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UNIVERSAL MICROWAVE TECHNOLOGY, INC.

2023 Annual Report

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Notice to readers

This English-version annual report is a translation of the Chinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

1. Spokesperson & Deputy Spokesperson

Spokesperson	:	Chun-Liang Kuo
Title	:	Executive Vice President
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E-mail	:	simon@UMT-tw.com
Deputy Spokesperson	:	Chung-Kuang Chen
Title	:	Financial Vice President
Tel	:	(02)2452-5533EXT802
E-mail	:	brian_chen@UMT-tw.com

2. Headquarters, Branches and Plant

Headquarters Address	:	No.1, GongJian Rd., Qidu Dist., Keelung City 206, Taiwan (R.O.C.)
Tel	:	(02)2452-5533
Plant Address	:	No. 13, Gongjian S. Rd., Qidu Dist., Keelung City 206 , Taiwan (R.O.C.)
Tel	:	(02)2451-3426

3. Stock Transfer Agent

Name	:	The Capital Group Corp. Transfer Agent
Address	:	B2F., No. 97, Sec. 2, Dunhua S. Rd., Da'an Dist., Taipei City 106 , Taiwan (R.O.C.)
Tel	:	(02)2702-3999
Website	:	http://www.capital.com.tw

4. Auditors

Auditors	:	Hsiu-Chun Huang, Pi-Yu Chuang
Accounting Firm	:	Deloitte & Touche
Address	:	20F, Taipei Nan Shan Plaza, No. 100, Songren Rd., Xinyi Dist., Taipei 11073, Taiwan(R.O.C.)
Tel	:	(02)2725-9988
Website	:	http://www.deloitte.com.tw

5. Overseas Securities Exchange Name and Query Method：None

6. Corporate Website：https://www.UMT-tw.com

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I. Letter to Shareholders

Dear shareholders:

The summary of the business results of 2023 and the outlook for 2024 is as follows:

1. Business results

The specific achievements of 2023 are summarized as follows:

(1) Successful expansion of low-earth orbit customer base and satellite payload component certification and mass production delivery.
(2) Implement precision machines and enrich high-specification inspection equipment to further upgrade product specifications.
(3) Completion of plant establishment in Southeast Asia will help increase the breadth of cooperation between customers and meet the needs of order growth

The following is a summary of the operating data for 2023:

(1) Business plans and implementation results

The consolidated revenue of the Company in 2023 was NT$1,585,208 thousand, an decrease of 13.74% compared to NT$1,837,665 thousand in 2022. The consolidated net profit after tax was NT$241,327 thousand, an decrease of 25.65% compared to NT$324,570 thousand in 2022.

(2) Budget implementation

The Company choose not to disclose 2023 financial forecasts. The operating results for 2023 are as follows:

Unit: NT$ thousands

Item	2023	%
Net sales	1,585,208	100
Cost of Sales	944,081	59
Gross profit	641,127	41
Operating Expense	438,658	28
Operating Income	202,469	13
Pre-tax Income	299,266	19
Net Income	241,327	15

(3) Profitability analysis (Consolidated financial statements)

Analysis item		2023	2022
Financial structure	Debt to asset ratio (%)	27.56	30.84
	Long-term capital to property, plant and equipment (%)	273.29	271.90
Debt-paying ability	Current ratio (%)	245.11	222.54
	Quick ratio (%)	223.65	196.59
	Times interest earned	4663.40	8985.27
Profitability	Return on assets (%)	7.20	9.41
	Return on shareholders' equity (%)	9.95	13.62
	Operating profit for paid-in capital ratio (%).	32.17	47.05
	Net income before tax accounted for paid-in capital ratio (%)	47.55	66.94
	Profit margin (%)	15.22	17.66
	Earnings per share (NT$)	3.20	4.36

Comparing the 2023 and 2022, the Company's financial structure and debt repayment ability indicators still maintained the long-term stable financial status of the past.

(4) Research and development status (consolidated financial statement)

The main focus of the Company's research and development investment in 2022 was to continue the design and development of 5G and IoT, satellite communication products in response to the demand for efficiency and quality in the next generation of communication. At the same time, new generation product applications were developed in line with market demand. The related research and development expenditures are summarized in the following table:

Year / Items	2022	2021
R&D expenses	150,632	150,911
Net sales	1,585,208	1,837,665
(%)	9.50	8.21

2. The 2024 Business Plan

In 2024, the Company will continue the results accumulated in the past. In addition to continuing to cultivate existing customers and develop new customers, the Company will also focus on the implementation of the following operational items, hoping to establish a solid foundation for sustainable operation:

(1) Operating principles and major production and marketing strategies

1.Expand the production capacity in Southeast Asia and establish long-term and stable cooperation with customers:

In response to the production capacity demand brought by the prospects of the low-earth orbit industry and to meet the risk diversification required by customers in geopolitical competition, this year will be the implementation year of the previous plan to expand the production capacity in Southeast Asia. This plan will also make good use of the tax benefits of Southeast Asian countries to achieve better tax benefits, and the products covered in the future will also be expanded year by year. Suitable products of subsidiaries will also have the flexibility of capacity expansion and cost optimization, so that related companies in the Group will also benefit from this plan, and can build a longer-term cooperation advantage with customers by the re-improvement of competitiveness to promote the overall operating performance of the Company.

2.Expand the product range required by the low-earth orbit industry to continuously increase the scale of revenue:

With the annual expansion of the customer base of low-earth orbit, as well as the fruitful results of related product development, we can make good use of this foundation to expand the breadth of cooperation with various customers, and can then meet the needs of new industry participants, provide products with mature application experience to assist customers in shortening the development exploration period, quickly obtain customer reliance and become a long-term cooperative partner, which in turn enables the Company to play a key role in the field of low-earth orbit applications, obtain sustainable growth momentum in revenue scale, and continue to increase revenue scale.

3.Utilize production capacity to optimize manufacturing costs and improve profitability:

It is expected that in the process of capacity expansion, the utilization of economies of scale and process optimization can bring more competitive production costs. In addition, it has achieved good results in process automation and yield control in the previous year, and this year's extension can benefit more diversified products, and related results can be replicated to different manufacturing bases for comparison and application, so that the cost optimization benefits can be expanded, so as to achieve a better effect of improving the Company's overall profitability.

(2) Expected Sales Volume and Basis

Based on objective observations, sales volume is determined by market demand and development trends, customer operating conditions, and the Company's current order situation. The vision of smart living with wireless communication and the applications of 5G combined with satellite communication in the IoT era are promising, and the industry's outlook can still be highly optimistic. In particular, the low-earth orbit communication application will drive a high growth for the overall industry development. For the the Company, which provides key components of low-earth orbit communication, it can continue to maintain its competitive advantages and strengthen its customer network.

3. Impact of External Competitive Environment, Regulatory Environment, and Overall Operating Environment

In general, although there are some differences in the external competitive environment, regulatory environment, and overall operating environment each year, companies with a solid

customer base and stable profitability have a competitive advantage in the face of global geopolitical competition intensifies, rising international raw material prices. The Company has such a foundation, so the Company's operating prospects remain positive.

4. Future Development Strategy

With the continuous improvement of satellite manufacturing technology, especially the innovative development of small satellites, the application value created is different from the traditional high-orbit satellites, and the rapid decline of satellite launch costs, such as carpool, medium and large satellite vehicles and other innovative services, continue to promote the significant expansion of the number of global satellite transmissions. From the perspective of 7,316 satellites in global operation in 2022, commercial communication has accounted for 63% of the application, mainly from the application opportunities of the Internet of Things and the Internet of Vehicles. With the rapid increase of satellites in global operation, it will also drive the development of satellite terminal equipment, so that users can use satellite signals in mobile, quickly switch between satellite signals, and achieve seamless communication resilience. From this development trend, it is clear that low-earth orbit communication will bring a wave of long-term and vast business opportunities, which can be evidenced by the increasing popularity of satellite communication exhibitions held in Washington D.C. in recent years. The Company not only has participated in this exhibition for many years, but also the scale and number of participants displayed this year are also the highest in history. The many satellite communication components displayed during the exhibition have conducted in-depth exchanges with many companies, which are expected to be beneficial to the future expansion of business opportunities. In response to the global geopolitical competitive environment, the Company has a complete response plan, which can meet the diversified needs of customers' geopolitical risks and take into account the needs of capacity expansion. It is believed that the breadth of cooperation with customers can produce a multiplier effect. Since its establishment, the Company has adhered to the principle of "steady, focused, and pursuing excellence," and has been recognized by customer satisfaction. In the future, the Company will continue this spirit, working with customers, suppliers, and other partners to fulfill its mission of becoming the "most reliable component supplier in the wireless communication industry," creating value for shareholders, providing a stage for employees to realize their potential, fulfilling corporate social responsibility, and continuing to strive for corporate value.

Finally, on behalf of all employees of the Company, I would like to thank all shareholders for their support and encouragement to the Company and extend our sincerest gratitude.

We wish you all prosperity and every success in the future.

Sincerely,

Chairman ： Su-Ming Chen

CEO ： Tung-Yi Wu

Accounting Supervisor： Shu-Ying Lee

II. Company Profile

1. Date of Incorporation ：The Company was established on September 7, 1999.

2. Company Milestones

1999	Sep.	Established Universal Microwave Technology, Inc. in Xinzhu Road, Xizhi City, Taipei County.
	Oct.	Completed the development of "Ku-Band VSAT OMTs & Filters".
2000	Jan	Completed the development of "25/28GHz LMDS OMTs/Diplexers" and "28 & 38GHz Waveguide Diplexers".
2001	Oct	Established a microwave antenna measurement laboratory.
2002	May	Received a grant from the Ministry of Economic Affairs to encourage emerging small and medium-sized enterprises to develop new technologies in 2002.
2003	Nov	Passed ISO9001: 2000 certification.
2004	Jun	Received a grant from the Ministry of Economic Affairs to encourage emerging small and medium-sized enterprises to develop new technologies in 2004.
2005	Aug	On August 16, 2005, it was approved by the Securities and Futures Bureau for public issuance of shares, stock code 3491.
2006	Sep	Won the Ministry of Economic Affairs SBIR Excellent Industry Contribution Award in 2006.
	Sep	Purchased land in the Liudu Industrial Zone to plan for a new factory.
	Nov	On November 1, 2006, the stock was listed on the Securities Counter Transaction Center, stock code: 3491.
	Dec	Selected as a "Deloitte Asia Pacific High-Tech, High-Growth Top 500" company by the Deloitte Global Organization.
2007	Feb	In 2007, received a grant from the Ministry of Economic Affairs for the SBIR project "Embedded Independent Coupling Unit Coupler".
2008	Jan	On January 3, 2008, the stock was listed on the Securities Counter Transaction Center, stock code: 3491.
	Feb	Passed ISO14000 certification.
	Feb	Selected as a strategic supplier for key customer Ceragon.
	July	Selected as a qualified supplier for the new annual project of Nokia-Siemens.
	Oct	On October 13, 2008, the new factory in the Lidu Science and Technology Park was completed and moved in as the Company’s headquarters.
2009	July	Selected as one of Forbes Asia’s Top 200 Most Potential Small and Medium-sized Enterprises.
2010	May	Passed ISO9001: 2008 (CNS12681) certification.
	Nov	Raised the issuance of the first domestic secured convertible corporate bonds, with a total amount of NT$ 300 million.
2011	Jun	Through its subsidiary located in a third country, the Company acquired a 95%

		equity stake in Exceltek Electronics (Kunshan) Co., Ltd. (renamed Radiation Technology Inc. in February 2015).
2012	Jun	Received a verification certificate for the Occupational Safety and Health Management System, in compliance with TOSHMS: 2007 and OHSAS18001: 2007 system standards and requirements.
	Nov	Acquired the 2013 communications equipment passive component procurement contract of the European international communications giant Elishin.
2013	Apr	Received a grant of 5 million New Taiwan dollars from the Ministry of Economic Affairs CITD for the "Millimeter Wave Communication Orthogonal Mode Transducer Development Project" in 2013, with a subsidy amount of 1 million New Taiwan dollars.
2014	Feb	Won the 2013 Deloitte Asia Pacific High Technology, High Growth Fast500 evaluation, the past three years of revenue growth results are impressive and strong.
	Dec	Passed the NEC system certification and obtained mass production orders, both parties will continue to expand future cooperation projects.
2015	Aug	Purchased a land and building in the Industrial Construction Section of Qidu District, Keelung City (the former Shangpengtang Factory), with a land area of 2,555 square meters (772.8 tsubo), planned to be a precision machinery processing factory.
	Oct	Awarded the "Development Project for 40/80GHz Millimeter Wave Branch Network Subsystem" funded by the Industrial Development Bureau of the Ministry of Economic Affairs with a total amount of NT$ 21 million and a subsidy amount of NT$ 6.3 million. The development is significant for the future 5G market opportunities.
	Dec	On December 2, 2015, the subsidiary, RADIATION TECHNOLOGY,INC. had its shares listed on the Over-the-Counter Market of the Taipei Exchange with the stock code 6514. (The operating entity under its jurisdiction is Radiation Technology Inc.)
2016	Sep	Selected as the "Outstanding Employer Unit of the Year 2015" under the R&D alternative service system, ranking 11th in the private industry group. This is the second time we have received this honor.
2017	Jun	Invested a million dollars to build Taiwan’s first civilian millimeter-wave antenna measurement laboratory, with a measurement frequency reaching up to 94GHz. This will provide customers with a one-stop R&D, design, testing, and manufacturing service.
	Oct	Acquired 51% of the equity in GENTON TECH CORPORATION and 30% of the equity in Terasilicon, respectively. This expands our operational scale and makes the wireless communication territory more complete, with greater synergistic

		effects expected from the expansion of front-end business and integration of logistical resources.
2018	Jan	Obtained the "Health Promotion Badge" certification for a healthy workplace from the National Health Command of the Ministry of Health and Welfare.
	Nov	Awarded by the Industrial Development Bureau of the Ministry of Economic Affairs for the "Development Project for Adjustable Microwave Duplexers Applied to Mobile Communication Backhaul Networks" with a total amount of NT$35 million and a subsidy amount of NT$12 million.
	Dec	Passed the assessment of the Ministry of Labor's TTQS Talent Development Quality Management System (Corporate Edition).
	Dec	To cultivate excellent students and give back to Keelung local universities, we donated to the National Ocean University's Scholarship Fund in 2018 and received a thank you certificate from the Ministry of Education.
2019	Jun	Completed the integration of hardware and software for the Sub-6GHz antenna anechoic chamber, providing all necessary active and passive performance testing and R&D for antennas in the Sub-6GHz band.
	Aug	The subsidiary (stock code: 6514, RTI) acquired the equity of Joymax Electronics Co., Ltd. accounting for 99.99% of the issued share ratio.
	Oct	Honored by the Industrial Development Bureau of the Ministry of Economic Affairs as the 5th Potential Medium Enterprise, affirming our technical expertise, deep cultivation in the communications field, focus on our main business, and international competitiveness.
	Dec	Won the subsidy from the Ministry of Economic Affairs A+ corporate innovation R&D refining plan for the "Development Project of High-performance Front-end Modules for 5G Millimeter Wave Small Base Stations" with a total cost of 170 million NT dollars and a subsidy amount of 74 million NT dollars. The development is crucial for the future development of 100% domestically produced 5G millimeter wave IAB radio frequency modules and the construction of a complete 5G terminal supply chain in Taiwan.
2020	Jan	Added a millimeter wave network analyzer, with the highest frequency coverage up to 169GHz. Continually increasing the measurement capacity of D-Band/W-Band, investing more resources in millimeter wave band R&D, leading the industry.
	Aug	Joined the Ministry of Science and Technology's 2020 "5G RF Industry Technology Alliance" as a member, contributing our many years of industrial experience to enhance domestic 5G RF industry technology and international competitiveness.
	Sep	The Company is committed to the development of aerospace and precision

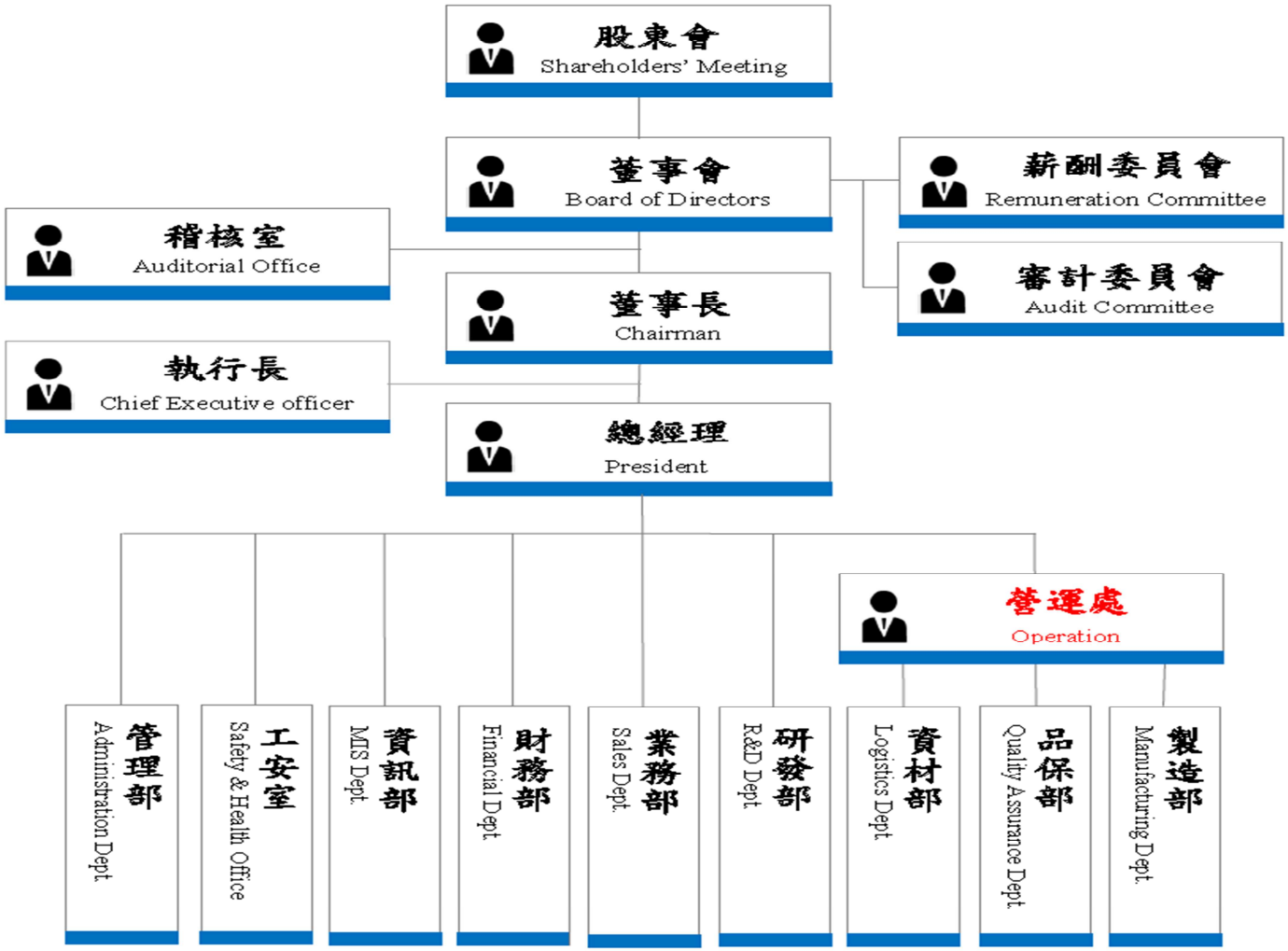
		industries. Passed the AS9100:2020 Aerospace Quality Management System certification, which will further empower us to expand opportunities in satellite communications.
2021	Mar	The Company resolved to acquire a 99.99% equity stake in Joymax Electronics Co., Ltd. through its subsidiary (stock code: 6514 RTI).
	Jun	Honored with the second rank in the Civilian Industry Group of 2021 of the Ministry of the Interior’s Excellent Research and Development Alternative Service Employer Unit.
	Nov	Passed the "Low-Earth Orbit Ground Communication Equipment Development Assistance Program" by the Ministry of Economic Affairs and Industry, affirming the outstanding independent research and development capabilities of Universal Microwave Technology, Inc. in the field of low-earth orbit.
2022	Feb	Awarded the Certificate of Appreciation by the "National Communication Commission" for our assistance in the preparation of 5G mid-band spectrum, improving domestic satellite communication interference issues, improving stability and high yield, thus enhancing our country’s frequency utilization efficiency and promoting spectrum coexistence and 5G development.
	Aug	Established Taiwan’s first terahertz antenna near-field measurement laboratory. By using terahertz technology and stimulating new thinking, we are laying out 6G product development in advance, encouraging the research and development team to continuously maintain technological leadership, and adding a new wave of momentum to the future growth of our company in the wireless communication industry.
	Dec	The Company was invited to attend the "Taiwan Space 2022 Low-Earth Orbit Industry Elite Forum and Industry Exchange Event" hosted by the Ministry of Economic Affairs and Industry. At the event, we showcased the results of the B5G plan, developed and produced the country’s first high-efficiency low-earth orbit Ka-band multiplexer, and successfully entered the international low-earth orbit gateway ground station supply chain, contributing to the development of Taiwan’s space industry and talent cultivation.
2023	Feb	In response to climate change and international sustainability trends, in order to reduce the impact on the environment and achieve environmental sustainability benefits, we expand the scope of fund utilization, handle green sustainable deposits, and use the influence of the financial market to further promote the development of green finance, hoping that society and enterprises can move towards the goal of "establishing a sustainable virtuous cycle".
	Oct	Invested in the research and development of the "New Low-Earth-Orbit satellite communication payload-millimeter-wave dual-band

		dual-polarization sub-system research and development plan" for the development of low-earth orbit related products, which was reviewed and approved by professional members, and obtained the Ministry of Economic Affairs project subsidy.
2024	Apr	The Company established a 100% owned Vietnam subsidiary (Universal Microwave Technology (Vietnam) Company Limited).

III. Company Governance Report

1. Organization Structure

1.1 Organization Chart



1.2 Major Department Functions

Department	Functions
Remuneration Committee	· Set up policies and standards for performance evaluation and compensation to directors and managers, and regularly evaluate the remuneration of directors and managers.
Audit Committee	· Assist the board of directors in effectively executing their supervisory roles, ensuring compliance with the Company Act, Securities Exchange Act, and other laws.
Chief Executive Officer	· Formulate long-term operational strategies for the group and supervise short-term and long-term investment businesses. · Evaluate and plan for new business ventures within the group.
President	· Formulate and promote strategic directions for company operations, coordinate and integrate resource allocation and usage. · Manage the execution of tasks across different units, ensuring operational targets are met.
Operations Office	· Responsible for the planning and operation management of manufacturing, materials and quality assurance. · Optimize internal operations and integrate supply chain resources to build operating niches and enhance competitiveness.
Auditorial Office	· Check and evaluate the shortcomings of the internal control system and measure operational efficiency, providing improvement suggestions when necessary. · Ensure the continuous and effective implementation of internal control systems, and assist the board of directors and management level in performing their responsibilities.
Safty & Health Office	· Formulate plans for occupational disaster prevention and emergency response, establishing a healthy workplace to prevent occupational hazards. · Plan and supervise each department in conducting labor safety and health inspections and management tasks, implementing safety and health education and training.
Administrative Department	· Human resource strategic planning, recruitment, compensation, training, and career development, and other human resource management tasks. · Plan and execute administrative management systems, conduct general affairs procurement, manage fixed assets, and other general affairs-related tasks. · Handle the drafting, modifying, and reviewing of various contracts in legal affairs, provide legal advice related to business, handle various litigation cases, and manage domestic and international trademarks and patent-related affairs.
Financial & Accounting Department	· Coordinate company finance, fund utilization and management, financing planning, asset and liability risk management. · Establish financial systems, control finance and tax operations, conduct business analysis, share management tasks, and deal with investor relations.

MIS Department	· Plan and establish the overall information environment and information systems, continuously conduct information security control and supervision. · Construct and develop internal systems based on operational needs, coordinate the allocation of computer resources, and maintain related software and hardware of information equipment.
Logistics Department	· Procure raw materials and production supplies, manage suppliers, execute strategic procurement, and integrate company resources. · Control the planning and scheduling of production and materials, manage inventory such as raw materials and molds, and carry out import and export tasks.
Manufacturing Department	· Execute and manage production goals, plan operational processes, and improve production yield. · Design manufacturing technology, develop and manage machinery and equipment, develop and manage tooling.
Sales Department	· Formulate business development strategies and directions, evaluate customer needs, collect market trends, and develop potential customers. · Strengthen customer relations and provide satisfactory services, establishing a solid foundation for company business growth.
Research and Development Department	· Conduct forward-looking technology research, lead development, and high-end product design, creating future niches. · Formulate product development plans, complete product development and technical document writing, provide technical support and service to customers.
Quality Assurance Department	· Establish a quality and environmental management system, to meet the requirements of executing quality plans and achieving goals. · Assist in optimizing product manufacturing procedures, track and improve product quality, and promote quality assurance operations.

2. Information of Board of Directors and Management Team

2.1 Information of directors：

As of April 21,2024

Title	Nationality/ Registration	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Chairman	R.O.C.	CenXin Investment Co., Ltd. Representative：Su-Ming Chen	Female/ between 51 to 60	2022.6.15	3	2005.05.31	4,403,856	7.08	4,083,856	6.40	0	0	0	0	N/A	N/A	Director	Tung-Yi Wu	spouse	(Note)
Chairman of the juridical person	R.O.C.	Su-Ming Chen	Female/ between 51 to 60	2022.6.15	3	2005.05.31	22,585	0.04	202,585	0.32	403,132 (Note 1)	0.63	0	0	Bachelor’s degree, Business Administration, National Taiwan University MBA,University of California, Los Angeles Chairman of Universal Microwave Technology, Inc.	Chairman of Universal Microwave Technology, Inc. Director of UMT Holdings (Samoa) Ltd. Chairman of Genton Tech Corporation Director of Joymax Electronics Co.,Ltd. Chairman of Radiation Technology Inc.	Director	Tung-Yi Wu	spouse	(Note)

Title	Nationality/ Registration	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	Tung-Yi Wu	Male/ between 51 to 60	2022.6.15	3	2005.05.31	235,132	0.38	403,132 (Note 2)	0.63	0	0	0	0	Bachelor of Communications Engineering, National Chiao Tung University Ph.D.,University of Colorado at Boulder Electrical Engineering Director & CEO of Universal Microwave Technology, Inc	President of Universal Microwave Technology, Inc. Director of Joymax Electronics Co., Ltd. Director of UMTEK Telecom (HK) Ltd. Director of Genton Tech Corporation Director/CEO of Radiation Technology Inc. Director/Representative of Radiation Technology Inc.(KunShan) Chairman of FuTa Precision Inc.	Chairman	Su-Ming Chen	spouse	(Note)
Director	R.O.C.	Ji-Rui He	Male/ between 51 to 60	2022.6.15	3	2005.05.31	903,109	1.45	903,109	1.42	0	0	0	0	1.MBA, Huron International University 2.Bachelor of Tamkang University Department of French 3.Assistant Manager in the Underwriting Department at RELIANCE SECURITIES CO.,LTD. 4.Specialist in the Capital Market Division at Pacific Securities Co., Ltd. 5.President of Chang Shan Hong Guo Electronics Co., Ltd.	1.Globe Star Hi-Tech S.A. Representative	N/A	N/A	N/A	N/A

Title	Nationality/ Registration	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Director	R.O.C.	PinSin Investment Co., Ltd. Representative：Chun-Liang Kuo	Male/ between 51 to 60	2022.6.15	3	2022.6.15	467,000	0.75	467,000	0.73	0	0	517,564	0.81	N/A	N/A	N/A	N/A	N/A	N/A
Director of the juridical person	R.O.C.	Chun-Liang Kuo	Male/ between 51 to 60	2022.6.15	3	2022.6.15	445,564	0.72	517,564	0.81	0	0	467,000	0.73	Bachelor of Transportation and Logistics Management National Chiao Tung University MBA,Business Administration, National Cheng Kung University Deputy Manager of General Management Office (Management/Accounting/ Marketing) of Zhenfang Co., Ltd. Administrative Dept. Vice President of Universal Microwave Technology, Inc.	Executive Vice President of Universal Microwave Technology, Inc. Supervisor of Genton Tech Corporation Director of Joymax Electronics Co.,Ltd. Director of FuTa Precision Inc.	N/A	N/A	N/A	N/A

Title	Nationality/ Registration	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
Independent Director	R.O.C.	Xing-Yi Chen	Male/ between 61 to 70	2022.6.15	3	2006.12.21	0	0	0	0	0	0	0	0	1. Ph.D. in Electrical Engineering from the University of Utah, United States. 2. Dean of the College of Engineering at Yuan Ze University. 3. Director of at Far EasTone. 4. Dean of the College of Electrical Engineering and Communications at Yuan Ze University. 5. Chief Research and Development Officer at the Office of Research and Development, Yuan Ze University. 6. Director of the General Affairs Office at Yuan Ze University.	1. Retired Professor Emeritus from the Department of Electrical Engineering at Yuan Ze University. 2. Consultant for the 5G RF Industry Technology Alliance Program. 3. Remuneration committee and audit committee convener of Universal Microwave Technology, Inc	N/A	N/A	N/A	N/A
Independent Director	R.O.C.	Guan-Ping Chen	Male/ between 61 to 70	2022.6.15	3	2013.06.13	0	0	0	0	0	0	0	0	1. Master's in Accounting from The Ohio State University, United States. 2. Vice Chairman of SUNSHINE PROTECH INC.	1. Remuneration committee and audit committee of Universal Microwave Technology, Inc. 2. Special Assistant to the Chairman at SUNSHINE PROTECH INC. 3. Director of TAIYEN BIOTECH CO., LTD.	N/A	N/A	N/A	N/A

Title	Nationality/ Registration	Name	Gender /Age	Date Elected	Term (Years)	Date First Elected	Shareholding when Elected		Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relation	
npendent Director	R.O.C.	Chih-Wei Tsai	Male/ between 41 to 50	2022.6.15	3	2013.06.13	0	0	0	0	0	0	0	0	1.MBA,Accounting, National Chengchi University 2.CPA of Chainye Accounting Firm	1.CPA of Chainye Accounting Firm 2.Independent Director Celxpert Energy Corporation 3.Independent Director of TAIWAN CHINSAN ELECTRONIC INDUSTRIAL CO., LTD. 4.Independent Director of Yankey Engineering Co., Ltd. 5.Remuneration committee and audit committee of Universal Microwave Technology, Inc.	N/A	N/A	N/A	N/A
Independent Director	R.O.C.	Shu-Ling Lin	Female/ between 51 to 60	2022.6.15	3	2022.6.15	0	0	0	0	200	0	0	0	Master of Business Administration , National Taiwan University	1.Director of YUANSHI DIGITAL TECHNOLOGY CO., LTD. 2.Director of ARCOA COMMUNICATION CO., LTD. 3.Director of Prime EcoPower Co., Ltd. 4.Senior Deputy General Manager in the President's Office and Human Resources Management Group at Far EasTone.	N/A	N/A	N/A	N/A

Note 1: The spouse of Chairman Su-Ming Chen's shareholding does not include 1,010,000 shares held in a trust with reserved voting rights.

Note 2: Director Tung-Yi Wu's shareholding does not include 1,010,000 shares held in a trust with reserved voting rights.

2.1.1 Major shareholders of the institutional shareholders：

As of 04/21/2024

Name of Institutional Shareholders	Major Shareholders
CenXin Investment Co., Ltd	AiXin Co. Ltd (100.00%)
PinXin Investment Company	Chun-Liang Kuo (77.21%)、Chen-Hsiu Hsieh (2.39%)、Sheng-Hsin Kuo (11.16%)、Pin-Chun Kuo (9.24%)

2.1.2 Major shareholders of the Company's major institutional shareholders：Institutional shareholders of the Major shareholders are natural-person's , none.

Name of Institutional Shareholders	Major Shareholders
AiXin Co. Ltd	Su-Ming Chen (36.05%)、Tung-Yi Wu (23.41%)、Ai-Cen Wu (20.27%)、Bei-Xin Wu (20.27%)

2.1.3 Professional qualifications and independence analysis of directors

2.1.3.1 Professional qualifications and independence analysis of directors

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Su-Ming Chen	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Concurrently Chairman of Universal Microwave Technology Inc. and Radiation Technology Inc. 3.None of any circumstances in Article 30 of the Company Act.	N/A	0

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Tung-Yi Wu	1. With over 20 years of work experience relevant to the Company's business. 2.Concurrently General Manager of Universal Microwave Technology Inc. and Radiation Technology Inc. 3.None of any circumstances in Article 30 of the Company Act.	N/A	0
Director Chun-Liang Kuo	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Concurrently Executive Vice President of Universal Microwave Technology Inc. 3.None of any circumstances in Article 30 of the Company Act.	N/A	0

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Director Ji-Rui He	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Concurrently Globe Star Hi-Tech S.A. representative. 3.None of any circumstances in Article 30 of the Company Act.	1.Neither the person, spouse, nor immediate family have held the position of director, supervisor, or employee in the Company or its affiliated enterprises. 2.Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to the provisions of paragraphs 5 to 8 of Article 6 of the “Rules for the Establishment and Exercise of Powers of the Remuneration Comm 3.In the past 2 years, there has been no compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates.	None

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Xing-Yi Chen	1.With more than 20 years of work experience required for company operations. 2.Currently serving as retired Professor Emeritus from the Department of Electrical Engineering at Yuan Ze University. 3.None of any circumstances in Article 30 of the Company Act.	1.Neither the person, spouse, nor immediate family have held the position of director, supervisor, or employee in the Company or its affiliated enterprises. 2.Neither the person, spouse, nor any of our relatives within the second degree of kinship (or using another person's name) hold any shares of the Company. 3.Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to the provisions of paragraphs 5 to 8 of Article 6 of the "Rules for the Establishment and Exercise of Powers of the Remuneration Comm 4.In the past 2 years, there has been no compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates.	None

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Guan-Ping Chen	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Currently serving as Special Assistant to the Chairman at SUNSHINE PROTECH INC. 3.None of any circumstances in Article 30 of the Company Act.	1.Neither the person, spouse, nor immediate family have held the position of director, supervisor, or employee in the Company or its affiliated enterprises. 2.Neither the person, spouse, nor any of our relatives within the second degree of kinship (or using another person's name) hold any shares of the Company. 3.Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to the provisions of paragraphs 5 to 8 of Article 6 of the "Rules for the Establishment and Exercise of Powers of the Remuneration Comm 4.In the past 2 years, there has been no compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates.	None

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Chih-Wei Tsai	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Currently serving as CPAs at Chainye Accounting Firm. 3.None of any circumstances in Article 30 of the Company Act.	1.Neither the person, spouse, nor immediate family have held the position of director, supervisor, or employee in the Company or its affiliated enterprises. 2.Neither the person, spouse, nor any of our relatives within the second degree of kinship (or using another person's name) hold any shares of the Company. 3.Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to the provisions of paragraphs 5 to 8 of Article 6 of the "Rules for the Establishment and Exercise of Powers of the Remuneration Comm 4.In the past 2 years, there has been no compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates.	3

Criteria / Name	Professional Qualification and Experience (Note1)	Independence Criteria (Note2)	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Independent Director Shu-Ling Lin	1.With more than 20 years of experience in business, law, finance, accounting, or other experience necessary for the Company operation. 2.Currently serving as Senior Deputy General Manager in the President's Office and Human Resources Management Group at Far EasTone. 3.None of any circumstances in Article 30 of the Company Act.	1.Neither the person, spouse, nor immediate family have held the position of director, supervisor, or employee in the Company or its affiliated enterprises. 2.Neither the person, spouse, nor any of our relatives within the second degree of kinship (or using another person's name) hold any shares of the Company. 3.Has not served as a director, supervisor, or employee of a company with a specific relationship with the Company (refer to the provisions of paragraphs 5 to 8 of Article 6 of the "Rules for the Establishment and Exercise of Powers of the Remuneration Comm 4.In the past 2 years, there has been no compensation received for providing business, legal, financial, accounting, and other services to the Company or its affiliates.	None

2.1.3.2 Diversity and Independence of the Board of Directors：

① Diversity of the Board of Directors：

A. The composition of the Company's board of directors should consider diversity and formulate appropriate diversity policies based on its own operations, operational model, and development needs. This includes but is not limited to the following two aspects:
   a. Basic conditions and values: gender, age, nationality, and culture, etc.
   b. Professional knowledge and skills: professional background (such as law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience, etc.

B. Members of the board of directors should generally possess the necessary knowledge, skills, and qualities to perform their duties. To achieve the ideal goal of corporate governance, the overall abilities that the board of directors should possess include:
   a. Operational Judgment.
   b. Accounting and financial analysis abilities.

c. Management Abilities
d. Crisis Management Abilities
e. Industry Knowledge
f. Int'l Market Perspective
g. Leadership Abilities
h. Policy-making abilities

② Core Objectives for Board Diversity

Core Programme of Diversity / Director	Gender	Con-current Position as Employee of the Company	age			Service term of independent directors		Operational Judgment Abilities	Accounting and financial analysis abilities	Management Abilities	Crisis Management Abilities	Industry Knowledge	Int'l Market Perspective	Leadership Abilities	Policy-making abilities
			41-50	51-60	61-70	Less than 3 years	Over 9 years								
Su-Ming Chen	F	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓
Tung-Yi Wu	M	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓
Chun-Liang Kuo	M	✓		✓				✓	✓	✓	✓	✓	✓	✓	✓
Ji-Rui He	M			✓					✓	✓	✓			✓	✓
Xing-Yi Chen	M				✓		✓	✓			✓	✓	✓	✓	✓
Guan-Ping Chen	M				✓		✓	✓	✓	✓	✓		✓	✓	✓
Chih-Wei Tsai	M		✓				✓	✓	✓	✓	✓			✓	✓
Shu-Ling Lin	F			✓		✓		✓	✓	✓	✓	✓	✓	✓	✓

Out of the current seven seats on the board of directors, 37.5% are occupied by employee representatives, 50% are independent directors, and 25% are female directors. The three independent directors are serving their third term.

In order to strengthen the promotion of corporate governance, the Company plans to re-elect more than half of the independent directors in the next re-election to have a continuous term of not more than 3 terms to strengthen the operation of the board of directors.

③ Independence of the Board of Directors：There are currently 8 members on the board of directors of the Company, including 3 independent directors and 4 employee representatives (accounting for 37.5% of the total number of directors). None of the directors of this term violate the provisions of Items 3 and 4 of Article 26 of the Securities Trading Law. The chairman of the board of directors and the general manager are spouses. To enhance the independence of the board's operation, the Company is actively training senior managers internally to establish a deputy mechanism.

2.2 General Manager, Deputy General Manager, Assistant Vice Presidents and Heads of Departments and Branches

April 21, 2024

Title	Nationality	Name	Gender	Date Elected	Current Shareholding		Spouse & Minor Shareholding		Shareholding by Nominee Arrangement		Education and Selected Past Positions	Selected Current Positions at Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remark
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Group CEO	R.O.C.	Su-Ming Chen	Female	2020.11.09	202,585	0.32	403,132 (Note1)	0.63	0	0	Bachelor of Business Administration, National Taiwan University MBA,University of California, Los Angeles Chairman of Universal Microwave Technology, Inc.	Chairman of Universal Microwave Technology, Inc. Director of UMT Holdings (Samoa) Ltd. Chairman of Joymax Electronics Co.,Ltd. Chairman of Genton Tech Corporation Chairman of Radiation Technology Inc.	Director	Tung-Yi Wu	Spouse	Note (1)
President	R.O.C.	Tung-Yi Wu	Male	2009.03.19	403,132 (Note2)	0.63	0	0	0	0	Bachelor of Communications Engineering, National Chiao Tung University Ph.D.,University of Colorado at Boulder Electrical Engineering Director & President of Universal Microwave Technology, Inc.	Director of Universal Microwave Technology, Inc. Director of UMTEK Telecom (HK) Ltd. Director of Genton Tech Corporation Director/CEO of Radiation Technology Inc. Director/Representative of Radiation Technology Inc.(KunShan) Director of Joymax Electronics Co., Ltd. Chairman of FuTa Precision Inc.	Chairman	Su-Ming Chen	Spouse	Note (2)
Executive Vice President	R.O.C.	Chun-Liang Kuo	Male	2009.03.19	517,564	0.81	0	0	467,000 (Note3)	0.73	Bachelor of Transportation and Logistics Management National Chiao Tung University MBA,Business Administration, National Cheng Kung University Deputy Manager of General Management Office (Management/Accounting/Marketing) of Gem Font Corp. Administrative Dept. Vice President of Universal Microwave Technology, Inc.	Executive Vice President of Universal Microwave Technology, Inc. Supervisor of Genton Tech Corporation Director of Joymax Electronics Co.,Ltd. Director of FuTa Precision Inc.	N/A	N/A	N/A	N/A

Vice President Corporate Governance Officer	R.O.C.	Chung Kuang Chen	Male	2017.6.19	54,000	0.08	0	0	0	0	MBA ,Business Administration, National Taipei University General Manager of Access Device Integrated Communications Corp. General Manager of Pocs Power CO., LTD.	Director of Joymax Electronics Co., Ltd. Director of Genton Tech Corporation Supervisor of FuTa Precision Inc.	N/A	N/A	N/A	N/A
Vice President	R.O.C.	Yu Cheng Chen	Male	2008.08.01	342,767	0.54	0	0	0	0	Bachelor of Physics, Soochow University MBA, Institute of Nuclear Engineering, National Tsing hua University R & D engineer of Victory Industrial Corp.	N/A	N/A	N/A	N/A	N/A
Vice President	R.O.C.	Pey Heh	Female	2022.08.15	0	0	17,000	0.03	0	0	University of Massachuestts, Amherst Sport Management Department of Management Science University of National Chiao Tung Quanta Computer Senior Business Manager Adobe Taiwan BDM HP Taiwan Sales Representative	N/A	N/A	N/A	N/A	N/A
Vice President	R.O.C.	Jun-Ming Chen	Male	2023.10.01	322,227	0.51	6,819	0.01	0	0	MBA, Industrial Engineering, National Tsing Hua University Assistant manager of Metaguru Corporation	Director/CEO of Joymax Electronics Co.,Ltd. Director/CEO of Universal Microwave Technology (Vietnam) Co., Ltd.	N/A	N/A	N/A	N/A
Associate Vice President	R.O.C.	Wen- Sung Ho	Male	2014.08.12	16,500	0.03	0	0	0	0	MBA, Business Administration, National Taipei University Manager of Engineering and Quality Assurance Department of Endurance Mid-range Motor Co., Ltd.	N/A	N/A	N/A	N/A	N/A
Associate Vice President	R.O.C.	Lang Lien	Male	2019.09.01	134,120	0.21	0	0	0	0	MBA, Industrial Engineering, National Taiwan University Associate Vice President of Universal Microwave Technology, Inc.	N/A	N/A	N/A	N/A	N/A
Financial Officer	R.O.C.	Shu-Ying Lee	Male	2013.03.20	37,000	0.06	0	0	0	0	Department of Accounting, National Chengchi University University of Houston-Clear Lake/ MS accounting Manager of Kangxun Technology Co., Ltd. Manager of UBS Investment	N/A	N/A	N/A	N/A	N/A

Note 1: The spouse of CEO Su-Ming Chen's shareholding does not include 1,010,000 shares held in a trust with reserved voting rights.

Note 2: President Tung-Yi Wu's shareholding does not include 1,010,000 shares held in a trust with reserved voting rights.

Note 3: Director Chun-Liang Kuo holds 467,000 shares in the name of others, which are held by his investment company.

2.3 If the Company's chairman and general manager or positions of equivalent duties (highest manager) are the same person, in spouse relationship or within first degree of kinship, please explain relevant information of the reasons, rationality, necessity and countermeasures:

Chairman and general manager of the Company are in spouse relationship. This is to enhance operation performances and management efficiency, increase diversified knowledge background. However, to strengthen the independent operation of the board, the Company has actively trained senior managers and built agent system inside the Company. Moreover, the chairman closely makes sufficient communication with all directors in usual times on the recent status of company operation and future directions. The number of independent directors of the Company has also reached 1/2 of the directors to enhance the various functions of the board of directors and strengthen the supervision efficiency. Currently, the Company had the following practical measures:

1. The current 4 independent directors had rich practical experiences in finance, accounting and production industry and can give the Company suggestions in multiple aspects and play the supervision role.
2. Directors were being arranged to participate in professional directors' courses in external institutes for them to familiarize new laws and regulations and enhance the operation performances of the board.
3. The independent directors and the functional committees had sufficient discussionto propose suggestions for references to the board and had sufficient communication with the accountants to implement corporate governance.
4. There are more than half of the directors in the board who did not take any position as employees or managers.

3. Remuneration of Directors, President, and Vice President

3.1 Remuneration of Directors and Independent Directors for 2023

Unit：NT$ Thousand；Shares in Thousands

Title	Name	Remuneration								The Total of Remuneration (A+B+C+D) and the Ratio Between it and Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								The Total of Compensation (A+B+C+D+E+F+G) and the Ratio Between it and Net Incom (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the parent company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
																The Company		From All companies in the consolidated financial statements				
		The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company (%)	From All companies in the consolidated financial statements(%)	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company (%)	From All companies in the consolidated financial statements(%)	
Chairman	CenXin Investment Company Representative：Su-Ming Chen	2,400	4,797	0	0	4,476	6,483	32	48	6,908 3.45	11,328 5.66	17,292	19,334	238	238	7,000	0	14,100	0	31,438 15.71	45,00 22.79	None
Director	Tung-Yi Wu																					
	Ji-Rui He																					
	PinSin Investment Company Representative: Chun-Liang Kuo																					

Title	Name	Remuneration								The Total of Remuneration (A+B+C+D) and the Ratio Between it and Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								The Total of Compensation (A+B+C+D+E+F+G) and the Ratio Between it and Net Incom (%)		Compensation Paid to Directors from an Invested Company Other than the Company's Subsidiary or the parent company
		Base Compensation (A)		Severance Pay (B)		Bonus to Directors (C)		Allowances (D)				Salary, Bonuses, and Allowances (E)		Severance Pay (F)		Profit Sharing- Employee Bonus (G)						
		The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company (%)	From All companies in the consolidated financial statements(%)	The Company	From All companies in the consolidated financial statements	The Company	From All companies in the consolidated financial statements	The Company		From All companies in the consolidated financial statements		The Company (%)	From All companies in the consolidated financial statements(%)	
																Cash	Stock	Cash	Stock			
Independent Director	Xing-Yi Chen Guan-Ping Chen Chih-Wei Tsai Shu-Ling Lin	960	960	0	0	747	747	82	82	1,789 0.89	1,789 0.89	0	0	0	0	0	0	0	0	1,789 0.89	1,789 0.89	None

1. Please state the policy, system, standard and structure for paying remuneration to independent directors and the relationship of the factors, such as the duties, risks and devotion time burdened, and the payment amount:
   The remuneration of the independent directors of the Company, in addition to considering the results of the director performance evaluation, is also based on the standards set by the Company's "Director Remuneration Structure and System". The Remuneration Committee reviews each director's level of involvement and contribution to the Company's operations, linking the fairness of performance risk with the remuneration received, and after considering the Company's operational performance and the usual levels in the industry, makes recommendations to the board of directors for resolution.
2. In addition to the information disclosed on the table above, directors of the Company received remuneration for providing services (such as serving as consultants rather than employees) to all the companies in the financial statement in recent years: None.

3.2 Spacing Disclosure of Remuneration of Directors

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
Under NT$ 1,000,000	Director：Ji-Rui He PinSin Investment Company Representative： Chun-Liang Kuo Independent Director： Xing-Yi Chen Guan-Ping Chen Chih-Wei Tsai Shu-Ling Lin	Director：Ji-Rui He Independent Director： Xing-Yi Chen Guan-Ping Chen Chih-Wei Tsai Shu-Ling Lin	Director：Ji-Rui He Independent Director： Xing-Yi Chen Guan-Ping Chen Chih-Wei Tsai Shu-Ling Lin	Director：Ji-Rui He Independent Director： Xing-Yi Chen Guan-Ping Chen Chih-Wei Tsai Shu-Ling Lin
NT$1,000,000 ~ NT$2,000,000	Director：Tung-Yi Wu	Director： PinSin Investment Company Representative: Chun-Liang Kuo	N/A	N/A
NT$2,000,000 ~ NT$3,500,000	N/A	Director: Tung-Yi Wu	N/A	N/A
NT$3,500,000 ~ NT$5,000,000	Director： CenXin Investment Company Representative： Su-Ming Chen	N/A	N/A	N/A
NT$5,000,000 ~ NT$10,000,000	N/A	Director： CenXin Investment Company Representative： Su-Ming Chen	Director： PinSin Investment Company Representative: Chun-Liang Kuo	Director： PinSin Investment Company Representative: Chun-Liang Kuo
NT$10,000,000 ~ NT$15,000,000	N/A	N/A	Director： CenXin Investment Company Representative： Su-Ming Chen	N/A
NT$15,000,000 ~ NT$30,000,000	N/A	N/A	N/A	Director： CenXin Investment Company Representative： Su-Ming Chen Tung-Yi Wu

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements
NT$30,000,000~ NT$50,000,000	N/A	N/A	N/A	N/A
NT$50,000,000 ~ NT$100,000,000	N/A	N/A	N/A	N/A
Over NT$100,000,000	N/A	N/A	N/A	N/A
Total	8	8	8	8

3.3 Remuneration of the President and Vice President

Unit：NT$ Thousand；Shares in Thousands

Title	Name	Salary(A)		Severance Pay (B)		Bonuses and Allowances (C)		Profit Sharing- Employee Bonus (D)				The Total of Remuneration (A+B+C+D) and the Ratio Between it and Net Income (%)		Compensation paid to the President and Vice President from an Invested Company Other Than the Company's Subsidiary or the parent company
								The Company		Companies in the consolidated financial statements				
		The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	The Company	Companies in the consolidated financial statements	Cash	Stock	Cash	Stock	The Company	Companies in the consolidated financial statements	
Group CEO	Su-Ming Chen	10,410	14,302	481	481	12,796	12,812	16,878	0	23,586	0	40,565 20.27	51,181 25.58	None
President	Tung-Yi Wu													
Vice President	Chun-Liang Kuo													
Vice President	Jun-Ming Chen													
Vice President	Chen Chung Kuang													
Vice President	Chen Yu Cheng													
Vice President	Pey Heh													

Note: The pension for the President and Vice President are applicable to new mechanism.

3.4 Spacing Disclosure of Remuneration of the President and Vice President

Range of Remuneration	Name of President and Vice President	
	The Company	Companies in the consolidated financial statements
Under NT$ 1,000,000	N/A	N/A
NT$1,000,001 ~ NT$2,000,000	N/A	N/A
NT$2,000,001 ~ NT$3,500,000	Chen Chung Kuang、Jun-Ming Chen、Chen Yu Cheng、Pey Heh	Chen Chung Kuang、Jun-Ming Chen、Chen Yu Cheng、Pey Heh
NT$3,500,001 ~ NT$5,000,000	N/A	N/A
NT$5,000,001 ~ NT$10,000,000	Chun-Liang Kuo	Chun-Liang Kuo
NT$10,000,001 ~ NT$15,000,000	Su-Ming Chen、Tung-Yi Wu	Su-Ming Chen
NT$15,000,001 ~ NT$30,000,000	N/A	Tung-Yi Wu
NT$30,000,001~ NT$50,000,000	N/A	N/A
NT$50,000,001 ~ NT$100,000,000	N/A	N/A
Over NT$100,000,000	N/A	N/A
Total	7	7

3.5 Employee Compensation of Executive Officers

2024/4/20 Unit：NT$ Thousand；%

	Title	Name	Employee Bonus - in Stock	Employee Bonus - in Cash	Total	Ratio of Total Amount to Net Income (%)
Executive Officers	Group CEO	Su-Ming Chen	0	9,730	9,730	4.86
	President	Tung-Yi Wu				
	Vice President	Chun-Liang Kuo				
	Vice President	Jun-Ming Chen				
	Vice President	Chen Chung Kuang				
	Vice President	Chen Yu Cheng				
	Vice President	Pey Heh				
	Associate Vice President	Ho wen sung				
	Associate Vice President	Lien Lang				
	Manager	Shu-Ying Lee				

Note 1: The proposed employee bonus amount for 2023, which was approved by the board of directors on March 27, 2024, before the shareholder meeting for profit distribution proposal, is used for estimation as the actual distribution amount cannot be forecasted, thus the ratio of the actual distribution amount in 2023 is used.

3.6 Individually compare and describe the total compensation amount paid to each Director, President, and Vice President, as a percentage of net income by the Company and by all other companies listed in the consolidated financial statements during the past two fiscal years, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

3.6.1 The ratio of total remuneration paid by the Company and by all companies included in the consolidated financial statements for the two most recent fiscal years to directors, presidents and vice presidents of the Company, to the net income.：

Title	2022				2021			
	The Company		Companies in the consolidated financial statements		The Company		Companies in the consolidated financial statements	
	Cash	%	Cash	%	Cash	%	Cash	%
Directors	8,697	4.35	13,117	6.56	10,399	3.84	15,779	5.83
Presidents and vice Presidents	40,565	20.27	51,181	25.58	56,651	20.90	70,225	25.91

3.6.2 The policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risk exposure.

(1) Director's Remuneration

① The remuneration of the directors of the Company is determined according to the Company's bylaws. If the Company makes a profit in a fiscal year (profit here refers to pre-tax income minus employee bonuses and director remuneration), at least 8% should be set aside for employee bonuses and no more than 3% for director remuneration. However, if the Company has accumulated losses (including adjustments to undistributed earnings), reserves should be set aside in advance to offset the losses.

② The remuneration of the directors is authorized by the board of directors according to their level of participation in and contributions to the Company's operations, and is set with reference to the usual standards in the industry.

③ The fixed remuneration amount for independent directors is proposed by the remuneration committee, approved by the board of directors, and adjusted accordingly.

(2) Managers' Remuneration

① The remuneration of the managers of the Company is regularly paid according to the Company's salary scale, with the main components being year-end bonuses and performance bonuses, and stock-related bonuses including employee stock options, treasury stock transfers, and restricted stocks.

② The remuneration of the managers is proposed by the chairman of the board, taking into account the performance evaluations and recommendations of managers at all levels, as well as the economic environment, industry standards, and the need for talent retention. The distribution details for each manager are submitted to the remuneration committee for approval.

The policy, system, standards, and structure of directors' and managers' performance evaluations and salary compensation are regularly reviewed by the remuneration committee, hence there are no major uncertain risks in the future.

4. Implementation of Corporate Governance

4.1 Board of Directors 'Meeting Status

A total of 4 meetings of the board of directors were held in 2023, Director attendance status is shown as follows：

Title	Name	Attendance in Person	By Proxy	Attendance Rate (%)	Remarks
Chairman	CenXin Investment Company Representative：Su-Ming Chen	4	0	100	2022.06.15
Director	Tung-Yi Wu	4	0	100	2022.06.15
Director	PinSin Investment Company Representative: Chun-Liang Kuo	4	0	100	2022.06.15
Director	Ji-Rui He	4	0	100	2022.06.15
Independent director	Xing-Yi Chen	4	0	100	2022.06.15
Independent director	Guan-Ping Chen	4	0	100	2022.06.15
Independent director	Chih-Wei Tsai	3	1	75	2022.06.15
Independent director	Shu-Ling Lin	4	0	100	2022.06.15

Other mentionable items：

4.1.1 If any of the following circumstances occur, the dates of the meetings, sessions, contents of motion, all Independent Directors' opinions and the Company's response should be specified：

① Matters referred to in Article 14-3 of the Securities and Exchange Act.

② Other matters involving objections or expressed reservations by independent directors that were recorded or stated in writing that require a resolution by the board of directors.

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
2023/03/29	1. Approval of 2022 "Effectiveness Assessment of the Internal Control System" and "The Statement on Internal Control".	None
	2. Passed the amendment to certain articles of the "Regulation of the 2021 Employee Stock Option Plan" of the Company.	None
	3. Passed the amendment to certain articles of the "Articles of Incorporation" of the Company.	None

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
	4. Passed the endorsement guarantee case for subsidiary Genton Tech Corporation to provide guarantee.	None
	5. Approval of Revision to the " Property, Plant and Equipment Circulation " and "Purchase and payment cycle" in the Company's Internal Control System.	None
	Opinion of Independent Directors: None.	
	Handling of Independent Directors' Opinions by the Company: None.	
	1. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	2. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	3. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	4. Resolution Result: Resolution Result: Chairman Su-Ming Chen, Director Tung-Yi Wu, and Director Chun-Liang Kuo, who also serve as supervisor of GENTON TECH, recused themselves due to a conflict of interest and did not participate in the discussion or vote. Chairman Su-Ming Chen designated Independent Director Xing-Yi Chen as the acting chairperson, who, after consultation with the other attending directors and with no objections, passed the resolution as proposed.	
	5. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
2023/05/10	1. Approval of Directors' Remuneration and Management Personnel Remuneration Allocation.	None
	2. Approval of Fund Loan to Radiation Technology, Inc. (RTI).	None
	3. Approval of Revision to the "Computer Information System Management - Program and Data Access Operation" in the Company's Internal Control System and Internal Audit System.	None
	Opinion of Independent Directors: None.	
	Handling of Independent Directors' Opinions by the Company: None.	
	1. Resolution Result: (1) Directors' Remuneration Allocation: Individual discussions were held for the allocation of remuneration to each director. During the meeting, any director or independent director who is the spouse of a director excused themselves from the discussion and voting on their own remuneration. After consulting	

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
	with the Chairman and Acting Chairman and obtaining no objections from other attending directors, the resolution was passed. (2) Allocation of Management Personnel Remuneration: Due to conflicts of interest with Tung-Yi Wu, a director, and Su-Ming Chen, the Chairman, as well as Chun-Liang Kuo, a director, they excused themselves from the discussion and voting. After consulting with the Acting Chairman and obtaining no objections from other attending directors, the resolution was passed.	
	2. Su-Ming Chen, the Chairman, and Tung-Yi Wu, a director, abstained from the discussion and voting due to their positions as directors of RTI and conflicts of interest. Su-Ming Chen, the Chairman, designated Xing-Yi Chen, an independent director, as the Acting Chairman. After consulting with the Acting Chairman and obtaining no objections from other attending directors, the resolution was passed.	
2023/08/10	1. Passed the funding loan case to subsidiary company Joymax Electronics Co., Ltd. (referred to as "Joymax").	None
	Opinion of Independent Directors: None.	
	Handling of Independent Directors' Opinions by the Company: None.	
	1. Resolution Result: Due to conflicts of interest, Su-Ming Chen, the Chairman, Tung-Yi Wu, a director, and Chun-Liang Kuo, a director, who serve as directors of Joymax Electronics Co., Ltd. (referred to as "Joymax"), excused themselves from the discussion and voting. Su-Ming Chen, the Chairman, designated Xing-Yi Chen, an independent director, as the Acting Chairman. After consulting with the Acting Chairman and obtaining no objections from other attending directors, the resolution was passed.	
2023/11/08	1. The Company approved the principles for the distribution of the annual bonus, as well as the amounts to be distributed for the 2023 annual bonus based on managerial performance.	None
	2. The Company approved the evaluation of the independence of the Company's certified public accountants.	None
	3. The Company approved the provision of loans by its subsidiary, UMT Holdings (Samoa) Limited, to its parent company, Universal Microwave Technology, Inc.	None
	4. Approval of Revision to the Company's Internal Control System and Internal Audit System.	None
	Opinion of Independent Directors: None.	

