Stock Code:3138

AUDEN TECHNO CORP.

Parent Company Only Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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Table of contents

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Independent Auditors' Report

To the Board of Directors of Auden Techno Corp.:

Opinion

We have audited the accompanying parent company only financial statements of Auden Techno Corp. ("the Company"), which comprise the statements of financial position as of December 31, 2023 and 2022, and the statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the accompanying financial position of the Company as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Revenue Recognition

Please refer to notes 4(n) and 6(u) for the related to disclosures on the revenue recognition of the parent company only financial statements.

Description of the key audit matter

The Company's operating income is a key indicator for management to evaluate the financial or business performance, and is highly expected by the investors. Therefore, the revenue recognition has been identified as a key audit matter.

How the matter was addressed in our audit:

Our audit procedures include testing the effectiveness of the design and implementation of the internal controls in relation to sales and cash collection, conducting trend analysis for the top ten customers by comparing the changes or differences to evaluate if there is any significant irregularity, performing random sample checking on the sales transactions to evaluate the authenticity of these transactions, the correctness of the recognized amount of sales revenue and the reasonableness of the timing of recording, and reviewing samples of sales transactions for a specified period before and after the end of the year to assess the correctness of the revenue attribution period and recognition.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit.

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

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

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

The engagement partners on the audit resulting in this independent auditors’ report are Lu, Lily and Wu, Lin.

KPMG

Taipei, Taiwan (Republic of China)
March 13, 2024

Notes to Readers

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

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

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Auden Techno Corp.

Parent Company Only Statements of Financial Position

December 31, 2023 and 2022

(All amounts expressed in thousands of New Taiwan dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
11xx	**Current assets:**				
1100	Cash and cash equivalents (note 6(a))	$ 693,872	24	863,686	31
1170	Accounts receivable, net (notes 6(c) and (u))	325,616	11	189,011	7
1180	Accounts receivable－related parties, net (notes 6(c), (u) and 7)	17,426	1	37,606	1
1200	Other receivables (note 6(d))	26,456	1	37,632	1
1210	Other receivables－related parties (notes 6(d) and 7)	19,423	1	61,399	2
1220	Current income tax assets	88	-	88	-
130X	Inventories (note 6(e))	176,121	6	211,012	7
1410	Prepayments	18,778	-	16,916	1
1476	Other financial assets－current (note 6(k))	38,065	1	3,450	-
1479	Other current assets	2,705	-	2,220	-
	Total current assets	1,318,550	45	1,423,020	50
15xx	**Non-current assets:**				
1510	Non-current financial assets at fair value through profit or loss (note 6(n))	-	-	80	-
1517	Financial assets at fair value through other comprehensive income-non-current (note 6(b))	86,172	3	84,158	3
1550	Investments accounted for under equity method (notes 6(f), (g) and (s))	833,024	28	736,994	26
1600	Property, plant and equipment (notes 6(h), 7 and 8)	583,423	20	380,622	14
1755	Right-of-use assets (note 6(i))	1,974	-	3,857	-
1760	Investment property (note 6(j))	38,006	1	38,380	1
1780	Intangible assets (note 7)	2,778	-	6,153	-
1840	Deferred tax assets (note 6(q))	18,905	-	39,325	2
1980	Other financial assets－non-current (notes 6(k), (n) and 8)	82,249	3	106,947	4
1990	Other non-current assets－others	540	-	1,457	-
	Total non-current assets	1,647,071	55	1,397,973	50
1xxx	**Total assets**	**$ 2,965,621**	**100**	**2,820,993**	**100**

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
21xx	**Current liabilities:**				
2100	Short-term loans (note 6(l))	$ 50,000	2	-	-
2150	Notes payable	123	-	123	-
2170	Accounts payable	46,848	2	71,573	3
2180	Accounts payable－related parties (note 7)	160,940	5	101,550	4
2200	Other payables (note 6(v))	221,237	8	180,676	6
2220	Other payables－related parties (note 7)	355	-	286	-
2230	Current tax liabilities	14,605	-	35,680	1
2320	Long term liabilities due during a year or operating cycle (note 6(m))	5,588	-	-	-
2280	Current lease liabilities (note 6(o))	1,697	-	1,961	-
2399	Other current liabilities (notes 6(r) and (u))	147,726	5	165,911	6
	Total current liabilities	649,119	22	557,760	20
25xx	**Non-Current liabilities:**				
2530	Bond payables (note 6(n))	395,662	13	391,559	14
2540	Long-term borrowings (notes 6(m) and 8)	184,412	6	190,000	6
2570	Deferred tax liabilities (note 6(q))	71,861	3	72,132	3
2580	Non-current lease liabilities (note 6(o))	296	-	1,993	-
2640	Non-current net defined benefit liability (note 6(p))	1,782	-	657	-
2645	Guarantee deposits	130	-	130	-
	Total non-current liabilities	654,143	22	656,471	23
2xxx	**Total liabilities**	1,303,262	44	1,214,231	43
31xx	**Equity attributable to owners of parent (notes 6(f), (n), (p), (r) and (s)):**				
3110	Ordinary shares	468,004	16	467,131	17
3200	Capital surplus	505,922	17	476,307	17
3300	Retained earnings	721,234	24	679,268	24
3400	Other equity interest	(32,801)	(1)	(15,944)	(1)
3xxx	**Total equity**	1,662,359	56	1,606,762	57
2-3xxx	**Total liabilities and equity**	**$ 2,965,621**	**100**	**2,820,993**	**100**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Auden Techno Corp.

Parent Company Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(All amounts expressed in thousands of New Taiwan dollars)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (notes 6(u) and 7)**	$ 1,402,873	100	1,353,666	100
5000	**Operating costs (notes 6(e) and 7)**	809,513	58	837,466	62
5900	**Gross profit**	593,360	42	516,200	38
5910	Less: nrealized profit (loss) from sales	(14,352)	(1)	17,820	1
5900	**Gross profit**	607,712	43	498,380	37
6000	**Operating expenses (notes 6(c), (p), (s), (v) and 7):**				
6100	Selling expenses	122,467	9	115,851	9
6200	Administrative expenses	155,196	11	130,213	10
6300	Research and development expenses	145,469	10	179,207	13
6450	Expected credit losses (reversal of expected credit losses)	(31)	-	29	-
	Total operating expenses	423,101	30	425,300	32
6900	**Net operating income**	184,611	13	73,080	5
7000	**Non-operating income and expenses (notes 6(b), (f), (g), (n), (o), (w) and 7):**				
7100	Interest income	6,567	-	2,135	-
7010	Other income	38,952	3	52,342	4
7020	Other gains and losses	5,598	-	44,886	3
7050	Finance costs	(12,406)	(1)	(8,851)	-
7070	Share of profit of the subsidiaries accounted for using equity method	33,473	3	206,091	15
	Total non-operating income and expenses	72,184	5	296,603	22
7900	**Income before income tax**	256,795	18	369,683	27
7950	**Less: Income tax expenses (note 6(q))**	50,388	3	48,906	4
	Net income	206,407	15	320,777	23
8300	**Other comprehensive income (notes 6(p), (q) and (r)):**				
8310	**Items that will not be reclassified subsequently to profit or loss**				
8311	Remeasurement of defined benefit plans	(1,190)	-	355	-
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	1,014	-	(23,030)	(2)
8349	Less: income tax related to items that will not be reclassified subsequently to profit or loss	(238)	-	71	-
	Total items that will not be reclassified subsequently to profit or loss	62	-	(22,746)	(2)
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Foreign currency translation differences for foreign operations	(9,731)	(1)	23,895	2
8399	Less: income tax related to components of other comprehensive income that will be reclassified subsequently to profit or loss	-	-	4,088	-
	Total items that will be reclassified subsequently to profit or loss	(9,731)	(1)	19,807	2
8300	**Other comprehensive income (loss), net of tax**	(9,669)	(1)	(2,939)	-
8500	**Total comprehensive income**	**$ 196,738**	**14**	**317,838**	**23**
	Earnings per share (expressed in New Taiwan dollars) (note 6(t))				
9750	Basic earnings per share	**$ 4.42**		**6.89**	
9850	Diluted earnings per share	**$ 4.41**		**6.78**	

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Auden Techno Corp.

Parent Company Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(All amounts expressed in thousands of New Taiwan dollars)

			Retained earnings				Other equity interest				
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on fiancial assets at fair value through other comprehensive income	Others	Total	Total equity
Balance at January 1, 2022	$ 467,217	384,651	47,234	28,767	422,371	498,372	(43,114)	32,252	(15,069)	(25,931)	1,324,309
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	27,702	-	(27,702)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(140,165)	(140,165)	-	-	-	-	(140,165)
Share option－equity components recognized for equity component of convertible bonds issued (preference share)	-	93,058	-	-	-	-	-	-	-	-	93,058
Net income for the year	-	-	-	-	320,777	320,777	-	-	-	-	320,777
Other comprehensive income (loss) for the year	-	-	-	-	284	284	19,807	(23,030)	-	(3,223)	(2,939)
Total comprehensive income (loss) for the year	-	-	-	-	321,061	321,061	19,807	(23,030)	-	(3,223)	317,838
Restricted stock to employee adjustments	(86)	(1,402)	-	-	-	-	-	-	1,488	1,488	-
Share-based payments	-	-	-	-	-	-	-	-	11,722	11,722	11,722
Balance at December 31, 2022	467,131	476,307	74,936	28,767	575,565	679,268	(23,307)	9,222	(1,859)	(15,944)	1,606,762
Appropriation and distribution of retained earnings:											
Legal reserve	-	-	32,106	-	(32,106)	-	-	-	-	-	-
Cash dividends of ordinary shares	-	-	-	-	(163,489)	(163,489)	-	-	-	-	(163,489)
Net income for the year	-	-	-	-	206,407	206,407	-	-	-	-	206,407
Other comprehensive income (loss) for the year	-	-	-	-	(952)	(952)	(9,731)	1,014	-	(8,717)	(9,669)
Total comprehensive income (loss) for the year	-	-	-	-	205,455	205,455	(9,731)	1,014	-	(8,717)	196,738
Issue of shares	-	-	-	-	-	-	-	-	-	-	-
Restricted stock to employee adjustments	873	11,022	-	-	-	-	-	-	(11,895)	(11,895)	-
Share-based payment	-	17,927	-	-	-	-	-	-	3,755	3,755	21,682
Changes in non-controlling interests	-	666	-	-	-	-	-	-	-	-	666
Balance at December 31, 2023	**$ 468,004**	**505,922**	**107,042**	**28,767**	**585,425**	**721,234**	**(33,038)**	**10,236**	**(9,999)**	**(32,801)**	**1,662,359**

See accompanying notes to parent company only financial statements.

(English Translation of Parent Company Only Financial Statements Originally Issued in Chinese)

Auden Techno Corp.

Parent Company Only Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(All amounts expressed in thousands of New Taiwan dollars)

		2023	2022
Cash flows from (used in) operating activities:			
Income before tax	$	256,795	369,683
Adjustments:			
Adjustments to reconcile profit and loss			
Depreciation expense		23,206	22,993
Amortization expense		4,328	4,310
Expected credit losses (reversal of expected credit losses)		(31)	29
Net loss on financial assets or liabilities at fair value through profit or loss		80	1,560
Interest expense		12,406	8,851
Interest income		(6,567)	(2,135)
Dividend income		(2,447)	(1,904)
Share-based payments		18,589	11,722
Share of profit of subsidiaries accounted for using equity method		(33,473)	(206,091)
Gain on disposal of property, plant and equipment		(1,438)	(1)
Loss on disposal of subsidiaries		-	3,488
Unrealized profit (loss) from sales		(14,352)	17,820
Total adjustments to reconcile profit and loss		301	(139,358)
Changes in operating assets and liabilities relating:			
Net changes in operating assets:			
Accounts receivable		(136,574)	(6,282)
Accounts receivable－related parties		20,180	(24,350)
Other receivables		11,176	11,553
Other receivable－related parties		41,976	(404)
Inventories		34,891	28,804
Prepayments		(1,862)	5,183
Other current assets		(485)	11,046
Total net changes in operating assets		(30,698)	25,550
Net changes in operating liabilities:			
Accounts payable		(24,725)	(49,486)
Accounts payable－related parties		59,390	(34,326)
Other payables		60,230	56,587
Other payable－related parties		69	(189)
Other current liabilities		(18,185)	92,892
Net defined benefit liability		(65)	(61)
Total net changes in operating liabilities		76,714	65,417
Total net changes in operating assets and liabilities		46,016	90,967
Total adjustments		46,317	(48,391)
Cash inflow generated from operations		303,112	321,292
Interest received		6,567	2,135
Dividends received		2,447	1,904
Interest paid		(8,283)	(4,979)
Income taxes paid		(51,076)	(19,607)
Net cash flows from operating activities		252,767	300,745
Cash flows from (used in) investing activities:			
Acquisition of financial assets at fair value through other comprehensive income		(1,000)	(35,862)
Proceeds from disposal of subsidiaries		-	31,618
Acquisition of investments accounted for using equity method		(54,000)	(10,000)
Acquisition of property, plant and equipment		(242,999)	(58,364)
Proceeds from disposal of property, plant and equipment		1,738	1
Acquisition of intangible assets		(953)	(3,971)
Decrease (increase) in other financial assets－non-current		(9,917)	(70,586)
Decrease in other non-current assets		-	237
Increase in prepayments for equipment		-	(1,294)
Net cash flows used in investing activities		(307,131)	(148,221)
Cash flows from (used in) financing activities:			
Increase in short-term loans		50,000	-
Proceeds from issuing bonds		-	479,105
Payment of lease liabilities		(1,961)	(1,682)
Cash dividends paid		(163,489)	(140,165)
Net cash flows from (used in) financing activities		(115,450)	337,258
Net increase (decrease) in cash and cash equivalents		(169,814)	489,782
Cash and cash equivalents at beginning of period		863,686	373,904
Cash and cash equivalents at end of period	**$**	**693,872**	**863,686**

See accompanying notes to parent company only financial statements.

Auden Techno Corp.

Notes to the Parent Company Only Financial Statements

For the years ended December 31, 2023 and 2022

(All amounts expressed in thousands of New Taiwan dollars, unless otherwise stated)

(1) Company history

Auden Techno Corp. (hereinafter referred to as the "Company") is established on February 1990 in accordance to ROC Company Act. The shares of the Company were listed and sold on the Taiwan Stock Exchange on December 11, 2020. The principal activities of the Company are the design and manufacture of wired and wireless antennas, the performance verification and testing of communications products and the trading agent of precision instrument.

(2) Approval date and procedures of the financial statements

These parent company only financial statements were authorized for issue by the Board of Directors on March 13, 2024.

