Niching Industrial Corporation

Parent Company Only Financial Statements and Independent Auditors' Report

For the Years Ended December 31,2023 and 2022

Address:：Room 5E, No.767, Sec 4, Taiwan Blvd,
Taichung, Taiwan
TEL：(04)2358-8966

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

Independent Auditors' Report

To the Board of Directors and Shareholders of

NICHING INDUSTRIAL CORP.：

Opinion

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

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

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the parent company only financial statements for the year ended December 31,2023 are described as follows:

<u>Commission Revenue Recognition</u>

The company recognizes commission revenue based on the degree of completion of services provided under contracts. Commission revenue is recognized by the company as an agent upon fulfilling contractual obligations, based on the expected right to commission revenue calculated according to the commission rate stipulated in the contract upon transfer of goods at the sales price. Since the transfer of goods is arranged by another party, and commission revenue represents a significant proportion of total operating income, the recognition of commission revenue is classified as a key audit matter. Refer to Notes 4, to the parent company only financial statements.

Our key audit procedures performed in respect of commission revenue recognition included the following:

1. We conducted control testing to understand the commission revenue recognition process and the design and implementation of related control systems;

2. We obtained commission contracts, orders, and shipment records provided by suppliers to confirm the authenticity of commission revenue recognition;

3. We Conducted calculations to verify the accuracy of commission revenue recognition.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Done-Yuin Tseng, and Ting-Chien Su.

Deloitte & Touche

Taipei, Taiwan

Republic of China

March 7, 2024

Notice to Readers

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

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

Niching Industrial Corporation

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Notes 4 and 6)	$ 357,559	25	$ 279,120	20
Notes receivable (Notes 4 and 5)	41	-	301	-
Trade receivables from unrelated parties (Notes 4, 5 and 7)	395,763	28	444,665	31
Trade receivables from related parties (Notes 4, 5 , 7 and 24)	45,733	3	80,863	6
Other receivables (Notes 4 and 24)	1,192	-	501	-
Inventories (Notes 4 and 8)	67,008	5	60,031	4
Other current assets	5,969	-	5,434	-
Total current assets	873,265	61	870,915	61
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Notes 4 and 9)	64,603	5	52,425	4
Investments accounted for using the equity method (Notes 4 and 10)	243,805	17	257,024	18
Property, plant and equipment (Notes 4, 11 and 25)	222,347	16	224,995	16
Right-of-use assets (Notes 4 and 12)	5,426	-	4,283	-
Other intangible assets (Notes 4)	623	-	670	-
Deferred tax assets (Notes 4 and 20)	7,081	1	6,261	1
Prepaid investments	1,726	-	1,788	-
Other non-current assets (Notes 4)	6,045	-	5,147	-
Total non-current assets	551,656	39	552,593	39
TOTAL	$ 1,424,921	100	$ 1,423,508	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 13 and 25)	$ -	-	$ 150,000	11
Notes payable	942	-	381	-
Trade payables to unrelated parties	233,477	17	224,826	16
Trade payables to related parties (Note 24)	2,111	-	1,539	-
Other payables (Notes 14, 19 and 24)	46,996	3	64,396	4
Current tax liabilities (Notes 4 and 20)	20,727	2	23,571	2
Lease liabilities - current (Notes 4, 12)	2,534	-	1,898	-
Other current liabilities	4,137	-	7,068	-
Total current liabilities	310,924	22	473,679	33
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Notes 4 and 20)	2,871	-	3,597	-
Lease liabilities - non-current (Notes 4 and 12)	3,025	-	2,477	-
Net defined benefit liabilities - non-current (Notes 4 and 15)	20,833	2	22,689	2
Guarantee deposits	799	-	803	-
Total non-current liabilities	27,528	2	29,566	2
Total liabilities	338,452	24	503,245	35
EQUITY				
Ordinary shares	441,146	31	391,146	28
Capital surplus	261,106	18	56,611	4
Retained earnings				
Legal reserve	143,923	10	124,129	9
Unappropriated earnings	250,760	18	343,159	24
Other equity				
Exchange differences on translation of foreign financial statements	(8,826)	(1)	(7,370)	(1)
Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	(1,640)	-	12,588	1
Total equity	1,086,469	76	920,263	65
TOTAL	$ 1,424,921	100	$ 1,423,508	100

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

Niching Industrial Corporation

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
SALES (Notes 4, 17 and 24)				
Sales revenue	$ 833,256	86	$ 854,561	83
Service revenue	131,275	14	180,204	17
SALES	964,531	100	1,034,765	100
COST OF GOODS SOLD (Notes 8 and 18)	723,887	75	738,790	71
GROSS PROFIT	240,644	25	295,975	29
OPERATING EXPENSES				
Selling and marketing expenses (Notes 18 and 24)	64,185	7	70,143	7
General and administrative expenses (Notes 18)	57,363	6	59,797	6
Research and development expenses (Notes 18)	34,714	3	31,249	3
Expected credit loss (Notes 4, 5 and 7)	255	-	631	-
Total operating expenses	156,517	16	161,820	16
PROFIT FROM OPERATIONS	84,127	9	134,155	13
NON-OPERATING INCOME AND EXPENSES (Notes 4)				
Share of profit or loss of subsidiaries and associates accounted for using the equity method (Note 10)	12,161	1	51,053	5
Interest income	6,233	1	1,997	-
Rental income	4,774	1	4,990	1
Dividend income	1,008	-	2,351	-
Other income (Note 24)	3,480	-	706	-
Net foreign exchange gain (Notes 26)	1,341	-	41,281	4
Finance costs	(923)	-	(1,989)	-
Other expenses	(357)	-	(420)	-
Total non-operating income and expenses	27,717	3	99,969	10