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
	Handling of Independent Directors' Opinions by the Company: None.	
	1. Resolution Result: Chairman Su-Ming Chen, Director Tung-Yi Wu, and Director Chun-Liang Kuo, who are also beneficiaries of the annual bonus distribution, recused themselves due to a conflict of interest and did not participate in the discussion or vote. Chairman Su-Ming Chen designated Independent Director Xing-Yi Chen as the acting chairperson, who, after consultation with the other attending directors and with no objections, passed the resolution as proposed.	
	2. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	3. Resolution Result: Chairman Su-Ming Chen, who is the legal representative of UMT Holdings (Samoa) Limited, and her spouse Director Tung-Yi Wu, recused themselves due to a conflict of interest and did not participate in the discussion or vote. Chairman Su-Ming Chen designated Independent Director Xing-Yi Chen as the acting chairperson, who, after consultation with the other attending directors and with their agreement, passed the resolution as proposed.	
	4. Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	

4.1.2 For Information about the Implementation of Directors' Recusal in Proposals with Conflicts of Interests, the Name of the Directors, the Content of the Proposal, Reasons for Recusal, and the Results of Voting Shall be Indicated:

Please refer to 1 Material resolutions of a shareholders' meeting or a Board of Directors' meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report.

4.1.3 Listed company Implementation of self-evaluations by the Company's Board of Directors:

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
Evaluate the performance by the board at least once a year	2023	1. The whole board 2. Individual directors 3. Functional committees	1.Conducted by self-evaluation inside the board 2.Self-evaluation by the directors 3.Self-evaluation	Evaluation items by the board: 1. Participation level to company operations 2. Enhancement on the decision quality of the board 3. The composition and

Evaluation cycle	Evaluation period	Scope of evaluation	Evaluation method	Evaluation items
			by the Functional committees	structure of the board 4. Election of directors and continuous advanced studies 5. Internal control Evaluation items by the Individual directors: 1. Grasp of company goals and tasks 2. Awareness on directors' duties 3. Participation level to company operation 4. Management of internal relationship and communications 5. Directors' professional and continuous advanced studies 6. Internal control Evaluation items by the Functional committees: 1. Participation level to company operations 2. Functional committees' duties 3. Enhancement on the decision quality of the functional committees 4. The composition and election of the functional committees 5. Internal control

Implementation of self-evaluations:

All board members pay high attention and operate according to relevant laws and regulations, performing their duties effectively. The overall evaluation results are satisfactory.

4.1.4 Goals to Strengthen the Functions of the Board Meeting during the Current and Immediately Preceding Fiscal Years, and Measures Taken toward Achievement：

① For functions of the board：

a. The Company's directors regularly attend corporate governance-related training and seminars, continuously enriching their professional knowledge and improving their functional applications.

b. The Company has established a performance evaluation mechanism for the board of directors and assesses the operation of the board of directors in the previous year in the

first quarter of each year, serving as a basis for the remuneration committee to review the remuneration of directors.

c. In order to strengthen corporate governance and enhance the functions of the Board of Directors of the Company, the Board of Directors of the Company has passed a resolution on 24 March 2022 to amend the Regulations Governing the Evaluation of the Performance of the Board of Directors, adding that an external professional independent organization or an external team of experts and scholars shall conduct an evaluation at least once every three years, and the results of the external evaluation have been reported to the Board of Directors on 29 March 2023.

② For information transparency：

The financial statements of the Company and its subsidiaries are regularly audited and certified by Deloitte & Touche. All required information disclosures are completed accurately and promptly, and a designated person is responsible for collecting and disclosing company information, establishing a spokesperson system to ensure that all significant information is disclosed in a timely and appropriate manner. In addition, financial and business-related information is announced on the Company's website for reference by shareholders and stakeholders.

4.2 Participation of the Audit Committee in the Operation of the Board of Directors:

4.2.1 The main issues reviewed by the Audit Committee include:

(1)Establishing or amending internal control systems.
(2)Assessment of the effectiveness of internal control systems.
(3)Establishing or amending procedures for major financial activities, such as acquiring or disposing assets, engaging in derivative transactions, lending money to others, or endorsing or guaranteeing for others.
(4)Reviewing matters involving the interests of the directors themselves.
(5)Reviewing significant asset or derivative transactions.
(6)Reviewing significant loans, endorsements, or guarantees.
(7)Reviewing the issuance, offering, or private placement of equity-like securities.
(8)Reviewing the appointment, dismissal, or remuneration of certified accountants.
(9)Reviewing the appointment or dismissal of financial, accounting, or internal audit supervisors.
(10)Reviewing annual and quarterly financial reports.
(11)Reviewing other significant matters stipulated by the Company or the regulatory authority.

4.2.2 A total of 5 meetings of the Audit Committee were held in 2023, independent director attendance status is shown as follows：

Title	Name	Attendance in Person	Entrusted to attend	Attendance Rate (%)	Remarks
Independent Director	Xing-Yi Chen	4	0	100	2022.06.15
Independent Director	Guan-Ping Chen	4	0	100	2022.06.15
Independent Director	Chih-Wei Tsai	3	1	75	2022.06.15

Title	Name	Attendance in Person	Entrusted to attend	Attendance Rate (%)	Remarks
Independent Director	Shu-Ling Lin	4	0	100	2022.06.15

Other mentionable items：

(1)During operations of the audit committee, the meeting date of the audit committee, period, the contents of the motions, independent directors' objections, reservations, or major proposed item contents, and results of the audit committee's resolutions should be specified.：

① Matters specified in Article 14.5 of the Taiwan Securities and Exchange Act.

② Except for the matters stated above, any other matter adopted with the approval of two-thirds or more of all directors without having been passed by the audit committee

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
2023/03/29	1. Approval of the Company's 2022 annual business report and financial statements.	None
	2. Approval of 2022 "Effectiveness Assessment of the Internal Control System" and "The Statement on Internal Control".	None
	3. Passed the amendment to certain articles of the "Regulation of the 2021 Employee Stock Option Plan" of the Company.	None
	4. Approval of the resolution to lift the non-competition restriction on the Company's managers	None
	5. Approval of the amendment to certain provisions of the Company's "Articles of Incorporation".	None
	6. Passed the endorsement guarantee case for subsidiary Genton Tech Corporation to provide guarantee.	None
	7. Approval of Revision to the " Property, Plant and Equipment Circulation " and "Purchase and payment cycle" in the Company's Internal Control System.	None
	Audit Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	The Company's handling of the resolution of the audit committee: None.	
2022/05/12	1. Agreement on the Company's consolidated financial statements for the first quarter of 2023.	None

Date	Contents and Response of motions	The matters have not been approved with the consent of one-half or more of all audit committee members may be undertaken upon the consent of two-thirds or more of all directors
	2. Approval of the loan to Radiation Technology, Inc. (abbreviated as RTI).	None
	3. Approval of the amendment to the Company's internal control system and internal audit system's "Computer Information System Management - Program and Data Access" procedure.	None
	Audit Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	The Company's handling of the resolution of the audit committee: None.	
2023/08/10	1. Agreement on the Company's consolidated financial statements for the second quarter of 2023.	None
	2. Approval of the loan to the subsidiary, Joymax Electronics Co., Ltd. (abbreviated as Joymax).	None
	Audit Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	The Company's handling of the resolution of the audit committee: None.	
2023/11/08	1. Agreement on the Company's consolidated financial statements for the third quarter of 2023.	None
	2. Approval of the evaluation of the independence of the Company's certified public accountants.	None
	3. Approval of the provision of loans by the Company's subsidiary, UMT Holdings (Samoa) Limited, to the parent company, Universal Microwave Technology, Inc.	None
	4. Approval of Revision to the Company's Internal Control System and Internal Audit System.	None
	5. Approval of the resolution to lift the non-competition restriction on the Company's managers	
	Audit Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed. Independent Director Chih-Wei Tsai entrusted Independent Director Xing-Yi Chen to express consent for this proposal.	
	The Company's handling of the resolution of the audit committee: None.	

(2) For the situation where an independent director avoids a motion related to his/her own interests, please specify the independent director's names, the contents of the motion, the reasons for the avoidance of interests and the voting results: Please refer to 1 Material resolutions of a shareholders' meeting or a Board of Directors' meeting.

(3) Communication between independent directors and internal audit supervisor and CPAs (which should include audit materials, methods, and results pertaining to corporate finances and/or operations, etc.

①After submitting the audit report and follow-ups to the Chairman, internal audit executives shall send it via e-mail to the independent directors for review every month, and communicate and respond to the inquiries of independent directors at least once per quarter. Audit executives attend both the Audit Committee and Board of Directors, and present business reports. Each independent director keeps abreast of the Company's internal audit status in a timely manner. The Audit Committee maintains good communications with internal audit executives.

Summary of communications between independent directors and internal audit executives in 2023：

Date	Communication Focus	Recommendations and Results
2023/3/29 Board of Directors 'Meeting	1. Internal Audit Report 2. Approval of 2022 "Effectiveness Assessment of the Internal Control System" and "The Statement on Internal Control"。	1. After discussion and communication, the independent directors have no objections to the report on the execution results of the audit business. 2. After the meeting of the Audit Committee, it was submitted to the Board of Directors for approval in March.
2023/5/10 Board of Directors 'Meeting	Internal Audit Report	After discussion and communication, the independent directors have no objections to the report on the execution results of the audit business.
2023/8/10 Board of Directors 'Meeting	Internal Audit Report	After discussion and communication, the independent directors have no objections to the report on the execution results of the audit business.
2023/11/08 Board of Directors 'Meeting	1. Internal Audit Report 2. Proposal of the 2024 Internal Audit Plan	1. After discussion and communication, the independent directors have no objection to the report on the execution results of the audit business. 2. After the meeting of the Audit Committee, it was submitted to the Board of Directors for approval in November.

②Independent directors and accountants hold meetings on a regular basis per year, and report to the independent directors on the important audit findings and internal control deficiencies during the completion of the annual audit. Before the internal control audit process is carried out, explain to the independent directors the key audit matters for the year and the expected audit methods and plans, and communicate and interact with independent directors on the review or audit situation of the financial report, or issues related to finance, taxation, or internal control. The Company's Audit Committee communicates well with CPAs (certified public accountants)

Summary of communications between independent directors and CPAs in 2023：

Date	Communication Focus	Recommendations and Results
2023/3/29 Audit Committee	1.Consolidated Financial Statements for the Years Ended December 31, 2022 and 2023 and Independent Auditors' Report 2.Consolidated Financial Statements	The Audit Committee approved and submitted it to the Board of Directors for approval, and it was announced and reported to the competent authorities as scheduled. 1. The accountants made explanations of the audit results on the annual consolidated financial report. 2. The accountants made reports and explanation on the content of key audit items in the financial report, and the Audit Committee conducted communication and discussion on related issues.
2023/5/10 Audit Committee	Consolidated Financial Statements for the Three Months Ended March 31, 2023 and 2022 and Independent Auditors' Review Report	The Audit Committee approved and submitted it to the Board of Directors for approval, and it was announced and reported to the competent authorities as scheduled.
2023/8/10 Audit Committee	Consolidated Financial Statements for the Six Months Ended June 30, 2023 and 2022 and Independent Auditors' Review Report	The Audit Committee approved and submitted it to the Board of Directors for approval, and it was announced and reported to the competent authorities as scheduled.
2023/11/08 Audit Committee	1.Consolidated Financial Statements for the Nine Months Ended September 30, 2023 and 2022 and Independent Auditors' Review Report 2.Key Audit Matters of	The Audit Committee approved and submitted it to the Board of Directors for approval, and it was announced and reported to the competent authorities as scheduled. 1. The accountants made explanations of the audit results on the annual

Date	Communication Focus	Recommendations and Results
	Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report	consolidated financial report. 2. Significant audit risks identified by accountants and the expected checking procedure. 3. Latest accounting standards, tax and statute updates, and scope notes.

4.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Does the Company establish and disclose the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"?	✓		The Company has established the Corporate Governance Best-Practice Principles based on "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" to maintain the interests of shareholders, interested parties and employees. There is no significant difference in the implementation status.	In accordance with the Corporate Governance Best-Practice Principles
2. Shareholding structure & shareholders' rights 2.1 Does the Company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure ?	✓		2.1 The Company's website provides the contact information of the spokesperson as a channel for the Company to express its opinions externally, and a designated person is in charge of handling shareholder suggestions or disputes.	In accordance with the Corporate Governance Best-Practice Principles
2.2 Does the Company possess the list of its major shareholders as well as the ultimate owners of those shares ?	✓		2.2 Based on the shareholder register provided by the stock agency, the Company keeps track of the list of major shareholders, pays attention to market information, and insiders and major shareholders report changes in shareholding to the Company every month. The Company reports monthly on the publicly available information website designated by the Securities and Exchange Commission.	In accordance with the Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
2.3 Does the Company establish and execute the risk management and firewall system within its conglomerate structure？	✓		2.3 The Company has established the "Subsidiary Supervision Method" for risk control. The financial and business interactions with related companies are stipulated in written operational norms and treated the same as general transaction counterparts. Subsidiaries establish written internal control systems and related operational procedures to implement the risk control mechanism for subsidiaries.	In accordance with the Corporate Governance Best-Practice Principles
2.4 Does the Company establish internal rules against insiders trading with undisclosed information？	✓		2.4 According to the "Code of Ethical Conduct" of the Company, insiders are prevented from seizing opportunities for personal gain. New insiders voluntarily inform of relevant legal regulations, and the monthly changes in shareholding provided by the insiders are reviewed for any anomalies.	In accordance with the Corporate Governance Best-Practice Principles
3. Composition and Responsibilities of the Board of Directors. 3.1 Does the Board develop and implement a diversified policy and specific management goals for the composition of its members？	✓		3.1 According to the Company's "Corporate Governance Code", the composition of the board of directors should consider diversified aspects such as gender, age, nationality, culture, professional background (such as law, accounting, industry, finance, marketing or technology), professional skills, and industry experience, and should establish an appropriate diversity policy according to its own operation, business model, and development needs. For detailed content, **please refer to the professional qualifications and independence analysis of director on page 19.**	In accordance with the Corporate Governance Best-Practice Principles

Evaluation Item		Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
		Yes	No	Abstract Illustration	
3.2	Does the Company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee？		✓	3.2 The Company has established a remuneration committee and an audit committee. We have currently appointed three independent directors, which enhances the independence and professionalism of the board's operation. These measures significantly contribute to corporate governance and risk management.	In accordance with the Corporate Governance Best-Practice Principles
3.3	Does the Company establish a standard to measure the performance of the Board, and implement it annually , submit performance evaluation results to the Board, and use the results as a basis for determining the remuneration and nomination of individual directors？	✓		3.3 The Company has established a performance evaluation method for the board of directors. We perform an internal performance evaluation annually and an external evaluation by a third-party institution at least every three years. The evaluation results serve as a reference when electing or nominating directors, and also for determining individual director's remuneration.	In accordance with the Corporate Governance Best-Practice Principles
3.4	Does the Company regularly evaluate the independence of CPAs？	✓		3.4 In the fourth quarter of each year, the board of directors and the audit committee discuss the service condition of the certified accountant of the year, complete an assessment form for the accountant's independence and fitness (Note 1), and rate the accountant's independence, fitness, and overall rerformance, and reference Audit Quality	In accordance with the Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Indicators (AQIs). This ensures they are not an interested party. The Company decided on the appointment of the accountant and the appointment fee for the following year in the board and audit committee meeting held on November 8, 2023, to ensure the reliability of the Company's financial statements. The results of the independent assessment review of the certified accountant for 2023 met the requirements, and it was approved without any disagreement by all attending directors.	
4. Has the TWSE/TPEx listed company set up a suitable number of competent corporate governance personnel, and has it appointed a corporate governance supervisor responsible for corporate governance related matters (including but not limited to providing the directors and supervisors with required information to carry out their business, assisting directors and supervisors with regulatory compliance, handling	✓		The Company's finance department is responsible for corporate governance affairs and implements them in accordance with corporate governance measures and philosophy.	In accordance with the Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
matters related to Board meetings and shareholders' meetings, and preparing proceedings for Board meetings and shareholders' meetings)?				
5. Has the Company established a communication channel with stakeholders (including but not limited to shareholders, employees, customers and suppliers)? Has a stakeholders' area been set up on the Company website? Are major Corporate Social Responsibility (CSR) topics that the stakeholders are concerned with addressed appropriately by the Company？	✓		The Company has set up a dedicated section for stakeholders on the Company website, which includes contact information for the spokesperson and various business windows, providing channels of communication for stakeholders. The stakeholders section has a dedicated email address handled by specific personnel to appropriately respond to the concerns of stakeholders, including issues related to corporate social responsibility.	In accordance with the Corporate Governance Best-Practice Principles
6. Does the Company appoint a professional	✓		The Company entrusts the affairs of shareholders' meetings to the professional stock agency - Capital	In accordance with the Corporate

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
shareholder service agency to deal with shareholder affair ?			Securities Corp.	Governance Best-Practice Principles
7. Information Disclosure 7.1 Does the Company have a corporate website to disclose both financial standings and the status of corporate governance ?	✓		7.1 The Company has set up websites in both Chinese and English, regularly disclosing the financial operations and corporate governance information of the Shenda Group.	In accordance with the Corporate Governance Best-Practice Principles
7.2 Does the Company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences) ?	✓		7.2 The Company employes a dedicated person responsible for the collection and disclosure of company information. We have a spokesperson system in place to uniformly make external statements. The Company website provides a company profile, product introductions, and reveals contact methods for shareholders to seek information. We have complied with the relevant regulations for public information disclosure, providing real-time financial, business, insider shareholding, and corporate governance information via the public information observation post for shareholders.	In accordance with the Corporate Governance Best-Practice Principles
7.3 Does the Company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial	✓		7.3 The Company completes and reports financial reports and monthly operational announcements within the legal reporting period.	In accordance with the Corporate Governance Best-Practice Principles:

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
statements, as well as monthly operation results, before the prescribed time limit?				
8. Is there any other important information to facilitate a better understanding of the Company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓ ✓		8.1 Employee Rights and Care The Company established the Employee Welfare Committee on January 10, 2005, and sets aside welfare funds every month. The Welfare Committee arranges various travel activities, club activities, birthday parties, park visits, celebrations of marriage and death, emergency aid, etc., every year. The Company also provides health checks, group life and accident insurance, and year-end dinner parties as part of its welfare services. The Company regularly holds labor-management meetings. Through positive interactions and exchanges of views between labor and management, we aim to create a harmonious working environment and a well-coordinated team. **For detailed descriptions of employee rights and care, please refer to our official website and the Labor Relations section on <u>pages 110-112</u> of this annual report.** 8.2 Investor Relations To ensure shareholders have full knowledge of, participation in, and decision-making power over significant matters of the Company, we not only	In accordance with the Corporate Governance Best-Practice Principles

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
	✓		disclose relevant information on the Public Information Observation Station, but also have a spokesperson system. This spokesperson promptly and appropriately handles shareholder suggestions and issues, and strives to increase the transparency of financial information and the timeliness of financial business information announcements. We proactively announce self-compiled profit and loss statements at the beginning of the month following the end of each quarter, and monthly operating profits are announced on the Company's website. We actively participate in all activities and briefings organized by the competent authorities to protect investors' rights and fulfill our corporate responsibility to shareholders. 8.3 Supplier Relationships and Rights of Stakeholders The Company and subsidiaries have supplier management measures in place, conducting regular and irregular evaluations and on-site inspections of qualified suppliers, which serve as a reference for supplier selection. Through the enforcement of environmental requirements for restricted substance content, we influence suppliers to commit to fulfilling their social responsibilities, ensuring good interaction with them. In terms of communication with and rights of stakeholders, including shareholders,	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			employees, customers, upstream and downstream manufacturers, banks, etc., we not only maintain good interaction with stakeholders through various company departments, but also have an investor relations window on our website, handled by a dedicated person.	
	✓		8.4 The 2023 term of the board of directors of the ninth session has complied with the "Guidelines for the Continued Education of Directors and Supervisors of Listed and OTC Companies". You can check the relevant continued education status at the Public Information Observation Station, under "Director's Continued Education".	
	✓		8.5 Execution Status of Risk Management Policy and Risk Measurement Standards Both the Company and subsidiaries manage operational risks on a daily basis, with different units responsible depending on the nature of the risk. Internal control systems and internal auditing systems are established, and the auditing room formulates and implements an annual auditing plan based on the existing or potential risks of each operation, ensuring the effective execution of various risk prevention measures at key control points of significant risks.	
	✓		8.6 Execution of Customer Policy Both the Company and subsidiaries maintain smooth communication channels with customers, and the execution is satisfactory.	
	✓		8.7 Company's Purchase of Liability Insurance for	

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
			Directors and Managers The Company has been insuring our directors and supervisors with Directors and Officers Liability Insurance since February 10, 2007. The insured includes the directors of the subsidiary. From February 10, 2024, to February 10, 2025, we insured the Directors and Managers Liability Insurance of $3.3 million with TMNEWA Co., Ltd.	

9. Please provide details regarding the improvements required by assessments from Corporate Governance Center, Taiwan Stock Exchange, during the most recent fiscal year, and explain the priorities and measures for the areas yet to be addressed..

9.1 According to the results of the 2023 Corporate Governance Evaluation, the improvements are as follows：

Item	Indicators for Evaluation	Improvement Status
3.2	Does the Company release material information in English simultaneously?	Material information has been released in English simultaneously in 2024.

9.2 According to the results of the 2023 Corporate Governance Evaluation, the enhancements and measures for items not yet improved are as follows：

Item	Indicators for Evaluation	Improvement Status
1.6	Does the Company hold a shareholders' meeting before the end of May?	The Company will be included in the 2025 annual target, and the 2025 annual shareholders' meeting is expected to be held before May 2025.
2.8	Does the Company have more than half of the independent directors who have served no more than three consecutive terms?	The Company expects that more than half of the independent directors will not serve more than three consecutive terms during the re-election of the 10th Board of Directors in 2025.

Note1：The evaluation standard of Independence of Auditors, Approved by the Board of Directors on November 8, 2023.

Evaluation Item	Yes	No	Description
1. The Company has not engaged the same CPA without replacement for 7 years consecutively.	✓		The two CPAs have none of The situations mentioned in the independence evaluation.
2. Not related to financial or operational actions of material significance.	✓		
3. No loaning of funds or guarantee with the Company or the Company's directors.	✓		
4. No close business relationship or potential employment relationship with the Company.	✓		
5. In the most recent two years, the accountant and its audit team have not been elected as director, manager or any position in the Company that may cause major influences on the audit of the Company.	✓		
6. The accountant has not provided non-audit services that may directly affect the audit of the Company.	✓		
7. The accountant has not provided any agency for any stocks or other securities issued by the Company.	✓		
8. The accountant has not acted as a defender or coordinated with a third party on behalf of the Company.	✓		
9. The accountant has no kinship with the directors, managers or the Company's personnel with material influence on the audit of the Company.	✓		
10. The Company has obtained the "Auditor's Independence Declaration" issued by the accountant.	✓		Obtained.

4.4 Composition, Responsibilities and Operations of the Remuneration Committee：

The Board of Directors of the Company has set up a Salary and Compensation Committee and an organization charter in accordance with the "Method for the Establishment and Exercise of Authority of the Salary and Compensation Committee of a Company Listed on the Stock Exchange or a Securities Dealer's Business Place", and appointed independent director Mr. Chen Xing yi as the convener and meeting chairman. The charter stipulates that the committee should fulfill its duties with the diligence of a good manager and submit its recommendations to the board of directors for discussion.

1. Information on the Members of the Compensation Committee

Position \ Terms		Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Independent director (Convener)	Xing-Yi Chen	Please refer to Page 19 Professional qualifications and independence analysis of directors for relevant descriptions on professional backgrounds.	Please refer to Page 19 Professional qualifications and independence analysis of directors for relevant descriptions on professional backgrounds.	0
Independent director	Guan-Ping Chen			0
Independent director	Chih-Wei Tsai			3
Independent director	Shu-Ling Lin			0

2. The state of operations of the remuneration committee

(1) The function of the committee is to evaluate the directors' and managers' salary and compensation policies, systems, and performance target achievement with the attention of a good manager and faithfully perform its duties.

(2) The Company's remuneration committee consists of 4 members.

(3) The term length of each member of the remuneration committee is from June 15, 2022 to June 14, 2025, and the remuneration committee meetings are convened 4 times in 2023. Qualifications and attendance of members of the remuneration committee are as follows:

Title	Name	Attendance in Person(B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Convener	Xing-Yi Chen	3	0	100	2022.06.15
Committee Member	Guan-Ping Chen	3	0	100	2022.06.15
Committee Member	Chih-Wei Tsai	2	1	67	2022.06.15
Committee Member	Shu-Ling Lin	3	0	100	2022.06.15

Other mentionable items：

①If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of

Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified) None.

②Resolutions of the remuneration committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

Date of the board of directors' meeting	Proposals and resolution results	Matters that has not been consented by the remuneration committee but is adopted with the consent of two-thirds or more of the entire board of directors
2023/03/29	1. Approval of the Company's total employee compensation and director compensation amount for 2022.	No
	2. Approval of the 2023 Board of Directors performance evaluation results report.	No
	3. Approval of the appointment of Head of Corporate Governance of the Company	No
	Remuneration Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	
	The Company's handling of the resolution of the remuneration committee: None.	
2023/05/10	1. Approval of the allocation of director compensation and manager employee compensation.	No
	Remuneration Committee Resolution Result: Since the proposal involved individual directors with a conflict of interest, the individual directors recused themselves from the discussion and voting, and the proposal was approved without any objections from the other attending directors.	
	The Company's handling of the resolution of the remuneration committee: None.	
2023/11/08	1. Approval of the current policy, system, standards, and structure of the performance evaluation and remuneration of directors and managers.	No
	2. Approval of the Company's end-of-year bonus payout for managers in 2023.	No
	3. Approved the proposal for the compensation of the Company's subsidiary, Joymax Electronics Co., Ltd. (Joymax) President Jun-Ming Chen, who concurrently serves as the Company's Vice President of Operations, President.	No
	4. Approval of the work plan of the Company's Remuneration Committee for 2024.	No
	Remuneration Committee Resolution Result: After consulting all attending directors and receiving no objections from them, the resolution was passed.	

Date of the board of directors' meeting	Proposals and resolution results	Matters that has not been consented by the remuneration committee but is adopted with the consent of two-thirds or more of the entire board of directors
	Independent Director Chih-Wei Tsai entrusted Independent Director Xing-Yi Chen to express consent for this proposal.	
	The Company's handling of the resolution of the remuneration committee: None.	

4.5 Implementation of sustainable development promotion and difference from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof：

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
1. Has the Company constructed a governance structure to promote sustainable development and established a dedicated (part-time) unit for the promotion of sustainable development, which is managed by senior management by authorization of the Board of Directors and is supervised by the Board of Directors?	✓		The Company's sustainability development unit is the management department. It responds irregularly to activities of socially disadvantaged or charitable organizations. The ongoing projects include employing people with disabilities, providing employment opportunities to the unemployed in accordance with policies, cooperating with schools in industry-university cooperation, and continuously promoting sustainable development. The implementation is reported to the chairman by senior executives.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
2. Does the Company assess ESG risks associated with its operations based on the principle of materiality, and establish related risk management policies or strategies?	✓		The Company has established "Risk Control Operation Regulations", which take into account safety and efficiency for various business operations, including marketing market, production operation, human resource planning, new product line development progress, and financial accounting control, to establish a more economical business operation model.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
3. Environmental issues 3.1 Does the Company establish proper environmental management systems based on the characteristics of their industries?	✓		In terms of promoting environmental management system, the Company has passed ISO14001 environmental management system certification (certificate validity period: 2023/05/05~2026/05/04) and continues to promote quality and environmental	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			management system.	Companies.
3.2 Does the Company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		The Company actively improves the utilization efficiency of various resources, achieves waste reduction goals, and classifies resources for recycling and reuse. It also analyzes energy usage every month, continuously seeks energy-saving measures, reduces costs, reduces waste, and considers the impact of materials on the environment in product design, and pays attention to and prohibits the use of restricted substances (RoHS) and substances of high concern (SVHC).	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
3.3 Does the Company evaluate potential risks and opportunities brought by climate change, and take response measures to climate-related issues?	✓		The Company assesses the risks and opportunities of environmental related issues every year and arranges countermeasures and measures as appropriate. Energy control tables are set up everywhere in the Company to remind colleagues to turn off power and air conditioning according to the form prompts when they get off work. The power consumption of the air conditioning chiller accounts for about 50% of the total power consumption, so the Company strictly controls the start and stop time of the chiller and the temperature of the chilled water, making the indoor general working environment temperature maintain 26 degrees~28 degrees in summer, and extend the downtime of the air conditioning chiller or shut it down when the climate temperature drops to reduce power usage. Lighting is also	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			gradually replaced with LED lights, starting from the most frequently used areas, to achieve the maximum energy-saving effect.	
3.4 Does the Company compile statistics of greenhouse gas emissions, water use, and total weight of waste in the past two years, as well as establish company strategies for energy conservation, carbon reduction, water use reduction, and other waste management?	✓		In addition to actively focusing on various energy-saving and carbon reduction and greenhouse gas reduction issues, the Company and its subsidiaries also calculate carbon dioxide emissions, water usage, and total waste weight through electricity usage, and replace energy-saving lamps, set air conditioning host temperature and related equipment detection in the office and factory area, to improve energy efficiency, reduce waste generation and reduce scrap rate. For statistics in recent years, please refer to Universal Microwave Technology, Inc.2022 Sustainability Report 8. Environmental Protection Planning.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
4. Social issues 4.1 Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company and its subsidiaries comply with relevant labor laws and support and follow internationally recognized human rights standards - "International Human Rights Code". We treat and respect our current employees and cooperative manufacturers with dignity, and eliminate any acts of human rights violations.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
4.2 Does the Company have reasonable employee benefit measures (including salaries, leave, and other benefits), and	✓		In order to fairly and specifically evaluate the performance of employees, motivate morale, and promote work efficiency, we have established "Employee Performance Assessment Operating Standards" and	Consistent with Sustainable Development Best Practice Principles for

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
do business performance or results reflect on employee salaries?			"Employee Reward and Punishment Measures". Timely performance records are kept to objectively understand their work performance, ability, conduct, and suitability as a reference for various assessments, promotions, and training.	TWSE/TPEx Listed Companies.
4.3 Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company places great importance on providing a safe and healthy working environment for employees. In terms of physical health, we hold regular health check-ups for employees every year and hire occupational doctors and nurses to provide on-site services, including work environment assessments and health consultations for employees. We have established a health care room for instant online consultation and promote self-health management knowledge and methods through sports club activities, health lectures, and sharing of health education information. In terms of work safety, through ISO45001 Occupational Safety and Health Management System, the Company strengthens employees' awareness of hazards and develops emergency response capabilities through continuous education and training and various safety publicity to reduce the occurrence of accidents caused by unsafe behaviors. According to the Occupational Safety and Health Act, the Company recorded no disasters (and fires) in 2023.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
4.4 Does the Company provide its employees with career development and training sessions?	✓		Each year, the Company sets an annual education and training plan for each position to develop the professional skills and management abilities that employees need now and in the future. For implementation details, please refer to the 2022 Sustainability Report 5. happy workplace and social participation of Universal Microwave Technology, Inc.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
4.5 Does the Company comply with the related laws and regulations and international standards regarding the customer health and safety, customer privacy, marking communication, and labeling of its products and services and establish policies to protect the rights and interests of customers or clients and procedures for grievances?	✓		The Company and its subsidiaries are manufacturers of microwave passive components, RF components, and antennas in the microwave wireless communication industry. Our products are supplied to midstream microwave wireless communication system manufacturers, and the wireless communication systems are then supplied to the downstream telecommunications operators engaged in network infrastructure. Our products are not final consumer products, and we do not have direct contact with consumers. Providing a stable product quality and enhancing technical abilities, while treating the environment friendly, have always been the greatest reassurances and protection we offer our customers. The detailed rules are specified in the ISO management system "Customer Complaint Handling Procedure". In addition, customer satisfaction surveys are carried out based on the "Customer Satisfaction Operation Procedure" to effectively grasp customer satisfaction with products,	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
			quality, and delivery time.	
4.6 Does the Company have a supplier management policy, require suppliers to comply with regulations on environmental protection, occupational safety and health, and labor rights, and what is its implementation status?	✓		The Company have supplier management methods in place. We select suppliers based on their past performance and periodically evaluate and conduct on-site reviews of qualified suppliers. Through the implementation of environmental requirements for restricted substance content, we influence suppliers to commit to fulfilling their social responsibilities. Our relationship with suppliers is good and mutually beneficial.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
5. Does the Company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the Company, such as sustainable reports? Do the reports above obtain assurance from a third party verification unit?	✓		In response to international trends and practical needs, the Company has independently compiled the 2022 Sustainability Report, which has not been verified by a third party. We have provided a GRI Standard and SASB indicator content index in the appendix for stakeholders to reference. The report has been disclosed on the public information observation station and the Company's official website.	Consistent with Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies.
6. If the Company has established the Sustainable Development principles based on "the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the Principles and their implementation：There have been no differences.				
7. Other important information that helps understand the implementation of sustainable development： (1) The Company attaches great importance to environmental protection. After RoHS officially took effect on July 1, 2006, products sold to the European Union must not contain six toxic substances: lead, cadmium, mercury, hexavalent chromium, polybrominated biphenyls, and polybrominated diphenyl ethers. All our products comply				

Evaluation Item	Implementation Status			Deviations from "the Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Explanation	
with these standards, reducing the use of harmful substances to protect the Earth. (2) The Company have established a Workers Safety and Health Committee, which holds regular meetings to plan the implementation and follow-up of occupational disaster prevention plans and self-inspection plans, and review the relevant operating standards and improvements for workers' safety and health, promoting the management of safety and health matters. (3) Social Welfare: 1. The Company donated NT$100,000 to the Kaohsiung County Mingshan Charity Association for disadvantaged groups. 2. The Company sponsor of NT$ 10 ten thousand to the Taiwan International Studies Association 3. The Company provided a scholarship of NT$ 153 million to the National Taiwan Ocean University. 4. The Company provided a scholarship of NT$ 3 ten thousand to the National Penghu University of Science and Technology.				

4.6 Climate-related information implementation status

<table>
<tr><td>Item</td><td colspan="3">Implementation status</td></tr>
<tr><td>1. Describe the monitoring and governance of climate-related ricks and opportunities by the Borad of Directors and th management.</td><td colspan="3">1. Formulate sustainable development policies, pay attention to climate change issues, and promote energy conservation and carbon reduction response plans and plans.
2. A management review meeting is held to discuss environmental and climate change related risks and opportunities.</td></tr>
<tr><td>2. Describe how the identified climate risks and opportunities affect the Company’ s business, strategy and finance (short, medium and long-term).</td><td colspan="3">Short term：Train carbon management talents, conduct carbon inventory and carbon reduction management.
Medium term：Invest in energy conservation, green power and other carbon reduction plans to reduce carbon emissions.
Long term：Continue to pay attention to the development trend of global climate change governance, and expect the negative carbon technology to become mature and achieve the net zero goal by 2050.</td></tr>
<tr><td>3. Describe the financial impact of extreme climat events and transitional actions.</td><td>RISK</td><td>Potential financial impact</td><td>Response</td></tr>
<tr><td></td><td>Extreme weather causes higher temperature</td><td>The increased use of air conditioning is leading to higher electricity costs.</td><td>Planning an energy-saving improvement plan for the air conditioning system, prioritizing the replacement of chillers with energy-efficient models</td></tr>
<tr><td></td><td>●Environmental regulations are becoming increasingly stringent
●Climate change adaptation laws are being implemented</td><td>Increasing environmental protection expenditure costs.</td><td>Regularly tracking changes in environmental regulations and reviewing company operations to ensure compliance with regulatory requirements.</td></tr>
</table>

Item	Implementation status		
	●Carbon footprint verification ●The domestic implementation of carbon taxes ●Countries are drafting plans to implement carbon taxes.	Increasing the carbon footprint verification, carbon fees and carbon taxes cost	●Arrange the training for carbon footprint verification ●Establish a system program of carbon footprint verification to save the manpower costs
	●Electricity price hike ●Stakeholders request the planning of a carbon reduction timeline and the setting of a zero carbon emissions target.	Electricity price hike and increase the utilities	●Phase out energy-intensive equipment ●Use green energy and install solar power systems ●Set a target to reduce carbon emissions by 50% by 2030
4. Describe how climate risk identification, assessment, and management processes are integrate into the overall risk management system.	Assess environmental and climate change risks and include abnormal climate (wind disasters, floods) into the operational risk identification management procedures.		
5. If conducting a svenario analysis to assess resilience to climate change risks, it should include descriptions of the scenario, parameters, assumptions, analysis factors, and primary financial impacts.	Currently, the Company does not use scenario analysis to evaluate the resilience to climate change risks.		
6. If there is a transition plan in place to manage climate-related risks, specify the content of the plan, and the indicators and targets used to identify and manage physical risks and transition risks.	At present, there is no transformation plan to manage climate-related risks.		

<table>
<tr><th>Item</th><th>Implementation status</th></tr>
<tr><td>7. If interal carbon pricing is used as a planning tool, the basis for setting the price shall be stated.</td><td>At present, there is no internal carbon pricing as a planning tool.</td></tr>
<tr><td>8. If climate-related goals are set, the activities coverd, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, information should be provided about the source and quantity of carbon offsets exchanged or the number of RECs used.</td><td>Short term goals：Reduce GHG emissions intensity by 40% in 2024 compared to the 2021 base year
Medium term goal：Reduce GHG emissions intensity by 45% in 2026 compared to the 2021 base year
Long term goal：Reduce GHG emissions intensity by 50% in 2030 compared to the 2021 base year
Carbon reduction plan：
1. Replace energy-saving air conditioning system and Other energy-saving equipment to reduce electricity consumption.
2. Set up solar green electricity.</td></tr>
<tr><td>9. Greenhouse gas inventory and assurance, and reduction goals, strategies, and concrete action plans.</td><td>The Company will complete and disclose on time in accordance with the statutory schedule. The greenhouse gas inventory and verification schedule of the Company and its consolidated subsidiaries is planned and implemented as follows, and will continue to be reported to the Board of Directors for control on a quarterly basis.
<table>
<tr><th>Item</th><th>Estimated finish time (UMT and RTI)</th><th>Estimated finish time (Other subsidiaries)</th></tr>
<tr><td>Set up the number of full-time (part-time) units, full-time (part-time) employees and their scope of responsibilities</td><td>December, 2024</td><td>December, 2025</td></tr>
<tr><td>Formulate inventory plan</td><td>December, 2024</td><td>December, 2025</td></tr>
<tr><td>Formulate verification plan</td><td>December, 2024</td><td>December, 2025</td></tr>
</table></td></tr>
</table>

4.7 Implementation of Ethical Corporate Management and Measures Adopted and Deviations from the "Corporate Social Responsibility Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs 1.1 Does the Company establish an ethical corporate management policy that was approved by the Board of Directors, and declare its ethical corporate management policies and procedures in its guidelines and external documents, as well as the commitment from its board to implement the policies?	✓		1.1 The Company has established "Operation Procedures and Behavior Guidelines for Integrity Management" and "Code of Ethics," which clearly express the policy and practices of integrity management. The behavior of the Company's and subsidiary's management complies with principles of integrity and loyalty, and helps stakeholders better understand the Company's ethical standards.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
1.2 Does the Company establish mechanisms for assessing the risk of unethical conduct, periodically analyze and assess operating activities within the scope of business with relatively high risk of unethical conduct, and formulate an unethical conduct	✓		1.2 The Company's "Operation Procedures and Behavior Guidelines for Integrity Management" explicitly prohibit dishonest behaviors such as bribery, providing or accepting undue benefits, provision or acceptance of graft, illegal political donations, unfair competition, improper charitable donations or sponsorships, leakage of business secrets, and damage to stakeholders' rights and interests. In addition to strengthening	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
prevention plan on this basis, which at least includes preventive measures for conduct specified in Article 7, Paragraph 2 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?			new employee training, these precautions are fully implemented in business operations.	
1.3 Does the Company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies and periodically review and revise the plan?	✓		1.3 The Company has established "Operation Procedures and Behavior Guidelines for Integrity Management," which clearly outlines various plan operating procedures, behavioral guidelines, penalties for violations, and complaint systems. This allows directors, managers, and employees to fully understand and comply.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
2. Fulfill operations integrity policy 2.1 Does the Company evaluate business partners' ethical records and include ethics-related clauses	✓		2.1 The Company and its subsidiaries have established relevant evaluation mechanisms for all customers and suppliers, clearly defining the rights, obligations, confidentiality obligations, and integrity clauses for	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM

Evaluation Item		Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
		Yes	No	Abstract Illustration	
	in business contracts?			both parties when establishing contracts.	Listed Companies.
2.2	Does the Company establish a dedicated unit under the board of directors to promote ethical corporate management, and periodically (at least once a year) report to the Board of Directors and supervise the implementation of the ethical corporate management policy and unethical conduct prevention plan?	✓		2.2 The Company's "Operation Procedures and Behavior Guidelines for Integrity Management" have been approved by the board of directors and assigned to a dedicated human resources unit to oversee the revision, implementation, interpretation, advisory services, and recordkeeping of these procedures and guidelines. Significant operational decisions are discussed and supervised by the board of directors. The Company has reported the 2023 implementation status to the Board of Directors on 8 November 2023.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
2.3	Does the Company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		2.3 In cases of conflicts of interest, employees can report to their immediate supervisors, to the head of the human resources unit, or through a suggestion box.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item		Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
		Yes	No	Abstract Illustration	
2.4	Has the Company established effective systems for both accounting and internal control to facilitate ethical corporate management, and are they audited by either internal auditors unit formulate audit plans based on unethical conduct risk assessment results, and does it audit compliance with the unethical conduct prevention plan or CPAs to perform the audit?	✓		2.4 The effectiveness of the Company's and its subsidiaries' accounting systems and internal control systems is established through audits by internal auditors and external accountants. Based on risk assessment results, the internal audit unit prepares audit plans, carries out regular audits, and conducts special audits as needed, reporting the audit results to the audit committee and the board of directors.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
2.5	Does the Company regularly hold internal and external educational trainings on operational integrity?	✓		2.5 The Company emphasizes the importance of integrity during new employee training and regularly informs employees about the main content and prevention methods of dishonest behaviors.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
3. Operation of the integrity channel 3.1 Does the Company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		3.1 For violations of integrity management or company regulations, employees can report to their immediate supervisors, to the head of the human resources unit, or through a suggestion box. Depending on the severity and impact of the situation, they may be given a warning or disciplined according to the "Employee Reward and Punishment Method."	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
3.2 Does the Company establish standard operating procedures for confidential reporting on subsequent measures and investigating accusation cases after completing investigation?	✓		3.2 The Company has a dedicated unit to handle whistle-blowing issues in accordance with the established "Operation Procedure and Behavior Guide for Integrity Management" and "Code of Ethical Conduct". Confidentiality and investigation procedures are also carried out.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
3.3 Does the Company provide proper whistleblower protection?	✓		3.3 The Company has established a "Procedure for Handling Reports of Illegal, Unethical, or Dishonest Behavior". According to the procedure, every effort should be made to keep the identity of the whistle-blower and the content of the report confidential, and to protect them from discriminatory treatment.	Consistent with Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies.
4. Strengthening information disclosure Does the Company disclose its ethical	✓		The Company has set up a corporate governance section on its website and	Consistent with Ethical Corporate

Evaluation Item	Implementation Status			Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Abstract Illustration	
corporate management policies and the results of its implementation on the Company's website and MOPS?			discloses relevant information such as the "Practical Code of Corporate Governance" and "Operation Procedure and Behavior Guide for Integrity Management" on the Company's management philosophy.	Management Best Practice Principles for TWSE/GTSM Listed Companies.
5. If the Company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: There have been no differences.				
6. Other important information to facilitate a better understanding of the Company's ethical corporate management policies: In order to establish a corporate culture of honest management and a good model for business interaction, the Company complies with the Company Law, Securities Exchange Act, related rules of listed companies and other relevant laws. It has established the "Operation Procedure and Behavior Guide for Integrity Management" and the "Code of Ethical Conduct", clearly stating the policies and practices of integrity management. It also regulates that directors, managers, and employees should not directly or indirectly offer, promise, request, or accept any improper benefits under any name or form, including kickbacks, commissions, lubrication fees, or other forms of improper benefits, and should avoid conducting business transactions with dishonest agents, suppliers, customers, or other business contacts.				

4.8 If the Company has adopted corporate governance best-practice principles or related bylaws, disclose how these are to be searched：

The Company has established "Corporate Governance Code", "Internal Significant Information Processing Procedure", "Code of Ethical Conduct", "Operation Procedure and Behavior Guide for Integrity Management", etc., which are placed on the Public Information Observation Station and the Company's website, and are explained and promoted through the internal network, for the Company's management level and all colleagues to follow.

Please refer to the Company's website: Investor Relations-Corporate Governance Section https://www.umt-tw.com.

4.9 Other significant information that will provide a better understanding of the state of the Company's implementation of corporate governance may also be disclosed：

Please refer to the Company's website： Investor Relations https://www.umt-tw.com。

4.10 Implementation of the internal control system：

1.Internal Control System Statement：please refer to page 316.

2.If CPA was engaged to conduct a special audit of internal control system, please disclose the CPA's audit report：None.

4.11 If any penalties are imposed on the Company and its personnel or punishments are imposed by the Company on personnel in violation of internal control system regulations in the past year and up to the date of report, and the results of the penalty may have a material effect on shareholders equity or stock price, specify the contents of the penalty, major deficiencies and improvement： None.

4.12 Important resolutions of a shareholders' meeting or a Board of Directors' meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report：

1. Implementation status of important resolutions made by the 2022 annual general shareholders' meeting

Meeting Date	Meeting Name	Important Resolutions	Implementation Status
2023.06.21	2023 Annual General Meeting	Proposals 1. Approval of the 2022 financial statements. 2. Approval of the 2022 profit distribution.	Proposals 1. The 2022 financial statements (including consolidated financial statements) have been approved by the shareholders' meeting and disclosed on the MOPS for investors' reference. 2. In accordance with the resolution of the 2023 Annual General Meeting regarding profit distribution, the Company has set the ex-dividend date as July 31, 2023, and completed the cash dividend distribution on August 15, 2023.
		Discussion: 1. Cash distribution from capital reserve. 2. Discussion on the amendment to the Company's "Articles of Incorporation".	Discussion: 1. In accordance with the resolution of the 2023 Annual General Meeting regarding the cash distribution from capital reserve, the Company has completed the distribution of cash from the capital reserve on August 15, 2022. 2. The resolution has been passed by voting and announced on the Company's website.

Meeting Date	Meeting Name	Important Resolutions	Implementation Status
		3. Lift restrictions on the prohibition of competition directors.	3. The resolution has been passed by voting. .

2. Important resolutions made by the board of directors' Meeting in 2023 and during the current fiscal year and up to the date of printing of the annual report

Session	Meeting Date	Important Resolutions
9th Board 4th Meeting	2023.03.29	1. Approval of the Company's 2022 business report and financial statements. 2. Approval of the Company's profit distribution for 2022. 3. Approval of the cash distribution from capital reserve. 4. Approved of the amendment to certain articles of the "Regulation of the 2021 Employee Stock Option Plan" of the Company 5. Approved the appointment of Head of Corporate Governance of the Company. 6. Approved the lifting of restrictions on the prohibition of competition managers. 7. Approval of the guarantee for the subsidiary Genton Tech Corporation. 8. Approval of the proposed convening of the 2023 Annual General Meeting. 9. Approval of handling shareholder proposals, the processing place, and the processing period.
9th Board 5th Meeting	2023.05.10	1. Approval of the Company's consolidated financial report for the first quarter of 2023. 2. Approval of the loan to Radiation Technology, Inc. (RTI).
9th Board 6th Meeting	2023.08.10	1. Approval of the Company's consolidated financial report for the second quarter of 2023. 2. Approval of the loan to the subsidiary Joymax Electronics Co., Ltd. (Joymax).
9th Board 7th Meeting	2023.11.08	1. Approval of the Company's consolidated financial report for the third quarter of 2023. 2. Approval of the loan provided by the Company's subsidiary, UMT Holdings (Samoa) Limited, to the parent company, Universal Microwave Technology, Inc. 3. Proposal of the Company's compensation to managers.
9th Board 8th Meeting	2024.03.13	1. Approval of the Company's 2022 business report and financial statements. 2. Approved the Company's proposal to invest in the establishment of a

Session	Meeting Date	Important Resolutions
		Vietnam subsidiary. 3. Approval of the reverse triangular merger of the Company's subsidiaries
9th Board 9th Meeting	2024.03.27	1. Approval of the Company's 2023 business report and financial statements. 2. Approval of the Company's profit distribution for 2023. 3. Proposal of the Company's compensation to managers. 4. Approval of the proposed convening of the 2024 Annual General Meeting. 5. Approval of handling shareholder proposals, the processing place, and the processing period.
9th Board 10th Meeting	2024.05.09	1. Approval of the Company's consolidated financial report for the first quarter of 2024.

4.13 During the most recent fiscal year or during the current fiscal year and up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof：None.

4.14 A summary of resignation and dismissal of the Company's related personnel (including the chairman, general manager, accounting supervisor, finance executive, internal audit supervisor, Corporate Governance supervisor, R&D supervisor, etc.) during the most recent fiscal year or during the current fiscal year and up to the date of publication of the annual report：None.

5. Information Regarding the Company's Audit Fees

5.1 If the non-audit fees paid to the certifying CPA, the CPA's firm and the firm's affiliated businesses of the audit fees, please disclose the audit and non-audit fees and the non-audit services.

Unit: NT$ thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-audit Fee	Amount	Remarks
Deloitte & Touche	Hsiu-Chun Huang Pi-Yu Chuang	2023	2,620	515 (Note)	3,135	

Note: Non-audit fees - other, refers to tax audit fees, audit fees for concurrently-operated business and prepayments, etc.

5.2 If there is a change of the accounting firm, and in the year of the change the audit fee

is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons：None.

5.3 If there is a change of the accounting firm, and in the year of the change the audit fee is lower than that in the previous year, please disclose the audit fees before and after the change and the reasons：None.

6. Information on change of CPA：None

7. The Company's chairman, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed：None.

8. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10% during the current fiscal year up to the date of publication of the annual report：

1. Changes in the shareholding of directors, supervisors, managerial officers and major shareholders：

Title	Name	2023		As of April 21 2024	
		Shareholding Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)
Chairman	CenXin Investment Company Representative：Su-Ming Chen	0	0	0	0
Chairman	Su-Ming Chen	90,000	0	90,000	0
Director/ President	Tung-Yi Wu	84,000	0	84,000	0
Director	Ji-Rui He	0	0	0	0
Director	PinSin Investment Company Representative: Chun-Liang Kuo	0	0	0	0
Independent director	Xing-Yi Chen	0	0	0	0
Independent director	Chih-Wei Tsai	0	0	0	0
Independent director	Guan-Ping Chen	0	0	0	0
Independent director	Shu-Ling Lin	0	0	0	0
Vice President	Chun-Liang Kuo	36,000	(445,000)	36,000	0
Vice President	Chen Chung Kuang	20,000	0	34,000	0
Vice President	Chen Yu Cheng	21,000	0	21,000	0

Title	Name	2023		As of April 21 2024	
		Shareholding Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Shareholding Increase/ (Decrease)	Pledged share Increase/ (Decrease)
Vice President	Pey Heh	0	0	0	0
Vice President	Jun-Ming Chen	14,000	0	14,000	0
Associate Vice President	Wen-Sung Ho	0	0	0	0
Associate Vice President	Lang Lien	0	0	0	0
Financial Manager	Shu-Ying Lee	(9,000)	0	21,000	0
Major shareholder	NA	NA			

2. Information on the counterparty of transfer of equity interests is a related party：None.

3. Information on the counterparty of transfer of equity interests is a related party：None.

9. Information on the counterparty of transfer of equity interests is a related party：None.

As of April 21, 2024

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
CenXin Investment Company Representative：Su-Ming Chen	4,083,856	6.40	0	0	0	0	NA	NA	NA
Su-Ming Chen	202,585	0.32	403,132	0.63	0	0	Chih-Wei Tsai was appointed by Tung-Yi Wu Trust Property account	Spouse	
Investment account of CTBC Investments by Taiwan Life Insurance Co., Ltd	1,256,000	1.97%	0	0	0	0	NA	NA	
HungJen Capital Limited	1,250,000	1.96%	0	0	0	0	Jun-Qu Liu	person in charge of HungJen Capital Limited	
Jun-QuLiu	1,010,000	1.58%	0	0	0	0	HungJen Capital Limited	person in charge of HungJen Capital Limited	
Chih-Wei Tsai was appointed by Tung-Yi Wu Trust Property account	1,010,000	1.58%	0	0	0	0	Su-Ming Chen	Spouse	
Investment account of Union Bank of Switzerland SE by Citibank Taiwan Ltd.	956,428	1.50%	0	0	0	0	NA	NA	
Ji-Rui He	903,109	1.42%	0	0	0	0	NA	NA	
Kar Yuen Investments Limited	811,000	1.27%	0	0	0	0	NA	NA	
Taiwan Business Bank Insured Capital OTC	800,000	1.26%	0	0	0	0	NA	NA	

Name	Current Shareholding		Spouse's/minor's Shareholding		Shareholding by Nominee Arrangement		Name and Relationship Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees		Remarks
	Shares	%	Shares	%	Shares	%	Title (Name)	Relationship	
Securities Investment Trust Funds									
Ching-Chiou Jiang	800,000	1.26%	0	0	0	0	NA	NA	

10. The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the Company

As of December 31, 2023 Unit: Shares

Affiliated Enterprises	Ownership by the Company		Direct or Indirect Ownership by Directors, Supervisors, Managers		Total Ownership	
	Shares	%	Shares	%	Shares	%
UMT Holdings (Samoa) Limited	12,031,284	100.00	0	0	12,031,284	100.00
Radiation Technology,Inc.	614,935	2.05	16,069,978	53.54	16,684,913	55.59
Umtek Telecom (Hk) Limited	0	0	7,130,000	100.00	7,130,000	100.00
Radiation Technology Inc.	0	0	NA	100.00	NA	100.00
Radtek Communications, Inc.	0	0	2,000,000	100.00	2,000,000	100.00
UMT Holdings (HK) Limited	0	0	14,336,197	100.00	14,336,197	100.00
Universal Microwave Technology (Kunshan) Co., Ltd.	0	0	NA	100.00	NA	100.00
Genton Tech Corporation	5,895,731	53.60	0	0	5,895,731	53.60
Bridge Components (HK) Limited	0	0	700,000	100.00	700,000	100.00
Joymax Electronics Co., Ltd.	10,998,366	99.99	0	0	10,998,366	99.99
UMT Investment Co., Ltd	7,211,785	100.00	0	0	7,211,785	100.00
FUTA Precision Inc.	0	0	390,000	39.00	390,000	39.00

IV. Capital Raising Activities

1. Capital and Shares

(4) Source of Capital

1.1.1 Type of Stock

As of April 21, 2024 Unit: Share

Share Type	Authorized Capital			Remark
	Issued Shares	Un-issued Shares	Total	
Common Stock	63,765,362	36,234,638	100,000,000	Common Stock of public company

1.1.2 The process of capital formation

As of April 21, 2024 Unit：Shares in thousands、NT$ in thousands

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Approved Date and No.
2020.04	10	100,000	1,000,000	60,718	607,178	employee warrants 2,442	NA	Approved No. Jing Shou Shang Zi 10901055240, 4/14/2020
2020.05	10	100,000	1,000,000	60,864	608,638	employee warrants 1,460	NA	Approved No. Jing Shou Shang Zi 10901083780, 5/20/2020
2020.12	10	100,000	1,000,000	61,534	615,343	employee warrants 6,705	NA	Approved No. Jing Shou Shang Zi 10901221450, 12/1/2020
2021.03	10	100,000	1,000,000	62,159	621,586	employee warrants 6,243	NA	Approved No. Jing Shou Shang Zi 11001049550, 3/25/2021
2023.09	10	100,000	1,000,000	62,832	628,317	employee warrants 6,731	NA	Approved No. Jing Shou Shang Zi 11230168220 9/13/2023
2023.11	10	100,000	1,000,000	62,904	629,042	employee	NA	Approved No. Jing

Month/ Year	Par Value (NT$)	Authorized Capital		Paid-in Capital		Remark		
		Shares	Amount	Shares	Amount	Sources of Capital	Capital Increased by Assets Other than Cash	Approved Date and No.
						warrants 725		Shou Shang Zi 11230220320 12/30/2023
2024.04	10	100,000	1,000,000	63,634	636,337	employee warrants 7,294	NA	Approved No. Jing Shou Shang Zi 11330059180 4/17/2024
2024.04	10	100,000	1,000,000	63,765	637,654	employee warrants 1,317	NA	Converted as of 21 April 2024 Change registration to be completed

1.1.3 Summary reporting system related information: None.

2. Structure of Shareholders

As of April 21, 2024

Structure of Shareholders / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Foreign Institutions & Natural Persons	Domestic Natural Persons	Total
Number of Shareholders	4	16	115	51	18,855	19,041
Shareholding (shares)	911,000	3,972,067	10,170,188	3,832,168	44,879,939	63,765,362
Percentage of shareholding	1.43	6.23	15.95	6.01	70.38	100.00

Note: The Company does not have China Investors or the other Investors investing in the third region.

