Stock Code: 6737

Solid Year Co.,Ltd.

Parent Company Only Financial Statements and Independent Auditor's Report

For the Years Ended December 31, 2023 and 2022

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Independent Auditors' Report

To: Solid Year Co., Ltd

Auditors' Opinion

We have audited the parent company only financial statements of Solid Year Co., Ltd, which comprise the parent company only balance sheets as of the years ended Dec 31, 2023 and 2022, and the parent company only comprehensive income statement, parent company only statement of changes in equity, parent company only cash flow statement from Jan .1to Dec.31,2023 and 2022, and notes to parent company only financial statements (including summary of significant accounting policies).

In our opinion, the parent company only financial statements referred to above present fairly, in all material respects, the parent company only financial position of Solid Year Co., Ltd as of Dec. 31, 2023 and Dec. 31, 2022 as well as the parent company only financial performance and cash flows from Jan. 1, 2023 and Dec. 31, 2022in accordance with the Standards for the Preparation of Financial Reporting by Securities Issuers.

Basis for Opinions

We have duly conducted the audit in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing. The responsibilities of the attesting CPAs under these standards will be further explained in the auditor's responsibility section of the audit of the financial statements. We are independent of Solid Year Co.,Ltd. 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 sufficient and appropriate audit evidence has been obtained in order to be served as a basis for presenting our audit opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the parent company only financial statements of Solid Year Co.,Ltd. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the Company 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 parent company only financial statements for the year ended 2023 are stated as follows:

<u>Recognition of revenue</u>

Solid Year Co., Ltd. primarily engages in the manufacturing and sales of various electronic components and computer peripherals. Due to the significance of sales revenue affecting the overall financial statements, there is pressure to achieve the expected targets. Moreover, auditing standards presume a risk of revenue recognition fraud, hence we evaluate the authenticity of certain significant and significantly growing customer sales revenue as a key audit matter. For the accounting policy on income recognition, please refer to Note 4 to the parent company only financial reports.

The audit procedures performed by the auditor for the above matters are summarized as follows:

1. Understand and test the design and effectiveness of internal control systems related to revenue recognition.
2. Select samples from the revenue ledger to perform transaction detail test, inspect orders, relevant shipping documents and payment collection, and confirm the authenticity of sales revenue.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements, in all material respects, 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 the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance (including members of the Audit and Risk 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 will always detect a material misstatement when it exists. Misrepresentation may result from fraud or error. Misstatements in the parent company only financial statements can arise from either 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, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the 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 relevant notes) and whether the parent company only financial statements allow the expression of relevant transactions and events.
6. Obtain sufficient and appropriate audit evidence regarding the financial information of the business entities within the Company, to express an opinion on the parent company only financial statements. We are responsible for the guidance, supervision, and execution of the audit case, and is responsible for forming an audit opinion on Solid Year Co., Ltd.

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

Deloitte Taiwan

Ting-Chien Su, CPA

Rock Tseng, CPA

Financial Supervisory Commission Approval No.:
Jin-Guan-Zheng-Shen-Zi No. 1070323246

Securities and Futures Commission Approval No.:
Tai-Cai-Zheng-Liu-Zi No. 0920123784

March 29, 2024

Notice to Readers

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

Solid Year Co., Ltd

Parent Company Only Balance Sheet

Dec.31, 2023 and 2022

Unit: NT$'000

Code	Assets	Dec.31, 2023 Amount	%	Dec.31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 350,583	10	$ 266,212	8
1170	Notes and accounts receivable (Notes 4, 8, 22, and 28).	772,473	20	792,172	24
1200	Other receivables (Notes 4, 8, and 28)	7,512	-	8,248	-
130X	Inventory (Notes 4, 5, and 9)	204,784	6	19,446	1
1470	Other current assets (Notes 15 and 28)	53,506	1	58,347	2
11XX	Total current assets	1,388,858	37	1,144,425	35
	Non-current assets				
1517	Financial assets at fair value through other comprehensive income or loss - non-current (Notes 6 and 7)	10,378	-	13,375	1
1550	Investments accounted for using the equity method (Notes 4 and 10)	1,313,555	36	1,226,305	38
1600	Property, plant, and equipment (Notes 4, 11, 28, and 29)	724,474	20	633,525	20
1755	Right-of-use assets (Notes 4, 12, and 28)	12,763	1	786	-
1760	Investment property (Notes 4, 13, and 29)	148,943	4	154,241	5
1780	Intangible assets (Notes 4 and 14)	2,320	-	2,679	-
1840	Deferred income tax assets (Notes 4 and 23)	31,153	1	22,619	1
1915	Prepaid equipment purchase (Note 15)	490	-	2,218	-
1920	Refundable deposits (Note 15)	15,716	1	517	-
1990	Other non-current assets (Note 15)	403	-	3,633	-
15XX	Total non-current assets	2,260,195	63	2,059,898	65
1XXX	Total assets	$ 3,649,053	100	$ 3,204,323	100

Code	Liabilities and equity	Dec.31, 2023 Amount	%	Dec.31, 2022 Amount	%
	Current liabilities				
2100	Short-term borrowings (Notes 16 and 29)	$ 115,000	3	$ 264,000	8
2130	Contract liabilities - Current (Notes 4 and 22)	71,823	2	97,117	3
2170	Accounts payables (Notes 17 and 28)	1,271,589	35	809,795	25
2200	Other accounts payables (Notes 18 and 28)	123,560	3	157,035	5
2230	Current income tax liabilities (Notes 4 and 23)	35,944	1	26,824	1
2250	Provisions- current (Notes 18)	23,336	1	12,284	-
2280	Lease liabilities - current (Notes 4 and 12)	2,418	-	676	-
2320	Long-term borrowings due within one year (Notes 16 and 29)	23,128	1	20,089	1
2399	Other current liabilities (Notes 18)	2,105	-	2,066	-
21XX	Total current liabilities	1,668,903	46	1,389,886	43
	Non-current liabilities				
2540	Long-term borrowings (Notes 16 and 29)	332,372	9	291,840	9
2570	Deferred income tax liabilities (Notes 4 and 23)	163,803	5	137,544	5
2580	Lease liabilities - non-current (Notes 4 and 12)	10,581	-	114	-
2645	Guarantee deposits received (Note 19)	192	-	882	-
25XX	Total non-current liabilities	506,948	14	430,380	14
2XXX	Total liabilities	2,175,851	60	1,820,266	57
	Equity				
3110	Ordinary share capital	600,504	17	600,504	19
3200	Capital fund	90,525	2	90,525	3
	Retained earnings				
3310	Legal reserve	187,449	5	168,555	5
3320	Special reserves	46,496	1	22,669	1
3350	Undistributed earnings	593,786	17	529,945	16
3400	Other equity	(45,558)	(1)	(28,141)	(1)
3XXX	Total equity	1,473,202	41	1,384,057	43
	Total liabilities and equity	$ 3,649,053	100	$ 3,204,323	100

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

Chairman: Liang ,Hui-Pin General Manager : Wu ,Chuan-Shih Accounting Supervisor: Lai, Yi-Han

Solid Year Co., Ltd

Parent Company only Statement of Comprehensive Income

Jan.1 to Dec.31, 2023 and 2022

Unit: In NT$'000, except earnings per share in NT$

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Notes 4, 22, and 28)	$ 3,216,692	100	$ 4,434,107	100
5000	Operating costs (Notes 4, 9, and 28)	(2,735,993)	(85)	(3,919,817)	(88)
5900	Operating Gross Profit	480,699	15	514,290	12
	Operating expenses (Notes 22 and 28)				
6100	Sales expense	(123,033)	(4)	(126,559)	(3)
6200	Management fee	(136,099)	(4)	(122,267)	(3)
6300	Research and development expenses	(47,399)	(2)	(48,577)	(1)
6450	Expected credit impairment loss (Note 8)	(253)	-	(8,453)	-
6000	Total operating expenses	(306,784)	(10)	(305,856)	(7)
6900	Net operating profit	173,915	5	208,434	5
	Non-operating income and expenses (Notes 22 and 28)				
7100	Interest income	9,529	1	1,248	-
7010	Other income	7,566	-	8,599	-
7020	Other benefits and losses	911	-	40,775	1
7050	Financial costs	(9,183)	-	(10,624)	-
7070	The share of profits and losses of subsidiaries recognized by the equity method	105,997	3	110,858	2
7000	Total non-operating income and expenses	114,820	4	150,856	3
7900	Net income before tax	288,735	9	359,290	8
7950	Income tax expense (Notes 4 and 23)	(68,077)	(2)	(83,124)	(2)

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Code		2023 Amount	2023 %	2022 Amount	2022 %
8200	Net profit for the year	220,658	7	276,166	6
	Other comprehensive income (Notes 23 and 27)				
8310	Items not reclassified to profit or loss				
8316	Unrealized evaluation gains and losses on equity instrument investments measured at fair value through other comprehensive gains and losses	(2,997)	-	(8,625)	-
8349	Income taxes related to items that are not reclassified	578	-	1,725	-
		(2,419)	-	(6,900)	-
8360	Items that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of financial statements of foreign operating institutions	(18,747)	(1)	32,683	1
8399	Income taxes related to items that are reclassified	3,749	-	(6,536)	-
		(14,998)	(1)	26,147	1
8300	Other comprehensive profit or loss for the year (net after tax)	(17,417)	(1)	19,247	1
8500	Total comprehensive profit or loss for the year	$ 203,241	6	$ 295,413	7
	Earnings per share (Note 24)				
9750	Basic	$ 3.67		$ 4.60	
9850	Diluted	$ 3.65		$ 4.57	

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

Chairman: Liang ,Hui-Pin General Manager: Wu ,Chuan-Shih Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd

Parent Company Only Statement of Changes in Equity

Jan.1 to Dec.31, 2023 and 2022

Unit: NT$'000

Code		Ordinary share capital (Note 21)	Capital fund (Note 21)	Retained earnings (Note 21)			Other equity		Total equity
				Legal reserve	Special reserves	Undistributed earnings	Financial assets at fair value through other comprehensive income or loss	Exchange differences on translation of financial statements of foreign operating institutions	
A1	Balance as of January 1, 2022	$ 600,504	$ 89,280	$ 153,714	$ 42,890	$ 428,550	($ 28,800)	($ 18,588)	$ 1,267,550
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	14,841	-	(14,841)	-	-	-
B3	Special reserves	-	-	-	(20,221)	20,221	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(180,151)	-	-	(180,151)
M7	Changes in ownership interests in subsidiaries	-	1,245	-	-	-	-	-	1,245
D1	Net profit for 2022	-	-	-	-	276,166	-	-	276,166
D3	Other comprehensive profit or loss after tax for 2022	-	-	-	-	-	(6,900)	26,147	19,247
D5	Total comprehensive profit or loss for 2022	-	-	-	-	276,166	(6,900)	26,147	295,413
Z1	Balance on Dec.31, 2022	600,504	90,525	168,555	22,669	529,945	(35,700)	7,559	1,384,057
	Appropriation and distribution of earnings								
B1	Legal reserve	-	-	18,894	-	(18,894)	-	-	-
B3	Special reserves	-	-	-	23,827	(23,827)	-	-	-
B5	Cash dividends to shareholders of the Company	-	-	-	-	(114,096)	-	-	(114,096)
D1	Net income in 2023	-	-	-	-	220,658	-	-	220,658
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(2,419)	(14,998)	(17,417)
D5	Total comprehensive income in 2023	-	-	-	-	220,658	(2,419)	(14,998)	203,241
Z1	Balance as of December 31, 2023	$ 600,504	$ 90,525	$ 187,449	$ 46,496	$ 593,786	($ 38,119)	($ 7,439)	$ 1,473,202

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

Chairman: Liang ,Hui-Pin General Manager: Wu ,Chuan-Shih Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd

