
Remeasurement on the net defined benefit liabilities (assets)			
– Actuarial gains and losses arising from experience adjustments		13	349
– Actuarial gains and losses arising from changes in financial assumptions		135	(1,444)
Defined benefit obligations at December 31	**$**	**9,997**	**9,680**

(C) Movements in the fair value of plan assets

The movements in the fair value of the defined benefit plan assets of the Company were as follows:

		2023	2022
Fair value of plan assets at January 1	$	(6,146)	(5,417)
Interest income		(110)	(35)
Remeasurement of net defined benefit liabilities			
-Actuarial gains and losses (excluding current interest)		(21)	(415)
Amount contributed to the plan		(293)	(279)
Fair value of plan assets at December 31	**$**	**(6,570)**	**(6,146)**

(D) Movements of the effect of the asset ceiling

For the years ended December 31, 2023 and 2022, there was no effect of the asset ceiling.

(E) Expenses recognized in profit or loss

The Company's expenses recognized in 2023 and 2022 are as follows:

	2023	2022
Net interest of net liabilities for defined benefit obligations	$ 59	32

(F) Actuarial assumptions

The principal actuarial assumptions at the reporting date were as follows:

	2023.12.31	2022.12.31
Discount rate	1.625%	1.750%
Future salary increasing rate	1.750%	1.750%

The expected allocation payment to be made by the Company to the defined benefit plans for the one-year period after December 31, 2023 is $302,000. The weighted average lifetime of the defined benefit plans is 12.46 years.

(G) Sensitivity analysis

If the actuarial assumptions had changed, the impact on the present value of the defined benefit obligation shall be as follows:

	Influences of defined benefit obligations	
	Increase 0.25%	0.25% decrease
December 31, 2023		
Discount rate	(268)	277
Future salary increase rate	271	(263)
December 31, 2022		
Discount rate	(290)	300
Future salary increase rate	295	(285)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analyzing sensitivity and the method of calculating net pension liability in the balance sheet are the same. The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

B. Defined contribution plan

The Company allocates 6% of each employee’s monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with Labor

Pension Act. Under these defined contribution plans, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

The pension expenses under the Company's defined contribution pension plan for 2023 and 2022 are NT $4,648 and NT $4,245, respectively.

(10) income tax

A. The Company’s income tax expenses (benefits) for 2023 and 2022 are detailed as follows:

		2023	2022
income tax expense (gain)			
Arising during the period	$	22,358	21,627
Prior year income tax (overestimation)		189	(19)
		22,547	21,608
Deferred income tax expense			
Origination of temporary differences		47	1,258
income tax Fee	$	22,594	22,866

The expenses (benefits) of total recognized under other income tax for the years ended December 31, 2023 and 2022 were as follows:

		2023	2022
Item that will not be reclassified to profit or loss:			
Remeasurement of defined benefit plans	$	(25)	302

Reconciliation of income tax expense and profit before tax for 2023 and 2022 is as follows:

		2023	2022
Net profit before tax	$	112,026	114,423
income tax calculated based on the Company's tax rate	$	22,405	22,885
Prior year income tax (overestimation)		189	(19)
total	$	22,594	22,866

B. Recognized deferred assets and liabilities of income tax

The movements of deferred income tax assets for the years ended December 31, 2023 and 2022 were as follows:

	Allowance for inventories Loss on market price decline	Defined benefits Remeasurements	Refund liabilities Provision	total
January 1, 2023	$ 840	707	-	1,547
Recognized in profit (loss)	-	(47)	-	(47)
Recognized in other total income	-	25	-	25
December 31, 2023	**840**	**685**	**-**	**1,525**
January 1, 2022	$ 1,822	1,058	227	3,107
Recognized in profit (loss)	(982)	(49)	(227)	(1,258)
Recognized in other total income	-	(302)	-	(302)
December 31, 2022	**$ 840**	**707**	**-**	**1,547**

C. Approval of income tax

The settlement declaration of the Company's profit-making business, income tax, has been approved by the tax authorities until 2020.