(3) Application of new and revised standards, amendments and interpretations:

(a) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(b) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies

The significant accounting policies applied in the preparation of the parent company only financial statements are set out below. Except for those specially indicated, the significant accounting policies have been applied consistently to all periods presented in these parent company only financial statements.

(a) Statement of compliance

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

(b) Basis of preparation

(i) Basis of measurement

The accompanying parent company only financial statements have been prepared on a historical cost basis, except as otherwise specified in the notes to accounting policies.

(ii) Functional and presentation currency

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

(c) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. The resulting exchange differences are included in profit or loss for the year.

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate at the date that the fair value was determined. Non monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction. Exchange differences are generally recognized in profit or loss, except for an investment in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, joint control, or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When The Company disposes of any part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. For a partial disposal of the Company's ownership interest in an associate or joint venture, the proportionate share of the accumulated exchange differences in equity is reclassified to profit or loss.

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely in the foreseeable future, foreign currency gains and losses arising items from such a monetary item that are considered to form part of the net investment in the foreign operation and are recognized in other comprehensive income and presented in the translationg reserve in equity.

(d) Assets and liabilities classified as current and non-current

An asset is classified as current when one of following criteria is met; all other assets are classified as non-current assets.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting date; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

(Continued)

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

(i) It is expected to be settled in its normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could,at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(e) Cash and cash equivalents

Cash and cash equivalents comprise cash balances and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits are classified as cash and cash equivalents only when they meet the aforementioned definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes.

Bank overdrafts that are repayable on demand and form an integral part of the Company's cash management are included as a component of cash and cash equivalents for the purpose of the consolidated statement of cash flows.

(f) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument.

(i) Financial assets

All regular way purchases or sales of financial assets classified as the same categories are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI) – equity investment.

The Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

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

A financial assets measured at amortized cost is initially recognized at fair value, plus any directly attributable transaction costs. These assets are subsequently measured at amortized cost, which is the initial recognition amount deduct the cumulative amortization using the effective interest method and adjusted for any loss allowance. Interest income, foreign exchange gains and losses, and impairment loss, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Financial assets at fair value through other comprehensive income (FVOCI)

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument by instrument basis.

Such financial assets are initially recognized at fair value, plus any directly attributable transaction costs. Subsequently, these assets are measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

3) Impairment of financial assets

The Company assessed against expected credit loss of impairment loss on financial assets measured at amortized cost.

Loss allowance for notes and accounts receivable and contract assets is always measured at an amount of lifetime ECL. Other financial assets measured at amortized cost are considered reasonable and supportable information (available without excessive costs or inputs). This includes both quantitative and qualitative information, as well as an analysis based on the Company's historical experience, credit assessment, and forward-looking information. Loss allowance for other financial assets measured at amortized cost is measured by using the 12-month ECL, in which the credit risk did not increase significantly since the initial recognition. If, on the other hand, there has been a significant increase in credit risk since initial recognition, a loss allowance is recognized at an amount equal to the lifetime ECL.

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

4) Derecognition of financial assets

Financial assets are derecognized when the contractual rights of the cash inflow from the assets are terminated, or when the Company transfers substantially all the risks and rewards of ownership of the financial assets.

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt or equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definition of a financial liabilities and equity instruments.

2) Equity instruments

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

3) Compound financial instruments

Compound financial instruments issued by The Company comprise convertible bonds that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed.

The liability component of compound financial instruments is initially recognized at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognized at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortized cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognized in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognized.

4) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

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

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

5) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation has been discharged or canceled or expire. The difference between the carrying amount of a financial liability derecognized and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

6) Offsetting of financial assets and liabilities

The Company presents financial assets and liabilities on a net basis when the Company has the legally enforceable right to offset and intends to settle such financial assets and liabilities on a net basis or to realize the assets and settle the liabilities simultaneously.

(g) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated based on the weighted average method and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to the location and condition. Fixed manufacturing overhead is allocated to finished products and work in process based on normal capacity.

Net realizable value represents the estimated selling price in the ordinary course of business, less all estimated costs of completion and necessary selling expenses.

(h) Investment in subsidiaries

When preparing the parent company only financial statements, the investments in subsidiaries are recognized by the Company using the equity method. Under the equity method, the net income, other comprehensive income, and equity in the parent company only financial statements are equivalent to those attributable to the shareholders of the parent company in the consolidated financial statements.

(i) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses. Cost includes expenditure that is directly attributed to the acquisition of the asset.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item shall be depreciated separately, unless the useful life and the depreciation method of a significant part of an item of property, plant and equipment are the same as those of another significant part of that same item.

The gain or loss arising from the derecognition of an item of property, plant and equipment shall be determined as the difference between the net disposal proceeds, if any, and the carrying amount of the item, and it shall be recognized as other gains and losses.

(Continued)

(ii) Subsequent cost

Subsequent cost is capitalized only when it is probable that the future economic benefits associated with the cost will flow to the Company. The carrying amount of those parts that are replaced is derecognized. Ongoing repairs and maintenance are expensed as incurred.

(iii) Depreciation

The depreciable amount of an asset is determined after deducting its residual amount, and it shall be allocated on a staight-line basis over its useful life. Items of property, plant and equipment with the same useful life may be grouped in determining the depreciation charge. The remainder of the items may be depreciated separately. The depreciation charge for each period shall be recognized in profit or loss.

The estimated useful lives of property, plant and equipment for the current and comparative years are as follows:

1)	Buildings	25~50 years
2)	Machinery and equipment	2~8 years
3)	Other equipment	2~26 years

Depreciation methods, useful lives, and residual values are reviewed at each annual reporting date. If expectations differ from the previous estimates, the changes are accounted for as a change in accounting estimate.

(iv) Reclassification to investment property

A property is reclassified to investment property at its carrying amount when the use of the property changes from owner-occupied to investment purpose.

(j) Lease

(i) Identifying a lease

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

(ii) As a leasee

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

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

(Continued)

Lease liabilities are initially measured at the present value of the lease payments outstanding at the beginning of the lease using the discounted incremental borrowing rate. Interest is subsequently charged using the effective interest method and are measured when there are changes in the lease payments and the lease period, and the carrying amount of the right-to-use assets is adjusted accordingly. When the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasured amount is recognized in profit or loss.

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

(iii) As a leasor

When the Company acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Company makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. Lease income from operating lease is recognized in income on a straight-line basis over the lease term.

(k) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight line basis over the term of the lease.Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

When the use of an investment property changes such that it is reclassified as property, plant and equipment, its book value at the date of reclassification becomes its cost for subsequent accounting.

(l) Intangible assets

The intangible assets of the Company are mainly consisted of software and patents. Software and patents that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

Amortization is recognized in profit or loss on a straight line basis of three to six years over the Company's intangible assets, from the date that they are available for use.

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

(m) Impairment – non-financial assets

With regard to non-financial assets (other than inventories, deferred tax assets and employee benefits), the Company assesses at the end of each reporting period whether there is any indication that an impairment loss has occurred and estimates the recoverable amount of assets with an indication of impairment. If it is not possible to estimate the recoverable amount of an individual asset, then the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs for the purpose of assessing impairment.

Goodwill is tested for impairment on an annual basis, regardless of whether there is any indication of impairment.

The recoverable amount for an individual asset or a cash-generating unit is the higher of its fair value less costs to sell and its value in use. If, and only if, the recoverable amount of an asset is less than its carrying amount, the carrying amount of the asset or cash-generating unit shall be reduced to its recoverable amount and an impairment loss shall be recognized. An impairment loss shall be recognized immediately in profit or loss.

The Company assesses at the end of each reporting period whether there is any indication that an impairment loss recognized in prior periods for non-financial assets other than goodwill may no longer exist or may have decreased. If any such indication exists, the entity shall estimate the recoverable amount of that asset. Impairment loss is reversed if, and only if, there has been a change in the estimates used to determine the recoverable amount, increasing the individual asset's or cash-generating unit's carrying amount to its recoverable amount. The reversal of an impairment loss of an individual asset or cash-generating unit cannot exceed the carrying amount of the individual asset or cash-generating unit, less any depreciation or amortization, had no impairment loss been recognized in prior years.

(n) Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The accounting policies for the Company' s main types of revenue are explained below.

(i) Sale of goods

The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer.And either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(ii) Rendering of services

The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer.

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(o) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution pension plans are recognized as an employee benefit expense in profit or loss in the periods during which services are rendered by employees.

(ii) Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit pension plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is the yield at the reporting date (market yields of high-quality corporate bonds or government bonds) on bonds that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognized asset is limited to the total of any unrecognized past service costs and the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. In order to calculate the present value of economic benefits, consideration is given to any minimum funding requirements that apply to any plan in the Company. An economic benefit is available to the Company if it is realizable during the life of the plan, or on settlement of the plan liabilities.

When the benefits of a plan are improved, the portion of the increased benefit relating to past service by employees is recognized in profit or loss on a straight-line basis over the average period until the benefits become vested. To the extent that the benefits vest immediately, the expense is recognized immediately in profit or loss.

Remeasurements of the net defined benefit liability (asset), which comprise (1) actuarial gains and losses; (2) the return on plan assets excluding the amounts included in net interest on the net defined benefit liability (assets); and (3) any change in the effect of the asset ceiling, excluding the amounts included in net interest on the net defined benefit liability (assets); The Company recognizes the remeasurements of the defined benefit liability (asset) in other comprehensive.

The Company recognizes gains or losses on the curtailment or settlement of a defined benefit plan when the curtailment or settlement occurs. The gain or loss on curtailment comprises any resulting change in the fair value of plan assets, any change in the present value of the defined benefit obligation, and any related actuarial gains or losses and past service cost that had not previously been recognized.

(Continued)

(iii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided.

A liability is recognized for the amount expected to be paid under short-term cash bonus or profit-sharing plans if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

(p) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as an expense, with a corresponding increase in equity, over the resting period of the awards. The compensation cost is adjusted to reflect the number of awards given to employees for which the performance and non-market conditions are expected to be met, such that the amount ultimately recognized shall be based on the number of equity instruments that eventually have vested.

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

Grant date of a share-based payment award is the date which the Company and employees reach a consensus in the subscription price and number of shares.

The share based payment arrangement of the Company's equity settlement with the employees of the subsidiary is considered to be an capital contribution to the subsidiary and measured by the fair value of the equity instruments grant date, which is recognized during the vesting period as an increase in the carrying amount of the investment in the subsidiary. Then, adjust the capital reserve-employee share options accordingly.

(q) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes shall be recognized in profit or loss.

The Company has determined that interest and penalties related to income taxes, including uncertain tax treatment, do not meet the definition of income taxes, and therefore, they were accounted for under IAS37.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) Temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction 1) affects neither accounting nor taxable profits (losses) and 2) does not give rise to equal taxable and deductible temporary differences;

(ii) Temporary differences arising from equity investments in subsidiaries, affiliates and joint ventures where the Company can control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

(iii) Initial recognition of goodwill.

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

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

(i) The Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) The deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) levied by the same taxable entity; or

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

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

(r) Earnings per share

The basic and diluted EPS attributable to shareholders of the Company are disclosed in the financial statements. Basic EPS is calculated by dividing net income attributable to stockholders of the Company by the weighted-average number of common shares outstanding during the year. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potential dilutive ordinary shares.

The Company's dilutive potential common shares comprise employee remuneration, convertible bond and employee stock options.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(s) Segment information

The Company has disclosed segment information in the consolidated financial statements, and hence does not disclose such information in the parent company only financial statements.

(5) Significant accounting assumptions and judgments, and major sources of estimation uncertainty

In preparing these parent company only financial statements, the management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed by the management on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

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

There is no significant risk of resulting in a material adjustment within the next financial year about assumptions and estimation uncertainties.

(6) Explanation of significant accounts

(a) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash	$ 180	193
Checking and demand deposits	693,659	513,460
Time deposits	33	350,033
	$ 693,872	**863,686**

The above cash and cash equivalents were not pledged as collateral.

The above cash and cash equivalents were not pledged as collateral. Please refer to notes 6(k) and 8 for disclosure of the Company's time deposits, recorded under other financial assets－current, with maturity ranging from three months to one year.

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

	December 31, 2023	December 31, 2022
Equity instruments at fair value through other comprehensive income:		
Domestic unlisted common shares	$ 38,532	48,296
Oversea unlisted shares	47,640	35,862
Total	**$ 86,172**	**84,158**

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

The Company designated the investments shown above as equity securities at fair value through other comprehensive income because these equity securities represent those investments that the Company intends to hold for long-term strategic purposes.

The Company entered into an investment agreement with Dotspace, Inc. on February 16, 2022 for the purpose of expanding its business, and invested shares payments in the second phase. In the first phase, a share payment of $13,409 thousand (USD480 thousand) was paid on March 3, 2022. In the second phase, the shares payment of $22,453 thousand (USD720 thousand) were paid on October 6, 2022, which the total amount is $35,862 thousand (1,200 thousand), 12,000 thousand shares are subscribed by capital increase.

No strategic investments were disposed for the years ended December 31, 2023 and 2022, and there were no transfers of any cumulative gain or loss within equity relating to these investments.

During the years ended December 31, 2023 and 2022, the dividends of $2,447 thousand and$1,904 thousand, respectively, related to equity instruments at fair value through other comprehensive income held on the year ended, were recognized under other income.

Please refer to note 6(x) for market risk。

(c) Notes receivable and accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 325,616	189,042
Accounts receivable－related parties	17,426	37,606
Less: loss allowance－accounts receivables	-	(31)
	$ 343,042	**226,617**

The Company does not regard as any collateral or discount for notes and trade receivable.

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for accounts receivable. To measure the expected credit losses, Accounts receivable have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward-looking information, including macroeconomic and relevant industry information.

