UBIQCONN TECHNOLOGY, INC.

PARENT COMPANY ONLY FINANCIAL

STATEMENTS AND INDEPENDENT AUDITORS'

REPORT

DECEMBER 31, 2023 AND 2022

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

UBIQCONN TECHNOLOGY, INC.

DECEMBER 31, 2023 AND 2022 PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

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INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Ubiqconn Technology, Inc.AL

Opinion

We have audited the accompanying parent company only balance sheets of Ubiqconn Technology, Inc. (the "Company") as at December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the parent company only financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only 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 Auditing and Attestation of Financial Statements by 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 parent company only 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 for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Company's 2023 parent company only financial statements. 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, we do not provide a separate opinion on these matters.

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Existence of revenue from customers

Description

Refer to Note 4(26) for accounting policies on revenue recognition, and Note 6(15) for details of operating revenue.

The Company is primarily engaged in the manufacture and sales of industrial computers and in-vehicle products, etc. The industrial computer business is easily affected by the project life cycle of products and needs to focus on accepting orders of new projects. As a result, we identified the existence of revenue from customers as one of the key audit matters.

How our audit addressed the matter

Our audit procedures performed in the Company and its subsidiaries (recognised as investments accounted for using equity method) for the above matter are as follows:

1. Assessed and tested whether the internal control procedures of sales transactions are in accordance with the Company's internal control policies.

2. Obtained and verified relevant vouchers of sales from customers of selected samples.

Evaluation of inventories

Description

Refer to Note 4(10) for accounting policies on inventory valuation, Note 5(2) for uncertainty of accounting estimates and assumptions in relation to inventory valuation, and Note 6(4) for details of inventory valuation.

The Company is primarily engaged in the manufacture and sales of computers and in-vehicle products, etc. Given the long product life cycle of industrial computer products, some products or spare parts have long inventory period due to long-term supply and maintenance needs of customers. The order adjustments of customers or lower-than-expected market conditions may lead to fluctuations in product prices or low inventory correction, which may result in a higher risk of decrease in market value or obsolescence. As the Company is primarily engaged in the sales of industrial computers, its amounts of inventories are material and the types of inventories vary. Management evaluates inventories stated at the lower of cost and net realizable value. Since the evaluation of inventories is subject to management's judgment and the accounting estimations will have significant influence on the inventory values, the evaluation of inventories has been identified as one of the key audit matters.

How our audit addressed the matter

We performed the following audit procedures in respect of the above key audit matter:

1. Assessed the policy of allowance for inventory valuation loss, based on our understanding of the operations and industry of the Company.

2. Inspected the management's individually identified out-of-date inventory list and checked the related supporting documents.

3. Tested the basis of market value used in calculating the net realizable value of each inventory and validated the accuracy of calculation of selected samples.

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 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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the company audit. We remain solely responsible for our audit opinion.

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

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 of the current period and are therefore the key audit matters. We describe these matters in our auditors’ report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Lin, Po-Chuan
Chang, Shu-Chiung
For and on Behalf of PricewaterhouseCoopers, Taiwan
March 15, 2024

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 598,157	28	$ 219,029	10
1136	Current financial assets at amortised cost	6(2) and 8	32,102	1	27,041	1
1140	Current contract assets	6(15)	5,487	-	6,879	-
1170	Accounts receivable, net	6(3)	320,502	15	515,687	24
1180	Accounts receivable due from related parties, net	7	40,017	2	32,967	2
1200	Other receivables		15,177	1	28,936	2
1210	Other receivables due from related parties	7	174	-	100	-
130X	Current inventories	6(4)	793,059	37	1,074,382	51
1410	Prepayments		13,026	-	18,458	1
11XX	**Current assets**		1,817,701	84	1,923,479	91
	Non-current assets					
1550	Investments accounted for using equity method	6(5) and 7	101,419	5	44,580	2
1600	Property, plant and equipment	6(6) and 7	53,118	3	35,120	2
1755	Right-of-use assets	6(7) and 7	109,098	5	58,099	3
1780	Intangible assets		18,124	1	19,765	1
1840	Deferred tax assets	6(21)	30,646	1	31,214	1
1920	Guarantee deposits paid	7	14,088	1	11,511	-
1990	Other non-current assets, others		7,696	-	89	-
15XX	**Non-current assets**		334,189	16	200,378	9
1XXX	**Current tax assets**		$ 2,151,890	100	$ 2,123,857	100

(Continued)

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Current borrowings	6(8)	$ -	-	$ 90,813	4
2130	Current contract liabilities	6(15)	48,053	2	51,087	3
2170	Accounts payable		377,140	18	557,115	26
2180	Accounts payable to related parties	7	-	-	267	-
2200	Other payables	6(9)	145,875	7	128,828	6
2220	Other payables to related parties	7	16,082	1	35,631	2
2230	Current tax liabilities		51,306	2	37,811	2
2250	Current provisions		6,668	-	3,589	-
2280	Current lease liabilities	6(7) and 7	35,297	2	20,634	1
2300	Other current liabilities		6,228	-	1,509	-
21XX	**Current liabilities**		686,649	32	927,284	44
	Non-current liabilities					
2550	Non-current provisions		2,381	-	2,113	-
2570	Deferred tax liabilities	6(21)	-	-	1,504	-
2580	Non-current lease liabilities	6(7) and 7	77,898	4	40,193	2
2600	Other non-current liabilities	7	7,064	-	6,301	-
25XX	**Non-current liabilities**		87,343	4	50,111	2
2XXX	**Liabilities**		773,992	36	977,395	46
	Equity					
	Share capital	6(12)				
3110	Share capital - common stock		750,000	35	750,000	35
	Capital surplus	6(13)				
3200	Capital surplus		318,681	15	307,778	15
	Retained earnings	6(14)				
3310	Legal reserve		8,719	-	-	-
3350	Unappropriated retained earnings		298,819	14	87,192	4
	Other equity interest					
3400	Other equity interest		1,679	-	1,492	-
3XXX	**Equity**		1,377,898	64	1,146,462	54
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 2,151,890	100	$ 2,123,857	100

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating income	6(15) and 7	$ 3,618,390	100	$ 3,267,810	100
5000	Operating costs	6(4)(20) and 7	(2,920,300)	(80)	(2,703,410)	(83)
5900	Net operating margin		698,090	20	564,400	17
5910	Unrealized profit from sales		(46)	-	(2,063)	-
5920	Realized profit from sales		2,063	-	904	-
5950	Gross profit from operations		700,107	20	563,241	17
	Operating expenses	6(20) and 7				
6100	Selling expenses		(143,879)	(4)	(107,931)	(3)
6200	Administrative expenses		(93,771)	(3)	(60,440)	(2)
6300	Research and development expenses		(197,157)	(5)	(176,306)	(5)
6450	Expected credit impairment gain(loss)		13,125	-	(14,674)	(1)
6000	Total operating expenses		(421,682)	(12)	(359,351)	(11)
6900	Operating profit		278,425	8	203,890	6
	Non-operating income and expenses					
7100	Interest income	6(16)	11,373	-	1,411	-
7010	Other income	6(17)	9,147	-	20,816	1
7020	Other gains and losses	6(18)	(13,550)	-	8,068	-
7050	Finance costs	6(19) and 7	(5,152)	-	(6,786)	-
7070	Share of profit (loss) of subsidiaries, associates and joint ventures accounted for under equity method	6(5)	39,199	1	(12,004)	(1)
7000	Total non-operating income and expenses		41,017	1	11,505	-
7900	**Profit before income tax**		319,442	9	215,395	6
7950	Tax expense	6(21)	(61,574)	(2)	(8,203)	-
8200	**Profit for the year**		$ 257,868	7	$ 207,192	6
	Other comprehensive income					
	Components of other comprehensive loss that will not be reclassified to profit or loss					
8311	Losses on remeasurements of defined benefit plans		($ 22)	-	$ -	-
8310	Components of other comprehensive loss that will not be reclassified to profit or loss		(22)	-	-	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operation		187	-	1,164	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		187	-	1,164	-
8300	**Other comprehensive income**		$ 165	-	$ 1,164	-
8500	**Total comprehensive income**		$ 258,033	7	$ 208,356	6
	Basic earnings per share	6(22)				
9750	Basic earnings per share		$	3.44	$	3.13
9850	Diluted earnings per share		$	3.44	$	3.13