(11) Share capital and other interests

A. Issuance of ordinary shares

As of December 31, 2023 and 2022, the Company's authorized capital stock is NT $300,000,000, with a par value of NT $10 per share. All issued shares were ordinary shares of 220,000,000 shares, and all issued shares were paid up upon issuance.

On June 10, 2022, Resolution, the Company issued 4,350,000 new shares through capitalization of undistributed earnings, and set October 3, 2022 as the base date for capital increase. The relevant statutory change registration procedures have been completed.

On October 17, 2022, the Board of Directors of the Company approved by Resolution. In order to handle the pre-listing public underwriting case, it is proposed to issue 3,150,000 ordinary shares with cash capital increase and the underwriting price is NT $44.88 per share. This capital increase case was approved by the competent authority on November 8, 2022, and the base date of capital increase was December 12, 2022. The total amount of stock payment received by total was NT $138,184,000, which has been fully received.

B. Capital reserve

The components of capital surplus were as follows:

	2023.12.31	2022.12.31
Share premium	$ 133,284	133,284

According to Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. In accordance with Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the amount of capital surplus to be reclassified under share capital shall not exceed 10 percent of the actual share capital amount of total.

C. Retained earnings

Under Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside ten percent of the remaining profit as a legal reserve, unless the legal reserve has reached the Company’s paid-in capital. In addition, depending on the Company's operating needs and legal regulations, special surplus reserves shall be provided. If there is still a surplus, it shall be combined with the undistributed surplus at the beginning of the same period, and the board of directors shall draft a surplus distribution plan and submit it to the shareholders' meeting Resolution for distribution.

The Company shall set aside no less than ten (10) percent of the current year's distributable earnings as shareholders' dividends each year. If there is a loss for the current year or there is still a surplus in previous years, the Company may distribute the earnings of previous years. However, if the accumulated distributable earnings in the current year are less than ten (10) percent of the Company's paid-in capital, no dividend shall be distributed to shareholders. When distributing dividends to shareholders, the distribution may be made in cash or stock, and cash dividends shall not be less than ten percent of the distributable earnings of the current year.

(1) Legal reserve

If the Company incurs no loss for the year, the distribution of the legal reserve, either by issuing new shares or by cash, shall be decided at the shareholders’ meeting Resolution, and only the portion of legal reserve which exceeds the paid-in capital of $twenty-five may be distributed.

(2) Earnings distribution

The Company passed the 2022 and 2021 earnings distribution of Resolution on June 9, 2023 and June 10, 2022, respectively. The amounts of dividends distributed to shareholders were as follows:

	2022		2021	
	Dividends per share (in dollars)	**Amount**	**Dividends per share (in dollars)**	**Amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 3.80	83,600	1.50	21,750
Stocks	-	-	3.00	43,500
		$ 83,600		65,250

The appropriation of earnings for 2023 had been proposed by the Company's board of directors on February 27, 2024. The appropriation and dividends per share were as follows:

	2023	
	Dividends per share (in dollars)	**Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 3.80	83,600

Information on the earnings distribution of the Company's shareholders meeting, Resolution, can be inquired about Market Observation Post System.

(12) Share-based payments

Information on the Company's share-based payment transactions for the year ended December 31, 2022 is as follows:

	2022
	Cash capital increase reserved for employee subscription
Grant date	2022/12/1
Grant quantity	341 units
Contract period (year)	0.0250
Granted to	Qualified employees
Vesting conditions	Immediately vested

A. Measurement parameters of fair value on grant date

The Company adopted the BlackScholes option evaluation model to estimate the fair value of the share-based payment on the grant date. The input values of the model are as follows:

	2022
	Cash capital increase reserved for employee

	subscription
Fair value of grant day	0.4100
Exercise price (NT $)	44.88
Option duration (year)	0.0250
Expected dividend (%)	-
Risk-free interest rate (%)	0.85

B. Details of the employee stock option plan are as follows:

	2022	
	Weighted average exercise price Contract price (NT $)	Subscription quantity
Outstanding as of January 1	$ -	-
Granted quantity in current period	44.88	341
Quantity executed in current period	44.88	(341)
Outstanding as of December 31	-	-
Executable as of December 31	-	-

The Company did not have any share-based payment transactions in 2023.