3. Shareholding Distribution Status

3.1 Common Shares

As of April 21, 2024 Unit：Person；Shares

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage%
1 ~ 999	10,425	606,112	0.95
1,000 ~ 5,000	7,382	12,822,248	20.12

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage%
5,001 ~ 10,000	621	4,806,438	7.54
10,001 ~ 15,000	169	2,156,443	3.38
15,001 ~ 20,000	107	1,940,966	3.04
20,001 ~ 30,000	102	2,635,935	4.13
30,001 ~ 40,000	55	1,963,871	3.08
40,001 ~ 50,000	34	1,566,487	2.46
50,001 ~ 100,000	66	4,989,257	7.82
100,001 ~ 200,000	38	5,363,891	8.41
200,001 ~ 400,000	19	4,997,957	7.84
400,001 ~ 600,000	10	4,832,364	7.58
600,001 ~ 800,000	5	3,803,000	5.96
800,001 ~1,000,000	3	2,670,537	4.19
1,000,001 or more	5	8,609,856	13.50
Total	19,041	63,765,362	100.00

3.2 Preferred stock: Not applicable.

4. List of Major Shareholders

4.1 Names, shareholdings, and proportions of shareholders who own more than five percent of the equity or are among the top ten shareholders.

As of April 21, 2024

Shares / Shareholder's Name	Shareholding (Shares)	Percentage%
CenXin Investment Company	4,083,856	6.40%
Investment account of CTBC Investments by Taiwan Life Insurance Co., Ltd	1,256,000	1.97%
HungJen Capital Limited	1,250,000	1.96%
Jun-QuLiu	1,010,000	1.58%
Chih-Wei Tsai was appointed by Tung-Yi Wu Trust Property account	1,010,000	1.58%
Investment account of Union Bank of Switzerland SE by Citibank Taiwan Ltd.	956,428	1.50%
Ji-Rui He	903,109	1.42%
Kar Yuen Investments Limited	811,000	1.27%
Taiwan Business Bank Insured Capital OTC Securities Investment Trust Funds	800,000	1.26%
Ching-Chiou Jiang	800,000	1.26%

4.2 Main shareholders of the legal entity shareholders who own more than five percent of the equity or are among the top ten shareholders.

As of April 21, 2024

Shareholder's Name	Major Shareholders
CenXin Investment Company	AiXin Co., Ltd (100.00%)
Investment account of CTBC Investments by Taiwan Life Insurance Co., Ltd	NA
HungJen Capital Limited	Jun-Qu Liu (48.46%)
Investment account of Union Bank of Switzerland SE by Citibank Taiwan Ltd.	NA
Kar Yuen Investments Limited	Changwei Management Consulting Co., Ltd. (0.11%)
Taiwan Business Bank Insured Capital OTC Securities Investment Trust Funds	NA

5. Market Price, Net Worth, Earnings, and Dividends per Share

Unit：NT$

Items \ Year			2021	2022	As of March 31,2023
Market Price per Share (Note 1)	Highest Market Price		217.50	189.50	173.5
	Lowest Market Price		108.50	131.00	148.5
	Average Market Price		154.52	158.94	159.64
Net Worth per Share (Note 2)	Before Distribution		31.66	32.71	31.47
	After Distribution		27.48	29.31	Not yet distributed
Earnings per Share	Weighted Average Shares (thousand shares)		62,159	62,531	63,697
	Earnings per Share	Diluted Earnings Per Share	4.36	3.20	1.23
		Adjusted Diluted Earnings Per Share	4.36	3.20	Not yet distributed
Dividends per Share	Cash Dividends		3.60	3.36102753	Not yet distributed
	Stock Dividends	Dividends from Retained Earnings	0	0	Not yet distributed
		Dividends from Capital Surplus	0.4	0	Not yet distributed
	Accumulated Undistributed Dividends		0	0	Not yet distributed
Dividends per Share	Price / Earnings Ratio		35.44	49.67	Not yet distributed
	Price / Dividend Ratio		42.92	47.29	Not yet distributed
	Cash Dividend Yield Rate		2.33	2.11	Not yet distributed

Note1: The data source is the website of the Taiwan Stock Exchange.

Note2: The profit distribution for 2023 was approved by the board of directors on March 27, 2024, but has not yet been approved by the 2024 Annual General Meeting.
Note3: Price / Earnings Ratio = Average Market Price / Earnings per Share
Note4: Price / Dividend Ratio = Average Market Price / Cash Dividends per Share
Note5: Cash Dividend Yield Rate = Cash Dividends per Share / Average Market Price

6. Dividend Policy and Implementation Status

6.1 Dividend Policy and Implementation Status

The dividend policy set out in the Company's articles of incorporation:

Article 21-1

If there is net profit after tax upon the final settlement of account of each fiscal year, the Company shall first to offset any previous accumulated losses (including unappropriated earnings adjustment if any) and set aside a legal reserve at 10% of the net profits, unless the accumulated legal reserve amounts reach to the total capital of the Company; then set aside special reserve in accordance with relevant laws or regulations or as requested by the authorities in charge. The remaining surplus, along with the undistributed earnings (including the adjustment of the undistributed earnings amount) at the beginning of the period, will be proposed by the board of directors for a profit distribution plan. The board of directors, with the attendance of more than two-thirds of the directors and the resolution of the majority of the attending directors, will distribute dividends and bonuses or the entire or part of the legal reserve and capital reserve as specified in Article 241(1) of the Company Act, in the form of cash, and report to the shareholders' meeting. The part of the distribution in the form of stock dividends will need to be approved by the shareholders' meeting.

The Company's dividend policy is to allocate no less than 10% of distributable earnings each year for shareholders' dividends and bonuses, taking into account current and future development plans, investment environment, capital needs, domestic and international competition, and shareholder interests. However, if the accumulated distributable earnings are less than 10% of the paid-in capital, no distribution will be made. Dividends and bonuses for shareholders can be distributed in cash or stock, with cash dividends no less than 10% of the total dividend amount.

6.2 Proposed Distribution of Dividend

Unit: NT$

Beginning retained earnings	5,373,840
Adjustments on re-measurement on define benefit plans recognized in retained earnings	121,783
Adjustments on equity method investments	(67,732)
Cumulative unrealized loss on investments in equity instruments designated as at fair value through other comprehensive income (FVTOCI) transferred directly to retained earnings due to disposal	(1,464,500)
Add: Net profit after tax of 2023	200,110,205
Adjusted undistributed earnings	204,073,596
Less: Legal reserve (10%)	(20,407,360)
Add: Special reserve	30,214,313
Distributable earnings	213,880,549

Distributable items:：	
Cash dividend (NT$ 3.36102753 per share) (Remark 1)	213,874,490
Unappropriated retained earnings	6,059
Remarks:	

Note: The actual dividend payout ratio may be adjusted by the Chairman according to the Company's outstanding shares of the shareholders' register on the date for capital increase and distribution of dividends.

7. Impact of Stock Dividends Issuance by the resolution of the shareholders on the Company's business performance and earnings per share：Not applicable.

8. Employee Bonus and Directors' Remuneration：

8.1 Information Relating to Employee Bonus and Directors' and Supervisors' Remuneration in the Articles of Incorporation：

Article 21

If the Company has a profit (the so-called profit refers to the profit before tax, minus the remuneration for employees and directors), it should allocate at least eight percent for employee compensation and up to three percent for director compensation. However, if the Company still has accumulated losses (including adjustments to the undistributed earnings amount), a reserve should be made in advance to cover the losses.

The above-mentioned employee compensation can be given in the form of shares or cash, and the recipients can include employees of subsidiaries that meet the conditions set by the board of directors. The director's compensation mentioned above can only be in cash.

The above two items should be decided by the board of directors and reported to the shareholders' meeting.

Before the establishment of the Company's audit committee, the remuneration of the supervisor was combined with the director's remuneration, distributed at up to three percent of the annual profits, and this provision applied.

8.2 Accounting treatment for the basis of estimating the amount of the employees' compensation, directors' and supervisors' remuneration for this fiscal period, the basis of calculating the number of shares to be distributed as employees' compensation and for any discrepancy between the actual amounts distributed and the estimated figures.

8.2.1 The estimated basis for calculating compensation to employees and directors in the current period：

The undistributed earnings after considering the monthly statutory earnings reserve and other factors are estimated at a fixed rate within the range defined by the articles of incorporation.

8.2.2 Basis for calculating the number of shares distributed：

It is calculated based on the closing price the day before the resolution of the shareholders' meeting of the following year, taking into account the impact of ex-rights and ex-dividend, and the employee bonus of less than one share is paid in cash.

8.2.3 If there is a discrepancy between the actual distributed amount and the estimated figure, it shall be accounted as profit and loss for the next year.

8.3 Distribution of compensation to the Board of Directors：

8.3.1 At the Board of Directors meeting on March 27, 2024, the Company decided on the distribution of employee and director compensation in 2023 as follows:

Item		Amount(NT$)
Employee Bonus	Cash	20,641,468
Directors' Remuneration	Cash	5,222,698

There is no discrepancy between the proposed compensation to employees and directors and the estimated annual compensation expenses.

8.3.2 The proportion of shares distributed as compensation to employees to the total amount of net profit plus compensation to employees in the current period：There are no shares distributed as compensation to employees in the most recent fiscal year, thus it is not applicable.

8.4 The actual distribution of compensation to employees and directors in the previous year

Unit:NT$

Distribution Item	The estimated amount	The actual distribution
Employee Bonus	29,343,161	29,343,161
Directors' Remuneration	6,998,643	6,998,643
The discrepancy between the actual distribution and the recognized compensation expenses to employees and directors of the resent year.	No discrepancy	

9. Buyback of Treasury Stock：None.

10. The status of corporate bonds issuance：None.

11. The status of preferred shares issuance：None.

12. The status of overseas depositary receipts issuance：None.

13. The status of employee stock warrants issuance

13.1 The annual report shall disclose unexpired employee subscription warrants issued by the Company in existence as of the date of publication of the annual report, and shall explain the effect of such warrants upon shareholders' equity

2024/04/21

Type of employee share subscription warrants	2021 1st employee share subscription warrants
Effective registration date	2021.03.24 Units：3,000

Type of employee share subscription warrants	2021 1st employee share subscription warrants
Issue (handling) date	2021.04.23
Number of units issued	3,000
Number of units issued available	0
Ratio of the number of issued subscribable shares to the total number of issued shares	4.83%(Note)
Duration	4 years and 2 months
Exercise method	Issue of new shares
Vesting period and percentage (%)	2 years 30% 2 years 10 months 60% 3 years 10 months 100%
Number of shares subscribed through exercise of the warrants	1,538,600
Amount of the shares subscribed through exercise of the warrants	1,538,600
Number of unexercised shares	1,461,400
Subscription price per share of the unexercised shares	66.5
Ratio of the number of unexercised shares to the total number of issued shares (%)	2.31
The effect on shareholders' equity	In order to attract and retain the professional talent needed by the Company, and to motivate and enhance employee cohesion, to jointly create benefits for the Company and shareholders.

Note 1: Affected by Cash dividends paid in 2022, the latest subscription price is calculated based on the ex-dividend base date of 25 July 2023.

Note 2: Calculated based on 63,188,912 outstanding shares as of the publication date of the annual report.

13.2 Employee Stock Option Granted to Management Team and to Top 10 Employees:

2024/4/20 Unit: shares / NTD

Identity	Title	Name	Number of Option Acquire	Number of Option Acquired / Number of Option Issued(%)	Exercised				Not Exercised			
					Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued(%)	Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued(%)
Manager	Group CEO	Su-Ming Chen	1,030,000	1.62	598,000	66.5~68.3	40,192,700	0.94	432,000	66.5	28,728,000	0.68
	President	Tung-Yi Wu										
	Executive Vice President	Chun-Liang Kuo										
	Vice President	Chung-Kuang Chen										
	Vice President	Yu-Cheng Chen										
	Vice President	Jun-Ming Chen										
	Associate Vice President	Wen-Sung Ho										
	Associate Vice President	Lang Lien										

Identity	Title	Name	Number of Option Acquire	Number of Option Acquired / Number of Option Issued(%)	Exercised				Not Exercised			
					Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued(%)	Number of Option	Exercise Price (NT$)	Option amount	Number of Option / Number of Option Issued(%)
Employee	Senior Manager	Chien-Hsing Lee	475,000	0.74	274,000	66.5~68.3	18,465,800	0.43	201,000	66.5	13,366,500	0.32
	Senior Manager	Jian -Zhi Lee										
	Senior Manager	Sheng-Feng Yeh										
	Senior Manager	Yu-Wei Chen										
	Manager	Hsien-Wen Liu										
	Assistant Manager	Jen-Ti Peng,										
	Chief Engineer	Wun-Kai Wu										
	Chief Engineer	Jhih-Wei Wang										
	Chief Engineer	Hsuan-Wei Chang										
	Chief Engineer	Guan-Han Chen										

Note: The first employee stock option certificate in 2021 took effect on March 24, 2021, and as of the date of the annual report printing, it has not yet been actually given to employees.

14. The status of employee restricted stock warrants issuance

14.1 The status of employee restricted stock warrants issuance：None.

14.2 Names and acquisition status of managerial officers who have acquired new restricted employee shares and of employees who rank among the top ten in the number of new restricted employee shares acquired, cumulative to the date of publication of the prospectus：None.

15. The status of new shares issuance in connection with mergers or acquisitions or with acquisitions of shares of other companies：None.

16. The status of implementation of the capital allocation plans：None.

V. Operational Highlights

1. Business Activities

1.1. Scopes of the business

The Company's primary focus revolves around the production of microwave, millimeter wave, and radio frequency front-end passive components and antennas for wireless communication. These products are primarily utilized in 4G/LTE/Small Cell networks, the fifth-generation mobile communication network (5G), and low, medium, and high orbit satellite communication equipment. To further enhance its capabilities, the group is committed to developing new technologies, processes, and materials alongside its existing expertise in microwave/millimeter-wave front-end passive component and antenna research and development, as well as manufacturing.

The table below illustrates the share of business from the main product categories:

Year / Main Selling Item	2023 (%)
Microwave & mmWave Product	49%
RF (Radio Frequency) Product	32%
Telecommunications Infrastructure Engineering Service	19%

1.2. Industry Overview

1.2.1. Industry status and development

During the 4G era, the mobile Internet unfolded, primarily driven by significant improvements in network speed and latency. The ongoing growth of mobile communications has fostered the diversified development of the industry. However, as the demand for 4G enters a phase of growth, the foundation for 5G has also been activated to meet the anticipated development of the Internet of Things, which requires robust information transmission capabilities.

5G technology represents a comprehensive innovation over its predecessor, 4G, offering substantial improvements in terms of speed, connection capacity, and latency. In addition to basic communication functions, 5G boasts a mature industrial chain, a vast user base, and flexible and efficient application service models. Its true potential shines through in the realm of Internet of Things applications within commercial and industrial sectors, effectively addressing the mobile communication network requirements of the industrial internet.

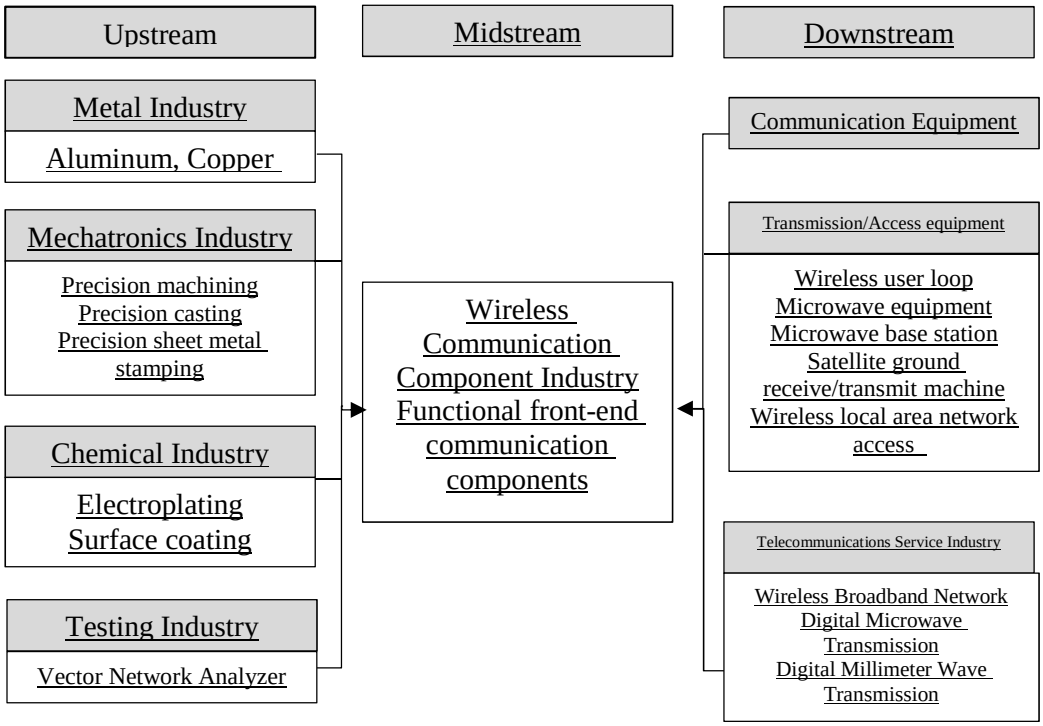
Beyond the promising future of 5G, satellite communication plays an increasingly important role in wireless communication. While ground mobile communication systems provide convenient services for users, their deployment becomes challenging in mountainous, desert, and marine areas. In such cases, satellites act as a supplement to extend the reach of ground systems.

The integration of satellite communication systems with 5G creates a globally seamless coverage network, spanning sea, land, and air, thereby fulfilling the ubiquitous user connectivity needs. This integration represents a pivotal direction for future communication development. By harnessing the strengths of satellites and 5G, more comprehensive and high-quality services can be provided to users. As we look ahead, satellite systems will merge with ground systems, amalgamating mobile communication and wireless communication to realize the vision of an interconnected world.

Mobile communication is poised for continued growth. Developing countries and emerging markets are still in the process of setting up 4G/LTE networks to deliver high-capacity broadband data transmission services, catering to the diverse demands of smart handheld devices. Simultaneously, the need for information transmission is increasing, and the construction of 5G networks is rapidly advancing. As a result, the demand for microwave/millimeter wave components is becoming increasingly prominent. Furthermore, with the cost of satellite communications rapidly declining and its global coverage advantage, it is driving the development of the wireless communications industry. Applications are expanding to meet diverse wireless communication needs, especially with the utilization of low-Earth orbit satellites, which provide omnipresent transmission services and comprehensive support for future developments such as autonomous driving and widespread IoT applications. This integration is expected to bring significant disruptions to the industry, presenting unlimited business opportunities for wireless communication providers. Microwave/millimeter wave components play an indispensable role in satellite ground receiving station modules.

1.2.2. Industry relevance of upstream, midstream and downstream companies

Microwave communication relevance of upstream, midstream and downstream reaches of the industry is as follows:



The group operates as a manufacturer of midstream functional frontend communication components, wired and wireless signal transmission components, and antennas within the microwave/millimeter wave communication industry. Our signal transmission component products are supplied to downstream wireless communication system manufacturers, who then provide the wireless communication system equipment to telecommunication operators or end users. Satellite communication products, on the other hand, are provided to satellite ground transceivers, satellite communication payloads, and wireless local area network access points. Additionally, antennas and transmission components have a broader range of applications, serving as signal transmission interface functions for downstream information, consumer electronics products, medical equipment, and various wired and wireless products such as automobiles, mobile phones, base stations, and amplifiers. The group's downstream users also include manufacturers of medical equipment.

1.2.3. Various development trends of product

With the commercialization of 5G in 2020, millimeter wave technology has become an integral part of the 5G system's technical specifications. Consequently, the application of millimeter wave technology has expanded beyond back-end communication between base stations to encompass front-end transmission between base stations and end users. The demand for millimeter wave components is expected to surge in 5G applications, leveraging the high bandwidth characteristics of millimeter waves to achieve significant increases in transmission efficiency. Furthermore, the infrastructure for 5G will continue to expand. Looking ahead, the low-orbit orbit sector is poised for significant growth, with 2022 being considered the industry's first year of low-orbit orbit communications. As low-orbit orbit technology matures and costs decrease, the global low-earth orbit industry is projected to experience rapid growth. Existing products will see continuous demand growth as satellite launch volumes increase for each operator, while newly certified products will enter mass production, providing additional revenue streams. In particular, millimeter wave antenna end components used in satellite payloads have been adopted by multiple customers. The Company is also engaged in various ongoing certification projects with different customers, all of which serve as opportunities for supporting high revenue growth. Leveraging its extensive experience and efficient R&D capabilities, the Company has successfully met the high-precision specifications of millimeter waves and collaborated with numerous customers to develop 5G commercial and satellite broadband communication devices, among other application products. These efforts contribute to the realization of a communication ecosystem where satellites and 5G technologies complement each other, enabling a swift realization of a connected world.

1.2.4. Industry competition

Companies around the globe that mainly produce microwave/millimeter-wave front-end communication components are predominantly based in Europe and America, while in Japan, these products are

typically developed and manufactured by subsidiaries of system companies.

The main competitors in the microwave/millimeter-wave front-end communication component market are primarily old companies in Europe and America with a history of over 30 years. Their technical abilities are well-established and undisputed. In addition to having a cost-competitive advantage, our company also boasts a mature technology industry, high-quality human resources, a strong R&D team, robust research and development capabilities, and efficient mass production. Our years of operational results have earned us a key role in this communication market.

1.3. Technology and R&D Overview

1.3.1. R&D expenses

In Thousands of NT$

Item/Year	2023	2024Q1
R&D expenses	150,632	42,084
Percentage of consolidated net operating revenue(%)	10%	10%

1.3.2. Technology or product development accomplishments

The newly developed technologies and products in the past year are as follows:

Year	R&D Items	Application
2022	Ka-Band Multiplexers	Satellite ground station communication system
2022	Novel dual band orthomode Transducer	5G Backhaul communication system
2022	Novel E-Band millimeter Wave communication subsystem	5G Backhaul communication system

1.4. Long and short-term business development plans

Short-term business development plan：

1.4.1. Expand the production capacity in Southeast Asia and establish long-term and stable cooperation with customers:

In response to the production capacity demand brought by the prospects of the low-orbit orbit industry and to meet the risk diversification required by customers in geopolitical competition, this year will be the implementation year of the previous plan to expand the production capacity in Southeast Asia. This plan will also make good use of the tax benefits of Southeast Asian countries to achieve better tax benefits, and the products covered in the future will also be expanded year by year. Suitable products of subsidiaries will also have the flexibility of capacity expansion and cost optimization, so that related companies in the Group will also benefit from this plan, and can build a longer-term cooperation advantage with customers by the re-improvement of competitiveness to promote the overall operating performance of the Company.

1.4.2. Expand the product range required by the low-orbit orbit industry to continuously increase the scale of revenue:

With the annual expansion of the customer base of low-orbit orbit, as well as the fruitful results of related product development, we can make good use of this foundation to expand the breadth of cooperation with various customers, and can then meet the needs of new industry participants, provide products with mature application experience to assist customers in shortening the development exploration period, quickly obtain customer reliance and become a long-term cooperative partner, which in turn enables the Company to play a key role in the field of low-earth orbit applications, obtain sustainable growth momentum in revenue scale, and continue to increase revenue scale.

1.4.3. Utilize production capacity to optimize manufacturing costs and improve profitability:

It is expected that in the process of capacity expansion, the utilization of economies of scale and process optimization can bring more competitive production costs. In addition, it has achieved good results in process automation and yield control in the previous year, and this year's extension can benefit more diversified products, and related results can be replicated to different manufacturing bases for comparison and application, so that the cost optimization benefits can be expanded, so as to achieve a better effect of improving the Company's overall profitability.

Long-term business development plan：

(1)Utilize core strengths, multi-faceted integration and expansion.

Microwave/millimeter wave components are just a part of the communication system. However, in the communication industry, there are many industries with niche needs in the upstream, midstream, and downstream, which provide opportunities. For the upward-trending wireless communication and satellite communication industry, the Company utilizes proficient technical expertise and familiarity with the industry ecosystem to establish long-term competitive advantages.

(2)Continuously expand low earth orbit satellite communication markets and expand the scale of decentralized production capacity.

With the continuous improvement of satellite manufacturing technology, the application value is created that is different from the traditional high-orbit satellites, coupled with the rapid decline in satellite launch costs, such as carpool, medium and large satellite vehicles and other innovative services, it continues to promote the significant expansion of the number of satellite transmissions worldwide. In addition, in response to the global geopolitical competitive environment, the Company also has a complete response plan, which can meet the diversified needs of customers' geopolitical risks and take into account the needs of capacity expansion. In the long run, it is believed that it can produce multiplier effect for grasping the vast and long-term business opportunities of LEO satellite communication and increasing the breadth of cooperation with customers.

2. Market and Sales Overview

2.1 Market Analysis

2.1.1 Sales regions of main products

Unit：In Thousands of NT$

Year / Region	2022		2023	
	Amount	%	Amount	%
Taiwan	357,089	19.43	405,021	25.55
China	133,953	7.29	86,863	5.48
Asia	437,674	23.82	416,287	26.26
Europe	307,232	16.72	210,846	13.30
America	586,944	31.94	455,430	28.73
Other	14,773	0.8	10,761	0.68

2.1.2 Market Share

Most of the Company's products are customized and niche products, and we are also the main supplier for global microwave/millimeter wave communication system manufacturers and satellite operators. Therefore, we already have a stable market share in the wireless communication industry.

2.1.3 The future supply and demand situation and growth of the market

In addition to the demand for the construction of 4G/LTE and 5G mobile communications in developing countries still driving continuous market growth, the basic infrastructure of 5G in developed countries has also started, and the demand for microwave/millimeter waves, millimeter wave components will become more apparent. In addition, the breadth of satellite communication applications is also expanding due to the diversified needs of wireless communication. Microwave/millimeter wave components are an indispensable part of satellite ground receiving station modules. Hence, it can be foreseen that in the coming years, with the increase in the construction of 4G/LTE, 5G and satellite communications, the demand for wireless RF components is expected to bring about several years of rapid growth.

In addition to the fact that there is still a certain demand for 4G/LTE and 5G mobile communication construction, which can drive the continuous growth of microwave/millimeter wave component demand, the breadth of satellite communication application is also expanded due to the diversified needs of wireless communication, especially the rapid growth of low-earth orbit communication, and microwave/millimeter wave components are also an indispensable part of satellite payload and satellite ground receiving station module. It is foreseeable that with the increase in 4G/LTE, 5G and satellite communication construction in the coming years, the demand for RF components can also bring rapid growth for many years.

2.1.4 Competitive Advantages

(1) Proprietary R&D technology, fully autonomous products.

The products we develop and manufacture are all based on our own R&D technology, and can be customized and modified according to customer requirements. Because we fully develop and produce ourselves,

our after-sales service can meet customers' requirements for quick responses more effectively.

(2) Product stability, high technical entry barrier.

The Company combines the R&D and manufacturing technology of telecommunications equipment components with wireless signal technology. The microwave/millimeter wave communication components produced have been certified and continue to cooperate with internationally renowned system manufacturers. We design and manufacture components, and have achieved impressive results in the layout of the LEO satellite market and the development of related products, demonstrating product stability and receiving high praise.

(3) The customer base is broad and has established a brand reputation, which makes it easier to expand new application opportunities.

The importance of communication quality in wireless communication is extremely high, especially with the wide range of applications in the industry. Existing businesses or startups prioritize partners that can keep pace with their product development in order to effectively seize opportunities. The Company has cooperated with well-known system companies around the world for many years, and the accumulated reputation has an excellent brand reputation. The demand for satellite communication brings a long-term business opportunity due to the low-earth orbit communication has the advantages of low latency, not affected by terrain and greatly reduced construction costs. The Company has entered the main low-earth orbit operators and entered the shipment growth period. Therefore, with the specific growth momentum of low-earth orbit business opportunities, it will be one of the important factors for stable performance growth.

2.1.5 Positive and negative factors for future development and response measures

Positive Factors	Negative Factors	Response Measures
(1) We have our own R&D technology and autonomous products. (2) Our products have excellent stability and high technical barriers to entry. (3) Our wide customer base and established brand reputation make it easier to explore new business opportunities.	(1) The training period for microwave/millimeter-wave communication R&D personnel is long. (2) Product development and certification periods are long. (3) Competitive pricing in the electronics market compresses profit margins.	(1) We are promoting transparency in management and public stock offerings to enhance the Company's image, bring in public market funds, and effectively attract talent through a reward system. (2) We continuously improve product design to shorten development time and reduce costs, thus increasing competitiveness. (3) We are investing in the development and manufacturing of products with higher technical integration and complexity, to develop niche products.

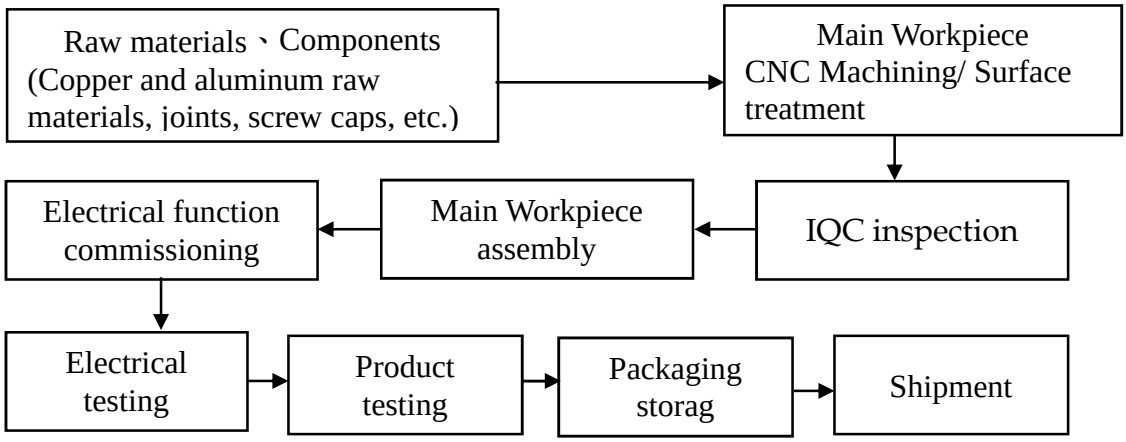
2.2 Main products' important functions and production process

2.2.1 Main products's important functions

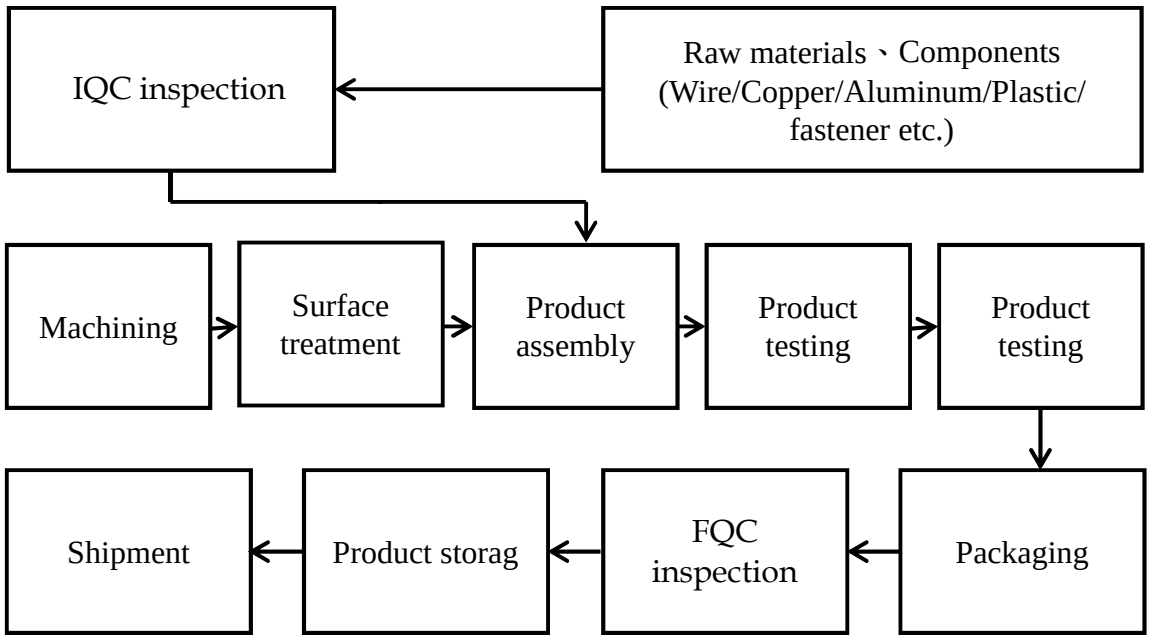
The group's products include high-frequency passive communication components such as microwaves/millimeter waves and antennas. Market applications include wireless backhaul networks, satellite communications, broadband wireless transmission, and mobile communication base stations. We can quickly provide customized products that meet customer specifications and rapidly move into mass production, offering a variety of customized services.

2.2.2 Production process

(1)Microwave passive components



(2)Radio Frequency Product



2.3 Supply situation of major raw materials

In the local production area, the group has established long-term supply chains with local suppliers. We also promote important supplier audit guidance mechanisms, maintaining close and stable cooperation with suppliers. Under the policy of ensuring easy access to major material sources and maintaining at least two suppliers, we encourage suppliers to cooperate, continually improve quality, and maintain stable and reasonable prices.

2.4 List of major customers for procurement / sales

2.4.1 Details of suppliers accounted for more than 10% of total procurement amount in either of the 2 most recent fiscal years

Unit：In Thousands of NT$

	2022				2023				First quarter of 2024			
Item	Name	Amount	Percentage of annual net procurement (%)	Relationship with the issuer	Name	Amount	Percentage of annual net procurement (%)	Relationship with the issuer	Name	Amount	Percentage of annual net procurement (%)	Relationship with the issuer
1	None			None	Supplier A	74,574	12%	None	Supplier B	23,539	12%	None
2	Other(Note1)	760,878	100%	None	Other	550,605	88%	None	Other	173,083	88%	None
	Net Procurement	760,878	100%	None	Net Procurement	625,179	100%	None	Net Procurement	196,622	100%	None

Supplier A： In 2023, due to the project execution progress, the demand for the only supplier for the project of the subsidiary companies under the group has increased.

Supplier B：The first quarter of 2024 is a material for the Group's parent company. The increase in orders has increased the demand for Supplies.

Note 1: In 2022, there were no suppliers accounting for more than 10% of the total procurement amount.

2.4.2 Details of customers accounted for more than 10% of total sales amount in either of the 2 most recent fiscal years

Unit：In Thousands of NT$

	2021				2022				First quarter of 2023			
Item	Name	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Item	Amount	Percentage of annual net sales (%)	Relationship with the issuer	Item	Amount	Percentage of annual net sales (%)	Relationship with the issuer
	None				None				Customer A	67,997	14.99	NA
									Customer B	54,101	11.93	
									Other	331,424	73.08	
	Net Sales	1,837,665	100.00		Net Sales	1,585,208	100.00		Net Sales	453,522	100.00	

Reasons for the changes: Customer A and B increase in the first quarter of 2023. Is that there were project orders in the first quarter, which caused the sales of customer A and B to increase compared with the same period.

2.5 Production in the last two years

Unit: pc；NT$ thousand

Year / Production value / Main Products	2022			2023		
	Capacity	Quantity	Amount	Capacity	Quantity	Amount
Microwave & mmWave Product	2,000,000	1,079,516	306,248	2,000,000	1,177,034	237,365
RF (Radio Frequency) Product	25,000,000	20,554,839	606,314	25,000,000	13,393,850	428,525
Telecommunications Infrastructure Engineering Service	2,800,000	1,852,021	138,893	2,800,000	1,189,740	192,528
Total	29,800,000	23,486,376	1,051,455	29,800,000	15,760,624	858,418

2.6 Shipments and sales in the last two years

Unit: pc；NT$ thousand

Year / Shipments and Sales / Main Products	2021				2022			
	Local		Export		Local		Export	
	Quantity	Amount	Quantity	Amount	Quantity	Amount	Quantity	Amount
Microwave & mmWave Product	26,086	52,791	736,824	864,623	2,344	37,505	664,840	741,565
RF (Radio Frequency) Product	3,299,605	123,168	18,182,579	602,367	2,332,161	88,481	12,123,868	419,845
Telecommunications Infrastructure Engineering Service	1,695,869	181,129	1,004	13,586	1,247,229	279,035	29,714	18,777
Total	5,021,560	357,089	18,920,407	1,480,576	3,581,734	405,021	12,818,422	1,180,187

3. Status of employees

Year		2022	2023	As of 2024/3/31
Number of Employees	Direct Labor	185	184	180
	Indirect Labor	303	329	280
	Research and development	87	88	88
	Total	575	601	548
Average Age		40	37	40

Year		2022	2023	As of 2024/3/31
Average Years of Service		7.7	7.8	8.6
Education	Ph.D.	0.35	0.33	0.36
	Masters	10.96	12.31	12.41
	Bachelor's Degree	39.13	40.77	39.05
	High School	31.65	31.78	31.57
	Below High School	17.91	14.81	16.61

4. Information on environmental protection expenditures

In the recent fiscal year and up until the date of printing this annual report, no losses due to environmental pollution were encountered. There is no estimated amount or contingency plan for potential future pollution-related losses, as there are no foreseeable circumstances where it would be possible to make reasonable estimates.

5. Employee Relations

5.1 Work environment and employee safety

5.1.1 Recognizing the importance of "work environment and employee safety measures", we implement occupational safety and health regulations, regularly identify and analyze safety and risk aspects, establish management plans and improvement targets for significant environmental safety and health matters (lower-risk items are controlled through operational management). Furthermore, thanks to our effective 5S management and implementation within the workplace, significant improvements in environmental safety and health have been achieved.

5.1.2 A safe and healthy working environment is the result of joint efforts between the Company and employees. We regularly arrange occupational safety and health courses (for new employees, existing employees, and safety professionals), ensuring all staff receive necessary safety training to enhance safety awareness. This includes part-time students, contractors, and temporary workers. For contractors and suppliers entering the plant area, we provide hazard communication and response strategies. Also, we standardize the safety management of hardware equipment and materials in the plant.

5.1.3 Contracted occupational safety and health medical personnel visit the factory to provide health services and health promotion activities for workers, strengthening the physical and mental health of workplace employees and creating a friendly workplace environment.

5.2 Employee welfare initiatives

5.2.1 Depending on the operational status and individual performance, the Company issues incentive bonuses.

5.2.2 The Company offers employee bonuses and stock options based on operational status and individual performance.

5.2.3 The Company has established an employee welfare committee to plan for employee benefits.

5.2.4 Annual health checks are carried out, emphasizing employee physical and mental health.

5.2.5 The Company has set up medical rooms, nursing rooms, table tennis rooms, basketball courts, gyms, etc., to provide a good working environment for employees.

5.2.6 The Company conducts annual senior and excellent employee commendations, labor-management talks, education and training, and lectures on caring for employees' life and work, etc.

5.2.7 The Company provides travel subsidies for employees.

5.2.8 The Company encourages employees to participate in clubs and provides financial assistance, such as yoga clubs, board game clubs, table tennis clubs, basketball clubs, sports health clubs, badminton clubs, etc. Employees regularly participate in club activities, establish good interactions, and form regular exercise habits.

5.3 Education and trainings of employees as below

Course Type	No. of Employees	Total Sessions	Total Training Hours	Total Expense
Department professional training	1623	178	3466	896,437
Management training	955	94	1029	177,847
New employee training	147	72	1819	321,207
General Education	405	34	853	192,715
Employee Safety and Health	752	67	1565	352,740
Total	3882	445	8732	1,940,946

5.4 Retirement system and its implementation status

5.4.1 Pension provision: According to the Labor Standards Act, the Company has set up an employee retirement scheme, formed a labor retirement reserve supervision committee, and allocates 2% of the total salary paid each month as a retirement reserve, which is deposited into a special account at Bank of Taiwan in the name of the committee.

5.4.2 For 2023, the labor retirement reserve special account has been fully allocated according to the actuarial report by the actuary, and a one-year suspension of allocation was approved from March of 2023.

5.5 Labor agreements and maintenance status of various employees' rights and interests

The Company has established relevant measures and regulations for all employees in order to let them understand and follow ethical concepts, rights, obligations and the codes of conduct. The measures are as follows:

5.5.1 Authority limits : To improve work efficiency and tiered management.

5.5.2 Organizational structure and work content of each department：Clearly define the organizational functions of each department.

5.5.3 Work rules and regulations : Assist all employees in understanding the relevant internal regulations of the Company.

5.5.4 Labor-management meetings: Regularly hold labor-management meetings, communicate opinions through meetings, enhance mutual understanding, strengthen labor relations, protect workers' rights, and promote the smooth implementation of various tasks.

5.5.5 Established a problem feedback mailbox, a physical suggestion box, and a company Line@ life circle, providing employees with multi-channel communication and complaint channels, and timely handling.

5.6 Explanation for any loss sustained by the Company as a result of labor disputes in recent years and up to the publication of the annual report, and disclose an estimate of losses incurred to date or likely to be incurred in the future, and indicate contingency measures being or to be taken.：None.

6. Cyber Security Management

6.1 Provides the cyber security risk management framework, Cyber Security Policy, specific management plans and cyber security management resources invested.

6.1.1 Cyber security risk management framework :

The Company has established the "Information and Communication Security Committee" to coordinate the coordination and management review of information and communication security policies, plans, operations, and resource scheduling, and shall report the implementation results of information and communication security work to the Information and Communication Security Committee for management and review at least once a year. The organization has an Executive Vice President as the Chief Information Security Officer, and has an Executive Secretary, a Information Security Committee member, an Information Security Working Group, an Internal Audit Group, and an Emergency Response and Event Reporting Group. The members of the Committee include two dedicated information security supervisors and personnel, of which the dedicated information security supervisor has obtained the ISO27001 information security management system leading auditor certificate.

In 2024, the Company introduced the ISO27001 information security management system, established an information Assets risk management based structure, and passed third-party audit verification to reduce the Company's information security incident risk.

The Information Security Promotion Team shall collect internal and external communication information, and regularly report the implementation of information security to the Board of Directors or the management to ensure the appropriateness and effectiveness of the operation.

6.1.2 Cyber Security Policy：

The Company has established the "Information Security Policy" to maintain the confidentiality, integrity and availability of the Company's information Assets, and to comply with the requirements of relevant laws and regulations, and to protect the privacy of users' data, so that they are protected from internal and external deliberate or accidental threats. It is expected to obtain the ISO27001 information security management system certification certificate in the middle of 2024.

Scope:

This policy applies to the Company's personnel, outsourcing service providers and visitors to comply with this policy, as well as the management of relevant operating standards for information and communication security.

Review:

This policy shall be evaluated and reviewed at least once a year to meet the requirements of government laws and regulations, and reflect the development trend of information technology, so as to ensure the effectiveness of the

Company's information security management operations.

Corrective and preventive management:

When internal and external audits discover deficiencies, information security incidents, or self-found potential risks that need to be controlled and processed, the handling unit should propose corrective measures to prevent similar incidents from regenerating and achieve the goal of continuous improvement of information security.

6.1.3 Specific Management Strategy：

(1)In accordance with the spirit of PDCA, the "Information Security Policy" is strictly implemented.

(2)For information technology and equipment, the Company has built the highest level of firewall, backup system, email protection system and file encryption system in the information industry, and terminal computers automatically update the latest anti-virus definition files every day, so it can achieve the most complete protection of the Company's system and data.

(3)Participate in intelligence sharing organizations such as TWCERT or collect and analyze information related to information security threats through different channels to produce threat intelligence.

(4)Regularly conduct e-mail social engineering drills every year, and educate and train personnel who accidentally turn on letters or links, and keep relevant records.

(5)Regularly conduct vulnerability scanning and penetration testing for core systems.

(6)Education and training:

General users: at least three hours of general education and training on information and communication security per person per year.

Information personnel: At least three hours of professional training and cyber security function training for cyber security every two years, and three hours of cyber security general education training every year.

Dedicated information security supervisor and personnel: At least 12 hours of professional information security training per person per year.

(7)Formulate the management procedures for on-the-job, on-the-job and resignation, and sign a confidentiality agreement to clearly inform the confidentiality matters.

(8)Formulate the information security responsibilities and confidentiality regulations of the outsourcing manufacturers, and specify the service level agreement (SLA) and information security requirements in the procurement documents.

6.1.4 Resources invested for cyber security management：

The Company continues to strengthen the information security system, with at least two dedicated information security supervisors and personnel, improves the data backup mechanism, continuously conducts disaster recovery drills, regularly checks the correctness of account permissions, strengthens personnel information security education and training and information security personnel training, and regularly conducts e-mail social engineering drills and vulnerability scanning and improvement, etc., in addition to reducing the

probability of information security incidents in the Company, and also improving the information security awareness and response ability of all personnel.

6.2 Losses, possible impacts and countermeasures as a result of major cyber security incidents in the last year up to the publication date of this annual report, state the reasons if losses cannot be reasonably estimated：

No major information security incidents occurred that resulted in business losses in the last year up to the publication date of this annual report.

7. Important Contracts

The important contracts of supply/distribution contracts, technical cooperation contracts, engineering/construction contracts, long-term loan contracts, and other contracts that would affect shareholders' equity, where said contracts were either still effective as of the date of publication of the annual report, or expired in the most recent fiscal year：None.

VI. Financial Information

1. Summary financial data for the most recent five fiscal years

1.1 Condensed consolidated balance sheet

1.1.1 Parent Company Only Financial Statements- Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years				
		2019	2020	2021	2022	2023
Current assets		656,332	859,839	792,418	841,866	699,259
Property, Plant and Equipment		632,340	628,404	607,055	625,003	647,132
Intangible assets		6,776	23,412	18,369	22,168	15,866
Other assets		884,494	936,128	1,285,260	1,292,674	1,393,528
Total assets		2,179,942	2,447,783	2,703,102	2,781,711	2,755,785
Current liabilities	Before distribution	190,537	495,995	670,235	757,142	629,851
	After distribution	433,748	651,392	918,870	1,005,776	843,725
Non-current liabilities		27,673	30,910	40,750	56,390	67,629
Total liabilities	Before distribution	218,210	526,905	710,985	813,532	697,480
	After distribution	461,421	682,302	959,620	1,062,166	911,354
Equity attributable to shareholders of the parent		1,961,732	1,920,878	1,992,117	1,968,179	2,058,305
Capital stock		607,118	621,586	621,586	621,586	629,312
Capital surplus		894,886	923,605	853,780	820,898	855,139
Retained earnings	Before distribution	452,615	358,880	482,812	555,909	530,838
	After distributionv	209,404	203,483	234,177	804,543	744,712
Other equity interest		7,113	16,807	33,939	(30,214)	43,016
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before distribution	1,961,732	1,920,878	1,992,117	1,968,179	2,058,305
	After distribution	1,718,521	1,765,481	1,743,482	1,719,545	Note2

Note 1: Financial information for each year is reviewed or audited by CPA.

Note 2: The resolution for earnings distribution for 2023 has not yet been approved at the Shareholders' Meeting.

1.1.2 Consolidated Financial Statements- Based on IFRS

Unit: NT$ thousands

Item \ Year		Financial Summary for The Last Five Years					As of 31st March 2023
		2018	2019	2020	2021	2022	
Current assets		1,576,563	1,863,990	2,217,369	2,218,955	2,077,997	2,259,911
Property, Plant and Equipment		986,705	939,127	901,321	902,617	933,959	937,329
Intangible assets		35,301	46,154	33,203	29,820	17,613	17,074
Other assets		320,003	342,554	378,410	299,919	370,604	372,275
Total assets		2,918,572	3,191,825	3,530,303	3,451,311	3,400,173	3,586,589
Current liabilities	Before distribution	523,351	834,246	1,096,605	997,103	847,775	1,119,613
	After distribution	807,971	1,044,317	1,396,561	1,294,946	1,061,649	NA
Non-current liabilities		40,309	46,838	53,952	67,180	89,367	71,335
Total liabilities	Before distribution	563,660	881,084	1,150,557	1,064,283	937,142	1,190,948
	After distribution	848,280	1,091,155	1,450,513	1,362,126	1,151,016	NA
Equity attributable to shareholders of the parent		1,961,732	1,920,878	1,992,117	1,968,179	2,058,305	2,004,769
Capital stock		607,118	621,586	621,586	621,586	629,312	636,972
Capital surplus		894,886	923,605	853,780	820,898	855,139	900,933
Retained earnings	Before distribution	452,615	358,880	482,812	555,909	530,838	394,523
	After distribution	167,995	148,809	182,856	258,066	316,964	NA
Other equity interest		7,113	16,807	33,939	(30,214)	43,016	72,341
Treasury stock		0	0	0	0	0	0
Non-controlling interest		393,180	389,863	387,629	418,849	404,726	390,872
Total equity	Before distribution	2,354,912	2,310,741	2,379,746	2,387,028	2,463,031	2,395,641
	After distribution	2,070,292	2,100,670	2,079,790	2,089,185	2,249,157	NA

Note 1: Financial information for each year is reviewed or audited by CPA.
Note 2: 2024 Q1 Financial information has been reviewed by a CPA.

1.2 Condensed consolidated statement of comprehensive income

1.2.1 Parent Company Only Financial Statements- Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years				
	2019	2020	2021	2022	2023
Operating revenue	799,458	578,462	666,640	840,884	732,601
Gross profit	401,683	285,276	314,816	434,973	371,880
Income from operations	172,962	85,439	77,809	174,888	117,009
Non-operating income and expenses	128,485	63,801	186,809	155,560	115,145
Income before tax	301,447	149,240	264,618	330,448	232,154
Income from operations of Continued segments–after tax	250,111	124,194	236,644	271,000	200,111
Income or Loss from Discontinued departments	0	0	0	0	0
Net income(loss)	250,111	124,194	236,644	271,000	200,111
Other comprehensive income (income after tax)	(6,505)	10,655	17,549	(63,148)	71,819
Total comprehensive income	243,606	134,849	254,193	207,852	271,930
Net income attributable to shareholders of the parent	250,111	124,194	236,644	271,000	200,111
Net income attributable to non-controlling interest	0	0	0	0	0
Comprehensive income attributable to Shareholders of the parent	243,606	134,849	254,193	207,852	271,930
Comprehensive income attributable to non-controlling interest	0	0	0	0	0
Earnings per share	4.15	2.03	3.81	4.36	3.20

Note 1: Financial information for each year is reviewed or audited by CPA.

1.2.2 Consolidated Financial Statements- Based on IFRS

Unit: NT$ thousands

Item \ Year	Financial Summary for The Last Five Years					As of 31st March 2024
	2019	2020	2021	2022	2023	
Operating revenue	1,754,065	1,481,475	1,758,389	1,837,665	1,585,208	433,618
Gross profit	679,465	556,216	655,316	750,896	641,127	196,250
Income from operations	278,986	178,341	221,353	292,469	202,469	76,669
Non-operating income and expenses	124,234	24,384	122,077	123,628	96,797	35,268
Income before tax	403,220	202,725	343,430	416,097	299,266	111,937
Income from operations of Continued segments–after tax	321,259	156,162	282,590	324,570	241,327	88,041
Income or Loss from Discontinued departments	0	0	0	0	0	0
Net income(loss)	321,259	156,162	282,590	324,570	241,327	88,041
Other comprehensive income (income after tax)	(14,552)	12,251	15,260	(55,204)	66,899	42,313
Total comprehensive income	306,707	168,413	297,850	269,366	308,226	130,354
Net income attributable to shareholders of the parent	250,111	124,194	236,644	271,000	200,111	77,559
Net income attributable to non-controlling interest	71,148	31,968	45,946	53,570	41,216	10,482
Comprehensive income attributable to Shareholders of the parent	243,606	134,849	254,193	207,852	271,930	106,884
Comprehensive income attributable to non-controlling interest	63,101	33,564	43,657	61,514	36,296	23,470
Earnings per share	4.15	2.03	3.81	4.36	3.20	1.23

Note 1: Financial information for each year is reviewed or audited by CPA.
Note 2: 2024 Q1 Financial information has been reviewed by a CPA.

1.3 Auditors's name and opinions from Year 2018-2022

Year	Accounting Firm	Auditor Name	Audit Opinion
2019	Deloitte & Touche	Tzu-Jung Kuo and Hsiu-Chun Huang	Unqualified opinion
2020	Deloitte & Touche	Tzu-Jung Kuo and Hsiu-Chun Huang	Unqualified opinion
2021	Deloitte & Touche	Hsiu-Chun Huang Pi-Yu Chuang	Unqualified opinion
2022	Deloitte & Touche	Hsiu-Chun Huang Pi-Yu Chuang	Unqualified opinion
2023	Deloitte & Touche	Hsiu-Chun Huang Pi-Yu Chuang	Unqualified opinion

2. Financial analysis for the most recent five fiscal years

2.1 Parent Company Only Financial Statements- Based on IFRS

Item \ Year		Financial Analysis for the Last Five Years				
		2019	2020	2021	2022	2023
Financial structure (%)）	Debt Ratio	10.01	21.53	26.30	29.25	25.31
	Ratio of long-term capital to property, plant and equipment	314.61	310.59	334.87	323.93	328.52
Solvency (%)	Current ratio	344.46	173.36	118.23	111.19	111.02
	Quick ratio	309.95	159.65	104.41	99.55	99.35
	Interest earned ratio (times)	97,972.40	12,454.30	15,964.39	8,952.08	3,830.10
Operating performance	Accounts receivable turnover (times)	3.87	3.45	4.24	3.82	3.18
	Average collection period	94.31	105.79	86.08	95.54	114.77
	Inventory turnover (times)	4.91	3.88	4.16	4.42	4.51
	Accounts payable turnover (times)	7.57	7.41	6.81	7.37	7.39
	Average days in sales	74.33	94.07	87.74	82.57	80.93
	Property, plant and equipment turnover (times)	1.26	0.92	1.08	1.37	1.15
	Total assets turnover (times)	0.38	0.25	0.26	0.31	0.26
Profitability	Return on total assets (%)	11.78	5.41	9.24	9.99	7.41
	Return on stockholders' equity (%)	13.11	6.40	12.10	13.69	9.94
	Pre-tax income to paid-in capital (%)	49.65	24.01	42.57	53.16	36.89
	Net profit margin (%)	31.29	21.47	35.50	32.23	27.32
	Earnings per share (NT$)	4.15	2.03	3.81	4.36	3.20
Cash flow	Cash flow ratio (%)	41.05	31.54	20.58	20.65	49.43
	Cash flow adequacy ratio (%)	64.65	58.10	64.10	50.80	71.90
	Cash reinvestment ratio (%)	(5.39)	(4.26)	(0.86)	(4.30)	2.84
Leverage	Operating leverage	2.28	3.52	3.87	2.41	3.23
	Financial leverage	1.00	1.01	1.02	1.02	1.06

Analysis of financial ratio differences for the last two years. (Not required if the difference does not exceed 20%)

1. Interest earned ratio decreases: This is mainly due to an increase in borrowing rates in 2023, which caused more interest expenses.
2. Average collection period increases: This is mainly due to the decrease in the accounts receivable turnover in 2023.
3. Return on total assets and Return on stockholders' equity decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly.
4. Pre-tax income to paid-in capital decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly.

	5. Earnings per share decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly. 6. Cash flow ratio, Cash flow adequacy ratio and Cash reinvestment ratio increased: The main reason is the increased cash inflows from operating activities, which caused by the rising magnitude of changes in accounts receivable. 7. Operating leverage increased:The main reason is that the net profit for the year 2023 dropped more signigicantly compared to the revenue and variable costs..