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Ordinary share	Capital surplus, additional paid-in capital	Retained Earnings: Legal reserve	Retained Earnings: Unappropriated retained earnings (accumulated deficit)	Exchange differences on translation of foreign financial statements	Total equity
Year ended December 31, 2022							
Balance at January 1, 2022		$ 600,000	$ 297,718	$ -	($ 260,403)	$ 328	$ 637,643
Profit for the year		-	-	-	207,192	-	207,192
Other comprehensive income		-	-	-	-	1,164	1,164
Total comprehensive income		-	-	-	207,192	1,164	208,356
Issue of shares	6(12)	150,000	150,000	-	-	-	300,000
Cash capital increase reserved for employee preemption	6(11)	-	463	-	-	-	463
Capital surplus used to offset accumulated deficits	6(14)	-	(140,403)	-	140,403	-	-
Balance at December 31, 2022		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Year ended December 31, 2023							
Balance at January 1, 2023		$ 750,000	$ 307,778	$ -	$ 87,192	$ 1,492	$ 1,146,462
Profit for the year		-	-	-	257,868	-	257,868
Other comprehensive income		-	-	-	(22)	187	165
Total comprehensive income		-	-	-	257,846	187	258,033
Appropriation of 2022 earnings:	6(14)						
Legal reserve		-	-	8,719	(8,719)	-	-
Cash dividends		-	-	-	(37,500)	-	(37,500)
Share-based payments	6(11)	-	10,903	-	-	-	10,903
Balance at December 31, 2023		$ 750,000	$ 318,681	$ 8,719	$ 298,819	$ 1,679	$ 1,377,898

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	Year ended December 31 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 319,442	$ 215,395
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(20)	51,434	42,902
Amortization expense	6(20)	5,243	4,111
Expected credit impairment (gain) loss	12(2)	(13,125)	14,674
Interest expense	6(19)	5,152	6,786
Interest income	6(16)	(11,373)	(1,411)
Gains on write-off of past due payable	6(17)	(4,423)	(4,099)
Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(5)	(39,199)	12,004
Gain on disposal of property, plan and equipment	6(18)	-	(4)
Unrealized profit from sales		(2,017)	1,159
Share-based payments	6(11)	10,903	463
Changes in operating assets and liabilities			
Changes in operating assets			
Contract assets		1,392	(6,879)
Accounts receivable		208,310	(30,887)
Accounts receivable-related parties		(7,050)	85,025
Other receivable		13,962	(6,072)
Other receivable-related parties		(74)	20
Inventories		281,323	(43,310)
Prepayments		5,796	4,117
Changes in operating liabilities			
Contract liabilities		(3,034)	(79,324)
Notes payable		-	(1,695)
Accounts payable		(179,975)	(87,963)
Accounts payable-related parties		(267)	(2,349)
Other payables		20,960	25,462
Other payables-related parties		(19,697)	(1,839)
Provisions		3,347	(2,535)
Other current liabilities		4,719	(615)
Other non-current liabilities		741	6,301
Cash inflow generated from operations		652,490	149,437
Interest received		11,170	1,368
Interest paid		(5,409)	(6,551)
Income taxes paid		(49,015)	(102)
Net cash flows from operating activities		609,236	144,152

(Continued)

UBIQCONN TECHNOLOGY, INC.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of financial assets at amortised cost		($ 5,061)	($ 4,631)
Acquisition of investments accounted for using equity method	7	(15,188)	(108,768)
Acquisition of property, plant and equipment	6(23)	(31,490)	(20,055)
Disposal of property, plant and equipment		24	4
Acquisition of intangible assets		(4,464)	(3,605)
Increase in refundable deposits		(2,577)	(4,518)
Increase in other non-current assets		(7,696)	-
Net cash flows used in investing activities		(66,452)	(141,573)
CASH FLOWS FROM FINANCING ACTIVITIES			
Repayments of lease principal	6(24)	(35,343)	(30,184)
Increase in short-term borrowings	6(24)	53,000	315,705
Decrease in short-term borrowings	6(24)	(143,813)	(274,275)
Decrease in other payables to related parties	6(24)	-	(326,570)
Increase in long-term borrowings		100,000	5,000
Repayments of long-term borrowings		(100,000)	(5,000)
Cash dividends paid	6(14)	(37,500)	-
Proceeds from issuing shares	6(12)	-	300,000
Net cash flows used in financing activities		(163,656)	(15,324)
Net increase (decrease) in cash and cash equivalents		379,128	(12,745)
Cash and cash equivalents at beginning of year		219,029	231,774
Cash and cash equivalents at end of year		$ 598,157	$ 219,029

The accompanying notes are an integral part of these parent company only financial statements.

UBIQCONN TECHNOLOGY, INC.
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. History and Organization

Ubiqconn Technology, Inc. ("the Company") was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on June 10, 2011 upon approval by the Ministry of Economic Affairs. The Company is primarily engaged in the manufacture and trading of industrial computers, in-vehicle products, electronic components and peripheral equipment. The Company's stocks were publicly issued in Taiwan in October 2022. FIC Global, Inc. is the Company's parent company, which comprehensively holds a 64.04% equity interest in the Company.

2. The Date of Authorization for Issuance of the Financial Statements and Procedures for Authorization

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

3. Application of New Standards, Amendments and Interpretations

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards ("IFRS®") Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission ("FSC")

New standards, interpretations and amendments endorsed by FSC and became effective from 2023 are as follows:

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

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

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

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

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by International Accounting Standards Board
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. Summary of Material Accounting Policies

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

(1) Compliance statement

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

(2) Basis of preparation

A. The parent company only financial statements have been prepared under the historical cost convention.

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The functional currency of the Company is determined by the primary economic environment in which the Company operates. The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions and balances

(a) Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognized in profit or loss in the period in which they arise.

(b) Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognized in profit or loss.

(c) Non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses.

B. Translation of foreign operations

(a) The operating results and financial position of all the subsidiaries that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognized in other comprehensive income.

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

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

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

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realized within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

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

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(6) Financial assets at amortized cost

The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(7) Accounts and notes receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.
B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(8) Impairment of financial assets

For financial assets at amortized cost including accounts receivable and contract assets that have a significant financing component, at each reporting date, the Company recognizes the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognizes the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable and contract assets that do not contain a significant financing component, the Company recognizes the impairment provision for lifetime ECLs.