(13) Earnings Per Share

	2023	2022
Basic earnings per share:		
Net income	$ 89,432	91,557
Weighted-average number of ordinary shares outstanding (shares in thousands)	22,000	19,022
Basic earnings per share (NT dollars)	$ 4.07	4.81
Diluted earnings per share:		
Net income	89,432	91,557
Weighted-average number of ordinary shares outstanding (shares in thousands)	22,000	19,022
Dilutive potential ordinary shares-employee remuneration (Unit: thousand shares)	157	381
Weighted-average number of shares outstanding used in the computation of diluted earnings per share (in thousands)	22,157	19,403
Diluted earnings per share (NT dollars)	$ 4.04	4.72

(14) Revenue from contracts with customers

A. Disaggregation of revenue

	2023	2022

Primary geographical markets:			
Taiwan	$	1,592,273	1,469,921
Other countries		6,506	6,845
	$	1,598,779	1,476,766
Major products/services lines:			
Sale of computer software	$	1,465,098	1,373,404
Service and maintenance income		138,613	108,123
Other:		634	410
Less: Sales returns and allowances		(5,566)	(5,171)
	$	1,598,779	1,476,766

B. Contract balances

		2023.12.31	2022.12.31	2022.1.1
Notes and accounts receivable (including long-term receivables)	$	655,905	551,929	303,864
Less: Allowance for doubtful accounts		-	(25)	(107)
Less: Unrealized interest revenue		(3,903)	(2,519)	-
total	$	652,002	549,385	303,757
Contract liabilities	$	91,288	35,059	37,324

For details on notes and accounts receivable and allowance for impairment, please refer to note 6 (b).

Revenue recognized that was included in the contract liability balance at the beginning of the year ended December 31, 2023 and 2022 was $35,059,000 and $37,324,000, respectively.

The major change in the balance of contract liabilities is the difference between the time frame in the performance obligation to be satisfied and the payment to be received.

(15) Remuneration to employees, directors and supervisors

In accordance with the Company’s Articles of Incorporation amended on August 18, 2021, 10% of the profit, if any, shall be appropriated as employee compensation and no more than 3% of the profit shall be appropriated as remuneration to directors and supervisors. However, the Company’s accumulated losses shall have been covered. In addition, on January 24, 2022, due to the re-election of directors and supervisors, the Company's Articles of Incorporation were amended to replace the supervisors by the Audit Committee, and the remuneration of directors and supervisors was revised to the remuneration of directors and supervisors. The remuneration of directors in the preceding paragraph can only be paid in cash.

For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $16,816,000 and $15,795,000, respectively; while directors' and supervisors' remuneration was accrued at $1,440,000 and $1,403,000, respectively. The estimated amounts mentioned above were calculated based on the net profit before tax, excluding employees' compensation, multiplied by the percentage of employees' compensation distributed in accordance with Articles of Incorporation. These remunerations were expensed under operating expenses for the years ended December 31, 2023 and 2022. If the actual amounts differ from the estimated amounts, the differences shall be accounted as changes in accounting estimates and recognized as profit or loss in the following year. If the board of directors Resolution distributes employee compensation in stock, the number of shares of stock compensation is calculated based on the closing price of the common stock on the day before the board of directors Resolution.

There is no difference between the amount of remuneration distributed to employees and directors by the board of directors of Resolution in 2023 and 2022 and the estimated amount in the Company's financial statements in 2023 and 2022. For relevant information, please visit Market Observation Post System.

(16) Non-operating income and expenses

A. Interest income

	2023	2022
Interest on bank deposits	$ 1,099	231
Interest income from deposit	11	15
	$ 1,110	246

B. Other gains and losses

	2023	2022
Commission income	$ 1,720	2,143
Gain on lease modification	5	18
Net foreign exchange losses	(384)	(434)
Other gains (losses)	1,023	(40)
	$ 2,364	1,687

C. FInance Costs

	2023	2022
Interest expense:		
Bank loans	$ 6,496	5,956
Lease liabilities	466	570

	$ 6,962	6,526

(17) Financial instruments

A. Credit risk

(A) Maximum credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

(B) Concentration of credit risk

The Company's customer base is large and unrelated, so the concentration of credit risk is limited.

