Comtrend Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10, "Consolidated Financial Statements". Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we have not prepared a separate set of consolidated financial statements of affiliates.

Very truly yours,

COMTREND CORPORATION

Deloitte.

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Comtrend Corporation

Opinion

We have audited the accompanying consolidated financial statements of Comtrend Corporation and its subsidiaries (collectively referred to as the "Group"), which comprise the consolidated balance sheets as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

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

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matter of the Group's consolidated financial statements for the year ended December 31, 2023 is stated as follows:

<u>Valuation of Inventories in the United States Region</u>

The carrying amount of the Group's inventory was $561,407 thousand, of which $67,612 thousand was generated from Comtrend Corporation, USA ("CUSA") as of December 31, 2023. As the amount of the assessment of net realizable value and obsolescence loss of the inventory valuation of CUSA is significant to the consolidated financial statements, the assessment of net realizable value and obsolescence loss of the inventory valuation of CUSA was deemed a key audit matter. Refer to Note 4 "summary of material accounting policy information" and Note 11 "inventories" to the consolidated financial statements.

The main audit procedures we performed to address the aforementioned key audit matter were as follows:

1. Based on our understanding of the business, industry and nature of the products of CUSA, we evaluated the method and basic assumptions of inventory loss provision at the end of the year and evaluated their appropriateness.

2. We obtained the policy of allowance for inventory obsolescence losses and the inventory aging report. Furthermore, we assessed the reasonableness of the allowance for impairment loss in accordance with the inventory impairment policy and sampled the items of the inventory aging report to verify the accuracy of the classification.

3. We verified if inventories were measured at the lower of cost and net realizable value, using the most recent purchase price or sales price.

4. We observed the physical inventory count and assessed if any inventory was simultaneously obsolete and damaged at year-end.

Other Matter

We have also audited the parent company only financial statements of Comtrend Corporation as of and for the years ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and IFRS, IAS, IFRIC, and SIC endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional 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 our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Tza-Li Gung and Chih-Yuan Chen.

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 8, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying consolidated financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. If there is any conflict between the English version and the original Chinese version or any difference in the interpretation of the two versions, the Chinese-language independent auditors' report and consolidated financial statements shall prevail.

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 492,713	29	$ 523,357	29
Financial assets at fair value through other comprehensive income - current (Notes 4 and 8)	66,126	4	62,212	4
Contract assets - current (Note 23)	1,160	-	8,355	-
Trade receivables (Notes 4, 10 and 23)	179,423	10	409,378	23
Other receivables (Notes 4, 10 and 31)	10,850	1	5,314	-
Current tax assets (Notes 4 and 25)	4,375	-	11,914	1
Inventories (Notes 4 and 11)	561,407	33	384,366	22
Other current assets (Note 15)	18,826	1	18,531	1
Total current assets	1,334,880	78	1,423,427	80
NON-CURRENT ASSETS				
Financial assets at amortized cost - non-current (Notes 4 and 9)	21,516	1	20,197	1
Property, plant and equipment (Notes 4, 13, 31 and 32)	279,883	17	292,070	16
Right-of-use assets (Notes 4 and 14)	38,706	2	18,963	1
Intangible assets	2,211	-	1,601	-
Deferred tax assets (Notes 4 and 25)	32,047	2	25,286	2
Net defined benefit assets - non-current (Note 21)	4,091	-	3,295	-
Other non-current assets (Note 15)	4,818	-	3,711	-
Total non-current assets	383,272	22	365,123	20
TOTAL	$ 1,718,152	100	$ 1,788,550	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 177,612	10	$ -	-
Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	-	-	783	-
Contract liabilities - current (Note 23)	5,000	-	3,801	-
Notes payable and trade payables (Note 18)	307,629	18	152,225	9
Trade payables to related parties (Note 31)	26,173	2	61,984	4
Other payables (Notes 19 and 31)	63,629	4	57,180	3
Current tax liabilities (Notes 4 and 25)	-	-	494	-
Provisions - current (Notes 4 and 20)	8,770	1	7,914	-
Lease liabilities - current (Notes 4 and 14)	13,616	1	10,852	1
Other current liabilities (Note 19)	5,996	-	25,441	1
Total current liabilities	608,425	36	320,674	18
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 17)	200,000	12	200,000	11
Deferred tax liabilities (Note 25)	9	-	270	-
Lease liabilities - non-current (Notes 4 and 14)	25,285	1	8,339	1
Total non-current liabilities	225,294	13	208,609	12
Total liabilities	833,719	49	529,283	30
EQUITY (Note 22)				
Share capital				
Common stock	586,655	34	582,587	33
Capital collected in advance	-	-	2,052	-
Total share capital	586,655	34	584,639	33
Capital surplus	350,157	20	350,157	19
Retained earnings				
Legal reserve	85,435	5	83,922	5
Unappropriated earnings	(184,438)	(11)	203,810	11
Total retained earnings	(99,003)	(6)	287,732	16
Other equity				
Exchange differences on translation of financial statements of foreign operations	20,930	1	14,959	1
Unrealized gain on financial assets at fair value through other comprehensive income	25,694	2	21,780	1
Total other equity	46,624	3	36,739	2
Total equity	884,433	51	1,259,267	70
TOTAL	$ 1,718,152	100	$ 1,788,550	100

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

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Notes 4, 23 and 31)	$ 888,721	100	$ 1,921,542	100
OPERATING COSTS (Notes 4, 11, 24 and 31)	(703,301)	(79)	(1,327,000)	(69)
GROSS PROFIT	185,420	21	594,542	31
OPERATING EXPENSES (Notes 10, 21, 24 and 31)				
Selling and marketing expenses	(323,375)	(36)	(349,074)	(18)
General and administrative expenses	(97,638)	(11)	(101,751)	(6)
Research and development expenses	(138,872)	(16)	(154,319)	(8)
Expected credit reversal gains and impairment losses	5,210	-	(2,195)	-
Total operating expenses	(554,675)	(63)	(607,339)	(32)
LOSS FROM OPERATIONS	(369,255)	(42)	(12,797)	(1)
NON-OPERATING INCOME AND EXPENSES				
Other income (Note 24)	4,350	-	-	-
Other gains and losses (Notes 24 and 31)	6,257	1	28,810	1
Finance costs (Note 24)	(4,497)	-	(3,572)	-
Interest income (Note 24)	9,995	1	1,620	-
Total non-operating income and expenses	16,105	2	26,858	1
(LOSS) PROFIT BEFORE INCOME TAX	(353,150)	(40)	14,061	-
INCOME TAX BENEFIT (EXPENSE) (Notes 4 and 25)	7,327	1	(4,790)	-
NET (LOSS) PROFIT FOR THE YEAR	(345,823)	(39)	9,271	-
OTHER COMPREHENSIVE INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 21)	192	-	6,444	1
Unrealized gain on investments in equity instruments at fair value through other comprehensive income	3,914	-	3,814	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 25)	(38)	-	(1,288)	-

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Except (Loss) Earnings Per Share)

	2023		2022	
	Amount	**%**	**Amount**	**%**
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	$ 5,971	1	$ 23,147	1
Other comprehensive income for the year, net of income tax	10,039	1	32,117	2
TOTAL COMPREHENSIVE (LOSS) INCOME FOR THE YEAR	$ (335,784)	(38)	$ 41,388	2
(LOSS) EARNINGS PER SHARE (Note 26)				
Basic	$ (5.90)		$ 0.16	
Diluted	$ (5.90)		$ 0.16	

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

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	Share Capital (Note 22)				(Accumulated Deficit) Retained Earnings (Note 22)			Other Equity (Note 8)			
	Common Stock	**Collected in Advance**	**Total**	**Capital Surplus (Notes 22 and 28)**	**Legal Reserve**	**Unappropriated Earnings**	**Total**	**Exchange Differences on Translation of the Financial Statements of Foreign Operations**	**Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income**	**Total**	**Total Equity**
BALANCE AT JANUARY 1, 2022	$ 572,963	$ 36	$ 572,999	$ 349,418	$ 83,922	$ 246,438	$ 330,360	$ (8,188)	$ 18,668	$ 10,480	$ 1,263,257
Appropriation of 2021 earnings											
Cash dividends distributed by the Company	-	-	-	-	-	(57,757)	(57,757)	-	-	-	(57,757)
Other changes in capital surplus											
Recognition of employee share options by the Company (Note 28)	-	-	-	739	-	-	-	-	-	-	739
Issuance of ordinary shares under employee share options	9,624	2,016	11,640	-	-	-	-	-	-	-	11,640
Disposal of investments in equity instruments designated as at fair value through other comprehensive income (Note 8)	-	-	-	-	-	702	702	-	(702)	(702)	-
Net income for the year ended December 31, 2022	-	-	-	-	-	9,271	9,271	-	-	-	9,271
Other comprehensive income (loss) for the year ended December 31, 2022, net of income tax	-	-	-	-	-	5,156	5,156	23,147	3,814	26,961	32,117
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	-	14,427	14,427	23,147	3,814	26,961	41,388
BALANCE AT DECEMBER 31, 2022	582,587	2,052	584,639	350,157	83,922	203,810	287,732	14,959	21,780	36,739	1,259,267
Appropriation of 2022 earnings											
Legal reserve	-	-	-	-	1,513	(1,513)	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	-	(41,066)	(41,066)	-	-	-	(41,066)
Issuance of ordinary shares under employee share options	4,068	(2,052)	2,016	-	-	-	-	-	-	-	2,016
Net loss for the year ended December 31, 2023	-	-	-	-	-	(345,823)	(345,823)	-	-	-	(345,823)
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	-	154	154	5,971	3,914	9,885	10,039
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	-	(345,669)	(345,669)	5,971	3,914	9,885	(335,784)
BALANCE AT DECEMBER 31, 2023	$ 586,655	$ -	$ 586,655	$ 350,157	$ 85,435	$ (184,438)	$ (99,003)	$ 20,930	$ 25,694	$ 46,624	$ 884,433