(9) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(10) Inventories

Inventories are stated at the lower of cost and net realizable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labor, other direct costs and related production overheads. It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realizable value. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using equity method / Subsidiaries

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealized gains on transactions between the Company and its subsidiaries are eliminated to the extent of the Company's interest in the subsidiaries. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognized in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognized in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognize losses proportionate to its ownership.

D. Pursuant to the Regulations Governing the Preparation of Financial Reports by Securities Issuers, profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall equal to the amount attributable to owners of the parent in the financial statements prepared with basis for consolidation. Owners' equity in the parent company only financial statements shall equal to equity attributable to owners of the parent in the financial statements prepared with basis for consolidation.

(12) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognized. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

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

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

Machinery and equipment	4~6 years
Office equipment	2~4 years

Leasehold improvements	2~4 years
Other equipments	3~6 years

(13) Leasing arrangements (lessee)－right-of-use assets/ lease liabilities

A. Leases are recognized as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognized as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company measures the lease liability at amortized cost using the interest method and recognizes interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognized as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;
(b) Any lease payments made at or before the commencement date;
(c) Any initial direct costs incurred by the lessee; and

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognized as an adjustment to the right-of-use asset.

(14) Intangible assets

Computer software is stated at cost and amortized on a straight-line basis over its estimated useful life of 3 to 8 years.

(15) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognizing impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortized historical cost would have been if the impairment had not been recognized.

(16) Borrowings

Borrowings comprise short-term bank borrowings. Borrowings are recognized initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortized cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognized in profit or loss over the period of the borrowings using the effective interest method.

(17) Notes and accounts payable

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

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

(18) Derecognition of financial liabilities

A financial liability is derecognized when the obligation specified in the contract is either discharged or cancelled or expires.

(19) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

(20) Provisions

Provisions (including warranties) are recognized when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation on the balance sheet date, which is discounted using a pre-tax discount rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. When discounting is used, the increase in the provision due to passage of time is recognized as interest expense. Provisions are not recognized for future operating losses.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognized as expense in that period when the employees render service.

B. Pensions

For defined contribution plans, the contributions are recognized as pension expense when they are due on an accrual basis. Prepaid contributions are recognized as an asset to the extent of a cash refund or a reduction in the future payments.

C. Employees' compensation and directors' and supervisors' remuneration

Employees' compensation and directors' and supervisors' remuneration are recognized as expense and liability, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates.

(22) Employee share-based payment

D. For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognized as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognized is based on the number of equity instruments that eventually vest.

E. Cash-settled share-based payments granted by the Company's parent company, FIC Global, Inc. to the Company's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

(23) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognized in profit or loss, except to the extent that it relates to items recognized in other comprehensive income or items recognized directly in equity, in which cases the tax is recognized in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company and its subsidiaries operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognized, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent company only balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realized or the deferred tax liability is settled.

D. Deferred tax assets are recognized only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilized. At each balance sheet date, unrecognized and recognized deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realize the asset and settle the liability simultaneously.

(24) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(25) Dividends

Dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders. Cash dividends are recorded as liabilities.

(26) Revenue recognition

A. Sales revenue

The Company primarily manufactures and sells industrial computers, in-vehicle products, electronic components and peripheral equipment. Sales are recognized 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, or the Company has objective evidence that all criteria for acceptance have been satisfied.

B. Service revenue

(a) Service revenue arises from product development and maintenance services. Revenue from providing services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the completed satisfaction of the performance. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognized. If the payments exceed the services rendered, a contract liability is recognized.

(b) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

Evaluation of inventories

As inventories are stated at the lower of cost and net realizable value, the Company must determine the net realizable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future. Therefore, there might be material changes to the evaluation.

As of December 31, 2023, the carrying amount of inventories was $793,059.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Petty cash	$ 150	$ 150
Checking accounts and demand deposits	293,834	218,879
Time deposits	304,173	-
	$ 598,157	$ 219,029

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. The Company had classified cash and cash equivalents which pledged to others as collaterals to current financial assets at amortized cost, and the details are provided in Note 8.

(2) Financial assets at amortized cost

Items	December 31, 2023	December 31, 2022
Current items:		
Restriced bank deposits	$ 32,102	$ 27,041

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

	2023	2022
Interest income	$ 246	$ 53

B. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortized cost held by the Company was $32,102 and $27,041, respectively.

C. Details of the Company’s financial assets at amortized cost pledged to others as collateral are provided in Note 8.

D. Information relating to credit risk of financial assets at amortized cost is provided in Note 12(2).

(3) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 325,769	$ 534,079
Less: Allowance for uncollectible accounts	(5,267)	(18,392)
	$ 320,502	$ 515,687

A. The ageing analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 273,412	$ 387,198
Up to 30 days past due	87,594	168,027
31 to 90 days past due	-	8,579
91 to 180 days past due	-	846
Over 180 days past due	4,780	2,396
	$ 365,786	$ 567,046

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, accounts receivable (including related parties) were all from contracts with customers. And as of January 1, 2022, the balance of receivables and allowance for uncollectible accounts from contracts with customers amounted to $621,184 and $3,718, respectively.

C. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's accounts receivable (including related parties) was $360,519 and $548,654, respectively.

D. The Company did not hold collateral as security for accounts receivable.

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

(4) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 598,527	($ 100,092)	$ 498,435
Work in progress	218,328	(14,802)	203,526
Finished goods	90,118	(4,990)	85,128
Inventory in transit	5,970	-	5,970
	$ 912,943	$ (119,884)	$ 793,059

	December 31, 2022					
		Cost		Allowance for valuation loss		Book value
Raw materials	$	1,010,702	($	100,376)	$	910,326
Work in progress		136,117	(	17,411)		118,706
Finished goods		39,574	(	5,040)		34,534
Inventory in transit		10,816		-		10,816
	$	1,197,209	$	(122,827)	$	1,074,382

The Company's operating costs recognized for the year:

	Year ended December 31			
		2023		2022
Cost of goods sold	$	2,867,072	$	2,620,489
Inventories obsolescence and devaluation loss (reversal gain)	(	2,943)		21,856
Cost of service and warranty		56,171		61,065
	$	2,920,300	$	2,703,410

For the year ended December 31, 2023, the Company recognized gain from sale of Inventories previously devalued.