The Company's test equipment segment applies the expected credit losses to analysis of notes and accounts receivable as of December 31, 2023 and 2022 were determined as follows:

	December 31, 2023		
	Gross carrying amount	**Weighted-average expected credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 85,559	-	-
Past due 31~90 days	788	-	-
	$ 86,347		**-**

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

	December 31, 2022		
	Gross carrying amount	**Weighted-average expected credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 44,473	-	-
Past due 1~30 days	6,084	-	-
Past due 31~90 days	6,831	-	-
Past due 91~180 days	3,118	1.01	31
	$ 60,506		**31**

The Company's RFID antenna segment applies the expected credit losses to analysis of notes and accounts receivable as of December 31, 2023 and 2022 were determined as follows:

	December 31, 2023		
	Gross carrying amount	**Weighted-average expected credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 246,251	-	-
Past due 1~30 days	9,656	-	-
Past due 31~90 days	788	-	-
	$ 256,695		**-**

	December 31, 2022		
	Gross carrying amount	**Weighted-average expected credit loss rate (%)**	**Loss allowance for lifetime expected credit losses**
Not past due	$ 162,359	-	-
Past due 1~30 days	3,457	-	-
Past due 31~90 days	326	-	-
	$ 166,142		**-**

The movements in the loss allowance for accounts receivables were as follows:

	2023	**2022**
Beginning balance	$ 31	2
Impairment losses recognized	-	29
Impairment losses reversed	(31)	-
Edning balance	**$ -**	**31**

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(d) Other receivables

		December 31, 2023	December 31, 2022
Other receivables	$	26,456	37,632
Other receivables－related parties		19,423	61,399
Less: Loss allowance		-	-
	$	**45,879**	**99,031**

As of December 31, 2023 and 2022. there was no other receivables that was past due for The Company. Please refer to note 6(x) for other credit risk.

(e) Inventories

		December 31, 2023	December 31, 2022
Merchandise inventory	$	132,145	189,307
Finished good		43,489	21,468
Semi-finished products and work in progress		17	102
Raw materials		470	135
	$	**176,121**	**211,012**

The details of the inventory costs recognized as expenses were as follows:

		2023	2022
Write-down of inventories (Reversal of write-downs)	$	(10,087)	1,901
Loss on disposal of inventory		524	1,122
Total	$	**(9,563)**	**3,023**

As of December 31, 2023 and 2022, the Company did not pledge its inventories as collateral.

(f) Investments accounted for using equity method

The details of the investments accounted for under the equity method at the reporting date were as follows:

		December 31, 2023	December 31, 2022
Subsidiaries	$	**833,024**	**736,994**

The Company’s subsidiary, Auray Technology Corp, conducted a cash capital increase by issuing new shares, with the amount of $40,000 and a base date set on January 12, 2023, based on a resolution approved during the board meeting held on November 8, 2022, wherein the Company participated and subscribed the entire shares. All related registration procedures had been completed on February 1, 2023.

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

In August 2022, the Company established Auden Intelligence Carbon Solution Co. Ltd. by investing an additional share capital of $10,000 thousand. In September 2023, Auden Intelligence Carbon Solution Co. Ltd. conducted a cash capital increase by issuing 2,000 thousand ordinary shares, amounting to $20,000 thousand, with the Company subscribing the additional shares amounting to $14,000 thousand, which was not proportion to its existing ownership percentage, resulting in the Company' s shareholding percentage to decrease from 100% to 80%, and the difference of $666 thousand being recognized as capital surplus.

For subsidiaries,please refer to the consolidated financial statements for tthe years ended December 31, 2023 and 2022.

As of December 31, 2023 and 2022, the investments accounted for using equity method were not pledged as collateral.

(g) Loss of control of subsidiaries

(i) The Company resolved on August 31, 2022 by the Board of Directors to engage in a disposal of 54.52% and 20.00% equity interests in TA Technology(Shanghai) Co.,Ltd held by subsidiaries, AUDEN BVI and Lucky, respectively. Total of 74.52% equity interest was disposed. An share purchase agreement was entered into on the same day with an unrelated party, EUROFINS PRODUCT TESTING LUX HOLDING SARL. The above transactions are reported in the non-current assets held for sale (disposal group) and liabilities directly related to the non-current assets held for sale (disposal group) on September 30, 2022. For relevant information, see note 6(f) to the consolidated financial statements for the third quarter of 2022. The Company disposed all of its shares in the entity mentioned above with a consideration of $377,460 thousand (RMB 85,652 thousand net of direct expense) on December 16, 2022 and recognized net gain on disposal of $197,667 thousand under gains on disposals of investments of other gains and losses. The gain on disposal included accumulated loss on foreign currency exchange amounting to $17,786 thousand and goodwill of $865 thousand. Amount received as of December 31, 2022 was $305,496 thousand (RMB69,322 thousand),The uncollected disposal price receivable of $71,965 thousand (RMB16,330 thousand) is accounted for under other receivables. The account receivables were fully collected in 2023. The income tax expense arising from the disposal of the equity interest amounting to $30,933 thousand, which is not yet paid as of December 31, 2022 and accounted for under current income tax liabilities. The payment has been made and tax payment certificate is obtained in February 2023. For above transactions, share of profit (loss) of subsidiaries accounted for using equity method amounting to $166,734 thousand.

The carrying amount of assets and liabilities of TA Technology (Shanghai) Co.,Ltd on December 16, 2022 were as follow:

Cash and cash equivalents	$	42,652
Notes receivables, trade receivables and other receivables		63,432
Property, plant and equipment		129,574
Right-of-use assets		50,924
Other		11,788
		298,370

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

Accounts payable and other payables	$	19,331
Lease liabilities		55,366
Other		7,433
		82,130
Net assets disposed	**$**	**216,240**

(ii) Pursuant to the resolution of board of directors, the Company disposed of the 100% of equity interest in A Test Lab Techno Corp. including its indirect investees, in A Test Lab Techno Corp., CC&C Xi'an and CC&C Shenzhen on April 29, 2021. An agreement for the sale and purchase of shares was entered into on the same day with an unrelated party, EUROFINS PRODUCT TESTING LUX HOLDING SARL. The Company disposed all of its shares in the entity mentioned above with a consideration of $174,506 thousand on September 1, 2021 (net of transaction tax) and recognized net gain on disposal of $98,499 thousand. The gain on disposal include accumulated loss on foreign currency exchange amounting to $96 thousand, $139,400 thousand was received as of December 31, 2021, and uncollected disposal price receivable amounting to $35,106 thousand, which are accounted for in other receivables. In 2022, the adjustment of equity transaction amounting to $3,488 thousand was recorded under loss on disposal of investments, the uncollected disposal price receivable was reduced to $31,618 thousand accordingly. As of December 31, 2022, the sale proceeds of the equity interest have been fully collected.

(h) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Company for the years ended December 31, 2023 and 2022 were as follows:

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Cost:						
Balance at January 1, 2023	$ 313,457	35,561	121,423	43,018	17,750	531,209
Additions	-	-	3,629	1,664	217,840	223,133
Reclassification	-	-	-	762	155	917
Disposals	-	-	(2,389)	(502)	-	(2,891)
Balance at December 31, 2023	**$ 313,457**	**35,561**	**122,663**	**44,942**	**235,745**	**752,368**
Balance at January 1, 2022	$ 313,457	35,561	105,158	38,719	-	492,895
Additions	-	-	63,075	4,881	9,872	77,828
Reclassification	-	-	-	-	7,878	7,878
Disposals	-	-	(46,810)	(582)	-	(47,392)
Balance at December 31, 2022	**$ 313,457**	**35,561**	**121,423**	**43,018**	**17,750**	**531,209**

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

		Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Accumulated depreciation and impairment loss:							
Balance at January 1, 2023	$	29,935	26,255	67,251	27,146	-	150,587
Depreciation		-	1,028	15,112	4,809	-	20,949
Disposals		-	-	(2,139)	(452)	-	(2,591)
Balance at December 31, 2023	$	**29,935**	**27,283**	**80,224**	**31,503**	**-**	**168,945**
Balance at January 1, 2022	$	29,935	25,227	57,741	23,912	-	136,815
Depreciation		-	1,028	16,007	3,816	-	20,851
Disposals		-	-	(6,497)	(582)	-	(7,079)
Balance at December 31, 2022	$	**29,935**	**26,255**	**67,251**	**27,146**	**-**	**150,587**
Carrying amount							
Balance at December 31, 2023	$	**283,522**	**8,278**	**42,439**	**13,439**	**235,745**	**583,423**
Balance at December 31, 2022	$	**283,522**	**9,306**	**54,172**	**15,872**	**17,750**	**380,622**

On March 7, 2023, the Company signed a contract with a non-related party for the construction of its office building, with a total contract price of $690 thousand (before tax), of which, the amounts of $213,157 thousand, recorded as construction in progress, and $476,843 thousand, have been paid and have yet to be paid, respectively, as of December 31, 2023. Please refer to note 9(a).

Please refer to note 8 for the details of items pledged to secure long term bank borrowings and financing facility as of December 31, 2023 and 2022.

(i) Right-of-use assets

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

		Buildings	Other equipment	Total
Cost:				
Balance at December 31, 2023 (as of balance January 1, 2023)	$	**5,664**	**488**	**6,152**
Balance at January 1, 2022	$	919	108	1,027
Additions		4,745	488	5,233
Reductions		-	(108)	(108)
Balance at December 31, 2022	$	**5,664**	**488**	**6,152**

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

	Buildings	Other equipment	Total
Accumulated depreciation of right-of-use asset:			
Balance at January 1, 2023	$ 2,109	186	2,295
Depreciation	1,766	117	1,883
Balance at December 31, 2023	**$ 3,875**	**303**	**4,178**
Balance at January 1, 2022	$ 551	83	634
Depreciation	1,558	211	1,769
Reductions	-	(108)	(108)
Balance at December 31, 2022	**$ 2,109**	**186**	**2,295**
Carrying amount:			
Balance at December 31, 2023	**$ 1,789**	**185**	**1,974**
Balance at December 31, 2022	**$ 3,555**	**302**	**3,857**

(j) Investment property

	Land and improvements	Buildings	Total
Cost:			
Balance at December 31, 2023 (as of balance January 1, 2023)	**$ 25,334**	**16,727**	**42,061**
Balance at December 31, 2022 (as of balance January 1, 2022)	**$ 25,334**	**16,727**	**42,061**
Accumulated depreciation and impairment loss			
Balance January 1, 2023	$ -	3,681	3,681
Depreciation	-	374	374
Balance December 31, 2023	**$ -**	**4,055**	**4,055**
Balance Januray 1, 2022	$ -	3,308	3,308
Depreciation	-	373	373
Balance at December 31, 2022	**$ -**	**3,681**	**3,681**
Carrying amount:			
Balance at December 31, 2023	**$ 25,334**	**12,672**	**38,006**
Balance at December 31, 2022	**$ 25,334**	**13,046**	**38,380**
Fair value:			
Balance at December 31, 2023			**$ 49,128**
Balance at December 31, 2022			**$ 47,024**

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

The fair value of the investment property held by The Company is presented on the basis of the assessment by an independent evaluation expert, who adopted the income approach- direct capitalization and comparative approach for valuation. The input values used in fair value evaluation techniques are of the level 3 of fair alue hierarchy and there was no transfer to or from level 3 fair value during the period. The capitalization of earnings (including depreciation deposit rate) used in the years ended December 31, 2023 and 2022 were 1.90%~2.02% and 1.51%~2.00%, respectively.

Investment properties comprise a number of commercial properties that are leased to third parties. Each leasing contact includes an original noncancelable lease term, and the lease term of the renewal is available for discussion with the lessee.

(k) Other current financial assets

	December 31, 2023	December 31, 2022
Current		
Special bank account - collection of shares	$ 38,065	-
Cash in banks for foreign exchange (FX)	-	3,450
Subtotal	38,065	3,450
Non-current		
Time deposits	1,111	1,100
Cash in banks for foreign exchange (FX)	-	24,677
Convertible bond secured deposits	80,000	80,000
Refundable deposits	1,138	1,170
Subtotal	82,249	106,947
Total	**$ 120,314**	**110,397**

The Company remitted its foreign funds to special accounts for foreign exchange deposits in September 2020, in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act. Thereafter, the Company recorded the above foreign funds under other financial assets- current and other financial assets－noncurrent based on the Company's investment plan schedule in December 31, 2022. In accordance with the IFRS Q&A released on January 5, 2024 by the Securities and Future Bureau of the Financial Supervisory Commission, R.O.C. The balance of $27,350 thousand in offshore funds as of December 31, 2023 was recognized under the cash and cash equivalent.

As of December 31, 2023 and 2022, the other financial assets were pledged as collateral, please refer to note 8.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(l) Short-term borrowings

	December 31, 2023	December 31, 2022
Other short-term loans	$ 30,000	-
Commercial paper payable	20,000	-
Total	$ 50,000	-
Unused short-term credit lines	$ 158,567	195,504
Range of interest rates (%)	1.85~1.90	-

For the collateral for bank borrowings, please refer to note 8.

(m) Long-term borrowings

The details of the Company's long-term borrowings were as follows:

Activity	Loan period and payment term	Range of interest rates(%)	December 31, 2023
Secured borrowings			
－Bank of Taiwan	June 8, 2021 ~June 8, 2041, interest is paid on a monthly basis for the first three years,and the principal is paid monthly from the fourth year. (the total of 204 installments)	1.68~1.93	$ 190,000
Less: current portion			5,588
Total			$ 184,412
Unused long-term credit lines			$ -

Activity	Loan period and payment term	Range of interest rates(%)	December 31, 2022
Secured borrowings			
－Bank of Taiwan	June 8, 2021 ~June 8, 2041, interest is paid on a monthly basis for the first three years,and the principal is paid monthly from the fourth year. (the total of 204 installments)	1.805	$ 190,000
Less: current portion			-
Total			$ 190,000
Unused long-term credit lines			$ -

For the collateral for bank borrowings, please refer to note 8.

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(n) Bonds payable

(i) The Company's secured ordinary corporate bonds were as follows:

		December 31, 2023	December 31, 2022
Total convertible corporate bonds issued	$	400,000	400,000
Unamortized discounted corporate bonds payable		(4,338)	(8,441)
Corporate bonds issued balance at year-end	$	**395,662**	**391,559**
Embedded derivative- Redemption option (Non-current financial assets at fair value through profit or loss)	$	**-**	**80**
Equity component – conversion options, included in capital surplus– stock options	$	**93,058**	**93,058**

		2023	2022
Interest expense (note)	$	**4,103**	**3,872**

Note: The effective interest rate of the first issued secured convertible bonds was 1.0477%.

(ii) Pursuant to the official certificate No.11003774351 in effect by FSC on December 24, 2021, the Company's first domestic secured convertible bond was issued on January 18, 2022 with a total issue amounting to $484,010 thousand. All the payment has been collected. The main terms of issuing the above-mentioned convertible corporate bonds were as follows:

1) Issuance period: 3 years (January 18, 2022 to January 18, 2025).

2) Total issuance amount: $400,000 thousand.

3) Issue price: 121% of the nominal value of the share, with a par value of $100 thousand per share.

4) Coupon rate: 0%

5) Repayment method: Except for conversion to ordinary shares of the Company by creditors in accordance with the regulations, or recovery in advance by the Company in accordance with the regulations, the bonds are repaid in cash at one time at their face value upon maturity.

6) Secured method: Mega International Commercial Bank is authorized as the bank to provide guarantee.