Note 1: Financial information for each year is reviewed or audited by CPA.
Note 2: 2024 Q1 there is no need to prepare Parent Company Only Financial Statements.
Note 3: The calculation formula for each financial ratio is shown in the following table:

1. Financial structure
   (1) Liability to asset ratio＝ total liabilities/ total assets.
   (2) Long-term capital accounted for real estate, plant and equipment ratio = (Total equity + Non-current liabilities) / Net of real estate, plant and equipment.
2. Debt-paying ability
   (1) Current ratio = Current asset / Current liabilities.
   (2) Quick ratio = (Current asset - Inventory - Advance payments) / Current liabilities.
   (3) Times interest earned = Pre-net income of income tax and interest expense / Current interest expenditures.
3. Operational ability
   (1) Turnover of amounts receivable (including the accounts receivable and notes receivable incurred in operation) ＝ net sales/ average balance of the amounts receivables of each period (including the accounts receivable and notes receivable incurred in operation).
   (2) Average cash collection days ＝365／Accounts receivable turnover rate.
   (3) Inventory turnover rate = Cost of goods sold / Average inventory amount.
   (4) Turnover of amounts payable (including the accounts payable and notes payable incurred in operation)＝ sales costs/ average balance of the amounts payable of each period (including the accounts payable and notes payable incurred in operation).
   (5) Average days on goods sold = 365 / Inventory turnover rate.
   (6) Real estate, plant and equipment turnover rate = Net income of goods sold / Average net income of real estate, plant and equipment.
   (7) Total assets turnover rate = Net income of goods sold / Average total assets.
4. Profitability
   (1) Return on assets = [After -tax income (loss) + Interest expense × (1 - Tax rate)] / Average total assets.
   (2) Return on equity = After-tax income (loss) / Average total equity.
   (3) Net profit margin = After-tax income (loss) / Net income of goods sold.
   (4) EPS = (After-tax income (loss) attributable to the owner of the parent company - Preferred stock dividends) /Weighted average number of outstanding shares. (Note 5)
5. Cash Flow
   (1) Cash flow rate = Net cash flow from operating activities / Current liabilities.
   (2) Cash flow adequacy ratio = Net cash flow from operating activities during the most recent 5 years / (Capital spending + Inventory increase amount + Cash dividends) during the most recent 5 years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross amount of real estate, plant and equipment + Long-term investment + Other non-current liabilities + Operating fund). (Note 6)
6. Leverage：
   (1) Operating leverage = (Net income of operating - Change of operating costs and expense) / Operating benefits. (Note 7)
   (2) Financial leverage = Operating benefits / (Operating benefits - Interest expense).

Note 4: In measuring the calculation formula for earnings per share, special attention should be paid to the following matters:

1. Use the weighted average number of common shares, not the number of shares issued at the end of the year.
2. In case of cash capital increase or treasury stock transactions, consider their circulation period and calculate the weighted average number of shares.
3. If there are profit capital increases or capital reserve capital increases, when calculating the earnings per share for previous years and semi-annual periods, adjust retrospectively according to the capital increase ratio, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, their annual dividends (whether issued or not) should be deducted from the net profit after tax or added to the net loss after tax. If preferred shares are non-cumulative, dividends should be deducted from net profit after tax if there is net profit after tax; if there is a loss, no adjustment is necessary.

Note 5: In measuring cash flow analysis, special attention should be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow from capital investment each year.
3. An increase in inventory is only accounted for when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. The gross amount of property, plant, and equipment refers to the total amount of property, plant, and equipment before deducting accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable for various operating costs and operating expenses. If estimation or subjective judgment is involved, its rationality should be noted and consistency maintained.

Note 7: If the Company’s shares are without a par value or the par value per share is not NT$ 10, the calculation related to the ratio of the paid-in capital should be changed to the ratio of the equity attributable to the parent company in the balance sheet.

2.2 Consolidated Financial Statements- Based on IFRS

Item \ Year		Financial Analysis for the Last Five Years					As of 31st March 2023
		2018	2019	2020	2021	2022	
Financial structure (%)）	Debt Ratio	19.31	27.60	32.59	30.84	27.56	33.21
	Ratio of long-term capital to property, plant and equipment	242.75	251.04	270.01	271.90	273.29	263.19
Solvency (%)	Current ratio	301.24	223.43	202.20	222.54	245.11	201.85
	Quick ratio	260.13	196.32	173.24	196.59	223.65	183.26
	Interest earned ratio (times)	15,298.64	8,668.26	15,282.58	8,985.27	4,663.40	6,961.05
Operating performance	Accounts receivable turnover (times)	3.39	3.04	3.24	3.12	3.15	3.91
	Average collection period	107.66	120.06	112.65	116.98	115.87	93.34
	Inventory turnover (times)	4.57	3.65	3.68	3.52	3.88	4.37
	Accounts payable turnover (times)	7.03	5.38	4.62	5.33	6.41	5.33
	Average days in sales	79.86	100.00	99.18	103.69	94.07	83.51
	Property, plant and equipment turnover (times)	1.95	1.54	1.91	2.04	1.73	1.85
	Total assets turnover (times)	0.62	0.48	0.52	0.53	0.46	0.50
Profitability	Return on total assets (%)	11.42	5.17	8.46	9.41	7.20	10.23
	Return on stockholders' equity (%)	14.04	6.69	12.05	13.62	9.95	14.50
	Pre-tax income to paid-in capital (%)	66.42	32.61	55.25	66.94	47.55	70.30
	Net profit margin (%)	18.32	10.54	16.07	17.66	15.22	20.30
	Earnings per share (NT$)	4.15	2.03	3.81	4.36	3.20	1.23
Cash flow	Cash flow ratio (%)	35.56	34.26	16.81	42.15	62.21	7.6
	Cash flow adequacy ratio (%)	87.50	82.96	72.66	76.14	115.72	125.34
	Cash reinvestment ratio (%)	(0.26)	0.05	(1.01)	4.45	8.28	3.15
Leverage	Operating leverage	1.56	2.17	1.88	2.30	2.54	1.99
	Financial leverage	1.01	1.01	1.01	1.02	1.03	1.02

	Analysis of financial ratio differences for the last two years: 1. Interest earned ratio decreases: This is mainly due to an increase in borrowing rates in 2023, which caused more interest expenses. 2. Accounts payable turnover increases: This is mainly due to the decrease in the amount of accounts payable in the past two years compared with the previous two years. 3. Return on total assets and Return on stockholders' equity decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly. 4. Pre-tax income to paid-in capital decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly. 5. Earnings per share decreased: This is mainly due to the the decline in revenue in 2023 and decrease in net profit after tax accordingly. 6. Cash flow ratio, Cash flow adequacy ratio and Cash reinvestment ratio increased: The main reason is the increased cash inflows from operating activities, which caused by the rising magnitude of changes in notes / accounts receivable and accounts payable.

Note 1: Financial information for each year is reviewed or audited by CPA.
Note 2: 2024 Q1 Financial information has been reviewed by a CPA.
Note 3: The calculation formula of the analysis items is as follows:

1. Financial structure
   (1) Liability to asset ratio＝ total liabilities/ total assets.
   (2) Long-term capital accounted for real estate, plant and equipment ratio = (Total equity + Non-current liabilities) / Net of real estate, plant and equipment.
2. Debt-paying ability
   (1) Current ratio = Current asset / Current liabilities.
   (2) Quick ratio = (Current asset - Inventory - Advance payments) / Current liabilities.
   (3) Times interest earned = Pre-net income of income tax and interest expense / Current interest expenditures.

2.3 Operational ability
   (1) Turnover of amounts receivable (including the accounts receivable and notes receivable incurred in operation) ＝ net sales/ average balance of the amounts receivables of each period (including the accounts receivable and notes receivable incurred in operation).
   (2) Average cash collection days ＝365／Accounts receivable turnover rate.
   (3) Inventory turnover rate = Cost of goods sold / Average inventory amount.
   (4) Turnover of amounts payable (including the accounts payable and notes payable incurred in operation)＝ sales costs/ average balance of the amounts payable of each period (including the accounts payable and notes payable incurred in operation).
   (5) Average days on goods sold = 365 / Inventory turnover rate.
   (6) Real estate, plant and equipment turnover rate = Net income of goods sold / Average net income of real estate, plant and equipment.
   (7) Total assets turnover rate = Net income of goods sold / Average total assets.

2.4 Profitability
   (1) Return on assets = [After -tax income (loss) + Interest expense × (1 - Tax rate)] / Average total assets.
   (2) Return on equity = After-tax income (loss) / Average total equity.
   (3) Net profit margin = After-tax income (loss) / Net income of goods sold.
   (4) EPS = (After-tax income (loss) attributable to the owner of the parent company - Preferred stock dividends) /Weighted average number of outstanding shares. (Note 5)

2.5 Cash Flow
   (1) Cash flow rate = Net cash flow from operating activities / Current liabilities.
   (2) Cash flow adequacy ratio = Net cash flow from operating activities during the most recent 5 years / (Capital spending + Inventory increase amount + Cash dividends) during the most recent 5 years.

(3) Cash reinvestment ratio = (Net cash flow from operating activities - Cash dividends) / (Gross amount of real estate, plant and equipment + Long-term investment + Other non-current liabilities + Operating fund). (Note 6)

6. Leverage：

(3)Operating leverage = (Net income of operating - Change of operating costs and expense) / Operating benefits. (Note 7)

(2) Financial leverage = Operating benefits / (Operating benefits - Interest expense).

Note 4: In measuring the calculation formula for earnings per share, special attention should be paid to the following matters:

1. Use the weighted average number of common shares, not the number of shares issued at the end of the year.
2. In case of cash capital increase or treasury stock transactions, consider their circulation period and calculate the weighted average number of shares.
3. If there are profit capital increases or capital reserve capital increases, when calculating the earnings per share for previous years and semi-annual periods, adjust retrospectively according to the capital increase ratio, without considering the issuance period of the capital increase.
4. If the preferred shares are non-convertible cumulative preferred shares, their annual dividends (whether issued or not) should be deducted from the net profit after tax or added to the net loss after tax. If preferred shares are non-cumulative, dividends should be deducted from net profit after tax if there is net profit after tax; if there is a loss, no adjustment is necessary.

Note 5: In measuring cash flow analysis, special attention should be paid to the following matters:

1. Net cash flow from operating activities refers to the net cash inflow from operating activities in the cash flow statement.
2. Capital expenditure refers to the cash outflow from capital investment each year.
3. An increase in inventory is only accounted for when the balance at the end of the period is greater than the balance at the beginning of the period. If the inventory decreases at the end of the year, it is calculated as zero.
4. Cash dividends include cash dividends for common shares and preferred shares.
5. The gross amount of property, plant, and equipment refers to the total amount of property, plant, and equipment before deducting accumulated depreciation.

Note 6: The issuer should distinguish between fixed and variable for various operating costs and operating expenses. If estimation or subjective judgment is involved, its rationality should be noted and consistency maintained.

Note 7: If the Company's shares are without a par value or the par value per share is not NT$ 10, the calculation related to the ratio of the paid-in capital should be changed to the ratio of the equity attributable to the parent company in the balance sheet.

3. Audit committee' report for the most recent fiscal year's financial statements：Please refer to page 317 of the Annual report.
4. Consolidated Financial Statements： Please refer to page 143 to 236 of the Annual report.
5. Recent parent company only financial statement audited and certified by CPA: ：Please refer to page 237 to 315 of the Annual report.
6. If the Company or its affiliates have experienced financial difficulties during the most recent fiscal year or the current fiscal year and up to the date of publication of annual report, the annual report shall explain how said difficulties will affect the Company's financial situation：None.

VII. A Review and Anaysis of the Company's Financial Position and Financial Performance and Risk Management

1. Financial Status

1.1 Analysis of Financial Status

Unit: NT$ Thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current Assets	2,077,997	2,218,955	(140,958)	(6.35%)
Cash and cash equivalents	731,186	964,178	(232,992)	(24.17%)
Financial assets at amortized cost	451,978	144,542	(307,436)	212.70%
Accounts receivable	426,337	456,790	(30,453)	(6.67%)
Other current assets	468,496	653,445	(184,949)	(28.30%)
Non-current assets	1,322,176	1,232,356	89,820	7.29%
Investments accounted for using equity method	3,447	3,755	(308)	(8.20%)
Property, Plant and Equipment	933,959	902,617	31,342	3.47%
Other non-current assets	384,770	325,984	58,786	18.03%
Total Assets	3,400,173	3,451,311	(51,138)	(1.48%)
Current Liabilities	847,755	997,103	(149,348)	(14.98%)
Short-term borrowings	420,000	550,000	(130,000)	(23.64%)
Other current liabilities	427,755	447,103	(19,348)	(4.33%)
Non-current Liabilities	89,367	67,180	22,187	33.03%
Total Liabilities	937,142	1,064,283	(127,141)	(11.95%)
Share capital	629,312	621,586	7,726	1.24%
Capital surplus	855,139	820,898	34,241	4.17%
Retained Earnings	530,838	555,909	(25,071)	(4.51%)
Other Adjustments	43,016	(30,214)	73,230	(242.37%)
Non-controlling interest	404,726	418,849	(14,123)	(3.37%)
Total Stockholders' Equity	2,463,031	2,387,028	76,003	3.18%

Note：Analysis below comprises items changes amounted to NT$10 million and change ratios exceed 20%.

1.2 Listing the main reasons for any material change in the Company's assets, liabilities, or equities during the past two fiscal years, and describe the effects thereof. Where the effects are significant, describe the measures to be taken in response：

1. Cash and cash equivalents: Mainly due to an decrease in USD fixed deposits.
2. Financial assets measured at amortized cost: Mainly due to reclassification of fixed deposit accounts with a duration of more than three months.
3. Other non-current assets: Mainly due to the customer's notes receivable for payment of project fees in the previous year have not yet been cashed, resulting in a higher amount in the previous period.
4. Short-term borrowings： Mainly due to the US dollar sales this year, the NT

dollar position increased and short-term borrowings were repaid then.

5. Non-current liabilities: Mainly due to the reclassification from the leasing factory office account in subsidiary to the lease liability account。.
6. Other equity: Due to exchange differences arising from the translation of financial reports of foreign investment entities and financial assets through other comprehensive income.

1.3 The effect of future financial status and operation condition：None.

1.4 Future response plans：Not applicable.

2. Financial Performance

2.1 Analysis of Financial Performance

Unit: NT$ Thousands

Item \ Year	2023	2022	Difference	
			Amount	%
Net Sales	1,585,208	1,837,665	(252,457)	(13.74%)
Cost of Sales	944,081	1,086,769	(142,688)	(13.13%)
Gross profit	641,127	750,896	(109,769)	(14.62%)
Operating Expenses	438,658	458,427	(19,769)	(4.31%)
Operating Income	202,469	292,469	(90,000)	(30.77%)
Non-operating income and expenses	96,797	123,628	(26,831)	(21.70%)
Income Before Tax	299,266	416,097	(116,831)	(28.08%)
Tax Benefit (Expense)	(57,939)	(91,527)	33,588	(36.70%)
Net income(loss)	241,327	324,570	(83,243)	(25.65%)
Other comprehensive income (income after tax)	66,899	(55,204)	122,103	(221.19%)
Total comprehensive income	308,226	269,366	38,860	14.43%

Note：Analysis below comprises items changes amounted to NT$10 million and change ratios exceed 20%.

2.2 Listing the main reasons for any material change in the Company's operating revenues, operating income, or income before tax during the past two fiscal years, and describe the effects thereof. Where the effects are significiant, describe the measures to be taken in response :

1. Operating profit: Mainly due to the decrease in operating income in 2023 compared with 2022, and the relative operating costs and operating expenses did not fluctuate significantly.
2. Non-operating incomeand expenses: Mainly due to the large foreign currency exchange difference in the previous year.
3. Pre-tax net profit of continuing operating segments, income tax expenses, Net income: Mainly due to the decline in revenue in 2023 compared with 2022 and decrease in non-operating income and expenses.
4. Other comprehensive income: Mainly due to the benefits of IFRS 9 financial asset evaluation.

2.3 The expected sales amount and its basis: The Company's expected sales volume is based on market demand and trends, customer operational conditions, and considering company capacity planning and business development strategies.

2.4 The Company's future financial performance and the plan for any possible impact： None.

2.5 Future response plans : Not applicable

3. Cash Flow

3.1 Cash Flow Analysis For The Current Year

Item \ Year	2023	2022	Change in Increase/Decrease (%)
Cash flow ratio (%)	62.21	42.15	47.6%
Cash flow adequacy ratio (%)	115.72	76.14	52.0%
Cash reinvestment ratio (%)	8.28	4.45	86.1%
Analysis of changes : Increase in cash flow ratio, cash flow adequacy ratio, cash reinvestment ratio: The main reason is the increased cash inflows from operating activities, which caused by the rising magnitude of changes in notes / accounts receivable and accounts payable.			

3.2 Remedy For Cash Deficit And Liquidity Analysis

Unit: NT$ Thousands

Cash and Cash Equivalents, Beginning of Year	Net Cash Flow from Operating Activities	Cash Outflow	The impact of exchange rate changes on cash	Cash Surplus (Deficit)	Leverage of Cash Deficit	
①	②	③	④	①+②+③+④	Investment Plans	Financing Plans
964,178	527,405	(756,026)	(4,371)	731,186	None	None
	1. The analysis of any cash flow changes during the most recent fiscal year： ： (1)Operating activity：Net cash inflow of NT$527,405 thousand, mainly generated from operations. (2)Investing activities： Net cash outflow of NT$375,695 thousand, mainly due to acquization of financial assets measured at amortized cost. (3)Financing activities：Net cash outflow of NT$ 380,331 thousand, mainly due to repayment of short-term borrowings and dividends distributed during the current period. 2. The corrective measures and liquidity analysis of illiquidity：Not applicable.					

3.3 Cash flow analysis for the next year：The Company expects that the cash flow in the next year should remain stable.

Unit: NT$ Thousands

Estimated Cash and Cash Equivalents, Beginning of Year	Estimated Net Cash Flow from Operating Activities	Estimated Net Cash Flow from Investing and Financing Activities	Cash Surplus (Deficit)	Leverage of Cash Surplus (Deficit)	
①	②	③	①＋②－③	Investment Plans	Financing Plans
731,186	661,783	948,655	444,314	None	None

4. Major capital expenditures during the most recent fiscal year：The Company expects to establish subsidiaries in Vietnam and conduct reverse triangular mergers of subsidiaries in 2024. The former is in response to capacity layout planning; The latter combines R & D technology, talents, production capacity, customer resources with channels and other industries to enhance the Company's long-term competitiveness, which should be positive for the Company's financial business and long-term operation planning.

5. Investment policy for the most recent fiscal year, the main reasons for the profits or losses, improvement plans, and investment plans for the coming year

5.1 Reinvestment Policy

The Company’s policy on reinvestment is mainly focused on expanding the scale of operations, enhancing industry competitiveness, increasing investment returns, and thereby increasing shareholders’ equity, in line with the Company’s focus on wireless communication and precision processing.

5.2 Reinvestment main reasons for profit or loss, Improvement Plan

31st Dec 2023；Unit: NT$ Thousands

Description / Item	Cost of Investment	Carrying Amount	Recognized Investment Gain or Loss	Reinvestment Policy	Main Reasons for Profit or Loss	Improvement Plan
UMT Holdings (Samoa) Limited	369,412	682,171	73,309	Indirect investment in Mainland China	The recognition of profits in UMTEK HOLDINGS and RTI under the equity method.	None
RADIATION TECHNOLOGY,INC.	369,412	726,670	50,392	Indirect investment in Mainland China	The recognition of investment profits in UMTEK TELECOM (HK) LIMITED under the equity method.	None
GENTON TECH CORPORATION	255,126	409,851	45,303	Direct investment	Impact due to the product portfolio.	None
UMT Investment Co., Ltd	109,385	107,433	5,872	Direct	General investment。	None

Description / Item	Cost of Investment	Carrying Amount	Recognized Investment Gain or Loss	Reinvestment Policy	Main Reasons for Profit or Loss	Improvement Plan
				investment		
JOYMAX ELECTRONICS CO., LTD.	60,000	72,287	2,452	Indirect investment	The current operating status is stable and profitable.	None
Bridge Components (HK) Limited	2,763	3,118	(498)	Expanding into overseas markets:	Impact due to the product portfolio.	None
FUTA Precision Inc.	3,900	3,447	(308)	Domestic market	Personnel and marketing expenses derived from developing the Taiwan region and expanding the market.	None
UMT Holdings (HK) Limited	56,804	72,372	810	Indirect investment in Mainland China	The recognition of investment profits in UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD. under the equity method.	None
UMTEK TELECOM (HK) LIMITED	375,860	620,767	95,819	Indirect investment in Mainland China	The recognition of investment profits in Radiation Technology, Inc. under the equity method.	None
RADTEK COMMUNICATIONS, INC.	20,000	10,785	(625)	Domestic market	Personnel and marketing expenses derived from developing the Taiwan region and expanding the market.	None
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	55,269	72,126	823	Expanding into overseas markets:	The current operating status is stable and profitable.	None
Radiation Technology Inc.	351,480	385,287	48,704	Expanding into overseas markets:	The current operating status is stable and profitable.	None

Note: In order to integrate group resources and improve management efficiency, GENTON TECH decided on the sale of equity of JM-ALONSO Technology Co. Ltd. in a board meeting on May 29, 2023, and it was dispose of all equity on July 31, 2023.

5.3 Investment plans for the coming year

The Company's operational outlook is currently optimistic. The main investment plans for the next year, besides gradually increasing purchases of production and R&D equipment, also include planning for gradual capacity expansion in line with market development trends in Southeast Asia in satellite communication and 5G communication to meet the continuously increasing demand for customer orders.

6. Risk analysis and evaluation

6.1 Effects of changes in interest rates, foreign exchange rate and inflation on corporate finance, and future response measures

6.1.1 The impact of interest rate changes and response measures

The Company, in stable operation and growth, only requires short-term operational capital to meet the needs of brief financial adjustments. The impact of interest rate changes on the Company is minimal. Furthermore, we maintain close relationships with banks and other financial institutions to obtain favorable loan terms, and effectively use various financial tools through sound financial planning to reduce the risk of interest rate changes. In the future, our response strategy to interest rate changes, besides maintaining close contact with financial institutions, includes keeping abreast of current interest rate changes, referring to domestic and international economic trend research reports, and observing fluctuations in domestic and international benchmark market interest rates, and adjusting the use of funds as appropriate.

6.1.2 The impact of exchange rate changes and response measures

The group mainly exports, with the primary quoting currency being the US dollar. Fluctuations in the value of the US dollar can generate foreign exchange gain or loss risk for the Company. Therefore, we adopt a phased approach to selling US dollars to reduce the risk of exchange rate fluctuations, and to reduce the impact of exchange rate fluctuations on profits and losses. We maintain close contact with our banks to understand changes in the foreign exchange market. Our business department will adjust its pricing for exports and imports based on exchange rate fluctuations, control foreign currency assets and liabilities at any time, hedge against overall foreign exchange risk, and thus we do not expect significant market risk. We will continue to conduct related foreign exchange hedging transactions in the future to mitigate the effects of exchange rate fluctuations.

6.1.3 The impact of inflation and response measures

The Company pays close attention to market price fluctuations and maintains good relationships with customers and suppliers. Profits and losses in recent years have not been significantly affected by inflation. If inflation leads to an increase in the cost of goods, we will appropriately adjust the selling price of products to reduce the impact on profits and losses. We will keep a close eye on cost control and pricing due to changes in the economic climate leading to inflation, adjusting product prices and inventory levels in a timely manner.

6.2 Policies, Main Causes of Gain or Loss and Future Response Measures with Respect to High-Risk, High-Leverage Investment, Loaning or Endorsement Guarantees and Derivatives Transactions

6.2.1 Engaging in high-risk, high-leverage investments

The group's financial operations are based on the principle of stability and conservatism. In recent years, we have not engaged in high-risk, high-leverage investment transactions. Derivative transactions are all intended for hedging purposes.

6.2.2 Lending funds to others and providing endorsement guarantees

In accordance with the relevant provisions of the competent authority and the group's "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees", the Company conduct regular audits and make legal announcements and declarations.

6.2.3 Derivative transactions

In accordance with the relevant provisions of the competent authority and the group's "Procedure for Acquiring or Disposing of Assets", we conduct regular audits and make legal announcements and declarations. The derivative financial transactions conducted by the group are for financial hedging purposes, to avoid the impact of exchange rate fluctuations on assets and liabilities held. The calculation of the fair value is based on the valuation data provided by the bank, and the expected amount that can be obtained or paid if the Company terminates the contract on the reporting termination date, including unrealized gains and losses from contracts not yet settled.

6.3 Future Research & Development Projects and Corresponding Budget

Unit: NT$ Thousands

Plan of the resent year	Schedule	Further expenditures	Estimated time of completion	The main factors affecting the success of future R&D
Novel long-haul microwave communication high power sub-system	Design development and purchase of R&D software and hardware.	30,000	End of 2024	1. The product has high performance. 2. Mastery of OEM/ODM. 3. Introduction of advanced processing.
LEO satellite communication system high performance components	Platform design development.	35,000	End of 2024	1. The product has high performance. 2. Mastery ofspecial materials. 3. Introduction of advanced processing.
Terahertz Subsystem Development Plan	Design development and purchase of R&D software and hardware.	70,000	Mid of 2026	1. The product has high performance and a competitive pricing strategy. 2. Mastery of OEM/ODM. 3. Introduction of advanced processing.

6.4 Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad in recent year and up to the publication of the annual report, and contingency measures to be taken.

In recent years, the group has not been affected by significant domestic and

foreign policy and legal changes that would affect the Company's financial operations. We always pay attention to important domestic and foreign policy and legal changes, to conduct impact assessments and develop response plans. When necessary, the Company will also commission external legal advisors to provide problem consultation and handle relevant legal issues for the Company.

6.5 The effects of technological (including cyber security risk management) and industrial changes on financial status and operation of the Company and countermeasures.

The wireless communication industry is divided into systems, subsystems, OEMs, and component suppliers, based on the upstream and downstream relationship. The setting of communication system specifications has always been controlled by a few large system manufacturers. Subsystem manufacturers usually specialize in the microwave frequency band of the communication system. As for international EMS manufacturers such as Flextronics, Benchmark, Jabil, they purely provide system assembly and manufacturing services. In the entire microwave system supply chain, each has its different technical levels and plays different roles. However, the above three types of companies all need to purchase various components from component suppliers due to the needs of the microwave communication system. The group's position is to produce and manufacture the most important communication component suppliers in microwave and RF communication systems, and there are currently no other products that can replace them.

As for the risks faced by information security, they are indeed becoming more diverse. In particular, once the prevention is not careful enough to cause information leakage or system operation stoppage, it will cause great operational problems. Therefore, the Company has always been strengthening the IT equipment that protects information security, and regularly publicizes various cases and conducts exercises for recovery plans after risks occur. The purpose is to enhance the awareness and timeliness of all staff and reduce the impact of these risks.

6.6 The Impact of Changes in Corporate Image on Corporate Risk Management, and the Company's Response Measures

Since the establishment of the group, we have actively strengthened the Company's internal management and improved the quality management capabilities, established the brand image of the group, and hoped to increase customer trust in the Company's brand. After the parent company is listed on the counter, the visibility is further improved, and compliance with government regulations and strengthening corporate governance can help eliminate potential risks that the Company may face and maintain a good corporate image.

In the recent year, the corporate image of the Company has not changed significantly, and there are no reports related to the adverse corporate image in the market.

6.7 Expected Benefits and Risks Relating to and Response to Merger and Acquisition Plans : None

6.8 Expected Benefits and Risks Relating to and Response to Factory Expansion Plans

The group will continue to expand the production equipment. Since the purchase of this equipment will mainly be planned based on the order situation and customer development progress, it will not cause an increase in operational risks.

6.9 Risks Relating to and Response to Excessive Concentration of Purchasing Sources and Excessive Customer Concentration

1. Risk associated with purchasing

The main purchases of the group are CNC precision machined metal products. In addition to increasing the self-manufacturing rate, they are distributed among several suppliers, and through the support of suppliers who have developed cooperation tacit understanding for many years, we can reduce the risk of capacity shortage and avoid centralized purchasing.

2. Risk associated with sales

The Company continues to dedicate to the development of domestic and foreign customers such as satellites and 5G, the breadth of products continues to expand, the concentration of sales is expected to decrease correspondingly, and the risk of sales concentration is controllable.

6.10 Effects of Risks Relating to and Response to Large Share Transfer or Changes in Shareholdings by Directors, Supervisors, or Shareholders with Shareholding of over 10%.

In the most recent fiscal year and until the date of the annual report printing, the directors, supervisors, or shareholders holding more than 10% of the shares did not have a large amount of stock transfer.

6.11 Effects Risks Relating to and Response to Changes in Control over the Company

The group has established a professional manager system, and major operational planning is proposed by the Company's professional managers after evaluating the industry and the Company's overall resources and obtaining approval from the board of directors. The division of responsibilities in each department of the group is clear, and through the implementation of the Company's internal control system, coordination and communication between departments, the business strategy is fully implemented, operation efficiency is mastered, and business results are ensured, effectively reducing the impact and risk of changes in managerial rights on group operations.

6.12 Litigation or Non-litigation Matters: None

6.13 Other important risks and countermeasures being or to be taken: None

7. Other important risks and countermeasures being or to be taken: None

VIII. Special Disclose

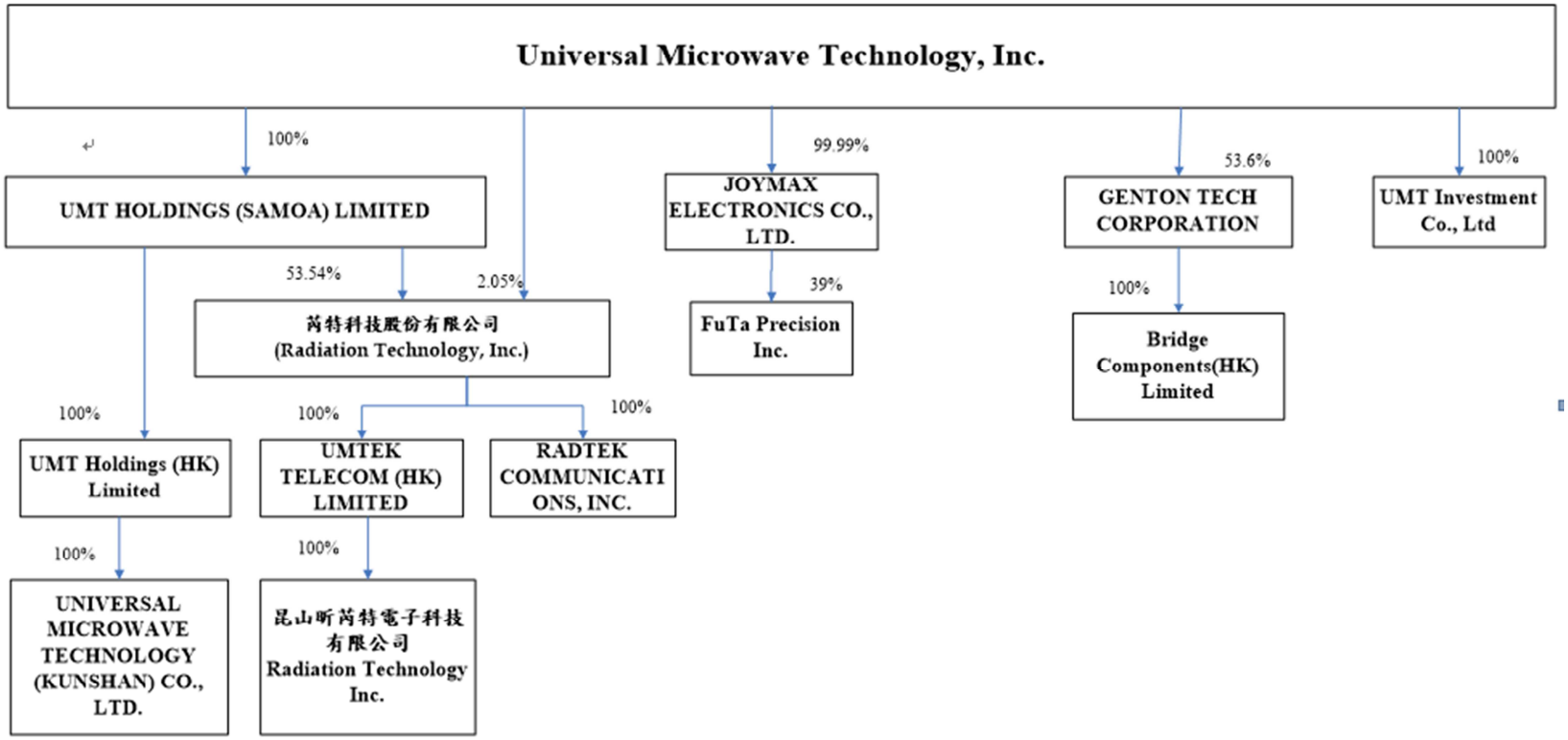
1. Information related to the Company's affiliates

1.1 The Consolidated Operating Report of Affiliated Companies

1.1.1 Organizational chart of affiliated companies

Controlling company and subsidiary company

31st December 2023



Mutual Investment Company: None.

1.1.2 Basic information of affiliated companies

As of 31st December 2023 Unit: Currency in Thousands

Name of subsidiary	Date of incorporation	Location	Paid-in capital	Principal business and production activity
Universal Microwave Technology, Inc.	1999.09.07	No. 1, Gongjian Rd., Qidu Dist., Keelung City 206, Taiwan (R.O.C.)	NTD 629,312	Design, development and manufacturing of Low-Earth Orbit and microwave high-frequency communication components
UMT Holdings(Samoa) Limited	2009.06.04	SAMOA	USD 12,031 (NTD 369,412)	General investment
Genton Tech Corporation	2017.10.03	No. 75, Xinfu 5th St., Nantun Dist., Taichung City 408 , Taiwan (R.O.C.)	NTD 110,000	Buying and selling of telecommunication basic communication equipment components and materials.
Bridge Components (HK) Limited	2019.03.22	Hong Kong	USD 90 (NTD 2,763)	Buying and selling of telecommunication basic communication equipment components and materials.
UMT Investment Co., Ltd	2018.05.31	No. 1, Gongjian Rd., Qidu Dist., Keelung City 206, Taiwan (R.O.C.)	NTD 72,118	General investment
UMT Holdings (HK) Limited	2009.07.24	Hong Kong	USD 1,850 (NTD 56,804)	General investment
Radiation Technology,Inc.	2014.08.18	Cayman Islands	NTD 300,154	General investment
Radtek Communications, Inc.	2016.12.15	No. 1, Gongjian Rd., Qidu Dist., Keelung City 206, Taiwan (R.O.C.)	NTD 20,000	Manufacturing and marketing of antennas, RF cable, RF connectors and cable assembly
Joymax Electronics Co., Ltd.	1994.12.19	No. 5, Dongyuan 2nd Rd., Zhongli Dist., Taoyuan City 320 , Taiwan (R.O.C.)	NTD 110,000	Manufacturing and marketing of antennas, RF cable, RF connectors and cable assembly
FuTa Precision Inc.	2022.06.20	No. 1-1, Gongjian Rd., Qidu Dist., Keelung City 206,	NTD 10,000	Customized precision industrial part buying and selling.

Name of subsidiary	Date of incorporation	Location	Paid-in capital	Principal business and production activity
		Taiwan (R.O.C.)		
UMTek Telecom (Hk) Limited	2011.01.04	Hong Kong	USD 7,130 (NTD 218,927)	Marketing of antennas and RF connectors and general investment
Universal Microwave Technology (Kunshan) Co., Ltd.	2009.11.11	Mainland China Jiangsu Province	USD 1,800 (NTD 55,269)	Manufacture of microwave high-frequency communication components
Radiation Technology Inc.	1999.12.15	Mainland China Jiangsu Province	RMB 38,886 (NTD 168,579)	Manufacturing and marketing of antennas, RF cable, RF connectors and cable assembly

1.1.3 Shareholders presumed to have control and subordinate relationship with the same information：None.

1.1.4 The overall relationship between affiliated companies covered by the industry of work among such affiliates :

The Company mainly focuses on the research, design, development, production, sales and service of microwave passive components and antennas. In terms of division of labor between related companies, the Company has achieved its competitiveness in the industry due to the cooperation and mutual assistance between related companies on technology, marketing and services.

1.1.5 Information of directors, supervisors and general managers of affiliated companies :

As of 31 December, 2023 Unit: Currency in Thousand %

Name Of Affiliated Companies	Title	Name of Investor or Representative	Investment Amount	%
UMT Holdings(Samoa) Limited	Director	Universal Microwave Technology, Inc. Representative：Su-Ming Chen	USD 12,031 (NTD 369,412) -	100 -

Name Of Affiliated Companies	Title	Name of Investor or Representative	Investment Amount	%
Genton Tech Corporation	Director Supervisor	Universal Microwave Technology, Inc. Representative：Su-Ming Chen Chun-Liang Kuo	NTD 109,385 - - - -	53.6 - - - -
Bridge Components (Hk) Limited	Director	Genton Tech Corporation Representative：Tung-Yi Wu	USD 90 (NTD 2,763) -	100 -
UMT Investment Co., Ltd	Director Supervisor	Universal Microwave Technology, Inc. Representative：Su-Ming Chen Tung-Yi Wu Chun-Liang Kuo Chen Chung Kuang	NTD 60,000 - - - -	100 - - - -
UMT Holdings (Hk) Limited	Director	UMT Holdings(Samoa) Limited Representative：Tung-Yi Wu	USD 1,850 (NTD 56,804) -	100 -
Radiation Technology,Inc.	Director	UMT Holdings(Samoa) Limited Representative：Su-Ming Chen	NTD 255,126 -	55.59 -
Radtek Communications, Inc.	Director	Radiation Technology Inc. Representative：Tung-Yi Wu	NTD 20,000 -	100 -

Name Of Affiliated Companies	Title	Name of Investor or Representative	Investment Amount	%
Joymax Electronics Co., Ltd.	Director Supervisor	Universal Microwave Technology, Inc. Representative： Su-Ming Chen Tung-Yi Wu Chun-Liang Kuo Jun-Ming Chen Chung-Kuang Chen Cherry Liu	NTD 234,752 - - - - - -	99.99 - - - - - -
Futa Precision Inc.	Director Supervisor General Manager	Joymax Electronics Co., Ltd. Representative: Chun-Liang Kuo Chen Chung Kuang Tung-Yi Wu	NTD 3,900 - - 2,100 - - -	39 - - 21 - - -
UMTek Telecom (Hk) Limited	Director	Radiation Technology Inc. Representative：Tung-Yi Wu	USD 12,241 (NTD 375,860) -	100 -
Universal Microwave Technology (Kunshan) Co., Ltd.	Director Supervisor	UMT Holdings (HK) Limited Representative： Tung-Yi Wu Chun-Liang Kuo	USD 1,800 (NTD 55,269) - -	100 - -

Name Of Affiliated Companies	Title	Name of Investor or Representative	Investment Amount	%
Radiation Technology Inc.	Director Supervisor General Manager	UMTEK Telecom (HK) Limited Representative：Tung-Yi Wu Chun-Liang Kuo Hsiao-Yen Chiang	USD 11,447 (NTD 351,480) - - -	100 - - -

1.2 Operation status of affiliate companies

1.2.1 Summarized Operation Results of Affiliated Enterprises

As of 31st December 2023

Unit：In Thousands of $NT

Except Earnings Per Share

Name of Subsidiary	Paid-in capital	Total Assets	Total Liabilities	Net Worth	Revenues	Operating Income	Net Profit	EPS (NT$)
Universal Microwave Technology, Inc.	629,312	2,755,785	697,480	2,058,305	732,601	117,009	200,111	3.20
UMT Holdings(Samoa)Limited	369,412 (USD12,031)	714,090	20,388	693,702	0	(8,441)	45,175	NA
Genton Tech Corporation	110,000	240,405	69,890	170,505	277,051	17,278	16,102	NA
Bridge Components (HK) Limited	2,763 (USD90)	6,270	3,152	3,118	19,148	(484)	(498)	NA
UMT Investment Co., Ltd	72,118	72,298	11	72,287	1,469	338	2,452	NA
UMT Holdings (HK) Limited	56,804 (USD1,850)	72,372	0	72,372	0	(32)	810	NA
Radiation Technology,Inc.	300,154	665,175	11,263	653,912	0	(16,886)	83,783	2.79
Radtek Communications, Inc.	20,000	11,365	580	10,785	0	(2,692)	(625)	NA
Joymax Electronics Co., Ltd.	110,000	180,298	37,858	142,440	168,491	8,266	8,475	0.77
FuTa Precision Inc.	10,000	9,114	275	8,839	260	(854)	(790)	NA

Name of Subsidiary	Paid-in capital	Total Assets	Total Liabilities	Net Worth	Revenues	Operating Income	Net Profit	EPS (NT$)
Umtek Telecom (Hk) Limited	218,927 (USD7,130)	689,723	68,956	620,767	136,418	12,174	95,819	N/A
Universal Microwave Technology (Kunshan) Co., Ltd.	55,269 (USD1,800)	87,427	15,301	72,126	84,580	(1,342)	823	N/A
Radiation Technology Inc.	168,579 (RMB38,886)	742,430	130,832	611,598	468,506	78,608	89,975	N/A

Note 1：Exchange rate：

(Asset and Liability)NTD／USD＝30.705／1；USD／RMB＝1／7.0827

(Income statement)NTD／USD＝31.155／1；USD／RMB＝1／7.0423

1.2.2 Consolidated Financial Statement of Affiliated Enterprises：please refer to page 143 to page 236

1.2.3 Consolidated Business Report of Affiliated Enterprises：

STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS OF ASSOCIATES

For the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023), the companies that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with the “Guidelines Governing the Preparation of Consolidated Financial Statements and Reports of Affiliates” are the same as those that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with International Financial Reporting Standard No. 10. The information required to be disclosed in the consolidated financial statements of Associates has already been disclosed in the previous consolidated financial statements of the parent and subsidiary, so the Company will not prepare a separate consolidated financial statement of Associates.

Company: Universal Microwave Technology, Inc.

Chairman: Su-Ming Chen

March 13, 2024

2. Transaction about the Company’s private placement of securities during the most recent fiscal year up to the publication of the annual report : None.
3. Holding or disposal of shares in the Company by the Company’s subsidiaries during the most recent fiscal year up to the publication of the annual report : None.
4. Other matters for which supplementary explanation is required：

   The Company did not violated the commitments made at the time of applying for listing on OTC.
5. In the most recent fiscal year and up until the printing date of the annual report, have any significant issues defined in Paragraph 2 of Article 36 of the Securities Exchange Act occurred that have had a major impact on shareholder rights or security prices: None

STATEMENT OF CONSOLIDATED FINANCIAL STATEMENTS OF ASSOCIATES

For the year ended December 31, 2023 (from January 1, 2023 to December 31, 2023), the companies that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with the “Guidelines Governing the Preparation of Consolidated Financial Statements and Reports of Affiliates” are the same as those that are required to be included in the preparation of the consolidated financial statements of Associates in accordance with International Financial Reporting Standard No. 10. The information required to be disclosed in the consolidated financial statements of Associates has already been disclosed in the previous consolidated financial statements of the parent and subsidiary, so the Companywill not prepare a separate consolidated financial statement of Associates.

Company: Universal Microwave Technology, Inc.

Chairman: Su-Ming Chen

March 13, 2024

INDEPENDENT AUDITORS' REPORT

To Universal Microwave Technology, Inc.:

Audit opinion

We have audited the financial statements of Universal Microwave Technology, Inc. and its subsidiaries, which comprise the Consolidated Statement of Financial Position as of December 31, 2023 and December 31, 2022, the Consolidated Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Consolidated Statement of Change in Equity, Consolidated Statement of Cash Flows, and Notes to Consolidated Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying consolidated financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the consolidated financial position of Universal Microwave Technology, Inc. and its subsidiaries as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of Universal Microwave Technology, Inc. and its subsidiaries from January 1 to December 31, 2023 and 2022.

Basis for audit opinion

We conducted our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of Universal Microwave Technology, Inc. and its subsidiaries in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, 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.

Key audit matter

The key audit matter is which that, in our professional judgment, is most significant to our review of the Consolidated Financial Statements of Universal Microwave Technology, Inc. and

its subsidiaries for 2023. Such matter has been considered in the process of examining the consolidated financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the Consolidated Financial Statements of Universal Microwave Technology, Inc. and its subsidiaries for 2023:

Authenticity of sales revenue from specific customers

Universal Microwave Technology, Inc. and its subsidiaries'Operating revenue in 2023 decreased compared with the same period last year, but the specific customer Operating revenue has a significant growth compared with the same period last year, and the transaction amount of these customers is significant to the overall Operating revenue, so the authenticity of the recognition of these specific customers Sales revenue is considered as a key audit matter.

For accounting policies related to sales revenue recognition and relevant disclosure information, please refer to Note 4 of the consolidated financial statements.

The auditors have carried out the following main audit procedures on the authenticity of sales revenue from the specific customers mentioned above:

1. Understand and sample test the design and effectiveness of the main internal control systems related to the authenticity of sales transaction revenue recognition.
2. For specific customers, review original orders, shipping documents, and invoices, verify whether the relevant transaction forms are complete, and check whether the Company's entries and receipts are consistent with the forms in terms of counterparties and amounts.
3. Review the occurrence of sales returns and allowances for specific customers in the subsequent period and confirm whether there are any abnormal situations in the year-end accounts receivable by sending a confirmation letter.

Other matters

Universal Microwave Technology, Inc. has prepared its Parent Company Only Financial Statements for the years ended December 31, 2023 and 2022, and we have provided our unqualified opinion on those statements for reference.

Responsibilities of management and governing body for the consolidated financial statements

Management's responsibility is to prepare the consolidated financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as the International Financial Reporting Standards, International Accounting Standards, Interpretation, and Interpretation Announcement recognized and announced the effectiveness by Financial Supervisory Commission as well as maintain necessary internal control related to the preparation of the consolidated financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Universal Microwave Technology, Inc. and its subsidiaries to continue as going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate Universal Microwave Technology, Inc. and its subsidiaries or to cease operations, or has no realistic alternative, but to do so.

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of Universal Microwave Technology, Inc. and its subsidiaries.

Auditors' responsibilities for the audit of the consolidated financial statements

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

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the internal control effectiveness of Universal Microwave Technology, Inc. and its subsidiaries.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Universal Microwave Technology, Inc. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause Universal Microwave Technology, Inc. and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements (including the relevant notes), and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the consolidated financial information of Universal Microwave Technology, Inc. and its subsidiaries to express an opinion on the Consolidated Financial Statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on Universal Microwave Technology, Inc. and its subsidiaries.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Consolidated Financial Statements of Universal Microwave Technology, Inc. and its subsidiaries for the year ended December 31, 2023 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Hsiu-Chun Huang

CPA: Pi-Yu Chuang

SFB Approval Number:
Tai-Cai-Zheng-Liu-Zi
No. 0920123784

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1070323246

March 13, 2024

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

2023 AND DECEMBER 31, 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 731,186	21	$ 964,178	28
1110	Financial assets at fair value through profit or loss – current (Notes 4 and 7)	261,774	8	258,931	7
1136	Financial assets at amortized cost – current (Note 4, 9 and 33)	451,978	13	144,542	4
1150	Notes receivable (Note 4 and 10)	5,678	-	112,645	3
1170	Accounts receivable (Note 4 and 10)	426,337	13	456,790	13
1200	Other receivables (Note 4, 10 and 32)	17,991	-	4,485	-
1220	Current income tax assets (Note 4 and 26)	292	-	292	-
130X	Inventories (Note 4 and 11)	160,618	5	235,346	7
1410	Prepayments (Note 18)	21,348	1	23,423	1
1470	Other current assets (Note 19)	795	-	18,323	1
11XX	Total current assets	2,077,997	61	2,218,955	64
	NON-CURRENT ASSETS				
1510	Financial assets at fair value through profit or loss - non-current (Note 4 and 7)	12,520	-	11,128	-
1517	Financial assets at FVTOCI - non-current (Note 4 and 8)	191,950	6	125,479	4
1550	Investments accounted for using the equity method (Note 4 and 13)	3,447	-	3,755	-
1600	Property, plant and equipment (Note 4, 14 and 33)	933,959	28	902,617	26
1755	Right-of-use assets (Note 4 and 15)	40,687	1	27,442	1
1805	Goodwill (Note 4, 5 and 16)	83,525	2	83,536	2
1821	Intangible assets (Note 4 and 17)	17,613	1	29,820	1
1840	Deferred tax assets (Note 4 and 26)	18,003	1	21,031	1
1975	Net defined benefit assets - non-current (Note 4 and 23)	5,848	-	6,730	-
1990	Other non-current assets (Note 19)	14,624	-	20,818	1
15XX	Total non-current assets	1,322,176	39	1,232,356	36
1XXX	TOTAL	$ 3,400,173	100	$ 3,451,311	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term loans (Note 20 and 33)	$ 420,000	12	$ 550,000	16
2150	Notes payable (Note 21)	49	-	59	-
2170	Accounts payable (Note 21)	157,202	5	137,051	4
2200	Other payables (Note 22)	199,791	6	229,134	7
2230	Current income tax liabilities (Note 4 and 26)	36,071	1	58,634	2
2280	Lease liabilities - current (Note 4 and 15)	4,691	-	3,850	-
2399	Other current liabilities (Note 22)	29,971	1	18,375	-
21XX	Total current liabilities	847,775	25	997,103	29
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Note 4 and 26)	72,672	2	63,829	2
2580	Lease liabilities - non-current (Note 4 and 15)	16,481	1	3,316	-
2645	Deposits received	214	-	35	-
25XX	Total non-current liabilities	89,367	3	67,180	2
2XXX	Total liabilities	937,142	28	1,064,283	31
	EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY (Note 4, 8, 12, 13, 23, 24, 28 and 29)				
3110	Ordinary shares	629,312	18	621,586	18
3200	Capital surplus	855,139	25	820,898	24
	Retained earnings				
3310	Legal reserve	296,549	9	269,349	8
3320	Special reserve	30,214	1	-	-
3350	Unappropriated earnings	204,075	6	286,560	8
3300	Total retained earnings	530,838	16	555,909	16
3400	Other equity	43,016	1	(30,214)	(1)
31XX	Total equity attributable to owners of the Company	2,058,305	60	1,968,179	57
36XX	Non-controlling interests (Note 12 and 29)	404,726	12	418,849	12
3XXX	Total equity	2,463,031	72	2,387,028	69
	TOTAL	$ 3,400,173	100	$ 3,451,311	100

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

CODE		2023		2022	
		AMOUNT	%	AMOUNT	%
	OPERATING REVENUE, NET (Note 4)				
4100	Sales revenue	$ 1,574,501	99	$ 1,825,933	99
4800	Other operating revenue	10,707	1	11,732	1
4000	Total operating revenue	1,585,208	100	1,837,665	100
	OPERATING COSTS (Note 4,11 and 25)				
5110	Cost of goods sold	944,081	59	1,086,769	59
5950	GROSS PROFIT	641,127	41	750,896	41
	OPERATING EXPENSES (Note 4, 10, 15 and 25)				
6100	Selling and marketing expenses	138,701	9	142,440	8
6200	General and administrative expenses	149,493	9	163,334	9
6300	Research and development expenses	150,632	10	150,911	8
6450	Expected credit loss	(168)	-	1,742	-
6000	Total operating expenses	438,658	28	458,427	25
6900	PROFIT FROM OPERATIONS	202,469	13	292,469	16
	NON-OPERATING INCOME AND EXPENSES (Note 4, 8, 12, 13, 25 and 32)				
7100	Interest income	38,392	2	10,173	-
7190	Other income	50,364	3	48,391	3
7590	Other gains and losses	14,906	1	69,892	4
7050	Financial cost	(6,557)	-	(4,683)	-
7060	Loss of associates accounted for using the equity method	(308)	-	(145)	-
7000	Total non-operating income and expenses	96,797	6	123,628	7

(Continued)

CODE		2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	$ 299,266	19	$ 416,097	23
7950	INCOME TAX EXPENSE (Note 4 and 26)	(57,939)	(4)	(91,527)	(5)
8200	NET PROFIT FOR THE YEAR	241,327	15	324,570	18
	OTHER COMPREHENSIVE INCOME				
	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit plans (Note 4 and 23)	67	-	2,885	-
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	77,168	5	(85,315)	(5)
8349	Income taxes related to items that will not be reclassified (Note 4 and 26)	(13)	-	(578)	-
8310		77,222	5	(83,008)	(5)
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations	(11,673)	(1)	32,808	2
8399	Income taxes related to items that may be reclassified (Note 4 and 26)	1,350	-	(5,004)	-
8360		(10,323)	(1)	27,804	2
8300	Total other comprehensive income (loss) for the year	66,899	4	(55,204)	(3)
8500	TOTAL COMPREHENSIVE INCOME	$ 308,226	19	$ 269,366	15
	NET PROFIT ATTRIBUTABLE TO:				
8610	Owner of the Company	$ 200,111	13	$ 271,000	15
8620	Non-controlling interests	41,216	2	53,570	3
8600		$ 241,327	15	$ 324,570	18

CODE		2023 AMOUNT	2023 %	2022 AMOUNT	2022 %

	TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
8710	Owner of the Company	$ 271,930	17	$ 207,852	11
8720	Non-controlling interests	36,296	2	61,514	4
8700		$ 308,226	19	$ 269,366	15
	EARNINGS PER SHARE (Note 27)				
	From continuing operations				
9710	Basic	$ 3.20		$ 4.36	
9810	Diluted	$ 3.12		$ 4.23	

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars)

		Equity attributable to owners of the Company															
				Capital surplus(12, 13, 24, 28 and 29)								Other equity					
		Stock capital (Note 24 and 28)							Retained earnings (Note 8, 23 and 24)				Exchange differences on translation of the financial statements of foreign operations (Note 26)	Unrealized gains or losses on Financial assets at FVTOCI (Note 4, 8 and 31)			
CODE		Shares	Common stock capital	Stock Issuance Premium	Employee Stock Options	Difference between the actual acquisition or disposal price and the carrying value of the subsidiary	Recognition of changes in ownership equity of subsidiary	Total	Legal reserve	Special reserve	Unappropriated earnings	Total			Total	Non-controlling interest (Note 4, 12 and 29)	Total equity
A1	Balance at January 1, 2022	62,158,662	$ 621,586	$ 806,781	$ 12,112	$ 32,418	$ 2,469	$ 853,780	$ 245,643	$ -	$ 237,169	$ 482,812	($ 14,520)	$ 48,459	$ 1,992,117	$ 387,629	$ 2,379,746
	Appropriation of the 2021 earnings																
B1	Legal reserve	-	-	-	-	-	-	-	23,706	-	(23,706)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	-	-	-	(198,908)	(198,908)	-	-	(198,908)	-	(198,908)
C15	Capital reserve cash dividend distribution	-	-	(49,727)	-	-	-	(49,727)	-	-	-	-	-	-	(49,727)	-	(49,727)
D1	Net profit for 2022	-	-	-	-	-	-	-	-	-	271,000	271,000	-	-	271,000	53,570	324,570
D3	Other comprehensive income for 2022, net of income tax	-	-	-	-	-	-	-	-	-	2,307	2,307	19,860	(85,315)	(63,148)	7,944	(55,204)
D5	Total comprehensive income for 2022	-	-	-	-	-	-	-	-	-	273,307	273,307	19,860	(85,315)	207,852	61,514	269,366
O1	Changes in non-controlling interests - changes in ownership interests in subsidiaries	-	-	-	-	(1,323)	-	(1,323)	-	-	-	-	-	-	(1,323)	21,027	19,704
O1	Changes in non-controlling interests - cash dividend distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(51,321)	(51,321)
T1	Recognition of employee share-based compensation cost	-	-	-	18,168	-	-	18,168	-	-	-	-	-	-	18,168	-	18,168
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(1,302)	(1,302)	-	1,302	-	-	-
Z1	Balance at December 31, 2022	62,158,662	621,586	757,054	30,280	31,095	2,469	820,898	269,349	-	286,560	555,909	5,340	(35,554)	1,968,179	418,849	2,387,028
	Appropriation of the 2022 earnings																
B1	Legal reserve	-	-	-	-	-	-	-	27,200	-	(27,200)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	30,214	(30,214)	-	-	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	-	-	-	(223,771)	(223,771)	-	-	(223,771)	-	(223,771)
C15	Capital reserve cash dividend distribution	-	-	(24,863)	-	-	-	(24,863)	-	-	-	-	-	-	(24,863)	-	(24,863)
N1	Common stock of the Employee stock option plan	772,600	7,726	57,719	(12,856)	-	-	44,863	-	-	-	-	-	-	52,589	-	52,589
D1	Net profit for 2023	-	-	-	-	-	-	-	-	-	200,111	200,111	-	-	200,111	41,216	241,327
D3	Other comprehensive income for 2023, net of income tax	-	-	-	-	-	-	-	-	-	54	54	(5,403)	77,168	71,819	(4,920)	66,899
D5	Total comprehensive income for 2023	-	-	-	-	-	-	-	-	-	200,165	200,165	(5,403)	77,168	271,930	36,296	308,226
O1	Changes in non-controlling interests - cash dividend distribution by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(49,209)	(49,209)
O1	Changes in non-controlling interests - share capital return by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(660)	(660)
O1	Changes in non-controlling interests - disposal of subsidiary company equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	(550)	(550)
T1	Recognition of employee share-based compensation cost	-	-	-	14,241	-	-	14,241	-	-	-	-	-	-	14,241	-	14,241
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(1,465)	(1,465)	-	1,465	-	-	-
Z1	Balance at December 31, 2023	62,931,262	$ 629,312	$ 789,910	$ 31,665	$ 31,095	$ 2,469	$ 855,139	$ 296,549	$ 30,214	$ 204,075	$ 530,838	($ 63)	$ 43,079	$ 2,058,305	$ 404,726	$ 2,463,031

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars)

CODE		2023	2022
	NET CASH FLOWS IN OPERATING ACTIVITIES		
A10000	Income before income tax	$ 299,266	$ 416,097
A20010	Items of income and expense		
A20100	Depreciation expenses	67,720	60,247
A20200	Amortization expenses	15,113	16,447
A20300	Expected credit loss	(168)	1,742
A20400	Net loss (gain) on financial assets and liabilities at fair value through profit or loss	(12,319)	14,635
A20900	Financial cost	6,557	4,683
A21200	Interest income	(38,392)	(10,173)
A21300	Dividend income	(24,692)	(22,424)
A21900	Employee share-based compensation cost	14,241	18,168
A22300	Share of losses of associates accounted for using the equity method	308	145
A22500	Gain on disposal of property, plant and equipment - net	(1,744)	(3,992)
A23100	Disposal loss of subsidiaries	13	-
A23800	Provision (reversal) of inventory depreciation and sluggish losses	930	(759)
A24100	Unrealized loss on foreign currency exchange	2,376	2,446
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	8,084	31,103
A31130	Notes receivable	106,940	(95,441)
A31150	Accounts receivable	25,998	125,817
A31180	Other receivables	(11,523)	(75)
A31200	Inventories	74,011	55,877
A31230	Prepayments	1,975	3,574
A31240	Other current assets	17,528	(14,812)
A31990	Net defined benefit assets	949	(18)
A32130	Notes payable	(10)	(738)
A32150	Accounts payable	21,439	(131,502)

(Continued)

CODE		2023	2022
A32180	Other payables	($ 22,658)	($ 2,508)
A32230	Other current liabilities	11,766	4,121
A33000	Cash generated from operations	563,708	472,660
A33100	Interest received	36,958	10,130
A33300	Interest paid	(6,557)	(4,683)
A33500	Income tax paid	(66,704)	(57,794)
AAAA	Net cash generated from operating activities	527,405	420,313
	CASH FLOWS IN INVESTING ACTIVITIES		
B00010	Acquisition of Financial assets at FVTOCI	(15,876)	(867)
B00020	Sale of Financial assets at FVTOCI	22,226	17,819
B00030	Reduction in share capital of Financial assets at FVTOCI	4,347	2,288
B00040	Acquisition of financial assets at amortized cost	(1,452,632)	(597,835)
B00050	Disposal of financial assets at amortized cost	1,138,317	862,954
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	(3,900)
B02300	Net cash generated from disposal of subsidiaries (Note 28)	129	-
B02700	Payments for property, plant and equipment	(36,782)	(37,623)
B02800	Proceeds from disposal of property, plant and equipment	15,359	14,427
B03700	Increase in refundable deposits	(2,247)	(969)
B03800	Decrease in refundable deposits	705	1,014
B04500	Payments for intangible assets	(2,601)	(12,680)
B06800	Decrease (increase) in other non-current assets	329	103
B07100	Increase in prepayments for equipment	(71,661)	(36,471)
B07600	Receipt of dividends	24,692	22,424
BBBB	Net cash generated from (used in) investing activities	(375,695)	230,684
	CASH FLOWS IN FINANCING ACTIVITIES		
C00100	Increase in short-term loans	2,219,412	3,009,000
C00200	Decrease in short-term loans	(2,349,412)	(2,979,000)
C00600	Decrease in short-term notes payable	-	(29,943)
C03000	Increase in deposits received	179	17
C03100	Decrease in deposits received	-	(54)
C04020	Repayment of the principal portion of lease liabilities	(4,596)	(4,182)

(Continued)

CODE		2023	2022
C04500	Cash dividends paid	($ 297,843)	($ 299,956)
C04800	Employee exercise of stock options	52,589	-
C05800	Changes in non-controlling interests	(660)	19,704
CCCC	Net cash generated from (used in) financing activities	(380,331)	(284,414)
DDDD	EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	(4,371)	(2,813)
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(232,992)	363,770
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	964,178	600,408
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 731,186	$ 964,178

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022
(In thousands of New Taiwan dollars, unless stated otherwise)

1. GENERAL INFORMATION

Universal Microwave Technology, Inc. (hereinafter referred to as the "Company") prepared its establishment on August 23, 1999 and the establishment was approved on September 7, 1999. The business scope of the Company are the manufacturing of electronic components and the wholesale of electronic materials.