(5) Investments accounted for using equity method

A. Details are as follows:

	December 31, 2023			December 31, 2022		
	Shareholding ratio		Carrying amount	Shareholding ratio		Carrying amount
Subsidiaries:						
Ubiqconn Technology (USA) Inc.	100%	$	16,531	100%	$	753
Ruggon Corporation	100%		84,888	100%		43,827
		$	101,419		$	44,580

B. Details of the Company's investment income (loss) recognized for the years ended December 31, 2023 and 2022 are as follows:

	Year ended December 31	
	2023	2022
Subsidiaries:		
Ubiqconn Technology (USA) Inc.	($ 1,613)	($ 12,004)
Ruggon Corporation	40,812	-
	$ 39,199	($ 12,004)

C. Refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company's subsidiaries.

(6) Property, plant and equipment

	2023				
	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2023					
Cost	$ 70,804	$ 15,185	$ 3,253	$ 14,498	$ 103,740
Accumulated depreciation and impairment	(53,638)	(7,991)	(1,757)	(5,234)	(68,620)
	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
January 1, 2023	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
Additions	17,902	3,960	10,214	668	32,744
Disposals	-	(24)	-	-	(24)
Depreciation	(6,725)	(3,242)	(2,446)	(2,309)	(14,722)
December 31,2023	$ 28,343	$ 7,888	$ 9,264	$ 7,623	$ 53,118
December 31,2023					
Cost	$ 83,185	$ 14,790	$ 13,467	$ 12,604	$ 124,046
Accumulated depreciation and impairment	(54,842)	(6,902)	(4,203)	(4,981)	(70,928)
	$ 28,343	$ 7,888	$ 9,264	$ 7,623	$ 53,118

	2022				
	Machinery and equipment	Office equipment	Leasehold improvements	Other equipments	Total
January 1, 2022					
Cost	$ 61,777	$ 11,004	$ 1,472	$ 8,463	$ 82,716
Accumulated depreciation and impairment	(47,183)	(5,484)	(463)	(3,265)	(56,395)
	$ 14,594	$ 5,520	$ 1,009	$ 5,198	$ 26,321
January 1, 2022	$ 14,594	$ 5,520	$ 1,009	$ 5,198	26,321
Additions	9,031	4,181	1,781	6,035	21,028
Depreciation	(6,459)	(2,507)	(1,294)	(1,969)	(12,229)
December 31,2022	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120
At December 31					
Cost	$ 70,804	$ 15,185	$ 3,253	$ 14,498	$ 103,740
Accumulated depreciation and impairment	(53,638)	(7,991)	(1,757)	(5,234)	(68,620)
	$ 17,166	$ 7,194	$ 1,496	$ 9,264	$ 35,120

A. The Company had no interest expense which was capitalized as part of property, plant and equipment.

B. The Company's property, plant and equipment were all for its own use.

C. The Company had no property, plant and equipment pledged to others as collateral.

(7) Leasing arrangements－lessee

Right-of-use assets

A. The Company leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 2 to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants.

B. Short-term leases with a lease term of 12 months or less comprise parking spaces.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings and structures	$ 108,727	$ 57,962
Other equipment	371	137
	$ 109,098	$ 58,099

	Year ended December 31	
	2023	2022
	Depreciation charge	Depreciation charge
Buildings and structures	$ 36,564	$ 30,523
Other equipment	148	150
	$ 36,712	$ 30,673

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $79,221 and $23,487, respectively.

E. Except for depreciation, other information on profit and loss accounts relating to lease contracts is as follows:

	Year ended December 31	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,958	$ 1,550
Expense on short-term lease contracts	537	103

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $38,838 and $31,837, respectively.

Lease liabilities

Carrying amount of lease liabilities	December 31, 2023	December 31, 2022
Current	$ 35,297	$ 20,634
Non-current	$ 77,898	$ 40,193

(8) Short-term borrowings

Type of borrowings	December 31, 2023	December 31, 2022
Secured bank borrowing	$ -	$ 30,800
Unsecured bank borrowing	-	60,013
	$ -	$ 90,813
Interest rate range	-	2.28%~5.85%

Information regarding the collateral that was pledged for short-term borrowings is provided in Note 8.

(9) Other payables

	December 31, 2023	December 31, 2022
Salary and bonus payable	$ 89,291	$ 75,135
Employees' compensation and directors' remuneration payable	8,190	2,446
Material processing fees payable	16,556	8,408
Insurance expense payable	6,330	6,118
Freight expense payble	1,451	3,408
Payable on machinery and equipment	5,028	3,674
Others	19,029	29,639
	$ 145,875	$ 128,828

(10) Pensions

The Company has established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under defined contribution pension plans of the Company for the years ended December 31, 2023 and 2022, were $14,051 and $10,838, respectively.

(11) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Vesting conditions
Ubiqconn Technology, Inc Cash capital increase reserved for employeepreemption	2022.07.18	750	Vested immediately
Parent Company-FIC Global, Inc Cash capital increase reserved for employee preemption	2023.07.13	382	Vested immediately

The share-based payment arrangements above are settled by equity.

B. The fair value of stock options granted is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price	Expected price volatility	Expected option life	Risk-free interest rate	Fair value per unit
Ubiqconn Technology, Inc Cash capital increase reserved for employeepreemption	2022.7.18	$20.57	$20	27.94% (Note1)	0.01year	1.10%	$0.619
Parent Company-FIC Global, Inc Cash capital increase reserved for employee preemption	2023.07.13	$65.40	$50	52.74% (Note2)	0.05year	1.09%	$15.453

Note1: Expected price volatility rate was estimated by using the annualized implied volatility for 30 transaction days before the grant date of the comparable counterparties.

Note2: Expected price volatility rate was estimated by using the daily historical stock price volatility of FIC Global, Inc for the three months preceding the grant date.

C. Cash-settled share-based payments granted by the Company's parent company, FIC Global, Inc. to the Company's employees are vested immediately on the grant date and are fully recognized as expense at fair value on the grant date and the capital surplus are adjusted.

D. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31	
	2023	2022
Equity-settled	$ 5,903	$ 463
Cash-settled	5,000	-
	$ 10,903	$ 463

(12) Share capital

A. As of December 31, 2023, the Company's authorised capital was $1,500,000, consisting of 150,000 thousand shares of ordinary stock (including 3,500 thousand shares reserved for employee stock options), and the paid-in capital was $750,000 with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

Movements in the number of the Company's ordinary shares outstanding are as follows (share in thousands):

	2023	2022
At January 1	$ 75,000	$ 60,000
Cash capital increase	-	15,000
At December 31	$ 75,000	$ 75,000

B. On June 24, 2022, the Board of Directors of the Company resolved to raise additional cash through issuing 15,000 thousand ordinary shares with a par value of $10 (in dollars) per share, at an issuance price of $20 (in dollars) per share. The total issuance consideration was $300,000. The effective date of the capital increase was set on August 3, 2022 and the registration had been completed on September 1, 2022.

(13) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

(14) Retained earnings

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve until the legal reserve equals the paid-in capital. After setting aside or reversing a special reserve as required by the Company's operating needs and relevant laws, the appropriation of the remaining earnings, along with the beginning unappropriated earnings are the accumulated distributable earnings for shareholders, and after retaining certain earnings, shall be proposed by the Board of Directors and resolved by the shareholders.

B. The Company's dividend distribution policy aligns with the current and the future development plan by taking into account of factors such as investment environment, capital needs, domestic and overseas competition, along with the consideration of shareholders' interest. Earnings shall be distributed as stock dividends and cash dividends, and cash dividends shall account for at least 1% of the total dividends distributed.

C. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

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

E. For the year ended December 31, 2022, the shareholders of the Company resolved to offset deficits by capital surplus amounting to $140,403.

F. The appropriation of 2022 earnings as resolved by the shareholders on June 8, 2023 is as follows:

	2022	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 8,719	
Cash dividends	37,500	0.50

G. The appropriation of 2023 earnings as resolved by the Board of Directors on March 13, 2024 is as follows:

	2023	
	Amount	Dividends per share (in dollars)
Legal reserve appropriated	$ 25,785	
Cash dividends	86,000	1.147

The appropriation of 2023 earnings has not yet been resolved by the shareholders.