7) Conversion period:

The bond holders may opt to have its bonds converted into the Company's ordinary shares within the period between three months after the issuance date (April 19, 2022) and the maturity date (January 18, 2025) under the conversion method.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

8) Conversion price and its adjustment

The conversion price was $230 per share on the issuance date.

After this convertible bond is issued, except for securities of any kind issued (or private placement) by the Company with conversion rights to ordinary shares or share option and exchanged to ordinary shares or new shares issued for the compensation of employees, In the event of an increase in the number of ordinary shares of the Company issued (or private placement) (including, but not limited to, cash capital increase, retained earnings transferred to capital, capital increase from capital surplus, issuance of new shares due to acquisition of shares of another company or merger with another company,share split and issue of shares for overseas depositary receipt), the Company shall adjust the conversion price according to the formula outlined in conversion policy (calculated up to the New Taiwan dollar 10 cents. Adjust downward not upward and rounded to the nearest cent). Then wrote to the GreTai Securities Market (hereinafter referred to as "the GreTai"),for official announcement set out that adjustments made on the base day of ex-rights for issuing new shares.If the increase in issuing ordinary shares is due to a change in the nominal value of the shares, adjustment shall be made on the base day of transfer new shares; but adjustment is made on share payment date for payment that has actually been received. If the issue price of the new shares is changed after the ex-rights base day of issuing new shares by cash capital increase, the revised issue price of the new shares and the current price per share (The base day of revised issue price setting as decided by the Company is the setting base day for revised current price per share) will be adjusted again in accordance with the formula of the conversion policy. If the adjusted conversion price is lower than the adjusted conversion price announced before the original base day of ex-rights, the GreTai Securities Market (hereinafter referred to as "the GreTai") should be informed with letter to announce on the new adjustment.

After the issuance of this convertible bond, in the event that the Company allot cash dividends of ordinary shares, the Company shall reduce the conversion price (calculated up to the NTD 10 cents. Adjust downward not upward and rounded to the nearest cent) by the formula of the conversion policy on ex-dividend base day. Then wrote to the GreTai Securities Market (hereinafter referred to as "the GreTai"),for official announcement on the conversion price after adjustment. The provision of this conversion price adjustment is not applicable for a person who has requested a conversion prior to the base day of the ex-dividend, ex-rights (excluded).

After this convertible bond is issued, except when the Company issue again securities of any kind (or private placement) with conversion rights to ordinary shares or share option with conversion prices or subscription price below current price per share, the Company shall adjust the conversion price according to the formula outlined in conversion policy (calculated up to the New Taiwan dollar 10 cents. Adjust downward not upward and rounded to the nearest cent). Then wrote to the GreTai Securities Market (hereinafter referred to as "the GreTai"),for official announcement to set out that adjustments should be made on date of issuing share options and above mentioned securities or the delivery date for private placement of securities.

The conversion price has been adjusted from $224.6 to $219.7 since May 3, 2023.

9) Redemption:

Within the period between three month after the issuance date (April 19, 2022) and 40 days (December 9,2024) before the last convertible date, if the closing price of common shares on the TWSE for a period of 30 consecutive trading days before redemption has been at least 30% of the conversion price in effect on each such trading day, or in the event that the outstanding balance of the convertible bonds is less than 10% of the total amount originally issued, the Company may redeem all convertible bonds in accordance to conversion policy.

When the Company issued the above convertible bonds, the share options were separated from the liabilities, and the equity and liabilities components were recognized separately as follows:

	Amount
Total amount issued of convertible bonds	$ 484,010
Fair value of embedded derivatives at the time of issue	1,640
Transaction cost of issuance	(4,905)
Fair value of proceeds from issuing bonds	(387,687)
Equity component – share options, included in capital surplus–stock options	**$ 93,058**

As of December 31, 2023, the Company had not redeem any convertible bond.

(iii) Financial assets at fair values through profit or loss- non-current, the details are as follows:

	The first time	
	December 31, 2023	**December 31, 2022**
Balance at begining of period	$ 80	-
Embedded derivative financial assets (redemption)-balance on date of issue	-	1,640
profit or loss on evaluation	(80)	(1,560)
Equity at end of period, December 31	**$ -**	**80**

As a result of issuing corporate debt, the Company has provided a bank deposit of $80,000 thousand from Mega International Commercial Bank as collateral (accounted for under other financial assets - non-current), please refer to note 8 for details.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(o) Lease liabilities

The carrying amounts of lease liabilities for the Company were as follows:

	December 31, 2023	December 31, 2022
Current	$ **1,697**	**1,961**
Non-current	$ **296**	**1,993**

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

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ **36**	**44**
Expenses relating to short-term leases	$ **690**	**1,803**
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	$ **384**	**369**

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

	2023	2022
Net cash outflows from operating activities	$ 1,110	2,216
Net cash outflow from financing activities	1,961	1,682
Total cash outflow for leases	$ **3,071**	**3,898**

(i) Real estate leases

As of December 31, 2023 and 2022, the Company leases land and buildings for its office space at factories. The leases of office space typically run for 3 to 5 years.

(ii) Other leases

The Company leases other equipment, with lease terms of 3 to 5 years.

(p) Employee benefits

(i) Defined benefit plans

The present value of the defined benefit obligations and the fair value adjustments of the plan assets for the Company were as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ (6,546)	(5,250)
Fair value of plan assets	4,764	4,593
Net defined benefit liability	$ **(1,782)**	**(657)**

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

The Company makes defined benefit plan contributions to the pension fund account at Bank of Taiwan that provides pensions for employees upon retirement. Under the Labor Standards Act, each employee's retirement payment is calculated based on years of service and the average salary for the six months prior to retirement.

1) Composition of plan assets

The Company allocates pension funds in accordance with the "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund", and such funds are managed by the Bureau of Labor Funds, Ministry of Labor. With regard to the utilization of the funds, minimum earnings shall be no less than the earnings attainable from the two-year time deposits with the interest rates offered by local banks.

As of December 31, 2023, the Company's pension fund with Bank of Taiwan amounted to $4,764 thousand. For information on the utilization of the labor pension fund assets including the asset allocation and yield rate of the fund, please refer to the website of the Bureau of Labor Funds, Ministry of Labor.

2) Movements in present value of the defined benefit obligations

The movements in present value of the Company's defined benefit obligations for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Defined benefit obligation at January 1	$ (5,250)	(5,248)
Current service costs and interest	(67)	(36)
Remeasurement of net liabilities (assets) for defined benefit obligations		
－Actuarial loss (gain) arising from experience adjustments	(1,197)	(314)
－Actuarial loss (gain) arising from financial assumptions	(32)	348
Defined benefit obligation at December 31	**$ (6,546)**	**(5,250)**

3) Movements in fair value of plan assets

The movements in the fair value of the Company's plan assets for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Fair value of plan assets at January 1	$ 4,593	4,175
Interest income	59	29
Remeasurements of the net defined benefit liabilities (assets)－ return on plan assets (excluding interest income)	39	321
The amount that has been withdrawn to the plan	73	68
Fair value of plan assets at December 31	**$ 4,764**	**4,593**

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

4) Expenses recognized in profit or loss

The Company's expenses recognized on profit or loss for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Current service costs	$ -	-
Net interest on the defined benefit liabilities (asset)	8	7
	$ 8	**7**
Administrative expenses	$ 3	2
Research and development expense	5	5
	$ 8	**7**

5) Remeasurements of net defined benefit liability (asset) recognized in other comprehensive income

The remeasurement of the net defined benefit liabilities recognized in other comprehensive income were as follows:

	2023	2022
Cumulative amount at January 1	$ (4,426)	(4,781)
Recognized in current period	(1,190)	355
Cumulative amount at December 31	**$ (5,616)**	**(4,426)**

6) Actuarial assumptions

The Company's assumptions used on calculating the present value of the defined benefit obligation at reporting date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25 %	1.30 %
Future salary increases rate	3.00 %	3.00 %

The expected contribution to be made by the Company to the defined benefit plans for the next annual reporting period is $106 thousand.

The weighted average duration of the defined benefit plan is 9 years.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

7) Sensitivity analysis for actuarial assumption

As of December 31, 2023 and 2022, the effect of changes in actuarial assumptions on the present value of the defined benefit obligations were as follows:

		The impact of defined benefit obligation	
		Increase	**Decrease**
At December 31, 2023			
Discount rate (changes 0.25%)	$	(158)	163
Future salary increasing rate (changes 0.25%)		160	(155)
At December 31, 2022			
Discount rate (changes 0.25%)	$	(137)	141
Future salary increasing rate (changes 0.25%)		139	(135)

The above sensitivity analysis is based on the effect of changes in a single assumption under the condition that other assumptions remain constant. In practice, many changes in assumptions may be linked together. The method used for the sensitivity analysis and calculation of the net defined benefit pension liability in the balance sheet are the same.

The method used for the sensitivity analysis in for this year is the same as the method used in the previous year.

(ii) Defined contribution plans

The Company contributes an amount equal to 0% of the employee's monthly. The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under this defined contribution plan, the Company allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligations.

The Company's pension costs under the defined contribution method were $6,392 thousand and $6,219 thousand for the years ended December 31, 2023 and 2022, respectively.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(q) Income taxes

(i) Income tax expense

The amounts of the Company's income tax expense (benefit) for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Current taxes expense		
Current period	$ 36,762	47,688
Adjustment for prior periods	(6,761)	342
	30,001	48,030
Deferred tax expense		
Origination and reversal of temporary differences	10,982	(9,257)
Adjustment for prior years' deferred income tax	9,405	10,133
	20,387	876
Income tax expense	**$ 50,388**	**48,906**

The amounts of the Company's income tax benefit (expense) recognized under other comprehensive income for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Items that may not be reclassified into profit and loss:		
Remeasurement of defined benefit plans	**$ 238**	**(71)**
Items that may be reclassified subsequently to profit or loss:		
Exchange differences on translation of foreign financial statements	**$ -**	**(4,088)**

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

Reconciliations of the Company's income tax expense (benefit) and income before tax for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Income before tax	$ 256,795	369,683
Income tax using the Company's domestic tax rate	$ 51,359	73,937
Profit or loss of domestic investments accounted for using equity method	2,306	774
Gain on disposal of domestic subsidiaries	-	-
Change in unrecognized temporary differences	(8,999)	(33,348)
Investment tax credit	(1,767)	(6,668)
Adjustment for deferred income tax of prior years	9,405	10,133
Change in provision in prior periods	(6,761)	342
Additional tax on undistributed earnings	5,982	3,409
Other	(1,137)	327
Total	$ 50,388	48,906

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

As of December 31, 2023 and 2022, the temporary differences associated with investments in certain subsidiaries were not recognized as deferred income tax liabilities as the Company has the ability to control the reversal of these temporary differences which are not expected to reverse in the foreseeable future. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregate amount of temporary differences related to investments in subsidiaries	$ 211,737	166,734
Unrecognized deferred tax liabilities	$ 42,347	33,348

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

2) Unrecognized deferred tax assets: None.

3) Recognized deferred income tax assets and liabilities

Changes in the amount of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred tax liabilities:

	Long term gains on investments (foreign)	Others	Total
Balance at January 1, 2023	$ (71,873)	(259)	(72,132)
Recognized in profit or loss	12	259	271
Balance at December 31, 2023	**$ (71,861)**	**-**	**(71,861)**
Balance at January 1, 2022	$ (53,098)	(266)	(53,364)
Recognized in profit or loss	(18,775)	7	(18,768)
Balance at December 31, 2022	**$ (71,873)**	**(259)**	**(72,132)**

Deferred tax assets:

	Impairments loss of assets	Exchange differences on translation	Others	Total
Balance at January 1, 2023	$ 6,619	-	32,706	39,325
Recognized in profit or loss	-	-	(20,658)	(20,658)
Recognized in other comprehensive income	-	-	238	238
Balance at December 31, 2023	**$ 6,619**	**-**	**12,286**	**18,905**
Balance at January 1, 2022	$ 6,619	4,088	14,885	25,592
Recognized in profit or loss	-	-	17,892	17,892
Recognised in other comprehensive loss	-	(4,088)	(71)	(4,159)
Balance at December 31, 2022	**$ 6,619**	**-**	**32,706**	**39,325**

(iii) Examination and approval

The ROC income tax authorities have examined the Company's income tax returns through 2021.

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

(r) Share capital and other equity

As of December 31, 2023 and 2022, the Company's authorized share capital amounted to $600,000 thousand; divided into 60,000 thousand shares with par value of $10 per share, in which $60,000 thousand is reserved for employee stock option certificates. As of December 31, 2023 and 2022, 46,800 thousand ordinary shares and 46,713 thousand shares are issued. All issued shares were paid up upon issuance.

Reconciliation of shares outstanding for December 31, 2023 and 2022 were as follows:

(In thousands of shares)

	Ordinary share	
	2023	**2022**
Outstanding at January 1	46,655	46,396
Vesting condition of restricted stock to employee	52	259
Outstanding at December 31	46,707	46,655
Restricted stock to employee issued by January 1	58	326
Vesting condition of restricted stock to employee	(52)	(259)
Write down of restricted stock to employee	(6)	(9)
Issue restricted stock to employee	93	-
Restricted stock to employee issued but not outstanding by December 31	93	58
Equity at end of period, December 31	**46,800**	**46,713**

(i) Ordinary shares

In order to enrich its working capital and repay borrowings, a resolution was decided during the board meeting held on September 22, 2023 for the Company to conduct a cash capital increase by issuing 3,500 thousand ordinary shares, at a par value of $10 per share and a temporary issuance price of $120 per share, as well as the anticipated total amount of $420,000 thousand, with the chairman being granted the authority to adjust issuance price between $105 and $150 after being approved by the FSC. On November 7, 2023, upon obtaining approval from the FSC, the base date for the capital increase had been set on January 26, 2024. For the year ended December 31, 2023, the amount of $38,065 thousand had been paid and was accounted for under other non-current liabilities-other-advance receipts for ordinary share. The actual amount of $420,000 thousand was paid up upon issuance. All relevant statutory registration procedures had been completed on February 23, 2024.

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

In pursuant to the shareholders' meeting resolved on August 27, 2021, the Company was granted to issue 300 thousand shares of restricted stock as employee stock option, with a par value of $10 per share, amounting to $3,000 thousand, to qualified full-time employees of the Company and its subsidiaries at no costs. Thereafter, the first new restricted employee shares of 93 thousand shares were issued, wherein the chairman had been authorized to set the base date on August 14, 2023, based on a resolution decided during the board meeting held on August 8, 2023. All statutory registration procedures had since been completed. Please refer to note 6(s) for information on the Company's restricted employee new shares.