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

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	**2022**
CASH FLOWS FROM OPERATING ACTIVITIES		
(Loss) profit before income tax	$ (353,150)	$ 14,061
Adjustments for:		
Depreciation expense	43,878	46,166
Amortization expenses	1,001	46
Expected credit reversal gains and impairment losses	(5,210)	2,195
Net (gain) loss on fair value changes of financial assets at fair value through profit or loss	(783)	783
Finance costs	4,497	3,572
Interest income	(9,995)	(1,620)
Dividend income	(4,350)	-
Share-based payments	-	739
Loss on disposal of property, plant and equipment	66	-
Net loss (gain) on disposal of financial assets	666	(969)
Write-down of inventories	94,137	6,108
Gain on changes in lease	(32)	(2)
Net changes in operating assets and liabilities		
Contract assets	7,195	(2,573)
Trade receivables	235,090	(46,949)
Other receivables	(5,536)	(3,940)
Inventories	(270,288)	286,066
Other current assets	(295)	6,798
Net defined benefit assets	(604)	-
Financial liabilities at fair value through profit or loss	(666)	-
Contract liabilities	1,199	2,591
Notes payable and trade payables (including related parties)	119,593	(165,973)
Other payables	6,449	(15,702)
Provisions	856	2,532
Other current liabilities	(19,445)	711
Net defined benefit liabilities	-	(5,924)
Cash (used in) generated from operations	(155,727)	128,716
Interest received	9,995	1,620
Dividends received	4,350	-
Interest paid	(4,180)	(3,276)
Income tax returned (paid)	7,313	(12,965)
Net cash (used in) generated from operating activities	(138,249)	114,095
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	-	1,452
Acquisition from financial assets measured at amortized cost	(1,319)	(19,387)
Proceeds from sale of financial assets at fair value through profit or loss	-	969
Payments for property, plant and equipment	(17,399)	(222,045)

(Continued)

COMTREND CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars)

	2023	2022
(Increase) decrease in refundable deposits	$ (1,107)	$ 1,477
Payments for intangible assets	(1,611)	(1,647)
Net cash used in investing activities	(21,436)	(239,181)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	177,612	-
Proceeds from long-term borrowings	-	200,000
Repayment of the principal portion of lease liabilities	(14,665)	(14,105)
Dividends paid to owners of the Company	(41,066)	(57,757)
Exercise of employee share options	2,016	11,640
Net cash generated from financing activities	123,897	139,778
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH AND CASH EQUIVALENTS HELD IN FOREIGN CURRENCIES	5,144	26,452
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(30,644)	41,144
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	523,357	482,213
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 492,713	$ 523,357

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

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. ORGANIZATION AND OPERATIONS

a. Comtrend Corporation ("Comtrend") was incorporated as a company limited by shares under the provisions of the Company Law of the Republic of China (ROC) on April 7, 1990. Comtrend engages in the research, manufacturing, marketing and maintaining of cable and wireless transmission equipment, multiplexers, digital subscriber lines and loop carrier systems, synchronous optical network equipment and synchronous cable accessories.

   Comtrend's shares have been listed on the Taipei Exchange (TPEx) since September 2020.

b. Comtrend's parent is Edimax Technology Co., Ltd. ("Edimax"), which held 33.49% and 33.60%, respectively, of ordinary shares of Comtrend as of December 31, 2023 and 2022, respectively.

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

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by Comtrend's board of directors on March 8, 2024.

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

a. Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS Accounting Standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

   The initial application of the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have any material impact on the Group's accounting policies.

b. The IFRS Accounting Standards endorsed by the FSC for application starting from 2024

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
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 IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards will be effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: The amendments provide some transition relief regarding disclosure requirements.

As of the date the consolidated financial statements were authorized for issue, the Group has assessed that the application of other standards and interpretations will not have a material impact on the Group's financial position and financial performance.

c. The IFRS Accounting Standards in issue but not yet endorsed and issued into effect by the FSC

New, Amended and Revised Standards and Interpretations	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 by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above IFRS Accounting Standards are effective for annual reporting periods beginning on or after their respective effective dates.

Note 2: An entity shall apply those amendments for annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendments, the entity recognizes any effect as an adjustment to the opening balance of retained earnings. When the entity uses a presentation currency other than its functional currency, it shall, at the date of initial application, recognize any effect as an adjustment to the cumulative amount of translation differences in equity.

As of the date the consolidated financial statements were authorized for issue, the Group is continuously assessing the possible impact of the application of other standards and interpretations on the Group's financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRS Accounting Standards as endorsed and issued into effect by the FSC.

b. Basis of preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured 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 an 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.

c. Classification of current and non-current assets and liabilities

Current assets include:

1) Assets held primarily for the purpose of trading;

2) Assets expected to be realized within 12 months after the reporting period; and

3) Cash and cash equivalents unless the asset is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

2) Liabilities due to be settled within 12 months after the reporting period; and

3) Liabilities for which the Group does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

Assets and liabilities that are not classified as current are classified as non-current.

d. Basis of consolidation

The consolidated financial statements incorporate the financial statements of Comtrend and the entities controlled by Comtrend (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statements of profit or loss and other comprehensive income from the effective date of acquisition up to the effective date of disposal, as appropriate.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by Comtrend.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation.

See Note 12 and Table 5 for the detailed information of subsidiaries (including the percentages of ownership and main businesses).

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the entity’s functional currency (i.e., foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the period in which they arise.

Non-monetary items measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when fair value was determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rate at the date of the translation.

For the purpose of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations (including subsidiaries) are translated into New Taiwan dollars using the exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Group's entire interest in a foreign operation, or a disposal involving the loss of control over a subsidiary that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Group are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, work-in-progress, semi-finished goods, finished goods, inventories in transit and merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

g. Property, plant and equipment

Property, plant and equipment are initially stated at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment loss.

Depreciation is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

On derecognition of an item of property, plant and equipment, the difference between the sales proceeds and the carrying amount of the asset is recognized in profit or loss.

h. Intangible assets

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment loss. Amortization is recognized on a straight-line basis. The estimated useful lives, residual values, and amortization methods are reviewed at the end of each reporting period, with the effect of any changes in the estimates accounted for on a prospective basis.

On derecognition of an intangible asset, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

i. Impairment of property, plant and equipment, right-of-use assets, intangible assets and assets related to contract assets

At the end of each reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets, intangible assets and assets related to contract assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Corporate assets are allocated to the individual cash-generating units on a reasonable and consistent basis of allocation.

The recoverable amount is the higher of fair value less costs to sell or value in use. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, with the resulting impairment loss recognized in profit or loss.

When an impairment loss is subsequently reversed, the carrying amount of the corresponding asset, cash-generating unit or assets related to contract costs is increased to the revised estimate of its recoverable amount, but only to the extent of the carrying amount that would have been determined had no impairment loss been recognized on the asset, cash-generating unit or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

j. Financial instruments

Financial assets and financial liabilities are recognized when the entity in the Group becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

a) Measurement categories

Financial assets are classified into the following categories: Financial assets at amortized cost and investments in equity instruments at FVTOCI.

i. Financial assets at amortized cost

Financial assets that meet the following conditions are subsequently measured at amortized cost:

i) The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and

ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets at amortized cost, including cash and cash equivalents and trade receivables at amortized cost, are measured at amortized cost, which equals the gross carrying amount determined using the effective interest method less any impairment loss. Exchange differences are recognized in profit or loss.

Cash equivalents include time deposits with original maturities within 3 months from the date of acquisition, which are highly liquid, readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value. These cash equivalents are held for the purpose of meeting short-term cash commitments.

ii. Investments in equity instruments at FVTOCI

On initial recognition, the Group may make an irrevocable election to designate investments in equity instruments as at FVTOCI. Designation as at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are subsequently measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in other equity. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments; instead, it will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss when the Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

b) Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables).

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on a financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECLs.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. Lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

The Group recognizes an impairment gain or loss in profit or loss for all financial instruments carrying amounts through a loss allowance account.

c) Derecognition of financial assets

The Group derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss. On derecognition of an investment in an equity instrument at FVTOCI, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss, and the cumulative gain or loss which had been recognized in other comprehensive income is transferred directly to retained earnings, without recycling through profit or loss.