Parent Company Only Statement of Cash Flows

Jan.1 to Dec.31, 2023 and 2022

Unit: NT$'000

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax for the year	$ 288,735	$ 359,290
A20010	Income, expense and loss items:		
A20300	Expected credit impairment loss	253	8,453
A20100	Depreciation expense	17,012	11,591
A20200	Amortization expense	1,788	1,240
A20900	Financial costs	9,183	10,624
A21200	Interest income	(9,529)	(1,248)
A22400	The share of profits and losses of subsidiaries recognized by the equity method	(105,997)	(110,858)
A22500	Disposal of interests in real estate, plant and equipment	(685)	-
A23700	Loss on inventory depreciation (recovery benefit)	23,602	(17,497)
A24100	Net gain from foreign currency exchange	(15,731)	(1,073)
A30000	Net change in operating assets and liabilities		
A31150	Accounts receivable	(10,374)	198,041
A31180	Other receivables	728	3,022
A31200	Inventory	(208,940)	28,423
A31230	Payment in advance	22,096	4,798
A31240	Other current assets	(16,237)	5,645
A32125	Contractual Liabilities - Current	(25,294)	64,750
A32150	Accounts payable	507,106	125,988
A32180	Other payables	2,845	(7,207)
A32200	Provisions- current	11,052	12,284
A32230	Other current liabilities	39	(1,087)
A33000	Cash generated from operations	491,652	695,179
A33100	Interest collected	9,529	1,248
A33300	Interest paid	(8,903)	(10,624)
A33500	Income tax paid	(36,905)	(21,439)
AAAA	Cash flow from operating activities	455,373	664,364
	Cash flows from investing activities		
B00010	Financial assets at fair value through other comprehensive income or loss	(35,892)	-
B00020	Disposal of financial assets at fair value through other comprehensive income	35,892	-
B01800	Acquisition of long-term equity investments accounted for using the equity method	-	(44,054)

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Code		2023	2022
B02700	Purchase of property, plant and equipment	($ 99,617)	($ 33,257)
B02800	Disposal amount of real estate, plant and equipment	2,000	-
B03800	Deposit margin increased	(15,199)	(35)
B04600	Purchase of intangible assets	(1,429)	(648)
B06700	Other non-current assets increased	-	(3,633)
B06800	Decrease of other non-current assets	3,230	-
B07100	Prepayment for equipment increased	(490)	(2,173)
BBBB	Net cash outflow from investing activities	(111,505)	(83,800)
	Cash flow from financing activities		
C00100	Increase in short-term borrowing	85,000	342,000
C00200	Decrease in short-term borrowings	(234,000)	(458,000)
C04020	Repayment of principal of lease liabilities	(3,253)	(569)
C01600	Long-term loans	106,660	275,040
C01700	Repayment of long-term borrowings	(63,089)	(383,501)
C03000	Increase in guarantee for deposits received	-	23
C03100	Decrease in guarantee for deposits received	(690)	-
C04500	Payment of dividends	(150,125)	(208,148)
CCCC	Net cash outflow from investing activities	(259,497)	(433,155)
EEEE	Net increase in cash and cash equivalents	84,371	147,409
E00100	Cash and approximate cash balance at the beginning of the year	266,212	118,803
E00200	Cash and approximate cash balance at the end of the year	$ 350,583	$ 266,212

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

Chairman: Liang ,Hui-Pin General Manager: Wu ,Chuan-Shih Accounting Supervisor: Lai Yi-Han

Solid Year Co., Ltd

Notes to Parent Company Only Financial Statements

Jan.1 to Dec.31, 2023 and 2022

(In NT$'000, unless stated otherwise)

I. Company History

Solid Year Co.,Ltd. (hereinafter referred to as the "Company") was founded in December 1978. It is engaged in the manufacturing and import and export of various electronic components and computer peripheral equipment.

The Company's shares were approved by Taipei Exchange (TPEx) in May 2019 for public offering, and approved by Taipei Exchange in December of the same year to trade on the emerging stock market.

The parent company only financial statements are presented in the Company's functional currency, NT$.

II. Date and Procedure for Adopting Financial Statements

The parent company only financial statements were approved and passed by the Board of Directors on March 13, 2024.

III. Applicability of New and Amended Standards and IFRS Interpretations

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

The application of the amendments to the IFRSs endorsed and issued into effect by the FSC does not have material impact on the Company's accounting policies.

(II) IFRS accounting standards endorsed by the FSC and applicable in 2024

New/amended/revised standards and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liabilities in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classifying 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 Financing Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

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

Note 3: Partial exemption from disclosure requirements upon initial application of these amendments.

As of the publication date of these parent company only financial statements, the Company has assessed that the amendments to other standards and interpretations will not have a material impact on the financial position and financial performance.

(III) IFRS accounting standards issued by the International Accounting Standards Board (IASB) but not yet endorsed and issued into effect by the FSC

New/amended/revised standards and interpretations	Effective date announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"	To be determined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 2)

Note 1: Unless stated otherwise, the above new IFRSs are effective for annual periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendment is applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the consolidated Company adopts a non-functional currency as the currency presented, it will affect the exchange differences of foreign operations under equity on the date of initial application.

As of the publication date of these parent company only financial statements, the Company continues to evaluate the impact of other standards and amendments to interpretations on its financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed .

IV. Summary of Significant Accounting Policies

(I) Compliance Statement

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

(II) Basis of Preparation

Except for financial instruments measured at fair value, the parent company only financial statements have been prepared on the historical cost basis.

The fair value is divided into Level 1 to Level 3 according to the observable degree and importance of the relevant input value:

1. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.
2. Level 2 inputs: Inputs, other than quoted prices in Level 1, that are observable, either directly (i.e., prices) or indirectly (i.e., derived from prices) for the asset or liability.
3. Level 3 inputs are unobservable inputs for the asset or liability.

When the Company prepared the parent company only financial statements, the subsidiaries were accounted for using the equity method. In order to ensure that the profit or loss, other comprehensive income, and equity of the parent company financial statements for the current year are the same as those attributed to the owners of the Company in the consolidated financial statements, certain accounting treatment differences between the parent company only basis and consolidated basis include adjustments for "Investments Accounted for Using the Equity Method", "Share of Profit or Loss of Subsidiaries Accounted for Using the Equity Method", "Share of Other Comprehensive Income of Subsidiaries Accounted for Using the Equity Method", and related equity items.

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

Current assets include:

1. Assets held mainly for the purpose of trading;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or used to settle a liability for at least 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for the purpose of trading;
2. Liabilities due to be settled within 12 months after the balance sheet date; and
3. Liabilities for which the settlement period cannot be unconditionally deferred for at least 12 months after the balance sheet date.

Assets or current liabilities that are not classified as above are classified as non-current assets or non-current liabilities.

(IV) Foreign currencies

When the Company prepares financial statements, transactions in currencies other than the Company's functional currency (i.e. foreign currencies) are recognized at the rates of exchange prevailing on the transaction dates.

Monetary items denominated in foreign currencies are translated at the rates prevailing at the end of each reporting period. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in profit or loss in the current period.

The foreign currency non-monetary item measured at fair value is converted at the exchange rate on the date when the fair value is determined, and the exchange difference generated is recognized in the current profit or loss; however, for the change in fair value recognized in other comprehensive income, the exchange difference generated is recognized in the current profit or loss in other comprehensive income.

Non-monetary items in foreign currency measured at historical cost are translated at the exchange rate on the transaction date and will not be retranslated.

For the purpose of preparing the parent company only financial statements, the assets and liabilities of the Company's foreign operations (including subsidiaries that operate in countries or use currencies different from the Company) are translated into New Taiwan Dollars at the exchange rates prevailing at each balance sheet date. Income and expense items are translated at the average exchange rates for the period, and the resulting exchange differences are recognized in other comprehensive income.

(V) Inventory

Inventories include raw materials, work-in-progress, semi-finished products, finished goods and merchandise. Inventories are measured at the lower of cost or net realizable value. The comparison of cost and net realizable value is based on individual items, except for inventories of the same category. The net realizable value refers to the balance of the estimated selling price under normal circumstances, less the estimated cost of completion and the estimated cost of sales. The cost of inventories is calculated using the weighted average method.

(VI) Investment in subsidiaries

The Company accounts for its investment in subsidiaries under the equity method.

A subsidiary is an entity controlled by the Company.

Under the equity method, an investment is initially recognized at cost, and the book value after the acquisition is increased or decreased by the Company's share of the profit or loss and other comprehensive income of the subsidiary and the profit distribution. In addition, the changes in the Company's other equity in subsidiaries are recognized in proportion to the shareholding.

Changes in the Company's ownership interests in subsidiaries that do not result in a loss of control are accounted for as equity transactions. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses on a subsidiary equals or exceeds its equity in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that in substance form part of the Company's net investment in the subsidiary), Continue to recognize the losses in proportion to the shareholding.

The amount by which the acquisition cost exceeds the Company's share of the net identifiable assets and liabilities of the subsidiary in the acquired business on the acquisition date is recognized as goodwill. The goodwill is included in the book value of the investment and shall not be amortized; The share of the subsidiary's identifiable assets and net fair value of the purchased business that exceeds the acquisition cost is recognized as current income.

When the Company assesses the impairment, it considers the cash-generating unit as a whole and compares the recoverable amount with the book value. If the recoverable amount of the asset increases subsequently, the reversal of the impairment loss will be recognized as gain. However, the carrying amount of the asset after the reversal of the impairment loss shall not exceed the amount that would have been appropriated if the impairment loss had not been recognized The carrying amount after amortization. The impairment loss attributable to goodwill shall not be reversed in the subsequent period.

Transactions between the Company and its subsidiaries resulting in unrealized gains or losses are written off in the parent company only financial statements of the Company. The gains and losses arising from the downstream and lateral transactions between the Company and its subsidiaries are recognized in the parent company only financial statements only to the extent that they are irrelevant to the Company's interests in the subsidiaries.

(VII) Property, plant and equipment

Property, plant and equipment are stated at cost and subsequently measured at cost less accumulated depreciation.

The property, plant and equipment under construction is recognized at the amount of cost less accumulated impairment loss. Cost includes professional service fees and borrowing costs that meet the capitalization conditions. Such assets are classified into the appropriate category of property, plant and equipment upon completion and reaching the status of intended use and the depreciation begins.

Except for the self-owned land, which is not depreciated, each significant component of the remaining property, plant and equipment is depreciated separately on a straight-line basis over their useful lives. The Company reviews the estimated useful life, residual value and depreciation method at least at the end of each year, and applies the effects of changes in accounting estimates prospectively.

When derecognizing property, plant and equipment, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(VIII) Investment property

Investment property is held for the purpose of earning rent or capital appreciation or both. Investment property also includes land held for which the future use has not yet been determined.

Self-owned investment property is initially measured at cost (including transaction costs) and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Investment property is depreciated on a straight-line basis.

When investment property is derecognized, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

(IX) Intangible assets

1. Separately acquired

Intangible assets with limited useful life acquired separately are initially measured at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over the useful lives. The Company reviews the estimated useful life, residual value, and amortization methods at least at the end of each year, while applying the effects of changes in accounting estimates prospectively.

2. Derecognition

When intangible assets are derecognized, any difference between the net disposal proceeds and the carrying amount of the asset is recognized in the current period's income statement.

(X) Impairment of property, plant and equipment, right-of-use assets and intangible assets

The Company assesses at each balance sheet date whether there is any indication that the property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If there are indications of impairment, the estimated recoverable amount of the asset is determined. If it is not possible to estimate the recoverable amount of an individual asset, the recoverable amount of the cash-generating unit to which the asset belongs is estimated instead.

The recoverable amount is the higher of fair value less costs to sell and value in use. If the recoverable amount of an individual asset or cash-generating unit is less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount, and an impairment loss is recognized in the income statement.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount. However, the increased carrying amount shall not exceed the amount that had The book value determined at the time of loss (less amortization or depreciation). Reversal of impairment loss is recognized in profit or loss.

(XI) Financial instruments

Financial assets and financial liabilities shall be recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instrument.

When financial assets and financial liabilities are initially recognized, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at the fair value plus transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are immediately recognized in profit or loss.

1. Financial assets

Conventional transactions of financial assets are recognized and derecognized using trade date accounting.

(1) Measurement type

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

A. Financial assets measured at amortized cost

The Company classifies financial assets as measured at amortized cost if they meet both of the following conditions:

a. They are held within a business model whose objective is to hold financial assets to collect contractual cash flows.
b. The contractual terms give rise to cash flows that are solely payments of principal and interest on the principal amount outstanding at specified dates.

Financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivable measured at amortized cost, other receivables, and refundable deposits) are initially measured at fair value and subsequently measured at amortized cost using the effective interest method, less any impairment losses, with any foreign exchange gains or losses recognized in profit or loss.

Interest income is calculated by applying the effective interest rate to the carrying amount of the financial asset, except in the following two cases:

a. For purchased or originated credit-impaired financial assets, interest revenue is calculated by multiplying the credit-adjusted effective interest rate by the amortized cost of the financial asset.
b. For financial assets that were not originally credit-impaired but subsequently became credit-impaired, interest income is calculated using the effective interest rate from the next reporting period after the credit impairment.