(15) Operating revenue

	Year ended December 31	
	2023	2022
Revenue from contracts with customers	$ 3,618,390	$ 3,267,810

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines:

2023	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,554,155	$ 64,235	$ 3,618,390
Timing of revenue recognition			
At a point in time	3,554,155	-	3,554,155
Over time	-	64,235	64,235
	$ 3,554,155	$ 64,235	$ 3,618,390

2022	Sales Revenue	Service Revenue	Total
Revenue from external customer contracts	$ 3,195,861	$ 71,949	$ 3,267,810
Timing of revenue recognition			
At a point in time	3,195,861	-	3,195,861
Over time	-	71,949	71,949
	$ 3,195,861	$ 71,949	$ 3,267,810

B. Contract assets and liabilities

(a) The Company has recognized the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract assets:			
Contract assets -service contract	$ 5,487	$ 6,879	$ -
Contract liabilities:			
Contract liabilities -sales contracts	$ 30,755	$ 44,962	$ 114,130
Contract liabilities -service contracts	17,298	6,125	16,281
	$ 48,053	$ 51,087	$ 130,411

(b) Revenue recognized that was included in the contract liability balance at the beginning of the year

	Year ended December 31	
	2023	2022
Revenue recognised that was included in the contract liability balance at the beginning of the year		
Sales contracts	$ 37,665	$ 103,546
Service contract	6,093	11,502
	$ 43,758	$ 115,048

(16) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 11,000	$ 1,303
Interest income from financial assets measured at amortised cost	246	53
Other interest income	127	55
	$ 11,373	$ 1,411

(17) Other income

	Year ended December 31	
	2023	2022
Freight revenue	$ 1,765	$ 4,503
Gains on write-off of past due payable	4,423	4,099
Other income	2,959	12,214
	$ 9,147	$ 20,816

(18) Other gains and losses

	Year ended December 31	
	2023	2022
Net foreign exchange (losses) gains	($ 12,555)	$ 8,864
Gains on disposals of property, plant and equipment	-	4
Other losses	(995)	(800)
	($ 13,550)	$ 8,068

(19) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on bank borrowings	$ 2,194	$ 3,429
Interest expense on borrowings from related parties	-	1,807
Interest expense on lease liabilities	2,958	1,550
	$ 5,152	$ 6,786

(20) Employee benefit expense

	Year ended December 31, 2023		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 92,165	$ 263,379	$ 355,544
Labor and health insurance fees	8,518	19,213	27,731
Pension costs	3,445	10,606	14,051
Directors’ remuneration	-	5,092	5,092
Other personnel expenses	3,528	9,118	12,646
Depreciation charge	26,633	24,801	51,434
amortization charge	194	5,049	5,243

	Year ended December 31, 2022		
	Operating cost	expenses	Total
Employee benefit expense			
Wages and salaries	$ 77,851	$ 195,699	$ 273,550
Labor and health insurance fees	7,490	15,080	22,570
Pension costs	3,015	7,823	10,838
Directors' remuneration	-	1,505	1,505
Other personnel expenses	3,299	6,503	9,802
Depreciation charge	22,844	20,058	42,902
amortization charge	155	3,956	4,111

A. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall be appropriated as employees' compensation and directors' remuneration. The ratio shall not be lower than 1% for employees' compensation and shall not be higher than 1.5% for directors' remuneration. If a company has accumulated deficit, earnings should be reserved to cover losses.

B. The Company's employees' compensation and directors' remuneration are accrued and estimated as follows:

	Year ended December 31	
	2023	2022
Employees' compensation	$ 3,276	$ 978
Directors' remuneration	4,914	1,468
	$ 8,190	$ 2,446

The employees' compensation and directors' remuneration were estimated and accrued based on 1% and 1.5% of distributable profit of current year for the years ended December 31, 2023 and 2022, respectively.

C. On March 13, 2024, employees' compensation and directors' remuneration for 2023 amounting to $3,276 and $4,914, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2023 financial statements, and the employees' compensation will be distributed in cash.

D. On March 28, 2023, employees' compensation and directors' remuneration for 2022 amounting to $978 and $1,468, respectively, as resolved at the meeting of Board of Directors were in agreement with those amounts recognized in the 2022 financial statements, and the employees' compensation will be distributed in cash.

E. Information about employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

F. For the years ended December 31, 2023 and 2022, the Company had 361 and 300 employees, excluding 6 and 6 non-employee, respectively.

(a) For the years ended December 31, 2023 and 2022, the average employee benefit expense amounted to $1,155 and $1,077, respectively.

(b) For the years ended December 31, 2023 and 2022, the average employees' salaries amounted to $1,002 and $930, respectively.

(c) Average employees salaries increased by 8%.

(d) The Company has set up an audit committee, and therefore there are no supervisors in the Company and the disclosure of information about supervisors' remuneration is not required.

G. The Company's compensation policy

(a) The overall employee compensation levels are determined by external competitiveness and internal fairness to effectively attract and retain talents.

(b) Link employees' compensation with their performance by using the performance management system to provide motivation for employees' development and drive positive growth in the Company.

(c) Link employees' compensation with their achievement of the Company's long-term and short-term targets, the time spent by the individual, their positions and overall performance to motivate employees.

(d) Set up the Compensation Committee to effectively review the Company's directors' and management's overall remuneration.

(e) The directors' emoluments are determined in accordance with the Company's Articles of Incorporation approved by the shareholders at their meeting, considering the overall results of the evaluation of the performance of the Board of Directors, the Company's operating performance, future operations and the risk appetite as proposed by the shareholders at their meeting, and is then allocated to individual directors based on the degree of each directors' participation in the operation of the Company and the value of their contributions.

(f) The managers' salary is determined based on the general pay levels in the same industry, education and experience background, professional skill and the results of performance assessment.

(21) Income tax

A. Income tax expenses

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the year	$ 57,059	$ 37,913
Tax on undistributed surplus earnings	2,049	-
Prior year income tax underestimation	3,402	-
Total current tax	62,510	37,913
Deferred tax:		
Origination and reversal of temporary differences	(936)	(29,710)
Total deferred tax	(936)	(29,710)
Income tax expense	$ 61,574	$ 8,203

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 63,889	$ 43,079
Expenses disallowed by tax regulation	74	2,434
Tax exempt income by tax regulation	(7,840)	-
Change in assessment of realization of deferred tax assets	-	(37,310)
Prior year income tax underestimation	3,402	-
Tax on undistributed surplus earnings	2,049	-
Income tax expense	$ 61,574	$ 8,203

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	2023		
	January 1	Recognised in profit or loss	December 31
－Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ 24,565	($ 589)	$ 23,976
Unrealized exchange loss	-	1,045	1,045
Others	6,649	(1,024)	5,625
	$ 31,214	$ (568)	$ 30,646
－Deferred tax liabilities:			
Unrealized exchange gain	(1,504)	1,504	-
	$ 29,710	$ 936	$ 30,646

	2023		
	January 1	Recognised in profit or loss	December 31
－Deferred tax assets:			
Temporary differences:			
Loss on inventory	$ -	$ 24,565	$ 24,565
Others	-	6,649	6,649
	$ -	$ 31,214	$ 31,214
－Deferred tax liabilities:			
Unrealized exchange gain	-	(1,504)	(1,504)
	$ -	$ 29,710	$ 29,710

D. The Company’s income tax returns through 2020 have been assessed and approved by the Tax Authority.

(22) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	$ 75,000	$ 3.44
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 257,868	$ 75,000	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	57	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 257,868	$ 75,057	$ 3.44