2) Financial liabilities

a) Subsequent measurement

Except the FVTPL, all financial liabilities are measured at amortized cost using the effective interest method.

Financial liabilities are classified as at FVTPL when such financial liabilities are designated as at FVTPL.

A financial liability may upon initial recognition be designated as at FVTPL only in one of the following circumstances:

i. Such designation eliminates or significantly reduces a measurement or recognition mismatch that would otherwise arise; or

ii. The financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and has performance evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or

iii. The contract contains one or more embedded derivatives so that the entire combined contract (asset or liability) can be designated as at FVTPL.

For a financial liability designated as at FVTPL, the amount of changes in fair value attributable to changes in the credit risk of the liability is presented in other comprehensive income and will not be subsequently reclassified to profit or loss. The remaining amount of changes in the fair value of that liability which does not incorporate any interest or dividends paid on such financial liability is presented in profit or loss. If this accounting treatment related to credit risk would create or enlarge an accounting mismatch, all changes in the fair value of the liability are presented in profit or loss.

Fair value is determined in the manner described in Note 30.

b) Derecognition of financial liabilities

The difference between the carrying amount of the financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Provisions

Provisions, are measured at the best estimate of the discounted cash flows of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

Provisions for the expected cost of warranty obligations to assure that products comply with agreed-upon specifications are recognized on the date of sale of the relevant products at the best estimate by the management of the Company of the expenditures required to settle the Group's obligations.

l. Revenue recognition

The Group identifies contracts with customers, allocates the transaction price to the performance obligations and recognizes revenue when performance obligations are satisfied.

1) Revenue from the sale of goods

Revenue from the sale of goods comes from sales of network communication equipment. When the customer initially purchases the goods online, the transaction price received is recognized as a contract liability until the goods have been delivered to the customer.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Service income is recognized when services are provided.

m. Leases

At the inception of a contract, the Group assesses whether the contract is, or contains, a lease.

<u>The Group as lessee</u>

The Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the consolidated balance sheets.

Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

n. Employee benefits

1) Short-term employee benefits

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related services.

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as an expense when employees have rendered services entitling them to the contributions.

Defined benefit costs (including service costs, net interest and remeasurement) under defined benefit retirement benefit plans are determined using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit liability (asset) is recognized as employee benefits expense in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit liabilities (assets) represent the actual deficit (surplus) in the Group's defined benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

3) Termination benefits

A liability for a termination benefit is recognized at the earlier of when the Group can no longer withdraw the offer of the termination benefit when the Group recognizes any related restructuring costs.

o. Share-based payment arrangements employee share options

The fair value at the grant date of the employee share options is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options. The expense is recognized in full at the grant date if the grants are vested immediately.

At the end of each reporting period, the Group revises its estimate of the number of employee share options expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options.

p. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

According to the Income Tax Act in the ROC, an additional tax on unappropriated earnings is provided for in the year the shareholders approve to retain earnings.

Adjustments of prior years' tax liabilities are added to or deducted from the current year's tax provision.

2) Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit.

Deferred tax assets are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences and unused loss carryforwards to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are recognized only to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the assets to be recovered. A previously unrecognized deferred tax asset is also reviewed at the end of each reporting period and recognized to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liabilities are settled or the assets are realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

3) Current and deferred tax

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group’s accounting policies, management is required to make judgments, estimates, and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered relevant. Actual results may differ from these estimates.

When developing material accounting estimates, the Group considers the possible impact of on the cash flow projection, growth rates, discount rates, profitabilities and other relevant material estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Material Accounting Judgments

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of products of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 308	$ 376
Checking accounts and demand deposits	211,696	422,981
Cash equivalents		
Time deposits with original maturities within 3 months	280,709	100,000
	$ 492,713	$ 523,357

The market rate intervals of cash in bank at the end of the reporting period are as follows:

	December 31	
	2023	**2022**
Demand deposits	0.05%-1.45%	0.001%-0.60%
Time deposits	1.34%-5.50%	1.20%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	**2022**
Financial liabilities - current		
Held for trading		
Derivative financial liabilities (not under hedge accounting)		
foreign exchange forward contracts	$ -	$ 783

At the end of the reporting period, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2022

	Currency	**Maturity Date**	**Notional Amount (In Thousands)**
Foreign exchange forward contracts	EUR to USD	2023.01.20	EUR200/USD207
Foreign exchange forward contracts	EUR to USD	2023.07.24	EUR300/USD315
Foreign exchange forward contracts	EUR to USD	2023.07.24	EUR200/USD210
Foreign exchange forward contracts	EUR to USD	2023.07.25	EUR200/USD210

The purpose of the Group trading in derivative financial instruments is to avoid the risks of foreign currency assets and liabilities from exchange rate fluctuations. However, such derivative financial instrument does not meet the conditions for effective hedging; therefore, hedge accounting is inapplicable.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

Investments in Equity Instruments at FVTOCI

	December 31	
	2023	**2022**
Current		
Domestic listed shares		
Ordinary shares - Edimax	$ 66,126	$ 62,212

The Group invested in ordinary shares of Edimax (classified as equity instruments as at FVTOCI) per their strategic purpose as they expect to profit from the fluctuations in the share price.

In order to adjust the investment, the Group sold some of the ordinary shares of Edimax at the amount of fair value of $1,452 thousand year ended December 31, 2022. The amount of other equity - financial assets measured at fair value through other comprehensive income of the unrealized benefits of $702 thousand was transferred to retained earnings.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	**2022**
Non-current		
Domestic investments		
Time deposits with original maturities of more than 3 months	$ 21,516	$ 20,197

The interest rates for time deposits with original maturities of more than 3 months were 4.90%-5.85% and 4.16%-5.85% as of December 31, 2023 and 2022, respectively.

10. TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	**2022**
Trade receivables		
At amortized cost		
Gross carrying amount	$ 179,559	$ 414,649
Less: Allowance for impairment loss	(136)	(5,271)
	$ 179,423	$ 409,378
Other receivables		
Others	$ 10,850	$ 5,314

The average credit period of sales of goods was 60-180 days. No interest was charged on trade receivables for the first 60-180 days from the date of the invoice. The Group adopted a policy of only dealing with entities that are rated the equivalent of investment grade or higher and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. Credit rating information is obtained from independent rating agencies where available or, if not available, the Group uses other publicly available financial information or its own trading records to rate its major customers. The Group's exposure and the credit ratings of its counterparties are continuously monitored and the aggregate value of transactions concluded is spread amongst approved counterparties. Credit exposure is controlled by counterparty limits that are reviewed and approved by the risk management committee annually.

In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of lifetime expected loss provision for all trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix approach considering the past default experience of the debtor and an analysis of the debtor's current financial position, adjusted for general economic conditions of the industry in which the debtors operate and an assessment of both the current as well as the forecast direction of economic conditions at the reporting date. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

The Group writes off a trade receivable when there is evidence indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognized in profit or loss.

The following table details the loss allowance of trade receivables based on the Group's provision matrix:

December 31, 2023

	Not Past Due	**1 to 30 Days**	**31 to 90 Days**	**91 to 120 Days**	**121 to 180 Days**	**Over 181 Days**	**Total**
Expected credit loss rate	0.09%	0.02%	0.10%	-	-	-	
Gross carrying amount	$ 103,180	$ 39,325	$ 37,054	$ -	$ -	$ -	$ 179,559
Loss allowance (Lifetime ECLs)	(92)	(6)	(38)	-	-	-	(136)
Amortized cost	$ 103,088	$ 39,319	$ 37,016	$ -	$ -	$ -	$ 179,423

December 31, 2022

	Not Past Due	**1 to 30 Days**	**31 to 90 Days**	**91 to 120 Days**	**121 to 180 Days**	**Over 181 Days**	**Total**
Expected credit loss rate	0.09%	1.09%	13.97%	-	100.00%	-	
Gross carrying amount	$ 357,905	$ 45,874	$ 7,475	$ -	$ 3,395	$ -	$ 414,649
Loss allowance (Lifetime ECLs)	(330)	(502)	(1,044)	-	(3,395)	-	(5,271)
Amortized cost	$ 357,575	$ 45,372	$ 6,431	$ -	$ -	$ -	$ 409,378

The movements of the loss allowance of trade receivables were as follows:

	2023	2022
Balance at January 1	$ 5,271	$ 2,712
Add: Net remeasurement of loss allowance	-	2,195
Less: Impairment losses reversed	(5,210)	-
Foreign exchange gains and losses	75	364
Balance at December 31	$ 136	$ 5,271

11. INVENTORIES

	December 31	
	2023	2022
Raw materials	$ 229,439	$ 90,385
Work in progress and semi-finished goods	46,724	64,976
Finished goods	76,992	121,024
Inventories in transit	208,252	105,786
Merchandise	-	2,195
	$ 561,407	$ 384,366

The cost of goods sold for the years ended December 31, 2023 and 2022 included inventory write-downs of $94,137 thousand and $6,108 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

				Proportion of Ownership (%)		
				December 31		
Investor	Investee	Nature of Activities	Location	2023	2022	Remark
Comtrend	Comtrend Corporation, USA (“CUSA”)	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	USA	100.00	100.00	
Comtrend	Interchan Global Limited (“Interchan Global”)	Investing	Samoa	-	-	*
Comtrend	Comtrend Technology (Netherlands) B.V. (“CTBV”)	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Netherland	100.00	100.00	
Interchan	Interchan Taiwan (“8086”)	Telecommunication construction and wholesale	Taiwan	-	-	*
CTBV	Comtrend Iberia S.L. (“Iberia”)	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Spain	100.00	100.00	
CTBV	Comtrend Central Europe S.R.O. (“CCE”)	Cable & cableless transmission equipment wholesale, retail sale, and international trade, etc.	Czech Republic	100.00	100.00	

* The Group completed the liquidation procedures of Interchan Global and 8086 in December 2022 and July 2022, respectively.