Credit-impaired financial assets refer to those where the issuer or debtor has experienced significant financial difficulty, default, and it is probable that the debtor will enter bankruptcy or other financial restructuring, or the financial asset's active market has disappeared due to financial difficulties.

Cash equivalents include highly liquid investments with maturities of three months or less from the acquisition date that are readily convertible into known amounts of cash and are subject to insignificant risk of changes in value, used to meet short-term cash commitments.

B. Equity instrument investment measured at fair value through other comprehensive income

The Company may, at initial recognition, make an irrevocable election to present in other comprehensive income subsequent changes in fair value of an investment in equity instrument that is not held for trading nor contingent consideration recognized by an acquirer in a business combination.

Equity instruments measured at fair value through other comprehensive income are measured at fair value, with subsequent fair value changes recognized in other comprehensive income and accumulated in other equity. When the investment is disposed, the accumulated profit or loss is directly transferred to the retained earnings and is not reclassified as profit or loss.

Dividends of investments in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss when the Company's right to receive payment is established, unless such dividends clearly represent the recovery of part of the investment cost.

(2) Impairment of financial assets

The Company assesses the impairment loss of financial assets measured at amortized cost (including notes and accounts receivable) based on the expected credit loss at each balance sheet date.

For notes and accounts receivable, an allowance for loss is recognized based on the expected credit losses for the duration. For other financial assets, an assessment is made on whether there is a significant increase in credit risk since the original recognition. If there is no significant increase in the credit risk, the allowance for loss is recognized at an amount equal to expected credit losses over 12 months. If there has been a significant increase, expected credit losses are recognized based on the expected credit losses over the remaining period.

Expected credit losses are determined as the weighted average of credit losses considering the risk of default. Expected credit losses over 12 months represent the expected credit losses arising from default events within 12 months after the reporting date, while expected credit losses over the remaining period represent the expected credit losses arising from all possible default events during the expected remaining period.

For internal credit risk management purposes and without considering the collateral held, the Company determines that a financial asset has defaulted under the following conditions:

A. There is internal or external information indicating that it is impossible for the debtor to pay off the debt.

B. The asset is overdue by more than 365 days, unless there is reasonable and verifiable information indicating that a different default criterion is more appropriate.

All impairment losses on financial assets are recognized by adjusting their carrying amounts through an allowance account, except for impairment losses on equity instruments measured at fair value through other comprehensive income, which are recognized in other comprehensive income and do not reduce their carrying amounts.

(3) Derecognition of financial assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the carrying amount and the consideration received is recognized in profit or loss. When equity instruments measured at fair value through other comprehensive income are derecognized, accumulated gains or losses are directly transferred to retained earnings and are not reclassified to profit or loss.

2. Financial liabilities

(1) Subsequent measurement

All financial liabilities are measured at amortized cost in the effective interest method.

(2) Derecognition of financial liabilities

When derecognizing financial liabilities, any difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(XII) Provision for liabilities

The amount recognized as provisions reflects the best estimate of the expenditure required to settle the obligation as of the balance sheet date, taking into account the risks and uncertainties associated with the obligation. Provisions are measured at the present value of the estimated cash flows required to settle the obligation.

(XIII) Recognition of revenue

Upon identification of performance obligations in customer contracts, the Company allocates the transaction price to each performance obligation and recognizes revenue when each performance obligation is satisfied.

Revenue from the sale of goods comes from the sale of electronic components and computer peripherals. Since the customer has control over the goods and assumes the risks and rewards of ownership upon delivery to the customer's specified location, with the price being fixed and the right to use the goods established, and assuming the primary responsibility for resale and the risk of obsolescence, the Company recognizes revenue and accounts receivable at that point in time. The advance receipts from sales of merchandise are recognized as contract liabilities before the products arrive at the locations designated by the customers.

When exporting materials for processing, the control of the ownership of the processed products has not been transferred, so materials are not recognized as income.

(XIV) Leases

The Company assesses whether the contract belongs to (or contains) a lease on the establishment date of the contract.

1. The Company as the lessor

When the lease terms transfer almost all the risks and rewards attached to the ownership of assets to the lessee, it is classified as a finance lease. All other leases are classified as operating leases.

Under a finance lease, lease payments include fixed payments and substantive fixed payments. The net lease investment is measured by the sum of the present value of the lease payment receivable and the unguaranteed residual value plus the original direct cost, and is expressed as a finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return on the Company's unexpired net lease investment in each period.

Under operating leases, lease payments net of lease incentives are recognized as income on a straight-line basis over the relevant lease term.

2. The Company as the lessee

Except for low-value asset leases and short-term leases to which a recognition exemption applies, where lease payments are recognized as expenses on a straight-line basis over the lease terms, all leases are recognized with a right-of-use asset and a lease liability on the lease commencement date.

The right-of-use asset is initially measured at cost (including the initial measured amount of the lease liability, lease payment paid before the lease commencement date, initial direct costs, and the estimated cost of restoring the underlying asset), and subsequently measured at cost less accumulated depreciation, and adjusted remeasurement of lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

The right-of-use assets are depreciated on a straight-line basis from the lease start date to the end of the service life or the expiration of the lease term, whichever is earlier.

Lease liabilities are initially measured at the present value of lease payments (including fixed payments and substantive fixed payments). If the lease implied interest rate can be easily determined, the lease payment is discounted at the said interest rate. If such interest rate cannot be easily determined, the lessee's incremental borrowing interest rate shall apply.

Subsequently, the lease liability is measured at the amortized cost using the effective interest method, and the interest expense is amortized over the lease term. If a change in the lease term results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(XV) Cost of borrowings

Borrowing costs directly attributable to the acquisition, construction, or production of qualifying assets are treated as part of the cost of the asset until the asset is nearly ready for its intended use or sale.

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

(XVI) Employee benefits

1. Short-term employee benefits

The liabilities related to short-term employee benefits are measured by the non-discounted amount expected to be paid in exchange for employee services.

2. Post-employment benefits

For the pension under the defined contribution plan, the amount of pension to be contributed is recognized as an expense during the service period of the employees.

(XVII) Income tax

Income tax expense represents the sum of current income tax and deferred income tax.

1. Current income tax

In accordance with the Income Tax Act of the R.O.C., an additional tax on undistributed earnings is recognized in the year when a resolution is adopted at a shareholders' meeting.

Adjustments to income tax payable from prior years are recognized in current income tax.

2. Deferred income tax

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

Deferred income tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for the extent that it is probable that taxable income will be available to deduct deductible temporary differences and losses.

All temporary taxable differences related to investments in subsidiary companies are recognized as deferred tax liabilities. However, the Company excludes those instances where it can control the timing of the reversal of temporary differences and where it is highly probable that these temporary differences will not reverse in the foreseeable future. For such investments and equity-related temporary differences that are eligible for deduction, recognition of deferred tax assets is limited to instances where there is sufficient taxable income available to realize the temporary differences, and within a foreseeable future period in which the reversal is expected to occur.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date, and the carrying amount is reduced if it is no longer probable that sufficient taxable income will be available to allow all or part of the recovery of the assets. Deferred income tax assets that were not recognized as deferred income tax assets are also reviewed at each balance sheet date, and it is probable that future taxable income will allow all or part of the assets to be recovered, the carrying amount is increased.

Deferred income tax assets and liabilities are measured at the tax rates in the period in which the liabilities are expected to be settled or assets realized, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would arise from the manner in which the Company expects to recover or settle the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income tax is recognized in profit or loss, except for the current and deferred income tax related to the item that is recognized in other comprehensive income or directly in equity, respectively.

If the current income tax or deferred income tax arises from the acquisition of the subsidiary, the income tax effect is included in the accounting treatment of the investment in the subsidiary.

V. Disclosure of Significant Judgements and Key Sources of Estimation Uncertainty

When adopting accounting policies, the management is required to make judgments, estimates and assumptions that are based on historical experience and other factors that are not readily apparent from other sources. Actual results may differ from estimates.

When the Company develops significant accounting estimates, it will incorporate the possible impact into the considerations of cash flow estimates, growth rates, discount rates, profitability, and other relevant major estimates. The management will continue to review the estimates and basic assumptions.

Main source of estimation and assumption uncertainty - inventory impairment

The net realizable value of inventory is estimated by subtracting from the expected selling price during normal business operations the estimated costs still to be incurred to completion and the estimated costs to be incurred to sell, resulting in the residual estimate. These estimates are based on current market conditions and historical sales experience of similar products. Changes in market conditions may significantly affect these estimated results.

VI. Cash and cash equivalents

	Dec.31, 2023	Dec.31, 2022
Cash on hand and revolving funds	$ 266	$ 153
Checks and demand deposits	73,665	110,666
Cash equivalents		
Time deposits with original maturity date of less than 3 months	276,652	155,393
	$ 350,583	$ 266,212

VII. Financial assets at fair value through other comprehensive income or loss

	Dec.31, 2023	Dec.31, 2022
Non-current		
Domestic investment		
Unlisted stocks	$ 10,378	$ 13,375

The Company makes investments according to its medium to long-term strategic objectives and anticipates profits through long-term investments. The management of the Company believes that recognizing short-term fair value fluctuations of these investments in the income statement would not align with the aforementioned long-term investment plan. Therefore, the decision is made to classify these investments as measured at fair value through other comprehensive income.

VIII. Notes receivable, accounts receivable and other receivables

	Dec.31, 2023	Dec.31, 2022
Notes and accounts receivable		
Measured at amortized cost		
Gross carrying amount	$ 761,379	$ 787,231
Less: Loss allowance	(148)	(203)
	$ 761,231	$ 787,028
Accounts receivable - related parties		
Measured at amortized cost		
Gross carrying amount	$ 11,242	$ 5,144
Other receivables		
Tax refund receivable	$ 6,916	$ 6,916
Others	596	1,332
	$ 7,512	$ 8,248

The Company extends an average credit period of 30 to 90 days for its sales of goods, with no interest charged on accounts receivable.

In order to mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken in the recovery of overdue receivables. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

The Company recognizes the loss allowance for accounts receivable based on the lifetime expected credit loss. Expected credit losses are calculated using a provision matrix, taking into account the customer's past default history, current financial condition, industry economic conditions, as well as GDP forecasts and industry outlooks. As the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, the allowance matrix does not further divide the customer groups, and only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence indicating severe financial difficulties faced by the counterparty and the Company cannot reasonably expect to recover the amount, such as when the counterparty is undergoing liquidation or the debt is overdue for more than 365 days, the Company directly writes off the related accounts receivable. However, the Company shall continue its collection efforts, and any amounts recovered through collection activities are recognized in the income statement.

The Company measures the allowance loss for notes and accounts receivable (including related parties) based on the provision matrix as follows:

Dec.31, 2023

	Not past due	Overdue 1 ~ 180 days	Overdue 181 ~ 365 days	Overdue over 365 days	Total
Expected credit loss rate	0.01%	0.27%~3.48%	6.41%~53.87%	100%	
Gross carrying amount	$ 756,618	$ 16,003	$ -	$ -	$ 772,621
Allowance for losses (lifetime expected credit losses)	(72)	(76)	(-)	(-)	(148)
Amortized cost	$ 756,546	$ 15,927	$ -	$ -	$ 772,473

Dec.31, 2022

	Not past due	Overdue 1 ~ 180 days	Overdue 181~360 days	Overdue over 365 days	Total
Expected credit loss rate	0.01%	0.33%~4.43%	8.5%~94.59%	100%	
Gross carrying amount	$ 769,236	$ 23,097	$ 26	$ 16	$ 792,375
Allowance for losses (lifetime expected credit losses)	(77)	(107)	(3)	(16)	(203)
Amortized cost	$ 769,159	$ 22,990	$ 23	$ -	$ 792,172

The information on changes in the allowance for losses of notes receivable and accounts receivable (including related parties) is as follows:

	2023	2022
Opening balance	$ 203	$ 37,490
Impairment loss for the current year	253	8,453
Actual write-offs in the current year	(308)	(45,740)
Closing balance	$ 148	$ 203

IX. Inventory

	Dec.31, 2023	Dec.31, 2022
Finished goods	$ 87,148	$ -
Raw materials	71,325	-
Commodities	42,755	18,396
Semi-finished goods	3,535	-
Work in process	21	1,050
	$ 204,784	$ 19,446

The inventory-related cost of sales in 2023 and 2022 was NT$ 2,735,993,000 and NT$ 3,919,817,000, respectively. The cost of goods sold for the years 2023 and 2022 includes inventory write-down and obsolescence losses of NT$23,602,000 and inventory write-down and obsolescence reversal benefits of NT$17,497,000, respectively. Gains on write-down of inventories and obsolescence recovery were due to the disposal of inventories.