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,912	66,164	$ 3.13
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 207,912	$ 66,164	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	64	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 207,912	66,228	$ 3.13

(23) Supplemental cash flow information

A. Investing activities with partial cash payments

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 32,744	$ 21,028
Add: Opening balance of payable on equipment (including related parties)	3,830	2,857
Less: Ending balance of payable on equipment (including related parties)	(5,084)	(3,830)
Cash paid during the year	$ 31,490	$ 20,055

(24) Changes in liabilities from financing activities

	2023			
	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 90,813	($ 90,813)	$ -	$ -
Lease liabilities	60,827	(35,343)	87,711	113,195
	$ 151,640	($ 126,156)	$ 87,711	$ 113,195

	2022			
	January 1	Changes in cash flow from financing activities	Changes in other non-cash items	December 31
Short-term borrowings	$ 49,383	$ 41,430	$ -	$ 90,813
Other payables-related parties	326,570	(326,570)	-	-
Lease liabilities	67,524	(30,184)	23,487	60,827
	$ 443,477	($ 315,324)	$ 23,487	$ 151,640

7. Related Party Transactions

(1) Parent and ultimate controlling party

The Company is controlled by FIC Global, Inc (incorporated and established in the Republic of China), which comprehensively holds 64.04% of the Company’s shares (including indirect holdings) and is the Company’s ultimate parent company.

(2) Names of related parties and relationship

Names of related parties	Relationship with the Company
FIC Global, Inc.	Parent company
Ubiqconn Technology (USA) Inc.(UNA)	Subsidiaries
Ruggon Corporation (Ruggon)	〃
First International Computer, Inc. (FIC, Inc)	Sibling company
Amertek Computer (Shenzhen) Co., Ltd. (Amertek)	〃
Prime Base Inc. (PBI)	〃
Prime Technology (Guangzhou) Inc. (Prime (Guangzhou))	〃
Prime Base Inc. Taiwan Branch (PBI (Taiwan))	〃
Danriver Inc.(Danriver)	〃
LEO Systems, Inc. (LEO Systems)	Other related party
Xander International Corp.	〃
Chien, Ming-Tz	Key management personnel of the Company

(3) Significant related party transactions

(1) Operating revenue:

	Year ended December 31	
	2023	2022
Sales of goods:		
-Subsidiary	$ 208,243	$ 164,750
-Sibling company	1,950	250
	$ 210,193	$ 165,000
Sales of services:		
-Subsidiary	$ 1,111	$ 44
-Sibling company	805	774
	$ 1,916	$ 818

Since the Company's specifications of products are diverse, the specifications of products sold to related parties may not be the same as those sold to third parties, and therefore, the selling price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(2) Purchase of goods and services:

	Year ended December 31	
	2023	2022
Shown as operating costs		
Processing fees:		
Sibling company	$ 76,192	$ 106,910
Purchases:		
Sibling company	$ 7,831	$ 1,787

The service obtained by the Company from related parties may not be the same with the service from third parties, and therefore the service price is not comparable. The terms and conditions of transactions with related parties are similar to those with third parties.

(3) Receivables from related parties:

	December 31, 2023	December 31, 2022
Accounts receivable:		
-Subsidiary		
Ruggon	$ 28,889	$ 9,483
UNA	6,130	15,397
-Sibling company		
Prime (Guangzhou)	4,780	6,296
Others	218	1,791
	$ 40,017	$ 32,967

	December 31, 2023	December 31, 2022
Other receivables		
-Subsidiary		
Ruggon	$ 128	$ 11
UNA	46	89
	$ 174	$ 100

(4) Property transactions:

(a) Acquisition of property, plant and equipment:

	Year ended December 31	
	2023	2022
-Subsidiary	$ 17	$ 157
-Sibling company	121	21
-Other related party		
Xander	2,488	2,397
Others	637	440
	$ 3,263	$ 3,015

(b) Acquisition of financial assets:

i. In March 2023, the Company participated in the cash capital increase of subsidiary, Ubiqconn Technology (USA) Inc. (UNA), (shown as investment accounted for using the equity method) by $15,188 and acquired 5,000 thousand shares.

ii. In May 2022, the Company participated in the cash capital increase of subsidiary, Ruggon Corporation, (shown as investment accounted for using the equity method) by $108,768 and acquired 10,877 thousand shares.

(5) Guarantee deposits paid

	December 31, 2023	December 31, 2022
FIC, Inc	$ 2,962	$ 2,962

(6) Payables to related parties

	December 31, 2023	December 31, 2022
	Accounts	No. of shares
Accounts payable		
-Sibling company	$ -	$ 267
Other payables		
-Subsidiary	$ 893	$ 209
-Sibling company		
Amertek	11,006	34,498
PBI (Taiwan)	3,702	-
Others	291	623
-Other related party	190	301
	$ 16,082	$ 35,631
Long-term payables (shown as other non-current liabilities)		
-Sibling company		
FIC, Inc	$ 6,949	$ 6,252

(a) Other payables mainly are payables on processing fees and service fees

(b) As of December 31, 2023 and 2022, details of loans to related parties are provided in Note 7(3)(8).

(c) The long-term payable to FIC, Inc. is due to the transfer of employees between associates. The Company committed to bear certain pension of defined benefit plans for these employees, and thus has an obligation to the related parties.

(7) Lease transactions－lessee

(a) The Company leases buildings from First International Computer, Inc. Rental contracts are typically made for periods of five years. Rents are paid at the beginning of each month.

(b) Lease liability

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Lease liability - current		
FIC, Inc.	$ 9,934	$ 10,472

	December 31, 2023	December 31, 2022
Lease liability - non-current		
FIC, Inc.	$ 21,860	$ 31,794

ii. Interest expense

	Year ended December 31	
	2023	2022
FIC, Inc	$ 913	$ 1,152

(8) Loans (shown as other payables-related parties)

	December 31, 2023	December 31, 2022
Other payables		
FIC Global, Inc	$ -	$ -

	Year ended December 31			
	2023		2022	
	Interest expense	Interest rate	Interest expense	Interest rate
FIC Global, Inc	$ -	-	$ 1,807	1.50%

(9) Service fees

	Year ended December 31	
	2023	2022
-Subsidiary		
UNA	$ 2,520	$ -
-Sibling company	697	6,252
FIC, Inc	969	2,059
Danriver	16	15
-Other related parties	$ 4,202	$ 8,326

(10) Endorsements and guarantees provided to related parties

The balances of endorsements and guarantees provided by related parties for the Company's loans and purchase facilities were as follows:

	December 31, 2023	December 31, 2022
Chien, Ming-Tz	$ 300,000	$ 240,000

(4) Key management compensation

	Year ended December 31	
	2023	2022
Short-term employee benefits	$ 29,260	$ 22,594
Post-employment benefits	607	310
	$ 29,867	$ 22,904

8. Pledged Assets

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Financial assets at amortized cost -current	$ 32,102	$ 27,041	Pledged time deposit for customs, guarantee deposits for government research projects and short-term borrowings

9. Significant Contingent Liabilities and Unrecognized Contract Commitments

(1) Contingencies

None.

(2) Commitments

None.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

(1) Details of the appropriation of 2023 earnings as proposed by the Board of Directors on March 13, 2024 are provided in Note 6(14).