13. PROPERTY, PLANT AND EQUIPMENT

	Land	Building	Machinery Equipment	Computer and Communication Equipment	Office Equipment	Transportation Equipment	Other Equipment	Total
Cost								
Balance at January 1, 2022	$ -	$ -	$ 27,128	$ 37,812	$ 916	$ 3,150	$ 119,819	$ 188,825
Additions	190,052	67,047	227	5,148	1,032	1,000	14,335	278,841
Disposals	-	-	(123)	(48)	(16)	-	(1,763)	(1,950)
Effects of foreign currency exchange differences	-	-	592	-	34	-	52	678
Balance at December 31, 2022	$ 190,052	$ 67,047	$ 27,824	$ 42,912	$ 1,966	$ 4,150	$ 132,443	$ 466,394
Accumulated depreciation and impairment								
Balance at January 1, 2022	$ -	$ -	$ 22,599	$ 29,422	$ 802	$ 1,375	$ 89,216	$ 143,414
Depreciation expense	-	3,047	1,861	7,111	123	763	19,485	32,390
Disposals	-	-	(123)	(48)	(16)	-	(1,763)	(1,950)
Effects of foreign currency exchange differences	-	-	408	-	32	-	30	470
Balance at December 31, 2022	$ -	$ 3,047	$ 24,745	$ 36,485	$ 941	$ 2,138	$ 106,968	$ 174,324
Carrying amount at December 31, 2022	$ 190,052	$ 64,000	$ 3,079	$ 6,427	$ 1,025	$ 2,012	$ 25,475	$ 292,070
Cost								
Balance at January 1, 2023	$ 190,052	$ 67,047	$ 27,824	$ 42,912	$ 1,966	$ 4,150	$ 132,443	$ 466,394
Additions	-	-	-	4,739	-	-	12,660	17,399
Disposals	-	-	(5,421)	(7,021)	(348)	-	(3,367)	(16,157)
Effects of foreign currency exchange differences	-	-	3	-	-	-	-	3
Balance at December 31, 2023	$ 190,052	$ 67,047	$ 22,406	$ 40,630	$ 1,618	$ 4,150	$ 141,736	$ 467,639
Accumulated depreciation and impairment								
Balance at January 1, 2023	$ -	$ 3,047	$ 24,745	$ 36,485	$ 941	$ 2,138	$ 106,968	$ 174,324
Depreciation expense	-	3,048	1,313	5,411	381	672	18,709	29,534
Disposals	-	-	(5,421)	(7,021)	(348)	-	(3,301)	(16,091)
Effects of foreign currency exchange differences	-	-	(10)	-	-	-	(1)	(11)
Balance at December 31, 2023	$ -	$ 6,095	$ 20,627	$ 34,875	$ 974	$ 2,810	$ 122,375	$ 187,756
Carrying amount at December 31, 2023	$ 190,052	$ 60,952	$ 1,779	$ 5,755	$ 644	$ 1,340	$ 19,361	$ 279,883

a. No impairment was recognized or reversed for the years ended December 31, 2023 and 2022.

b. The cash flow information for the acquisition of property, plant and equipment by the Group for the years ended December 31, 2023 and 2022 is adjusted as follows:

	For the Year Ended December 31	
	2023	2022
Additions to property, plant and equipment	$ 17,399	$ 278,841
Less: Prepayments for land and buildings, beginning of year	-	(56,796)
Add: Prepayments for land and buildings, end of year	-	-
Payment for property, plant and equipment	$ 17,399	$ 222,045

c. Property, plant and equipment pledged as collateral for bank borrowings were set out in Note 32.

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	21 years
Machinery equipment	2-13 years
Computer and communication equipment	1-5 years
Office equipment	3-5 years
Transportation equipment	5 years
Other equipment	1-5 years

14. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amount		
Buildings	$ 37,620	$ 16,804
Transportation equipment	1,086	2,159
	$ 38,706	$ 18,963

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 33,565	$ 11,215
Depreciation charge for right-of-use assets		
Buildings	$ 13,239	$ 12,620
Transportation equipment	1,105	1,156
	$ 14,344	$ 13,776

b. Lease liabilities

	December 31	
	2023	2022
Carrying amount		
Current	$ 13,616	$ 10,852
Non-current	$ 25,285	$ 8,339

Range of discount rates for lease liabilities was as follows:

	December 31	
	2023	2022
Buildings	1.36%-1.75%	1.375%
Transportation equipment	1.25%-1.36%	1.25%-1.36%

c. Material lease-in activities and terms

The Group leases certain transportation equipment for transport purposes with lease terms of 3 to 5 years.

The Group also leases buildings for use as offices and warehouses with lease terms of 2 to 5 years. The Group does not have bargain purchase options to acquire the leasehold land and buildings at the end of the lease terms.

d. Other lease information

	For the Year Ended December 31	
	2023	**2022**
Expenses relating to low-value asset leases	$ 1,973	$ 2,424
Total cash outflow for leases	$ (16,955)	$ (16,826)

The Group's leases of certain office equipment, transportation equipment and parking spaces which qualify as low-value asset leases. The Group has elected to apply the recognition exemption and, thus, did not recognize right-of-use assets and lease liabilities for these leases.

15. OTHER ASSETS

	December 31	
	2023	**2022**
Current		
Prepaid expenses	$ 6,711	$ 8,742
Input VAT and tax deduction	9,960	7,569
Prepayments	2,135	995
Others	20	1,225
	$ 18,826	$ 18,531
Non-current		
Refundable deposits	$ 4,818	$ 3,711

16. SHORT-TERM BORROWINGS

	December 31	
	2023	**2022**
Unsecured borrowings		
Bank loans	$ 177,612	$ -

The range of effective interest rates on bank loans was 2.00%-6.77%.

17. LONG-TERM BORROWINGS

	December 31 2023	December 31 2022
Secured borrowings		
Bank loans	$ 200,000	$ 200,000

The bank borrowings are secured by the Group's land and buildings, refer to Note 32 for additional information. The maturity date is January 14, 2042, and the grace period is three years. The effective annual interest rate from January 14, 2022 to January 14, 2025 is 1.25%-1.75%, and the effective annual interest rate from January 15, 2025 to January 14, 2042 is 1.86%. The purpose of the borrowings is to purchase land and buildings for operations.

18. NOTES PAYABLE AND TRADE PAYABLES

	December 31 2023	December 31 2022
Notes payable	$ 7	$ 7
Trade payables	307,622	152,218
	$ 307,629	$ 152,225

The Group's payment terms of notes payables and trade payables take financial risk into consideration in place to ensure that all payables are paid within the pre-aged credit items.

19. OTHER LIABILITIES

	December 31 2023	December 31 2022
Current		
Other payables		
Payables for salaries	$ 17,447	$ 18,315
Payables for freight and customs fees	5,748	4,100
Payables for professional service fees	5,660	6,728
Payables for compensation of employees and remuneration of directors	-	1,597
Others	34,774	26,440
	$ 63,629	$ 57,180
Other liabilities		
Refund liabilities	$ 5,058	$ 24,497
Others	938	944
	$ 5,996	$ 25,441

20. PROVISIONS

	December 31	
	2023	2022
Non-current		
Warranties	$ 8,770	$ 7,914

The provision for warranty claims represents the present value of management’s best estimate of the future outflow of economic benefits that will be required under the Group’s obligations for warranties under contracts for the sale of goods.

21. RETIREMENT BENEFIT PLANS

a. Defined contribution plan

Comtrend adopted a pension plan under the Labor Pension Act (LPA), which is a state-managed defined contribution plan. Under the LPA, Comtrend makes monthly contributions to employees’ individual pension accounts at 6% of monthly salaries and wages.

b. Defined benefit plan

The defined benefit plan adopted by Comtrend in accordance with the Labor Standards Act is operated by the government of the ROC. Pension benefits are calculated on the basis of the length of service and average monthly salaries of the 6 months before retirement. Comtrend contribute amounts equal to 2% of total monthly salaries and wages to a pension fund administered by the pension fund monitoring committee. Pension contributions are deposited in the Bank of Taiwan in the committee’s name. Before the end of each year, the Group assesses the balance in the pension fund. If the amount of the balance in the pension fund is inadequate to pay retirement benefits for employees who conform to retirement requirements in the next year, Comtrend is required to fund the difference in one appropriation that should be made before the end of March of the next year. The pension fund is managed by the Bureau of Labor Funds, Ministry of Labor (the “Bureau”); Comtrend has no right to influence the investment policy and strategy.