X. Investment under equity method

Investment in subsidiaries

	Dec.31, 2023	Dec.31, 2022
GOODTEK LIMITED	$ 1,028,544	$ 903,519
LONG WIN LIMITED	218,177	215,608
UGREAT MARKETING LIMITED	42,216	55,147
Ugreat Technology Electronic Co., Ltd.	14,991	42,983
Lysine New Energy Technology Co., Ltd.	9,627	9,048
	$ 1,313,555	$ 1,226,305

Name of subsidiary	Percentage of ownership interests and voting rights Dec.31, 2023	Dec.31, 2022
GOODTEK LIMITED	100%	100%
LONG WIN LIMITED	100%	100%
UGREAT MARKETING LIMITED	100%	100%
Ugreat Technology Electronic Co., Ltd.	66.67%	66.67%
Lysine New Energy Technology Co., Ltd.	70%	70%

(1) Lysine New Energy Technology Co., Ltd. was established on January 5, 2022 with the invested capital of NT$ 21,000,000, and then on March 28, 2022, it issued a capital increase of NT$ 9,000,000 in cash. The Company did not participate in the cash capital increase.

(2) On August 11, 2022, the Board of Directors of the Company resolved to conduct a cash capital increase for its subsidiary UGREAT MARKETING LIMITED. Subsequently, UGREAT MARKETING LIMITED further injected USD 1,425,000 into the Company's second-tier subsidiary, Yu Hong Electronic (Shenzhen) Co., Ltd. The entire capital increase process was completed on November 14, 2022.

(3) On December 15, 2023, the Board of Directors of the Company resolved to conduct a cash capital increase for its subsidiary UGREAT MARKETING LIMITED. Subsequently, UGREAT MARKETING LIMITED further injected USD 572,000 into its subsidiary, Ugreat Technology Electronic Co., Ltd. The entire capital increase process was completed on March 17, 2024.

The share of profit and loss and other comprehensive income of the subsidiaries accounted for using the equity method in 2023 and 2022 are based on the financial statements audited by the accountant for the same periods.

XI. Property, plant and equipment

	Dec.31, 2023	Dec.31, 2022
Self-use	$ 721,639	$ 630,213
Operating lease	2,835	3,312
	$ 724,474	$ 633,525

(I) Self-use

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Cost						
Balance as of January 1, 2023	$ 441,228	$ 175,419	$ 6,950	$ 43,054	$ 22,756	$ 689,407
Transferred assets leased from investment property to assets for own use	1,405	1,904	-	-	-	3,309
Assets leased out from operating leases transferred to assets for own use	477	-	-	-	-	477
Addition	-	-	2,172	15,852	81,593	99,617
Reclassification	-	-	-	1,199	-	1,199
Disposition	-	-	-	(5,260)	-	(5,260)
Balance as of December 31, 2023	$ 443,110	$ 177,323	$ 9,122	$ 54,845	$ 104,349	$ 788,749
Accumulated depreciation						
Balance as of January 1, 2023	$ -	$ 24,887	$ 3,110	$ 31,197	$ -	$ 59,194
Transferred assets leased from investment property to assets for own use	-	280	-	-	-	280
Disposition	-	-	-	(3,945)	-	(3,945)

	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Depreciation expense	-	4,264	696	6,621	-	11,581
Balance as of December 31, 2023	$ -	$ 29,431	$ 3,806	$ 33,873	$ -	$ 67,110
Net as of December 31, 2023	$ 443,110	$ 147,892	$ 5,316	$ 20,972	$ 104,349	$ 721,639
Cost						
Balance as of January 1, 2022	$ 442,169	$ 176,916	$ 3,243	$ 42,080	$ -	$ 664,408
Reclassified to investment property	-	(1,904)	-	-	-	(1,904)
Assets transferred to operating lease	(941)	-	-	-	-	(941)
Addition	-	407	3,707	7,004	22,756	33,874
Disposition	-	-	-	(6,030)	-	(6,030)
Balance on Dec.31, 2022	$ 441,228	$ 175,419	$ 6,950	$ 43,054	$ 22,756	$ 689,407
	Land	Buildings	Machinery and equipment	Other equipment	Construction in progress	Total
Accumulated depreciation						
Balance as of January 1, 2022	$ -	$ 20,847	$ 2,868	$ 32,952	$ -	$ 56,667
Reclassified to investment property	-	(203)	-	-	-	(203)
Assets transferred to operating lease	-	-	-	-	-	-
Disposition	-	-	-	(6,030)	-	(6,030)
Depreciation expense	-	4,243	242	4,275	-	8,760
Balance on Dec.31, 2022	$ -	$ 24,887	$ 3,110	$ 31,197	$ -	$ 59,194
Net as of December 31, 2022	$ 441,228	$ 150,532	$ 3,840	$ 11,857	$ 22,756	$ 630,213

Depreciation expenses are depreciated on a straight-line basis over the following useful lives:

Buildings	
Main structure	5 to 50 years
Others	10 years
Machinery and equipment	5 to 8 years
Other equipment	
Transportation equipment	3 to 5 years
Office equipment	5 - 10 years
Others	2 to 8 years

For the amount of self-use property, plant and equipment pledged as collateral for borrowings, please refer to Note 29.

(II) Operating lease

	Land
Cost	
Balance as of January 1, 2023	$ 3,312
Reclassified to self-use assets	(477)
Balance as of December 31, 2023	$ 2,835
Cost	
Balance as of January 1, 2022	$ 2,371
Reclassified from self-use assets	941
Balance on Dec.31, 2022	$ 3,312

The Company leases its parking spaces to employees on an operating lease for a period of 1 year. All operating lease contracts contain clauses that require the rent to be adjusted in accordance with the market rent when the lessee exercises the right to renew the lease. The lessee does not have preferential right to acquire the asset at the end of the lease term.

The total amount of lease payments to be received in the future for operating leases is as follows:

	Dec.31, 2023	Dec.31, 2022
Year 1	$ 240	$ 280

Please refer to Note 29 for the amount of property, plant and equipment leased under operating leases that were pledged as collateral for borrowings.

XII. Lease agreements

(I) Right-of-use assets

	Dec.31, 2023	Dec.31, 2022
Book value of right-of-use assets		
Land	$ 3,163	$ -
Buildings	9,600	786
	$ 12,763	$ 786

	2023	2022
Addition of right-of-use assets	$ 15,139	$ 1,348
Depreciation expense of right-of-use assets		
Land	$ 622	$ -
Buildings	2,540	562
	$ 3,162	$ 562

(II) Lease liabilities

	Dec.31, 2023	Dec.31, 2022
Book value of lease liabilities		
Current	$ 2,418	$ 676
Non-current	$ 10,581	$ 114

Discount rate interval (%) of lease liabilities is as follows:

	Dec.31, 2023	Dec.31, 2022
Land	2.25	-
Buildings	1.30-2.25	1.30

(III) Important leasing activities and terms and conditions

The Company leases offices, parking spaces and staff dormitories for leases of 1 to 6 years. At the end of the lease term, the Company does not have preferential rights to acquire the leased land, offices, parking spaces and staff dormitories.

(IV) Other lease information

	2023	2022
Short-term lease expense	$ 899	$ 1,869
Low-value asset lease expense	$ 133	$ 129
Total cash outflow for leases	($ 4,285)	($ 2,567)

The Company has elected to apply an exemption for the recognition of leases for office spaces, parking spaces, warehouses classified as short-term leases, and certain photocopying equipment classified as leases of low-value assets. Therefore, no recognition of related right-of-use assets and lease liabilities is made for these leases.

XIII. Investment property

	Completed investment property
Cost	
January 1, 2023	$ 168,610
Reclassification	(3,309)
Balance as of December 31, 2023	$ 165,301
Accumulated depreciation and impairment	
Balance as of January 1, 2023	$ 14,369
Reclassification	(280)
Depreciation expense	2,269
Balance as of December 31, 2023	$ 16,358
Net as of December 31, 2023	$ 148,943

	Completed investment property
Cost	
January 1, 2022	$ 166,706
Reclassification	1,904
Balance on Dec.31, 2022	$ 168,610
Accumulated depreciation and impairment	
Balance as of January 1, 2022	$ 11,897
Reclassification	203
Depreciation expense	2,269
Balance on Dec.31, 2022	$ 14,369
Net as of December 31, 2022	$ 154,241

The lease term of the investment property is 3 to 5 years. When the lessee exercises the right to renew the lease, it is agreed that the rent will be adjusted according to the market price. The lessee does not have the preferential right to acquire the investment property at the end of the lease term.

The total amount of lease payments to be received in the future for leasing out investment properties under operating leases is as follows:

	Dec.31, 2023	Dec.31, 2022
Year 1	$ 5,334	$ 3,620
Year 2	4,510	1,099
Year 3	2,469	275
	$ 12,313	$ 4,994

Investment property is depreciated on a straight-line basis over the following useful lives:

Main office building	50 years

The fair value of investment properties, which have not been assessed by independent valuation experts, is measured by the management of the Company using valuation models commonly employed by market participants, with Level 3 inputs. This valuation is based on market evidence resembling transaction prices of similar real estate properties. The fair value obtained from the valuation is as follows:

	Dec.31, 2023	Dec.31, 2022
Fair value	$ 344,309	$ 304,620

Please refer to Note 29 for the amount of investment property pledged for loans.

XIV. Intangible assets

	Patent rights	Trademark rights	Cost of computer software	Total
Cost				
Balance as of January 1, 2023	$ -	$ 656	$ 14,345	$ 15,001
Separately acquired	-	-	1,429	1,429
Balance as of December 31, 2023	$ -	$ 656	$ 15,774	$ 16,430
Accumulated amortization and impairment				
Balance as of January 1, 2023	$ -	$ 601	$ 11,721	$ 12,322
Amortization expense	-	20	1,768	1,788
Balance as of December 31, 2023	$ -	$ 621	$ 13,489	$ 14,110
Net as of December 31, 2023	$ -	$ 35	$ 2,285	$ 2,320
Cost				
Balance as of January 1, 2022	$ 3,565	$ 656	$ 13,697	$ 17,918
Separately acquired	-	-	648	648
Derecognition	(3,565)	-	-	(3,565)
Balance on Dec.31, 2022	$ -	$ 656	$ 14,345	$ 15,001

	Patent rights	Trademark rights	Cost of computer software	Total
Accumulated amortization and impairment				
Balance as of January 1, 2022	$ 3,565	$ 575	$ 10,507	$ 14,647
Amortization expense	-	26	1,214	1,240
Derecognition	(3,565)	-	-	(3,565)
Balance on Dec.31, 2022	$ -	$ 601	$ 11,721	$ 12,322
Net as of December 31, 2022	$ -	$ 55	$ 2,624	$ 2,679

Amortization expenses are accrued on a straight-line basis over the following useful lives:

Trademark rights	7 - 10 years
Cost of computer software	1 - 5 years

	2023	2022
Amortization expenses by function		
Sales expense	$ 451	$ 89
Management fee	641	360
Research and development expenses	696	791
	$ 1,788	$ 1,240

XV. Other assets

	Dec.31, 2023	Dec.31, 2022
Current		
Payment in advance		
Prepayment for purchases	$ 20,655	$ 33,809
Prepaid expenses	8,057	11,475
Residual tax credit	17,135	7,030
Input tax	7,582	1,477
Others	-	4,505
Others	77	51
	$ 53,506	$ 58,347
Non-current		
Prepaid equipment payment	$ 490	$ 2,218
Refundable deposits	15,716	517
Others	403	3,633
	$ 16,609	$ 6,368

XVI. Borrowings

(I) Sort-term borrowings

	Dec.31, 2023	Dec.31, 2022
Secured borrowings (Note 29)		
Bank borrowings	$ 80,000	$ 186,000
Unsecured borrowings		
Bank borrowings	35,000	78,000
	$ 115,000	$ 264,000
Interest rate per annum (%)		
Secured borrowings	1.86	1.735-2.007
Unsecured borrowings	0.5	1.60-1.84

(II) Long-term borrowings

	Dec.31, 2023	Dec.31, 2022
Secured borrowings (Note 29)		
Bank borrowings	$ 331,980	$ 288,409
Unsecured borrowings		
Bank borrowings	23,520	23,520
Subtotal	355,500	311,929
Less: maturity due within 1 year	(23,128)	(20,089)
Long-term borrowings	$ 332,372	$ 291,840
Interest rate per annum (%)		
Secured borrowings	0.5-2.17	0.761-1.887
Unsecured borrowings	0.9	0.775

XVII. Notes payable and accounts payable

	Dec.31, 2023	Dec.31, 2022
Accounts payable		
From operations	$ 77,515	$ 20,942
Accounts receivable - related parties		
From operations	$ 1,194,074	$ 788,853

Accounts payable are paid at the agreed time in contracts. The Company has financial risk management policies in place to ensure that all accounts payable are repaid within the pre-agreed credit terms.