(2) The Board of Directors meeting on March 13, 2024 adopted a resolution to increase the Company's capital by issuing 11,000 thousand ordinary shares with a par value of $10 (in dollars) per share, which is yet to be approved by the competent authority.

12. Others

(1) Capital management

The Company manages its capital to ensure that it is able to continue as a going concern by optimizing its balances of debt and equity in order to maximize returns for shareholders.

The Company's capital structure comprises net liabilities (i.e., borrowings less cash and cash equivalents) and equity attributable to the owners of the Company (i.e., share capital, capital surplus, retained earnings and other equity items).

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at amortized cost		
Cash and cash equivalents	$ 598,157	$ 219,029
Financial assets at amortized cost	32,102	27,041
Accounts receivable	320,502	515,687
Accounts receivable-related parties	40,017	32,967
Other receivables	15,177	28,936
Other receivables-related parties	174	100
Guarantee deposits paid	14,088	11,511
	$ 1,020,217	$ 835,271

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortized cost		
Short-term borrowings	$ -	$ 90,813
Accounts payable	377,140	557,115
Accounts payable-related parties	-	267
Other accounts payable	145,875	128,828
Other payables-related parties	16,082	35,631
Long-term notes and accounts payable	6,949	6,252
	$ 546,046	$ 818,906
Lease liabilities (current and non-current)	$ 113,195	$ 60,827

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

(b) Company treasury identifies, evaluates and hedges financial risks in close co-operation with the Company's operating units.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and SGD. Foreign exchange rate risk arises from future commercial transactions and recognized assets and liabilities.

ii. The Company is required to hedge their entire foreign exchange risk exposure with the Company treasury. Exchange rate risk is measured through a forecast of highly probable USD and SGD expenditures.

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

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (In thousands of NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 17,012	30.705	$ 522,353
SGD:NTD	8,768	23.290	204,207
Non-monetary items			
USD:NTD	$ 540	30.705	$ 16,581
Financial liabilities			
Monetary items			
USD:NTD	$ 9,281	30.705	$ 284,973

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	$ 23,706	30.710	$ 728,011
Non-monetary items			
USD:NTD	$ 92	30.710	$ 2,825
Financial liabilities			
Monetary items			
USD:NTD	$ 18,764	30.710	$ 576,242

iv. The total exchange gain (loss), including realized and unrealized, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to ($12,555) and $8,864, respectively.

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

	Year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 5,224	$ −
SGD:NTD	1%	2,042	−
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 2,850	$ −

	Year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD:NTD	1%	$ 7,280	$ -
Financial liabilities			
Monetary items			
USD:NTD	1%	$ 5,762	$ -

Price risk

The Company does not hold investments and therefore the Company is not exposed significantly to price risk and commodity price risk arising from investments in equity securities.

Cash flow and fair value Interest rate risk

i. The Company's main interest rate risk arises from short-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. During 2022, the Company's borrowings at variable rate were denominated in New Taiwan dollars and US Dollars.

ii. If the borrowing interest rate had increased/decreased by 1% with all other variables held constant, profit, net of tax for the years ended December 31, 2022 would have increased/decreased by $727, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the contract cash flows of accounts receivable based on the agreed terms.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

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

iv. The Company adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition: If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company classifies customer's accounts receivable in accordance with credit risk on trade. The Company applies the modified approach and using a provision matrix based on the loss rate methodology to estimate the expected credit loss.

vi. The Company wrote-off the financial assets, which cannot be reasonably expected to be recovered, after initiating recourse procedures. However, the Company will continue executing the recourse procedures to secure their rights. On December 31, 2023 and 2022, the Company had no written-off financial assets that are still under recourse procedures.

vii. The expected loss ratio for related parties of Group A with excellent credit was 0.2%. As of December 31, 2023 and 2022, the total carrying amount of accounts receivable and loss allowance were $40,017, $32,967, $0 and $0, respectively.

viii. The Company used the forecastability of National Development Council Business Indicators and Basel Committee on Banking Supervision (BCBS) to adjust historical and timely information to assess the default possibility of accounts receivable of Group B and general customers. On December 31, 2023 and 2022, the provision matrix is as follows:

(i) Group B

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 91,898	$ 184
Up to 30 days past due	0.20%	51,588	103
31~60 days past due	0.20%	-	-
61~90 days past due	0.20%	-	-
91~180 days past due	100.00%	-	-
Over 180 days past due	100.00%	-	-
		$ 143,486	$ 287

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	2.43%	$ 306,598	$ 7,859
Up to 30 days past due	7.29%	148,434	9,724
31~60 days past due	22.38%	-	-
61~90 days past due	36.03%	-	-
91~180 days past due	100%	-	-
Over 180 days past due	100%	-	-
		$ 455,032	$ 17,583

(ii) General customers

At December 31, 2023	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 146,531	$ 2,213
Up to 30 days past due	0.20%	35,752	2,767
31~60 days past due	0.20%	-	-
61~90 days past due	27.10%	-	-
91~180 days past due	100.00%	-	-
Over 180 days past due	100.00%	-	-
		$ 182,283	$ 4,980

At December 31, 2022	Expected loss rate	Total book value	Loss allowance
Not past due	0.20%	$ 67,054	$ -
Up to 30 days past due	0.20%	11,147	-
31~60 days past due	0.20%	-	-
61~90 days past due	33.53%	-	-
91~180 days past due	100%	846	809
Over 180 days past due	100%	-	-
		$ 79,047	$ 809

ix. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable including related parties are as follows:

	Accounts receivable (including related parties)	
	2023	2022
At January 1	$ 18,392	$ 3,718
(Reversal of) provision for impairment loss	(13,125)	14,674
At December 31	$ 5,267	$ 18,392

For the years ended December 31, 2023 and 2022, the impairment losses (gain on recovery of impairment) arising from customers' contracts are ($13,125) and $14,674, respectively.

x. The Company's financial assets measured at amortized cost are restricted bank deposits. The credit risk rating has no significant abnormal situation and significant expected credit losses.

(c) Liquidity risk

i. Cash flow forecasting is performed in the operating entities of the Company and aggregated by Company treasury. Company treasury monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs.

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

December 31, 2023	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Accounts payable (including related parties)	$ 377,140	$ -	$ -
Other payable (including related parties)	161,957	-	-
Lease liabilities	37,652	80,264	-
Long-term notes and accounts payable	-	-	6,949

December 31, 2022	Less than 1 months	Between 1 and 5 years	Over 5 years
Non-derivative financial liabilities			
Short-term borrowings	$ 91,318	$ -	$ -
Accounts payable (including related parties)	557,382	-	-
Other payables (including related parties)	164,459	-	-
Lease liabilities	21,858	41,479	-
Long-term notes and accounts payable	-	-	6,252

(3) Fair value information

A. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, financial assets measured at amortized cost, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, short-term borrowings, notes payable, accounts payable (including related parties), other payables (including related parties), lease liabilities and long term notes and accounts payable are approximate to their fair values.

B. The Company had no financial and non-financial instruments measured at fair value as of December 31, 2023 and 2022.

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: None.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): None.

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

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 1.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Significant inter-company transactions during the reporting periods: Please refer to table 2.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 3.

(3) Information on investments in Mainland China

A. Basic information: None.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: None.

(4) Major shareholders information

Major shareholders information: Refer to table 4.

14. Segment Information

Not applicable.