The amounts included in the consolidated balance sheets in respect of Comtrend’s defined benefit plan are as follows:

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 33,040	$ 41,524
Fair value of plan assets	(37,131)	(44,819)
Net defined benefit assets	$ (4,091)	$ (3,295)

Movements in net defined benefit assets (liabilities) were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Assets (Liabilities)
Balance at January 1, 2022	$ (46,965)	$ 37,892	$ (9,073)
Net interest (expense) income	(294)	239	(55)
Recognized in profit or loss	(294)	239	(55)
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	2,014	2,014
Actuarial loss			
Changes in financial assumptions	3,212	-	3,212
Experience adjustments	1,218	-	1,218
Recognized in other comprehensive income	4,430	2,014	6,444
Contributions from the employer	-	5,979	5,979
Benefits paid	1,305	(1,305)	-
Balance at December 31, 2022	$ (41,524)	$ 44,819	$ 3,295
Balance at January 1, 2023	$ (41,524)	$ 44,819	$ 3,295
Net interest (expense) income	(571)	620	49
Recognized in profit or loss	(571)	620	49
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	124	124
Actuarial loss			
Changes in financial assumptions	806	-	806
Experience adjustments	(738)	-	(738)
Recognized in other comprehensive income	68	124	192
Contributions from the employer	-	555	555
Benefits paid	8,987	(8,987)	-
Balance at December 31, 2023	$ (33,040)	$ 37,131	$ 4,091

An analysis by function of the amounts recognized in profit or loss in respect of the defined benefit plans is as follows:

	For the Year Ended December 31	
	2023	2022
Selling and marketing expenses	$ (14)	$ 18
General and administrative expenses	(15)	15
Research and development expenses	(20)	22
	$ (49)	$ 55

Through the defined benefit plan under the Labor Standards Act, the Group is exposed to the following risks:

1) Investment risk: The plan assets are invested in domestic and foreign equity and debt securities, bank deposits, etc. The investments are conducted at the discretion of the Bureau or under the mandated management. However, in accordance with relevant regulations, the return generated by plan assets shall not be below the interest rate for a 2-year time deposit with local banks.

2) Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation; however, this will be partially offset by an increase in the return on the plan's debt investments.

3) Salary risk: The present value of the defined benefit obligation is calculated using the future salaries of plan participants. As such, an increase in the salaries of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the present value of the defined benefit obligation were carried out by qualified actuaries. The significant assumptions used for the purposes of the actuarial valuations are as follows:

	December 31	
	2023	**2022**
Discount rates	1.375%	1.375%
Expected rates of salary increase	2.75%	3.00%
Turnover rates	3.67%	3.67%

If possible reasonable changes in each of the significant actuarial assumptions occur and all other assumptions remain constant, the present value of the defined benefit obligation will increase (decrease) as follows:

	December 31	
	2023	**2022**
Discount rates		
0.25% increase	$ (802)	$ (1,000)
0.25% decrease	$ 831	$ 1,034
Expected rates of salary increase		
0.25% increase	$ 806	$ 1,001
0.25% decrease	$ (782)	$ (973)

The sensitivity analysis previously presented may not be representative of the actual changes in the present value of the defined benefit obligation as it is unlikely that the changes in assumptions will occur in isolation of one another as some of the assumptions may be correlated.

	December 31	
	2023	**2022**
Expected contributions to the plan for the next year	$ 522	$ 591
Average duration of the defined benefit obligation	13.36 years	9.79 years

22. EQUITY

a. Share capital

	December 31	
	2023	2022
Shares authorized (in thousands of shares)	130,000	130,000
Shares authorized (in thousands of NT dollars)	$ 1,300,000	$ 1,300,000
Shares issued and fully paid (in thousands of shares)	58,666	58,259
Shares issued (in thousands of NT dollars)	$ 586,655	$ 582,587
Shares collected in advance	$ -	$ 2,052

The fully paid ordinary shares, which have a par value of $10, carry one vote per share and a right to dividends.

Comtrend converted employee share options of $9,588 thousand, equivalent to 959 thousand shares, with a subscription price of $10, into ordinary shares for the year ended December 31, 2022. The outstanding ordinary shares after the new shares were issued amounted to $582,587 thousand. The registration for the capital change has been filed with the Ministry of Economic Affairs on December 5, 2022.

Comtrend converted employee share options of $2,052 thousand, equivalent to 205 thousand shares. As the change registration has not been completed as of December 31, 2022, it was listed as capital collected in advance. The registration for the capital change has been filed with the Ministry of Economic Affairs on April 6, 2023.

Comtrend converted employee share options of $2,016 thousand, equivalent to 202 thousand shares, with a subscription price of $10, into ordinary shares for the year ended December 31, 2023. The outstanding ordinary shares after the new shares were issued amounted to $586,655 thousand. The registration for the capital change has been filed with the Ministry of Economic Affairs on April 6, 2023.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital*		
Issuance of ordinary shares	$ 346,078	$ 344,596
Difference between the consideration, received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	4,079	4,079
May not be used for any purpose		
Employee share options	-	1,482
	$ 350,157	$ 350,157

* Such capital surplus may be used to offset a deficit; in addition, when Comtrend has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of Comtrend's capital surplus and to once a year).

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where Comtrend made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by Comtrend'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.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 24 (h).

Comtrend determines the dividend distribution based on the considerations of the investment environment, capital demand, financial structure, earnings, domestic and international competition and shareholders' interest for future development plans. Under the dividends policy of Comtrend, no less than 10% of the undistributed retained earnings should be distributed as dividends to shareholders unless undistributed retained earnings is less than 40% of the outstanding ordinary shares. The dividends can be distributed in shares or cash, but the cash dividends should not be less than 10% of total dividends distributed.

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

The appropriations of earnings for the years ended December 31, 2022 and 2021, which had been resolved in the shareholders' meetings on June 15, 2023 and June 14, 2022, respectively, were as follows:

	2022	**2021**
Legal reserve	$ 1,513	$ -
Cash dividends	$ 41,066	$ 57,757
Cash dividends per share (NT$)	$ 0.7	$ 1

The offset deficit for 2023 is subject to the resolution of the shareholders in the shareholders' meeting to be held on June 12, 2024.

23. REVENUE

	For the Year Ended December 31	
	2023	**2022**
Revenue from the sale of goods	$ 874,693	$ 1,907,835
Revenue from the rendering of services	14,028	13,707
	$ 888,721	$ 1,921,542

Contract Balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 10)	$ 179,559	$ 414,649	$ 367,700
Contract assets - sale of goods	$ 1,160	$ 8,355	$ 5,782
Contract liabilities - sale of goods	$ 5,000	$ 3,801	$ 1,210

The changes in the balance of contract assets primarily result from the right-of return arising from repurchase agreements.

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

24. NET (LOSS) PROFIT

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 9,995	$ 1,620

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends	$ 4,350	$ -

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Net gain (loss) on fair value changes of financial liabilities at fair value through profit or loss	$ 783	$ (783)
Net (loss) gain on disposal of financial assets	(666)	969
Loss on disposal of property, plant and equipment	(66)	-
Net foreign exchange gain	1,447	24,304
Other gain	4,759	4,320
	$ 6,257	$ 28,810

d. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on lease liabilities	$ 317	$ 297
Interest on bank loans	4,180	3,275
	$ 4,497	$ 3,572

e. Impairment reversed recognized gain (losses)

	For the Year Ended December 31	
	2023	2022
Trade receivables	$ 5,210	$ (2,195)
Inventories (included in operating costs)	$ (94,137)	$ (6,108)

f. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
Property, plant and equipment	$ 29,534	$ 32,390
Right-of-use assets	14,344	13,776
Intangible assets	1,001	46
	$ 44,879	$ 46,212
An analysis of depreciation by function		
Operating expenses	$ 43,878	$ 46,166
An analysis of amortization by function		
Operating expenses	$ 1,001	$ 46

g. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 364,713	$ 368,023
Post-employment benefits (see Note 21)		
Defined contribution plans	11,792	12,525
Defined benefit plans	(49)	55
	11,743	12,580
Share-based payments		
Equity-settled	-	739
Termination benefits	7,361	1,132
Total employee benefits expense	$ 383,817	$ 382,474
An analysis of employee benefits expense by function		
Operating expenses	$ 383,817	$ 382,474

h. Compensation of employees and remuneration of directors

According to Comtrend's Articles, Comtrend accrued compensation of employees and remuneration of directors at rates of no less than 5% and no higher than 5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. There was no employees' compensation and remuneration of directors estimated as Comtrend reported a net loss before tax for the year ended December 31, 2023. The compensation of employees and remuneration of directors for the year ended December 31, 2022 which have been approved by Comtrend's board of directors on March 3, 2023, are as follows:

Accrual rate

	For the Year Ended December 31, 2022
Compensation of employees	7.5%
Remuneration of directors	1.5%

Amount

	For the Year Ended December 31, 2022
Compensation of employees	$ 1,331
Remuneration of directors	266

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 was no employees' compensation and remuneration of directors estimated as Comtrend reported a net loss before tax for the year ended December 31, 2021.