XVIII. Other liabilities - current

	Dec.31, 2023	Dec.31, 2022
Current		
Other payables		
Dividends payable	$ 54,046	$ 90,075
Salaries and bonuses payable	19,796	21,483
Others	49,718	45,477
	$ 123,560	$ 157,035
Provisions- current		
sales discounts and allowances	$ 23,336	$ 12,284

Provisions for sales discounts are based on historical experience, management judgment and other known reasons to estimate possible product discounts, and are recognized as sales revenue deductions in the year when the relevant products are sold.

	Dec.31, 2023	Dec.31, 2022
Other liabilities		
Payments on behalf of others	$ 2,105	$ 2,066

XIX. Other liabilities - non-current

	Dec.31, 2023	Dec.31, 2022
Non-current		
Guarantee deposits received	$ 192	$ 882

XX. Post-employment benefit plan

Defined contribution plan

The Company's pension system under the "Labor Pension Act" is a state-managed defined contribution plan. Under the Labor Pension Act, the Company makes monthly contributions to employees' individual pension accounts at 6% of their monthly salaries and wages.

XXI. Equity

(I) Share capital

Common stock

	Dec.31, 2023	Dec.31, 2022
Authorized shares (in thousands)	100,000	100,000
Authorized share capital	$ 1,000,000	$ 1,000,000
Issued and paid shares (thousand shares)	60,050	60,050
Issued share capital	$ 600,504	$ 600,504

(II) Capital fund

	Dec.31, 2023	Dec.31, 2022
May be used to offset losses, distribute cash or capitalize on share capital (1)		
Premium from stock issuance	$ 83,112	$ 83,112
Issuance premium	3,535	3,535
Can only be used to offset losses (2)		
Changes in ownership interests in subsidiaries	3,366	3,366
Not to be used for any purpose (3)		
Gain on disposal of assets	512	512
	$ 90,525	$ 90,525

1. Such capital reserves may be used to make up for deficits, and may be used to distribute cash or capitalize on share capital when the Company has no losses. However, the capital reserves shall be limited to a certain percentage of the Company's paid-in capital each year.
2. Such capital reserve is the effect of equity transactions recognized due to changes in the company's equity when the Company has not actually acquired or disposed of the equity of the subsidiary, or the adjusted capital reserve of the subsidiary recognized by the Company under the equity method.
3. Such capital reserve shall not be used for any purpose.

(III) Retained earnings and dividend policy

According to the dividend distribution policy stipulated in the Company's Articles of Incorporation, the distribution of profits or offsetting of losses may be carried out at the end of each semi-annual accounting period. If there are profits in each semi-annual accounting period, they shall be subject to legal tax payments. After offsetting accumulated losses, an estimated provision for employee compensation shall be made, followed by setting aside 10% as a legal reserve. However, if the legal reserve has reached the total amount of paid-in capital, further provision is not required. For the remaining balance, the special reserve shall be set aside or reversed in accordance with the laws and regulations; if there is any remaining balance, the remaining balance shall be added to the accumulated undistributed earnings in the first half of the fiscal year, and the Board of Directors shall prepare a proposal for the distribution of earnings by issuing new shares to the shareholders if the payment is in cash, the resolution of the board of directors is required.

The legal reserve shall be appropriated until the balance reaches the paid-in capital of the Company. Legal reserves may be used to offset losses. If the legal reserve exceeds 25% of the paid-in capital, if the Company has no losses, it can be used as capital and distributed in cash.

The Company provided and reversed the special reserve in accordance with the FSC Letter Jin-Guan-Zheng-Fa-Zi No. 1010012865 and the "Questions and Answers Concerning the Application of Special Reserves after the Adoption of International Financial Reporting Standards (IFRS)".

The profit distribution proposals of the Company for 2022 and 2021 are as follows:

	2022	2021
Legal reserve	$ 27,617	$ 30,843
Appropriation (reversal) of special reserve	(19,247)	10,351
Cash dividends	150,125	210,177
Cash dividend per share (NT$)	2.5	3.5

The 2022 cash dividends mentioned above were distributed by resolution of the Board of Directors on March 28, 2023 and December 7, 2022, respectively. The remaining distribution items for 2022 were resolved by the annual general shareholders' meeting on June 19, 2023. The 2021 cash dividends were distributed by resolution of the Board of Directors on March 25, 2022 and November 9, 2021, respectively. The remaining distribution items for 2021 were resolved in the annual general shareholders' meeting on June 17, 2022.

The Company's board of directors resolved the appropriations of earnings for 2023 and 2022 as follows:

	July 1 to December 31, 2023	January 1, 2023 to June 30, 2023
Resolution date of the Board of Directors	March 13, 2024	December 15, 2023
Legal reserve	$ 16,289	$ 5,777
Special reserves	(938)	18,355
Cash dividends	72,060	54,046
Cash dividend per share (NT$)	1.2	0.9

	July 1, 2022 to December 31, 2023	January 1, 2022 to June 30, 2023
Resolution date of the Board of Directors	March 28, 2023	December 7, 2022
Legal reserve	$ 13,117	$ 14,499
Special reserves	5,472	(24,719)
Cash dividends	60,050	90,075
Cash dividend per share (NT$)	1	1.5

The 2023 earnings appropriation was proposed by the Board of Directors on March 13, 2024 as follows:

	2023
Legal reserve	$ 22,066
Special reserves	17,417
Cash dividends	126,106
Cash dividend per share (NT$)	2.1

The above cash dividends have been distributed by resolution of the board of directors, and the rest are yet to be resolved by the shareholders' meeting expected to be held on May 30, 2024.

(IV) Special reserves

	Dec.31, 2023	Dec.31, 2022
Opening balance	$ 22,669	$ 42,890
Appropriation (reversal) of special reserve		
Amounts debited (reversed) of other equity items	23,827	(20,221)
Closing balance	$ 46,496	$ 22,669

XXII. Net income before tax

(I) Operating revenue

	2023	2022
Revenue from contracts with customers	$ 3,216,692	$ 4,434,107

Contract balance

	Dec.31, 2023	Dec.31, 2022	January 1, 2022
Notes and accounts receivable	$ 772,473	$ 792,172	$ 1,013,255
Contractual Liabilities - Current	$ 71,823	$ 97,117	$ 32,367

Please refer to Statement 9 for the breakdown of revenue.

(II) Interest income

	2023	2022
Bank deposits	$ 9,529	$ 1,248

(III) Other income

	2023	2022
Rental income	$ 5,392	$ 5,667
Others	2,174	2,932
	$ 7,566	$ 8,599

(IV) Other benefits and losses

	2023	2022
Net gains on disposal of property, plant and equipment	$ 685	$ -
Net gains on foreign currency exchange	285	47,950
Others	(59)	(7,175)
	$ 911	$ 40,775

(V) Financial costs

	2023	2022
Interest on bank borrowings	$ 8,848	$ 10,613
Interest on lease liabilities	324	11
Other interest expenses	11	-
	$ 9,183	$ 10,624

Information on interest capitalization is as follows:

	2023	2022
Amount of capitalized interest	$ 426	$ -
Interest capitalized interest rate (%)	0.893	-

(VI) Depreciation and amortization

	2023	2022
Depreciation expenses by function		
Operating cost	253	-
Operating expenses	16,759	11,591
	$ 17,012	$ 11,591
Amortization expenses by function		
Operating expenses	$ 1,788	$ 1,240

(VII) Employee benefit expense

	2023	2022
Short-term employee benefits		
Salary expenses	$ 136,912	$ 129,305
Insurance expenses	12,160	11,208
	149,072	140,513
Post-employment benefits		
Defined contribution plan	6,060	5,456
Other employee benefits	5,020	5,079
Total employee benefit expenses	$ 160,152	$ 151,048

	2023	2022
Summary by function		
Operating cost	$ 6,380	$ 1,656
Operating expenses	153,772	149,392
	$ 160,152	$ 151,048

(VIII) Compensation to employees and remuneration to directors

In accordance with the Company's Articles of Incorporation, the Company allocates remuneration to employees and directors based on the pre-tax profits before deducting such remuneration. Specifically, employee remuneration is allocated at a rate ranging from 3% to 10%, while director remuneration is allocated at a rate ranging from 1% to 5%. The 2023 and 2022 employees' and directors' remuneration were approved by the Board of Directors on March 13, 2024 and March 28, 2023, respectively, as follows:

Estimated ratio

	2023	2022
Remuneration to employees	3%	3%
Remuneration to directors	1%	1%

Amount

	2023	2022
	Cash	Cash
Remuneration to employees	$ 9,023	$ 11,228
Remuneration to directors	3,008	3,742

If there is still a change in the amount of the annual parent company only financial statements after the publication date, it will be treated as a change in the accounting estimate and adjusted and accounted for in the following year.

There is no difference between the actual amount of employees' and directors' remuneration paid for 2022 and 2021 and the amount recognized in the parent company only financial statements for 2022 and 2021.

For information on employees' remuneration and remuneration of directors resolved by the Company's board of directors, please visit the Market Observation Post System of the Taiwan Stock Exchange.

(IX) Foreign exchange gain or loss

	2023	2022
Total gains on foreign currency exchange	$ 119,536	$ 191,584
Total losses on foreign currency exchange	(119,251)	(143,634)
Net profit	$ 285	$ 47,950

XXIII. Income tax

(I) Main components of income tax expenses recognized in profit or loss

	2023	2022
Current income tax		
Incurred in the current year	$ 30,979	$ 45,410
Imposition on undistributed earnings	5,884	2,853
Adjustments from previous years	9,162	39
	46,025	48,302
Deferred income tax		
Incurred in the current year	22,052	34,822
Income tax expense recognized in profit or loss	$ 68,077	$ 83,124

The reconciliation of accounting income and income tax expense is as follows:

	2023	2022
Net income before tax	$ 288,735	$ 359,290
Income tax expense with net profit before tax calculated at statutory tax rate	$ 57,747	$ 71,858
Non-deductible expenses and losses for tax purposes	5,633	8,374
Imposition on undistributed earnings	5,884	2,853
Unrecognized deductible temporary differences	(10,349)	-
Adjustments to income tax expenses of prior years	9,162	39
Income tax expense recognized in profit or loss	$ 68,077	$ 83,124

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Incurred in the current year		
− Translation of foreign operations	$ 3,749	($ 6,536)
− Unrealized gains and losses on investments in equity instruments	$ 578	$ 1,725

(III) Current income tax assets and liabilities

	Dec.31, 2023	Dec.31, 2022
Current income tax liabilities		
Income tax payable	$ 35,944	$ 26,824

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

	Opening balance	Recognized in profit or loss	Recognized in other Comprehensive income (loss)	Closing balance
Deferred income tax assets				
Temporary difference				
Allowance for inventory valuation losses	$ 9,220	$ 4,721	$	$ 13,941
Unrealized gains and losses on investment in equity instruments	8,925	-	578	9,503
Others	4,474	1,375	1,860	7,709
	$ 22,619	$ 6,096	$ 2,438	$ 31,153
Deferred income tax liabilities				
Temporary difference				
Undistributed earnings of subsidiaries	$ 133,920	$ 26,683	$ -	$ 160,603
Others	3,624	1,465	(1,889)	3,200
	$ 137,544	$ 28,148	($ 1,889)	$ 163,803

2022

	Opening balance	Recognized in profit or loss	Recognized in other Comprehensive income (loss)	Closing balance
Deferred income tax assets				
Temporary difference				
Allowance for inventory valuation losses	$ 12,720	($ 3,500)	$	$ 9,220
Unrealized gains and losses on investment in equity instruments	7,200	-	1,725	8,925
Others	16,536	(7,415)	(4,647)	4,474
	$ 36,456	($ 10,915)	($ 2,922)	$ 22,619
Deferred income tax liabilities				
Temporary difference				
Undistributed earnings of subsidiaries	$ 111,748	$ 22,172	$ -	$ 133,920
Others	-	1,735	1,889	3,624
	$ 111,748	$ 23,907	$ 1,889	$ 137,544

(V) Authorization of income tax

The income tax filings for the Company's profit-making activities up to FY2021 have been audited and verified by the tax authorities.