(C) Credit risk of receivables

For credit risk exposure of notes and accounts receivable, please refer to note 6 (2).

B. Liquidity risk

The following table shows the contractual maturities of the Company's financial liabilities, excluding estimated interest payments.

	Carrying Amount	Contract Cash flow	Within 1 year	12 years	25 years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Short-term loans	$ 95,000	95,000	95,000	-	-	-
Accounts payable	475,504	475,504	475,504	-	-	-
OTHER PAYABLES	57,054	57,054	57,054	-	-	-
Lease liabilities	22,379	22,379	6,735	6,097	9,547	-
Long-term loans	23,169	23,169	11,948	11,221	-	-
	$ 673,106	673,106	646,241	17,318	9,547	-
December 31, 2022						
Non-derivative financial liabilities						
Short-term loans	$ 150,565	150,565	150,565	-	-	-
Accounts payable	424,782	424,782	424,782	-	-	-
OTHER PAYABLES	60,671	60,671	60,671	-	-	-
Lease liabilities	27,845	27,845	6,401	6,521	14,923	-
	$ 663,863	663,863	642,419	6,521	14,923	-

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Exchange rate risk

(A) Exposure to currency risk

The Company's financial assets and liabilities exposed to foreign currency risk were as follows:

	2023.12.31			2022.12.31		
	Foreign currencies	Exchange Rate	TWD	Foreign currencies	Exchange Rate	TWD
Financial assets						
Item						
USD	$ 2	30.65	73	25	30.66	760
RMB	24	4.30	103	24	4.38	105
Financial liabilities						
Item						
USD	74	30.76	2,261	200	30.75	6,149

(B) Sensitivity analysis

The amount of foreign currency assets and liabilities held by the Company is not significant, so there is no sensitivity analysis on exchange rate risk.

(C) Exchange gains and losses of monetary Item

Please refer to Note 6 (16) for the exchange gain (loss) of the Company's monetary Item.

D. Interest rate analysis

The short-term and long-term borrowings of the Company are at fixed interest rates, so there is no significant interest rate risk.

E. Fair value information

(A) Categories and fair value of financial instruments

The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	2023.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 209,790	-	-	-	-
Notes and accounts receivable	555,382	-	-	-	-
Other receivables	47	-	-	-	-
Guarantee deposits	23,376	-	-	-	-

paid					
Long-term receivables	96,620	-	-	-	-
total	$ 885,215	-	-	-	-

	2023.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial liabilities at amortized cost					
Short-term loans	$ 95,000	-	-	-	-
Accounts payable	475,504	-	-	-	-
OTHER PAYABLES	57,054	-	-	-	-
Lease liabilities	22,379	-	-	-	-
Long-term loans	23,169	-	-	-	-
total	$ 673,106	-	-	-	-

	2022.12.31				
		Fair value			
	Carrying Amount	Level 1	Level 2	Level 3	total
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 242,888	-	-	-	-
Financial assets at amortized cost-current	3,580	-	-	-	-
Notes and accounts receivable	473,624	-	-	-	-
Other receivables	220	-	-	-	-
Guarantee deposits paid	18,930	-	-	-	-
Long-term receivables	75,761	-	-	-	-
total	$ 815,003	-	-	-	-
Financial liabilities at amortized cost					
Short-term loans	$ 150,565	-	-	-	-
Accounts payable	424,782	-	-	-	-
Other payables	60,671	-	-	-	-
Lease liabilities	27,845	-	-	-	-
total	$ 663,863	-	-	-	-

There was no transfer of financial assets and liabilities into fair value hierarchy in 2023 and 2022.

(18) Financial risk management

A. Summary

The Company have exposures to the following risks from its financial instruments:

(A) Credit risk

(B) Liquidity risk

(C) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks.

B. Risk management structure

The Company's Board of Directors is responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor adherence to the controls. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities.

The Company's management monitors and reviews financial activities in accordance with procedures required by relevant regulations and internal controls. The results of the review are reported to the Board of Directors on a regular basis.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and other financial assets.