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, 2022.

Information on the compensation of employees and remuneration of directors resolved by Comtrend's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

i. Gains on foreign currency exchange

	For the Year Ended December 31	
	2023	2022
Foreign exchange gains	$ 25,691	$ 73,688
Foreign exchange losses	(24,244)	(49,384)
	$ 1,447	$ 24,304

25. INCOME TAXES

a. Income tax recognized in profit or loss

Major components of tax benefit (expense) recognized in profit or loss:

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ -	$ (474)
Adjustments for prior periods	267	2,571
Deferred tax		
In respect of the current year	7,060	(6,887)
Income tax benefit (expense) recognized in profit or loss	$ 7,327	$ (4,790)

A reconciliation of accounting profit and income tax benefit (expense) is as follows:

	For the Year Ended December 31	
	2023	2022
(Loss) profit before tax	$ (353,150)	$ 14,061
Income tax benefit (expense) calculated at the statutory rate	$ 70,577	$ (3,705)
Nondeductible expenses in determining taxable income	(771)	(140)
Tax-exempt income	870	140
Adjustments for prior years' tax	267	2,571
Loss carryforwards	-	(7,878)
Unrecognized deductible temporary differences	(63,616)	4,222
Income tax benefit (expense) recognized in profit or loss	$ 7,327	$ (4,790)

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year:		
Remeasurement of defined benefit plans	$ (38)	$ (1,288)

c. Current tax assets and liabilities

	December 31	
	2023	2022
Current tax assets		
Tax refund receivable	$ 4,375	$ 11,914
Current tax liabilities		
Income tax payable	$ -	$ 494

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Defined benefit plans	$ (669)	$ (71)	$ (38)	$ (778)
Write-down of inventories	6,794	5,845	-	12,639
Warranty fee	1,583	171	-	1,754
Unrealized profits from downstream transactions	$ 10,163	$ 1,011	$ -	$ 11,174
Financial liabilities at fair value through profit or loss	157	(157)	-	-
	18,028	6,799	(38)	24,789
Loss carryforwards	7,258	-	-	7,258
	$ 25,286	$ 6,799	$ (38)	$ 32,047
Deferred tax liabilities				
Unrealized foreign exchange gains	$ 270	$ (261)	$ -	$ 9

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Defined benefit plans	$ 1,683	$ (1,064)	$ (1,288)	$ (669)
Unrealized foreign exchange losses	1,773	(1,773)	-	-
Write-down of inventories	9,333	(2,539)	-	6,794
Warranty fee	1,077	506	-	1,583
Unrealized profits from downstream transactions	4,587	5,576	-	10,163
Financial liabilities at fair value through profit or loss	-	157	-	157
	18,453	863	(1,288)	18,028
Loss carryforwards	14,738	(7,480)	-	7,258
	$ 33,191	$ (6,617)	$ (1,288)	$ 25,286
Deferred tax liabilities				
Unrealized foreign exchange gains	$ -	$ 270	$ -	$ 270

e. Deductible temporary differences and unused loss carryforwards for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	**2022**
Loss carryforwards	$ 212,807	$ 107,908
Deductible temporary differences		
Losses on investments accounted for using the equity method	$ 259,330	$ 31,182
Allowance for doubtful accounts	49,572	49,572
	308,902	80,754
	$ 521,709	$ 188,662

f. Information about unused loss carryforwards

Loss carryforwards as of December 31, 2023 comprised:

Unused Amount	**Expiry Year**
$ 78,327	2026
16,331	2028
53,909	2031
93,929	2033
2,226	2037
1,595	2038
2,783	2042
$ 249,100	

g. Income tax assessments

The tax return assessments by authorities of the Comtrend and its subsidiaries for the year ended December 31, 2023 are as follows:

	Year of Tax Assessment
Comtrend	2021
CUSA	2022
CTBV	2022
CCE	2022
Iberia	2022

26. (LOSS) EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	**2022**
Basic (loss) earnings per share	$ (5.90)	$ 0.16
Diluted (loss) earnings per share	$ (5.90)	$ 0.16

The (loss) earnings and weighted average number of ordinary shares outstanding used in the computation of (loss) earnings per share are as follows:

Net (Loss) Profit for the Year

	For the Year Ended December 31	
	2023	**2022**
Net (loss) profit for the year	$ (345,823)	$ 9,271

Weighted average number of ordinary shares outstanding (in thousands of shares) is as follows:

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of ordinary shares used in the computation of basic (loss) earnings per share	58,649	58,004
Effect of potentially dilutive ordinary shares:		
Employee share options	-	214
Compensation of employees	-	58
Weighted average number of ordinary shares used in the computation of diluted (loss) earnings per share	58,649	58,276

The Group may settle the compensation paid to employees in cash or shares; therefore, the Group assumes that the entire amount of the compensation will be settled in shares, and the resulting potential shares will be 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. DISPOSAL OF SUBSIDIARIES (SUB-SUBSIDIARIES)

The Group completed the liquidation procedures of subsidiary Interchan and sub-subsidiary 8086 in 2022.

a. Analysis of assets and liabilities on the date control was lost

December 31, 2022

	Interchan Global and 8086
Current assets	
Cash and cash equivalents	$ 32,145
Net assets disposed of	$ 32,145

b. Net cash inflow on disposal of subsidiary and sub-subsidiary

December 31, 2022

	Interchan Global and 8086
Investment funds remitted to the parent company	$ 32,145

28. SHARE-BASED PAYMENT ARRANGEMENTS

Employee Share Option Plan of the Group

The Group did not issue any employee share options during the years ended December 31, 2023 and 2022 both.

Information on outstanding issue employees share options is as follows:

	For the Year Ended December 31			
	2023		2022	
	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-average Exercise Price (NT$)
Balance at January 1	380	$ 10.00	1,547	$ 10.00
Options exercised	(202)	10.00	(1,164)	10.00
Options forfeited	(178)	10.00	(3)	10.00
Balance at December 31	-		380	10.00
Options exercisable, end of the year	-		380	10.00

Information on outstanding options at the end of the reporting period were as follows:

	December 31	
	2023	2022
Range of exercise price (NT$)	$ -	$ 10.00
Weighted-average remaining contractual life (in years)	-	0.07 years

Compensation costs recognized were $0 thousand and $739 thousand for the years ended December 31, 2023 and 2022, respectively.

29. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. Key management personnel of the Group review the capital structure on an annual basis. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Group may adjust the amount of dividends paid to shareholders, the number of new shares issued, and the amount of new debt issued or existing debt redeemed.

30. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

b. Fair value of financial instruments 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 FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 66,126	$ -	$ -	$ 66,126
Unlisted shares	-	-	-	-
	$ 66,126	$ -	$ -	$ 66,126

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at FVTOCI				
Investments in equity instruments				
Listed shares and emerging market shares	$ 62,212	$ -	$ -	$ 62,212
Unlisted shares	-	-	-	-
	$ 62,212	$ -	$ -	$ 62,212
Financial liabilities at FVTPL				
Derivatives	$ -	$ 783	$ -	$ 783

There were no transfers between Levels 1 and 2 in the current and prior periods.

2) Valuation techniques and inputs applied for Level 2 fair value measurement

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow. Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

3) Valuation techniques and inputs applied for Level 3 fair value measurement

The fair values of unlisted equity securities - ROC and foreign were determined using the asset approach.

c. Categories of financial instruments

	December 31	
	2023	**2022**
Financial assets		
Financial assets at amortized cost (1)	$ 709,320	$ 961,957
Financial assets at FVTOCI	66,126	62,212
Financial liabilities		
Financial liability at FVTPL	-	783
Amortized cost (2)	775,043	471,389

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, financial assets at amortized cost, trade receivables and other receivables, and refundable deposits.

2) The balances include financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, trade payables (including related parties), other payables and long-term loans.

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, borrowings and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk and interest rate risk), credit risk and liquidity risk.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below), interest rates (see (b) below) and other prices (see (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks were managed and measured.

a) Foreign currency risk

Several subsidiaries of Comtrend have sales and purchases denominated in foreign currencies, which exposed the Group to foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the reporting period are set out in Note 34.

Sensitivity analysis

The Group is mainly exposed to the EUR and the USD.

The following table details the Group's sensitivity to a 1% increase and decrease in the New Taiwan dollar and the Czech Koruna (CZK, the functional currency) against the relevant foreign currencies. The sensitivity rate used when reporting foreign currency risk internally to key management personnel and representing management's assessment of the reasonably possible change in foreign exchange rates is 1%. The sensitivity analysis included only outstanding foreign currency denominated monetary items and foreign exchange forward contracts designated as cash flow hedges and their adjusted translation at the end of the reporting period for a 1% change in foreign currency rates. A positive number below indicates an increase in pre-tax (loss) profit and other equity associated with the New Taiwan dollar and the Czech Koruna strengthening 1% against the relevant currency. For a 1% weakening of the New Taiwan dollar and the Czech Koruna against the relevant currency, there would be an equal and opposite impact on pre-tax (loss) profit and other equity, and the balances below would be negative.