XXIV. Earnings per share

Unit: NT$ per share

	2023	2022
Basic EPS	$ 3.67	$ 4.60
Diluted EPS	$ 3.65	$ 4.57

The earnings and the weighted average number of common shares used in the computation of earnings per share are as follows:

Net profit for the year

	2023	2022
Net income used to calculate basic and diluted earnings per share	$ 220,658	$ 276,166

Number of shares

Unit: Thousand Shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic EPS	60,050	60,050
Effect of dilutive potential ordinary shares:		
Remuneration to employees	348	338
Weighted average number of ordinary shares used to calculate diluted earnings per share	60,398	60,388

If the Company chooses to pay employees' remuneration in stock or cash, when calculating the diluted earnings per share, it is assumed that the employees' remuneration will be paid in stock, and when the potential dilutive effect of the common shares, it will be included in the weighted average number of outstanding shares to calculate diluted EPS. The dilutive effect of these potential ordinary shares will also be taken into account when calculating the diluted earnings per share before the number of shares to be distributed to employees in the following year.

XXV. Disposal of investment in subsidiaries - no impact on control

On March 28, 2022, the Company failed to subscribe for the cash capital increase of Lysine New Energy Technology Co., Ltd. in proportion to its shareholding, resulting in a decrease of shareholding from 100% to 70%.

Since the above transactions did not change the Company's control over these subsidiaries, the Company treated them as equity transactions. For a description of some disposals of subsidiaries, please refer to Note 25 to the Company's 2023 consolidated financial statements.

XXVI. Capital risk management

The Company conducts capital management to ensure that the Company can maximize shareholder returns by optimizing the balance of debt and equity under the premise of continuing to operate as a going concern.

The Company adopts a prudent risk management strategy with periodic reviews, and makes holistic plans based on business development strategies and operational needs to determine an appropriate capital structure for the Company.

The capital structure of the Company consists of net debt (borrowings minus cash and cash equivalents) and equity (including share capital, capital surplus, retained earnings, and other equity).

The Company is not subject to other external capital requirements.

XXVII. Financial instruments

(I) Fair value - financial instruments not at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values or their fair values cannot be reliably measured.

(II) Fair value - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

	Level 1	Level 2	Level 3	Total
Dec.31, 2023				
Financial assets measured at fair value through other comprehensive income				
Domestic unlisted company	$ -	$ -	$ 10,378	$ 10,378
Dec.31, 2022				
Financial assets at fair value through other comprehensive income or loss				
Domestic unlisted company	$ -	$ -	$ 13,375	$ 13,375

There were no transfers between Level 1 and Level 2 fair values from January 1 to December 31, 2023 and 2022.

2. Adjustment of Level 3 fair value measurements of financial instruments

Financial assets measured at fair value through other comprehensive income - equity instruments

	Jan.1 to Dec.31, 2023	Jan.1 to Dec. 31, 2022
Opening balance	$ 13,375	$ 22,000
Recognized in other comprehensive income	(2,997)	(8,625)
Closing balance	$ 10,378	$ 13,375

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

Equity investment in domestic unlisted companies measured at fair value through other comprehensive income is valued at Level 3. The fair value is determined using the price-to-book ratio, calculating the book value per share based on the Company's financial data, comparing it with the price-to-book ratio of similar listed companies or industry peers to estimate the stock price. This calculation helps determine the present value of expected gains or losses from holding this investment.

(III) Type of financial instruments

	Dec.31, 2023	Dec.31, 2022
Financial assets		
Financial assets measured at amortized cost (Note 1)	$ 1,146,284	$ 1,067,149
Financial assets measured at fair value through other comprehensive income - investment in equity instruments	10,378	13,375
Financial liabilities		
Measured at amortized cost (Note 2)	1,865,841	1,543,641

Note 1: The balances include financial assets measured at amortized cost, including cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), and refundable deposits.

Note 2: The balances include financial liabilities measured at amortized cost, including short-term borrowings, accounts payable (including related parties), other payables (including related parties), long-term borrowings (including those due within one year), and guarantee deposits received.

(IV) Financial risk management objectives and policies

The Company's main financial instruments include cash and cash equivalents, notes and accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, accounts payable (including related parties), other including related parties), long-term borrowings (including those due within one year) and lease liabilities. The Company's financial management department provides services for various business units, overseeing and coordinating access to domestic and international financial markets. Additionally, it supervises and manages financial risks related to the operations of the Company. Such risks include market risk (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

1. Market risk

The main financial risks to which the Company is exposed as a result of its operating activities are changes in foreign currency exchange rates (see (1) below) and changes in interest rates (see (2) below).

(1) Exchange rate risks

The Company engages in sales and purchase transactions denominated in foreign currencies, which expose the Company to the risk of exchange rate fluctuations.

For the carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies on the balance sheet date, please refer to Note 31.

Sensitivity analysis

The Company was mainly affected by fluctuations in the exchange rates of the US dollars and Hong Kong dollars.

The sensitivity analysis includes only the outstanding monetary items in foreign currencies, and the translation at the end of the year is adjusted based on a 1% change in exchange rates. An appreciation of 1% of the New Taiwan Dollar against the relevant currencies would increase the Company's net income before tax in 2023 and 2022 by NT$ 1,440,000 and decrease by NT$ 1,805,000, respectively; When the New Taiwan Dollar depreciates by 1% relative to various relevant foreign currencies, the impact on pre-tax net profit will be the same amount but negative.

(2) Interest rate risk

As the Company borrows funds at fixed and floating interest rates at the same time, interest rate risk exposure arises.

The carrying amounts of financial assets and financial liabilities of the Company with exposure to the interest rate risk at the balance sheet date are as follows:

	Dec.31, 2023	Dec.31, 2022
Fair value interest rate risk		
－Financial assets	$ 276,652	$ 155,393
－Financial liabilities	35,000	-
Cash flow interest rate risk		
－Financial assets	$ 73,665	$ 110,666
－Financial liabilities	435,500	575,929

Sensitivity analysis

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating-rate liabilities, the analytical approach assumes that the amount of liabilities outstanding at the balance sheet date remains outstanding throughout the reporting period. The internal reporting to the key management personnel regarding interest rates involves using a variable rate of ±1%. This represents the management's assessment of the reasonable range of possible changes in interest rates.

If the interest rate increases/decreases by 1%, with all other variables held constant, the pre-tax net profit for the Company for the years 2023 and 2022 will decrease/increase by NT$3,618,000 and NT$4,652,000, respectively.

2. Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in a financial loss to the Company. As of the balance sheet date, the maximum credit risk exposure of the Company that may cause financial losses due to the counterparty's failure to perform its obligations is mainly derived from the book value of financial assets recognized in the parent company only balance sheet.

The Company's credit risk is mainly concentrated in the largest customer. As of December 31, 2023 and 2022, the percentage of accounts receivable from the aforementioned customer was 78% and 72%, respectively.

3. Liquidity risk

The Company manages and maintains sufficient cash and cash equivalents to finance operations and mitigate the impact of fluctuations in cash flows. The Company's management supervises the use of the bank's financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Company. For the Company's unused financing facilities as of December 31, 2023 and 2022, please refer to the description of (2) Financing facilities below.

(1) Liquidity and interest rate risk table of non-derivative financial liabilities

The remaining contractual maturity analysis of non-derivative financial liabilities was based on the earliest date at which the Company might be required to repay and was compiled based on the undiscounted cash flows of financial liabilities (including principal and estimated interest). Therefore, the bank borrowings that the Company could be required to repay immediately are listed within the earliest period in the table below, without considering the probability of the bank exercising that right immediately; other non-derivative financial liabilities are analyzed based on the agreed repayment dates.

Dec.31, 2023

	1 to 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 162,242	$ 2,122	$ 800	$ -	$ 165,164
Instruments with floating interest rates	2,995	107,164	336,551	8,627	455,337
Fixed interest rate instruments	44	35,082	-	-	35,126
Lease liabilities	756	1,928	11,052	-	13,736
	$ 166,037	$ 146,296	$ 348,403	$ 8,627	$ 669,363

Dec.31, 2022

	1 to 3 months	3 months to 1 year	1 - 5 years	More than 5 years	Total
Non-derivative financial liabilities					
Non-interest-bearing liabilities	$ 160,195	$ 585	$ -	$ -	$ 160,780
Instruments with floating interest rates	182,868	284,925	245,466	56,699	769,958
Lease liabilities	170	512	114	-	796
	$ 343,233	$ 286,022	$ 245,580	$ 56,699	$ 931,534

Further information on the maturity analysis of lease liabilities is as follows:

	Less than 1 year	1 - 5 years	5 - 10 years	10 - 15 years	15 - 20 years	More than 20 years
Dec.31, 2023	$ 2,684	$ 11,052	$ -	$ -	$ -	$ 13,736
Dec.31, 2022	$ 682	$ 114	$ -	$ -	$ -	$ 796

(2) Financing limit

	Dec.31, 2023	Dec.31, 2022
Unsecured bank borrowings facility		
－Amount used	$ 58,520	$ 101,520
－Undrawn amount	739,633	728,805
	$ 798,153	$ 830,325
Secured bank borrowings facility		
－Amount used	$ 411,980	$ 474,409
－Undrawn amount	993,950	944,700
	$ 1,405,930	$ 1,419,109

XXVIII.Related Party Transactions

In addition to those disclosed in other Notes, the transactions between the Company and related parties are as follows:

(I) Names of related parties and their relationships

Name of related party	Relationship with the Company
LONG WIN LIMITED（LONG WIN）	Subsidiary
Ugreat Technology Electronic Co., Ltd.	Subsidiary
Lysine New Energy Technology Co., Ltd.	Subsidiary
Yu Hong Electronic (Shenzhen) Co., Ltd. (Ugreat Shenzhen)	Second-tier subsidiary
Dongguan Chi Lian Electronics Co., Ltd.	Third-tier subsidiary
Lingda Co., Ltd. (Linda)	Substantive related party
Goldtek Technology Co., Ltd. (Goldtek)	Substantive related party
Xuhui Electronics Co., Ltd. (Xuhui Electronics)	Substantive related party
Liang, Hui-Bin	Chairman
Liang, Hui-Hu	Substantive related party
Liang, Hui-Chung	Substantive related party
Liang, Wei-Lin	Substantive related party
Liang, Wei-Jen	Substantive related party
Liang, Yung-Tsung	Substantive related party
Liang, Che-Wei	Substantive related party

(II) Operating revenue

Item	Related party type	2023	2022
Sales revenue	Subsidiary	$ 195	$ 5,292
	Second-tier subsidiary	247	176
	Substantive related party	-	13
		$ 442	$ 5,481

The terms and conditions of the Company's transactions with related parties are equivalent to those of ordinary customers.

(III) Purchase of goods

Category/Name of related party	2023	2022
Subsidiary		
LONG WIN	$ 2,618,225	$ 3,774,050
Second-tier subsidiary	3,563	16,348
Substantive related party	3,456	38,209
	$ 2,625,244	$ 3,828,607

Purchases are based on the market price less discounts to reflect the quantity purchased and the relationship with the related party.

(IV) Other income

Item	Category/Name of related party	2023	2022
Other income	Subsidiary	$ 652	$ -

(V) Operating expenses

Category/Name of related party	2023	2022
Subsidiary	$ 5,251	$ 10,183
Second-tier subsidiary	-	28
	$ 5,251	$ 10,211

The operating expenses recognized are mainly the sample fee and other expenses.

(VI) Accounts receivable from related parties (excluding loans to related parties)

Item	Category/Name of related party	Dec.31, 2023	Dec.31, 2022
Accounts receivable	Subsidiary	$ 11,018	$ 4,963
	Second-tier subsidiary	224	181
		$ 11,242	$ 5,144
Other receivables	Subsidiary	$ 74	$ 46
	Second-tier subsidiary	26	-
		$ 100	$ 46

Accounts receivable from related parties that are outstanding are not secured. No provision for doubtful debts has been made for accounts receivable from related parties for the years ended 2023 and 2022.