(A) Accounts receivable

Since the Company is engaged in the wholesale and retail of information software and provides professional consulting services, and has a large customer base, the Company's notes and accounts receivable balances as of December 31, 2023 and 2022 are not significantly concentrated in transactions with a few customers, so there is no significant concentration of credit risk on accounts receivable. The Company has established a credit policy under which each customer is analyzed individually for creditworthiness for the purpose of setting the credit limit. Additionally, the Company continuously evaluates the credit quality of customers and utilizes insurance to minimize the credit risk.

(B) Bank deposits and financial assets measured at amortized cost

The credit risk exposure in the bank deposits and financial assets at amortized cost are measured and monitored by the Company's finance department. Since the Company's transaction counterparties and the contractually obligated counterparties are banks with good credits, there is no significant credit risk.

(C) Guarantees

As of December 31, 2023 and 2022, the Company did not provide any endorsement guarantee.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company manages liquidity risk by monitoring regularly the current and mid-to long-term cash demand, and maintaining adequate cash and banking facilities. As of December 31, 2023 and 2022, the Company had available unutilized short-term bank loan facilities of $499,000,000 and $351,435,000, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(A) Exchange rate risk

The Company operates in Taiwan and its main transactions are denominated in NTD, the functional currency, so there is no significant exchange rate risk.

(B) Interest rate risk

The Company's bank loans are all based on fixed interest rates, so there is no significant interest rate risk.

(19) Capital management

In consideration of the industry dynamics and future developments, as well as external environment factors, the Company maintains an optimal capital structure to enhance long-term shareholder value by managing its capital in a manner to ensure that it has sufficient and necessary financial resources to fund its working capital needs, capital asset purchases, dividend payments, and other business requirements for continuing operations and to reward shareholders and take into consideration the interests of other stakeholders. The Company monitors capital by regularly reviewing the debt-to-equity ratio. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, and retained earnings.

The gearing ratios at December 31, 2023 and 2022 were as follows:

	2023.12.31	2022.12.31
Total liabilities	$ 784,441	716,462
Less: Cash and cash equivalents	(209,790)	(242,888)
Net debt	**$ 574,651**	**473,574**
Total capital	**$ 486,383**	**480,653**
Debt-to-equity ratio	**118.15%**	**98.53%**

The increase in the debt-to-capital ratio on December 31, 2023 was mainly due to the increase in liabilities arising from operating activities.

(20) Financing activities not affecting current cash flow

For the years ended December 31, 2023 and 2022, the Company acquired right-of-use assets under leases, please refer to Note 6 (5) and (8).

Reconciliation of liabilities arising from financing activities for the years ended December 31, 2023 and 2022 were as follows:

				Non-cash changes		
	2023.1.1	Cash flow	Repayment of borrowings	Additions	Cancel	2023.12.31
Short-term loans	$ 150,565	(55,565)	-	-	-	95,000
Long-term loans	-	30,000	(6,831)	-	-	23,169
Lease liabilities	27,845	(6,419)	-	1,469	(516)	22,379
Total liabilities from financing activities	**$ 178,410**	**(31,984)**	**(6,831)**	**1,469**	**(516)**	**140,548**

			Non-cash changes		
	2022.1.1	Cash flow	Additions	Cancel	2022.12.31
Short-term loans	$ 28,000	122,565	-	-	150,565
Lease liabilities	31,028	(6,113)	3,459	(529)	27,845
Total liabilities from financing activities	**$ 59,028**	**116,452**	**3,459**	**(529)**	**178,410**

7. Related party transactions

(1) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the financial statements.

Name of related parties	Relationship with the Company
Ares International Corp.	standard-alone has significant influence over the Company
Chin-Lung, Hsu	Key management personnel of the Corporation
Han-Lin, Li	Key management personnel of the Corporation

(2) Significant transactions with related parties

A. Purchases

The amounts of purchases by the Company from related parties were as follows:

	2023	2022
standard-alone has significant influence over the Company	$ -	3,760

There were no significant differences between the terms and pricing of purchase transactions with related parties and those carried out with other normal vendors. The payment terms for related parties were 3075 days, which were not materially different from those carried out with other normal vendors.-

B. Payables to related parties

The payables to related parties were as follows:

Item	Type of related party	2023.12.31	2022.12.31
Accounts payable	standard-alone has significant influence over the Company	$ -	1,108

C. Endorsements and guarantees

Chin-Lung, Hsu and Han-Lin, Li, key management personnel of the Company, are the joint guarantors of the Company's loans from financial institutions in the form of credit guarantees in 2023 and 2022.