The Company's shares have been traded on the Taiwan Stock Exchange's over-the-counter market since January 3, 2008.

The consolidated financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the board of directors on March 13, 2024.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

i. The initial application of the Financial Supervisory Commission (hereinafter referred to as the "FSC") approved and effective International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretation Bulletins (SIC) (hereinafter referred to as "IFRSs").

Applying the amended FSC-approved and effective IFRSs will not result in significant changes to the consolidated company's accounting policies.

ii. The IFRSs endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 - "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 - "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 - "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS7 and IFRS7 "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3：When the amendment is applied for the first time, the partial disclosure requirements are exempted.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of Other and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will not have a material impact on the Group's financial position and financial performance.

iii. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 — Comparative Information"	January 1, 2023
Amendments to IAS21 "Lack of marketability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: Effective for annual reporting periods beginning on or after 1 January 2025. When the amendment is first applied, the impact will be recognized in Retained earnings on the first application date. When the Group has non-functional currency as the presentation currency, the effects are adjusted for the exchange differences on translation of foreign operations under Equity at the date of initial application.

As of the date of adoption of this consolidated financial statements, the Consolidated Company is still evaluating the impact of the amendments to other standards and

interpretations on the financial position and financial performance, which will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

The consolidated financial statements have been prepared in accordance with the Guidelines Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and issued by the FSC.

ii. Basis of Preparation

Except for financial instruments measured at fair value and net defined benefit assets recognized by deducting the fair value of plan assets from the present value of defined benefit obligations, this consolidated financial report is prepared on a historical cost basis.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

iii. Standard in determining whether the asset or liability are current or non-current

Current assets include:

1. Assets held mainly for transaction purposes;
2. Assets expected to be realized within 12 months of after the balance sheet date; and
3. Cash and cash equivalents (but not including cash used to exchange or clear liability within 12 months of the asset balance sheet).

Current liabilities include:

1. liabilities held mainly for transaction purposes;
2. liabilities due for payment within 12 months after the balance sheet date; and
3. the business entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Assets or liabilities not classified within the above definitions will be classified as non-current assets and liabilities.

iv. Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Company and the entities controlled by the Company (i.e. its subsidiaries), and the consolidated statement of comprehensive income includes the operating income or loss of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by the Company. All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. The total comprehensive income of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if non-controlling interests become a loss balance as a result.

When the change in the ownership interest of the Consolidated Company in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity. The difference between the adjusted amount of non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity and vested in the owners of the Company.

See Note 12 and Tables 6 and 7 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

v. Foreign currency

When preparing financial statements, each entity translates transactions in currencies other than the functional currency of the entity (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items measured at fair value in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss in the current period.

However, if the change in fair value is recognized in other comprehensive income, the resulting exchange differences are recorded as other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the dates of transactions and are not retranslated.

For the purpose of preparing consolidated financial statements, assets and liabilities of foreign operations (including subsidiaries that operate in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate for the period and the resulting exchange differences are included in other comprehensive income (and are separately attributed to the Company's owners and non-controlling interests).

If the consolidated company disposes of its entire ownership interest in a foreign operation or disposes of a partial interest in a subsidiary of a foreign operation but loses control, or disposes of its interest in an associate of a foreign operation and the retained interest is a financial asset accounted for under the accounting policy for financial instruments, all cumulative exchange differences related to the foreign operation are reclassified to profit or loss.

If the partial disposal of a subsidiary of a foreign operation does not result in a loss of control, the cumulative exchange differences are proportionately reallocated to the non-controlling interests of the subsidiary and are not recognized in profit or loss. In any other case of partial disposal of a foreign operation, the cumulative exchange differences are reclassified to profit or loss according to the disposal ratio.

vi. Inventory

Inventories include raw materials, work in process and finished goods. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

vii. Investment in Associates

Associates are entities over which the consolidated company has significant influence but not control, and which are neither subsidiaries nor joint ventures.

The consolidated company accounts for investments in associates using the equity method.

Under the equity method, the investment in an associate is initially recognized at cost, and the carrying amount is subsequently increased or decreased to recognize the consolidated company's share of the associate's profit or loss, other comprehensive income, and distributions. In addition, changes in the consolidated company's share of the associate's equity are recognized proportionally based on the ownership interest.

The excess of acquisition cost over the consolidated company's share of the fair value of the associate's identifiable assets and liabilities at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and is not subject to amortization. If the consolidated company's share of the fair value of the associate's identifiable assets and liabilities at the acquisition date exceeds the acquisition cost, the excess is recognized in profit or loss for the period.

When an associate issues new shares and the consolidated company does not subscribe according to its shareholding ratio, causing a change in the shareholding ratio and a subsequent increase or decrease in the net equity value of the investment, the increase or decrease is adjusted in the capital surplus - changes in the net equity value of associates recognized under the equity method and the investment accounted for using the equity method. However, if the consolidated company does not subscribe or acquire shares in proportion, resulting in a decrease in the ownership interest in the associate, the amounts recognized in other comprehensive income relating to the associate are reclassified according to the reduction ratio, and the accounting treatment is based on the same basis as if the associate had directly disposed of the related assets or liabilities. If the adjustment should be debited to capital surplus and the capital surplus balance generated by the investment accounted for using the equity method is insufficient, the difference is debited to retained earnings.

When the consolidated company assesses impairment, it considers the entire carrying amount of the investment (including goodwill) as a single asset and compares the recoverable amount with the carrying amount to perform an impairment test. The recognized impairment loss is not allocated to any assets that constitute the carrying amount of the investment, including goodwill. Any reversal of an impairment loss is

recognized to the extent that the recoverable amount of the investment subsequently increases.

The consolidated company ceases to apply the equity method from the date its investment is no longer considered an associate. The retained interest in the former associate is measured at fair value, and the difference between the fair value and the disposal proceeds and the carrying amount of the investment at the date of ceasing to apply the equity method is recognized in profit or loss for the period. In addition, the amounts recognized in other comprehensive income relating to the associate are accounted for on the same basis as if the associate had directly disposed of the related assets or liabilities.

Gains and losses arising from upstream, downstream, and lateral transactions between the consolidated company and its associates are recognized in the consolidated financial statements only to the extent that they are unrelated to the consolidated company's interest in the associates.

viii. Property, plant and equipment

Property, plant, and equipment are recognized by cost, and then measured by cost less accumulated depreciation and accumulated impairment loss.

Self-owned land is not depreciated. Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss for the current period when property, plant, and equipment are derecognized.

ix. Goodwill

Goodwill acquired in a business combination is initially recognized at its amount on the acquisition date as cost, and subsequently measured at cost less accumulated impairment losses.

For impairment testing purposes, goodwill is allocated to the cash-generating units or groups of cash-generating units (referred to as "cash-generating units") of the consolidated company that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill is allocated are tested for impairment annually (and when there is an indication that the unit may be impaired) by comparing the carrying amount of the unit, including goodwill, with its recoverable amount. If the goodwill allocated to a cash-generating unit is acquired in the current year's business combination, the unit should be tested for impairment before the end of the current year. If the recoverable amount of a cash-generating unit to which goodwill is allocated is less than its carrying amount, the impairment loss is first reduced by the carrying amount of the allocated goodwill of the cash-generating unit and then proportionately reduced by the carrying amounts of the other assets within the unit. Any impairment loss is recognized directly as a current loss. Goodwill impairment losses may not be reversed in subsequent periods.

When disposing of an operation within a cash-generating unit to which goodwill is allocated, the amount of goodwill associated with the disposed operation is included in the carrying amount of the operation to determine the gain or loss on disposal.

x. Intangible assets

1. Separately acquired

   Intangible assets with limited duration acquired separately were initially measured at cost and subsequently at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives on a straight-line basis and the estimated useful lives, residual values and amortization method are reviewed at least at each year-end and the effect of changes in applicable accounting estimates is deferred. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

   The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss of the year when intangible assets are derecognized.

xi. Impairment of property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill)

At each balance sheet date, the Consolidated Company assesses whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill) may be impaired. If there is any indication of impairment, the recoverable amount of the asset is estimated, and if the recoverable amount of an

individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher fair value less selling cost and use value. If the recoverable amount of an individual asset or cash generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, with the impairment loss recognized in profit or loss.

When the following recoverable amount increases, the carrying amount of the asset or cash generating unit increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset or cash generating unit where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

xii. Financial instruments

Financial assets and financial liabilities are recognized in the Consolidated Statement of Financial Position when the Consolidated Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The transaction practice of the financial assets adopts accounting recognition and de-recognition on the transaction day.

(1) Measurement types

The types of financial assets held by the Consolidated Company are financial assets at fair value through profit or loss, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets measured at FVTPL

Financial assets measured at FVTPL includes financial assets mandatorily measured at FVTPL. Financial assets mandatorily

measured at FVTPL include investments in equity instruments not designated as measured at FVTOCI, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets at FVTPL are measured at fair value, with dividends recognized in other income, and gains or losses from re-measurement recognized in other gains and losses. For the determination of fair value, please refer to Note 31.

B. Financial assets at amortized cost

The Consolidated Company's investments in financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

a. they are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost and refundable deposits) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

a. Interest income on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. Interest income on credit-impaired financial assets that are not acquired or originated but subsequently become credit-impaired is computed using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at FVTOCI

At initial recognition, the Consolidated Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at FVTOCI.

Investments in equity instruments measured at FVTOCI are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at FVTOCI are recognized in profit or loss when the right to receive payments from the Consolidated Company is established, unless it is clear that the dividend represents a partial recovery of the cost of the investment.

(2) Impairment of financial assets

The Consolidated Company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) at each balance sheet date based on expected credit losses.

Accounts receivable are recognized as an allowance for loss based on expected credit losses during the period of duration. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If not, they are recognized as an allowance for loss based on expected credit losses over 12 months, and if so, based on expected credit losses over the duration period.

Expected credit losses represent the weighted-average credit losses based on the risk of default. 12-month expected credit losses represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date. The 12-month

expected credit losses represent the expected credit losses arising from all possible defaults of the financial instruments during the 12-month period after the reporting date.

For internal credit risk management purposes, the Consolidated Company determines that a financial asset is in default if there is internal or external information indicating that it is no longer probable that the debtor will settle the obligation without considering the collateral held.

The carrying amount of all financial assets is reduced through an allowance account, except for the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income, which is recognized in other comprehensive income and the carrying amount is not reduced.

(3) Derecognition of financial assets

The Consolidated Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When financial assets are derecognized in their entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Debts and equity instruments issued by the Consolidated Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Consolidated Company are recognized at the amount of the acquisition price less direct issuance costs.

3. Financial liability

(1) Subsequent measurement

The financial liabilities of the Consolidated Company are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liability

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

xiii. Provision for liabilities

The amount recognized as provision for liabilities is the best estimate of the expenditure required to settle the obligation at the balance sheet date, taking into account the risk and uncertainty of the obligation. Provision for liabilities is measured at the discounted value of the estimated cash flows from the settlement of the obligation.

Warranty

The warranty obligation to conform to the specifications of the agreement is based on management's best estimate of the expenses required to settle the Consolidated Company's obligations and is recognized as revenue from the related merchandise.

xiv. Income recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

1. Merchandise sales revenue

Revenue from sales of goods comes from the sales of communication components and materials. As the communication components and materials products are delivered to the designated location and satisfy the performance obligations, customers have the right to use the goods at a fixed price and bear the primary responsibility for reselling them, as well as taking on the risk of obsolescence. The consolidated company recognizes revenue and accounts receivable at this point. Advance payments for product sales are recognized as contract liabilities.

Upon processing with materials supplied, control of the processed products is not transferred, therefore, no revenue is recognized upon materials supplied.

2. Service revenue

Service revenue comes from product tuning, processing, and maintenance services.

As the consolidated company provides product tuning, processing, and maintenance services, customers simultaneously obtain and consume the performance benefits, and the related revenue is recognized when the services are provided.

xv. Lease

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Consolidated Company as lessor

   If the lease clauses transfer nearly all risks and compensation associated with the assets to the lessee, the lease shall be classified as finance lease. All other leases shall be classified as business lease.

   Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2. The Consolidated Company as lessee

   Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of low-value subject assets to which a recognition exemption applies and short-term leases where lease payments are recognized as an expense on a straight-line basis over the lease term.

   Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately on Consolidated Statement of Financial Position.

   Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

   Lease obligations are measured initially at the present value of the lease payments (including fixed benefits received). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate.

If the rate is not readily determinable, the lessee's incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expense is amortized over the lease term.

Revenue from sales of goods comes from the sales of communication components and materials. As the communication components and materials products are delivered to the designated location and satisfy the performance obligations, customers have the right to use the goods at a fixed price and bear the primary responsibility for reselling them, as well as taking on the risk of obsolescence. The consolidated company recognizes revenue and accounts receivable at this point. Advance payments for product sales are recognized as contract liabilities.

xvi. Borrowing costs

All other borrowing costs are recognized in profit or loss in the period in which they are incurred.

xvii. Government grants

Government grants are recognized only when there is reasonable assurance that the consolidated company will comply with the conditions attached to the grants and that the grants will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the consolidated company recognizes the related costs as expenses.

If government grants are used to compensate for expenses or losses already incurred or are intended to provide immediate financial support to the consolidated company with no future related costs, they are recognized in profit or loss during the period when they become receivable.

xviii. Employee benefits

1. Short-term employee benefits

   The liability related to short-term employee benefits is measured as the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   Defined benefit pension plans are recognized as expenses over the period of service of the employees.

The defined benefit cost (including service cost, net interest, and remeasurement) of defined benefit pension plans is calculated using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred. Remeasurement (including actuarial gains and losses and the return on plan assets, net of interest) is recognized in other comprehensive income and retained earnings when incurred, and is not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the underfunding (surplus) of the defined benefit pension plan. A net defined benefit asset shall not exceed the present value of any refunds from the plan or reductions in future contributions to the plan.

xix. Share-based payment arrangements

1. Employee stock options granted to employees

Employee stock options are recognized as expenses on a straight-line basis over the vesting period based on the fair value of the equity instruments at the grant date and the best estimate of the number of equity instruments expected to vest. The corresponding adjustment is made to capital surplus - employee stock options. If the options vest immediately at the grant date, the full amount is recognized as an expense. The grant date for the Company's cash capital increase reserved for employee subscription is the date when the number of shares subscribed by employees is confirmed.

At each balance sheet date, the consolidated company revises its estimate of the number of employee stock options expected to vest. If there are any revisions to the original estimate, the impact is recognized in profit or loss, so that the cumulative expense reflects the revised estimate, and a corresponding adjustment is made to the capital surplus - employee stock options.

2. Equity-settled share-based payment arrangements granted to subsidiaries' employees

When the Company grants employee stock options to subsidiaries' employees with the Company's equity instruments as the settlement, it is considered a capital contribution to the subsidiary, and is measured at the fair value of the equity instruments on the grant date. The increase in the carrying amount of the

investment in the subsidiary is recognized over the vesting period, with a corresponding adjustment to the capital surplus - employee stock options.

xx. Income tax

Income tax expense is the sum of current income taxes and deferred income taxes.

1. Current income tax

   The Consolidated Company determines the current income (loss) in accordance with the regulations of each jurisdiction in which it files income tax returns and calculates the income tax payable (recoverable) accordingly.

   The income tax on undistributed earnings under the Income Tax Act of the ROC is recognized in the year of the resolution of the shareholders' meeting.

   The adjustment of income tax payable in the previous year shall be included in the current income tax.

2. Deferred income tax

   Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities on the books and the basis for the calculation of taxable income.

   Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is probable that there will be taxable income available to offset the deductible temporary differences and carryforward losses generated by income tax credits.

   Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Consolidated Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

   The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced for those where it is no longer probable that there will be sufficient taxable income to allow all or part of the assets to be recovered. Deferred tax assets not previously recognized as such are also reviewed at each

balance sheet date and the carrying amount is increased for those where it is probable that taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Consolidated Company is expected to recover or pay off the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax

The current and deferred tax are recognized in profit or loss, provided that the current and deferred tax in relation to the items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity, respectively.

If the current income tax or deferred income tax arises from a business combination, the tax effects are included in the accounting treatment of the business combination.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When the Consolidated Company adopts an accounting policy, management must make relevant judgments, estimates, and assumptions of relevant information that is difficult to obtain from other sources based on historical experience and other relevant factors.

When developing significant accounting estimates, when considering significant accounting estimates related to cash flow projections, growth rates, discount rates, and profitability. The management will review the estimates and underlying assumptions on an ongoing basis. If an amendment to an estimate affects only the current period, the amendment is recognized in the period in which it is made. If an amendment to an accounting estimate affects both the current and future periods, the amendment is recognized in both the current and future periods.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the consolidated company's assumptions about the probability of default and loss rates upon default.

The consolidated company considers historical experience, current market conditions, and forward-looking information when making assumptions and selecting input values for impairment assessments.

ii. Estimation of goodwill impairment

When determining whether goodwill is impaired, goodwill acquired on the acquisition date is allocated to the cash-generating units of the Company expected to benefit from the synergies of the combination, and the recoverable amount of the allocated goodwill cash-generating units is estimated. To calculate the recoverable amount, management should estimate the future cash flows expected to be generated from the allocated goodwill cash-generating units and determine the appropriate discount rate used to calculate the present value. If actual cash flows are less than expected or if facts and circumstances change, leading to downward revisions of future cash flows or upward revisions of discount rates, significant impairment losses may arise.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 314	$ 338
Checking accounts and demand deposits	291,693	321,111
Cash equivalents		
Bank time deposits with original maturity within 3 months	439,179	642,729
	$ 731,186	$ 964,178

Interest rate range of bank deposits at the balance sheet date:

	December 31, 2023	December 31, 2022
Demand deposits	0.001%～1.55%	0.001%～1.05%
Bank time deposits with original maturity within 3 months	1.16%～5.57%	1.035%～5.00%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets - Current		
Mandatory at fair value through profit or loss		
Non-derivative financial assets		
－Fund Beneficiary Certificate	$ 29,025	$ -
－Domestic listed	232,749	258,931

(OTC) stocks	$ 261,774	$ 258,931
Financial assets - Non-current		
Mandatory at fair value through profit or loss		
Non-derivative financial assets		
－Domestic Unlisted shares	$ 12,520	$ 11,128

8. FINANCIAL ASSETS AT FVTOCI

	December 31, 2023	December 31, 2022
Non-current		
Domestic investment		
Listed shares		
Taiwan Union Technology Corporation	$ -	$ 9,715
Unlisted shares		
Dynahz Technologies Corporation	108,404	70,023
TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.	4,425	7,800
RISING GLORY TECHNOLOGY CO., LTD.	18,503	10,253
Terasilic Co.,Ltd.	36,019	27,688
Certain Micro Application Technology Inc.	24,599	-
	$ 191,950	$ 125,479

The consolidated company invests in the common shares of the aforementioned companies for medium to long-term strategic purposes and expects to profit from long-term investments. The management of the consolidated company believes that recognizing short-term fair value fluctuations of these investments in profit or loss would be inconsistent with the aforementioned long-term investment plan; therefore, it has chosen to designate these investments as measured at fair value through other comprehensive income (FVTOCI).

TOP TAIWAN VIII VENTURE CAPITAL CO., LTD. returned capital of 4,347 thousand and 2,288 thousand in year 2023 and 2022, respectively.

The consolidated company sold 189 thousand shares of Taiwan Union Technology Corporation in 2023 and 152 thousand shares of PCL Technologies Inc. in 2022, and the

related other equity - Financial assets at FVTOCI unrealized losses of 1,465 thousand and 1,302 thousand were transferred to retained earnings, respectively.

The consolidated company recognized dividend income of 15,587 thousand and 13,369 thousand in 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Wealth management products (1)	$ 129,189	$ 19,842
Restricted deposits (2)	1,000	1,000
Time deposits with original maturities of more than 3 months (3)	321,789	123,700
	$ 451,978	$ 144,542

i. Wealth management products

Wealth management products are investment products with principal and interest guarantees provided by the subsidiary and banks. The details as of 2023 and December 31, 2022 are as follows:

	December 31, 2023	December 31, 2022
Annual yield rate	1.25%-2.88%	1.25%-2.65%
Maturity date	113.01.12～113.03.25	112.01.05～112.02.06

ii. Restricted deposits

1. Restricted bank deposits are pledged to customs as guarantees for import raw materials, goods, and duty guarantees, and as guarantees for endorsements of related parties.
2. For information on financial assets measured at amortized cost and pledged, please refer to Note 33.

iii. Time deposits with original maturity exceeding 3 months

As of 2023 and December 31, 2022, the interest rate ranges for time deposits with original maturity exceeding 3 months were 5.50% to 5.63% and 5.08% to 5.10%per annum, respectively.

10. NOTES RECEIVABLE, ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	112年12月31日	111年12月31日
Notes receivable		
At amortized cost		
Gross carrying amount	$ 5,678	$ 112,645
Less: Allowance for	-	-

impairment loss		
	$ 5,678	$ 112,645
Arising from operating activities	$ 5,678	$ 112,645
Accounts receivable		
At amortized cost		
Gross carrying amount	$ 426,801	$ 459,878
Less: Allowance for impairment loss	(464)	(3,088)
	$ 426,337	$ 456,790
Other receivables		
Revenue Receivable	$ 2,211	$ 777
Others	15,780	3,703
Other receivables - related parties	-	5
	$ 17,991	$ 4,485

Notes receivable and accounts receivable

The consolidated company's average credit period for product sales is 30 to 180 days, and due to the short credit period, interest is not calculated.

In order to control credit risk, the consolidated company assesses the credit quality of individual customers to determine credit limits through an internal credit rating system and conducts regular review and monitoring procedures every year based on the historical transaction records and financial conditions of individual customers. This ensures that the consolidated company's receivables mainly come from long-term customers with good credit and no default records. In addition, the consolidated company reviews the recoverable amounts of receivables one by one at each balance sheet date to ensure that appropriate impairment losses have been provided for receivables that may be subject to credit risk.

The consolidated company recognizes allowances for losses on receivables based on the expected credit losses over the life of the receivables. The expected credit losses over the life are calculated using a provision matrix, which considers the customer's past default records, current financial conditions, regional industry economic conditions, and outlook. Since the historical experience of credit losses of the consolidated company shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not further differentiate customer groups, but sets the expected credit loss rate based on the number of days overdue for receivables.

If there is evidence that the counterparty is facing severe financial difficulties and the consolidated company cannot reasonably expect the recoverable amount, such as the counterparty undergoing liquidation, the consolidated company directly writes off the related receivables. However, the collection activities will continue, and the amount recovered from the collection will be recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivable based on the Consolidated Company's allowance matrix:

December 31, 2023

	Not past due	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue more than 120 days	Total
Gross carrying amount	$ 388,519	$ 31,824	$ 66	$ 11,828	$ 242	$ 432,479
Allowance for impairment loss (lifetime ECLs)	(53)	(164)	(5)	-	(242)	(464)
Amortized cost	$ 388,466	$ 31,660	$ 61	$ 11,828	$ -	$ 432,015

December 31, 2021

Gross carrying amount	Not past due	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue more than 120 days	Total
Allowance for impairment loss (lifetime ECLs)	$ 495,525	$ 62,676	$ 465	$ 10,335	$ 3,522	$ 572,523
Amortized cost	(361)	(243)	-	(18)	(2,466)	(3,088)
Gross carrying amount	$ 495,164	$ 62,433	$ 465	$ 10,317	$ 1,056	$ 569,435

Information on the changes in the allowance for losses on notes and accounts receivable is as follows:

	2023	2022
Opening balance	$ 3,088	$ 1,338
Impairment loss for the year	(168)	1,742
Amounts written off	(2,460)	-
Foreign currency translation differences	4	8
Closing balance	$ 464	$ 3,088

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 48,874	$ 84,251
Work-in-process	26,286	43,740
Semi-finished goods	37,507	45,678
Raw materials	47,951	61,677
	$ 160,618	$ 235,346

The cost of goods sold related to inventory in 2023 and 2022 was 944,081 thousand and 1,086,769 thousand, respectively. The cost of goods sold includes inventory price decline reversal loss of 930 thousand and (759) thousand, respectively. The reversal

gains on inventory price decline were mainly due to the active disposal of stagnant inventory.

12. SUBSIDIARIES

i. Subsidiaries included in the consolidated financial statements

The subsidiaries included in the consolidated financial statements are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership December 31, 2022	Proportion of Ownership December 31, 2021	Note
Universal Microwave Technology, Inc.	UMT Holdings (Samoa) Limited	General Investment	100.00%	100.00%	1
	RADIATION TECHNOLOGY,INC.	General Investment	2.05%	2.05%	3及4
	GENTON TECH CORPORATION	Trading of components and materials for telecommunication infrastructure equipment	53.60%	53.60%	7
	UMT Investment Co., Ltd	General Investment	100.00%	100.00%	8
	JOYMAX ELECTRONICS CO., LTD.	Sales of computers, electronic products, communication equipment, and processed components	99.99%	99.99%	-
GENTON TECH CORPORATION	Bridge Components (HK) Limited	Trading of components and materials for telecommunication infrastructure equipment	100.00%	100.00%	9
	JM-ALONSO Technology Co. Ltd	Trading of components and materials for telecommunication infrastructure equipment	-	60.71%	11
	WIRELESS SI CORPORATION	Sales of heat shrink tubing and telecommunication infrastructure materials	-	-	10
UMT Holdings (Samoa) Limited	UMT Holdings (HK) Limited	General Investment	100.00%	100.00%	2
	RADIATION TECHNOLOGY,INC.	General Investment	53.54%	53.54%	3及4
RADIATION TECHNOLOGY,INC.	UMTEK TELECOM (HK) LIMITED	Sales of electronic components such as antennas, RF connectors and General Investment	100.00%	100.00%	4
	RADTEK COMMUNICATIONS, INC.	Production and sales of electronic components such as antennas, radio frequency cables, radio frequency connectors, and wire harnesses	100.00%	100.00%	6
UMT Holdings (HK) Limited	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Production and sales of components for satellite navigation positioning receivers, ultra-wideband communication equipment components, and related novel electronic components, etc.	100.00%	100.00%	5
UMTEK TELECOM (HK) LIMITED	Radiation Technology Inc.	Production and sales of electronic components such as antennas, radio frequency cables, radio frequency connectors, and wire harnesses	100.00%	100.00%	4

1. Subsidiary UMT Holdings (Samoa) Limited (hereinafter referred to as UMT Samoa) was established in June, 2009.

2. UMT Holdings (HK) Limited (hereinafter referred to as UMT Hong Kong) was established in July, 2009.
3. RADIATION TECHNOLOGY, INC. (Radiation Technology, Inc.) was established by the parent company through its 100% owned subsidiary UMT Samoa in the Cayman Islands and was established in August, 2014.
4. (1) UMT Samoa acquired 95% of the shares of UMTEK TELECOM (HK) LIMITED held by EXCELTEK ELECTRONICS (H.K.) LIMITED for US$11,447 thousand in 2011, and indirectly invested 100% of EXCELTEK ELECTRONICS (H.K.) (Kunshan) through the acquisition.
   (2) In order to restructure the organization, the shareholders of UMTEK TELECOM (HK) LIMITED exchanged their shares of UMTEK TELECOM (HK) LIMITED and Radiation Technology, Inc. in 2014. The post-conversion shareholding structure was adjusted according to the original shareholding ratio. After the adjustment, UMT Samoa held 93.27% of Radiation Technology, Inc. and indirectly invested 100% in UMTEK TELECOM (HK) LIMITED and EXCELTEK ELECTRONICS through Radiation Technology, Inc. In 2015, EXCELTEK ELECTRONICS changed its name to "Radiation Technology Inc." (hereinafter referred to as Radiation Technology Inc.).
   (3) In order to meet the stock listing requirements and long-term operational development plans of Radiation Technology, Inc., the Company resolved to approve the equity dispersion plan of Radiation Technology, Inc. After the completion of the share release process, UMT Samoa's shareholding ratio in Radiation Technology, Inc. decreased from 62.37% to 53.54%. The shares of Radiation Technology, Inc. were listed for trading at the TPEX on December 2, 2015.
   (4) For long-term investment considerations, the Company also purchased a 2.05% stake in Radiation Technology, Inc. in the public market from non-controlling interests.
5. UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD. was established in Novembe, 2009.
6. In response to the Company's practical operational needs, RADTEK COMMUNICATIONS, INC. (hereinafter referred to as RADTEK

COMMUNICATIONS, INC.) was registered and established by the Ministry of Economic Affairs in December, 2016.

7. GENTON TECH CORPORATION resolved at a board of directors meeting in May 2022 to issue 2,000 thousand common shares through a cash capital increase, raising 32,000 thousand dollars. The Company did not subscribe according to the shareholding ratio, and the shareholding ratio decreased from 56.97% to 53.60%, resulting in a reduction of 1,323 thousand dollars in capital surplus - recognition of changes in equity interest in the subsidiary.
8. The subsidiary, UMT Investment Co., Ltd (hereinafter referred to as UMT Investment Co., Ltd), was established and registered with the Ministry of Economic Affairs in May 2018 with a paid-in capital of 60,000 thousand.
9. Bridge Components (HK) Limited (hereinafter referred to as Bridge Components (HK) Limited) was established in March 2019 with a paid-in capital of HKD 700 thousand.
10. The Company held 100% of WIRELESS SI CORPORATION shares through its subsidiary GENTON TECH CORPORATION.

    In order to integrate group resources and improve management efficiency, the Company applied for deregistration in July, 2022. WIRELESS SI CORPORATION returned the share capital of NTD 1,717 thousand in November, 2022 and was deregistered on November 4, 2022.
11. JM-ALONSO Technology Co. Ltd (hereinafter referred to as JM-ALONSO Technology Co. Ltd) was established in January, 2020, with a paid-in capital of NTD 3,550 thousand.In June 2023, the shareholders of JM-ALONSO Technology Co. Ltd resolved to reduce its capital by 1,680 thousand by 168 thousand shares of Capital reduction payments to shareholders.In order to integrate the Group's resources and improve management efficiency, the Company acquired the entire equity interest in Proceeds from disposal of subsidiaries on 31 July 2023. Please refer to Note 28 for details.

ii. Information on subsidiaries with significant non-controlling interests

		Percentage of Non-controlling Interests Held and Voting Rights	
Subsidiary Name	Main Business Location	December 31, 2023	December 31, 2022
Radiation Technology, Inc.	Cayman	44.41%	44.41%

Radiation Technology, Inc. was established by the parent company through its 100% owned subsidiary UMT Samoa in the Cayman Islands in August, 2014, for organizational restructuring. The relevant share conversion was completed in September, 2014. For more information on the organizational restructuring and share release, please refer to Note 12, Subsidiaries (I).

Subsidiary Name	Income Attributable to Non-controlling Interests		Non-controlling Interests	
	2023	2022	December 31, 2023	December 31, 2022
Radiation Technology, Inc.	$ 36,298	$ 55,221	$ 322,015	$ 337,292

The summarized financial information of the following subsidiaries is prepared based on amounts before elimination of intercompany transactions:

Radiation Technology, Inc. and its subsidiaries

	December 31, 2023	December 31, 2022
Current assets	$ 745,781	$ 755,558
Non-current assets	162,984	178,464
Current liabilities	(148,413)	(147,605)
Non-current liabilities	(32,844)	(24,439)
Equity	$ 727,508	$ 761,978

	December 31, 2023	December 31, 2022
Equity attributable to:		
Owners of the Company	$ 405,493	$ 424,686
Non-controlling interest in Radiation Technology, Inc.	322,015	337,292
	$ 727,508	$ 761,978

	2023	2022
Operating income	$ 486,578	$ 677,801
Net profit for the year	$ 81,314	$ 123,867
Other comprehensive income	(11,037)	9,594
Total comprehensive income	$ 70,277	$ 133,461
Net profit attributable to		
Owners of the Company	$ 45,016	$ 68,646
Non-controlling interest in Radiation Technology, Inc.	36,298	55,221
	$ 81,314	$ 123,867

Total comprehensive income

attributable to		
Owners of the Company	$ 38,900	$ 70,448
Non-controlling interest in Radiation Technology, Inc.	31,377	63,013
	$ 70,277	$ 133,461
Cash flows		
Operating activities	$ 132,104	$ 167,320
Investing activities	(96,913)	190,776
Capital raising activities	(105,054)	(96,092)
Effect of exchange rate changes	(7,419)	(8,785)
Net cash inflows (outflows)	($ 77,282)	$ 253,219

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023		December 31, 2022	
	Amount	Shareholding and voting rights	Amount	Shareholding and voting rights
Individually immaterial associates				
FuTa Precision Inc. (Fuda)	$ 3,447	39%	$ 3,755	39%

Summary of individually immaterial associates:

FuTa Precision Inc.

	2023	2022
Share attributable to the consolidated entity		
Net loss for the year of continuing operations	($ 308)	($ 145)

The consolidated company measures all of the above-mentioned associated enterprises using the equity method.

14. PROPERTY, PLANT AND EQUIPMENT

	2023									
	Owned land	Land improvements	Buildings	Machinery and equipment	Mold equipment	Test equipment	Transportation equipment	Leasehold improvements	Office equipment and others	Total
Cost										
Balance at January 1, 2023	$ 375,494	$ 114	$ 581,915	$ 343,580	$ 36,183	$ 71,760	$ 7,294	$ 4,668	$ 38,692	$ 1,459,700
Additions	17,591	-	27,374	56,596	1,794	258	350	-	4,742	108,705
Disposals	-	-	(459)	(31,745)	(794)	(2,028)	(975)	-	(4,159)	(40,160)
Disposal of subsidiaries effects (Note 28)	-	-	-	(56)	(125)	-	-	(161)	(66)	(408)
Net exchange differences	-	-	(1,822)	(1,689)	(290)	-	-	-	(139)	(3,940)
Balance at December 31, 2023	393,085	114	607,008	366,686	36,768	69,990	6,669	4,507	39,070	1,523,897
Accumulated depreciation										
Balance at January 1, 2023		114	228,731	205,190	32,099	53,551	4,458	2,943	29,997	557,083
Depreciation expenses		-	17,705	33,303	1,878	4,103	867	827	3,761	62,444
Disposals		-	(420)	(18,262)	(795)	(1,953)	(975)	-	(4,140)	(26,545)
Disposal of subsidiaries effects (Note 28)	-	-	-	(42)	(114)	-	-	(154)	(49)	(359)
Net exchange differences		-	(1,229)	(1,069)	(266)	-	-	-	(121)	(2,685)
Balance at December 31, 2023		114	244,787	219,120	32,802	55,701	4,350	3,616	29,448	589,938
Carrying amount at December 31, 2023	$ 393,085	$ -	$ 362,221	$ 147,566	$ 3,966	$ 14,289	$ 2,319	$ 891	$ 9,622	$ 933,959

	2022									
	Owned land	Land improvements	Buildings	Machinery and equipment	Mold equipment	Test equipment	Transportation equipment	Leasehold improvements	Office equipment and others	Total
Cost										
Balance at January 1, 2022	$ 384,524	$ 114	$ 577,408	$ 301,752	$ 36,046	$ 73,007	$ 6,964	$ 4,745	$ 36,431	$ 1,420,991
Additions	-	-	1,558	52,858	2,967	3,103	493	-	3,878	64,857
Disposals	(9,030)	-	(1,189)	(12,679)	(3,067)	(4,350)	(180)	(77)	(1,800)	(32,372)
Net exchange differences	-	-	4,138	1,649	237	-	17	-	183	6,224
Balance at December 31, 2022	375,494	114	581,915	343,580	36,183	71,760	7,294	4,668	38,692	1,459,700
Accumulated depreciation										
Balance at January 1, 2022		114	209,179	191,153	32,825	53,248	3,553	2,175	27,423	519,670
Depreciation expenses		-	17,268	25,259	2,151	4,652	1,051	845	4,161	55,387
Disposals		-	(649)	(11,948)	(3,066)	(4,349)	(154)	(77)	(1,694)	(21,937)
Net exchange differences		-	2,933	726	189	-	8	-	107	3,963
Balance at December 31, 2022		114	228,731	205,190	32,099	53,551	4,458	2,943	29,997	557,083
Carrying amount at December 31, 2022	$ 375,494	$ -	$ 353,184	$ 138,390	$ 4,084	$ 18,209	$ 2,836	$ 1,725	$ 8,695	$ 902,617

The consolidated company had no interest capitalization in both 2023 and 2022.

Property, plant and equipment of the Consolidated Company are depreciated on a straight-line basis over their useful lives as follows:

Land improvements	3 years
Buildings	
Main building	8-50 years
Improvement	3-20 years

Machinery and equipment	3-20 years
Mold equipment	2-10 years
Test equipment	3-10 years
Transportation equipment	4-7 years
Leasehold improvements	5-10 years
Office equipment and others	1-10 years

The recorded property, plant, and equipment include an increase in the fair value of US$811 thousand due to the premium acquisition of UMTEK TELECOM (HK) LIMITED and an increase in the fair value of TWD 119,399 thousand due to the acquisition of JOYMAX ELECTRONICS CO., LTD., which is depreciated over the remaining useful life.

The consolidated company assessed that there were no indications of impairment in property, plant, and equipment as of 2023 and December 31, 2022.

The consolidated company has provided part of the land and buildings as collateral for loan applications from banks. Please refer to Note 33.

15. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Land	$ 19,601	$ 20,418
Buildings	15,938	5,187
Transportation equipment	5,148	1,837
	$ 40,687	$ 27,442

	2023	2022
Additions to the right-of-use assets	$ 19,355	$ 700
Depreciation expenses for right-of-use assets		
Land	$ 733	$ 710
Buildings	2,654	2,783
Transportation equipment	1,889	1,367
	$ 5,276	$ 4,860

ii. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		

	December 31, 2023	December 31, 2022
Current	$ 4,691	$ 3,850
Non-current	$ 16,481	$ 3,316

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Buildings	1.12%～2.00%	1.12%
Transportation equipment	0.70%～1.50%	0.70%～1.12%

iii. Important leasing activities and terms

The consolidated company leases several transportation equipment for business use, with lease terms of 3 years. These lease agreements do not contain any provisions for extension or purchase options.

The consolidated company also leases several land and buildings for use as factories and offices, with lease terms of 3 to 7 years. At the end of the lease term, the consolidated company does not have preferential purchase rights for the leased land and buildings.

Right-of-use assets - land was acquired by a subsidiary at an original cost of RMB 2,221 thousand for land use rights in the People's Republic of China, amortized on a straight-line basis over a 50-year useful life, and an additional fair value of USD 685 thousand due to premium acquisition, amortized over its remaining useful life.

The consolidated company assessed that there were no indications of impairment in Right-of-use assets as of 2022 and December 31, 2021.

iv. Other lease information

	2023	2022
Expense relating to short-term leases	$ 1,284	$ 2,976
Lease expense for low-value assets	$ 81	$ 85
Total cash (outflow) for leases	($ 6,124)	($ 7,632)

The Consolidated Company chooses to exempt certain assets that meet the criteria for short-term leases of office equipment, transportation equipment, and low-value asset leases from recognition of right-of-use assets and lease liabilities.

16. Goodwill

	2023	2022

Cost		
Opening balance	$ 83,536	$ 77,227
Net exchange differences	(11)	6,309
Closing balance	$ 83,525	$ 83,536

The Company acquired 95% of the shares of UMTEK TELECOM (HK) LIMITED in 100 through its subsidiary UMT Samoa, which in turn invested in Radiation Technology Inc. As of the end of 2023, the excess of its investment cost over the net equity acquired was USD 2,596 thousand, including the acquisition premium of TWD 15,789 thousand under the purchase method for property, plant, and equipment, land use rights, and other intangible assets, and goodwill of TWD 63,923 thousand that could not be clearly attributed to individual assets, please refer to Note 12.

The Company acquired 51% of the shares of GENTON TECH CORPORATION in 2017. As of the end of 2023, the excess of its investment cost over the net equity acquired was TWD 19,602 thousand, and goodwill of TWD 19,602 thousand that could not be clearly attributed to individual assets, please refer to Note 12.

The Company evaluated the net assets used in the operations of the above-mentioned companies for any impairment of value as of December 31, 2023, in accordance with International Financial Reporting Standards. Impairment was assessed based on the following cash-generating units:

i. RF Division－Radiation Technology Inc.

As of December 31, 2023, the total net book value of the assets used for the operation of the cash-generating unit is 727,508 thousand, including goodwill of 63,923 thousand and premium attributable to individual assets of 15,789 thousand. The Company's management assesses the recoverable amount based on the value in use of the net assets, with a related discount rate of 22.65%.

The main assumptions affecting the recoverable amount assessment and the methods for determining the values of each key assumption are as follows:

1. Expected revenue growth rate: The revenue is estimated based on the expected future global growth rate of antennas, RF cables, RF connectors, and cable harness products.
2. The ratio of cost of goods sold (excluding depreciation and amortization) to revenue is estimated based on the actual ratio in 2023.
3. Expected operating expenses: Each year's expected operating expenses are estimated based on the actual ratio of operating expenses to revenue in 2023.

The recoverable amount calculated based on the above key assumptions is higher than the net book value of the assets as of December 31, 2023. After evaluation, there is no risk of asset impairment.

ii. Communication Network Engineering Services Division ─ GENTON TECH CORPORATION

As of December 31, 2023, the total net book value of the assets used for the operation of the cash-generating unit is 190,107 thousand, including goodwill of 19,602 thousand. The Company's management assesses the recoverable amount based on the value in use of the net assets, with a related discount rate of 10.58%.

The main assumptions affecting the recoverable amount assessment and the methods for determining the values of each key assumption are as follows:

1. Expected revenue growth rate: The revenue is estimated based on the expected future global growth rate of antennas, connectors, cable harnesses, and new products in the global 4G/5G communication equipment market, as well as increasing market share in the Taiwan communication market.
2. The ratio of cost of goods sold (excluding depreciation and amortization) to revenue is estimated based on the actual ratio in 2023.
3. Expected operating expenses: Each year's expected operating expenses are estimated based on the actual ratio of operating expenses to revenue in 2023.

The recoverable amount calculated based on the above key assumptions is higher than the net book value of the assets as of December 31, 2023. After evaluation, there is no risk of asset impairment.

17. INTANGIBLE ASSETS

	2023		
	Computer software costs	Customer relationships	Total
Cost			
Balance at January 1, 2023	$ 50,275	$ 71,104	$ 121,379
Separately acquired	2,909	-	2,909
Derecognition	(1,693)	-	(1,693)
Net exchange differences	(7)	(6)	(13)
Balance at December 31, 2023	51,484	71,098	122,582
Accumulated amortization			
Balance at January 1, 2023	25,602	65,957	91,559
Amortization expenses	9,966	5,147	15,113
Derecognition	(1,693)	-	(1,693)

Net exchange differences	(4)	(6)	(10)
Balance at December 31, 2023	33,871	71,098	104,969
Carrying amount at December 31, 2023	$ 17,613	$ -	$ 17,613

	2022		
	Computer software costs	Customer relationships	Total
Cost			
Balance at January 1, 2022	$ 41,206	$ 68,149	$ 109,355
Separately acquired	13,060	-	13,060
Derecognition	(3,997)	-	(3,997)
Net exchange differences	6	2,955	2,961
Balance at December 31, 2022	50,275	71,104	121,379
Accumulated amortization			
Balance at January 1, 2022	20,013	56,139	76,152
Amortization expenses	9,584	6,863	16,447
Derecognition	(3,997)	-	(3,997)
Net exchange differences	2	2,955	2,957
Balance at December 31, 2022	25,602	65,957	91,559
Carrying amount at December 31, 2022	$ 24,673	$ 5,147	$ 29,820

Amortization expense is calculated on a straight-line basis over the following durable period:

Computer software costs	1-5 years
Intangible assets - Customer relationships	6 years

Intangible assets on the books include an increase in the fair value of USD 974 thousand due to the premium acquisition of UMTEK TELECOM (HK) LIMITED shares through the subsidiary UMT Samoa and an increase in the fair value of 41,176 thousand due to the premium acquisition of GENTON TECH CORPORATION shares by the parent company. Amortization is calculated based on the remaining useful life.

As of 2023 and December 31, 2022, there were no signs of impairment in the intangible assets after assessment.

18. Prepayments

	December 31, 2023	December 31, 2022
Prepayments for goods	$ 6,571	$ 11,806

Tax credit	3,380	2,186
Others	11,397	9,431
	$ 21,348	$ 23,423

19. LOANS

i. Short-term loans

	December 31, 2023	December 31, 2022
Bank-guaranteed loans	$ 20,000	$ 20,000
Bank credit loans	400,000	530,000
	$ 420,000	$ 550,000

Interest rates on bank loans in 2023 and December 31, 2022, were 0.50%~1.61% and 1.40%~2.00%, respectively.

For information on collateral for short-term loans, please refer to Note 33.

20. NOTES AND ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Notes payable		
Arising from operating activities	$ 49	$ 59
Accounts payable		
Arising from operating activities	$ 157,202	$ 137,051

The average payment period for accounts payable of the consolidated company is 30 to 120 days. The consolidated company has a financial risk management policy in place to ensure that all accounts payable are repaid within the pre-agreed credit terms.

21. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Current		
Other payables		
Salaries and bonuses payable	$ 115,915	$ 147,199
Other payables - social insurance	27,691	28,165
Employee benefit liabilities	10,842	10,462
Other payables - housing provident fund	5,918	6,019
Equipment payable	5,162	10,983
Others	34,263	26,306
	$ 199,791	$ 229,134
Other liabilities		
Contract liabilities	$ 4,477	$ 6,994
Deferred revenue	14,082	136
Others	11,412	11,245
	$ 29,971	$ 18,375

22. RETIREMENT BENEFIT PLANS

i. Defined contribution plan

The retirement pension system applicable to the parent company, Radiation Technology, Inc., RADTEK COMMUNICATIONS, INC., GENTON TECH CORPORATION, JOYMAX ELECTRONICS CO., LTD., and JM-ALONSO Technology Co. Ltd under the Labor Pension Act is a government-managed defined contribution plan, contributing 6% of the employees' monthly salary to the personal account of the Labor Insurance Bureau. The expenses recognized in 2023 and 2022 were 11,819 thousand and 11,490 thousand, respectively.

UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD. and Radiation Technology Inc. are subject to a defined contribution system in accordance with the local social security regulations, contributing to the pension insurance. The expenses recognized in 2023 and 2022 were 7,394 thousand and 7,796 thousand, respectively.

ii. Defined benefit plan

The retirement pension system for the parent company and JOYMAX ELECTRONICS CO., LTD. under Taiwan's "Labor Standards Act" is a government-managed defined benefit plan. The payment of employee pensions is calculated based on years of service and the average wage during the six months prior to the approved retirement date. These companies allocate a 2% pension contribution based on the total monthly salaries of employees, which is deposited into a dedicated account at the Bank of Taiwan under the supervision of the Labor Retirement Reserve Supervisory Committee. The authorities approved the suspension of pension contributions for these companies in 2023 and 2022, respectively. The dedicated account is managed by the Ministry of Labor's Bureau of Labor Funds, and the consolidated company has no right to influence investment management strategies.

The amounts of defined benefit plans included in the consolidated balance sheet are as follows:

The Company－Universal Microwave Technology, Inc.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 7,198	$ 6,191
Fair value of plan assets	(8,214)	(8,077)

Net defined benefit asset	($ 1,016)	($ 1,886)

Subsidiary－JOYMAX ELECTRONICS CO., LTD.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 3,045	$ 2,954
Fair value of plan assets	(7,877)	(7,798)
Net defined benefit asset	($ 4,832)	($ 4,844)

Net defined benefit asset changes are as follows:

The Company－Universal Microwave Technology, Inc.

	Fair value of plan assets	Fair value of planned assets	Net defined benefit assets
January 1, 2023	$ 6,191	($ 8,077)	($ 1,886)
Past service cost	1,050	-	1,050
Interest expense (income)	93	(121)	(28)
Recognized in profit or loss	1,143	(121)	1,022
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16)	(16)
Actuarial gains - changes in financial assumptions	110	-	110
Actuarial losses - experience adjustments	(246)	-	(246)
Recognized in other comprehensive income	(136)	(16)	(152)
December 31, 2023	$ 7,198	($ 8,214)	($ 1,016)
January 1, 2022	$ 6,931	($ 7,463)	($ 532)
Interest expense (income)	34	(37)	(3)
Recognized in profit or loss	34	(37)	(3)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(577)	(577)
Actuarial gains - changes in financial assumptions	(823)	-	(823)
Actuarial losses - experience adjustments	49	-	49
Recognized in other comprehensive income	(774)	(577)	(1,351)
December 31, 2022	$ 6,191	($ 8,077)	($ 1,886)

Subsidiary－JOYMAX ELECTRONICS CO., LTD.

	Fair value of	Fair value of	Net defined

	plan assets	planned assets	benefit assets
January 1, 2023	$ 2,954	($ 7,798)	($ 4,844)
Interest expense (income)	44	(117)	(73)
Recognized in profit or loss	44	(117)	(73)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	38	38
Actuarial gains - changes in financial assumptions	71	-	71
Actuarial gains - experience adjustments	(24)	-	(24)
Recognized in other comprehensive income	47	38	85
December 31, 2023	$ 3,045	($ 7,877)	($ 4,832)
January 1, 2022	$ 4,108	($ 7,403)	($ 3,295)
Interest expense (income)	21	(37)	(16)
Recognized in profit or loss	21	(37)	(16)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(587)	(587)
Actuarial gains - changes in financial assumptions	(673)	-	(673)
Actuarial gains - experience adjustments	(273)	-	(273)
Recognized in other comprehensive income	(946)	(587)	(1,533)
Benefit payments	(229)	229	-
December 31, 2022	$ 2,954	($ 7,798)	($ 4,844)

The consolidated company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Labor Fund Operation Bureau of the Ministry of Labor invests labor retirement funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-management and entrusted management. However, the plan's asset allocation income is calculated based on a return not lower than the local bank's 2-year fixed deposit interest rate.
2. Interest rate risk: A decline in government bond and corporate bond interest rates will increase the present value of defined benefit obligations, but the return on debt investments of plan assets will also increase, partly offsetting the impact on net defined benefit liabilities.

3. Salary risk: The calculation of the present value of defined benefit obligations is based on the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligations.

The present value of the consolidated company's defined benefit obligations is actuarially determined by a qualified actuary, with significant assumptions as of the measurement date as follows:

	December 31, 2023		December 31, 2022	
	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.
Discount rate	1.375%	1.250%	1.500%	1.500%
Expected salary increase rate	2.75%	3.00%	2.75%	3.00%

If significant actuarial assumptions change reasonably, while all other assumptions remain unchanged, the amount by which the present value of the defined benefit obligation would increase (decrease) is as follows:

	December 31, 2023		December 31, 2022	
	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.
Discount rate				
Increase by 0.25%	($ 217)	($ 71)	($ 186)	($ 73)
Decrease by 0.25%	$ 226	$ 73	$ 194	$ 76
Expected salary increase rate				
Increase by 0.25%	$ 219	$ 71	$ 188	$ 73
Decrease by 0.25%	($ 212)	($ 69)	($ 182)	($ 71)

As actuarial assumptions may be interrelated, the possibility of a single assumption change is not significant, so the sensitivity analysis above may not reflect the actual change in the present value of the defined benefit obligation.

	December 31, 2023		December 31, 2022	
	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.	Universal Microwave Technology, Inc.	Joymax Electronics Co., Ltd.
Expected contributions within 1 year	$ -	$ -	$ -	$ -

Average duration of the defined benefit obligation	12.9 years	9.4 years	12.3 years	10.1 years

23. EQUITY

i. Ordinary share capital

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	62,931	62,159
Shares issued	$ 629,312	$ 621,586

The issued common stock has a par value of NT$10 per share and each share has one voting right and the right to receive dividends.

ii. Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Issuance of ordinary shares	$ 717,401	$ 697,401
The difference between the actual price and the book value of acquiring or disposing of subsidiary shares	31,095	31,095
The premium on the issuance of shares due to the exercise of employee stock options	72,424	59,568
Employee share options - expired	85	85
May be used only to offset a deficit (2)		
Recognition of changes in ownership interests of subsidiaries (3)	2,469	2,469
May not be used for any purpose		
Employee share options	31,665	30,280
	$ 855,139	$ 820,898

1. Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and to once a year).
2. Capital reserves generated by investments using the equity method, except for offsetting losses, may not be used for any purpose.
3. This type of capital surplus represents the equity transaction effects recognized due to changes in the ownership interests of subsidiaries that the Company has not actually acquired or disposed of, or adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method.

iii. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, which was amended on 21 June 2023, 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 as Taxes 10% of the remaining profit, setting aside or reversing Special reserve in

accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders'meeting for the distribution of dividends and bonuses to shareholders. If there is still a balance, it should be accumulated with Unappropriated retained earnings . The Board of Directors shall propose a profit distribution plan and authorize the Board of Directors to distribute dividends and bonuses or all or part of Legal reserve and Capital surplus stipulated in Paragraph 1 of Article two hundred and forty-one of the Company Act in the form of cash with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the shareholders' meeting; The distribution of stock dividends is subject to the resolution of the shareholders' meeting. For the policies on the distribution of employees'compensation and remuneration of directors after the amendment, refer to employees compensation and remuneration of directors" in Note 23(8).

The Company may distribute dividends in the form of stock dividends and cash dividends.The cash dividend ratio shall not be less than 10%.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company 2022 and 2021 profit distribution plans as follows:

	Earnings appropriation		Dividend per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 27,200	$ 23,706		
Special reserve	30,214	-		
Cash dividends	223,771	198,908	$ 3.56	$ 3.20

The above-mentioned cash dividends have been resolved by the Board of Directors on 29 March 2023 and the shareholders' meeting on 15 June 2022, respectively. The appropriations of the remaining earnings for 2023 and 2022 were approved in the shareholders' meetings on 21 June 2023 and 15 June 2022, respectively.

In addition, the Company's regular shareholders' meeting on 21 June 2023 and 15 June 2022 decided to distribute cash from Capital surplus-stock issuance premium of

24,863thousand and 49,727thousand respectively, with cash of NT $0.4 and NT $0.8 per share.

The 2023 profit distribution plan is subject to the resolution of the annual shareholders' meeting scheduled for June 2024.