(VII) Payables to related parties (excluding loans from related parties)

Item	Category/Name of related party	Dec.31, 2023	Dec.31, 2022
Accounts payable	Subsidiary		
	LONG WIN	$ 1,194,074	$ 786,929
	Substantive related party	-	1,924
		$ 1,194,074	$ 788,853
Other payables	Subsidiary	$ 476	$ 8,140
	Second-tier subsidiary	-	29
	Substantive related party	-	165
		$ 476	$ 8,334

The balance of accounts payable to related parties outstanding is unsecured.

(VIII) Payment in advance

Category/Name of related party	Dec.31, 2023	Dec.31, 2022
Substantive related party	$ -	$ 2,300

(IX) Acquisition of property, plant and equipment

	Cost of acquisition	
Related party type	2023	2022
Substantive related party	$ -	$ 267

(X) Endorsements and guarantees - refer to Appendix 1 and the description below.

Mr. Liang Hui-Bin, the Chairman of the Company, and the Company jointly provided guarantee facilities for Long Win and Lysine New Energy for materials purchase loans and operating working capital loans, respectively. As of December 31, 2023 and 2022, the guaranteed amounts were NT$ 760,510,000 and 767,750,000 respectively The actual drawn amounts were NT$ 20,000,000 and NT$ 20,000,000, respectively.

(XI) Lease agreement

Category/Name of related party	2023	2022
Acquisition of right-of-use assets		
Chairman and other related parties	$ 15,138	$ -

Item	Category/Name of related party	Dec.31, 2023	Dec.31, 2022
Lease liabilities	Chairman and other related parties	$ 12,885	$ -

Category/Name of related party	2023	2022
Interest expenses		
Chairman and other related parties	$ 317	$ -

The Company leases offices from related parties (Chairman and other related parties) with a lease term of 6 years. Rent expenses for office spaces leased from related parties are determined based on the rental levels of similar assets. Payments are made monthly according to the terms of the lease agreement, with adjustments based on a certain percentage starting from 2026.

(XII) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 35,318	$ 30,862

The remuneration of directors and other key management personnel is determined by the Remuneration Committee based on individual performance and market trends.

XXIX. Pledged Assets

The following assets have been provided as collateral for bank loans:

	Dec.31, 2023	Dec.31, 2022
Property, plant and equipment	$ 593,837	$ 595,071
Investment property	148,943	154,241
	$ 742,780	$ 749,312

XXX. Significant unrecognized contractual commitments

In addition to those described in other notes, the Company has committed to purchase property, plant and equipment in an amount of NT$17,531,000 that has yet to be paid.

XXXI. Significant assets and liabilities denominated in foreign currencies

The information below is summarized and expressed in foreign currencies other than the Company's functional currency. The exchange rates disclosed refer to the rates at which these foreign currencies are converted to the functional currency. The significant assets and liabilities denominated in foreign currencies are as follows:

Dec.31, 2023

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
USD	$ 35,582	30.705 (USD: NT$)	$ 1,092,517
Non-Monetary items			
Subsidiaries accounted for using equity method			
USD	41,978	30.705 (USD: NT$)	$ 1,288,937

Foreign currency liabilities			
Monetary items			
USD	$ 40,065	30.705 (USD: NT$)	$ 1,230,186
HKD	1,611	3.929 (HKD:NT$)	6,331
			$ 1,236,517

Dec.31, 2022

	Foreign currency	Exchange rate	Carrying amount
Assets denominated in foreign currencies			
Monetary items			
USD	$ 32,895	30.71 (USD: NT$)	$ 1,010,219
Non-Monetary items			
Subsidiaries accounted for using equity method			
USD	38,238	30.71 (USD: NT$)	$ 1,174,275
Foreign currency liabilities			
Monetary items			
USD	26,856	30.71 (USD: NT$)	$ 824,759
HKD	1,249	3.938 (HKD:NT$)	4,920
			$ 829,679

The Company's foreign currency exchange gains (realized and unrealized) for 2023 and 2022 were NT$ 285,000 and NT$ 47,950,000 respectively. Due to the wide variety of foreign currency transactions, it is not feasible to disclose the exchange gains and losses by each significant currency separately.

XXXII. Disclosures in Notes

(I) Information on significant transactions and (2) investees:

1. Loaning of funds to others. (None)
2. Making endorsements/guarantees for others. (Appendix 1)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates and joint ventures). (Appendix 2)
4. The cumulative purchase or sale of marketable securities amounting to at least NT$300 million or 20% of the paid-in capital. (None)
5. Acquisition of real estate at costs of at least NT$ 300 million or 20% of the paid-in capital. (None)
6. Disposition of real estate at costs of at least NT$ 300 million or 20% of the paid-in capital. (None)
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital. (Appendix 3)
8. Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital. (Appendix 4)

9. Trading of derivatives. (None)

10. Information on investees. (Appendix 5)

(II) Mainland China Investment Information:

1. The name of the investee in Mainland China, principal business activities, paid-in capital, investment method, capital outward and inward remittances, shareholding, current profit or loss and investment profit and loss recognized, and investment quota limits in Mainland China. (Appendix 6)

2. Any of the following significant transactions with investee companies in Mainland China, occurring either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:

   (1) The amount and percentage of purchases and the balance and percentage of the relevant payables at the end of the period. (Appendix 3)

   (2) Amount and percentage of sales and related receivables at the end of the period. (Appendix 3)

   (3) The amount of property transactions and the amount of gain or loss arising therefrom. (None)

   (4) Balance and purpose of endorsements/guarantees or collateral provided at the end of the term. (None)

   (5) The highest balance, ending balance, interest rate range, and total interest for the current period of the capital financing. (None)

   (6) Other transactions that have a significant impact on the current profit or loss or financial position, such as the rendering or receipt of services. (None)

Solid Year Co., Ltd and subsidiaries

Endorsements/guarantees for others

Jan.1 to Dec.31, 2023

Appendix 1

Unit: In NT$'000, unless stated otherwise, foreign currency in thousands

No. (Note 1)	Endorsing/guaranteeing company name	Counterparty of endorsements/guarantees		Endorsement and guarantee limit for a single enterprise (Note 3)	The maximum balance of endorsements/ guarantees in the current year	Balance of endorsements/ guarantees at the end of the year	The actual amount drawn	Endorsement/ guarantee amount secured by property assets	Ratio of accumulated endorsement/ guarantee amount to net worth as stated in the latest financial statement (%)	Maximum endorsements/ guarantees (Note 3)	Endorsements /guarantees made by the parent company to subsidiaries	Endorsement /guarantee provided by the subsidiary to the parent company	Endorsements and guarantees in Mainland China	Remarks
		Company Name	Relationship (Note 2)											
0	Solid Year Co., Ltd	LONG WIN LIMITED	(1)	$ 1,473,202	$ 1,000,676	$ 856,670	$ 81,011	$ 149,461	58.15%	$ 2,946,404	Y	N	N	
					(USD 31,590)	(USD 27,900)	(USD 2,638)							
					(HKD 5,000)									
		Lysine New Energy Technology Co., Ltd.	(1)	1,473,202	177,106	85,000	20,000	-	5.77%	2,946,404	Y	N	N	
					(USD 3,000)									
					(NTD 85,000)									

Note 1: The description of the number column is as follows:

(1) Fill in "0" for the issuer.

(2) The investees are numbered sequentially starting from 1 by each company.

Note 2: The relationship between the endorsing guarantor and the endorsee is as follows:

(1) Subsidiaries in which the Company directly holds more than 50% of the common shares.

(2) An investee in which the parent company and its subsidiaries hold more than 50% of common stock equity combined.

Note 3: The total amount of endorsements/guarantees by the Company shall not exceed 200% of the net worth of the Company's most recent financial statements audited by CPAs, and the cumulative amount of endorsements/guarantees for a single enterprise shall not exceed 100% of the Company's net worth in the most recent financial statements audited by the Company.

Solid Year Co., Ltd and subsidiaries

Marketable securities held at the end of the year

Jan.1 to Dec.31, 2023

Appendix 2

Unit: NT$’000

Companies owned	Type and name of marketable securities	Relationship with the securities issuer	Accounting Item	Year-end				Remarks
				Shares/Units	Carrying amount	Shareholding ratio (%)	Market price	
Solid Year Co., Ltd	Common stock							
	Oomii Inc.	—	Financial assets measured at fair value through other comprehensive income - non-current	1,319,454	$ -	3.04	$ -	-
	Common stock							
	Clockwork Orange Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income - non-current	628,571	10,378	10.70	10,378	-

Solid Year Co., Ltd and subsidiaries

Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital.

Jan.1 to Dec.31, 2023

Appendix 3

Unit: In NT$'000 unless stated otherwise

Companies engaged in purchase (sales)	Name of counterparty	Relationship	Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		Remarks
			Purchase (sale) of goods	Amount	Percentage of total purchase (sale) (%)	Credit period	Unit price	Credit period	Balance	As a percentage of total notes and accounts receivable (payable) (%)	
Solid Year Co., Ltd	LONG WIN LIMITED	Subsidiary of the Company	Purchase of goods	$ 2,618,225	89	Note 1	Note 2	Note 2	($ 1,194,074)	(94)	
LONG WIN LIMITED	Solid Year Co., Ltd	The Company	Sales revenue	(2,623,476)	(100)	Note 1	Note 2	Note 2	1,194,427	81	
	Dongguan Chi Lian Electronics Co., Ltd.	Third-tier subsidiary of the Company	Purchase of goods	1,419,995	55	Note 1	Note 2	Note 2	(890,380)	(70)	
Dongguan Chi Lian Electronics Co., Ltd.	LONG WIN LIMITED	Subsidiary of the Company	Revenue from processing	(1,419,995)	(100)	Note 1	Note 2	Note 2	890,380	98	

Note 1: In principle, the receivable and payment terms are net 60 days, subject to adjustment depending on the actual financial position of the consolidated company.

Note 2: No other similar transactions available for comparison.

Solid Year Co., Ltd and subsidiaries

Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital.

Jan.1 to Dec.31, 2023

Appendix 4

Unit: In NT$'000 unless stated otherwise

Company with accounts receivables booked	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Subsequent recovery amount of receivables from related parties	Amount of Allowance for Losses
					Amount	Handling method		
LONG WIN LIMITED	Solid Year Co., Ltd	The Company	$ 1,194,427	2.64	$ -	—	$ 451,671	$ -
	Dongguan Chi Lian Electronics Co., Ltd.	Third-tier subsidiary of the Company	263,765	Note	-	—	-	-
Dongguan Chi Lian Electronics Co., Ltd.	LONG WIN LIMITED	Subsidiary of the Company	890,380	2.1	-	—	230,151	-

Note: It is an amount receivable from related parties arising from the procurement on behalf of others, so it is not applicable to the calculation of turnover rate.

Solid Year Co., Ltd and subsidiaries

Information on investees, location, etc.

Jan.1 to Dec.31, 2023

Appendix 5

Unit: Unless otherwise indicated, amounts are in NT$'000, or in thousands of foreign currency units.

Name of Investment Company	Name of Investee Company	Location	Main Business Scope	Initial investment amount		Held at the end of the year			Profit or loss of the investee for the current year	Investment gains and losses recognized in the current year	Remarks
				End of the year	End of previous year	Number of shares	Percentage (%)	Carrying amount			
Solid Year Co., Ltd	Ugreat Technology Electronic Co., Ltd.	Taiwan	Retail sale of automobile and electronic materials	$ 60,000	$ 60,000	6,000,000	67	$ 14,991	($ 41,988)	($ 27,992)	Subsidiary
	Lysine New Energy Technology Co., Ltd.	Taiwan	Mainly engaged in Energy Technical Services	21,000	21,000	2,100,000	70	9,627	827	579	Subsidiary
	GOODTEK LIMITED	Samoa	Primarily engaged in international investment	372,032 (USD 12,400)	372,032 (USD 12,400)	12,400,000	100	1,028,544	143,035	143,035	Subsidiary
	LONG WIN LIMITED	Samoa	Mainly engaged in the import and export of various electronic components and computer peripheral equipment	30,656 (USD 1,000)	30,656 (USD 1,000)	1,000,000	100	218,177	2,643	2,643	Subsidiary
	UGREAT MARKETING LIMITED	Samoa	Primarily engaged in international investment	56,666 (USD 1,835)	56,666 (USD 1,835)	2,085,000	100	42,216	(12,268)	(12,268)	Subsidiary
GOODTEK LIMITED	Wonder Top Co., Ltd.	Samoa	Primarily engaged in international investment	371,278 (USD 12,357)	371,278 (USD 12,357)	12,180,000	100	1,027,661	143,061	143,061	Second-tier subsidiary

Note 1: Investment gains and losses recognized in the financial statements of the investee company that has been audited by the attesting CPA.