(3) Compensation of key management personnel

	2023	2022
Short-term employee benefits	$ 24,601	19,922
Retirement benefits	527	435
	$ 25,128	20,357

8. Pledged assets

The carrying values of pledged assets were as follows:

Assets	Pledge guarantee subject	2023.12.31	2022.12.31
Financial assets at amortized cost-current:			
Restricted deposits	Short-term loans	$ -	3,580

9. Significant contingent liabilities and unrecognized commitments

The guaranteed notes issued by the Company for obtaining financing facilities from financial institutions are as follows:

	2023.12.31	2022.12.31
Endorsements and guarantees	$ 12,000	12,000

10. SIGNIFICANT DISASTER LOSS: None.

11. Significant subsequent events: None.

12. Others

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

Function / Nature	2023			2022		
	Operating costs	Operating expenses	total	Operating costs	Operating expenses	total
Employee benefits expense						
Wages and salaries	36,357	78,595	114,952	31,778	65,816	97,594
Labor and health insurance	2,929	5,801	8,730	2,921	5,552	8,473
Pension expense	1,628	3,079	4,707	1,498	2,779	4,277
Remuneration of directors	-	2,682	2,682	-	1,821	1,821
Other employee benefits	1,737	3,001	4,738	1,554	2,333	3,887
Depreciation expense	2,022	5,502	7,524	2,016	5,411	7,427
Amortization expense	146	285	431	45	87	132

Additional information on the number of employees and employee benefit expenses of the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	93	86
Number of directors who were not employees	5	5

Average employee benefits	$ 1,513	1,410
Average employee salary expenses	$ 1,306	1,205
Adjustment of average employee salary expenses	8.38%	(17.80)%
Supervisor's remuneration	$ -	15

The Company’s salary and remuneration policy (including directors, managerial officers and employees) are as follows:

The Company has established the "Remuneration Management Measures for Directors and managerial officers", which include the following:

A. Remuneration: The Company may pay a fixed amount of remuneration regardless of operating profit or loss. The Board of Directors is authorized to determine the remuneration of independent directors based on the degree of their participation in the Company's operations and the value of their contributions; The salary of managerial officers is based on the joint evaluation of Taiwan's human resources market, industry categories of the same nature, and the company's salary and welfare policies.

B. Remuneration: According to Article 20 of the Articles of Incorporation, where the Company makes a profit in a year, a fixed ratio (3% for directors’ remuneration) shall be set aside; 10% to 15% of the profit of the current year is distributable as employees’ compensation), and is distributed to Resolution after being approved by the Board of Directors and reported to the shareholders’ meeting.

C. Transportation expenses (Directors), year-end bonuses (managerial officers), business execution related expenses, etc.

The Company's employee compensation includes monthly base salary, allowances, additional pay, overtime pay and various bonuses approved by the supervisor, and in accordance with laws and regulations, taking into account the salary level in the industry, providing employees with good salary and welfare conditions. The Company conducts performance appraisal of all employees every year, and regularly confirms the work performance of all employees as the basis for promotion and salary payment.

13. Note disclosures

(1) Information on significant transactions: None.

(2) Information on investees: None.

(3) Information on investments in mainland China: None.

(4) Major shareholders:

Unit: Shares

Shares Name of Major Shareholders	Shares Held	Shareholding ratio
Ares International Corp.	3,843,015	17.46%

Wei Gu Co., Ltd.	2,682,381	12.19%

Note: A. The information of major shareholders presented in this table is provided by Taiwan Depository & Clearing Corporation, based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5 percent or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital which was recorded on the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

B. If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual truster who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than ten (10) percent pursuant to Securities and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.