Ubiqconn Technology,Inc

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

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Ubiqconn	Ruggon	Subsidiary	Sales	$ 174,507	5%	The payment period was 30 days.	NOTE	Similar transactions with non- related parties	$ 28,889	8%	

NOTE：There were no similar sales prices available for comparison due to the difference in the products sold to related parties

Ubiqconn Technology,Inc
Significant inter-company transactions during the reporting periods
Year ended December 31, 2023

Table 2

Expressed in thousands of NTD
(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction term	Percentage of consolidated total operating revenues or total assets (Note 3)
0	Ubiqconn	Ruggon	1	Sales	$ 174,507	The payment period was 30 days.	5%
		Ruggon	1	Accounts receivable	28,889	The payment period was 30 days.	1%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:
(1)Parent company is '0'
(2)The subsidiaries are numbered in order starting from '1'

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction;for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):
(1)Parent company to subsidiary.
(2)Subsidiary to parent company.
(3)Subsidiary to subsidiary.

Note 3: Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

Note 4: If the amount of individual transactions does not reach 1% of the consolidated total revenue and 1% of the consolidated total assets, they will not be disclosed; in addition, as the transactions are shown in asset-income form, the relative transactions are not disclosed.

Ubiqconn Technology,Inc

Information on investees

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: Ownership (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income(loss) recognized by the Company for the year ended December 31, 2023	Footnote
Ubiqconn	Ruggon Corporation	Taiwan	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	110,768	110,768	12,000	100.00	84,888	40,812	40,812	
	Ubiqconn Technology(USA) Inc.	USA	Trade of industrial computers, automotive products, electronic components and peripheral equipment.	31,871	16,708	10,500	100.00	16,531	(1,613)	(1,613)	

Ubiqconn Technology,Inc
Major shareholders information
Year ended December 31, 2023

Table 4

Name of major shareholders	Shares	
	Total shares owned	Owership
FIC Global, Inc.	37,827,389	50.44%
FICTA Technology, Inc.	14,751,000	19.67%
Li, Peng-Syuan	6,564,393	8.75%
Delta Electronics Capital Co	4,969,311	6.63%
Asia Vital Components Co., Ltd.	4,140,259	5.52%

Note 1: The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialised form which were registered and held by the shareholders above 5% on the lastoperating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation. The share capital which was recorded in the financial statements is different from the actual number of shares issued in dematerialised form because of the different calculation basis.

Note 2: If the aforementioned data contains shares which were held in trust by the shareholders, the data was disclosed as a separate account of client which was set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shareholding ratio include the self-owned shares and shares held in trust, at the same time, the shareholder who has the power to decide how to allocate the trust assets. For the information on reported share equity of insider, please refer to Market Observation Post System.

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CASH AND CASH EQUIVALENTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 1

Item	Description	Amount
Petty cash		$ 150
Bank deposits		
TWD demand deposits and checking deposits		82,913
Foreign currency demand deposits	SGD 5,153 thousand, Interest rates 23.290	120,010
	USD 2,967 thousand, Interest rates 30.705	90,789
	Other foreign currencies	122
TWD time deposit		166,000
Foreign currency time deposit	USD 4,500 thousand, Interest rates 30.705	138,173
		$ 598,157

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 2

Client name	Amount	Note
Accounts receivable		
Client A	$ 143,486	
Client D	80,710	
Client B	49,421	
Client E	18,552	
Client C	17,940	
Others	15,660	Balance of each client has not exceeded 5% of total account balance.
	325,769	
Less: Allowance for uncollectible accounts	(5,267)	
	$ 320,502	
Accounts receivable– related parties		
Ruggon Corporation	$ 28,889	
Ubiqconn Technology (USA) Inc.	6,130	
Prime Technology (Guangzhou) Inc.	4,780	
Others	218	Balance of each client has not exceeded 5% of total account balance.
	$ 40,017	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 3

Item	Amount		Note
	Cost	Net realisable value	
Raw materials	$ 598,527	$ 501,759	The allowance for inventory valuation losses is evaluated at the lower of cost and net realizable value.
Work in progress	218,328	227,807	
Finished goods	90,118	107,852	
Inventory in transit	5,970	5,970	
	$ 912,943	$ 843,388	
Less: Loss on decline in market value	(119,884)		
	$ 793,059		

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 4

	Balance at January 1, 2023		Addition (Note1)		Decrease				Balance at December 31, 2023			Market Value or Net Assets Value		
Name	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Number of shares (in thousands)	Amount	Investment income (loss)	Other changes (Note2)	Number of shares (in thousands)	%	Amount	Unit price	Total price	Collateral or pledged
Ruggon Corporation	12,000	43,827	-	-	-	-	40,812	249	12,000	100	84,888	-	84,888	None
Ubiqconn Technology (USA) Inc.	5,500	753	5,000	15,188	-	-	(1,613)	2,203	10,500	100	16,531	-	16,577	"
		$ 44,580		$ 15,188		$ -	$ 39,199	$ 2,452			$ 101,419		$ 101,465	

(Note1)：The addition refers to the number of new shares subscribed for the cash capital increase of the investees for the year.
(Note2)：Other changes are accounted for using the equity method and adjusted investee’s accumulated translation adjustments, changes in unrealized gains, and the effect of share-based payment.

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 5

Item	January 1 2023	Addition	Decrease	December 31 2023
Cost:				
Buildings and structures :	$ 146,984	$ 87,329	$ (47,374)	$ 186,939
Other equipment	448	382	(448)	382
	147,432	87,711	(47,822)	187,321
Accumulated depreciation :				
Buildings and structures	(89,022)	(36,564)	47,374	(78,212)
Other equipment	(311)	(148)	448	(11)
	(89,333)	(36,712)	47,822	(78,223)
	$ 58,099	$ 50,999	$ -	$ 109,098

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF ACCOUNTS PAYABLE-NON-RELATED PARTIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 6

Name	Amount	Note
Non-related party		
Supplier G	$ 62,953	
Supplier E	34,039	
Supplier A	26,623	
Supplier C	20,783	
Supplier F	19,853	
Others	212,889	Balance of each client has not exceeded 5% of total account balance.
	$ 377,140	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 7

Item	Volume (unit)	Amount	Note
Sales revenue			
Industrial computers	157,185	$ 2,551,310	
Embedded boards	180,259	497,875	
Others	23,505,624	504,970	
		3,554,155	
Service revenue		64,235	
		$ 3,618,390	

UBIQCONN TECHNOLOGY, INC.
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

Statement 8

Item	Amount
Raw materials used	
Beginning raw materials(including beginning raw materials in transit)	$ 1,021,518
Add: Raw materials purchased	2,340,314
Less: Ending raw materials (including ending raw materials in transit)	(604,497)
Used raw materials transferred to expenses and others	(11,103)
Raw material used for the period	2,746,232
Direct labor	34,928
Manufacturing expense	239,361
Manufacturing cost	3,020,521
Add: Beginning work in progress	136,117
Purchased work in progress	14,404
Less: Ending work in progress	(218,328)
Work in progress transferred to expenses	(26,634)
Finished goods	2,926,080
Add: Beginning finished goods	39,574
Purchased finished goods	5,533
Less: Ending finished goods	(90,118)
Finished goods transferred to expenses	(13,997)
Cost of goods sold of finished goods	2,867,072
Cost of service and warranty	56,171
Gain on reversal of decline in market value	(2,943)
Cost of goods sold	$ 2,920,300