	EUR impact		USD impact	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	2022	2023	2022
Profit or loss	$ (699) (i)	$ (966) (i)	$ (2,166) (ii)	$ (4,747) (ii)

i. This was mainly attributable to the exposure on outstanding receivables in EUR that were not hedged at the end of the year.

ii. This was mainly attributable to the exposure on outstanding receivables and payables in USD that were not hedged at the end of the year.

The Group's sensitivity to foreign currency increased during the current year mainly due to the increase in the balance of accounts payable denominated in USD and decrease in the balance of accounts receivable denominated in EUR.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix of fixed and floating rate borrowings. Hedging activities are evaluated regularly to align with interest rate views and defined risk appetite ensuring the most cost-effective hedging strategies are applied.

The carrying amounts of the Group's financial assets and financial liabilities with exposure to interest rates at the end of the year were as follows:

	December 31	
	2023	2022
Fair value interest rate risk		
Financial assets	$ 302,225	$ 120,197
Financial liabilities	416,513	219,191
Cash flow interest rate risk		
Financial assets	211,696	422,981

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of the year. For floating rate assets, the analysis was prepared assuming the amount of the assets outstanding at the end of the year was outstanding for the whole year. One basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 1 basis point higher/lower and all other variables were held constant, the Group's pre-tax loss for the year ended December 31, 2023 would have decreased/increased by $2,117 thousand and the Group's pre-tax profit for the year ended December 31, 2022 would have increased/decreased by $4,230 thousand.

The Group's sensitivity to interest rates decreased during the current year mainly due to the decrease in variable rate bank savings.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities. In addition, the Group has appointed a special team to monitor the price risk and will consider hedging the risk exposure should the need arise.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to equity price risks at the end of the year.

If equity prices had been 1% higher/lower, pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased/decreased by $661 thousand and $622 thousand, respectively, as a result of the changes in fair value of financial assets at FVTOCI.

The Group's sensitivity to other price risk has not changed significantly from the prior year.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk, which would cause a financial loss to the Group due to the failure of counterparties to discharge an obligation and due to the financial guarantees provided by the Group, could be equal to the total of the following:

a) The carrying amount of the respective recognized financial assets as stated in the consolidated balance sheets; and

b) The maximum amount the entity would have to pay if the financial guarantee is called upon, irrespective of the likelihood of the guarantee being exercised.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral or factored trade receivables and insurance, where appropriate, as a means of mitigating the risk of financial loss from defaults.

In order to minimize credit risk, management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the reporting period to ensure that adequate allowances are made for irrecoverable amounts. In this regard, management believes the Group's credit risk was significantly reduced.

The Group's concentration of credit risk by geographical locations was mainly in the European and American regions, which accounted for 49.07% and 65.23% of the total trade receivables as of December 31, 2023 and 2022, respectively.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group had available unutilized short-term bank loan facilities set out in (c) below.

a) Liquidity and interest rate risk table for non-derivative financial liabilities

The following table details the Group's remaining contractual maturities for its non-derivative financial liabilities with agreed upon repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The table includes both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed upon repayment dates.

December 31, 2023

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Short-term borrowings	$ 115,293	$ 29,334	$ 34,390	$ -	$ -
Lease liabilities	1,195	2,366	10,170	26,532	-
Long-term borrowings	292	583	2,625	54,074	179,655
Notes payable and trade payables	69,289	107,652	156,768	93	-
Other payables	10,813	33,470	10,966	8,380	-
	$ 196,882	$ 173,405	$ 214,919	$ 89,079	$ 179,655

Additional information about the maturity analysis for long-term borrowings:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Long-term borrowings	$ 3,500	$ 54,074	$ 68,658	$ 68,658	$ 42,339

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	3 Months to 1 Year	1-5 Years	5+ Years
Non-derivative financial liabilities					
Lease liabilities	$ 1,309	$ 2,151	$ 7,579	$ 8,439	$ -
Long-term borrowings	266	542	2,437	43,168	191,439
Notes payable and trade payables	34,802	130,412	48,939	56	-
Other payables	12,136	6,798	24,040	14,206	-
	$ 48,513	$ 139,903	$ 82,995	$ 65,869	$ 191,439

Additional information about the maturity analysis for long-term borrowings:

	Less than 1 Year	1-5 Years	5-10 Years	10-15 Years	15-20 Years
Long-term borrowings	$ 3,245	$ 43,168	$ 67,967	$ 67,967	$ 55,505

Bank loans with a repayment on demand clause were included in the time band in the above maturity analysis. As of December 31, 2023 and 2022, the aggregate undiscounted principal amounts of these bank loans amounted to $377,612 thousand and $200,000 thousand, respectively. Taking into account the Group's financial position, management does not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. Management believes that such bank loans will be repaid within twenty years after the reporting date in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to $416,246 thousand and $237,852 thousand, respectively.

b) Liquidity and interest rate risk table for derivative financial liabilities

The table is based on the undiscounted contractual net cash inflows and outflows on derivative instruments that require net settlement; the table is based on the undiscounted contractual gross cash inflows and outflows on derivative instruments that require gross settlement. When the amount of payable or receivable is not fixed, the amount of disclosures is determined based on the estimated interest rate estimated by the yield curve on the balance sheet date.

December 31, 2022

	On Demand or Less than 1 Month	1-3 Months	Over 3 Months to 1 Year	Over 1 Year to 5 Years	Over 5 Years
Foreign exchange forward contracts					
Inflows	$ 6,362	$ -	$ 22,580	$ -	$ -
Outflows	(6,550)	-	(23,175)	-	-
	$ (188)	$ -	$ (595)	$ -	$ -

c) Financing facilities

As of December 31, 2023 and 2022, unused financing facilities amounted to $723,164 thousand and $533,319 thousand, respectively.

31. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between Comtrend and its subsidiaries, which are related parties of Comtrend, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

a. Related party name and category

Related Party Name	Related Party Category
Edimax	The parent of Comtrend
ABS Telecom Inc.	Fellow Company
Talent Vantage Limited (Talent)	Associate of the Company's parent

b. Sales of goods

		For the Year Ended December 31	
Line Item	**Related Party Category**	**2023**	**2022**
Sales	Associate of the Company's parent	$ 1,637	$ -

There was no significant difference between related parties and third parties regarding transaction terms of sales prices and collection terms.

c. Purchases of goods

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
The Company's parent - Edimax	$ 173,285	$ 219,566
Associate of the Company's parent - Talent	5,065	74,902
	$ 178,350	$ 294,468

There was no significant difference between related parties and third parties regarding transaction terms of purchase prices and payment terms.

d. Receivables from related parties

		December 31	
Line Item	**Related Party Category**	**2023**	**2022**
Other receivables	The Company's parent - Edimax	$ 1,187	$ 406

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022, no impairment loss was recognized for trade receivables from related parties.

e. Payables to related parties

Line Item	Related Party Category	December 31 2023	December 31 2022
Accounts payable	The Company's parent - Edimax	$ 26,173	$ 55,006
	Associate of the Company's parent - Talent	-	6,978
		$ 26,173	$ 61,984
Other payables	The Company's parent	$ 1,022	$ 2,940
	Associate of the Company's parent	735	679
	Fellow Company	15	15
		$ 1,772	$ 3,634

The outstanding trade payables to related parties are unsecured.

f. Acquisitions of property, plant and equipment

Line Item	Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Other equipment	The Company's parent	$ 150	$ 3,125
	Associate of the Company's parent	796	-
		$ 946	$ 3,125

g. Other transactions with related parties

Line Item	Related Party Category	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Operating expenses	The Company's parent	$ 11,309	$ 14,201
	Associate of the Company's parent	4,298	4,786
	Fellow Company	140	57
		$ 15,747	$ 19,044
Miscellaneous revenue	The Company's parent - Edimax	$ 4,626	$ 3,936

h. Compensation of key management personnel

The remuneration of directors and other members of key management personnel for the years ended December 31, 2023 and 2022 are as follows:

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 24,273	$ 24,922
Share-based payments	-	140
	$ 24,273	$ 25,062

The remuneration of directors and key executives, as determined by the remuneration committee, was based on the performance of individuals and on market trends.

32. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for bank borrowings:

	December 31	
	2023	2022
Property, plant and equipment	$ 249,907	$ 252,953

33. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group as of December 31, 2023 were as follows:

Taipei Fubon Bank issued to the Taipei Customs Office a guarantee note for customs duties on the bonded warehouse of the Group; the stated amount of the note was $2,000 thousand as of December 31, 2023.