C. The shareholding ratio is calculated by unconditionally rounding off to two decimal places.

14. Segment information

(1) General information

The Company is mainly engaged in the wholesale, development, sales and maintenance of information software, which is attributable to a single reporting department. The financial information of the department is the same as that of the financial report. The accounting policies of the operating segments are the same as the accounting policies described in Note 4.

(2) Information about reportable segments and their measurement and reconciliations

The information on the Company's segment profit or loss, segment assets, and segment liabilities is consistent with the financial report. Please refer to the balance sheet and total income statement.

(3) Overall corporate information

A. Product information

The Company is mainly engaged in the wholesale, development, sales and maintenance of information software. Product information is consistent with the financial report. Please refer to the income statement of total.

B. Geographical information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment non-current assets are based on the geographical location of the assets.

Revenue from external customers:

Region		2023	2022
Taiwan	$	1,591,839	1,469,921
Other countries		6,940	6,845
total	$	1,598,779	1,476,766

Non-current assets:

Region		2023.12.31	2022.12.31
Taiwan	$	23,488	30,111

Non-current assets include property, plant and equipment, right-of-use assets, and intangible assets, excluding deferred income tax assets, long-term receivables, and non-current assets with refundable deposits.

C. Information about major customers

The details of the Company's sales revenue from customers accounting for more than 10% of the net operating revenue in the income statement of total are as follows:

	2023			2022	
		Amount	%	Amount	%
Company A	$	167,548	10	125,246	8

For the year ended December 31, 2022, there was no customer with a net operating revenue of more than 10%.

M-Power Information Co., Ltd.

Statement of cash and cash equivalents

December 31, 2023

Unit: NT $thousands

Foreign Currency Unit: NTD

Item	Description	Amount
Bank deposits	Check deposits	690
	Demand deposits	208,924
	USD (USD 2, NT $388.27 @30.655)	73
	CNY (CNY 23, 994.32 @4.3)	103
		$ 209,790

M-Power Information Co., Ltd.

Notes and accounts receivable

December 31, 2023

Unit: NT $thousands

Client Name	Description	Amount	Remark
Notes receivable:			
Non-related parties:			
Others (Note)		$ 126	
Accounts receivable:			
Non-related parties:			
Company A		124,915	
Company B		50,667	
Company C		35,362	
Others (Note)		344,312	
		555,256	
Long-term receivables:			
Non-related parties:			
Company C		17,099	
Company D		14,686	
Company E		12,914	
Company A		12,286	
F Company		4,559	
Others (Note)		38,979	
		100,523	
Less: Unrealized interest revenue		(3,903)	
		96,620	
total		**$ 652,002**	

Note: The individual balance does not exceed 5% of this account.

M-Power Information Co., Ltd.

Statement of other receivables

December 31, 2023

Unit: NT $thousands

Item	Description	Amount	Remark
Non-related parties:			
Company G		$ 47	

Note: The individual balance does not exceed 5% of this account.

STATEMENT OF INVENTORIES

Item	Amount		Remark
	Cost	Market value	
Merchandise inventory	$ 358,070	353,871	Net realizable value
Less: Allowance for inventory valuation losses	4,199		
	$ 353,871		

Statement of Prepayments

Item	Description	Amount	Remark
Prepayments for purchases		$ 5,688	
Prepaid rent		163	
Prepayments (printing, software usage, etc.)		708	
Prepaid security fee		6	
		$ 6,565	

M-Power Information Co., Ltd.

Statement of Other Current Assets

December 31, 2023

Unit: NT $thousands

Item	Description	Amount	Remark
Temporary payments		$ 160	

Statement of changes in intangible assets

January 1 to December 31, 2023

Item	Beginning balance	Current increase	Current decrease	Ending balance	Remark
Computer software	$ 977	374	-	1,351	
Less: Amortization for the year	136	431	-	567	
	$ 841	(57)	-	784	

Schedule of Refundable Deposits

December 31, 2023

Item	Description	Amount	Remark
Insurance fund		$ 21,173	
Bid bonds		15	
Other:		2,188	
		$ 23,376	

M-Power Information Co., Ltd.