On June 30, 2023, the Company has recovered 4 thousand new restricted employee shares, with a par value of $37 thousand, due to its employee turnover, resulting in the Company to reduce its capital, with the base date set on August 15, 2023, in which an adjustment was made to capital surplus and unearned employee remuneration by $603 thousand and $640 thousand, respectively. All relevant statutory registration procedures were completed on August 31, 2023.

On December 31, 2022, the Company has recovered 2 thousand new restricted employee shares, with a par value of $20 thousand, due to its employee turnover, resulting in the Company to reduce its capital, with the base date set on March 10, 2023, in which an adjustment was made to capital surplus and unearned employee remuneration by $326 thousand and $346 thousand, respectively. All relevant statutory registration procedures were completed on March 16, 2023.

In September 2022, the Company has recovered 9 thousand new restricted employee shares, with a par value of $86 thousand, due to its employee turnover, resulting in the Company to reduce its capital, with the base date set on August 31, 2022, in which an adjustment was made to capital surplus and unearned employee remuneration by $1,488 thousand each, based on a resolution decided during the board meeting held on August 10, 2022. All relevant statutory registration procedures were completed on September 16, 2022, wherein the adjusted capital surplus of $86 thousand was canceled.

(ii) Capital surplus

The balances of the Company's capital surplus were as follows:

		December 31, 2023	**December 31, 2022**
Share capital at premium	$	400,247	373,795
Restricted stock to employee		11,951	9,454
Share option –equity components recognized for convertible bonds issued		93,058	93,058
Recognition of changes in ownership interest in subsidiaries		666	-
	$	**505,922**	**476,307**

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

The Company's capital surplus is derived from the premiums on the issuance of ordinary shares. In accordance with the ROC Company Act, the capital surplus must be used to offset losses, then the realized capital surplus can be used to issue new shares or cash in proportion to the shareholders' original shares. The aforementioned realized capital surplus includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, the total amount of capital surplus that may be capitalized each year shall not exceed 10% of the paid-in capital.

(iii) Retained earnings

In accordance with the Articles of Incorporation of the Company, if there is any surplus in the annual earnings of the Company, in addition to the payment of tax contributions in accordance with the law, the Company shall first make up for the loss in previous years and provide for the legal reserve in accordance with the law. To set aside or reverse the special reserve and combine its balance to the unallocated earnings at the beginning of the period as distributable earnings, to be retained at the discretion of the Board with reference to the distribution rate of prior years' earnings and future operating demands of the Company, Further, in respect of the retained earnings, the Board shall propose a distribution proposal for the earnings to be distributed in the form of issuing new shares, which shall be submitted to the general shareholders' meeting for resolution for distribution. For distribution be made in cash, the board of directors is authorized to distribute by special resolution and then be reported to the shareholders' meeting.

The dividend policy of the Company is based on the residual dividend policy in order to continue to expand business size and to increase the profitability, and to tie in with the Company's capital requirements as well as long-term financial planning for sustainable operation and stable development. Dividends shall be distributed on the basis of not less than 15% of the distributable earnings, provided that any dividend per share which is less than $0.25 as a result of such distribution may be proposed by the Board not to be distributed and then submitted to the Shareholders' meeting for recognition. The earnings distribution may be distributed by way of cash dividend and/or stock dividend. The distribution ratio for cash dividend should not be less than 10% of the total dividend distribution.

1) Legal reserve

If the Company experienced profit for the year, the distribution of the statutory earnings reserve, either by new shares or by cash, shall be decided at the shareholders' meeting, and the distribution amount is limited to the portion of legal reserve which exceeds 25% of the paid-in capital.

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

2) Special reserve

By choosing to apply exemptions granted under IFRS 1 "First time Adoption of International Financial Reporting Standards" during the Company's first time adoption of the International Financial Reporting Standards endorsed by the FSC, retained earnings increased by $28,767 thousand by recognizing the cumulative translation adjustments (gains) on the adoption date as deemed cost. In accordance with Order No. 1010012865 issued by the FSC on April 6, 2012, the increase in retained earnings ($28,767 thousand) due to the first time adoption of IFRSs shall be reclassified as special reserve, and when the relevant asset is used, disposed of, or reclassified, this special reserve, shall be reversed as distributable earnings proportionately. The carrying amount of special reserve amounted to $28,767 thousand as of December 31, 2023 and 2022.

In accordance with the rules issued by the FSC, a portion of current-period earnings and undistributed prior-period earnings shall be reclassified as a special earnings reserve during earnings distribution. The amount to be reclassified should be equal to the difference between the total net current-period reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be reclassified as a special earnings reserve (which does not qualify for earnings distribution) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions.

3) Distribution of earnings

The appropriations of 2022 and 2021 earnings have been approved by the Company's shareholders in its meetings held on March 14, 2023 and March 23, 2022, respectively. The appropriations and dividends per share were as follows:

	2022		2021	
	Amount per share (dollars)	**Total Amount**	**Amount per share (dollars)**	**Total Amount**
Dividends distributed to oridnary shareholders:				
Cash	$ 3.50	**163,489**	3.00	**140,165**

On March 13, 2024, the Company's Board of Directors resolved to appropriate the 2023 earnings. These earnings were appropriated as follows:

	2023	
	Amount per share (dollars)	**Total Amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 2.60	**130,763**

The information on prior year's distribution of the Company's earnings were announced through the Market Observation Post System on the internet.

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(iv) Other equity interest, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Share-based payments - Unearned compensation cost	Total
Balance at January 1, 2023	$ (23,307)	9,222	(1,859)	(15,944)
Exchange differences on translation of net assets of foreign operations	(9,731)	1,014	-	(8,717)
Restricted stock to employee adjustments	-	-	(11,895)	(11,895)
Share-based payment	-	-	3,755	3,755
Balance at December 31, 2023	**$ (33,038)**	**10,236**	**(9,999)**	**(32,801)**
Balance at January 1, 2022	$ (43,114)	32,252	(15,069)	(25,931)
Exchange differences on translation of net assets of foreign operations	19,807	-	-	19,807
Unrealized gains (losses) on financial assets at fair value through other comprehensive income	-	(23,030)	-	(23,030)
Restricted stock to employee adjustments	-	-	1,488	1,488
Share-based payment	-	-	11,722	11,722
Balance at December 31, 2022	**$ (23,307)**	**9,222**	**(1,859)**	**(15,944)**

(s) Sharebased payment

(i) The information of the Company's restricted employee shares (in thousands) is as follows:

The restricted stock is kept by a trust, which is appointed by the Company, before the vesting condition is met. These shares shall not be sold, pledged, transferred, gifted, hypothecated or disposed of by any other means to third parties during the custody period. Holders of restricted stock awards are entitled to the same rights as the Company's existing ordinary shareholders except for the fact that restricted stock awards are held in trust and have vesting conditions. Also, the Company has the right to take back all unvested shares without compensation and to cancel all restricted stock awards issued to employees who fail to comply with the vesting condition.

	Second Restricted Employee Shares for the year ended December 31, 2021 (issued in 2023)	Second Restricted Employee Shares for the year ended December 31, 2020 (issued in 2021)	First Restricted Employee Shares for the year ended December 31, 2020 (issued in 2020)
Grant date	August 14, 2023	August 16, 2021	October 5, 2020
Number of options granted (thousand shares)	93 (Note 1)	126	500
Contract term (years)	1~3	1~2	1~2
Vesting conditions	Note 2	Note 3	Note 3
Exercise price per share (dollars)	$0	$0	$0
Adjusted performance price (dollars)	$0	$0	$0

Note 1: 54 thousand shares to employees of the Company and 39 thousand shares to employees of the Company’s subsidiary, Auray Technology Corp.

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

Note 2: Vesting conditions

(i) years of service

1) 30% of the shares are vested in employees who remain in service for one year after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:

2) 30% of the shares are vested in employees who remain in service for two years after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:

3) 40% of the shares are vested in employees who remain in service for three years after receiving the restricted employee shares. The number of options granted will be based on the individual's performance as stated below:

(ii) individual performance

Since the year of issuing new restricted employee shares, an employee who scores a personal performance of indicator A, B, C, and D, will be entitled to 100%, 75%, 25%, and 0% vested shares, respectively.

Note 3: Vesting conditions

(i) years of service

1) 25% of the shares are vested in employees who remain in service for one year after receiving the restricted employee shares.

2) 25% of the shares are vested in employees who remain in service for two years after receiving the restricted employee shares.

(ii) individual performance

1) In the year of receiving the restricted employee shares, an employee scores personal performance indicator A will be entitled to 25% vested shares; an employee scores personal performance indicator B will be entitledto 15% vested shares; an employee scores personal performance indicator C will be entitled to 5% vested shares; and an employee scores personal performance indicator D will be entitled to 0% vested shares.

2) In the subsequent year of receiving the restricted employee shares, an employee scores personal performance indicator A will be entitled to 25% vested shares; an employee scores personal performance indicator B will be entitledto 15% vested shares; an employee scores personal performance indicator C will be entitled to 5% vested shares; and an employee scores personal performance indicator D will be entitled to 0% vested shares.

1) Measurable parameter of fair value at grant date

The 1st and 2nd restricted employee shares for the years ended December 31, 2021 and 2020, which were issued in 2023 and 2021, were based on the fair value of the share-based payment at the closing price of $138.5 and $173, respectively, on the grant date.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

For the year ended December 31, 2020, the restricted employee shares had been issued twice. For the 1st issuance, the Company used the Black Scholes method in measuring the fair value of the share-based payment at the grant date as follows:

	First Restricted Employee Shares for the year ended December 31, 2020 (issued in 2020)
Fair value at the grant date (unit: New Taiwan dollars)	$ 46.96
Exercise price (unit: New Taiwan dollars)	Free of charge
Expected volatility (%)	41.44
The expected life of the option (years)	0.18
The risk-free rate (%)	0.0622

2) Expenses recognized in profit or loss

For the years ended December 31, 2023 and 2022, the employee remuneration of $2,547 thousand and $11,722 thousand, respectively, were accounted for as operation expenses. For the years ended December 31, 2023, the shares granted by the Company to the employees of its subsidiary – Auray Technology Corp. as employee remuneration, amounting to $1,208, had been recognized as investments accounted for using equity method. As of December 31, 2023 and 2022, the Company has deferred the unearned employee remuneration arising from the issuance of restricted stock awards amounting to $9,999 thousand and $1,859 thousand, respectively, recorded as deduction of other equity. Please refer to note 6(r) for details of changes in the Company's interests due to the issuance of restricted shares to employees.

(ii) The information of the Company's cash capital increase reserved for employee subscription is as follows:

	Cash capital increase reserved for employee subscription
Given date	December 1, 2023
Given amount	350 (note)
Years of contract	0.16
Granting of object	All employees
Vesting condition	Immediately vested

Note: The employees of the Company subscribed 312 thousand shares, while the employees of the subsidiaries, Auray Technology Corp. and Auden Intelligence Carbon Solution Co. Ltd., subscribed 29 thousand and 9 thousand shares, respectively.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

1) Measurable parameter of fair value at grant date

The Company adopted Black Scholes option evaluation model to estimate the fair value of share-based payment at grant date amounting to $51.5.

2) Expenses recognized in profit or loss

For the year ended December 31, 2023, the remuneration cost for employee stock option of $16,042 thousand was accounted for as operation expense. The remuneration costs for employee stock option for the employees of the subsidiaries, Auray Technology Corp. and Auden Intelligence Carbon Solution Co. Ltd., amounting to $1,494 thousand and $391 thousand, respectively, were recognized as investments accounted for using equity method. Thereafter, the adjustment made to the capital reserve for employee stock option amounted to $17,927 thousand.

(t) Earnings per share

		2023	2022
Basic earnings per share			
Net income attributable to ordinary shareholders of the Company	$	**206,407**	**320,777**
Weighted-average number of ordinary shares outstanding (in thousands of shares)		**46,684**	**46,527**
Basic earnings per share (in New Taiwan dollars)	$	**4.42**	**6.89**
Diluted earnings per share			
Net income attributable to ordinary equity holders of the Company (basic)	$	206,407	320,777
Effect of dilutive potential ordinary shares			
Convertible bonds expenses		-	5,872
Losses on financial assets at fair value through profit or loss		-	1,560
Net profit attributable to ordinary equity holders of the Company (dilutive)	$	**206,407**	**328,209**
Weighted-average number of ordinary shares outstanding (in thousands of shares)		46,684	46,527
Effect of dilutive potential ordinary shares			
Effect of employee remuneration		44	67
Effect of the conversion of convertible bonds		-	1,658
New restricted employee shares		34	177
Weighted average number of ordinary shares outstanding (after adjusting the effect of dilutive the potential ordinary share) (in thousands of shares)		**46,762**	**48,429**
Diluted earnings per share (in New Taiwan dollars)	$	**4.41**	**6.78**

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

For the year ended December 31, 2023, the Company did not include its convertible bonds in the calculation of its diluted earnings per share since those convertible bonds have antidilutive effect.

(u) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets:			
Taiwan	$	357,728	238,661
Mainland China		1,020,265	1,087,497
Other countries		24,880	27,508
	$	**1,402,873**	**1,353,666**

(ii) Contract balance

		December 31, 2023	December 31, 2022	January 1, 2022
Accounts receivable	$	325,616	189,042	182,760
Accounts receivable－related parties		17,426	37,606	13,256
Less: loss allowance		-	(31)	(2)
Total	**$**	**343,042**	**226,617**	**196,014**
Contract liability (recognized in other current liabilities－others)	**$**	**107,709**	**164,283**	**58,372**

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

The amount of revenue recognized for the years ended December 31, 2023 and 2022 included the contract liability balance at the beginning of the period were $159,061 thousand and $37,411 thousand, respectively.

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

(v) Remuneration to employees, and directors

In accordance with the articles of incorporation the Company should contribute no less than 2% of the profit as employee remuneration and not more than 2% as directors' and supervisors' remuneration when there is profit for the year. (income before tax, excluding remuneration to employees and directors) A company may, by a resolution adopted by a majority vote at a meeting of board of directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the preceding two paragraphs distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

The Company estimated its remuneration to employees amounting to $5,324 thousand and $7,685 thousand and directors' and supervisors' remuneration amounting to $4,792 thousand and $6,916 thousand for the years ended December 31, 2023 and 2022, respectively. The estimated amounts mentioned above are calculated based on the profit before tax, excluding the remuneration to employees, directors and supervisors of each period, multiplied by the percentage of the remuneration to employees and directors, as specified in the Company's article. These remunerations were expensed under operating expenses during 2023 and 2022. If there are any subsequent adjustments to the actual remuneration amounts after the annual shareholders' meeting, the adjustment will be regarded as changes in accounting estimates and will be reflected in profit or loss in the following year.