24. NET INCOME FROM CONTINUING OPERATIONS

The net profit of the continuing operating units includes the following items:

i. Other income

	2023	2022
Rental income		
Operating lease rental income		
- Factory and employee dormitory rental income	$ 521	$ 232
Dividend income	24,692	22,424
Government grants	19,620	17,642
Others (Note 32)	5,531	8,093
	$ 50,364	$ 48,391

ii. Other gains and losses

	2023	2022
Gains from disposal of property, plant, and equipment	$ 1,744	$ 3,992
Net foreign exchange gains (losses)	935	80,542
Gains (losses) from financial assets		
Financial assets at fair value through profit or loss (FVTPL)	12,319	(14,635)
Others	(92)	(7)
	$ 14,906	$ 69,892

iii. Foreign exchange gains and losses

	2023	2022
Total foreign exchange gains	$ 78,279	$ 137,498
Total foreign exchange losses	(77,344)	(56,956)
Net gains (losses)	$ 935	$ 80,542

iv. Financial cost

	2023	2022
Interest on bank loans	$ 6,477	$ 4,593

Interest on lease liabilities	80	90
	$ 6,557	$ 4,683

v. Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 62,444	$ 55,387
Right-of-use assets	5,276	4,860
Intangible assets	15,113	16,447
Total	$ 82,833	$ 76,694
An analysis of depreciation by function		
Operating costs	$ 40,810	$ 33,573
Operating expenses	26,910	26,674
	$ 67,720	$ 60,247
An analysis of amortization by function		
Operating costs	$ 922	$ 1,130
Operating expenses	14,191	15,317
	$ 15,113	$ 16,447

vi. Employee benefits expense

	2023	2022
Post-employment benefits (Note 23)		
Defined contribution plans	$ 19,213	$ 19,286
Defined benefit plans	949	(19)
	20,162	19,267
Salary expenses	382,358	421,790
Labor and health insurance expenses	29,137	28,670
Other personnel expenses	19,336	19,219
Total employee benefits expense	$ 450,993	$ 488,946
An analysis of employee benefits expense by function		
Operating costs	$ 153,247	$ 170,745
Operating expenses	297,746	318,201
	$ 450,993	$ 488,946

vii. Compensation of employees and remuneration of directors

According to the Company's Articles of Incorporation, the Company accrues employees' compensation and board directors' remuneration at the rates of no less than 8% and no higher than 3%, respectively, of net profit before income tax,

compensation of employees and remuneration of directors.The employees' compensation and remuneration of directors for the year ended 31 December 2023 are subject to the approval of the Company's board of directors. The employees' compensation and remuneration of directors for the year ended 31 December 2022, which were approved by the Company's board of directors on 29 March 2023, were as follows:

Accrual rate

	2023	2022
Compensation of employees	8.00%	8.00%
Remuneration of directors	2.02%	1.91%

Amount

	2023		2022	
	Cash	Stock	Cash	Stock
Compensation of employees	$ 20,641	$ -	$ 29,343	$ -
Remuneration of directors	5,223	-	6,999	-

If there is a change in the amounts after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021. Compensation of employees and remuneration of directors for 2022 remains pending distribution.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

25. INCOME TAX FROM CONTINUING OPERATIONS

i. Income tax recognized in profit or loss

Major components of income tax expense are as follows:

	2023	2022
Current tax		
In respect of the current period	$ 48,580	$ 83,442
In respect of prior years	(4,392)	(1,262)
Deferred tax		
In respect of the current	13,751	9,347

period		
Income tax expense recognized in profit or loss	$ 57,939	$ 91,527

The reconciliation of accounting income and income tax expense is as follows:

	2023	2022
Profit before tax from continuing operations	$ 299,266	$ 416,097
Income tax expense at statutory rate on net income before tax	$ 68,870	$ 103,372
Non-deductible expenses for tax purposes	154	140
Tax-exempt income	(10,955)	(5,433)
Deferred tax impact on subsidiaries' earnings	4,554	(5,445)
Unrecognized loss carryforward	-	321
Adjustments to prior years' income tax expense	(4,392)	(1,262)
Others	(292)	(166)
Income tax expense recognized in profit or loss	$ 57,939	$ 91,527

ii. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Arising from current year		
-Translation of foreign operating entities	$ 1,350	($ 5,004)
-Remeasurement of defined benefit plans	(13)	(578)
	$ 1,337	($ 5,582)

iii. Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Receivable tax refunds	$ 292	$ 292
Current income tax liabilities		
Income tax payable	$ 36,071	$ 58,634

iv. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2023

Opening balance	Recognized in profit or loss	Recognized in other comprehensive	Exchange difference	Closing balance

			income		
Deferred tax assets					
Temporary differences					
Inventory decline and obsolescence losses	$ 7,663	($ 124)	$ -	($ 50)	$ 7,489
Bad debt losses	236	(236)	-	-	-
Unrealized gross profit on overseas shipments	261	(217)	-	-	44
Deferred income	162	(71)	-	-	91
Unrealized exchange gains	50	1,546	-	-	1,596
Repatriation tax on subsidiaries' earnings	10,113	(4,554)	-	593	6,152
Loss carryforward	471	-	-	-	471
Others	2,075	85	-	-	2,160
	$ 21,031	($ 3,571)	$ -	$ 543	$ 18,003
Deferred tax liabilities					
Temporary differences					
Defined benefit pension plans	$ 1,184	$ 15	$ 13	$ -	$ 1,212
Bad debt losses	-	85	-	-	85
Equity-method investment gains	54,107	10,230	-	-	64,337
Unrealized exchange losses	150	(150)	-	-	-
Exchange differences of foreign operations	1,354	-	(1,350)	-	4
Land value-added tax	7,034	-	-	-	7,034
	$ 63,829	$ 10,180	($ 1,337)	$ -	$ 72,672

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Exchange difference	Closing balance
Deferred tax assets					
Temporary differences					
Inventory decline and obsolescence losses	$ 7,979	($ 347)	$ -	$ 31	$ 7,663
Bad debt losses	2	234	-	-	236
Unrealized gross profit on overseas shipments	244	17	-	-	261
Deferred income	105	57	-	-	162
Defined benefit pension plans	45	-	(45)	-	-
Unrealized exchange gains	-	50	-	-	50
Exchange differences of foreign operations	3,650	-	(3,650)	-	-
Repatriation tax on subsidiaries' earnings	5,014	5,445	-	(346)	10,113
Loss carryforward	471	-	-	-	471
Financial assets at FVTPL	286	(286)	-	-	-
Others	1,950	125	-	-	2,075
	$ 19,746	$ 5,295	($ 3,695)	($ 315)	$ 21,031
Deferred tax liabilities					
Temporary differences					
Defined benefit pension plans	$ 648	$ 3	$ 533	$ -	$ 1,184
Equity-method investment gains	39,475	14,632	-	-	54,107
Unrealized exchange losses	143	7	-	-	150
Exchange differences of foreign operations	-	-	1,354	-	1,354
Land value-added tax	7,034	-	-	-	7,034
	$ 47,300	$ 14,642	$ 1,887	$ -	$ 63,829

v. Unrecognized deferred tax assets on unused loss carryforwards not recognized in the consolidated balance sheet

	December 31, 2023	December 31, 2022
Loss carryforward		
Expires in 2027	$ 830	$ 830

Expires in 2028	2,902	2,902
Expires in 2029	2,765	2,765
Expires in 2030	37	37
Expires in 2031	377	377
Expires in 2033	589	-
	$ 7,500	$ 6,911

vi. Information on unused loss carryforwards

As of December 31, 2023, information on the loss carryforwards of the subsidiary RADTEK COMMUNICATIONS, INC. is as follows:

Unutilized balance	Deduction Overdue Year
$ 3,189	2027
2,902	2028
2,765	2029
37	2030
377	2031
589	2032
$ 9,859	

vii. Income tax assessments

The Company, its subsidiary UMT Investment Co., Ltd, subsidiary RADTEK COMMUNICATIONS, INC., subsidiary JOYMAX ELECTRONICS CO., LTD., subsidiary GENTON TECH CORPORATION, and subsidiary JM-ALONSO Technology Co. Ltd have settled their corporate income tax filings up to 2021, which have been approved by the tax authorities.

26. EARNINGS PER SHARE

Unit: $ per share

	2023	2022
Basic earnings per share	$ 3.20	$ 4.36
Diluted earnings per share	$ 3.12	$ 4.23

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	2023	2022
Net income attributable to the Company's owners		
Net income used to calculate basic earnings per share	$ 200,111	$ 271,000
Net income used to calculate diluted earnings per share	$ 200,111	$ 271,000

Shares	(In Thousands of Shares)	
	2023	2022
Weighted-average number of ordinary shares used in the computation of basic earnings per share	62,531	62,159
Effects of potentially dilutive ordinary shares:		
Employee stock option	1,525	1,674
Compensation of employees	169	248
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	64,225	64,081

If the Consolidated Company offered to settle compensation paid to employees in cash or shares, the Consolidated Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

27. Share-based payment agreements

Employee stock option plan of the Company

On March 10, 2021, the Company resolved through the board of directors to issue 3,000 unit of employee stock options, each of which can be used to subscribe for 1,000 common shares, with new shares issued for delivery. The beneficiaries are the Company's employees and those of the Company's subsidiaries with a controlling interest who have reached a certain standard of seniority and performance. The stock options have a term of 4 years and 2 months, and the option holders can exercise a certain proportion of the granted stock options after 2 years from the date of grant. In addition, on 29 March 2023, the Company's Board of Directors resolved to amend the Employee Stock Option Issuance and Share Subscription Measures to adjust and reduce the grant period after 2 years of the expiration of the employee stock option certificate granted to the warrant holder.When changes occur in the Company's common shares, the exercise price of the stock options will be adjusted according to the specified formula.

The relevant information of the employee stock options is as follows:

	2022		2021	
Employee stock options	Unit	Weighted average Exercise price (dollar)	Unit	Weighted average Exercise price (dollar)
Outstanding at the beginning of the year	3,000	$ 68.3	3,000	$ 70.0
Exercised during the year	(772.6)	66.5-68.3	-	-
Outstanding at the end of the year	2,227.4	66.5	3,000	68.3
Exercisable options at the end of the year	127.4		-	
Weighted average fair value of options granted during the year (dollar)	$ -		$ -	

Up to the balance sheet date, the relevant information of the outstanding employee stock options is as follows:

December 31, 2023			December 31, 2022		
Release Date	Range of exercise price	Weighted average remaining contractual term (years)	Release Date	Range of exercise price	Weighted average remaining contractual term (years)
2021.4.23	$66.5	1.50	2021.4.23	$68.3	2.50

On April 23, 2021, the Company used the Black-Scholes valuation model for the employee stock options granted, with the input values as follows:

	Apr.23, 2021
Stock price on the grant date	72.60 dollars
Exercise price	72.60 dollars
Expected volatility	31.39%~32.84%
Duration	4 years and 2 months
Expected dividend rate	0%
Risk-free interest rate	0.20%~0.25%

The expected volatility is based on the historical stock price volatility taken into account.

The employee stock options issued above have a calculated compensation cost of NTD 52,518 thousand using the fair value method, and salary expenses and capital surplus -

employee stock options of NTD 14,241 thousand and NTD 18,168 thousand were recognized for 2023 and 2022, respectively, on a straight-line basis.

The employees of the Consolidated Company have exercised 772.6 units of warrants in 2023, and subscribed for 772,600 ordinary shares, of which 745,600 shares have been approved by the Board of Directors on the base date of capital increase and the registration of the change has been completed, and the remaining 27,000 shares are pending on the base date of capital increase by the Board of Directors and the registration of the change has been completed.

28. Disposal of subsidiaries

On 31 July 2023, the Group entered into an agreement to dispose of JM-ALONSO Technology Co. Ltd and transferred all the shares it held in JM-ALONSO Technology Co. Ltd and lost control over the subsidiary.

i Consideration received

Cash and cash equivalents	$ 837

ii Analysis of Assets and Liabilities on loss of control

	JM-ALONSO Technology Co. Ltd
CURRENT ASSETS	
Cash and cash equivalents	$ 708
Notes receivable	27
Accounts receivable	857
Inventories	180
Prepayments	100
NON-CURRENT ASSETS	
Property, plant and equipment	49
Guarantee deposits paid	50
Right-of-use assets	751
CURRENT LIABILITIES	
Accounts payable	(294)
Other payables	(269)
Lease liabilities - current	(310)
Other current liabilities	(6)
NON-CURRENT LIABILITIES	
Lease liabilities - non-current	(443)
Net Assets of disposal	$ 1,400

iii Interest of Proceeds from disposal of subsidiaries

Consideration received	$ 837

Net Assets of disposal	(1,400)
Non-controlling interests	550
Disposal loss	($ 13)

iv Net cash inflow from Proceeds from disposal of subsidiaries

Consideration received from Cash and cash equivalents	$ 837
Less: Balance of Cash and cash equivalents disposed	(708)
	$ 129

29. EQUITY TRANSACTION WITH NON-CONTROLLING INTEREST（2023：None）

The consolidated company did not subscribe to the cash capital increase of GENTON TECH CORPORATION on July 14, 2022, in proportion to its shareholding, resulting in a decrease in the shareholding ratio from 56.97% to 53.60%. Please refer to Note 12. Since the above transaction did not change the Consolidated Company's control over the subsidiary, the Consolidated Company treated it as an equity transaction.

2022

	GENTON TECH CORPORATION
Consideration paid	$ 32,000
The amount of non-controlling interests to be (transferred) out as calculated based on the change in the relative equity of the subsidiary's net assets	(33,323)
Equity transaction difference	($ 1,323)

	GENTON TECH CORPORATION
Equity transaction difference adjustment items	
Capital reserve - Difference between the actual price and book value of acquiring or disposing of a subsidiary's shares	($ 1,323)

30. CAPITAL RISK MANAGEMENT

The purpose of the consolidated company's capital management policy is to ensure the continuous operating capacity of the consolidated company, to maximize returns for shareholders, and to provide benefits for other stakeholders. To ensure the achievement of the above objectives, the consolidated company must maintain appropriate capital to support the expansion and upgrading of plants and equipment. Therefore, the capital

management of the consolidated company is to ensure the necessary financial resources and operating plans to support the operating capital, capital expenditures, research and development expenses, debt repayment, and dividend payments required for the next 12 months. The consolidated company does not need to comply with other external capital requirements.

The management of the consolidated company regularly reviews the capital structure and considers the costs and risks that different capital structures may involve. In general, the consolidated company adopts a prudent risk management strategy.

31. FINANCIAL INSTRUMENTS

i. Fair value of financial instruments that are not measured at fair value

The carrying amounts of financial assets and financial liabilities that are not measured at fair value are considered by the management of the Consolidated Company to approximate their fair values.

ii. Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
fund beneficiary certificate	$ 29,025	$ -	$ -	$ 29,025
Listed (OTC) stocks	232,749	-	-	232,749
	$ 261,774	$ -	$ -	$ 261,774
Financial assets at fair value through profit or loss - non-current				
-Domestic unlisted (OTC) stocks	$ -	$ -	$ 12,520	$ 12,520
Financial assets at FVTOCI				
Investments in equity instruments				
-Domestic unlisted (OTC) stocks	$ -	$ -	$ 191,950	$ 191,950

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL - current				
Listed (OTC) stocks	$ 258,931	$ -	$ -	$ 258,931
Financial assets at fair value through profit or loss - non-current				
-Domestic unlisted	$ -	$ -	$ 11,128	$ 11,128

(OTC) stocks				
Financial assets at FVTOCI				
Investments in equity instruments				
-Listed (OTC) stocks	$ 9,715	$ -	$ -	$ 9,715
-Domestic unlisted (OTC) stocks	-	-	115,764	115,764
	$ 9,715	$ -	$ 115,764	$ 125,479

There are no transfers between Level 1 and Level 2 fair value measurements in fiscal 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial Assets	Financial assets at FVTPL Equity Instruments	Financial assets at FVTOCI Equity Instruments	Total
Opening balance	$ 11,128	$ 115,764	$ 126,892
Purchase	-	15,876	15,876
Recognized in profit or loss (other gains and losses)	1,392	-	1,392
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	-	64,657	64,657
Capital reduction	-	(4,347)	(4,347)
Closing balance	$ 12,520	$ 191,950	$ 204,470
Changes in unrealized gains (losses) related to assets held at year-end and recognized in profit or loss for the current year	$ 1,392		$ 1,392

2022

Financial Assets	Financial assets at FVTPL Equity Instruments	Financial assets at FVTOCI Equity Instruments	Total
Opening balance	$ 11,128	$ 198,987	$ 210,115
Recognized in profit or loss (other gains and losses)	-	-	-
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at fair value through other comprehensive income)	-	(80,935)	(80,935)
Capital reduction	-	(2,288)	(2,288)
Closing balance	$ 11,128	$ 115,764	$ 126,892
Changes in unrealized gains (losses) related to assets held at year-end and recognized in profit or loss for the current year	$ -		$ -

3. Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Domestic unlisted equity investments are estimated at fair value using the asset-based approach and market approach.

The asset-based approach estimates the fair value based on its net asset value. Significant unobservable inputs are as follows: when the liquidity discount or minority interest discount decreases, the fair value of such investment companies will increase. The unobservable inputs used by the consolidated company in 2023 and December 31, 2022 are liquidity reductions of 10% to 35%. When other inputs remain unchanged, an increase in the liquidity reduction of 1% will reduce the fair value by 2,505 thousand and 1,864 thousand, respectively.

The market approach involves selecting a sample of listed companies engaged in the same or similar business activities, referencing the stock prices traded on active markets, and evaluating the implied value multiples and relevant transaction information of these prices to determine the asset value of the valuation target, or referencing the stock prices of companies engaged in the same or similar business activities traded in inactive markets and making appropriate adjustments, or referencing the indicative transaction prices of the valuation target in the most recent year.

iii. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL - current	$ 261,774	$ 258,931
Financial assets at FVTPL – non-current	12,520	11,128
Financial assets at amortized cost (Note 1)	1,637,620	1,684,491
Investments in equity instruments - Financial assets at FVTOCI - non-current	191,950	125,479
Financial liabilities		
At amortized cost (Note 2)	777,256	916,279

Note 1: The balance includes cash and cash equivalents, financial assets at amortized cost - current, notes receivable, accounts receivable, other receivables (including related parties), and deposits measured at amortized cost.

Note 2: The balance includes short-term loans, short-term notes payable, notes payable, accounts payable, other payables, and deposits measured at amortized cost.

iv. Financial risk management objectives and policies

The financial risk management objectives of the consolidated company are to manage the exchange rate risk, interest rate risk, credit risk, and liquidity risk associated with operating activities. To mitigate these financial risks, the consolidated company is committed to identifying, assessing, and avoiding market uncertainties to reduce the potential adverse impact of market fluctuations on the Company's financial performance.

The consolidated company hedges its exposure through the use of derivative financial instruments to mitigate the impact of such risks. The use of derivative financial instruments is subject to policies approved by the board of directors of the consolidated company, which set out written principles for exchange rate risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of residual liquid funds. Significant financial activities of the consolidated company are reviewed by the board of directors according to relevant regulations and internal control systems. During the implementation of financial plans, the consolidated company must adhere to relevant financial operating procedures concerning overall financial risk management and the division of responsibilities. Internal auditors continuously review compliance with policies and exposure limits. The consolidated company does not engage in financial instrument (including derivative financial instrument) transactions for speculative purposes.

1. Market risk

   The Consolidated Company’s activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

   There have been no changes in the exposure to market risks related to financial instruments of the consolidated company and the ways in which these exposures are managed and measured.

(1) Foreign currency risk

The Company and several of its subsidiaries engage in foreign currency denominated sales and purchase transactions, exposing the consolidated company to exchange rate risks. The management of exchange rate exposure within the consolidated company is done within the limits allowed by policy, using forward foreign exchange contracts to manage risks.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date (including non-functional currency denominated monetary items that have been offset in the consolidated financial statements), please refer to Note 34.

Sensitivity analysis

The Consolidated Company was mainly exposed to USD.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the functional currency increases and decreases by 3% against each relevant foreign currency. 3% is the sensitivity ratio used for internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts their year-end translation by a 3% change in exchange rates. The amounts in the table below represent the increase in income before income taxes that would result from a 3% weakening of the functional currency against the respective currencies, and the negative impact on income before income taxes that would result from a 3% strengthening of the functional currency against the respective currencies.

	2023	2022
Profit or loss		
USD	$ 26,377	$ 31,523

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the value of financial instruments due to fluctuations in market interest rates. The consolidated

company monitors market interest rate fluctuations to manage interest rate risk.

The carrying amounts of the Consolidated Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 890,157	$ 786,271
Financial liabilities	441,172	407,166
Cash flow interest rate risk		
Financial assets	291,735	321,377
Financial liabilities	-	150,000

Sensitivity analysis

Regarding the sensitivity analysis of interest rate risk, the consolidated company calculates based on financial assets and liabilities with cash flow interest rate risk as of the balance sheet date. The consolidated company uses a 0.5% increase/decrease in market interest rates as a reasonable risk assessment for reporting interest rate changes to management. With all other variables held constant, a 0.5% increase/decrease in market interest rates would increase/decrease the pre-tax net profit of the consolidated company for 2023 and 2022 by 1,459 thousand and 857 thousand, respectively.

(3) Other price risk

The consolidated company is exposed to equity price risk due to its investments in beneficiary certificates and listed equity securities.

Sensitivity analysis

Sensitivity analysis

Conduct risk measurement for the Consolidated Company's Equity price change financial Assets. The Group adopted sensitivity analysis to measure the price risk of securities in Equity.

The sensitivity analysis is based on the equity investment exposure as of the balance sheet date. If the domestic and foreign equity investment positions' price drops by 5%, the pre-tax income for 2023 and 2022 will decrease by 13,715 thousand and 13,503 thousand, respectively, due to

the decline in the fair value of financial assets measured at fair value through profit or loss. In 2023 and 2022, other comprehensive income will decrease by 9,598 thousand and 6,274 thousand, respectively, due to the decline in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit risk

Credit risk refers to the risk of financial loss arising from the counterparty's default on contractual obligations. As of the balance sheet date, the maximum credit risk exposure of the consolidated company primarily arises from the carrying amount of financial assets recognized in the consolidated balance sheet.

The consolidated company's policy is to transact only with creditworthy counterparties and obtain sufficient collateral when necessary to mitigate the risk of financial loss arising from default. The risk assessment of individual customers considers factors that may affect the customer's payment ability, including the customer's financial condition, credit rating agency ratings, the consolidated company's internal credit rating, historical transaction records, and current economic conditions. The consolidated company also uses certain credit enhancement tools, such as prepayments and credit insurance, to reduce the credit risk of specific customers when appropriate.

The consolidated company's credit risk is mainly concentrated in its top five group customers. As of 2023 and December 31, 2022, the ratio of total accounts receivable from these customers was 30.64% and 31.54%, respectively, and the credit concentration risk of the remaining accounts receivable was relatively insignificant. After considering specific factors and conducting risk assessments, the credit risk of the top five group customers should not have a significant impact on the consolidated company.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient cash and cash equivalents to support its operations and mitigate the impact of cash flow fluctuations. The Consolidated Company’s management monitors the use of bank financing lines and ensures compliance with the terms of borrowing contracts.

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest possible repayment date required by the consolidated company and the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the maturity analysis of the consolidated company's non-derivative financial liabilities is prepared according to the agreed repayment dates.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Short-term loans	$ 200,230	$ 220,678	$ -	$ -
Notes payable	49	-	-	-
Accounts payable	50,203	87,334	19,665	-
Other payables	60,228	52,150	87,413	-
Lease liabilities	471	853	3,710	17,571
	$ 311,181	$ 361,015	$ 110,788	$ 17,571

Further information on the above maturity analysis of financial liabilities is as follows:

	Less than 1 year	1-5Y	5-10Y	10-15Y	15-20Y	More than 20 years
Lease liabilities	$ 5,034	$12,144	$ 5,427	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years
Non-derivative financial liabilities				
Short-term loans	$ 170,227	$ 180,631	$ 202,844	$ -
Lease liabilities	336	659	2,907	3,340
Notes payable	58	1	-	-
Accounts payable	34,800	92,380	9,871	-
Other payables	55,359	68,971	104,804	-
	$ 260,780	$ 342,642	$ 320,426	$ 3,340

Further information on the above maturity analysis of financial liabilities is as follows:

	Less than 1 year	1-5Y	5-10Y	10-15Y	15-20Y	More than 20 years
Lease liabilities	$ 3,902	$ 3,340	$ -	$ -	$ -	$ -

Financing Limit

	December 31, 2023	December 31, 2022
Unsecured bank overdraft limit		
-Amount used	$ 437,694	$ 551,788
-Unused amount	1,146,975	564,920
	$ 1,584,669	$ 1,116,708
Secured bank overdraft facility		
-Amount used	$ 20,000	$ 20,000
-Unused amount	10,000	-
	$ 30,000	$ 20,000

The operating funds of the merged company are sufficient to meet its needs, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

32. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries which are related parties of the Company, had been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Consolidated Company and its related parties are disclosed below.

i. Related parties and their relationships

Related Party	Relationship
FuTa Precision Inc.	Affiliates

ii. Other receivables from related parties

Related Party	December 31, 2023	December 31, 2022
Affiliates	$ -	$ 5

Uncollected guarantees for receivables from related parties in circulation. Receivables from related parties in 2022 have not been provisioned for bad debt losses.

iii. Other revenue

Related Party	2023	2022
Affiliates	$ 54	$ 32

iv. Compensation of key management personnel

The remuneration of directors and other senior management is as follows:

	2023	2022
Short-term Employee Benefits	$ 40,716	$ 54,583
Post-employment benefits	786	720
Share-based benefits	3,821	4,891
	$ 45,323	$ 60,194

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

33. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets (listed at book value) of the consolidated company have been provided as collateral for import raw materials and goods, guarantee deposits for customs duties, guarantee deposits for endorsements and collateral for bank loan limits:

	December 31, 2023	December 31, 2022
Pledged deposits (classified as financial assets at amortized cost)	$ 1,000	$ 1,000
Land	28,773	169,778
Building and Construction - Net	26,759	274,889
	$ 56,532	$ 445,667

34. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In response to the sustainable operation and development of the consolidated company's operations, the Board of Directors of the Company and its subsidiary Radiation Technology Inc. resolved on 13 March 2024 to propose an reverse triangular merger with the subsidiary Radiation Technology Inc. through the newly established subsidiary UMT Holding (SAMOA) Limited, a 100%-owned subsidiary of the Company, UMT Holding (Cayman) Limited, with Radiation Technology Inc. as the surviving company. The merger consideration of this merger case is NT $53.8 per share, and the merger base date is temporarily scheduled on 18 October 2024. Regarding the specific time of this merger case, it is proposed to request the shareholders' meeting of the Company to authorize UMT Holding (SAMOA) Limited to handle or amend it at its full discretion according to the Company's operating conditions or the requirements of the competent authority. Upon the completion of the merger, Radiation Technology Inc. will become a 100% owned subsidiary of UMT Holding (SAMOA) Limited.

Radiation Technology Inc. intends to apply to Taipei Exchange to terminate the stock listing and the public offering after the merger is approved at the shareholders' meeting.

35. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is expressed in a summary of foreign currencies other than the functional currency of the Consolidated Company. The disclosed exchange rates are the rates at which these foreign currencies are converted into the functional currency. Information on foreign currency financial assets and liabilities with significant impact on the Consolidated Company is as follows:

December 31, 2023

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Foreign currency assets			
Monetary items			
USD	$ 18,367	7.0827 (USD：RMB)	$ 563,959
USD	12,799	30.7050 (USD：NTD)	392,993
RMB	2,144	4.3352 (RMB：NTD)	9,295
NTD	3,265	0.2307 (NTD：RMB)	3,265
EUR	56	33.9800 (EUR：NTD)	1,903
RMB	302	0.1412 (RMB：USD)	1,309
JPY	3,824	0.2172 (JPY：NTD)	831
			$ 973,555
Foreign currency liabilities			
Monetary items			
USD	1,092	30.7050 (USD：NTD)	$ 33,530
USD	1,439	7.0827 (USD：RMB)	44,184
NTD	1,437	0.2307 (NTD：RMB)	1,437
RMB	8,200	4.3352 (RMB：NTD)	35,549
RMB	307	0.1412 (RMB：USD)	1,331
			$ 116,031

December 31, 2022

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Foreign currency assets			
Monetary items			
USD	$ 15,763	30.71 (USD:NTD)	$ 484,082
USD	21,701	6.9646 (USD:RMB)	666,438
EUR	49	32.72 (EUR:NTD)	1,603
RMB	1,679	4.4094 (RMB:NTD)	7,403
NTD	680	0.2268 (NTD:RMB)	680

HKD	324	3.938 (HKD:NTD)	1,276
JPY	22,831	0.2324 (JPY:NTD)	5,306
RMB	343	0.1436 (RMB:USD)	1,512
			$ 1,168,300

Foreign currency liabilities			
Monetary items			
USD	$ 1,187	30.71 (USD:NTD)	$ 36,453
USD	2,061	6.9646 (USD:RMB)	63,293
NTD	1,330	0.2268 (NTD:RMB)	1,330
RMB	2,558	4.4094 (RMB:NTD)	11,279
RMB	24	0.1436 (RMB:USD)	106
			$ 112,461

The consolidated company's net gains on foreign currency exchange (realized and unrealized) for 2023 and 2022 were 935 thousand and 80,542 thousand. Due to the variety of foreign currency transactions and the functional currency types of the group entities, it is not possible to disclose exchange gains and losses according to each significant foreign currency.

36. SEPARATELY DISCLOSED ITEMS

i. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS：

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held (Excluding investments in subsidiaries, related companies, and joint control): Table 3.
4. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.

10. Other: Intercompany relationships and significant intercompany transactions: Table 5.

ii. INFORMATION ON INVESTEES: Table 6.

iii. INFORMATION ON INVESTMENTS IN MAINLAND CHINA:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment profit or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 7.

2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: The Company commissions its mainland subsidiaries UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD. and Radiation Technology Inc. to process raw materials, and the finished products are returned to the Company after processing, without sales treatment for processing materials. The total unrealized sales loss in 2023 is 232 thousand. For major transactions between the Company and the mainland invested companies, please refer to Appendix 8.

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.

(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.

(3) The amount of property transactions and the amount of the resultant gains or losses.

(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.

(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.

(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

iv. INFORMATION OF MAJOR SHAREHOLDERS: The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater. (Table 9)

37. SEGMENT INFORMATION

The consolidated company mainly focuses on the manufacturing and wholesale of communication components and materials (production of communication equipment components), and is divided into microwave/millimeter-wave product division, radio frequency product division, and communication network engineering service division according to the main products of the operation center. The main operating decision-makers will regularly evaluate the operating results of each department, which has complied with the provisions of International Financial Reporting Standard No. 8 "Operating Segments", and thus discloses in accordance with the regulations.

Information provided to the main operating decision-makers for resource allocation and performance evaluation focuses on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

Microwave / Millimeter Wave Products

－Universal Microwave Technology, Inc.

－UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.

Radio Frequency Products

－UMTEK TELECOM (HK) LIMITED

－Radiation Technology Inc.

－RADTEK COMMUNICATIONS, INC.

－JOYMAX ELECTRONICS CO., LTD.

Communication Network Engineering Services

－GENTON TECH CORPORATION

－Bridge Components (HK) Limited

－JM-ALONSO Technology Co. Ltd（December 31, 2023：None，Please refer to Note 28.）

－WIRELESS SI CORPORATION

i. Segment revenue and operating results

The revenue and operating results of the Consolidated Company's continuing business units are analyzed by reportable segment as follows:

	Microwave / Millimeter Wave Products	Radio Frequency Products	Communication Network Engineering Services	Total
2023				
Revenue from external customers	$ 779,070	$ 508,326	$ 297,812	$ 1,585,208
Interdepartmental revenue	38,111	265,087	886	304,084
Departmental revenue	$ 817,181	$ 773,413	$ 298,698	1,889,292
Internal offset				(304,084)
Consolidated revenue				$ 1,585,208
Departmental profit and loss	$ 163,087	$ 118,869	$ 19,616	$ 301,572
Adjustments and eliminations				(2,306)
Income tax expense				(57,939)
Consolidated net profit				$ 241,327
2022				
Revenue from external customers	$ 917,414	$ 725,536	$ 194,715	$ 1,837,665
Interdepartmental revenue	54,252	379,829	2,226	436,307
Departmental revenue	$ 971,666	$ 1,105,365	$ 196,941	2,273,972
Internal offset				(436,307)
Consolidated revenue				$ 1,837,665
Departmental profit and loss	$ 226,837	$ 187,493	$ 4,101	$ 418,431
Adjustments and eliminations				(2,334)
Income tax expense				(91,527)
Consolidated net profit				$ 324,570

The revenue reported above includes the income generated from transactions between departments and transactions with external customers.

Departmental profit and loss refers to the operating results of each operating department, which have been allocated to the headquarters management costs but do not include income tax expenses. This measurement amount is provided to the main operating decision-makers for allocating resources to departments and evaluating their performance.

The consolidated company does not include the assets of individual operating departments in the departmental information provided to the main operating decision-makers; therefore, the departmental financial information does not include the measurement amount of operating assets.

ii. Revenue from major products

Revenue from major products and services of the Consolidated Company's continuing business units is analyzed as follows:

	2023	2022
Microwave / Millimeter Wave Products	$ 779,070	$ 917,414
Radio Frequency Products	508,326	725,536
Communication Network Engineering Services	297,812	194,715
	$ 1,585,208	$ 1,837,665

iii. Regional Information:

The consolidated company mainly operates in two regions - Taiwan and Mainland China; the income from external customers is classified based on the country where the customer is located.

The income from continuing operations of the consolidated company from external customers is classified by the operating location and the non-current assets are classified by the asset location as follows:

	Revenue from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 405,021	$ 357,089	$ 924,545	$ 880,680
China	86,863	133,953	165,862	183,553
Asia	416,287	437,674	-	-
Europe	210,846	307,232	-	-
America	455,430	586,944	-	-
Oceania	10,761	14,773	-	-
	$ 1,585,208	$ 1,837,665	$ 1,090,407	$ 1,064,233

Non-current assets do not include assets arising from classification as financial instruments, investments under the equity method, deferred tax assets, and post-retirement benefit assets.

iv. Major customers

In 2023 and 2022, no single customer's revenue accounted for more than 10% of the total revenue of the consolidated company.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 1

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Number (Note 1)	Loan Funded Companies	Lenders	Relationship	Related party	Maximum balance for the period	Closing balance (Notes 5, 6, 7 and 8)	Actual expenditures	Interest Rate Range	Funding and nature of loans	Amount of business transactions	reasons why short-term financing funds are necessary	Allowance for doubtful accounts	Collateral		Limits on the lending of funds to individual targets (Notes 2, 3 and 4)	Capital Credits and Total Limits (Notes 2, 3 and 4)	Note
													Name	Value			
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	Other receivables - related parties	Y	$ 80,000	$ -	$ -	Interest rate of not less than 1% per	Short-term financing funds	$ -	Business Turnover	$ -	-	$ -	$ 823,322	$ 823,322	
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	Other receivables - related parties	Y	40,000	40,000	-	Interest rate of not less than 1.6% per	Short-term financing funds	-	Business Turnover	-	-	-	823,322	823,322	
0	Universal Microwave Technology, Inc.	RADIATION TECHNOLOGY,INC.	Other receivables - related parties	Y	153,525 (USD 5,000thousand)	153,525 (USD 5,000thousand)	-	Interest rate of not less than 4.5% per	Short-term financing funds	-	Business Turnover	-	-	-	823,322	823,322	
1	GENTON TECH CORPORATION	Bridge Components (HK) Limited	Other receivables - related parties	Y	5,527 (USD 180thousand)	5,527 (USD 180thousand)	-	Interest rate of not less than 1.2% per	Short-term financing funds	-	Business Turnover	-	-	-	68,202	68,202	
1	GENTON TECH CORPORATION	Universal Microwave Technology, Inc.	Other receivables - related parties	Y	30,000	30,000	20,000	Interest rate of not less than 1.5% per	Short-term financing funds	-	Business Turnover	-	-	-	68,202	68,202	
2	UMT HOLDINGS (SAMOA) LIMITED	Universal Microwave Technology, Inc.	Other receivables - related parties	Y	184,230 (USD 6,000thousand)	184,230 (USD 6,000thousand)	-	Interest rate of not less than 4.5% per	Short-term financing funds	-	Business Turnover	-	-	-	277,481	277,481	

Note 1: The description of the number field is as follows:

(1) No. 0 represents the issuer.

(2) Other numbers represent investees.

Note 2: The total amount of funds lent by the Company to companies or firms with short-term financing needs shall not exceed 40% of the Company's net worth; the individual lending amount shall not exceed 40% of the Company's net worth.

Note 3: GENTON TECH CORPORATION's total amount of funds lent to companies or firms with short-term financing needs shall not exceed 40% of GENTON TECH CORPORATION's net worth; the individual lending amount shall not exceed 40% of GENTON TECH CORPORATION's net worth.

Note 4: UMT Holdings (Samoa) Limited's total amount of funds lent to companies or firms with short-term financing needs shall not exceed 40% of UMT Holdings (Samoa) Limited's net worth; the individual lending amount shall not exceed 40% of UMT Holdings (Samoa) Limited's net worth.

Note 5: On November 9, 2022, Universal Microwave Technology, Inc. resolved at a board of directors meeting to lend 80,000,000 to its subsidiary GENTON TECH CORPORATION, for its operational scale and improvement of funds utilization, from November 13, 2022, to November 12, 2023.

Universal Microwave Technology, Inc. resolved at a board of directors meeting on May 12, 2022, to lend USD 5,000,000 to its subsidiary RADIATION TECHNOLOGY, INC. for its operational scale and improvement of funds utilization, from May 12, 2023, to May 11, 2024.

Universal Microwave Technology, Inc. resolved at a board of directors meeting on August 10, 2023, to lend 40,000,000 to its subsidiary JOYMAX ELECTRONICS CO., LTD. for its operational scale and improvement of funds utilization, from August 12, 2023, to August 11, 2024.

GENTON TECH CORPORATION resolved at a board of directors meeting on May 19, 2022, to lend USD 180,000 to Bridge Components (HK) Limited for its operational scale and improvement of funds utilization, from April 1, 2023, to March 31, 2024.

GENTON TECH CORPORATION resolved at a board of directors meeting on August 4, 2023, to lend NTD30,000,000 to Universal Microwave Technology, Inc. for its operational scale and improvement of funds utilization, from August 4, 2023, to August 3, 2024.

On behalf of UMT Holdings (Samoa) Limited, Universal Microwave Technology, Inc. resolved at a board of directors meeting on November 8, 2023, to lend USD 6,000,000 to Universal Microwave Technology, Inc. for its operational scale and improvement of funds utilization, from November 9, 2023, to November 8, 2024.

Note 6: The amount of funds lent is approved by the board of directors.

Note 7: Calculated based on the central exchange rate of the US dollar as of December 31, 2023.

Note 8: All amounts have been fully offset when preparing the consolidated financial statements.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 2

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Number	Endorser	Endorsee		Endorsement and guarantee limit for a single company (Note 2 & 3)	Maximum balance for the period (Note 3)	Ending balance	Actual expenditure	Endorsement and guarantee amount by assets	Ratio of cumulative endorsement/ guarantee amount to net worth as stated in the latest financial statements (%)	Maximum limit of endorsement and guarantee (Note 2 & 3)	Endorsement and guarantee from parent to subsidiary	Endorsement and guarantee from subsidiary to parent	Endorsement and guarantee for Mainland China	Remark
		Company name	Relationship (Note 1)											
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	2	$ 1,029,153	$ 50,000	$ 30,000	$ 20,000	$ -	1.46%	$ 1,029,153	Y	N	N	—

Note 1：There are seven types of relationships between the endorser and the endorsee, which can be indicated as follows:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.

(5) Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The endorsement and guarantee procedures for the Company, UMT Holdings (Samoa) Limited, and RADIATION TECHNOLOGY, INC. are as follows:

(1) The total amount of endorsements and guarantees provided by our company shall not exceed 50% of the current net value; the total amount of endorsements and guarantees provided by our company and its subsidiaries shall not exceed 60% of the current net value.

(2) The endorsement and guarantee limit for a single enterprise by our company shall not exceed 50% of the current net value; the endorsement and guarantee limit for a single enterprise by our company and its subsidiaries shall not exceed 60% of the current net value. If endorsements and guarantees are provided due to business relationships, they shall not exceed the total transaction amount between the Company and the counterpart in the most recent fiscal year (whichever is higher for purchases or sales). Net value shall be based on the most recent audited or reviewed financial statements.

(3) The Company's direct and indirect holdings of voting shares of more than 90% in other companies should not exceed 10% of the Company's net value for endorsement guarantees. However, endorsement guarantees between companies with 100% direct and indirect holdings of voting shares are not subject to this limit.

Note 3: The conversion is based on the USD Central Exchange Rate as of December 31, 2023.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

Table 3

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type/Name and Issuer	Relationship with the Holding Company	Line Item	At the End of Period				Remark
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 2)	
Universal Microwave Technology, Inc.	Common Stock							
	Dynahz Technologies Corporation	None	Financial assets at FVTOCI - non-current	1,606,314	$ 108,404	9.66%	$ 108,404	Note 1
	TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.	None	Financial assets at FVTOCI - non-current	289,813	4,425	1.67%	4,425	Note 1
	RISING GLORY TECHNOLOGY CO., LTD.	None	Financial assets at FVTOCI - non-current	484,500	18,503	19.00%	18,503	Note 1
	Terasilic Co.,Ltd.	None	Financial assets at FVTOCI - non-current	4,125,584	36,019	14.54%	36,019	Note 1
	Certain Micro Application Technology Inc.	None	Financial assets at FVTOCI - non-current	900,000	24,599	4.86%	24,599	Note 1
	Remotek Corporation	None	Financial assets at fair value through profit or loss - non-current	861,768	12,520	1.25%	12,520	Note 1
	Special Stock							
	Fubon Financial	None	Financial assets at FVTPL - current	1,660,000	99,434	0.25%	99,434	Note 1
	WPG Holdings	None	Financial assets at FVTPL - current	2,025,000	95,175	1.01%	95,175	Note 1
UMT Investment Co., Ltd	Fund Beneficiary Certificate							
	CTBC Hua Win Money Market Fund	None	Financial assets at FVTPL - current	2,565,169	29,025	0.07%	29,025	Note 1
	Special Stock							
	Cathay Financial Holdings Co., Ltd.	None	Financial assets at FVTPL - current	333,000	19,880	0.05%	19,880	Note 1
	Taishin Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	400,000	18,260	0.13%	18,260	Note 1

Note 1: No collateral, pledged loans, or other restrictions are provided.

Note 2: Market prices are calculated based on the closing price as of December 31, 2023, or the net asset value of each fund. If there is no market price, fair value is measured using valuation techniques.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 4

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
UMTEK TELECOM (HK) LIMITED	Radiation Technology Inc.	UMTEK TELECOM (HK) LIMITED, 100% owned subsidiary	Purchase	$ 118,346	100%	EOM 60 days	—	—	($ 30,214)	100.00%	Note 1
Radiation Technology Inc.	UMTEK TELECOM (HK) LIMITED	Parent company holding 100% of Radiation Technology Inc.	Sales	(118,346)	25.26%	EOM 60 days	—	—	30,214	27.07%	Note 1

Note 1: The industry has been offset when preparing the consolidated financial statements.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

OTHER: INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 5

(In Thousands of New Taiwan Dollars)

Number (Note 1)	Company Name	Counterparty	Flow of Transaction (Note 2)	Transaction Details			
				Item	Amount	Transaction Terms	Percentage of Transaction Amount to Consolidated Operating Revenue or Total Assets (Note 3)
0	Universal Microwave Technology, Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	1	Accounts receivable	$ 577	90 days	0.02%
0	Universal Microwave Technology, Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	1	Accounts payable	5,934	90 days	0.17%
0	Universal Microwave Technology, Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	1	Purchase	29,146	—	1.77%
0	Universal Microwave Technology, Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	1	Sales	2,413	—	0.15%
0	Universal Microwave Technology, Inc.	Radiation Technology Inc.	1	Accounts receivable	194	60 days	0.01%
0	Universal Microwave Technology, Inc.	Radiation Technology Inc.	1	Sales	992	—	0.06%
0	Universal Microwave Technology, Inc.	Radiation Technology Inc.	1	Accounts payable	14,386	60 days	0.42%
0	Universal Microwave Technology, Inc.	Radiation Technology Inc.	1	Purchase	80,303	—	4.88%
0	Universal Microwave Technology, Inc.	Radiation Technology Inc.	1	Other payables	203	—	0.01%
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	1	Sales	4,178	—	0.25%
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	1	Purchase	4,206	—	0.26%
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	1	Accounts payable	3,101	60 days	0.09%
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	1	Accounts receivable	755	60 days	0.02%
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	1	Other revenue	897	—	0.05%
0	Universal Microwave Technology, Inc.	RADIATION TECHNOLOGY,INC.	1	Other revenue	291	—	0.02%
0	Universal Microwave Technology, Inc.	RADTEK COMMUNICATIONS, INC.	1	Other revenue	338	—	0.02%
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	1	Sales	1,363	—	0.08%
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	1	Accounts receivable	1,432	60 days	0.04%
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	1	Other payables	20,000	—	0.59%
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	1	Other revenue	402	—	0.02%
0	Universal Microwave Technology, Inc.	UMT Holdings（Samoa）Limited	1	Other receivables	13,792	—	0.40%
0	Universal Microwave Technology, Inc.	UMT Holdings（Samoa）Limited	1	Other revenue	612	—	0.04%
1	UMTEK TELECOM (HK) LIMITED	Radiation Technology Inc.	3	Accounts payable	30,214	60 days	0.89%
1	UMTEK TELECOM (HK) LIMITED	Radiation Technology Inc.	3	Purchase	118,346	—	7.47%
2	Radiation Technology Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	3	Accounts receivable	13,499	90 days	0.40%
2	Radiation Technology Inc.	UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	3	Sales	59,773	—	3.64%
2	Radiation Technology Inc.	UNIVERSAL MICROWAVE TECHNOLOGY	3	Other receivables	261	—	0.01%

2	Radiation Technology Inc.	(KUNSHAN) CO., LTD. UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	3	Other revenue	506	—	0.03%
2	Radiation Technology Inc.	JOYMAX ELECTRONICS CO., LTD.	3	Sales	915	—	0.06%
2	Radiation Technology Inc.	JOYMAX ELECTRONICS CO., LTD.	3	Purchase	175	—	0.01%
2	Radiation Technology Inc.	JOYMAX ELECTRONICS CO., LTD.	3	Accounts receivable	221	60 days	0.01%
2	Radiation Technology Inc.	Bridge Components (HK) Limited	3	Sales	986	—	0.06%
2	Radiation Technology Inc.	Bridge Components (HK) Limited	3	Accounts receivable	405	60 days	0.01%
3	RADTEK COMMUNICATIONS, INC	Radiation Technology Inc.	3	Other revenue	1,838	—	0.11%
4	JOYMAX ELECTRONICS CO., LTD.	Bridge Components (HK) Limited	3	Sales	229	—	0.01%
4	JOYMAX ELECTRONICS CO., LTD.	Bridge Components (HK) Limited	3	Accounts receivable	230	60 days	0.01%
4	JOYMAX ELECTRONICS CO., LTD.	GENTON TECH CORPORATION	3	Sales	157	—	0.01%
5	GENTON TECH CORPORATION	Bridge Components (HK) Limited	3	Other revenue	1,240	—	0.08%
5	GENTON TECH CORPORATION	Bridge Components (HK) Limited	3	Other receivables	201	—	0.01%
5	GENTON TECH CORPORATION	JM-ALONSO Technology Co. Ltd	3	Purchase	759	—	0.05%
5	GENTON TECH CORPORATION	JM-ALONSO Technology Co. Ltd	3	Other revenue	100	—	0.01%

Note 1: No. 0 represents the parent company; other numbers represent subsidiaries.

Note 2: The directional flow of the transactions are represented by the following numerals:

1 - from parent company to subsidiary.

2 - from subsidiary to parent company.

3 - between subsidiaries.

Note 3: The accounts in the consolidated balance sheets and those in the consolidated statements of comprehensive income were based on the Company’s consolidated total assets and total gross sales, respectively.

Note 4 Intercompany balances and transactions were eliminated upon consolidation.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

INFORMATION ON INVESTEES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 6

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		Balance as of December 31, 2023			Profit or (Loss) of the Investee (Note 2 & 3)	Investment Profit or (Loss) Recognized (Note 2 & 3)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership	Carrying Amount (Note 1)			
Universal Microwave Technology, Inc.	UMT Holdings (Samoa) Limited	Samoa	General Investment	$ 369,412 (USD 12,031thousand)	$ 369,412 (USD 12,031thousand)	12,031,284	100.00%	$ 726,670	$ 45,175 (USD 1,450thousand)	$ 50,392	Subsidiary
Universal Microwave Technology, Inc.	RADIATION TECHNOLOGY ,INC.	Cayman	General Investment	26,497	26,497	614,935	2.05%	15,169	83,783 (RMB18,938thousand)	1,873	Sub-subsidiary
Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	ROC	Trading of components and materials for telecommunication infrastructure equipment	109,385	109,385	5,895,731	53.60%	107,433	16,102	5,872	Subsidiary
Universal Microwave Technology, Inc.	UMT Investment Co., Ltd	ROC	General Investment	60,000	60,000	7,211,785	100.00%	72,287	2,452	2,452	Subsidiary
Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	ROC	Processing and sale of computers, electronic products, communications equipment and components	234,752	234,752	10,998,366	99.99%	246,256	8,475	8,473	Subsidiary
GENTON TECH CORPORATION	Bridge Components (HK) Limited	HK	Trading of components and materials for telecommunication infrastructure equipment	2,763 (USD 90thousand)	2,763 (USD 90thousand)	700,000	100.00%	3,118	(498) (USD -16thousand)	(498)	Sub-subsidiary
GENTON TECH CORPORATION	JM-ALONSO Technology Co. Ltd	ROC	Trading of components and materials for telecommunication infrastructure equipment	-	2,550	-	-	-	(424)	(257)	Sub-subsidiary
JOYMAX ELECTRONICS CO., LTD.	FuTa Precision Inc.	ROC	Precision industrial customized parts trading	3,900	3,900	390,000	39.00%	3,447	(790)	(308)	Associates
UMT Holdings (Samoa) Limited	UMT Holdings (HK) Limited	HK	General Investment	56,804 (USD 1,850thousand)	56,804 (USD 1,850thousand)	14,336,197	100.00%	72,372 (USD 2,357thousand)	810 (USD 26thousand)	810 (USD 26thousand)	Sub-subsidiary
UMT Holdings (Samoa) Limited	RADIATION TECHNOLOGY,INC.	Cayman	General Investment	228,629 (USD 7,446thousand)	228,629 (USD 7,446thousand)	16,069,978	53.54%	394,682 (USD 12,854thousand)	83,783 (RMB18,938thousand)	43,430 (USD 1,394thousand)	Sub-subsidiary
RADIATION TECHNOLOGY,INC.	UMTEK TELECOM (HK) LIMITED	HK	Sales of electronic components such as antennas, RF connectors and General Investment	375,860 (USD 12,241thousand)	375,860 (USD 12,241thousand)	7,130,000	100.00%	620,767 (RMB 143,192thousand)	95,819 (RMB21,659thousand)	95,819 (RMB21,659thousand)	Sub-subsidiary
RADIATION TECHNOLOGY,INC.	RADTEK COMMUNICATIONS, INC.	ROC	The main products are antennas, RF radio frequency cables, radio frequency connectors, and wire harnesses, etc.	20,000	20,000	2,000,000	100.00%	10,785	(625)	(625)	Sub-subsidiary

Note 1: Calculated based on the central exchange rate of USD and RMB as of December 31, 2023.

Note 2: Investment gains and losses recognized during this period are calculated based on the average exchange rates of USD and RMB from January 1 to December 31, 2023.

Note 3: Except for Fuda Precision Inc others calculated based on the audited financial statements of the investee companies for the same period.

Note 4: Intercompany balances and transactions were eliminated upon consolidation.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 7

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Profit of the Investee (Note 2)	Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2, 3 & 5)	Carrying Amount as of December 31, 2022 (Note 1 & 5)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outward	Inward						
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Production and sales of satellite navigation positioning receiving equipment components, ultra-wideband communication equipment components, and related new electronic components, etc.	$ 55,269 (USD1,800thousand)	Investing in mainland companies through companies established in the third region	$ 55,269 (USD1,800 thousand)	$ -	$ -	$ 55,269 (USD 1,800 thousand)	$ 823 (RMB 186 thousand)	100%	$ 823 (RMB 186 thousand)	$ 72,126 (USD 2,349 thousand)	$ -
Radiation Technology Inc.	The main products are antennas, RF radio frequency cables, radio frequency connectors, and wire harnesses, etc.	168,579 (RMB 38,886 thousand)	Investing in mainland companies through companies established in the third region	351,480 (USD 11,447 thousand)	-	-	351,480 (USD 11,447 thousand)	89,975 (RMB 20,338 thousand)	55.59%	48,704 (RMB 11,009 thousand)	385,287 (RMB 88,874 thousand)	6,924

Accumulated Investments in Mainland China as of December 31, 2023(Note 1)	Investment Amount Authorized by the Investment Commission, MOEA(Note 1)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA(Note 4)
$ 406,749（USD 13,247 thousand）	$ 406,749（USD 13,247 thousand）	$ 1,234,983

Note 1: Calculated based on the central exchange rate of USD and RMB as of December 31, 2023.

Note 2: Calculated based on the average RMB exchange rate from January 1 to December 31, 2023.

Note 3: Calculated based on the audited financial statements of the investee companies for the same period by the parent company's accountant.

Note 4: According to the Ministry of Economic Affairs' approval letter no. 09704604680, calculated based on 60% of the net value of the Company as of December 31, 2023.

Note 5: Related transactions have been offset in the consolidated financial statements.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

The following significant transactions with Mainland China investees, directly or indirectly through third parties, and their prices, payment terms, unrealized gains or losses, and other related information

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 8

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Name of Mainland China investee	Type	Purchase (sale) and disposal of goods		Price	Terms and Conditions		Notes receivable (paid) and accounts payable		Unrealized gain or loss	Remark
		Amount	%		Payment Terms	Comparison with general trading	Amount	%		
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Sales	($ 2,413)	0.33%	No significant differences	EOM 90 days	No significant differences	$ 577	0.29%	($ 232)	Note 1
	Purchase	29,146	12.50%	No significant differences	EOM 90 days	No significant differences	(5,934)	11.25%		Note 1
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Sales	(59,773)	12.76%	No significant differences	EOM 90 days	No significant differences	13,499	12.09%	326	Note 1
Radiation Technology Inc.	Sales	(992)	0.14%	No significant differences	EOM 60 days	No significant differences	194	0.10%	-	Note 1
	Purchase	80,303	34.44%	No significant differences	EOM 60 days	No significant differences	(14,386)	27.28%	190	Note 1
Radiation Technology Inc.	Purchase	118,346	100.00%	No significant differences	EOM 60 days	No significant differences	(30,214)	100.00%	-	Note 1
Radiation Technology Inc.	Purchase	59,773	100.00%	No significant differences	EOM 90 days	No significant differences	(13,499)	95.75%	-	Note 1
Radiation Technology Inc.	Sales	(915)	0.20%	No significant differences	EOM 60 days	No significant differences	221	0.20%	-	Note 1
	Purchase	175	0.08%	No significant differences	EOM 60 days	No significant differences	(5)	0.01%	-	Note 1
Radiation Technology Inc.	Sales	(986)	5.15%	No significant differences	EOM 60 days	No significant differences	405	27.76%	-	Note 1

Note 1：All amounts have been fully offset when preparing the consolidated financial statements.

UNIVERSAL MICROWAVE TECHNOLOGY, INC. AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2023

Table 9

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership (%)
CenXin Investment Co., Ltd.	4,083,856	6.49%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% 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 in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security 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 the Market Observation Post System website of the TWSE.

Latest Yearly Parent Company Only Financial Report

INDEPENDENT AUDITORS' AUDIT REPORT

To Universal Microwave Technology, Inc.:

Audit opinion

We have audited the financial statements of Universal Microwave Technology, Inc., which comprise the Parent Company Only Statement of Financial Position as of December 31, 2023 and December 31, 2022, the Parent Company Only Statement of Comprehensive Income from January 1 to December 31, 2023 and from January 1 to December 31, 2022, Parent Company Only Statement of Change in Equity, Parent Company Only Statement of Cash Flows, and Notes to Parent Company Only Financial Statement (including a summary of significant accounting policies).

In our opinion, the accompanying parent company only financial statements are properly drawn up in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), International Financial Reporting Interpretations Committee (IFRIC), and Standing Interpretations Committee (SIC) (hereinafter referred to as IFRSs) recognized and announced effectiveness by Financial Supervisory Commission (hereinafter referred to as FSC) so as to give a true and fair view of the parent company only financial position of Universal Microwave Technology, Inc. as of December 2023 and 2022 and of the financial performance, changes in equity and cash flows of Universal Microwave Technology, Inc. from January 1 to December 31, 2023 and 2022.

Basis for audit opinion

We conducted our audit in accordance with Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the 'Accountant's responsibilities for the audit of the financial statements' section of our report. We are independent of Universal Microwave Technology, Inc. in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities, 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.

Key audit matter

The key audit matter is which that, in our professional judgment, is most significant to our review of the parent company only financial statements of Universal Microwave Technology, Inc. for 2023. Such matter has been considered in the process of examining the parent company only financial statements taken as a whole and forming an opinion thereon, and we do not express an opinion on the matter individually.

The following is the description of the key audit matter in the parent company only financial statements of Universal Microwave Technology, Inc. for 2023:

Authenticity of Sales Revenue from Specific Customers

Universal Microwave Technology, Inc. and its subsidiaries'Operating revenue in 2023 decreased compared with the same period last year, but the specific customer Operating revenue has a significant growth compared with the same period last year, and the transaction amount of these customers is significant to the overall Operating revenue, so the authenticity of the recognition of these specific customers Sales revenue is considered as a key audit matter.

For accounting policies and relevant disclosure information related to sales revenue recognition, please refer to Note 4 of the parent company only financial statements.