Note 2: Please refer to Appendix 6 for information on investees in Mainland China.

Solid Year Co., Ltd and subsidiaries

Mainland China Investment Information

Jan.1 to Dec.31, 2023

Appendix 6

Unit: Unless otherwise indicated, amounts are in NT$'000, or in thousands of foreign currency units.

Name of investee company in Mainland China	Main Business Scope	Paid-in capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of the year	Investment amount remitted or repatriated in the current year		Accumulated investment amount remitted from Taiwan at the end of the year	Profit or loss of the investee for the current year (Note 1)	The Company's shareholding ratio directly or indirectly invested (%)	Investment gains and losses recognized in the current year (Note 1)	Book value of investments at the end of the year (Note 1)	Repatriated investment income by the end of the current year
					Remitted	Repatriated						
Dongguan Chi Lian Electronics Co., Ltd.	Mainly engaged in the processing and manufacturing of various electronic components and computer peripheral equipment	$ 142,709 (USD 4,567)	Reinvestment in Mainland China companies through companies set up in third regions	$ 148,813 (USD 4,758)	None	None	$ 148,813 (USD 4,758)	$ 143,046	100	$ 143,046	$ 1,024,325	None
Yu Hong Electronic (Shenzhen) Co.,Ltd	Retail sale of electronic materials	61,168 (USD 2,014)	Reinvestment in Mainland China companies through companies set up in third regions	62,611 (USD 2,036)	None	None	62,611 (USD 2,036)	(12,163)	100	(12,163)	41,178	None

Cumulative Amount of Outward Remittance for Investment in Mainland China by the End of the Year	Amount of investment approved by the Investment Commission of the Ministry of Economic Affairs	Limits on Investment in Mainland China Stipulated by the Investment Commission of the Ministry of Economic Affairs (Note 2)
$208,610 （USD6,794）	$208,610 （USD6,794）	$883,921

Note 1: Calculated based on the investee company's 2023 financial statements audited by an attesting CPA.

Note 2: The investment limit is 60% of the net value or NT$ 80,000,000, whichever is higher.

§Table of Contents of Significant Accounting Items§

Solid Year Co., Ltd

Statement of Cash and Cash Equivalents

December 31, 2023

Statement 1 | Unit: NT$'000

Name	Summary	Net Amount
Cash on hand and revolving funds	Note 1	$ 266
Bank deposits		
Checks and demand deposits		23,159
Foreign currency demand deposit	Note 2	50,506
		73,665
Cash equivalents		
Time deposits with original maturity date of less than 3 months	Note 3	276,652
		$ 350,583

Note 1: Including RMB 40,030, JPY 616, HKD 1,330 and USD 244, converted based on the exchange rates RMB1 =NT$4.327, JPY 1 = NT$0.217, HKD1 = NT$3.929 and US$1 = NT$30.705.

Note 2: Including US$1,641,306, HKD 27,671 and RMB 207, converted at the exchange rates of US$1 = NT$30.705, HKD1 = NT$3.929 and RMB1 = NT$4.327, respectively.

Note 3: Including US$9,010,000, converted at the exchange rate of US$1 = NT$30.705.

Solid Year Co., Ltd

Statement of Accounts Receivable

December 31, 2023

Statement 2 Unit: NT$'000

Item	Summary	Amount
Non-related party		
Company A	Payment for purchase of goods	$ 603,967
Company B	Payment for purchase of goods	67,798
Others (Note)	Payment for purchase of goods	89,614
		761,379
Less: Allowance for bad debt		(148)
		$ 761,231
Related party		
LONG WIN	Payment for purchase of goods	$ 11,018
Others (Note)		224
		$ 11,242

Note: The balance of each account did not exceed 5% of the balance of this account.

Solid Year Co., Ltd

Statement of Inventories

December 31, 2023

Statement 3 Unit: NT$'000

Name	Cost	Net realizable value
Finished goods	$ 91,333	$ 100,894
Raw materials	73,368	73,152
Commodities	64,572	61,504
Semi-finished goods	3,967	4,165
Work in process	21	21
	233,261	$ 239,736
Less: Allowance for devaluation losses	(28,477)	
	$ 204,784	

Note: The Company's inventories are measured at the lower of cost or net realizable value, and except for inventories of the same category, an item-by-item comparison has been made

Solid Year Co., Ltd

Statement of Financial Assets at Fair Value Through Profit or Loss - Non-current

2023

Statement 4 Unit: NT$'000

Name	Opening balance		Increase (decrease) in the current period		Closing balance			Guarantee or pledge
	Number of shares (shares)	Amount	Number of shares (shares)	Amount	Number of shares (shares)	Shareholding %	Amount	
Domestic unlisted common stock								
HorusEye Technology Co., Ltd.	1,319,454	$ -	(1,319,454)	$ -	-	-	$ -	
Clockwork Orange Co., Ltd.	628,571	13,375	-	(2,997)	628,571	10.7	10,378	None
Oomii Inc.	-	-	1,319,454	-	1,319,454	3.04	-	
		$ 13,375		($ 2,997)			$ 10,378	

Solid Year Co., Ltd

Statement of Changes in Investment Using Equity Method

December 31, 2023

Statement 5

In NT$’000, unless stated otherwise

	Opening balance		Increase in the current period		Decrease in current period		Others			Exchange differences on translation of financial statements of foreign operating institutions	Closing balance				
	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Investment losses under equity method		Number of shares (thousand shares)	Shareholding ratio (%)	Amount	Net value of equity (Note)	Remarks
Investment under equity method															
GOODTEK LIMITED	12,400	$ 903,519	-	$ -	-	$ -	-	$ -	$ 143,035	($ 18,010)	12,400	100	$1,028,544	$1,028,544	
LONG WIN LIMITED	1,000	215,607	-	-	-	-	-	-	2,643	(73)	1,000	100	218,177	218,177	
UGREAT MARKETING LIMITED	2,085	55,148	-	-	-	-	-	-	(12,268)	(664)	2,085	100	42,216	42,216	
Ugreat Technology Electronic Co., Ltd.	6,000	42,983	-	-	-	-	-	-	(27,992)	-	6,000	66.67	14,991	22,487	
Lysine New Energy Technology Co., Ltd.	21,000	9,048	-	-	-	-	-	-	579	-	21,000	70	9,627	13,753	
		$1,226,305		$ -		$ -		$ -	$ 105,997	($ 18,747)	-		$1,313,555	$1,325,177	

Note 1: Calculated based on the financial statements of the investee company that have been audited by attesting CPAs.

Solid Year Co., Ltd

Statement of Short-term Borrowings

December 31, 2023

Statement 6

Unit: NT$’000

Creditors	Summary	Closing Amount	Duration of Contract	Interest Rate % (per annum)	Financing limit	Pledge or Guarantee
Shanghai Commercial & Savings Bank	Secured borrowings	$ 80,000	112.9.11-113.9.10	1.86	$ 307,050	Note 29
CTBC Bank	Credit loans	35,000	112.9.19-113.9.19	0.5	165,000	None
		$ 115,000			$ 472,050	

Solid Year Co., Ltd

Statement of Accounts Payable

December 31, 2023

Statement 7 Unit: NT$'000

Name	Summary	Amount
Non-related party		
Company D	Payment for purchase of goods	$ 14,765
Company E	Payment for purchase of goods	13,370
Company F	Payment for purchase of goods	13,253
Company G	Payment for purchase of goods	8,359
Company H	Payment for purchase of goods	7,899
Company I	Payment for purchase of goods	7,262
Others (Note)	Payment for purchase of goods	12,607
		$ 77,515
Related party		
LONG WIN	Payment for purchase of goods	$ 1,194,074

Note: The balance of each account did not exceed 5% of the balance of this account.

Solid Year Co., Ltd

Statement of Long-term Borrowings

December 31, 2023

Statement 8

Unit: NT$'000

Creditors	Method of repayment	Duration of Contract	Interest rate (%)	Amount			Pledge or Guarantee
				Due within one year	Due more than one year	Total	
Shanghai Commercial & Savings Bank	Equal principal payment	2021.12.24 - 2028.12.15	0.9	$ 4,704	$ 18,816	$ 23,520	—
Taipei Fubon Bank	Equal principal payment	2022.6.6 - 2029.6.6	0.893	-	79,980	79,980	Note 29
Taipei Fubon Bank	Equal principal payment	2021.9.9-2028.9.9	2.17	13,563	203,437	217,000	Note 29
Taipei Fubon Bank	Equal principal payment	2023.7.27-2027.7.27	0.5	4,861	30,139	35,000	Note 29
				$ 23,128	$ 332,372	$ 355,500	

Solid Year Co., Ltd

Statement of Operating Revenue

December 31, 2023

Statement 9 Unit: NT$'000

Name	Amount
Sales revenue	
Electronic products	$ 3,296,916
Less: sales returns	(31,947)
Less: sales discount	(48,277)
	$ 3,216,692

Solid Year Co., Ltd

Statement of Operating Cost

December 31, 2023

Statement 10 Unit: NT$'000

Name	Amount
Raw materials at the beginning of the year	$ -
Net purchase of materials this year	162,359
Raw materials at the end of the year	(73,368)
Others	2,359
Raw material consumption	91,350
Direct labor	2,601
Manufacturing overhead	1,363
Manufacturing cost	95,314
Semi-finished goods at the beginning of the year	-
Outsourcing	2,166
Semi-finished goods at the end of the year	(3,967)
Others	5,634
Consumption of semi-finished goods	3,833
Work in process at the beginning of the year	1,050
Work in process at the end of the year	(21)
Others	(4,992)
Cost of finished goods	95,184
Finished goods at the beginning of the year	-
Outsourcing	172
Finished goods at the end of the year	(91,333)
Others	(690)
Cost of self-made products	3,333
Merchandise inventory at the beginning of the year	64,498
Merchandise purchase	2,778,827
Merchandise inventory at the end of the year	(64,572)
Others	(72,088)
Cost of goods sold	2,706,665
Cost of production and sales	2,709,998
Cost of work-in-progress and finished goods sold	4,143
Inventory depreciation and impairment losses	23,602
Others	(1,750)
Operating cost	$2,735,993

Solid Year Co., Ltd

Statement of Operating Expenses

Jan.1 to Dec.31, 2023

Statement 11

Unit: NT$'000

Item	Sales promotion expenses	Management fee	Research and development expenses	Total
Wages and salaries	$ 32,275	$ 68,699	$ 30,584	$ 131,558
Advertising expenses	29,210	2,044	1,875	33,129
Import/export expenses	29,806	22	-	29,828
Labor service expense	1,941	16,286	511	18,738
Depreciation	2,139	14,583	37	16,759
Insurance expenses	4,137	6,035	2,510	12,682
Others	23,525	28,430	11,882	63,837
	$ 123,033	$ 136,099	$ 47,399	$ 306,531

Solid Year Co., Ltd

Summary of employee benefits, depreciation, and amortization expenses incurred in the current period by function

For the years ended December 31, 2023 and 2022

Statement 12 Unit: NT$'000

	2023			2022		
	Attributable to operating costs	Classified as operating expenses	Total	Attributable to operating costs	Classified as operating expenses	Total
Employee benefit expense						
Salary expenses	$ 5,354	$128,550	$133,904	$ 1,345	$124,218	$125,563
Labor and national health insurance expenses	529	11,631	12,160	163	11,045	11,208
Pension expense	251	5,809	6,060	47	5,409	5,456
Remuneration to directors	-	3,008	3,008	-	3,742	3,742
Other employee benefit expenses	246	4,774	5,020	101	4,978	5,079
	$ 6,380	$153,772	$160,152	$ 1,656	$149,392	$151,048
Depreciation expense	$ 253	$ 16,759	$ 17,012	$ 34	$ 11,557	$ 11,591
Amortization expense	$ -	$ 1,788	$ 1,788	$ -	$ 1,240	$ 1,240

Note: The average number of employees of the Company in 2023 and 2022 was 139 and 129, respectively, of which 3 directors were also employees.