For the year ended December 31, 2022, the remunerations to employees amounted to $7,685 thousand. The remuneration to directors and supervisors amounted to $6,916 thousand. There was no difference from the actual distribution. The related information can be accessed from market observation post system website.

(w) Non-operating income and expenses

(i) Interest income

The details of interest income of the Company were as follows:

	2023	2022
Interest income from bank deposits	**$ 6,567**	**2,135**

(ii) Other income

The details of other income of the Company were as follows:

	2023	2022
Rent income	$ 1,198	1,154
Dividend income	2,447	1,904
Other income－other		
Revenues from management	3,244	4,508
Revenues from project	29,795	43,119
Others	2,268	1,657
Other income－ other subtotal	35,307	49,284
	$ 38,952	**52,342**

(iii) Other gains and losses

The details of other gains and losses of the Company were as follows:

		2023	2022
Loss on disposal of property, plant and equipment	$	1,438	1
Gains (loss) on disposals of subsidiaries		-	(3,488)
Net on foreign exchange gains (losses)		4,240	49,989
Net loss on financial assets or liabilities at fair value through profit and loss		(80)	(1,560)
Miscellaneous disbursements		-	(56)
	$	**5,598**	**44,886**

(iv) Finance cost

The details of finance cost of the Company were as follows:

		2023	2022
Interest on bank borrowings	$	4,267	2,935
Interest expenses on lease liabilities		36	44
Discount amortization of corporate bonds payable		4,103	3,872
The guarantee service fee of corporate bond		4,000	2,000
	$	**12,406**	**8,851**

(x) Financial instruments

(i) Credit risk

1) Credit risk exposure

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

2) Concentration of credit risk

As of December 31, 2023 and 2022, 55% and 55%, respectively, of accounts receivable (including related parties) were three major customers.

3) Credit risk of accounts receivable

For credit risk exposure of note and trade receivables, please refer to note 6(c). For details of other receivables, please refer to note 6(d). These are mainly rebates from suppliers, revenues from government projects and other receivables and are therefore financial assets with low credit risk.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(ii) Liquidity risk

The following table showed the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within a year	1-2 years	2-5years	Over 5 years
December 31, 2023						
Short-term loans	$ 50,000	50,177	50,177	-	-	-
Notes payable	123	123	123	-	-	-
Accounts receivable (related parties included)	207,788	207,788	207,788	-	-	-
Other payables (related parties included)	221,592	221,592	221,592	-	-	-
Lease liabilities	1,993	2,008	1,711	297	-	-
Long-term borrowings (including current portion)	190,000	222,850	9,224	14,619	42,562	156,445
Bonds payables	395,662	400,000	-	400,000	-	-
Guarantee deposits	130	130	130	-	-	-
	$ 1,067,288	**1,104,668**	**490,745**	**414,916**	**42,562**	**156,445**
December 31, 2022						
Notes payable	$ 123	123	123	-	-	-
Accounts receivable (related parties included)	173,123	173,123	173,123	-	-	-
Other payables (related parties included)	180,962	180,962	180,962	-	-	-
Lease liabilities	3,954	4,005	1,997	1,711	297	-
Long-term borrowings (including current portion)	190,000	224,152	3,430	8,988	42,582	169,152
Convertible bonds payable	391,559	400,000	-	-	400,000	-
Guarantee deposits	130	130	130	-	-	-
	$ 939,851	**982,495**	**359,765**	**10,699**	**442,879**	**169,152**

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

(iii) Currency risk

1) Currency risk exposure

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

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial assets						
Monetary items						
USD	$ 18,934	30.7050	581,382	16,872	30.7100	518,141
CNY	11,987	4.3270	51,868	12,632	4.4080	55,683

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	Amount	Foreign currency	Exchange rate	Amount
Financial liabilities						
Monetary items						
USD	2,688	30.7050	82,543	2,904	30.7100	89,178
CNY	34,613	4.3270	149,771	20,877	4.4080	92,027

2) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable and other receivables, loans, accounts and other payables that are denominated in foreign currency. A strengthening (weakening) of 3% of the NTD against the USD, the CNY at December 31, 2023 and 2022, would have increased or decreased the profit before tax by $9,622 thousand and $9,423 thousand, respectively. The analysis assumes that all other variables remain constant and was performed on the same basis for both periods.

3) Foreign exchange gains and losses on monetary items

Due to the numerous types of functional currency of the Company, the Company disclosed its exchange gains and losses of monetary items aggregately. The Company's exchange gains (losses), including realized and unrealized, were $4,240 thousand and $49,989 thousand for the years ended December 31, 2023 and 2022, respectively.

(iv) Fair value information

1) Categories and fair value of financial instruments

The Company measured its financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income on a recurring basis. The carrying amount and fair value of the financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, includes cash and cash equivalent, notes receivable, accounts receivable, other receivables, other financial assets - current and non-current, bank borrowings, notes payable, accounts payable, other payables, lease liabilities, corporate bonds payable and deposits of margins, and is not required to disclose fair value information according to the regulations

	December 31, 2023				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Equity instrument without quoted price measured at fair value	$ 86,172	-	-	86,172	86,172

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

	December 31, 2022				
	Carrying	Fair value			
	amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Convertible bonds-redemption right	$ 80	-	80	-	80
Financial assets measured at fair value through other comprehensive income					
Equity instrument without quoted price measured at fair value	$ 84,158	-	-	84,158	84,158

2) Valuation techniques and assumptions used in fair value determination

The above financial instruments held by the Company are not derivative financial instruments, the Company estimated the fair value of the remaining financial instruments by using the valuation techniques. Fair value measured by a valuation technique can be extrapolated from similar financial instruments, the discounted cash flow method, or other valuation technique including a model using observable market data at the reporting date.

If the financial instruments held by the Company have no active market, the measurements of fair value are categorized as follows:

Equity instruments without quoted price: the measurements of fair value of equity instruments without an active market are based on income approach, the market comparable listed company approach or comparable transaction method of market approach, the market comparable listed company approach assumes that the fair value is measured by the investee' estimated net worth of equity, enterprise value and price-book ratio, enterprise value multiplier and price earnings ratio multiplier estimated based on comparable quoted market price. The estimate of the fair value of equity instruments has been adjusted due to the effect of the discount arising from the lack of market liquidity of the equity security. The income approach is individually assessed on the average net profit after tax and dividends of the evaluated companies in recent years, and on the average capitalization and yield of the comparable company.

3) Fair value hierarchy

The Company used the fair value that can be observed in the market to measure the value of assets and liabilities. Fair values levels are based on the degree in which the fair value can be observed and grouped in to Levels 1 to 3 as follows:

a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

c) Level 3: inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

There is no movement of financial instruments measured at fair value between Level 1, Level 2, and Level 3 for the Company.

4) Transfers from Level 1 financial instrument to Level 2 financial instrument

There were no level transfers from Level 2 to Level 1 in 2023 and 2022.

5) The reconciliation of Level 3 fair values

	Unquoted equity instruments
Balance at January 1, 2023	$ 84,158
Total gains and losses	
Recognized in other comprehensive income	1,014
Purchase	1,000
Balance at December 31, 2023	**$ 86,172**
Balanace at January 1, 2022	$ 71,326
Total gains and losses	
Recognized in other comprehensive income	(23,030)
Purchase	35,862
Balance at December 31, 2022	**$ 84,158**

6) The quantified information for significant unobservable inputs (level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income.

The Company classified the equity investment has significant unobservable inputs. The significant unobservable inputs of equity investments without an active market are individually independent, and there is no correlation between them.

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

Quantified information regarding significant unobservable inputs are as follows:

December 31, 2023

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable listed companies approach	• P/B ratio (1.81 and 3.55) • The multiplier of enterprise Value and EBITDA (14.05) • Discount for lack of market liquidity (25.10%~30%)	• The higher the multiples, the higher the fair value • The higher the multiples, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

December 31, 2022

Item	Valuation technique	Significant unobservable inputs	Interrelationship between significant unobservable inputs and fair value measurement
Financial assets at fair value through other comprehensive income－equity investments without an active market	Comparable listed companies approach	• P/B ratio (2.02 and 3.61) • The multiplier of enterprise Value and EBITDA (8.7) • Discount for lack of market liquidity (29.96%~30%)	• The higher the multiples, the higher the fair value • The higher the multiples, the higher the fair value • The higher the market liquidity discount rate, the lower the fair value

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

7) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

The Company's measurement on the fair value of financial instruments is deemed reasonable despite different valuation models or assumptions may lead to different results. For fair value measurements in Level 3, changing one or more of the assumptions to reflect reasonably possible alternative assumptions would have the following effects:

	Inputs	Upward or downward movement	Other comprehensive income arising from changes in fair value: Favorable	Other comprehensive income arising from changes in fair value: Unfavorable
Balance at December 31, 2023				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/B ratio	5%	939	(939)
	The multiplier of enterprise Value and EBITDA	5%	638	(634)
	Discount for lack of market liquidity	5%	6,209	(6,153)
Balance at December 31, 2022				
Financial assets at fair value through other comprehensive income				
Equity investments without an active market	P/B ratio	5%	633	(1,344)
	The multiplier of enterprise Value and EBITDA	5%	1,100	(1,073)
	Discount for lack of market	5%	3,218	(3,789)

The favorable change and unfavorable change refer to the fluctuation of fair value. The fair value is calculated based on the different levels of unobservable inputs. The table above shows the effects of one unobservable input, without considering the inter-relationships with another unobservable input for financial instrument, if there are one or more unobservable inputs.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(y) Financial risk management

(i) Overview

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

1) Credit risk

2) Liquidity risk

3) Market risk

This note discloses information about the Company's exposure to each of the above risks, the objectives, policies and processes for measuring and managing risks, and the Company's management of capital. Please see other related notes for quantitative information.

(ii) Risk management framework

The Board of Directors of the Company is full responsible for the establishment and management of the Company's risk management framework. The Chairman is responsible for the development and control of the Company's risk management policy and reports regularly to the Board of Directors on its operation.

The Company's risk management policies are established to identify and analyze the risks being faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company's Board of Directors oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Board of Directors is assisted in its oversight role by Internal Audit with undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of Directors.

(iii) Credit risk

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

1) Accounts receivable and other receivables

In accordance with the credit policies set out internally by the Company, each operating entity within the Company is required to perform management and credit risk analysis on each of its new customers before setting the terms and conditions for payment and delivery. Internal risk controls assess the credit quality of customers by taking into account of their financial position, past experience and other factors. The use of credit facilities is monitored on a regular basis.

2) Investments

The credit risk exposure in the bank deposits and other financial instruments are measured and monitored by The Company's finance department. As the Company deals with the banks and other external parties with good credit standing and financial institutions, corporate organization and government agencies which are graded above investment level, management believes that the Company do not have compliance issues and no significant credit risk.

3) Guarantees

Pursuant to the Company's policies, it is only permissible to provide financial guarantees to subsidiaries and companies that the Company has business with.

(iv) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to manage liquidity is to ensure, as far as possible, that it always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company ensures that there is sufficient cash to meet all contractual obligations. The Company has unused bank facilities for $158,567 thousand as of December 31, 2023.

(v) Market risk

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

1) Foreign currency risk

The Company's exposure to the risk of fluctuation in foreign currency exchange rates relates primarily to the Company's sales, purchases, and borrowings transactions, and those are denominated in a currency different from the functional currencies of the Company. These transactions are denominated in New Taiwan dollar (NTD), US dollar (USD) and Chinese Yuan (CNY).

(Continued)

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

The Company has no significant differences or material changes in the accounts receivable and therefore the Company currently uses natural hedging as its primary exchange risk prevention policy in respect of exchange rate risk.

2) Interest rate risk

The financial assets of the Company suffers from fair value risk of their changes in interest rates, are bank deposits; financial liabilities are short-term and long-term borrowings; however, the effect of changes in interest rates on fair value of such financial assets is not significant.

(z) Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors monitors the return on capital as well as the level of dividends to ordinary shareholders.

There were no changes in the Company's approach to capital management during the year.

The Company uses the debt to equity ratio to manage capital. This ratio is using the total net debt divided by the total capital. The net debt from the balance sheet is the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity.

Information on the aggregate amount of the items under the capital management of the Company is as follows:

	December 31, 2023	December 31, 2022
Liabilities	$ 1,303,262	1,214,231
Total equity	$ 1,662,359	1,606,762
Debt-to-equity ratio	78.40 %	75.57 %

(aa) Investing and financing activities not affecting cash flows

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

			Non-cash changes				
	January 1, 2023	Cash flows	Changes in lease payments	Foreign exchange movement	Interest expense	Others	December 31, 2023
Short-term borrowing	$ -	50,000	-	-	-	-	50,000
Bonds payables	391,559	-	-	-	4,103	-	395,662
Long-term borrowings	190,000	-	-	-	-	-	190,000
Lease liabilities	3,954	(1,961)	-	-	-	-	1,993
Total liabilities from financing activities	$ 585,513	48,039	-	-	4,103	-	637,655

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

	January 1, 2022	Cash flows	Non-cash changes: Changes in lease payments	Non-cash changes: Foreign exchange movement	Non-cash changes: Interest expense	Non-cash changes: Others	December 31, 2022
Bonds Payable	$ -	479,105	-	-	3,872	(91,418)	391,559
Long-term borrowings	190,000	-	-	-	-	-	190,000
Lease liabilities	403	(1,682)	5,233	-	-	-	3,954
Total liabilities from financing activities	**$ 190,403**	**477,423**	**5,233**	**-**	**3,872**	**(91,418)**	**585,513**

Only part of the investment activities paid with cash by the Company acquired the property, plant and equipment. The cash flow information is as follows:

	2023	2022
Property, plant and equipment purchases	$ 223,133	77,828
Add: Payable on machinery and equipment at beginning of period	20,743	1,279
Less: Ending balance of payable on machinery and equipment	(877)	(20,743)
Cash payments	**$ 242,999**	**58,364**

(7) Related-party transactions

(a) Names and relationship with related parties

The following are entities that have had transactions with related parties during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
AUDEN TECHNO (BVI) CORPORATION (AUDEN BVI)	Subsidiary of the Company
LUCKY RITE INTERNATIONAL CO., LTD. (LUCKY)	Subsidiary of the Company
AUDEN TECHNO VIETNAM CO., LTD.	Subsidiary of the Company (note 1)
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Subsidiary of the Company
Auden Techno Corp. (Shanghai)	Subsidiary of the Company
TA Technology (Shanghai) Co.,Ltd (TA Technology (Shanghai))	Subsidiary of the Company (note 2)
Auray Technology Corp.	Subsidiary of the Company
Auden Intelligence Carbon Solution Co. Ltd.	Subsidiary of the Company
Yaoke Investment Co., Ltd.	Same chairman with the Company

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

Name of related party	Relationship with the Company
Chang, Yu-Pin	Chairman of The Company
Auden BingNan Education Foundation	Foundation of the Company

Note 1: The Company established a new subsidiary located in Vietnam in January 2023.