The auditors have performed the following main audit procedures for the authenticity of the sales revenue recognition from the specific customers mentioned above:

1. Understand and sample test the design and execution effectiveness of the main internal control system related to the authenticity of sales transaction revenue recognition.
2. Review the original documents, such as original orders, shipping documents, and invoices, for specific customers, check whether the relevant transaction forms are complete, and review whether the Company's entry and payment targets and amounts match the various forms.
3. Review the occurrence of sales returns and allowances from specific customers after the reporting period, and send a letter to confirm whether there are any abnormal circumstances in the year-end accounts receivable.

Responsibilities of management and Governing body for the financial statements

Management's responsibility is to prepare the parent company only financial statements present fairly, in all material respects, according to Regulations Governing the Preparation of Financial Reports by Securities Issuers as well as maintain necessary internal control related to the preparation of the parent company only financial statements in order to ensure there is no major untrue expression on the financial statements due to fraud or error.

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

The responsibilities of the governing body (including the audit committee) include overseeing the financial reporting process of Universal Microwave Technology, Inc.

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

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

As part of an audit in accordance with GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for audit opinions. Because fraud may be related to conspiracy, forgery, deliberate omission, false statement or breach of internal control, the risk of a material misstatement caused by fraud which is not identified is higher than the risk of a material misstatement caused by any error.
2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the internal control effectiveness of Universal Microwave Technology, Inc.
3. Assess the appropriateness of management's use of accounting policies and the reasonability of the accounting estimate and relevant disclosure.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Universal Microwave Technology, Inc. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence

obtained up to the date of our auditors' report. However, future events or conditions may cause Universal Microwave Technology, Inc. to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the parent company only financial statements (including the relevant notes), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. We have obtained sufficient and appropriate evidence to audit the parent company only financial information of Universal Microwave Technology, Inc. to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision and execution of the audit and for forming an audit opinion on Universal Microwave Technology, Inc.

We communicate with the governing body regarding, among other matters, the planned scope and timing of the audit and significant audit findings (including any significant deficiency in internal controls that we identify during our audit).

We have also provided the governing body with a statement that the independence-regulated personnel of the firm to which we are affiliated have complied with the Code of Ethics for Professional Accountants with respect to independence, and communicate with the governing body about all relationships and other matters (including related protective measures) that may be considered to affect the accountant's independence.

We have determined the key audit matter for the audit of the Parent Company Only Financial Statements of Universal Microwave Technology, Inc. for the year ended December 31, 2022 from the communications we have had with the governing body. We identified such matter in our auditor's report, except for those matters that are not permitted by law to be disclosed publicly or, in the rarest of circumstances, we decided not to communicate those matters in our auditor's report because we reasonably could expect the negative effect of such communication to outweigh the public interest.

Deloitte & Touche

CPA: Hsiu-Chun Huang

CPA: Pi-Yu Chuang

SFB Approval Number:
Tai-Cai-Zheng-Liu-Zi
No. 0920123784

FSC Approval Number:
Jin-Guan-Zheng-Shen-Zi
No. 1070323246

March 13, 2024

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars)

CODE	ASSETS	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Note 4 & 6)	$ 219,685	8	$ 234,604	9
1110	Financial assets at FVTPL - current (Note 4 & 7)	194,609	7	221,789	8
1136	Financial assets at amortized cost - current (Note 4, 9 & 30)	500	-	500	-
1170	Accounts receivable (Note 4 & 10)	193,366	7	261,515	9
1180	Accounts receivable - related parties (Note 4, 10 & 29)	2,958	-	2,715	-
1200	Other receivables (Note 4 & 10)	637	-	1,457	-
1210	Other receivables - related parties (Note 4, 10 & 29)	13,966	1	31,156	1
130X	Inventories (Note 4 & 11)	64,753	2	80,565	3
1410	Prepayments (Note 16)	8,759	-	7,564	-
1470	Other current assets (Note 17)	26	-	1	-
11XX	Total current assets	699,259	25	841,866	30
	NON-CURRENT ASSETS				
1510	Financial assets at FVTPL - non-current (Note 4 & 7)	12,520	1	11,128	-
1517	Financial assets at FVTOCI - non-current (Note 4 & 8)	191,950	7	125,479	5
1550	Investments accounted for using the equity method (Note 4 & 12)	1,167,815	42	1,131,039	41
1600	Property, plant and equipment (Note 4, 13 & 30)	647,132	24	625,003	22
1755	Right-of-use assets (Note 4 & 14)	5,148	-	1,811	-
1821	Intangible assets (Note 4 & 15)	15,866	1	22,168	1
1840	Deferred tax assets (Note 4 & 24)	5,317	-	3,975	-
1975	Net defined benefit assets - non-current (Note 4 & 21)	1,016	-	1,886	-
1990	Other non-current assets (Note 17)	9,762	-	17,356	1
15XX	Total non-current assets	2,056,526	75	1,939,845	70
1XXX	TOTAL	$ 2,755,785	100	$ 2,781,711	100
CODE	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Note 4, 18 & 31)	$ 400,000	14	$ 530,000	19
2150	Notes payable (Note 19)	49	-	58	-
2170	Accounts payable (Note 19)	29,274	1	32,415	1
2180	Accounts payable - related parties (Note 19 & 29)	23,421	1	12,493	-
2200	Other payables (Note 4 & 20)	106,539	4	128,573	5
2220	Other payables - related parties (Note 4 & 29)	20,203	1	325	-
2230	Current income tax liabilities (Note 4 & 24)	26,987	1	44,993	2
2280	Lease liabilities - current (Note 4 & 14)	2,128	-	1,291	-
2399	Other current liabilities (Note 20 & 29)	21,250	1	6,994	-
21XX	Total current liabilities	629,851	23	757,142	27
	NON-CURRENT LIABILITIES				
2570	Deferred tax liabilities (Note 4 & 24)	64,588	2	55,854	2
2580	Lease liabilities - non-current (Note 4 & 14)	3,035	-	530	-
2645	Deposits received	6	-	6	-
25XX	Total non-current liabilities	67,629	2	56,390	2
2XXX	Total liabilities	697,480	25	813,532	29
	EQUITY (Note 4, 8, 12, 21, 22, 24 & 26)				
3110	Ordinary shares	629,312	23	621,586	22
3200	Capital surplus	855,139	31	820,898	30
	Retained earnings				
3310	Legal reserve	296,549	11	269,349	10
3310	Special reserve	30,214	1	-	-
3350	Unappropriated earnings	204,075	7	286,560	10
3300	Total retained earnings	530,838	19	555,909	20
3400	Other equity	43,016	2	(30,214)	(1)
3XXX	Total equity	2,058,305	75	1,968,179	71
	TOTAL	$ 2,755,785	100	$ 2,781,711	100

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

CODE		2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
	OPERATING REVENUE, NET (Note 4 & 30)				
4100	Sales revenue	$ 725,019	99	$ 832,152	99
4800	Other operating revenue	7,582	1	8,732	1
4000	Total operating revenue	732,601	100	840,884	100
	OPERATING COSTS (Note 4, 11, 23 & 30)				
5110	Cost of goods sold	361,072	49	405,632	48
5910	Unrealized gain with subsidiaries (Note 4)	232	-	(284)	-
5920	Realized sales profit with subsidiaries	119	-	5	-
5950	REALIZED GROSS PROFIT	371,880	51	434,973	52
	OPERATING EXPENSES (Note 4, 10 & 23)				
6100	Selling and marketing expenses	77,361	10	78,156	9
6200	General and administrative expenses	62,829	9	68,869	8
6300	Research and development expenses	115,123	16	112,703	14
6450	Expected credit (reversal gain) impairment loss	(442)	-	357	-
6000	Total operating expenses	254,871	35	260,085	31
6900	PROFIT FROM OPERATIONS	117,009	16	174,888	21
	NON-SALES REVENUE AND EXPENSES (Note 4, 12, 23 & 30)				
7100	Interest revenue	5,328	1	1,066	-
7190	Other revenue	42,902	6	41,373	5
7020	Other gains and losses	$ 4,077	1	$ 22,797	3
7050	Financial cost	(6,224)	(1)	(3,733)	(1)
7060	Profit or loss of subsidiaries and associates accounted for using the equity method	69,062	9	94,057	11

7000	Total non-sales revenue and expenses	115,145	16	155,560	18
7900	PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	232,154	32	330,448	39
7950	INCOME TAX EXPENSE (Note 4 & 24)	(32,043)	(5)	(59,448)	(7)
8200	NET PROFIT FOR THE YEAR	200,111	27	271,000	32
	OTHER COMPREHENSIVE INCOME				
	Items that will not be reclassified subsequently to profit or loss:				
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income (Note 4)	77,168	11	(85,315)	(10)
8330	Other comprehensive income from of subsidiaries recognized using the equity method (Note 4)	(68)	-	1,226	-
8311	Remeasurement of defined benefit plan (Note 4 & 21)	152	-	1,352	-
8349	Income taxes related to items that will not be reclassified (Note 4 & 24)	(30)	-	(271)	-
8310		77,222	11	(83,008)	(10)
	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences on translation of the financial statements of foreign operations (Note 4)	($ 6,754)	(1)	$ 24,778	3
8399	Income taxes related to items that may be reclassified (Note 4 & 24)	1,351	-	(4,918)	-
8360		(5,403)	(1)	19,860	3
8300	Net other comprehensive income	71,819	10	(63,148)	(7)

8500	TOTAL COMPREHENSIVE INCOME	$ 271,930	37	$ 207,852	25
	EARNINGS PER SHARE (Note 25)				
	From continuing operations				
9710	Basic	$ 3.20		$ 4.36	
9810	Diluted	$ 3.12		$ 4.23	

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

Chairman: Su-Ming Chen

Manager: Tung-Yi Wu

Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars)

Code		Stock capital (Note 22 and 26)		Capital surplus (Note 12, 22 and 26)					Retained earnings (Note 4, 8, 21, 22 and 24)				Other equity		
		Shares	Common stock capital	Share issuance premium	Employee stock options	Difference between the actual acquisition or disposal price of a subsidiary's equity and its book value	Recognition of changes in ownership equity of subsidiary	Total	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of the financial statements of foreign operations (Note 4 and 24)	Unrealized gains or losses on Financial assets at FVTOCI (Note 4, 8 and 28)	Total equity
A1	Balance at January 1, 2022	62,158,662	$ 621,586	$ 806,781	$ 12,112	$ 32,418	$ 2,469	$ 853,780	$ 245,643	$ -	$ 237,169	$ 482,812	($ 14,520)	$ 48,459	$ 1,992,117
	Appropriation of the 2021 earnings														
B1	Legal reserve	-	-	-	-	-	-	-	23,706	-	(23,706)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	-	-	-	(198,908)	(198,908)	-	-	(198,908)
C15	Distribution of cash dividends from capital surplus	-	-	(49,727)	-	-	-	(49,727)	-	-	-	-	-	-	(49,727)
M7	Changes in ownership equity of subsidiary	-	-	-	-	(1,323)	-	(1,323)	-	-	-	-	-	-	(1,323)
D1	Net profit for 2022	-	-	-	-	-	-	-	-	-	271,000	271,000	-	-	271,000
D3	Other comprehensive income for 2022, net of income tax	-	-	-	-	-	-	-	-	-	2,307	2,307	19,860	(85,315)	(63,148)
D5	Total comprehensive income for 2022	-	-	-	-	-	-	-	-	-	273,307	273,307	19,860	(85,315)	207,852
T1	Recognition of employee share-based compensation cost	-	-	-	18,168	-	-	18,168	-	-	-	-	-	-	18,168
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(1,302)	(1,302)	-	1,302	-
Z1	Balance at December 31, 2022	62,158,662	621,586	757,054	30,280	31,095	2,469	820,898	269,349	-	286,560	555,909	5,340	(35,554)	1,968,179
	Appropriation of the 2022 earnings														
B1	Legal reserve	-	-	-	-	-	-	-	27,200	-	(27,200)	-	-	-	-
B3	Special reserve	-	-	-	-	-	-	-	-	30,214	(30,214)	-	-	-	-
B5	Cash dividends	-	-	-	-	-	-	-	-	-	(223,771)	(223,771)	-	-	(223,771)
C15	Distribution of cash dividends from capital surplus	-	-	(24,863)	-	-	-	(24,863)	-	-	-	-	-	-	(24,863)
N1	Common stock of the Employee stock option plan	772,600	7,726	57,719	(12,856)	-	-	44,863	-	-	-	-	-	-	52,589
D1	Net profit for 2023	-	-	-	-	-	-	-	-	-	200,111	200,111	-	-	200,111
D3	Other comprehensive income for 2023, net of income tax	-	-	-	-	-	-	-	-	-	54	54	(5,403)	77,168	71,819
D5	Total comprehensive income for 2023	-	-	-	-	-	-	-	-	-	200,165	200,165	(5,403)	77,168	271,930
T1	Recognition of employee share-based compensation cost	-	-	-	14,241	-	-	14,241	-	-	-	-	-	-	14,241
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	-	-	-	-	(1,465)	(1,465)	-	1,465	-
Z1	Balance at December 31, 2023	62,931,262	$ 629,312	$ 789,910	$ 31,665	$ 31,095	$ 2,469	$ 855,139	$ 296,549	$ 30,214	$ 204,075	$ 530,838	($ 63)	$ 43,079	$ 2,058,305

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

Chairman: Su-Ming Chen Manager: Tung-Yi Wu Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

2023 AND FROM JAN. 1, 2022 to DEC. 31, 2022

(In Thousands of New Taiwan Dollars)

CODE		2023	2022
	CASH FLOWS IN OPERATING ACTIVITIES		
A10000	Income before income tax	$ 232,154	$ 330,448
A20010	Items of income and expense		
A20100	Depreciation expenses	39,862	29,933
A20200	Amortization expenses	8,970	8,664
A20300	Expected credit (reversal gain) impairment loss	(442)	357
A20400	Net (gain) loss on Financial assets at FVTPL	(11,295)	8,578
A20900	Financial cost	6,224	3,733
A21200	Interest revenue	(5,328)	(1,066)
A21300	Dividend revenue	(23,223)	(20,955)
A21900	Employee share-based compensation cost	12,959	16,533
A22400	Profit or loss of subsidiaries accounted for using the equity method	(69,062)	(94,057)
A22500	Gain on disposal of property, plant and equipment - net	(1,129)	(4,181)
A23700	Reversal of provision for inventory obsolescence	(203)	(1,948)
A23900	Unrealized (loss) gain with subsidiaries	(232)	284
A24000	Realized gain with subsidiaries	(119)	(5)
A24100	Unrealized loss on foreign currency exchange	5,201	231
A30000	Changes in operating assets and liabilities		
A31115	Financial assets mandatorily at fair value through profit or loss	37,083	3,181
A31150	Accounts receivable (including related parties)	62,859	(89,560)
A31180	Other receivables (including related parties)	17,684	(568)
A31200	Inventories	16,015	7,079
A31230	Prepayments	(1,195)	(615)
A31990	Net defined benefit assets	1,022	(2)
A31240	Other current assets	(25)	102
A32130	Notes payable	(9)	(731)
A32150	Accounts payable (including related parties)	8,366	(19,545)
A32180	Other payables (including related parties)	3,191	2,581
A32230	Other current assets	14,268	(743)
A33000	Cash generated from operations	353,596	177,728
A33100	Interest received	5,328	1,066
A33300	Interest paid	(6,224)	($ 3,733)
A33500	Income tax paid	(41,336)	(18,717)

AAAA	Net cash generated from operating activities	$ 311,364	$ 156,344
	CASH FLOWS IN INVESTING ACTIVITIES		
B00010	Acquisition of Financial assets at FVTOCI	(15,876)	(867)
B00020	Sale of Financial assets at FVTOCI	22,226	17,819
B00030	Reduction in share capital of Financial assets at FVTOCI	4,347	2,288
B02700	Payments for property, plant and equipment	(33,325)	(29,302)
B02800	Proceeds from disposal of property, plant and equipment	14,108	14,307
B03700	Increase in refundable deposits	(2,150)	(779)
B03800	Decrease in refundable deposits	523	584
B04500	Payments for intangible assets	(2,393)	(12,463)
B05800	Increase in other receivables - related parties	-	(30,000)
B06800	Decrease in other non-current assets	363	103
B07100	Increase in prepayments for equipment	(36,523)	(32,445)
B07600	Receipt of other dividends	23,223	20,955
B07600	Receipt of dividends from subsidiaries	27,097	31,771
BBBB	Net cash generated from (used in) investing activities	1,620	(18,029)
	CASH FLOWS IN FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	2,150,000	2,569,000
C00200	Decrease in short-term borrowings	(2,280,000)	(2,499,000)
C03000	Deposits received	-	18
C03100	Refund of deposits received	-	(54)
C04020	Repayment of the principal portion of lease liabilities	(1,858)	(1,166)
C04500	Cash dividends paid	(248,634)	(248,635)
C05400	Acquisition of subsidiary shares	-	(12,296)
C04800	Employee exercise of stock options	52,589	-
CCCC	Net cash generated from (used in) financing activities	(327,903)	(192,133)
EEEE	NET DECREASE IN CASH AND CASH EQUIVALENTS	(14,919)	(53,818)
E00100	CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	234,604	288,422
E00200	CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 219,685	$ 234,604

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

Chairman: Su-Ming Chen

Manager: Tung-Yi Wu

Accounting Supervisor: Shu-Ying Lee

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023 AND 2022

(In thousands of New Taiwan Dollars, unless stated otherwise)

1. GENERAL INFORMATION

Universal Microwave Technology, Inc. (hereinafter referred to as "the Company") began preparations on August 23, 1999, and was approved for establishment on September 7, 1999. The main business activities include the manufacturing of electronic components and the wholesale of electronic materials.

The Company's shares have been traded over the counter since January 3, 2008, at the Taipei Exchange.

The parent company only financial statements are presented in the Company's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The parent company only financial statements were approved by the board of directors on March 29, 2023.

3. APPLICATION OF NEW, AMENDED AND REVISED STANDARDS AND INTERPRETATIONS

i. Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC), and Standing Interpretations Committee (SIC) (collectively referred to as "IFRSs") approved and issued by the Financial Supervisory Commission (hereinafter referred to as the "FSC")

The application of the amended IFRSs approved and issued by the FSC will not result in significant changes to the Company's accounting policies.

ii. The IFRSs endorsed by the FSC for application starting from 2024

New IFRSs	Effective Date Announced by IASB
Amendments to IFRS 16 - "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 - "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 - "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS7 and IFRS7 "Supplier Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller and lessee should retrospectively apply the amendments to IFRS 16 to sale and leaseback transactions entered into after the initial application of IFRS 16.

Note 3：When the amendment is applied for the first time, the partial disclosure requirements are exempted.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of Other and the related amendments to the Regulations Governing the Preparation of Financial Reports by Securities Issuers will not have a material impact on the Group's financial position and financial performance.

iii. New IFRSs in issue but not yet endorsed and issued into effect by the FSC

New IFRSs	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 - "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 - "Initial Application of IFRS 17 and IFRS 9 — Comparative Information"	January 1, 2023
Amendments to IAS21 "Lack of marketability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the above new/amended/revised standards or interpretations are effective for annual reporting periods beginning after the respective dates.

Note 2: Effective for annual reporting periods beginning on or after 1 January 2025. When the amendment is first applied, the impact will be recognized in Retained earnings on the first application date. When the Group has non-functional currency as the presentation currency, the effects are adjusted for the exchange differences on translation of foreign operations under Equity at the date of initial application.

As of the date of adoption of this consolidated financial statements, the Consolidated Company is still evaluating the impact of the amendments to other standards and

interpretations on the financial position and financial performance, which will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

i. Statement of Compliance

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

ii. Basis of Preparation

The parent company only financial statements have been prepared on the historical cost basis, except for financial instruments carried at fair value and net defined benefit assets recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
2. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and
3. Level 3 inputs are unobservable inputs for the asset or liability.

In preparing the parent company only financial statements, the Company applies the equity method to its investments in subsidiaries or associates. In order to make the profit or loss for the year, other comprehensive income and equity in the parent company only financial statements the same as the profit or loss for the year, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the parent company only basis and the consolidated basis are adjusted for “investments accounted for under the equity method”, “share of profit or loss of subsidiaries and associates accounted for under the equity method”, “share of other comprehensive income of subsidiaries and associates accounted for under the equity method” and related equity items.

iii. Standard in determining whether the asset or liability are current or non-current

Current assets include:

1. Assets held mainly for transaction purposes;
2. Aassets expected to be realized within 12 months of the asset after the balance sheet date; and
3. Cash and cash equivalents (but not including cash used to exchange or clear liability within 12 months of the asset balance sheet).

Current liabilities include:

1. liabilities held mainly for transaction purposes;
2. liabilities due for payment within 12 months after the balance sheet date; and
3. the business entity does not have an unconditional right to defer settlement of the liability for at least 12 months after the balance sheet date.

Assets or liabilities not classified within the above definitions will be classified as non-current assets and liabilities.

iv. Foreign currency

When preparing financial statements, the Company translates transactions in currencies other than the functional currency of the Company (foreign currencies) into the functional currency at the exchange rates prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the closing rate at each balance sheet date. Exchange differences arising from the settlement of monetary items or the translation of monetary items are recognized in profit or loss in the period in which they occur.

Non-monetary items measured at fair value in foreign currencies are translated at the exchange rates prevailing on the date when the fair value was determined, and the resulting exchange differences are recognized in profit or loss in the current period. However, if the change in fair value is recognized in other comprehensive income, the resulting exchange differences are recorded as other comprehensive income.

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rates ruling at the dates of transactions and are not retranslated.

For the purpose of preparing parent company only financial statements, assets and liabilities of foreign operations (including subsidiaries that operate in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and

expense items are translated at the average exchange rate for the period and the resulting exchange differences are included in other comprehensive income.

If the Company disposes of its entire ownership interest in a foreign operation, disposes of a partial interest in a subsidiary of a foreign operation but loses control, or disposes of an associate of a foreign operation and the retained interest is a financial asset treated according to the accounting policies of financial instruments, all cumulative exchange differences related to the foreign operation will be reclassified to profit or loss.

If a partial disposal of a subsidiary of a foreign operation does not result in a loss of control, the cumulative exchange differences are proportionally incorporated into the equity transaction calculation, but not recognized as profit or loss. In any other partial disposal of a foreign operation, the cumulative exchange differences are reclassified to profit or loss based on the proportion of the disposal.

v. Inventory

Inventories include raw materials, work in process and finished goods. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the estimated selling price under normal circumstances, less estimated costs to complete and estimated costs to sell. The cost of inventories is calculated using the weighted-average method.

vi. Investment in subsidiaries

The Company uses the equity method to account for investments in subsidiaries.

A subsidiary is an entity controlled by the Company.

Under the equity method, investments are initially recognized at cost, and the carrying amount is subsequently increased or decreased by the Company's share of the subsidiary's profit or loss and other comprehensive income, and distributions. In addition, the Company recognizes changes in its share of the subsidiary's other equity interests according to its ownership percentage.

When a change in the Company's ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

The excess of the acquisition cost over the Company's share of the fair value of the identifiable assets and liabilities of the subsidiary acquired at the acquisition date is

recognized as goodwill, which is included in the carrying amount of the investment and not subject to amortization. The excess of the Company's share of the fair value of the identifiable assets and liabilities of the subsidiary acquired at the acquisition date over the acquisition cost is recognized as current income.

When assessing impairment, the Company considers the financial reporting of the cash-generating unit as a whole and compares its recoverable amount to the carrying amount. If the recoverable amount of the asset subsequently increases, the impairment loss is reversed and recognized as income, but the carrying amount of the asset after the reversal of the impairment loss may not exceed the carrying amount that would have been recognized, net of depreciation, if no impairment loss had been recognized. Impairment losses related to goodwill may not be reversed in subsequent periods.

When the Company loses control of a subsidiary, it measures its remaining investment in the former subsidiary at its fair value on the date control is lost, and the difference between the fair value of the remaining investment, any disposal proceeds, and the carrying amount of the investment on the date control is lost is recognized in the current period's profit or loss. In addition, the accounting treatment for all amounts recognized in other comprehensive income related to the subsidiary is the same as if the Company had directly disposed of the related assets or liabilities.

Unrealized gains on downstream transactions between the Company and its subsidiaries are eliminated in the parent company only financial statements. The profit or loss generated by upstream, downstream, and lateral transactions between the Company and its subsidiaries is recognized in the parent company only financial statements only to the extent that it is unrelated to the Company's interest in the subsidiary.

vii. Investment in associates

An associate is an entity in which the Company has significant influence but is not a subsidiary.

The Company uses the equity method to account for investments in associates.

Under the equity method, investments in associates are initially recognized at cost, and the carrying amount is subsequently increased or decreased by the Company's share of the associate's profit or loss and other comprehensive income and distributions. In addition, the Company recognizes changes in its share of the associate's equity interests according to its ownership percentage.

The excess of the acquisition cost over the Company's share of the fair value of the identifiable assets and liabilities of the associate at the acquisition date is recognized as goodwill, which is included in the carrying amount of the investment and not subject to amortization. The excess of the Company's share of the fair value of the identifiable assets and liabilities of the associate at the acquisition date over the acquisition cost is recognized as current profit or loss.

When an associate issues new shares and the Company does not subscribe proportionally, resulting in a change in the ownership percentage and a corresponding increase or decrease in the carrying amount of the investment, the adjustment is made to the capital reserve - changes in the carrying amount of the associate's net equity under the equity method and the investment under the equity method. However, if the non-proportional subscription or acquisition results in a decrease in the Company's ownership interest in the associate, the amounts recognized in other comprehensive income related to the associate are reclassified according to the decrease percentage, and the accounting treatment is the same as if the associate had directly disposed of the related assets or liabilities. If the adjustment should be debited to the capital reserve, and the capital reserve balance generated by the investment under the equity method is insufficient, the difference is debited to retained earnings.

When assessing impairment, the Company compares the recoverable amount to the carrying amount of the entire investment (including goodwill), treating it as a single asset for impairment testing. The impairment loss recognized is not allocated to any component of the carrying amount of the investment, including goodwill. Any reversal of the impairment loss is recognized within the scope of the subsequent increase in the recoverable amount of the investment.

The Company ceases to use the equity method from the date its investment is no longer an associate, and its remaining interest in the former associate is measured at fair value. The difference between the fair value, disposal proceeds, and the carrying amount of the investment on the date the equity method is ceased is recognized in the current period's profit or loss. In addition, the accounting treatment for all amounts recognized in other comprehensive income related to the associate is the same as if the associate had directly disposed of the related assets or liabilities.

Profits or losses generated by upstream, downstream, and lateral transactions between the Company and its associates are recognized in the parent company only

financial statements only to the extent that they are unrelated to the Company's interest in the associate.

viii. Property, plant and equipment

Property, plant, and equipment are recognized by cost, and then measured by cost less accumulated depreciation and accumulated impairment loss.

Self-owned land is not depreciated. Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in applicable accounting estimates.

The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss when property, plant, and equipment are derecognized.

ix. Intangible assets

1. Separately acquired

   Intangible assets with limited duration acquired separately were initially measured at cost and subsequently at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized over their useful lives on a straight-line basis and the estimated useful lives, residual values and amortization method are reviewed at least at each year-end and the effect of changes in applicable accounting estimates is deferred. Intangible assets with indefinite useful lives are stated at cost less accumulated impairment losses.

2. Derecognition

   The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss of the year when intangible assets are derecognized.

x. Impairment of property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill)

At each balance sheet date, the Company assesses whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill) may be impaired. If there is any indication of impairment, the recoverable amount of the asset is estimated, and if the recoverable amount of an

individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount is the higher fair value less selling cost and use value. If the recoverable amount of an individual asset or cash generating unit is less than its carrying amount, the carrying amount of the asset or cash generating unit shall be reduced to its recoverable amount, with the impairment loss recognized in profit or loss.

When the following recoverable amount increases, the carrying amount of the asset or cash generating unit increases to the amount that can be recovered after the revision. However, the increased carrying amount shall not exceed that (minus amortization or depreciation) determined by the asset or cash generating unit where the impairment loss was not recognized in the previous year. The reversal of impairment loss is recognized in profit or loss.

xi. Financial instruments

Financial assets and financial liabilities are recognized in the Parent Company Only Statement of Financial Position when the Parent Company Only Company becomes a party to the contractual provisions of the instrument.

On initial recognition, financial assets and financial liabilities that are not measured at fair value through profit or loss are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

The transaction practice of the financial assets adopts accounting recognition and de-recognition on the transaction day.

(1) Measurement types

The types of financial assets held by the Company are Financial assets at FVTPL, financial assets at amortized cost, and investments in equity instruments at fair value through other comprehensive income.

A. Financial assets measured at FVTPL

Financial assets measured at FVTPL includes financial assets mandatorily measured at FVTPL. Financial assets mandatorily measured at FVTPL include investments in equity instruments not

designated as measured at FVTOCI, and investments in debt instruments that do not qualify for classification as measured at amortized cost or measured at FVTOCI.

Financial assets measured at FVTPL are measured at fair value, with dividends generated recognized as Other revenue, and gains or losses from remeasurement recognized as other gains and losses. For the determination of fair value, please refer to Note 28.

B. Financial assets at amortized cost

The Company's investments in financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

a. they are held within an operating model whose objective is to hold the financial assets to collect the contractual cash flows; and
b. the contractual terms give rise to cash flows at a specific date, which are solely payments of principal and interest on the principal amount outstanding.

Financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable at amortized cost and refundable deposits) are measured at amortized cost using the effective interest method to determine the total carrying amount less any impairment loss after initial recognition, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest revenue is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except in the following two cases:

a. Interest revenue on credit-impaired financial assets acquired or created is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial assets.
b. Interest revenue on credit-impaired financial assets that are not acquired or originated but subsequently become credit-impaired is computed using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Cash equivalents include time deposits that are highly liquid, readily convertible into known amounts of cash and subject to a low risk of changes in value within 3 months from the date of acquisition and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at FVTOCI

At initial recognition, the Company has an irrevocable option to designate investments in equity instruments that are not held for trading and for which there is contingent consideration recognized by the acquirer of the business combination to be measured at FVTOCI.

Investments in equity instruments measured at FVTOCI are measured at fair value, with subsequent changes in fair value reported in other comprehensive income and accumulated in other equity. On disposal of investments, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

Dividends on investments in equity instruments measured at FVTOCI are recognized in profit or loss when the right to receive payments from the Company is established, unless it is clear that the dividend represents a partial recovery of the cost of the investment.

(2) Impairment of financial assets

The Company assesses impairment losses on financial assets measured at amortized cost (including accounts receivable) at each balance sheet date based on expected credit losses.

Accounts receivable are recognized as an allowance for loss based on expected credit losses during the period of duration. Other financial assets are first evaluated to determine whether there is a significant increase in credit risk since initial recognition. If not, they are recognized as an allowance for loss based on expected credit losses over 12 months, and if so, based on expected credit losses over the duration period.

Expected credit losses represent the weighted-average credit losses based on the risk of default. 12-month expected credit losses represent the expected credit losses arising from possible defaults of financial instruments within 12 months after the reporting date. The 12-month expected credit losses represent the expected credit losses arising from all

possible defaults of the financial instruments during the 12-month period after the reporting date.

For internal credit risk management purposes, the Company determines that a financial asset is in default if there is internal or external information indicating that it is no longer probable that the debtor will settle the obligation without considering the collateral held.

The carrying amount of all financial assets is reduced through an allowance account, except for the allowance for losses on investments in debt instruments measured at fair value through other comprehensive income, which is recognized in other comprehensive income and the carrying amount is not reduced.

(3) Derecognition of financial assets

The Company derecognizes financial assets only when the contractual rights to the cash flows from the financial assets have lapsed or when the financial assets have been transferred and substantially all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When financial assets are derecognized in their entirety at amortized cost, the difference between the carrying amount and the consideration received is recognized in profit or loss. When investments in equity instruments measured at fair value through other comprehensive income are derecognized as a whole, the cumulative gain or loss is transferred directly to retained earnings and is not reclassified to profit or loss.

2. Equity instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

Equity instruments issued by the Company are recognized at the amount of the acquisition price less direct issuance costs.

3. Financial liability

(1) Subsequent measurement

The financial liabilities of the Company are measured at amortized cost using the effective interest method.

(2) Derecognition of financial liability

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

xii. Income recognition

The Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

1. Merchandise sales revenue

   Revenue from the sale of goods comes from the sales of communication components and materials. As communication components and materials are delivered to the designated location, fulfilling the performance obligation, customers have the right to use the goods at a specified price and bear the primary responsibility for reselling the goods, as well as the risk of obsolescence. The Company recognizes revenue and accounts receivable at that point in time. Advance payments for product sales are recognized as contract liabilities.

   Upon processing with materials supplied, control of the processed products is not transferred, therefore, no revenue is recognized upon materials supplied.

2. Service revenue

   Service revenue is derived from product calibration, processing, and maintenance services.

   As the Company provides product calibration, processing, and maintenance services, customers simultaneously obtain and consume performance benefits, and the related revenue is recognized when the services are provided.

xiii. Lease

The Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Company as lessor

   If the lease clauses transfer nearly all risks and compensation associated with the assets to the lessee, the lease shall be classified as finance lease. All other leases shall be classified as business lease.

   Under operating leases, lease payments, net of lease incentives, are recognized as income on a straight-line basis over the term of the relevant lease. The original direct cost incurred in acquiring an operating lease is added to the

carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease term.

2. The Company as lessee

Right-of-use assets and lease liabilities are recognized at the inception date of the lease, except for leases of low-value subject assets to which a recognition exemption applies and short-term leases where lease payments are recognized as an expense on a straight-line basis over the lease term.

Right-of-use assets are measured initially at cost (comprising the original measurement of the lease liability, lease payments made prior to the commencement date of the lease less lease incentives received, original direct cost and estimated cost to reinstate the subject asset) and subsequently at cost less accumulated depreciation and accumulated impairment losses, with adjustments for remeasurement of the lease liability. Right-of-use assets are presented separately on Statement of Financial Position.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the earlier of the end of the useful life or the end of the lease term.

Lease obligations are measured initially at the present value of the lease payments (including fixed benefits received). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If the rate is not readily determinable, the lessee’s incremental borrowing rate is used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, and interest expenses are allocated over the lease term. If changes in lease terms, residual value guarantees, the assessment of purchase options for the underlying asset, or indices or rates used to determine lease payments result in changes in future lease payments, the Company remeasures lease liabilities and adjusts right-of-use assets accordingly. However, if the carrying amount of right-of-use assets has been reduced to zero, any remaining remeasurement amounts are recognized in profit or loss. Lease liabilities are presented separately on the balance sheet.

xiv. Borrowing costs

All other borrowing costs are recognized as expenses in the period in which they occur.

xv. Government grants

Government grants are recognized only when there is reasonable assurance that the Company will comply with the conditions attached to the grant and that the grant will be received.

Government grants related to income are recognized in profit or loss on a systematic basis over the periods in which the Company recognizes the related costs as expenses.

xvi. Employee benefits

1. Short-term employee benefits

   The liability related to short-term employee benefits is measured as the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

   Defined benefit pension plans are recognized as expenses over the period of service of the employees.

   The defined benefit cost (including service cost, net interest, and remeasurement) of a defined benefit pension plan is calculated using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) are recognized as employee benefit expenses when incurred. Remeasurement (including actuarial gains and losses and return on plan assets, excluding interest) is recognized in other comprehensive income and retained earnings when incurred, and is not reclassified to profit or loss in subsequent periods.

   The net defined benefit liability (asset) is the funding shortfall (surplus) of the defined benefit pension plan. Net defined benefit assets must not exceed the present value of any refund of contributions from the plan or the reduction in future contributions.

xvii. Share-based payment arrangements

1. Employee stock options

   Employee stock options are recognized as expenses on a straight-line basis over the vesting period, based on the fair value of the equity instruments on the grant date and the best estimate of the number of options expected to vest. Capital reserve—employee stock options are adjusted simultaneously. If the options vest immediately on the grant date, the expense is recognized in full on that date. The grant date for the Company’s cash capital increase reserved for

employee subscription is the date when the number of shares subscribed by employees is confirmed.

The Company revises its estimate of the number of employee stock options expected to vest at each balance sheet date. If the original estimate is revised, the effect of the revision is recognized in profit or loss, so that the cumulative expense reflects the revised estimate, and the capital reserve—employee stock options is adjusted accordingly.

2. Equity-settled share-based payment arrangements with subsidiary employees

Employee stock options granted by the Company to subsidiary employees, settled in the Company's equity instruments, are considered capital contributions to the subsidiary. They are measured at the fair value of the equity instruments on the grant date and recognized as an increase in the carrying amount of the investment in the subsidiary over the vesting period, with a corresponding adjustment to the capital reserve—employee stock options.

xviii. Income tax

Income tax expense is the sum of current income taxes and deferred income taxes.

1. Current income tax

The Company determines the current income (loss) in accordance with the regulations of each jurisdiction in which it files income tax returns and calculates the income tax payable (recoverable) accordingly.

The income tax on undistributed earnings under the Income Tax Act of the ROC is recognized in the year of the resolution of the shareholders' meeting.

Adjustments to prior years' income tax payable are included in the current period's income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary differences between the carrying amount of assets and liabilities on the books and the basis for the calculation of taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized when it is probable that there will be taxable income available for the deduction of temporary differences, losses, and resulting income tax offsets.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred income tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and the temporary differences are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced for those where it is no longer probable that there will be sufficient taxable income to allow all or part of the assets to be recovered. Deferred tax assets not previously recognized as such are also reviewed at each balance sheet date and the carrying amount is increased for those where it is probable that taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured by the tax rate of the expected liabilities settlement or assets realization in the current period, according to the tax rate and the tax law which have been legalized or substantively legalized on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences of the way in which the Company is expected to recover or pay off the carrying amount of its assets and liabilities on the balance sheet date.

3. Current and deferred tax

The current and deferred tax are recognized in profit or loss, provided that the current and deferred tax in relation to the items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

When the Company adopts an accounting policy, management must make relevant judgments, estimates, and assumptions of relevant information that is difficult to obtain from other sources based on historical experience and other relevant factors.

The Company has taken into consideration the recent development of the COVID-19 pandemic in our country and its potential impact on the economic environment in its estimates of cash flow projections, growth rates, discount rates, and profitability in relation to significant accounting estimates. The management will review the estimates and underlying assumptions on an ongoing basis. If an amendment to an estimate affects only the current period, the amendment is recognized in the period in which it is made. If an amendment to an accounting estimate affects both the current and future periods, the amendment is recognized in both the current and future periods.

Key sources of estimation and assumption uncertainty

i. Estimated impairment of accounts receivable

The estimated impairment of accounts receivable is based on the Company's assumptions about default probabilities and loss rates upon default. The Company considers historical experience, current market conditions, and forward-looking information in formulating assumptions and selecting input values for impairment assessment.

ii. Impairment of goodwill in investments in subsidiaries

When determining whether goodwill included in investments in subsidiaries is impaired, the goodwill acquired on the acquisition date is allocated to the cash-generating units that are expected to benefit from the synergies of the combination, and the recoverable amount of the allocated goodwill cash-generating units is estimated. To calculate the recoverable amount, management should estimate the future cash flows expected to be generated from the allocated goodwill cash-generating units and determine the appropriate discount rate to be used in calculating the present value. If actual cash flows are less than expected, significant impairment losses may arise.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 52	$ 38
Demand deposits	72,249	65,661
Cash equivalents		
Bank time deposits with original maturities of 3 months or less	147,384	168,905
	$ 219,685	$ 234,604

The range of market interest rates on bank deposits at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Demand deposits	0.001%~1.45%	0.001%~1.05%
Bank time deposits with original maturities of 3 months or less	5.00%~5.57%	1.50%~4.81%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial assets - current		
Measured at FVTPL on a mandatory basis		
Non-derivative financial assets		
Domestic listed (OTC) stocks	$ 194,609	$ 221,789
Financial assets - non-current		
Measured at FVTPL on a mandatory basis		
Non-derivative financial assets		
Domestic Unlisted shares	$ 12,520	$ 11,128

8. FINANCIAL ASSETS AT FVTOCI

	December 31, 2023	December 31, 2022
Non-current		
Investments in equity instruments		
Domestic investment		
Listed shares		
Taiwan Union Technology Corporation	$ -	$ 9,715
Unlisted shares		
Dynahz Technologies Corporation	108,404	70,023
TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.	4,425	7,800
RISING GLORY TECHNOLOGY CO., LTD.	18,503	10,253
Terasilic Co.,Ltd.	36,019	27,688
Certain Micro Application Technology Inc.	24,599	-
	$ 191,950	$ 125,479

The Company invests in the aforementioned common stocks for medium-to-long-term strategic purposes and expects to profit from long-term investments. The Company's management believes that recognizing short-term fair value fluctuations of these investments in profit or loss is inconsistent with the aforementioned long-term investment plan, and therefore chooses to designate these investments as measured at FVTOCI.

TOP TAIWAN VIII VENTURE CAPITAL CO., LTD. returned capital of 4,347 thousand and 2,288 thousand in year 2023 and 2022, respectively.

The Company sold 189 thousand shares of Taiwan Union Technology Corporation in 2023 and 152 thousand shares of PCL Technologies Inc. in 2022, and the related other equity - Financial assets at FVTOCI unrealized losses of 1,465 thousand and 1,302 thousand were transferred to retained earnings, respectively.

The Company recognized dividend income of 15,587 thousand and 13,369 thousand in 2023 and 2022, respectively.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31, 2023	December 31, 2022
Current		
Pledged time deposits	$ 500	$ 500

i. Pledged time deposits serve as collateral for the import of raw materials' customs duties.

ii. For information on financial assets measured at amortized cost and pledged, see Note 30.

10. ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Accounts receivable		
Measured at amortized cost		
Total carrying amount	$ 193,366	$ 261,957
Less: allowance for impairment	-	(442)
	193,366	261,515
Accounts receivable - related parties (Note 30)	2,958	2,715
	$ 196,324	$ 264,230
Other receivables		
Other receivables - related parties (Note 31)	$ 13,966	$ 31,156
Others	637	1,457
	$ 14,603	$ 32,613

Accounts receivable

The Company's average credit period for product sales is 30 to 120 days; due to the short credit period, interest is not calculated.

To control credit risk, the Company assesses the credit quality of individual customers and determines credit limits through an internal credit rating system. It also conducts regular reviews based on individual customers' historical transaction records, financial status, and other monitoring procedures to ensure that the Company's accounts receivable are primarily from long-term, creditworthy customers with no default records. In addition, the Company reviews the recoverable amount of receivables on each balance sheet date to ensure that appropriate impairment losses are recognized for receivables exposed to potential credit risk.

The Company recognizes an allowance for impairment of accounts receivable based on expected credit losses over the life of the receivables. Expected credit losses over the life of the receivables are calculated using a provision matrix, which considers customers' past default records, current financial conditions, regional industry economic conditions, and outlook. Since the Company's historical credit loss experience shows no

significant differences in loss patterns among different customer groups, the provision matrix does not further distinguish customer groups and only sets expected credit loss rates based on the number of days accounts receivable are overdue.

If there is evidence that the counterparty is facing severe financial difficulties and the Company cannot reasonably expect to recover the amount, such as the counterparty undergoing liquidation, the Company will write off the related accounts receivable directly but will continue to pursue collection activities. Amounts recovered from these pursuits will be recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivable based on the Company's allowance matrix:

December 31, 2023

	Not past due	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue more than 120 days	Total
Gross carrying amount	$ 159,768	$ 24,669	$ 59	$ 11,828	$ -	$ 196,324
Allowance for impairment loss (lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 159,768	$ 24,669	$ 59	$ 11,828	$ -	$ 196,324

December 31, 2022

	Not past due	Overdue 1-60 days	Overdue 61-90 days	Overdue 91-120 days	Overdue more than 120 days	Total
Gross carrying amount	$ 193,977	$ 58,992	$ 465	$ 10,335	$ 903	$ 264,672
Allowance for impairment loss (lifetime ECLs)	(321)	(102)	-	(18)	(1)	(442)
Amortized cost	$ 193,656	$ 58,890	$ 465	$ 10,317	$ 902	$ 264,230

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2023	2022
Opening balance	$ 442	$ 85
Add: Impairment losses recognized this year	-	357
Less: Reversal Impairment losses recognized this year	(442)	-
Closing balance	$ -	$ 442

11. INVENTORIES

	December 31, 2023	December 31, 2022
Finished goods	$ 21,145	$ 22,309
Work-in-process	5,614	12,980
Semi-finished goods	25,247	32,096
Raw materials	12,747	13,180
	$ 64,753	$ 80,565

The cost of goods sold related to inventory for 2023 and 2022 were $361,072 thousand and $405,632 thousand, respectively.

The cost of goods sold for 2023 and 2022 included inventory price declines and idle inventory recovery gains of $203 thousand and $1,948 thousand, respectively, mainly due to active disposal of idle inventory.

12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31, 2023	December 31, 2022
Investment in subsidiaries	$ 1,167,815	$ 1,131,039

i. Investment in subsidiaries

	December 31, 2023	December 31, 2022	Note
UMT Holdings (Samoa) Limited	$ 726,670	$ 682,171	1.
RADIATION TECHNOLOGY,INC.	15,169	15,676	1.
GENTON TECH CORPORATION	107,433	104,506	2.
JOYMAX ELECTRONICS CO., LTD.	246,256	258,851	3.
UMT Investment Co., Ltd	72,287	69,835	4.
	$ 1,167,815	$ 1,131,039	

As of the balance sheet date, the Company's ownership interests and voting rights percentages in its subsidiaries are as follows:

	December 31, 2023	December 31, 2022
UMT Holdings (Samoa) Limited	100.00%	100.00%
RADIATION TECHNOLOGY,INC.	2.05%	2.05%
GENTON TECH CORPORATION	53.60%	56.97%
JOYMAX ELECTRONICS CO., LTD.	99.99%	99.99%
UMT Investment Co., Ltd	100.00%	100.00%

Please refer to Table 5 for details of the Company's indirectly held investment subsidiaries.

1. The Company has been approved by the Investment Review Committee of the Ministry of Economic Affairs to invest USD 15,160 thousand abroad in Samoa, which is then re-invested in Hong Kong and indirectly invested in Mainland China through Hong Kong. The Company has established UMT Holdings (Samoa) Limited (hereinafter referred to as UMT Samoa) in Samoa, and UMT Holdings (HK) Limited (hereinafter referred to as UMT HK) in Hong Kong. As of December 31, 2022, the Company has remitted a total of USD 12,031 thousand into UMT Samoa, of which USD 1,850 thousand was invested in UMT HK, and then USD 1,800 thousand was re-invested in UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD. (hereinafter referred to as UMT KUNSHAN) with a 100% shareholding.

   In addition, the Company has re-invested in Radiation Technology, Inc. (hereinafter referred to as Radiation Technology) through UMT Samoa.

   Radiation Technology's shares have been listed for trading on the Taipei Exchange since December 2, 2015.

   As of December 31, 2022, the Company holds a 53.54% stake in Radiation Technology through UMT Samoa. Moreover, for long-term investment considerations, the Company has also purchased a 2.05% stake in Radiation Technology from non-controlling interests in the open market.
2. In May 2022, GENTON TECH CORPORATION's board of directors resolved to carry out a cash capital increase by issuing 2,000 thousand common shares, raising $32,000 thousand. The Company did not subscribe according to its shareholding ratio, which decreased from 56.97% to 53.60%, resulting in a reduction of capital reserve - recognition of changes in the ownership interests in subsidiaries by $1,323 thousand.
3. In consideration of integrating group resources and enhancing overall operational efficiency, the Company and its subsidiary Radiation Technology resolved in their March 2021 board meetings to acquire all shares of JOYMAX ELECTRONICS CO., LTD. held by Radiation Technology. The purchase price was $280,730 thousand, and the share transfer procedure was completed in May 2021.

4. Subsidiary UMT Investment Co., Ltd (hereinafter referred to as UMT Investment) was registered at the Ministry of Economic Affairs in May 2018, with a paid-in capital of $60,000 thousand.

Impairment assessment of investment premiums arising from mergers and acquisitions

The Company's investments accounted for using the equity method include (1) the excess of the investment cost in acquiring a 95% stake in UMTEK TELECOM LIMITED in June 2011 through its subsidiary UMT Samoa and its reinvestment in Radiation Technology Inc. over the net value of the acquired shares (USD 2,827 thousand) and (2) the excess of the investment cost in acquiring GENTON TECH CORPORATION in October 2017 over the net value of $60,778 thousand. As of December 31, 2023, the total balance of the aforementioned excess amounts was $99,314 thousand.

The Company assessed the net assets used in the operations of the aforementioned companies for any impairment in value according to the provisions of International Financial Reporting Standards. Impairment was assessed based on the following cash-generating units:

1. Radio Frequency Division - Radiation Technology Inc.

   As of December 31, 2023, the total carrying amount of net assets used in the operations of this cash-generating unit was $727,508 thousand, including goodwill of $63,933 thousand and excess attributable to individual assets of $15,789 thousand. The Company's management assessed the recoverable amount based on the value in use of these net assets, with a relevant discount rate of 22.65%.

   The main key assumptions affecting the recoverable amount assessment and the methods for determining the values of each main key assumption are described below:

   (1) Expected revenue growth rate: Revenue is estimated based on the projected global growth rate for antenna, radio frequency cable, radio frequency connector, and wire harness products.
   (2) The ratio of cost of sales before depreciation and amortization to revenue is estimated based on the actual ratio in 2023.
   (3) Expected operating expenses: Estimated annual operating expenses are based on the actual ratio of operating expenses to revenue in 2023.

The recoverable amounts calculated based on the above key assumptions are higher than the carrying amount of net assets as of December 31, 2023. After assessment, there is no risk of asset impairment.

2. Communication Network Engineering Services - GENTON TECH CORPORATION

   As of December 31, 2023, the total carrying amount of net assets used in the operations of this cash-generating unit was $190,107 thousand, including goodwill of $19,602 thousand and excess attributable to individual assets of $5,147 thousand. The Company's management assessed the recoverable amount based on the value in use of these net assets, with a relevant discount rate of 10.58%.

   The main key assumptions affecting the recoverable amount assessment and the methods for determining the values of each main key assumption are described below:

   (1) Expected revenue growth rate: Revenue is estimated based on the projected global growth rate of 4G/5G communication equipment for antennas, connectors, wire harnesses, and new products, as well as an increase in the market share in the communication market in Taiwan.
   (2) The ratio of cost of sales before depreciation and amortization to revenue is estimated based on the actual ratio in 2023.
   (3) Expected operating expenses: Estimated annual operating expenses are based on the actual ratio of operating expenses to revenue in 2023.

The recoverable amounts calculated based on the above key assumptions are higher than the carrying amount of net assets as of December 31, 2023. After assessment, there is no risk of asset impairment.

The share of profit or loss and other comprehensive income of subsidiaries accounted for using the equity method in 2023 and 2022 is recognized based on the financial statements audited by accountants for the same period.

13. PROPERTY, PLANT AND EQUIPMENT

	2023								
	Owned land	Land improvements	Buildings	Machinery and equipment	Mold equipment	Test equipment	Transportation equipment	Office equipment and others	Total
Cost									
Balance at January 1, 2023	$ 235,833	$ 114	$ 389,300	$ 218,275	$ 8,939	$ 38,270	$ 2,921	$ 18,915	$ 912,567
Addition	10,701	-	3,196	55,174	102	-	-	3,934	73,107
Disposal	-	-	(70)	(22,649)	-	-	-	(1,894)	(24,613)
Balance at December 31, 2023	246,534	114	392,426	250,800	9,041	38,270	2,921	20,955	961,061
Accumulated depreciation									
Balance at January 1, 2023		114	109,335	127,584	8,939	25,044	1,832	14,716	287,564
Depreciation expense		-	10,001	23,625	9	2,795	201	1,368	37,999
Disposal		-	(70)	(9,669)	-	-	-	(1,895)	(11,634)
Balance at December 31, 2023		114	119,266	141,540	8,948	27,839	2,033	14,189	313,929
Net amount as of December 31, 2023	$ 246,534	$ -	$ 273,160	$ 109,260	$ 93	$ 10,431	$ 888	$ 6,766	$ 647,132

	2022								
	Owned land	Land improvements	Buildings	Machinery and equipment	Mold equipment	Test equipment	Transportation equipment	Office equipment and others	Total
Cost									
Balance at January 1, 2022	$ 244,863	$ 114	$ 388,613	$ 174,468	$ 10,145	$ 42,102	$ 2,821	$ 16,992	$ 880,118
Addition	-	-	1,468	52,369	-	518	100	2,383	56,838
Disposal	(9,030)	-	(781)	(8,562)	(1,206)	(4,350)	-	(460)	(24,389)
Balance at December 31, 2022	235,833	114	389,300	218,275	8,939	38,270	2,921	18,915	912,567
Accumulated depreciation									
Balance at January 1, 2022		114	100,052	120,554	10,145	26,506	1,575	14,117	273,063
Depreciation expense		-	9,565	14,996	-	2,887	257	1,059	28,764
Disposal		-	(282)	(7,966)	(1,206)	(4,349)	-	(460)	(14,263)
Balance at December 31, 2022		114	109,335	127,584	8,939	25,044	1,832	14,716	287,564
Net amount as of December 31, 2022	$ 235,833	$ -	$ 279,965	$ 90,691	$ -	$ 13,226	$ 1,089	$ 4,199	$ 625,003

The Company leases its own land and buildings under operating leases, mainly for use as employee dormitories, with lease terms of 1 to 2 years. At the end of the lease term, the lessee does not have preferential purchase rights to the assets.

The Company had no interest capitalization in 2023 and 2022.

Property, plant and equipment are depreciated on a straight-line basis over their useful lives as follows:

Land improvements	3 years
Buildings	
Main building of the house	20-50 years
Ancillary facilities of the house	3-20 years
Machinery and equipment	5-10 years
Mold equipment	2-5 years
Test equipment	5-10 years
Transportation equipment	5-7 years
Office equipment and others	3-10 years

As of December 31, 2023 and 2022, the Company assessed that there were no indications of impairment for property, plant, and equipment.

The Company has provided part of its land and buildings as collateral for bank loan facilities. Please refer to Note 31.

14. LEASE ARRANGEMENTS

i. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amounts		
Transportation equipment	$ 5,148	$ 1,811

	2023	2022
Additions to the right-of-use assets	$ 5,200	$ 700
Depreciation expenses for right-of-use assets		
Transportation equipment	$ 1,863	$ 1,169

ii. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		
Current	$ 2,128	$ 1,291
Non-current	$ 3,035	$ 530

Range of discount rate for lease liabilities was as follows:

	December 31, 2023	December 31, 2022
Transportation equipment	0.70%-1.50%	0.70%-0.90%

iii. Important leasing activities and terms

The Company leases several transportation equipment for business use, with lease terms of 3 years. There are no provisions for renewal or purchase rights in these leases.

iv. Other lease information

	2023	2022
Expense relating to short-term leases	$ 679	$ 755
Total cash (outflow) for leases	($ 2,569)	($ 1,945)

The Company chooses to exempt certain assets that meet the criteria for short-term leases of office equipment, transportation equipment, and low-value asset leases from recognition of right-of-use assets and lease liabilities.

15. INTANGIBLE ASSETS

	2023	2022
	Computer software	Computer software
Cost		

Opening balance	$ 36,274	$ 27,565
Acquired separately	2,668	12,463
Derecognition during the year	(1,672)	(3,754)
Closing balance	37,270	36,274
Accumulated amortization		
Opening balance	14,106	9,196
Amortization expense	8,970	8,664
Derecognition during the year	(1,672)	(3,754)
Closing balance	21,404	14,106
Closing balance	$ 15,866	$ 22,168

Amortization expense is calculated on a straight-line basis over the following useful lives:

Computer software costs	1-5 years

16. PREPAYMENTS - CURRENT

	December 31, 2023	December 31, 2022
Prepayments for goods	$ 33	$ 83
Others	8,726	7,481
	$ 8,759	$ 7,564

17. OTHER ASSETS

	December 31, 2023	December 31, 2022
Current		
Advance payments and payments on behalf	$ 26	$ 1
Non-current		
Prepayments for equipment	$ 6,068	$ 14,926
Refundable deposit	3,522	1,895
Others	172	535
	$ 9,762	$ 17,356

18. SHORT-TERM BORROWINGS

	December 31, 2023	December 31, 2022
Bank credit loans	$ 400,000	$ 530,000

The interest rates for bank loans as of December 31, 2023 and 2022 were 1.50% to 1.61% and 1.40% to 2.00%, respectively.

The aforementioned bank secured loans are collateralized by time deposits of subsidiaries Radiation Technology and UMT Samoa.

19. NOTES AND ACCOUNTS PAYABLE

	December 31, 2023	December 31, 2022
Notes payable		
Incurred for non-operating reasons	$ 49	$ 58
Accounts payable		
Incurred for operating reasons	$ 29,274	$ 32,415
Accounts payable - related parties (Note 30)		
Incurred for operating reasons	$ 23,421	$ 12,493

The average payment period for the Company's accounts payable is 30 to 120 days. The Company has established a financial risk management policy to ensure that all accounts payable are repaid within the pre-agreed credit terms.

20. OTHER LIABILITIES

	December 31, 2023	December 31, 2022
Current		
Other payables		
Salaries and bonuses payable	$ 73,791	$ 95,502
Employee benefit liabilities	9,795	9,357
Equipment payables	4,352	9,584
Others	18,601	14,130
	$ 106,539	$ 128,573
Other liabilities		
Contract liabilities	$ 959	$ 947
Deferred revenue	14,082	-
Others	6,209	6,047
	$ 21,250	$ 6,994

21. RETIREMENT BENEFIT PLANS

i. Defined contribution plans

The Company adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, an entity makes monthly contributions to employees' individual pension accounts at 6% of monthly salaries and wages.

ii. Defined benefit plans

The Company's pension system, implemented according to Taiwan's Labor Standards Act, is a government-managed defined benefit retirement plan. Payments for employee pensions are calculated based on years of service and the average salary of the 6 months prior to the approved retirement date. The Company contributes 2% of the total monthly salary for employee pensions, which are deposited into a special account at Bank of Taiwan under the name of the Labor Pension Reserve Fund Supervisory Committee. The competent authorities approved the Company's application to stop contributing to the pension fund in 2023 and 2022. The special account is managed by the Bureau of Labor Funds of the Ministry of Labor, and the Company has no right to influence the investment management strategy.