Statement of short-term borrowings

December 31, 2023 **Unit: NT $thousands**

Type of loan	Explanation	Ending balance	Contract period	Range of interest rates	Financing facilities	Mortgage Collateral	Remark
Unsecured loans	Hua Nan Bank	$ 45,000	112/7 ~ 113/3	2.30 ~ 2.51	200,000	Note	
Unsecured loans	Chang Hwa Bank	20,000	112/9 ~ 113/4	2.33	20,000	Note	
Unsecured loans	Taipei Fubon Bank	30,000	112/8 ~ 113/8	0.5	50,000	Note	
Unsecured loans	Mega Bank	-	-	-	100,000	Note	
Unsecured loans	Bank of Panhsin	-	-	-	60,000	Note	
Unsecured loans	Taishin Bank	-	-	-	64,000	Note	
Unsecured loans	Shin Kong Bank	-	-	-	50,000	Note	
Unsecured loans	Far Eastern International Bank	-	-	-	50,000	Nil.	
total		$ 95,000					

Note: The Company's borrowings are secured by the credit guarantee fund and key management personnel.

Statement of contract liabilities

Item	Description	Amount	Remark
Services received in advance		$ 21,041	
Advance sales receipts		70,247	
		$ 91,288	

M-Power Information Co., Ltd.

Statement of accounts payable

December 31, 2023

Unit: NT $thousands

Client Name	Description	Amount	Remark
Accounts payable:			
Non-related parties:			
Company A		$ 428,940	
Others (individual balance does not exceed 5% of this account)		46,564	
		$ 475,504	

Statement of other payables

Client Name	Description	Amount	Remark
Payables for salaries or bonuses		$ 33,264	
Employees' compensation and directors' and supervisors' remuneration payable		18,256	
Other expenses payable (labor and health insurance, pension, etc.)		5,534	
		$ 57,054	

M-Power Information Co., Ltd.

Statement of Other Current Liabilities

December 31, 2023

Unit: NT $thousands

Item	Description	Amount	Remark
Taxes payable		$ 4,826	
Receipts under custody		403	
		$ 5,229	

Statement of Operating Revenue

January 1 to December 31, 2023

Item	Amount	Amount	Remark
Product sales revenue:			
Sale of computer software		$ 1,459,532	
Service and maintenance income		138,613	
		1,598,145	
Other:		634	
		$ 1,598,779	

M-Power Information Co., Ltd.

Statement of operating costs

January 1 to December 31, 2023

Unit: NT $thousands

Item	Amount Sub-total	Amount total
Cost of goods sold	$	1,320,389
Beginning inventory	348,500	
Net Purchases	1,329,959	
Ending inventories	(358,070)	
Service and maintenance costs		47,488
Total operating costs		$ 1,367,877

Statement of selling expenses

Item	Description	Amount	Remark
Wages and salaries		$ 40,410	
Insurance expense		3,169	
Others (individual balance does not exceed 5% of this account)		14,266	
		$ 57,845	

M-Power Information Co., Ltd.

Statement of administrative expenses

January 1 to December 31, 2023

Unit: NT $thousands

Item	Description	Amount	Remark
Wages and salaries		$ 25,611	
Depreciation expense		2,111	
Service expense		1,869	
Others (individual balance does not exceed 5% of this account)		7,591	
		$ 37,182	

Statement of research expenses

Item	Description	Amount	Remark
Wages and salaries		$ 15,256	
Insurance expense		1,474	
Others (individual balance does not exceed 5% of this account)		3,656	
		$ 20,386	

Statement of changes in property, plant and equipment was disclosed in note 6 (4).

Statement of changes in accumulated depreciation of property, plant and equipment please refer to note 6 (4).

Statement of changes in right-of-use assets was disclosed in note 6 (5).

Statement of changes in accumulated depreciation of right-of-use assets please refer to note 6 (5).

Statement of lease liabilities was disclosed in note 6 (8).

Statement of deferred assets of income tax please refer to note 6 (10).

Statement of interest income was disclosed in note 6 (16).

Statement of other gains and losses was disclosed in note 6 (16).

Statement of finance costs was disclosed in note 6 (16).