34. SIGNIFICANT FINANCIAL ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The Group's significant financial assets and liabilities denominated in foreign currencies aggregated by the foreign currencies other than functional currencies of the entities in the Group and the related exchange rates between the foreign currencies and the respective functional currencies were as follows:

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 20,408	30.71 (USD:NTD)	$ 626,629
USD	906	22.38 (USD:CZK)	27,820
EUR	1,987	33.98 (EUR:NTD)	67,525
EUR	394	24.73 (EUR:CZK)	13,377
Financial liabilities			
Monetary items			
USD	14,012	30.71 (USD:NTD)	430,241
USD	325	22.38 (USD:CZK)	9,967
EUR	169	33.98 (EUR:NTD)	5,760
EUR	154	24.73 (EUR:CZK)	5,217

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 20,484	30.71 (USD:NTD)	$ 629,077
USD	1,582	0.94 (USD:EUR)	48,580
USD	3,099	22.62 (USD:CZK)	95,173
EUR	2,801	32.72 (EUR:NTD)	91,638
EUR	647	24.12 (EUR:CZK)	21,158
Financial liabilities			
Monetary items			
USD	6,762	30.71 (USD:NTD)	207,671
USD	1,119	0.94 (USD:EUR)	34,377
USD	1,825	22.62 (EUR:CZK)	56,059
EUR	494	24.12 (EUR:CZK)	16,148

The Group is mainly exposed to the USD and the EUR. The following information was aggregated by the functional currencies of the entities in the Group, and the exchange rates between the respective functional currencies and the presentation currency are disclosed. The significant realized and unrealized foreign exchange gains (losses) were as follows:

	For the Year Ended December 31			
	2023		2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange (Loss) Gain	Exchange Rate	Net Foreign Exchange (Loss) Gain
NTD	1 (NTD:NTD)	$ 1,960	1 (NTD:NTD)	$ 23,689
USD	31.16 (USD:NTD)	-	29.81 (USD:NTD)	1,110
EUR	33.70 (EUR:NTD)	(513)	31.36 (EUR:NTD)	(495)
		$ 1,447		$ 24,304

35. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others (None)

2) Endorsements/guarantees provided (None)

3) Marketable securities held (excluding investments in subsidiaries, associates and joint ventures) (Table 1)

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 2)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital (Table 3)

9) Trading in derivative instruments (None)

10) Intercompany relationships and significant intercompany transactions (Table 4)

b. Information on investees (Table 5)

c. 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, net income of investees, investment income or loss, carrying amount of the investment at the end of the year, repatriations of investment income, and limit on the amount of investment in the mainland China area (None)

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 (None)

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.

c) The amount of property transactions and the amount of the resultant gains or losses.

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes.

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds.

f) 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.

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder (Table 6).

36. SEGMENT INFORMATION

Information reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on the types of goods or services delivered or provided.

a. Segment revenue and results

The following is an analysis of the Group's revenue and results from continuing operations by reportable segments.

	For the Year Ended December 31	
	2023	**2022**
Revenue from external customers	$ 888,721	$ 1,921,542
Inter-segment revenue	-	-
Segment revenue	888,721	1,921,542
Eliminations	-	-
Consolidated revenue	$ 888,721	$ 1,921,542
Segment (loss) income	$ (369,255)	$ (12,797)
Non-operating income and expense	16,105	26,858
(Loss) income before income tax from continuing operations	$ (353,150)	$ 14,061

Segment profit (loss) represents the profit before tax earned by each segment without allocation of interest income, exchange gains or losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Revenue from major products and services

The following is an analysis of the Group's revenue from continuing operations classified by major products and services.

	For the Year Ended December 31	
	2023	**2022**
Communication equipment	$ 874,693	$ 1,907,835
Others	14,028	13,707
	$ 888,721	$ 1,921,542

c. Geographical information

The Group operates in two principal geographical areas - the United States (USA) and Europe (EU).

The Group's revenue from continuing operations from external customers by location of operations and information about its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
USA	$ 249,458	$ 618,935	$ 34,355	$ 8,791
EU	166,622	695,167	4,734	7,430
Others	472,641	607,440	284,318	298,523
	$ 888,721	$ 1,921,542	$ 323,407	$ 314,744

Non-current assets exclude financial assets at amortized cost - non-current, intangible assets, deferred tax assets, and assets of net defined benefit asset.

d. Information about major customers

Included in revenue arising from direct sales of communication equipment of $888,721 thousand and $1,921,542 thousand in 2023 and 2022, respectively, is revenue of approximately $417,020 thousand and $528,792 thousand in 2023 and 2022, respectively, which arose from sales to the Group's largest customer.

Single customers contributing 10% or more to the Group's revenue were as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	% of Operating Revenue	Amount	% of Operating Revenue
Customer A	$ 417,020	46.92	$ 528,792	27.52
Customer B	56,999	6.41	335,490	17.46
Customer C	46,978	5.29	230,768	12.01
Customer D	4,706	0.53	238,494	12.41

TABLE 1

COMTREND CORPORATION AND SUBSIDIARIES

MARKETABLE SECURITIES HELD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares (In Thousands)	Carrying Amount	Percentage of Ownership (%)	Fair Value	
Comtrend	Share EMMT Systems Corporation	None	Financial assets at FVTOCI - non-current	482	$ -	0.52	$ -	
Comtrend	Share Edimax	Parent Company	Financial assets at FVTOCI - current	4,120	66,126	1.94	66,126	

TABLE 2

COMTREND CORPORATION 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 YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% of Total	
Comtrend	CUSA	Subsidiary	Sale	$ (199,953)	(24.51)	By operating conditions; collection period: 60-240 days.	Normal	By operating conditions; collection period: 60-240 days.	$ 130,889	43.84	Note
	CTBV	Subsidiary	Sale	(118,519)	(14.53)	By operating conditions; collection period: 60-180 days.	Normal	By operating conditions; collection period: 60-180 days.	64,368	21.56	Note
	Edimax	Parent Company	Purchase	173,285	22.05	Normal	Normal	Normal	(26,173)	(7.85)	

Note: The transactions of the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2023.

TABLE 3

COMTREND CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Group Name	Related Party	Relationship	Ending Balance (Note)	Turnover Rate	Overdue		Amounts Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Comtrend	CUSA	Subsidiary	$ 130,889	1.22	$ 18,340	CUSA has actively arranged for the repayment to Comtrend	$ 11,043	$ -

Note: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2023.

TABLE 4

COMTREND CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transactions Details			
				Financial Statement Account	Amount	Payment Terms	% of Total Sales or Assets (Note 3)
	For the year ended December 31, 2023						
0	Comtrend	CUSA	a	Sales revenue	$ 199,953	Normal	22.50
		CUSA	a	Accounts receivable	130,889	Normal; collection period: 60-240 days	7.58
		CCE	a	Sales revenue	27,628	Normal	3.11
		CCE	a	Accounts receivable	11,878	Normal; collection period: 60-180 days	0.69
		Iberia	a	Commission expense	5,453	Normal	0.61
		CTBV	a	Sales revenue	118,519	Normal	13.34
		CTBV	a	Service revenue	9,215	Normal	1.04
		CTBV	a	Accounts receivable	64,368	Normal; collection period: 60-180 days	3.73

Note 1: Investee companies are numbered as follows:

a. Parent: 0
b. Subsidiaries are numbered from 1 in ascending order.

Note 2: Relationships between counterparties are numbered as follows:

a. Parent to subsidiary.
b. Subsidiary to parent.
c. Subsidiary to subsidiary.

Note 3: Percentage of consolidated operating revenue or consolidated total assets: If the account is a balance sheet account, it was calculated by dividing the ending balance with consolidated total assets; if the account is an income statement account, it was calculated by dividing the interim cumulative balance with the consolidated operating revenue.

Note 4: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2023.

Note 5: The amount of the significant transactions between related parties listed above is over NT$5 million.

COMTREND CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profits (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares (In Thousands)	%	Carrying Amount			
Comtrend	CUSA	USA	Wholesale, retail sale, and international trade, etc.	$ 211,620	$ 98,011	200,000	100.00	$ (20,826)	$ (205,690)	$ (210,903)	Subsidiary (Note 1)
	CTBV	Netherlands	Wholesale, retail sale, and international trade, etc.	50,901	50,901	1,518,000	100.00	86,467	(22,676)	(22,515)	Subsidiary (Note 2)
CTBV	CCE	Czech Republic	Wholesale, retail sale, and international trade, etc.	71,438	71,438	-	100.00	38,200	(16,679)	(16,679)	Sub-subsidiary
	Iberia	Spain	Wholesale, retail sale, and international trade, etc.	12,294	12,294	-	100.00	3,426	(5,871)	(5,871)	Sub-subsidiary

Note 1: The share of profits/losses of investees includes a net loss of $205,690 thousand and the effect of unrealized gross profit of $5,213 thousand on intercompany transactions.

Note 2: The share of profits/losses of investees includes a net loss of $22,676 thousand and the effect of unrealized gross profit of $161 thousand on intercompany transactions.

Note 3: The transactions with the related parties have been eliminated in the consolidated financial statements as of and for the year ended December 31, 2023.

TABLE 6

COMTREND CORPORATION AND SUBSIDIARIES

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
Edimax	19,649,060	33.49

Note: 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 Comtrend 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 different preparation basis.