Note 2: The Company disposed the equity interests in its subsidiary in December 2022.

(b) Significant transactions with related parties

(i) Sales

The amounts of significant sales transactions between the Company and its related parties were as follows:

	2023	2022
Subsidiaries		
Auden Techno Corp. (Shanghai)	$ 144,823	171,372
Subsidiaries	6,965	5,060
	$ 151,788	**176,432**

The pricing of equipment sales transactions with other related parties by the Company is not significantly different from that of regular vendors. The payment terms for antenna purchase from related parties were 90 days after purchase. The payment terms with related parties were not materially different from those with third parties.

(ii) Purchases

The amounts of significant purchase transactions between the Company and its related parties were as follows:

	2023	2022
Subsidiaries		
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	**$ 439,084**	**334,003**

The Company purchased the products from related party, and none of such products are purchased from the general manufacturer and therefore the purchase price of the products is not comparable. The payment terms of purchase transactions with related parties were 90 days, which was not significantly different from those offered by other vendors.

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

(iii) Receivables from related parties

As the result of the aforementioned transactions, the details of the Company's receivable from its related parties were as follows:

Account	Type of related parties	December 31, 2023	December 31, 2022
Accounts receivable	Subsidiaries		
	Auden Techno Corp. (Shanghai)	$ 17,426	36,436
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	-	1,170
		17,426	37,606
Other receivables	Subsidiaries		
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	19,423	17,162
	Auray Technology Corp.	-	44,237
		19,423	61,399
		$ 36,849	**99,005**

As of December 31, 2023 and 2022, no account receivables from related party were recognized as loss allowance for impairment loss

(iv) Payables to related parties

The details of the Company's payable to its related parties were as follows:

Account	Related party	December 31, 2023	December 31, 2022
Accounts payable	Subsidiaries		
	Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	$ 160,297	101,550
	Auden Techno Corp. (Shanghai)	643	-
		160,940	101,550
Other payables	Subsidiaries		
	Auden Techno Corp. (Shanghai)	10	171
	Auray Technology Corp.	345	115
		355	286
		$ 161,295	**101,836**

(Continued)

(v) Rental income

The lease income to related parties were as follows:

		2023	2022
Subsidiaries			
Auray Technology Corp.	$	658	658
Auden Intelligence Carbon Solution Co. Ltd.		11	5
	$	**669**	**663**

The Company leased laboratories to its subsidiaries, Auray Technology Corp and Auden Intelligence Carbon Solution Co. Ltd in the years ended December 31, 2023 and 2022 and collects rent at an agreed rate between the two parties for a term of 30 days per month.

(vi) Revenues from management

For the years ended December 31, 2023 and 2022, the expenses arising from prepayment of salary on behalf of subsidiary and revenue from rendering management service were amounted to $4,756 thousand and $4,508 thousand, respectively.

(vii) Service expenses

The amounts of service rendered by the subsidiaries were as follows:

		2023	2022
Subsidiaries			
Auray Technology Corp.	$	1,679	-
Auden Intelligence Carbon Solution Co. Ltd.		248	-
	$	**1,927**	**-**

The amounts and the payment term offered by the subsidiaries to the Company were not different from those of the general customers.

(viii) Property transactions

The Company sold fixed assets and computer software to its subsidiaries, namely, Auray Technology Corp, for a total price amounting to $40,313 thousand and $1,563 thousand, respectively, for a total sum amounting to $41,876 thousand. The payments have not been collected as of December 31, 2022 and were accounted for as other receivables due from related parties. As of December 31, 2023, the receivables have been fully collected.

(ix) Donation

In order to fulfill its corporate social responsibility, the Company engages in cultural and educational welfares activities to give back to the community by setting up a national charity called "Auden BingNan Education Foundation", at the amounts of $2,400 thousand and $30,000 thousand, totaling $32,400 thousand, based on the resolutions decided during its board meeting held on March 14, 2023 and November 8, 2022, respectively. Upon the establishment of the foundation, the Chairman has been fully authorized to deal with relevant matters. The Company funded the amount of $30,000 thousand to establish a foundation; and thereafter, donated the amount of $1,200 thousand to the said foundation. The amount totaling $31,200 thousand had been accounted for under administrative expense-donation.

(c) Management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 45,609	37,558
Share-based payment	2,549	3,935
Total	**$ 48,158**	**41,493**

Please refer to note 6(s) for the details of share-based payment.

(8) Pledged assets

The carrying amounts of pledged assets were as follows:

Pledged assets	Pledged to secure	December 31, 2023	December 31, 2022
Other non-current financial assets			
Time deposits	Convertible bonds	$ 80,000	80,000
Time deposits	Guarantee fund of Customs Duty	1,111	1,100
Property, plant, and equipment:			
Land and buildings	Short-term and long-term borrowings	291,801	292,828
Investment property			
Land and building	Short-term and long-term borrowings	32,795	33,029
		$ 405,707	**406,957**

AUDEN TECHNO CORP.

Notes to the Parent Company Only Financial Statements

(9) Commitments and contingencies

(a) The aggregate unpaid amounts of contracts are as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 482,231	9,475

The Company entered into an agreement on March 7, 2023 for the construction of its office building. For the amounts of payments that have been made, please refer to note 6(h).

(b) The Company issued a performance bond guarantee by the bank for the business needs on December 31, 2023 and 2022. The guarantee amounts were $3,433 thousand and $16,496 thousand,respectively. The guarantee period outlined in guarantee letter is from August 8, 2023 to June 30, 2024, and March 24, 2022 to June 30, 2023, respectively.

(10) Losses due to major disasters: None

(11) Subsequent events: Please refer to note 6(r).

(12) Other

A summary of employee benefit expenses, depreciation, depletion and amortization by function, were as follows:

By function	Year ended December 31 2023			Year ended December 31 2022		
By nature	**Operating costs**	**Operating expenses**	**Total**	**Operating costs**	**Operating expenses**	**Total**
Employee benefits						
Salary	-	190,522	190,522	-	213,263	213,263
Labor and health insurance	-	12,396	12,396	-	11,634	11,634
Pension	-	6,400	6,400	-	6,226	6,226
Directors' remuneration	-	6,298	6,298	-	9,241	9,241
Others	-	6,934	6,934	-	6,556	6,556
Depreciation	-	23,206	23,206	-	22,993	22,993
Amortization	-	4,328	4,328	-	4,310	4,310

The Company's number of employees and additional information on employee benefits for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Number of employees	133	124
Number of non employees directors	7	7
Average employee benefit	$ 1,716	2,031
Average salary	$ 1,512	1,823
Adjustment of mployees' average salary	(17)%	
Supervisor remuneration	$ -	-

(Continued)

AUDEN TECHNO CORP.
Notes to the Parent Company Only Financial Statements

The Company's salary and remuneration policy (including directors, managers and employees) were as follows:

Directors' remuneration of the Company is subjected to Article 19 of the Articles of Incorporation, if the Company makes a profit this year, the director's remuneration shall be allocated less than 2%. Since the remuneration is cap at certain percentage of the earnings for the year. Therefore, it is highly relevant to the operational performance of the Company.

For renumeration to the directors,in addition to making reference to the Company's past operating performance payments, the criteria, structure and system for the remuneration to directors' will be adjusted flexibly in the light of future risk factors, that is, when the economy outlooks is gloomy or the operational risks of the Company increase; the directors' remuneration will be adjusted accordingly and the results of the Board's performance evaluation will be taken into account as an important consideration in the allocation.

The remuneration of managers and employees can be divided into three categories including salaries, bonuses and employee remuneration. The salary is set at the rate to property reflect work performance while considering factors such as job performance, overall environment and market standards. The bonus links departmental operational performance and performance of individual employees in order to process and to retain outstanding talents in accordance with the relevant regulations governing the administration of employees' salaries and benefits and the regulations governing the new restricted employees shares. The remuneration to employees is based on the provisions of Article 19 of the Articles of Incorporation, if the Company makes a profit this year, the remuneration to employees shall be allocated less than 2%. Since the remuneration is cap at certain percentage of the earnings for the year. Therefore, it is highly relevant to the operational performance of the Company.

The renumeration mentioned above, in addition to making reference to domestic and foreign industry peers as well as past operational performance of the Company. The distribution standards, structure and system shall be reviewed timely, taking in account actual operating conditions and changes in pertinent statutory requirements, so as to prevent executives from pursuing compensation by exceeding the Company's risk appetite. In addition, the Company's compensation Committee regularly assesses the compensation to executives and submits recommendations to the Board of Directors for approval in order to balance the Company's business sustainability with risk control.

(Continued)

AUDEN TECHNO CORP.
Notes to Interim Financial Statements

(13) Other disclosures

(a) Information on significant transactions

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company in 2023:

(i) Loans to other parties: None.

(ii) Guarantees and endorsements for other parties

No.	Name of company	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for one party (Note 2)	Highest balance for guarantees and endorsements during the year	Ending balance of guarantees and endorsements (Note 2)	Amount actually drawn	Property pledged on guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum allowable amount for guarantees and endorsements (Note 2)	Parent company endorsement / guarantees to third parties on behalf of subsidiary	Subsidiary endorsement / guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of company in Mainland China
		Name	Relationship with the company (Note 1)										
1	AUDEN TECHNO (BVI) CORPORATION	AUDEN TECHNO VIETNAM CO., LTD.	4	113,023	61,410	61,410	-	61,410	10.87 %	226,047	N	N	N

Note 1: The total amount of guarantee shall not exceed 40% of the Company's net worth. The total amount of guarantee provided by the Company to any individual entity shall not exceed 20%

Note 2: The calculation was based on the accumulated amounts of guarantees and endorsements divided by the net worth of the latest audited financial statements.

Note 3: The relationship between guarantor and guarantee is as follows:

1) A company wherein it has business transaction with.

2) A company in which the public company, directly and indirectly, holds more than 50% of the voting shares.

3) A company who holds, directly and indirectly, more than 50% of the voting shares in the public company.

4) A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.

5) A company that fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or for joint builders for purposes of undertaking a construction project

6) A company wherein all capital contributing shareholders endorse/ guarantee for their jointly invested company in proportion to their shareholding percentages.

7) Companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-constructed building pursuant to the Consumer Protection Act for each other.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures)

Name of holder	Nature and name of security	Relationship with the security issuer	Account name	Ending balance				Remarks
				Number of units	Book value	Holding percentage	Market value	
	Stock:							
The Company	Ceradex Corporation	—	Financial assets at fair value through other comprehensive income－non-current	636,130	11,635	8.20 %	11,635	
The Company	TMY TECHNOLOGY INC.	—	Financial assets at fair value through other comprehensive income－non-current	800,000	7,120	2.08 %	7,120	
The Company	WHALETEQ CO., LTD	—	Financial assets at fair value through other comprehensive income－non-current	452,800	18,777	8.81 %	18,777	
The Company	SOIC Marine Solutions Co., Ltd.	—	Financial assets at fair value through other comprehensive income－non-current	100,000	1,000	7.14 %	1,000	
The Company	Dotspace, Inc.	—	Financial assets at fair value through other comprehensive income－non-current	12,000,000	47,640	16.79 %	47,640	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

AUDEN TECHNO CORP.
Notes to Interim Financial Statements

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock

Name of company	Name of property	Transaction date	Transaction amount	Status of payment	Counter-party	Relationship with the Company	If the counter-party is a related party, disclose the previous transfer information				References for determining price	Purpose of acquisition and current condition	Others
							Owner	Relationship with the Company	Date of transfer	Amount			
The Company	The construction of the factory was carried out by the local commission	2023.3.7	724,500	Note 2	Fu Tai Construction Co., Ltd.	None	None	None	None	-	None	Expand R&P energy respond to future operational development needs	None

Note 1: The transaction amount (including tax) and the tax-free amount should be $724,500 thousand and $690,000 thousand, respectively.

Note 2: As of December 31, 2023, the amount of $213,157 thousand that had been paid was recorded as construction in progress according to the contract.

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None.

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock

Name of company	Counter-party	Relationship	Transaction details				Status and reason for deviation from arm's-length transaction		Account / note receivable (payable)		Remarks
			Purchase / (Sale)	Amount (Note 1)	Percentage of total purchases / sales	Credit period	Unit price	Credit period	Balance (Note 1)	Percentage of total accounts / notes receivable (payable)	
The Company	Auden Communications &Multimedia Techno (Kunshan) Co., Ltd	Subsidiaries	Purchase	439,084	56.14 %	Note 1	-	Note 2	(160,297)	(77.09)%	
The Company	Auden Techno Corp. (Shanghai)	Subsidiaries	Sales	144,823	10.32 %	Note 1	-	Note 3	17,426	5.08 %	

Note 1: There were no significant differences in the selling prices and trading terms between related parties and regular customers.

Note 2: The Company purchased the products from related party, and none of such products are purchased from the general manufacturer and therefore the purchase price of the products is not comparable. The payment terms of purchase transactions with related parties were not significantly different from those offered by other vendors.

Note 3: There were no significant differences in the selling prices and trading terms between related parties and regular customers.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock

(In Thousands of New Taiwan Dollars)

Name of related party	Counter-party	Relationship	Balance of receivables from related party	Turnover rate	Overdue amount		Amounts received in subsequent period (note 1)	Allowances for bad debts
					Amount	Action taken		
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	The Company	Subsidiaries	160,297	3.35	-		47,609	-

Note 1: For period ended March 1, 2024.

(ix) Trading in derivative instruments: Please refer to note 6(n)

AUDEN TECHNO CORP.
Notes to Interim Financial Statements

(b) Information on investees

The following is the information on investees for the year ended December 31, 2023 (excluding information on investees in Mainland China):

Unit: in thousands of dollars

Name of investor	Name of investee	Address	Scope of business	Original cost		Ending balance			Net income (loss) of investee (note 1)	Investment income (loss) (note 1)	Remarks
				December 31, 2023	December 31, 2022	Shares	Percentage of ownership	Book value			
The Company	AUDEN BVI	The British Virgin Islands	Investment Holding (investee)	113,861 (USD3,399)	113,861 (USD3,399)	3,398,888	100.00 %	564,243	29,434	29,889	(Note 3)
The Company	LUCKY	MAURITIUS	Investment Holding (investee)	62,117 (USD1,998)	62,117 (USD1,998)	1,997,980	100.00 %	158,769	14,925	15,113	(Note 3)
The Company	Auray Technology Corp.	Taiwan	Tests of communication products	100,000	60,000	10,000,000	100.00 %	90,876	(5,761)	(5,761)	(Note 4)
The Company	Auden Intelligence Carbon Solution Co. Ltd.	Taiwan	Carbon reduction consultation and assistance improvments	24,000	10,000	2,400,000	80.00 %	19,136	(6,417)	(5,768)	
BVI	AUDEN VIETNAM	Vietnam	Manufacure and sales of various types of antenna and other optical equipment and instruments	61,856 (USD2,000)	-	200,000	100.00 %	46,040	(13,868)	(13,868)	

Note 1: The carrying amounts and investment profit are calculated based on the financial statements of the investee company auditor by the accountants for the same period.