The amounts of defined benefit plans recognized in the parent company only balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 7,198	$ 6,191
Fair value of plan assets	(8,214)	(8,077)
Net defined benefit assets	($ 1,016)	($ 1,886)

Net defined benefit assets changes are as follows:

	Fair value of plan assets	Fair value of planned assets	Net defined benefit assets
January 1, 2023	$ 6,191	($ 8,077)	($ 1,886)
Past service cost	1,050	-	1,050
Interest expense (income)	93	(121)	(28)
Recognized in profit or loss	1,143	(121)	1,022
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(16)	(16)
Actuarial gains - changes in financial assumptions	110	-	110
Actuarial losses - experience adjustments	(246)	-	(246)
Recognized in other comprehensive income	(136)	(16)	(152)
December 31, 2023	$ 7,198	($ 8,214)	($ 1,016)
January 1, 2022	$ 6,931	($ 7,463)	($ 532)
Interest expense (income)	34	(37)	(3)
Recognized in profit or loss	34	(37)	(3)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(577)	(577)
Actuarial gains - changes in financial assumptions	(823)	-	(823)
Actuarial losses - experience adjustments	49	-	49
Recognized in other comprehensive income	(774)	(577)	(1,351)
December 31, 2022	$ 6,191	($ 8,077)	($ 1,886)

The Company is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds of the Ministry of Labor invests the labor pension funds in domestic and foreign equity securities, debt securities, and bank deposits through self-management and entrusted management. However, the plan assets' distributable income is calculated based on a return not lower than the local bank's 2-year fixed deposit interest rate.
2. Interest rate risk: A decline in government bond and corporate bond interest rates will increase the present value of defined benefit obligations, but the

return on debt investments in plan assets will also increase. Both have a partially offsetting effect on the net defined benefit liabilities.

3. Salary risk: The calculation of the present value of defined benefit obligations takes into account the future salaries of plan members. Therefore, an increase in plan members' salaries will increase the present value of defined benefit obligations.

The present value of the Company's defined benefit obligations is actuarially calculated by a qualified actuary, with the following significant assumptions as of the measurement date:

	December 31, 2023	December 31, 2022
Discount rate	1.375%	1.50%
Expected salary increase rate	2.75%	2.75%

If there are reasonable possible changes in significant actuarial assumptions, assuming all other assumptions remain unchanged, the amounts by which the present value of defined benefit obligations would increase (decrease) are as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 217)	($ 186)
Decrease by 0.25%	$ 226	$ 194
Expected salary increase rate		
Increase by 0.25%	$ 219	$ 188
Decrease by 0.25%	($ 212)	($ 182)

Since actuarial assumptions may be interrelated, the likelihood of a single assumption change is small, so the sensitivity analysis above may not reflect the actual changes in the present value of defined benefit obligations.

	December 31, 2023	December 31, 2022
Expected contributions within 1 year	$ -	$ -
Average duration of defined benefit obligations	12.9 years	12.3 years

22. EQUITY

i. Ordinary stock capital

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	100,000	100,000
Shares authorized	$ 1,000,000	$ 1,000,000
Number of shares issued and fully paid (in thousands)	62,931	62,159
Shares issued	$ 629,312	$ 621,586

The issued common stock has a par value of NT$10 per share and each share has one voting right and the right to receive dividends.

ii. Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (1)		
Share issuance premium	$ 717,401	$ 697,401
Difference between the actual acquisition or disposal price of a subsidiary's equity and its book value	31,095	31,095
Employee stock option exercise share issuance premium	72,424	59,568
Employee stock options - expired	85	85
May be used only to offset a deficit (2)		
Recognition of changes in ownership interests of subsidiaries (3)	$ 2,469	$ 2,469
May not be used for any purpose		
Employee stock options	31,665	30,280
	$ 855,139	$ 820,898

1. This type of capital reserve can be used to cover losses or, when the Company has no losses, to distribute cash dividends or increase capital, but the increase in capital is limited to a certain ratio of paid-in capital per year.
2. Capital reserves generated from investments accounted for using the equity method cannot be used for any purpose other than covering losses.
3. This type of capital surplus represents the equity transaction effects recognized due to changes in the ownership interests of subsidiaries that the Company has

not actually acquired or disposed of, or adjustments to the capital surplus of subsidiaries recognized by the Company using the equity method.

iii. Retained earnings and dividend policy

Under the dividends policy as set forth in the amended Articles, which was amended on 21 June 2023, 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 as Taxes 10% of the remaining profit, setting aside or reversing Special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders'meeting for the distribution of dividends and bonuses to shareholders. If there is still a balance, it should be accumulated with Unappropriated retained earnings . The Board of Directors shall propose a profit distribution plan and authorize the Board of Directors to distribute dividends and bonuses or all or part of Legal reserve and Capital surplus stipulated in Paragraph 1 of Article two hundred and forty-one of the Company Act in the form of cash with the attendance of more than two-thirds of the directors and the resolution of more than half of the directors present, and report to the shareholders' meeting; The distribution of stock dividends is subject to the resolution of the shareholders' meeting. For the policies on the distribution of employees'compensation and remuneration of directors after the amendment, refer to employees compensation and remuneration of directors" in Note 23(8).

The Company's dividend distribution method can be either stock dividends or cash dividends, with the ratio of cash dividends not less than 10%. Each year, the board of directors proposes a distribution plan to be approved by the shareholders' meeting.

Appropriation of earnings to the legal reserve shall be made until the legal reserve equals the Company's paid-in capital. The legal reserve may be used to offset deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

The Company 2022 and 2021 profit distribution plans as follows:

	Earnings appropriation		Dividend per share (NT$)	
	2022	2021	2022	2021
Legal reserve	$ 27,200	$ 23,706		
Special reserve	30,214	-		

Cash dividends	223,771	198,908	$ 3.56	$ 3.20

The above-mentioned cash dividends have been resolved by the Board of Directors on 29 March 2023 and the shareholders' meeting on 15 June 2022, respectively. The appropriations of the remaining earnings for 2023 and 2022 were approved in the shareholders' meetings on 21 June 2023 and 15 June 2022, respectively.

In addition, the Company's regular shareholders' meeting on 21 June 2023 and 15 June 2022 decided to distribute cash from Capital surplus-stock issuance premium of 24,863thousand and 49,727thousand respectively, with cash of NT $0.4 and NT $0.8 per share.

The 2023 profit distribution plan is subject to the resolution of the annual shareholders' meeting scheduled for June 2024.

23. NET INCOME FROM CONTINUING OPERATIONS

Continuing operations net profit includes the following items:

i. Interest revenue

	2023	2022
Bank deposit	$ 5,186	$ 1,066
Interest on loans to related parties (Note 30)	142	-
	$ 5,328	$ 1,066

ii. Other revenue

	2023	2022
Rental revenue (Note 13 & 29)		
Operating lease rental revenue		
Factory and employee dormitory rental revenue	$ 440	$ 717
Dividend revenue	23,223	20,955
Government grants	15,169	16,398
Others (Note 29)	4,070	3,303
	$ 42,902	$ 41,373

iii. Other gains and losses

	2023	2022
Gain on disposal of property, plant and equipment	$ 1,129	$ 4,181
Net gain (loss) on foreign currency exchange	(8,345)	27,195
Financial asset gains (losses)		
Financial assets mandatorily at fair value through profit or loss	11,295	(8,578)
Others	(2)	(1)
	$ 4,077	$ 22,797

iv. Foreign exchange gains and losses

	2023	2022
Total foreign exchange gains	$ 17,159	$ 43,009
Total foreign exchange losses	(25,504)	(15,814)
Net gains (losses)	($ 8,345)	$ 27,195

v. Financial cost

	2023	2022
Interest on bank loans	$ 6,192	$ 3,718
Interest on lease liabilities	32	15
	$ 6,224	$ 3,733

vi. Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 37,999	$ 28,764
Right-of-use assets	1,863	1,169
Intangible assets	8,970	8,664
Total	$ 48,832	$ 38,597
An analysis of depreciation by function		
Operating costs	$ 25,456	$ 16,821
Operating expenses	14,406	13,112
	$ 39,862	$ 29,933
An analysis of amortization by function		
Operating costs	$ 876	$ 1,085
Operating expenses	8,094	7,579
	$ 8,970	$ 8,664

vii. Employee benefits expense

	2023	2022
Post-employment benefits (Note 21)		
Defined contribution plans	$ 8,080	$ 7,681
Defined benefit plans	1,022	(3)
	9,102	7,678
Salary expenses	221,744	244,125
Labor and health insurance expenses	18,865	17,425
Other personnel expenses	9,737	8,631
Total employee benefits expense	$ 259,448	$ 277,859
An analysis of employee benefits expense by function		
Operating costs	$ 90,967	$ 98,077
Operating expenses	168,481	179,782
	$ 259,448	$ 277,859

viii. Compensation of employees and remuneration of directors

The Company accrues employees' compensation and board directors' remuneration at the rates of no less than 8% and no higher than 3%, respectively, of net profit before income tax, compensation of employees and remuneration of directors. The employees' compensation and remuneration of directors for the year ended 31 December 2023 are subject to the approval of the Company's board of directors. The employees' compensation and remuneration of directors for the year ended 31 December 2022, which were approved by the Company's board of directors on 29 March 2023, were as follows:

Accrual rate

	2023	2022
Compensation of employees	8.00%	8.00%
Remuneration of directors	2.02%	1.91%

Amount

	2023		2022	
	Cash	Stock	Cash	Stock
Compensation of employees	$ 20,641	$ -	$ 29,343	$ -
Remuneration of directors	5,223	-	6,999	-

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There is no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the consolidated financial statements for the year ended December 31, 2021. Compensation of employees and remuneration of directors for 2022 remains pending distribution.

Information on the compensation of employees and remuneration of directors resolved by the Company's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAX FROM CONTINUING OPERATIONS

i. The main components of income tax expenses recognized in profit or loss:

	2023	2022
Current tax		
In respect of the current period	$ 27,496	$ 45,063
In respect of prior years	(4,166)	(694)
Deferred tax		
In respect of the current period	8,713	15,079
Income tax expense recognized in profit or loss	$ 32,043	$ 59,448

The reconciliation of accounting income and income tax expense is as follows:

	2023	2022
Net income before tax	$ 232,154	$ 330,448
Income tax expense at statutory rate on net income before tax	$ 46,431	$ 66,090
Non-deductible expenses for tax purposes	41	12
Tax-exempt income	(10,263)	(5,960)
Adjustments to prior years' current income tax expense	(4,166)	(694)
Income tax expense recognized in profit or loss	$ 32,043	$ 59,448

ii. Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Income tax benefits (expenses) recognized in other comprehensive income		

Translation of foreign operating companies	($ 1,351)	($ 4,918)
Remeasurement of defined benefit plans	(30)	(271)
	($ 1,381)	($ 5,189)

iii. Current income tax liabilities

	December 31, 2023	December 31, 2022
Income tax payable	$ 26,987	$ 44,993

iv. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax assets				
Inventory devaluation and obsolescence losses	$ 1,513	($ 41)	$ -	$ 1,472
Unrealized gross profit from overseas shipments	261	(217)	-	44
Deferred revenue	162	(71)	-	91
Defined benefit retirement plan				
Employee unutilized leave bonus	1,871	88	-	1,959
Unrealized exchange losses	168	1,551	-	1,719
Foreign operation translation	-	-	32	32
	$ 3,975	$ 1,310	$ 32	$ 5,317
Deferred tax liabilities				
Income from investments accounted for using the equity method	$ 54,309	$ 10,023	$ -	$ 64,332
Defined benefit retirement plan	226	-	30	256
Foreign operation translation	1,319	-	(1,319)	-
	$ 55,854	$ 10,023	($ 1,289)	$ 64,588

2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income	Closing balance
Deferred tax assets				
Inventory devaluation and obsolescence losses	$ 1,902	($ 389)	$ -	$ 1,513
Unrealized gross profit from overseas shipments	244	17	-	261
Deferred revenue	105	57	-	162
Defined benefit retirement plan	45	-	(45)	-
Employee unutilized leave bonus	1,765	106	-	1,871
Unrealized exchange losses	202	(34)	-	168
Foreign operation translation	3,599	-	(3,599)	-
	$ 7,862	($ 243)	($ 3,644)	$ 3,975
Deferred tax liabilities				
Income from investments accounted for using the equity method	$ 39,473	$ 14,836	$ -	$ 54,309
Defined benefit retirement plan	-	-	226	226
Foreign operation translation	-	-	1,319	1,319
	$ 39,473	$ 14,836	$ 1,545	$ 55,854

v. Income tax assessments

The income tax returns of the Company through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

Unit: NT$/share

	2023	2022
Basic earnings per share	$ 3.20	$ 4.36
Diluted earnings per share	$ 3.12	$ 4.23

The earnings and weighted-average number of ordinary shares outstanding used in the computation of earnings per share were as follows:

Net Profit for the Year

	2023	2022
Net profit used in the computation of basic per share	$ 200,111	$ 271,000
Net profit used in the computation of diluted earnings per share	$ 200,111	$ 271,000

Shares (In Thousands of Shares)

	2023	2022
Weighted-average number of ordinary shares used in the computation of basic earnings per share	62,531	62,159
Effects of potentially dilutive ordinary shares:		
Employee stock option	1,525	1,674
Compensation of employees	169	248
Weighted-average number of ordinary shares used in the computation of diluted earnings per share	64,225	64,081

If the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

26. Share-based payment arrangements

The Company’s employee stock option plan

On March 10, 2022, the Company’s board of directors resolved to issue 3,000 units of employee stock options, with each unit entitling the holder to subscribe for 1,000 common shares, which will be delivered through the issuance of new shares. The eligible recipients are employees of the Company and its subsidiaries with a controlling interest who have met certain seniority and performance standards. The stock options have a term of 4 years and 2 months, and after 2 years from the grant date, the option holders may exercise a certain proportion of their granted options. In addition, on 29 March 2023, the Company's Board of Directors resolved to amend the Employee Stock Option Issuance and Share Subscription Measures to adjust and reduce the grant period after 2 years of the expiration of the employee stock option certificate granted to the warrant holder.When changes occur in the Company's common shares, the exercise price of the stock options will be adjusted according to the specified formula.

The relevant information on employee stock options is as follows:

	2023		2022	
Employee stock options	Unit	Weighted average exercise price (NT$)	Unit	Weighted average exercise price (NT$)
Outstanding at the beginning of the year	3,000	$ 68.3	3,000	$ 70.0
Exercised during the year	(772.6)	66.5-68.3	-	-
Outstanding at the end of the year	2,227.4	66.5	3,000	68.3
Exercisable stock options at year-end	127.4		-	
Weighted average fair value of stock options granted during the year (NT$)	$ -		$ -	

As of the balance sheet date, the relevant information on outstanding employee stock options is as follows:

December 31, 2023			December 31, 2022		
Issuance date	Range of exercise prices (NT$)	Weighted average remaining contractual life (years)	Issuance date	Range of exercise prices (NT$)	Weighted average remaining contractual life (years)
2021.4.23	$66.5	1.50	2021.4.23	$68.3	2.50

The Company used the Black-Scholes valuation model for employee stock options granted on April 23, 2021. The input values used in the valuation model are as follows:

	April 23, 2021
Stock price on grant date	$72.60
Exercise price	$72.60
Expected volatility	31.39%-32.84%
Contractual life	4 years and 2 months
Expected dividend yield	0%
Risk-free interest rate	0.20%-0.25%

The expected volatility is based on the historical stock price volatility.

The employee stock options issued above have a calculated compensation cost of NTD 52,518 thousand using the fair value method, and salary expenses and capital surplus - employee stock options of NTD 12,959 thousand and NTD 16,533 thousand were recognized for 2023 and 2022, respectively, on a straight-line basis.

The employees of the Consolidated Company have exercised 772.6 units of warrants in 2023, and subscribed for 772,600 ordinary shares, of which 745,600 shares have been approved by the Board of Directors on the base date of capital increase and the registration of the change has been completed, and the remaining 27,000 shares are pending on the base date of capital increase by the Board of Directors and the registration of the change has been completed.

27. CAPITAL RISK MANAGEMENT

The purpose of the Company's capital management policy is to ensure the Company's continued operating ability, to maximize returns for shareholders, and to provide benefits for other stakeholders. To ensure the achievement of these goals, the Company needs to maintain adequate capital to support the expansion and upgrading of its plants and equipment. Therefore, the Company's capital management aims to ensure that it has the necessary financial resources and operating plans to support the operating capital, capital expenditures, research and development expenses, debt repayments, and dividend payments required for the next 12 months. The Company is not subject to any external capital requirements.

The Company's management periodically reviews its capital structure, considering the costs and risks involved in different capital structures. Generally, the Company adopts a prudent risk management strategy.

28. FINANCIAL INSTRUMENTS

i. Fair value of financial instruments that are not measured at fair value

The carrying amounts of financial assets and financial liabilities that are not measured at fair value are considered by the management of the Company to approximate their fair values.

ii. Fair value of financial instruments that are measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current				
Listed (OTC) stocks	$ 194,609	$ -	$ -	$ 194,609
Financial assets at FVTPL - non-current				
Domestic unlisted (OTC) stocks	$ -	$ -	$ 12,520	$ 12,520
Financial assets at FVTOCI				
Investments in equity				

instruments				
Domestic unlisted (OTC) stockss	$ -	-	$ 191,950	$ 191,950

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTPL – current				
Listed (OTC) stocks	$ 221,789	$ -	$ -	$ 221,789
Financial assets at FVTPL - non-current	$ -	$ -	$ 11,128	$ 11,128
Domestic unlisted (OTC) stockss				
Financial assets at FVTOCI				
Investments in equity instruments	$ 9,715	$ -	$ -	$ 9,715
Listed (OTC) stocks	-	-	115,764	115,764
Domestic unlisted (OTC) stockss	$ 9,715	$ -	$ 115,764	$ 125,479
	$ 31,047	$ -	$ 198,987	$ 230,034

There are no transfers between Level 1 and Level 2 fair value measurements in fiscal 2023 and 2022.

2. Reconciliation of Level 3 fair value measurements of financial instruments

2023

Financial Assets	Financial assets at FVTPL Equity Instruments	Financial assets at FVTOCI Equity Instruments	Total
Opening balance	$ 11,128	$ 115,764	$ 126,892
Recognized in (profit) or loss (other gains and losses)	-	15,876	15,876
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at FVTOCI)	1,392	-	1,392
Capital reduction	-	64,657	64,657
Closing balance	-	(4,347)	(4,347)
	$ 12,520	$ 191,950	$ 204,470
Change in the current year's unrealized gains (losses) related to assets held at the end of the year and recognized in profit or loss	$ 1,392		$ 1,392

2022

Financial Assets	Financial assets at FVTPL Equity Instruments	Financial assets at FVTOCI Equity Instruments	Total
Opening balance	$ 11,128	$ 198,987	$ 210,115
Recognized in (profit) or loss (other gains and losses)	-	-	-
Recognized in other comprehensive income (unrealized gain or loss on financial assets measured at FVTOCI)	-	(80,935)	(80,935)
Capital reduction	-	(2,288)	(2,288)
Closing balance	$ 11,128	$ 115,764	$ 126,892
Change in the current year's unrealized gains (losses) related to assets held at the end of the year and recognized in profit or loss	$ -		$ -

3. Valuation techniques and inputs applied for the purpose of Level 3 fair value measurement

Domestic emerging and unlisted equity investments are valued at fair value using the asset method and market method.

The asset method estimates the fair value based on the net asset value. When the liquidity discount decreases, the fair value of such investments will increase. The unobservable input values used by the Company as of December 31, 2023, and 2022, are liquidity discounts of 10% to 35%. If the liquidity discount

increases by 1% while other input values remain unchanged, the fair value will decrease by $2,505 thousand and $1,864 thousand, respectively.

The market method selects samples from listed companies engaged in similar business activities, refers to their stock trading prices in active markets, and evaluates the implied value multiples and related transaction information of such prices to determine the asset value of the valuation target. Alternatively, it refers to the stock trading prices of companies engaged in similar business activities in non-active markets and makes appropriate adjustments, or refers to the indicative transaction prices of the valuation target in the most recent fiscal year.

iii. Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at FVTPL - current	$ 194,609	$ 221,789
Financial assets at FVTPL - non-current	12,520	11,128
Financial assets at amortized cost (Note 1)	434,000	532,386
Financial assets at FVTOCI - non-current		
Investments in equity instruments	191,950	125,479
Financial liabilities		
At amortized cost (Note 2)	579,492	703,870

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, current financial assets at amortized cost, accounts receivable, other receivables, and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, notes payable, accounts payable, other payables, and deposits received.

iv. Financial risk management objectives and policies

The Company's financial risk management objective is to manage foreign exchange risks, interest rate risks, credit risks, and liquidity risks related to operating activities. To reduce related financial risks, the Company is committed to identifying, evaluating, and mitigating market uncertainties to minimize the potential adverse impact of market fluctuations on the Company's financial performance.

The Company uses derivative financial instruments to hedge its exposure and mitigate the impact of these risks. The use of derivative financial instruments is governed by policies approved by the Company's board of directors, including written principles for foreign exchange risk, interest rate risk, credit risk, the use of derivative and non-derivative financial instruments, and the investment of residual liquid funds. The Company's significant financial activities are reviewed by the board of directors in accordance with relevant regulations and internal control systems. During the execution of the financial plan, the Company must strictly comply with the relevant financial operating procedures concerning overall financial risk management and the division of responsibilities. Internal audit personnel continuously review policy compliance and exposure limits. The Company does not engage in financial instrument transactions (including derivative financial instruments) for speculative purposes.

1. Market risk

   The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (1) below) and interest rates (see (2) below).

   The Company's exposure to market risk related to financial instruments and its management and measurement of such exposure have not changed.

   (1) Foreign currency risk

   The Company engages in foreign currency-denominated sales and purchase transactions, which expose it to exchange rate fluctuation risks.

   The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the period are set out in Note 32.

   Sensitivity analysis

   The Company was mainly exposed to USD.

   The following table details the sensitivity analysis of the Company when the exchange rate of the functional currency increases and decreases by 3% against each relevant foreign currency. 3% is the sensitivity ratio used for internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only foreign currency monetary items in circulation and adjusts

their year-end translation by a 3% change in exchange rates. The amounts in the table below represent the increase in income before income taxes that would result from a 3% weakening of the functional currency against the respective currencies, and the negative impact on income before income taxes that would result from a 3% strengthening of the functional currency against the respective currencies.

	2023	2022
3% change in profit or loss		
USD	$ 10,202	$ 12,883

(2) Interest rate risk

Interest rate risk refers to the risk of changes in the value of financial instruments due to fluctuations in market interest rates. The Company continuously monitors market interest rate fluctuations to manage interest rate risk.

The carrying amounts of the Company's financial assets and financial liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
Financial assets	$ 147,384	$ 168,905
Financial liabilities	405,163	381,821
Cash flow interest rate risk		
Financial assets	72,749	66,161
Financial liabilities	-	150,000

Sensitivity analysis

For the sensitivity analysis of interest rate risk, the Company calculates based on financial assets and financial liabilities with cash flow interest rate risk as of the balance sheet date. The Company uses a 0.5% increase/decrease in market interest rates as a reasonable risk assessment for reporting interest rate changes to management. Assuming all other variables remain unchanged, a 0.5% increase/decrease in market interest rates would decrease/increase and increase/decrease the Company's pre-tax net income for 2023 and 2022 by $364 thousand and $419 thousand, respectively.

(3) Other price risk

The Company is exposed to equity price risk due to its holdings of beneficiary certificates and investments in listed (OTC) and emerging market equity securities.

Sensitivity analysis

The Company measures the risk of financial assets affected by changes in equity prices. The Company uses sensitivity analysis to measure equity security price risk.

Sensitivity analysis is conducted based on the equity investment positions exposed as of the balance sheet date. If the domestic and foreign equity investment positions' prices fall by 5%, the pre-tax income for 2023 and 2022 would decrease by $10,356 thousand and $11,646 thousand, respectively, due to the decline in the fair value of financial assets at FVTPL. The other comprehensive income for 2023 and 2022 would decrease by $9,598 thousand and $6,274 thousand, respectively, due to the decline in the fair value of financial assets at FVTOCI.

2. Credit risk

Credit risk refers to the risk of financial loss to the Company due to counterparties defaulting on their contractual obligations. As of the balance sheet date, the maximum credit risk exposure that the Company may face due to counterparties not fulfilling their obligations primarily arises from the carrying amount of financial assets recognized on the parent company only balance sheets.

The Company's policy is to deal only with creditworthy parties and, when necessary, to obtain sufficient collateral to mitigate the risk of financial loss due to defaults. The risk assessment for individual clients considers factors that may affect the client's payment ability, including the client's financial condition, credit rating from rating agencies, the Company's internal credit rating, historical transaction records, and the current economic situation. The Company also uses certain credit enhancement tools, such as prepayment of goods and credit insurance, to reduce the credit risk of specific clients at appropriate times.

Accounts receivable include many clients, spread across different industries and geographic regions. The Company continuously assesses the financial condition of its accounts receivable clients.

The Company's credit risk is primarily concentrated in the top five group clients of the Company. As of December 31, 2023, and 2022, the ratio of total accounts receivable from these clients was 61% and 71%, respectively, and the credit concentration risk of the remaining accounts receivable was relatively insignificant. After considering specific factors and conducting risk assessments, the credit risk of the top five group clients should not have a significant impact on the Company.

3. Liquidity risk

The Company manages and maintains sufficient cash to support the Company's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing lines and ensures compliance with the terms of borrowing contracts.

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the earliest date the Company could be required to repay the financial liabilities, using the undiscounted cash flows (including principal and estimated interest). Therefore, the Company's non-derivative financial liabilities maturity analysis is prepared according to the agreed repayment dates.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Above 1 Year
Non-derivative financial liabilities				
Short-term borrowings	$ 200,230	$ 200,651	$ -	$ -
Notes payable	49	-	-	-
Accounts payable	9,574	13,818	5,882	-
Accounts payable - related parties	1,677	21,744	-	-
Other payables	37,318	40,411	28,810	-
Other payables - related parties	20,000	203	-	-
Lease liabilities	256	423	1,506	3,071
	$ 269,104	$ 277,250	$ 36,198	$ 3,071

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	Over 20 years
Lease liabilities	$ 2,185	$ 3,071	$ -	$ -	$ -	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	Above 1 Year
Non-derivative financial liabilities				
Short-term borrowings	$ 170,227	$ 160,550	$ 202,844	$ -
Notes payable	58	-	-	-
Accounts payable	2,458	29,957	-	-
Accounts payable - related parties	622	11,871	-	-
Other payables	35,216	55,086	38,271	-
Other payables - related parties	-	325	-	-
Lease liabilities	108	217	975	532
	$ 208,689	$ 258,006	$ 242,090	$ 532

	Less than 1 year	1~5 years	5~10 years	10~15 years	15~20 years	Over 20 years
Lease liabilities	$ 1,300	$ 532	$ -	$ -	$ -	$ -

The Company's unused bank financing facilities are as follows:

Financing facilities

	December 31, 2023	December 31, 2022
Unsecured bank overdraft facilities		
Amount used	$ 426,550	$ 536,500
Amount unused	954,155	463,500
	$ 1,380,705	$ 1,000,000

The Company's working capital is sufficient to support its operations, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations.

29. TRANSACTIONS WITH RELATED PARTIES

Details of transactions between the Company and its related parties are disclosed below.

i. Related parties and their relationships

Related Party	Relationship
Radiation Technology Inc.	Subsidiary
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Subsidiary
GENTON TECH CORPORATION	Subsidiary
UMT Investment Co., Ltd	Subsidiary
RADTEK COMMUNICATIONS, INC.	Subsidiary
JOYMAX ELECTRONICS CO., LTD.	Subsidiary
JM-ALONSO Technology Co. Ltd	Subsidiary(Not at company since July 2023)
Bridge Components (HK) Limited	Subsidiary
RADIATION TECHNOLOGY,INC.	Subsidiary
WIRELESS SI CORPORATION	Subsidiary(Settled in November 2022)
FuTa Precision Inc.	Associate

ii. Operating revenue

Related Party Category	2023	2022
Subsidiary	$ 8,946	$ 9,770

The transaction prices and collection terms of sales transactions with related parties are not materially different from those of non-related parties.

iii. Purchase

Related Party Category	2023	2022
Subsidiary		
Radiation Technology Inc.	$ 80,303	$ 79,562
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	29,146	44,301
JOYMAX ELECTRONICS CO., LTD.	4,206	4,052
GENTON TECH CORPORATION	-	300
Bridge Components (HK) Limited	-	19
	$113,655	$128,234

Purchases are made at market prices less discounts, reflecting the quantity purchased and the relationship with the related party.

iv. Receivables from related parties

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary	$ 2,958	$ 2,715

No guarantee has been received for amounts due from related parties in circulation, and no allowance for losses has been provided for amounts due from related parties in 2023 and 2022.

v. Other receivables - related parties

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary		
JOYMAX ELECTRONICS CO., LTD.	$ 99	$ 112
GENTON TECH CORPORATION	75	30,088
UMT Investment Co.,		951
UMT Holdings (Samoa) Limited	13,792	-
	13,966	31,151
Associate		
FuTa Precision Inc.	-	5
	$ 13,966	$ 31,156

vi. Accounts payable to related parties (excluding loans from related parties)

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary		
Radiation Technology Inc.	$ 14,386	$ 10,103
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	5,934	2,017
JOYMAX ELECTRONICS CO., LTD.	3,101	373
	$ 23,421	$ 12,493

No guarantees were provided for the balance of the outstanding accounts payable to related parties.

vii. Other payables

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary		
Radiation Technology Inc.	$ 203	$ 325

viii. Rental revenue

Related Party Category	2023	2022
Subsidiary		

RADTEK COMMUNICATIONS, INC.	$ 338	$ 629
UMT Investment Co., Ltd	48	48
	386	677
Associate		
FuTa Precision Inc.	54	32
	$ 440	$ 709

ix. Other revenue

Related Party Category	2023	2022
Subsidiary		
JOYMAX ELECTRONICS CO., LTD.	$ 897	$ -
GENTON TECH CORPORATION	261	281
UMT Holdings (Samoa) Limited	612	-
RADIATION TECHNOLOGY,INC.	291	278
	$ 2,061	$ 559

x. Other prepayments

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary		
RADTEK COMMUNICATIONS, INC.	$ -	$ 290
RADIATION TECHNOLOGY,INC.	-	269
	$ -	$ 559

xi. Loans to related parties (recorded as other receivables - related parties)

	2023			
Related Party Category	Highest balance	Closing balance	Interest rate range	Interest revenue
Subsidiary				
GENTON TECH CORPORATION	$ 30,000	$ -	1.0%	$ 142

	2022			
Related Party Category	Highest balance	Closing balance	Interest rate range	Interest revenue
Subsidiary				
RADIATION	$ 80,000	$ 30,000	1.0%	$ -

TECHNOLOGY,INC.

xii. Borrow from related parties

Related Party Category／Name	December 31, 2023	December 31, 2022
Subsidiary		
GENTON TECH CORPORATION	$ 20,000	$ -

Interest expense

Related Party Category／Name	December 31, 2023	December 31, 2022
Subsidiary		
GENTON TECH CORPORATION	$ 73	$ -

The interest rate of the Company's loans from related parties is comparable to the market interest rate. The loans from subsidiaries are all unsecured loans.

xiii. Endorsements and guarantees

Endorsement/guarantee for others

Related Party Category	December 31, 2023	December 31, 2022
Subsidiary		
Guaranteed amount	$ 30,000	$ 30,000
Actual expenditure	$ 20,000	$ 20,000

xiv. Compensation of key management personnel

	2023	2022
Short-term employee benefits	$ 41,128	$ 51,703
Post-retirement benefits	680	720
Share-based payments	1,985	4,891
	$ 43,793	$ 57,314

The remuneration of board directors and salaries of other key management personnel are decided by remuneration and compensation committee based on individual performance and market trends.

30. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets of the Company (listed at book value) have been provided as collateral for the import duty guarantees for raw materials and for securing bank loan facilities:

	December 31, 2023	December 31, 2022
Pledged time deposits (Note 9)	$ 500	$ 500
Land	-	141,005
Buildings and structures	-	247,503
	$ 500	$ 389,008

31. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

In response to the sustainable operation and development of the consolidated company's operations, the Board of Directors of the Company and its subsidiary Radiation Technology Inc. resolved on 13 March 2024 to propose an reverse triangular merger with the subsidiary Radiation Technology Inc. through the newly established subsidiary UMT Holding (SAMOA) Limited, a 100%-owned subsidiary of the Company, UMT Holding (Cayman) Limited, with Radiation Technology Inc. as the surviving company. The merger consideration of this merger case is NT $53.8 per share, and the merger base date is temporarily scheduled on 18 October 2024. Regarding the specific time of this merger case, it is proposed to request the shareholders' meeting of the Company to authorize UMT Holding (SAMOA) Limited to handle or amend it at its full discretion according to the Company's operating conditions or the requirements of the competent authority. Upon the completion of the merger, Radiation Technology Inc. will become a 100% owned subsidiary of UMT Holding (SAMOA) Limited.

Radiation Technology Inc. intends to apply to Taipei Exchange to terminate the stock listing and the public offering after the merger is approved at the shareholders' meeting.

32. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Company's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Company and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Foreign currency assets			
Monetary items			
USD	$ 11,645	30.7050 (USD:NTD)	$ 357,560
EUR	56	33.98 (EUR:NTD)	1,903
RMB	330	4.3352 (RMB:NTD)	1,431
JPY	3,824	0.2172 (JPY:NTD)	831
			$ 361,725
Foreign currency liabilities			
Monetary items			
USD	570	30.7050 (USD:NTD)	$ 17,502
RMB	1,465	4.3352 (RMB:NTD)	6,351
			$ 23,853

December 31, 2022

	Foreign Currencies	Exchange Rates	New Taiwan Dollars
Foreign currency assets			
Monetary items			
USD	$ 14,449	30.71 (USD:NTD)	$ 443,729
RMB	1,481	4.4094 (RMB:NTD)	6,530
EUR	49	32.72 (EUR:NTD)	1,603
JPY	22,831	0.2324 (JPY:NTD)	5,306
			$ 457,168
Foreign currency liabilities			
Monetary items			
USD	465	30.71 (USD:NTD)	$ 14,280
RMB	494	4.4094 (RMB:NTD)	2,178
			$ 16,458

The net foreign exchange gains and losses (realized and unrealized) of the Company in 2023 and 2022 were net loss of $8,345 thousand and net gains of $27,195 thousand, respectively. Due to the variety of functional currency types in foreign currency transactions, it is not possible to disclose exchange gains and losses by major foreign currency categories.

33. SEPARATELY DISCLOSED ITEMS

i. INFORMATION ABOUT SIGNIFICANT TRANSACTIONS:

1. Financing provided to others: Table 1.
2. Endorsements/guarantees provided: Table 2.
3. Marketable securities held (excluding investments in subsidiaries, associates, and joint control portions): Table 3.
4. Marketable securities acquired or disposed of at costs or prices of at least NT$300 million or 20% of the paid-in capital: None.
5. Acquisition of individual real estate at costs of at least NT$300 million or 20% of the paid-in capital: None.
6. Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital Table 4.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.
9. Trading in derivative instruments: None.

ii. INFORMATION ON INVESTEES: Table 5.

iii. INFORMATION ON INVESTMENTS IN MAINLAND CHINA:

1. Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment profit or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 6.
2. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses: The Company entrusts raw materials to its mainland subsidiaries, UMT KUNSHAN and Radiation

Technology Inc., for processing. After processing, the finished products are returned to the Company without sales processing. The total unrealized sales loss in 2023 was $232 thousand. For significant transaction matters between the Company and the invested companies in Mainland China, please refer to Table 7.

(1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
(2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
(3) The amount of property transactions and the amount of the resultant gains or losses.
(4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
(5) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to the financing of funds.
(6) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services.

iv. INFORMATION OF MAJOR SHAREHOLDERS: The name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder of shareholders with ownership of 5% or greater (Table 8)

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

FINANCING PROVIDED TO OTHERS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 1

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Number (Note 1)	Loan Funded Companies	Lenders	Relationship	Related party	Maximum balance for the period	Closing balance (Notes 5, 6, 7 and 8)	Actual expenditures	Interest Rate Range	Funding and nature of loans	Amount of business transactions	reasons why short-term financing funds are necessary	Allowance for doubtful accounts	Collateral		Limits on the lending of funds to individual targets (Notes 2, 3 and 4)	Capital Credits and Total Limits (Notes 2, 3 and 4)	Note
													Name	Value			
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	Other receivables - related parties	Y	$ 80,000	$ -	$ -	Interest rate of not less than 1% per	Short-term financing funds	$ -	Business Turnover	$ -	-	$ -	$ 823,322	$ 823,322	
0	Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	Other receivables - related parties	Y	40,000	40,000	-	Interest rate of not less than 1.6% per	Short-term financing funds	-	Business Turnover	-	-	-	823,322	823,322	
0	Universal Microwave Technology, Inc.	RADIATION TECHNOLOGY,INC.	Other receivables - related parties	Y	153,525 (USD 5,000thousand)	153,525 (USD 5,000thousand)	-	Interest rate of not less than 4.5% per	Short-term financing funds	-	Business Turnover	-	-	-	823,322	823,322	
1	GENTON TECH CORPORATION	Bridge Components (HK) Limited	Other receivables - related parties	Y	5,527 (USD 180thousand)	5,527 (USD 180thousand)	-	Interest rate of not less than 1.2% per	Short-term financing funds	-	Business Turnover	-	-	-	68,202	68,202	
1	GENTON TECH CORPORATION	Universal Microwave Technology, Inc.	Other receivables - related parties	Y	30,000	30,000	20,000	Interest rate of not less than 1.5% per	Short-term financing funds	-	Business Turnover	-	-	-	68,202	68,202	
2	UMT HOLDINGS (SAMOA) LIMITED	Universal Microwave Technology, Inc.	Other receivables - related parties	Y	184,230 (USD 6,000thousand)	184,230 (USD 6,000thousand)	-	Interest rate of not less than 4.5% per	Short-term financing funds	-	Business Turnover	-	-	-	277,481	277,481	

Note 1: The description of the number field is as follows:

(1) No. 0 represents the issuer.

(2) Other numbers represent investees.

Note 2: The total amount of funds lent by the Company to companies or firms with short-term financing needs shall not exceed 40% of the Company's net worth; the individual lending amount shall not exceed 40% of the Company's net worth.

Note 3: GENTON TECH CORPORATION's total amount of funds lent to companies or firms with short-term financing needs shall not exceed 40% of GENTON TECH CORPORATION's net worth; the individual lending amount shall not exceed 40% of GENTON TECH CORPORATION's net worth.

Note 4: UMT Holdings (Samoa) Limited's total amount of funds lent to companies or firms with short-term financing needs shall not exceed 40% of UMT Holdings (Samoa) Limited's net worth; the individual lending amount shall not exceed 40% of UMT Holdings (Samoa) Limited's net worth.

Note 5: On November 9, 2022, Universal Microwave Technology, Inc. resolved at a board of directors meeting to lend 80,000,000 to its subsidiary GENTON TECH CORPORATION, for its operational scale and improvement of funds utilization, from November 13, 2022, to November 12, 2023.

Universal Microwave Technology, Inc. resolved at a board of directors meeting on May 12, 2022, to lend USD 5,000,000 to its subsidiary RADIATION TECHNOLOGY, INC. for its operational scale and improvement of funds utilization, from May 12, 2023, to May 11, 2024.

Universal Microwave Technology, Inc. resolved at a board of directors meeting on August 10, 2023, to lend 40,000,000 to its subsidiary JOYMAX ELECTRONICS CO., LTD. for its operational scale and improvement of funds utilization, from August 12, 2023, to August 11, 2024.

GENTON TECH CORPORATION resolved at a board of directors meeting on May 19, 2022, to lend USD 180,000 to Bridge Components (HK) Limited for its operational scale and improvement of funds utilization, from April 1, 2023, to March 31, 2024.

GENTON TECH CORPORATION resolved at a board of directors meeting on August 4, 2023, to lend NTD30,000,000 to Universal Microwave Technology, Inc. for its operational scale and improvement of funds utilization, from August 4, 2023, to August 3, 2024.

On behalf of UMT Holdings (Samoa) Limited, Universal Microwave Technology, Inc. resolved at a board of directors meeting on November 8, 2023, to lend USD 6,000,000 to Universal Microwave Technology, Inc. for its operational scale and improvement of funds utilization, from November 9, 2023, to November 8, 2024.

Note 6: The amount of funds lent is approved by the board of directors.

Note 7: Calculated based on the central exchange rate of the US dollar as of December 31, 2023.

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

ENDORSEMENTS/GUARANTEES PROVIDED

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 2

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Number	Endorser	Endorsee		Endorsement and guarantee limit for a single company (Note 2 & 3)	Maximum balance for the period (Note 3)	Ending balance	Actual expenditure	Endorsement and guarantee amount by assets	Ratio of cumulative endorsement/ guarantee amount to net worth as stated in the latest financial statements (%)	Maximum limit of endorsement and guarantee (Note 2 & 3)	Endorsement and guarantee from parent to subsidiary	Endorsement and guarantee from subsidiary to parent	Endorsement and guarantee for Mainland China	Remark
		Company name	Relationship (Note 1)											
0	Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	2	$ 1,029,153	$ 50,000	$ 30,000	$ 20,000	$ -	1.46%	$ 1,029,153	Y	N	N	—

Note 1：There are seven types of relationships between the endorser and the endorsee, which can be indicated as follows:

(1) A company with which it does business.

(2) A company in which the Company directly and indirectly holds more than 50 percent of the voting shares.

(3) A company that directly and indirectly holds more than 50 percent of the voting shares in the Company.

(4) Companies in which the Company holds, directly or indirectly, 90% or more of the voting shares.

(5) Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project.

(6) Where all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.

(7) Where companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The endorsement and guarantee procedures for the Company, UMT Holdings (Samoa) Limited, and RADIATION TECHNOLOGY, INC. are as follows:

(1) The total amount of endorsements and guarantees provided by our company shall not exceed 50% of the current net value; the total amount of endorsements and guarantees provided by our company and its subsidiaries shall not exceed 60% of the current net value.

(2) The endorsement and guarantee limit for a single enterprise by our company shall not exceed 50% of the current net value; the endorsement and guarantee limit for a single enterprise by our company and its subsidiaries shall not exceed 60% of the current net value. If endorsements and guarantees are provided due to business relationships, they shall not exceed the total transaction amount between the Company and the counterpart in the most recent fiscal year (whichever is higher for purchases or sales). Net value shall be based on the most recent audited or reviewed financial statements.

(3) The Company's direct and indirect holdings of voting shares of more than 90% in other companies should not exceed 10% of the Company's net value for endorsement guarantees. However, endorsement guarantees between companies with 100% direct and indirect holdings of voting shares are not subject to this limit.

Note 3: The conversion is based on the USD Central Exchange Rate as of December 31, 2023.

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

MARKETABLE SECURITIES HELD

DECEMBER 31, 2023

Table 3

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Holding Company	Marketable Securities Type/Name and Issuer	Relationship with the Holding Company	Line Item	At the End of Period				Remark
				Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value (Note 2)	
Universal Microwave Technology, Inc.	Common Stock							
	Dynahz Technologies Corporation	None	Financial assets at FVTOCI - non-current	1,606,314	$ 108,404	9.66%	$ 108,404	Note 1
	TOP TAIWAN VIII VENTURE CAPITAL CO., LTD.	None	Financial assets at FVTOCI - non-current	289,813	4,425	1.67%	4,425	Note 1
	RISING GLORY TECHNOLOGY CO., LTD.	None	Financial assets at FVTOCI - non-current	484,500	18,503	19.00%	18,503	Note 1
	Terasilic Co.,Ltd.	None	Financial assets at FVTOCI - non-current	4,125,584	36,019	14.54%	36,019	Note 1
	Certain Micro Application Technology Inc.	None	Financial assets at FVTOCI - non-current	900,000	24,599	4.86%	24,599	Note 1
	Remotek Corporation	None	Financial assets at fair value through profit or loss - non-current	861,768	12,520	1.25%	12,520	Note 1
	Special Stock							
	Fubon Financial	None	Financial assets at FVTPL - current	1,660,000	99,434	0.25%	99,434	Note 1
	WPG Holdings	None	Financial assets at FVTPL - current	2,025,000	95,175	1.01%	95,175	Note 1
UMT Investment Co., Ltd	Fund Beneficiary Certificate							
	CTBC Hua Win Money Market Fund	None	Financial assets at FVTPL - current	2,565,169	29,025	0.07%	29,025	Note 1
	Special Stock							
	Cathay Financial Holdings Co., Ltd.	None	Financial assets at FVTPL - current	333,000	19,880	0.05%	19,880	Note 1
	Taishin Financial Holding Co., Ltd.	None	Financial assets at FVTPL - current	400,000	18,260	0.13%	18,260	Note 1

Note 1: No collateral, pledged loans, or other restrictions are provided.

Note 2: Market prices are calculated based on the closing price as of December 31, 2023, or the net asset value of each fund. If there is no market price, fair value is measured using valuation techniques.

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 4

(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Nature of Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase (Sale)	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
UMTEK TELECOM (HK) LIMITED	Radiation Technology Inc.	A subsidiary wholly owned by UMTEK TELECOM (HK) LIMITED	Purchase	$ 118,346	100%	EOM 60 days	—	—	($ 30,214)	100.00%	Note 1
Radiation Technology Inc.	UMTEK TELECOM (HK) LIMITED	A parent company that holds 100% of Radiation Technology Inc.	Sale	(118,346)	25.26%	EOM 60 days	—	—	30,214	27.07%	Note 1

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

INFORMATION ON INVESTEES

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 5

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount (Note 1)		Balance as of December 31, 2023			Profit or (Loss) of the Investee (Note 2 & 3)	Investment Profit or (Loss) Recognized (Note 2 & 3)	Note
				December 31, 2023	December 31, 2022	Number of Shares	Percentage of Ownership	Carrying Amount (Note 1)			
Universal Microwave Technology, Inc.	UMT Holdings (Samoa) Limited	Samoa	General Investment	$ 369,412 (USD 12,031thousand)	$ 369,412 (USD 12,031thousand)	12,031,284	100.00%	$ 726,670	$ 45,175 (USD 1,450thousand)	$ 50,392	Subsidiary
Universal Microwave Technology, Inc.	RADIATION TECHNOLOGY ,INC.	Cayman	General Investment	26,497	26,497	614,935	2.05%	15,169	83,783 (RMB18,938thousand)	1,873	Sub-subsidiary
Universal Microwave Technology, Inc.	GENTON TECH CORPORATION	ROC	Trading of components and materials for telecommunication infrastructure equipment	109,385	109,385	5,895,731	53.60%	107,433	16,102	5,872	Subsidiary
Universal Microwave Technology, Inc.	UMT Investment Co., Ltd	ROC	General Investment	60,000	60,000	7,211,785	100.00%	72,287	2,452	2,452	Subsidiary
Universal Microwave Technology, Inc.	JOYMAX ELECTRONICS CO., LTD.	ROC	Processing and sale of computers, electronic products, communications equipment and components	234,752	234,752	10,998,366	99.99%	246,256	8,475	8,473	Subsidiary
GENTON TECH CORPORATION	Bridge Components (HK) Limited	HK	Trading of components and materials for telecommunication infrastructure equipment	2,763 (USD 90thousand)	2,763 (USD 90thousand)	700,000	100.00%	3,118	(498) (USD -16thousand)	(498)	Sub-subsidiary
GENTON TECH CORPORATION	JM-ALONSO Technology Co. Ltd	ROC	Trading of components and materials for telecommunication infrastructure equipment	-	2,550	-	-	-	(424)	(257)	Sub-subsidiary
JOYMAX ELECTRONICS CO., LTD.	FuTa Precision Inc.	ROC	Precision industrial customized parts trading	3,900	3,900	390,000	39.00%	3,447	(790)	(308)	Associates
UMT Holdings (Samoa) Limited	UMT Holdings (HK) Limited	HK	General Investment	56,804 (USD 1,850thousand)	56,804 (USD 1,850thousand)	14,336,197	100.00%	72,372 (USD 2,357thousand)	810 (USD 26thousand)	810 (USD 26thousand)	Sub-subsidiary
UMT Holdings (Samoa) Limited	RADIATION TECHNOLOGY,INC.	Cayman	General Investment	228,629 (USD 7,446thousand)	228,629 (USD 7,446thousand)	16,069,978	53.54%	394,682 (USD 12,854thousand)	83,783 (RMB18,938thousand)	43,430 (USD 1,394thousand)	Sub-subsidiary
RADIATION TECHNOLOGY,INC.	UMTEK TELECOM (HK) LIMITED	HK	Sales of electronic components such as antennas, RF connectors and General Investment	375,860 (USD 12,241thousand)	375,860 (USD 12,241thousand)	7,130,000	100.00%	620,767 (RMB 143,192thousand)	95,819 (RMB21,659thousand)	95,819 (RMB21,659thousand)	Sub-subsidiary
RADIATION TECHNOLOGY,INC.	RADTEK COMMUNICATIONS, INC.	ROC	The main products are antennas, RF radio frequency cables, radio frequency connectors, and wire harnesses, etc.	20,000	20,000	2,000,000	100.00%	10,785	(625)	(625)	Sub-subsidiary

Note 1: Calculated based on the central exchange rate of USD and RMB as of December 31, 2023.

Note 2: Investment gains and losses recognized during this period are calculated based on the average exchange rates of USD and RMB from January 1 to December 31, 2023.

Note 3: Except for Fuda Precision Inc others calculated based on the audited financial statements of the investee companies for the same period.

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 6

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 1)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 1)	Remittance of Funds (Note 1)		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 1)	Net Profit of the Investee (Note 2)	Ownership of Direct or Indirect Investment	Investment Profit or Loss Recognized (Note 2, 3 & 5)	Carrying Amount as of December 31, 2022 (Note 1 & 5)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outward	Inward						
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Production and sales of satellite navigation positioning receiving equipment components, ultra-wideband communication equipment components, and related new electronic components, etc.	$ 55,269 (USD1,800thousand)	Investing in mainland companies through companies established in the third region	$ 55,269 (USD1,800 thousand)	$ -	$ -	$ 55,269 (USD 1,800 thousand)	$ 823 (RMB 186 thousand)	100%	$ 823 (RMB 186 thousand)	$ 72,126 (USD 2,349 thousand)	$ -
Radiation Technology Inc.	The main products are antennas, RF radio frequency cables, radio frequency connectors, and wire harnesses, etc.	168,579 (RMB 38,886 thousand)	Investing in mainland companies through companies established in the third region	351,480 (USD 11,447 thousand)	-	-	351,480 (USD 11,447 thousand)	89,975 (RMB 20,338 thousand)	55.59%	48,704 (RMB 11,009 thousand)	385,287 (RMB 88,874 thousand)	6,924

Accumulated Investments in Mainland China as of December 31, 2023(Note 1)	Investment Amount Authorized by the Investment Commission, MOEA(Note 1)	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA(Note 4)
$ 406,749（USD 13,247 thousand）	$ 406,749（USD 13,247 thousand）	$ 1,234,983

Note 1: Calculated based on the central exchange rate of USD and RMB as of December 31, 2023.

Note 2: Calculated based on the average RMB exchange rate from January 1 to December 31, 2023.

Note 3: Calculated based on the audited financial statements of the investee companies for the same period by the parent company's accountant.

Note 4: According to the Ministry of Economic Affairs' approval letter no. 09704604680, calculated based on 60% of the net value of the Company as of December 31, 2023.

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

SIGNIFICANT TRANSACTION(S) THAT OCCURRED DIRECTLY OR INDIRECTLY WITH THE MAINLAND INVESTED COMPANY THROUGH A THIRD-PARTY REGION, ALONG WITH THE PRICE, PAYMENT TERMS, UNREALIZED GAINS OR LOSSES, AND OTHER RELATED INFORMATION

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2023

Table 7

(Unit: Unless otherwise stated, in thousands of New Taiwan Dollars)

Name of Mainland China investee	Type	Purchase (sale) and disposal of goods		Price	Terms and Conditions		Notes receivable (paid) and accounts payable		Unrealized gain or loss	Remark
		Amount	%		Payment Terms	Comparison with general trading	Amount	%		
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Sales	($ 2,413)	0.33%	No significant differences	EOM 90 days	No significant differences	$ 577	0.29%	($ 232)	Note 1
	Purchase	29,146	12.50%	No significant differences	EOM 90 days	No significant differences	(5,934)	11.25%		Note 1
UNIVERSAL MICROWAVE TECHNOLOGY (KUNSHAN) CO., LTD.	Sales	(59,773)	12.76%	No significant differences	EOM 90 days	No significant differences	13,499	12.09%	326	Note 1
Radiation Technology Inc.	Sales	(992)	0.14%	No significant differences	EOM 60 days	No significant differences	194	0.10%	-	Note 1
	Purchase	80,303	34.44%	No significant differences	EOM 60 days	No significant differences	(14,386)	27.28%	190	Note 1
Radiation Technology Inc.	Purchase	118,346	100.00%	No significant differences	EOM 60 days	No significant differences	(30,214)	100.00%	-	Note 1
Radiation Technology Inc.	Purchase	59,773	100.00%	No significant differences	EOM 90 days	No significant differences	(13,499)	95.75%	-	Note 1
Radiation Technology Inc.	Sales	(915)	0.20%	No significant differences	EOM 60 days	No significant differences	221	0.20%	-	Note 1
	Purchase	175	0.08%	No significant differences	EOM 60 days	No significant differences	(5)	0.01%	-	Note 1
Radiation Technology Inc.	Sales	(986)	5.15%	No significant differences	EOM 60 days	No significant differences	405	27.76%	-	Note 1

UNIVERSAL MICROWAVE TECHNOLOGY, INC.

INFORMATION OF MAJOR SHAREHOLDERS

DECEMBER 31, 2023

Table 8

Name of Major Shareholder	Shares	
	Number of Shares Held	Percentage of Ownership (%)
CenXin Investment Co., Ltd.	4,083,856	6.49%

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preference shares held by shareholders with ownership of 5% 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 in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of differences in the basis of preparation.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustor who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security 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 the Market Observation Post System website of the TWSE.

Universal Microwave Technology, Inc.
The Declaration of Internal Control System

Date: March 27 2023

Based on the self-examination results of the internal control system for the year of 2023, Universal Microwave Technology, Inc. (the Company) therefore declares the following:

1. Board of Directors and the management of the Company understand that it is their responsibility to establish, implement, and maintain an internal control system, and such a system has been established. The purpose to establish the aforesaid system is to reasonably assure 1) the operating results and operating efficiencies (including profit, performance, and the safeguard of assets); 2) the reliability, instantaneity and transparency of the financial reports, and 3) the compliance of the relevant laws and regulations.
2. An internal control system, regardless how perfectly the system is being designed, can have its defects. A system that can reasonably assure the achievements of the three purposes mentioned in the preceding paragraph is considered as effective and useful. In addition, changes in the business environment and situation may, as a result, hinder the effectiveness of an adequate system. However, the internal control system of the Company has included a self-examination mechanism; the Company will make immediate corrections considering the materiality when material errors are detected.
3. The evaluation of effectiveness of the internal control system design and implementation is made in accordance with "Guidelines for the Establishment of Internal Control Systems by Public Companies" (the Guidelines). The Guidelines are made to exam the following five items during the internal control process: 1) Control Environment, 2) Risk Evaluation and Respond, 3) Control Activities, 4) Information and Communication, and 5) Monitoring processes. Details of each area being examined can be found in the Guidelines.
4. Based on the items mentioned in the preceding paragraph, the Company has evaluated the design of the internal control system and the effectiveness of the implementation of the aforesaid system.
5. The Company management declares that the internal control system (including Subsidiary Governance) has effectively assured that the following objectives have been reasonably achieved during the assessment period:
(1) The effectiveness and efficiency of business operations;
(2) The reliability, timeliness, transparency, and regulatory compliance of the financial reports;
(3) The compliance of the relevant laws/regulations.
6. This Declaration is a significant content in the annual report and prospectus of the Company, and it is available to the general public. If it contains false information or conceals any material contents, the Company is in violation of Article 20, Article 32, Article 171 and Article 174 set forth in the ROC Securities and Exchange Act.
7. The Board of Directors has approved the Declaration of Internal Control System in the board meeting held on March 27, 2024. All of seven Directors present consented to the Declaration, and no dissenting opinion was expressed.

Universal Microwave Technology, Inc.

Chairman： Su-Ming Chen

President： Tung-Yi Wu

Universal Microwave Technology, Inc.

Audit Committee's Review Report

The Board of Directors has prepared the 2023 Business Report, Parent Company Only / Consolidated Financial Statements and proposal for earnings distribution. The CPA firm of the Deloitte & Touche, were retained to audit Financial Statements and had issued the unqualified-standard wording audit report. The Business Report, Financial Statements, and earning distribution proposal have been reviewed and determined to be correct and accurate by the Audit Committee. According to Article 14.4 of the Securities Exchange Act and Article 219 of the Company Law, we hereby submit this report.

To the 2024 Annual Shareholders' Meeting

Audit Committee Convener：Xing-Yi Chen

Date: March 27, 2024

Universal Microwave Technology, Inc.

Chairman：Su-Ming Chen