Note 2: Transactions between the Company and each subsidiary of the consolidated entity, including the amount of business transaction, accounts receivable,accounts payable, carrying amount of long-term investments and investment profit recognized for the period, have been eliminated in the preparation of the consolidated financial statements.

Note 3: The difference between investment profit recognized for the period and current profit and loss of investee is arising from sidestream transactions.

Note 4: The difference between investment profit recognized is effect of IFRS16.

(c) Information on investment in mainland China

(i) The names of investees in Mainland China, the main businesses and products, and other information

Unit: in thousands of dollars

Name of investee in Mainland China	Scope of business	Issued capital	Method of investment (Note 1)	Cumulative investment (amount) from Taiwan as of January 1, 2023	Investment flow during current period		Cumulative investment (amount) from Taiwan as of December 31, 2023	Net income (losses) of the investee	Direct / indirect investment holding percentage	Investment income (losses) (note 2)	Book value (note 2)	Accumulated remittance of earnings in current period
					Remittance amount	Repatriation amount						
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Manufacture and sales of various types of antenna and other optical equipment and instruments	76,763 (USD2,500)	2	76,763 (USD2,500)	-	-	76,763 (USD2,500)	-	100.00 %	47,470	330,884	75,367
Auden Techno Corp. (Shanghai)	Sales of instruments	46,058 (USD1,500)	2	46,058 (USD1,500)	-	-	46,058 (USD1,500)	-	100.00 %	16,593	85,440	-

Note 1: Three types of investment method are as follows:

1.Direct investment in Mainland China.

2.Through investing in an existing company in the third area, which then invested in the investee in Mainland China. (AUDEN BVI and LUCKY ATL Seychelles)

3.Others

Note 2: The carrying amounts of investment as of December 31 and investment profit recognized by the Company are calculated based on the financial statements of the investee company auditor by the parent company's accountants for the same period.

Note 3: At the end of the period, the exchange rate of USD to NTD is 1:30.705 and the exchange rate of RMB to NTD is 1:4.327, except that the outward exchanges in current period were stated at the actual amount.

AUDEN TECHNO CORP.
Notes to Interim Financial Statements

(ii) Limitation on investment in Mainland China

Unit: in thousands of dollars

Company Name	Accumulated investment amount in Mainland China as of 2023	Investment (amount) approved by Investment Commission, Ministry of Economic Affairs	Maximum investment amount set by Investment Commission, Ministry of Economic Affairs
Auden Techno Corp.	192,152 (USD 6,258) (note 3)	199,705 (USD 6,504) (note 3)	997,415 (note 1)

Note 1: The higher of 60% of net or the Company's net value.

Note 2: At the end of the period, the exchange rate of USD to NTD is presented as 1:30.705.

Note 3: Includes the investment amount of USD 250 thousand of the liquidated CC&C (Chengdu), investment amount of USD 2,008 thousand of the disposal of TA Technology (Shanghai) Co., Ltd.

(iii) Significant transactions

The Company's significant indirect and direct transactions with investment in Mainland China for the year ended December 31, 2023, please refer to note 13(a).

(d) Major shareholders

Unit: share

Shareholding Shareholder's Name	Shares	Percentage
Yaoke Investment Co., Ltd.	3,621,102	7.73 %
Yaohong Investment Co., Ltd.	2,601,000	5.55 %

(14) Segment information

Please refer to the year 2023 consolidated financial statements.

Auden Techno Corp.

Statement of cash and cash equivalents

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars, Foreign currency in dollars)

Type	Description	Amount
Cash	Petty cash	$ 180
Bank deposits	Time deposits:	
	TWD	33
	Checking account deposits	9
	Demand deposits	393,284
	Foreign currency deposits:	
	USD (USD9,212,226.29@30.71)	282,862
	RMB (CNY3,480,064.35@4.327)	15,059
	Yen (JPY11,257,873@0.2172)	2,445
	Subtotal	693,692
		$ 693,872

Auden Techno Corp.

Statement of accounts receivable

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Customer	Description	Amount	Note
Related parties			
Auden Techno Corp. (Shanghai)	Operating	$ 17,426	
Non-related parties			
Company A	Operating	102,947	
Company B	〃	40,358	
Company C	〃	35,298	
Company D	〃	24,811	
Others (the individual ending balance which do not exceed 5% or more of the account)	〃	122,202	
Subtotal		325,616	
Less: loss allowance		-	
Subtotal		325,616	
		$ 343,042	

Auden Techno Corp.

Statement of other receivables

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Description	Amount	Note
Other receivables－related parties			
	Revenues from management, receipts under custody, payment on behalf of others	$ 19,423	
Other receivables－non-related parties			
	Rebates from purchase	19,913	
	Other	6,543	
Subtotal		26,456	
		$ 45,879	

Auden Techno Corp.

Statement of financial assets measured at fair value through other comprehensive income - non-current

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

	Beginning Balance		Increases		Decrease		Ending balance		Pledge or guarantee object	
Name	Shares/Units (thousands)	Fair value	Shares/Units (thousands)	Total Amount	Shares/Units (thousands)	Total Amount	Shares/Units (thousands)	Fair value		Note
Ceradex Corporation	636,130	$ 12,417	-	-	-	782	636,130	11,635	None	
TMY TECHNOLOGY INC.	800,000	7,176	-	-	-	56	800,000	7,120	None	
WHALETEQ CO., LTD	452,800	28,703	-	-	-	9,926	452,800	18,777	None	
SOIC Mariine Solutions Co, Ltd.	-	-	100,000	1,000	-	-	100,000	1,000	None	
Dotspace, Inc.	12,000,000	35,862	-	11,778	-	-	12,000,000	47,640	None	
		$ 84,158		**12,778**		**10,764**		**86,172**		

Auden Techno Corp.

Statement of inventories

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Amount: Cost	Amount: Net realizable value	Note
Raw materials	$ 577	576	Market price under their net realizable value
Semi-finished products and work in progress	60	157	〃
Finished good	43,943	63,144	〃
Merchandise inventory	132,157	364,818	〃
Total	176,737	**428,695**	
Less: allowance for reduction of inventory to market	616		
	$ 176,121		

Statement of prepayments

Type	Description	Amount	Note
Business tax carry forward		$ 4,000	
Prepaid expenses		12,183	
Other (The individual ending balance which do not exceed 5% or more of the account)		2,595	
		$ 18,778	

Auden Techno Corp.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

	Balance, Beginning of period		Increase		Decrease		Balance, End of period			Market value or book value			
Investees	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Ownership (%)	Amount	Unit price	Gross value	Pledged as Collateral	Note
AUDEN TECHNO (BVI) CORPORATION	3,398,888	$ 542,545	-	29,889 (note 1)	-	8,191 (note 2)	3,398,888	100.00 %	564,243	166.48	565,837	None	
LUCKY RITE INTERNATIONAL CO., LTD.	1,997,980	130,844	-	29,465 (note 3)	-	1,540 (note 4)	1,997,980	100.00 %	158,769	88.77	177,351	None	
Auray Technology Corp.	6,000,000	53,759	4,000,000	42,878 (note 5)	-	5,761 (note 6)	10,000,000	100.00 %	90,876	9.09	90,860	None	
Auden Intelligence Carbon Solution Co. Ltd.	1,000,000	9,846	1,400,000	15,058 (note 7)	-	5,768 (note 8)	2,400,000	80.00 %	19,136	7.97	19,135	None	
		$ 736,994		117,290		21,260			833,024		853,183		

Note 1: The total amount included the investment income of $29,889 thousand generated by the subsidiaries, business associates and joint ventures.

Note 2: The total amount included the exchange differences on translation of foreign financial statements of $8,191 thousand

Note 3: The total amount included both the investment income of $15,113 thousand generated by the subsidiaries, business associates and joint ventures, and the deferred charges - movements in unrealized gross profit on goods of $14,352 thousand.

Note 4: The total amount included the exchange differences on translation of foreign financial statements of $1,540 thousand.

Note 5: The total amount included (i) the investment in subsidiary of $40,000 thousand, (ii) the employee remuneration distributed to subsidiary's employees of $176 thousand, (iii) the issuance of restricted stock as employee stock option to subsidiary's employees of $1,494 thousand, and (iv) the cash capital increase of $1,208 thousand.

Note 6: The total amount included the investment loss of $5,761 thousand generated by the subsidiaries, business associates and joint ventures.

Note 7: The total amount included (i) the investment in subsidiary of $14,000, thousand, (ii) the employee remuneration distributed to subsidiary's employees of $1 thousand, (iii) the cash capital increase which was subscribed by the subsidiary's employees of $391 thousand, and (iv) the differences on investments accounted for under the equity method not recognized by shareholding percentage of $666 thousand.

Note 8: The total amount included the investment loss of $5,768 thousand generated by the subsidiaries, business associates and joint ventures.

Auden Techno Corp.

Statement of changes in intangible assets

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Beginning balance	Addition	Decreases (note)	Ending balance	Note
Computer software costs	5,088	730	(3,713)	2,105	
Patent right and others	1,065	223	(615)	673	
Total	$ **6,153**	**953**	**(4,328)**	**2,778**	

Note: The decrease for the period is based on amortization of $4,328 thousand and carrying value of disposal amounting to $0 thousand.

Statement of other non-current assets

December 31, 2023

Type	Description	Amount	Note
Prepayments for equipment	Prepayments for acquisition of fixed assets	$ **540**	

Auden Techno Corp.

Statement of accounts payable

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Customer Name	Description	Amount	Note
Related parties			
Auden Communications & Multimedia Techno (Kunshan) Co., Ltd	Operating	$ 160,297	
Auden Techno Vietnam Co., Ltd.		643	
Subtotal		160,940	
Non-related parties			
Company A	Operating	43,083	
Other (The individual ending balance which do not exceed 5% or more of the account)	〃	3,765	
Subtotal		46,848	
		$ 207,788	

Auden Techno Corp.

Statement of other payables

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Items	Description	Amount	Note
Related parties			
Other payables	Operating	$ 355	
Non-related parties			
Wages and salaries payable	Operating	7,890	
Estimated expense payable	〃	23,370	
Remuneration payable to employees	〃	5,324	
Remuneration payable to directors and supervisors	〃	4,792	
Provisional year-end bonus payable	〃	90,881	
Accrued expenses	〃	87,039	
Other (The individual ending balance which do not exceed 5% or more of the account)		1,941	
Subtotal		221,237	
		$ 221,592	

Statement of other current liabilities

Type	Description	Amount	Note
Contract liabilities—advance sales receipts		$ 107,709	
Advance receipts for ordinary share		38,065	
Receipts under custody		1,952	
		$ 147,726	

Auden Techno Corp.

Statement of lease liabilities

December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Description	Term of lease	Discount Rate (%)	Amount	Note
Buildings and Construction		Note 1	1.15~1.80	$ 1,807	
Other equipment		Note 2	1.15	186	
				1,993	
Less: current lease liability				1,697	
				$ 296	

Note 1: The lease term is three to five years.

Note 2: The lease term is three to five years.

Statement of operating revenue

For the year ended December 31, 2023

Product types	Quantity	Amount	Note
Sales revenue (Net)		$ 643,241	
Equipment revenues		724,597	
Commissions revenue		3,215	
Service income		9,004	
Other operating income, net		22,816	
		$ 1,402,873	

Auden Techno Corp.

Statement of operating costs

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Amount	
	Subtotal	Total
Beginning merchandise inventory	$ 191,771	
Add: Purchase for the period	343,243	
Less: Ending merchandise inventory	(132,157)	
Cost of goods purchased and sold		402,857
Beginning inventory of raw materials	2,101	
Add: Purchase of raw materials	4,494	
Less: Ending raw materials	(577)	
Consumption of raw materials for the period	6,018	
Manufacturing overhead	3,063	
Manufacturing cost	9,081	
Add: Beginning WIP and Semi-finished goods	3,726	
Work in progress and semi finished goods purchases	100	
Less: Ending work in process and Semi-finished goods	(60)	
Costs of finished goods	12,847	
Add: Beginning finished goods	24,117	
Purchase of finished goods for the period	434,218	
Less: Ending finished goods	(43,943)	
Transfer to operating expenses	(11,020)	
Cost		416,219
Gain from price recovery of inventory		(10,087)
Loss on disposal of inventory		524
Total operating costs		**$ 809,513**

Auden Techno Corp.

Statement of selling expenses

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Description	Amount	Note
Salaries		$ 45,322	
Commission		40,981	
Sample expenses		5,603	
Other (The individual ending balance which do not exceed 5% or more of the account)		30,561	
		$ 122,467	

Statement of administrative expenses

Type	Description	Amount	Note
Salaries		$ 66,142	
Service expenses		14,196	
Donation		31,425	
Other (The individual ending balance which do not exceed 5% or more of the account)		43,433	
		$ 155,196	

Auden Techno Corp.

Statement of research and development expenses

For the year ended December 31, 2023

(All amounts expressed in thousands of New Taiwan dollars)

Type	Description	Amount	Note
Salaries		$ 69,747	
Depreciation expense		15,213	
Service expenses		8,674	
Research and development expenses		10,010	
Other (The individual ending balance which do not exceed 5% or more of the account)		41,825	
		$ 145,469	

Please refer to note 6(h) for statement of changes of property, plant and equipment.

Please refer to note 6(h) for statement of changes in accumulated depreciation of property, plant and equipment.

Please refer to note 6(i) for Statement of changes of right-of-use assets.

Please refer to note 6(i) for Statement of changes in accumulated depreciation of right-of-use assets.

Please refer to note 6(j) for Statement of changes of investment Property.

Please refer to note 6(j) for Statement of changes in accumulated depreciation of investment property.

Please refer to note 6(k) for Statement of other financial assets.

Please refer to note 6(n) for Statement of bonds payables.

Please refer to note 6(m) for Statement of long-term borrowings.

Please refer to note 6(w) for Statement of other income.

Please refer to note 6(w) for Statement of other gains and losses.

Please refer to note 6(w) for Statement of finance costs.