(Continued)

Niching Industrial Corporation

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX	$ 111,844	12	$ 234,124	23
INCOME TAX EXPENSE (Notes 4 and 20)	18,299	2	38,148	4
NET PROFIT FOR THE YEAR	93,545	10	195,976	19
OTHER COMPREHENSIVE INCOME (LOSS) (Note 4)				
Items that will not be reclassified subsequently to profit or loss:				
Unrealized gain (loss) on investment in equity instruments at fair value through other comprehensive income	(15,008)	(2)	2,508	-
Remeasurement of defined benefit plans (Note 15)	1,924	-	2,450	-
Income tax relating to items that will not be reclassified subsequently to profit or loss (Note 20)	341	-	(1,572)	-
	(12,743)	(2)	3,386	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating foreign operations	(475)	-	2,974	1
Exchange differences on translation, associates and joint ventures accounted for using equity method	(981)	-	727	-
	(1,456)	-	3,701	1
Other comprehensive income for the year	(14,199)	(2)	7,087	1
TOTAL COMPREHENSIVE INCOME FOR THE YEAR	$ 79,346	8	$ 203,063	20
EARNINGS PER SHARE (Note 21)				
Basic	$ 2.16		$ 5.01	
Diluted	$ 2.16		$ 4.98	

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

Niching Industrial Corporation

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

			Retained Earnings (Note 16)			Other Equity		
	Ordinary Shares (Note 16)	Capital Surplus (Note 16)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translating the Financial Statements of Foreign Operations (Note 4and 10)	Unrealized Gain (Loss) on Financial Through Other Comprehensive Income (Note 4 and 9)	Total Equity
BALANCE AT JANUARY 1, 2022	$ 391,146	$ 56,611	$ 110,643	$ 5,711	$ 242,962	($ 11,071)	$ 11,162	$ 807,164
Appropriation of 2021 earnings								
Legal reserve	-	-	13,486	-	(13,486)	-	-	-
Special reserve	-	-	-	(5,711)	5,711	-	-	-
Cash dividends	-	-	-	-	(89,964)	-	-	(89,964)
Net profit for the year ended December 31,2022	-	-	-	-	195,976	-	-	195,976
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	1,960	3,701	1,426	7,087
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	197,936	3,701	1,426	203,063
BALANCE AT DECEMBER 31, 2022	391,146	56,611	124,129	-	343,159	(7,370)	12,588	920,263
Appropriation of 2022 earnings								
Legal reserve	-	-	19,794	-	(19,794)	-	-	-
Cash dividends	-	-	-	-	(167,635)	-	-	(167,635)
Issuance of ordinary shares for cash	50,000	198,995	-	-	-	-	-	248,995
Share-based payments arrangements	-	5,500	-	-	-	-	-	5,500
Net profit for the year ended December 31, 2023	-	-	-	-	93,545	-	-	93,545
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	1,539	(1,456)	(14,282)	(14,199)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	95,084	(1,456)	(14,282)	79,346
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	(54)	-	54	-
BALANCE AT DECEMBER 31, 2023	$ 441,146	$ 261,106	$ 143,923	$ -	$ 250,760	($ 8,826)	($ 1,640)	$ 1,086,469

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

Niching Industrial Corporation

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 111,844	$ 234,124
Adjustments for:		
Depreciation expenses	14,484	13,327
Amortization expenses	47	84
Expected credit loss	255	631
Finance costs	923	1,989
Interest income	(6,233)	(1,997)
Dividend income	(1,008)	(2,351)
Share-based compensation	5,500	-
Share of profit or loss of subsidiaries and associates accounted for using the equity method	(12,161)	(51,053)
Impairment loss(income) recognized on non-financial assets	(1,064)	1,428
Unrealized foreign currency exchange loss	2,835	4,526
Amortization of prepayments	1,600	1,564
Changes in operating assets and liabilities		
Notes receivable	260	(98)
Trade receivables	77,719	(28,001)
Other receivables	(640)	237
Inventories	(5,913)	3,652
Prepayments	(340)	(1,816)
Other current assets	(164)	(44)
Notes payable	561	(461)
Trade payables	12,334	(31,458)
Other payables	(17,518)	9,614
Other current liabilities	(2,931)	2,639
Net defined benefit liabilities	68	303
Cash generated from operations	180,458	156,839
Interest received	6,233	1,997
Interest paid	(923)	(1,989)
Income tax paid	(22,348)	(35,068)
Net cash generated from operating activities	163,420	121,779

(Continued)

Niching Industrial Corporation

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of financial assets at fair value through other comprehensive income	($ 27,200)	$ -
Proceeds from sale of financial assets at fair value through other comprehensive income	14	-
Proceeds from sale of financial assets at amortized cost	-	2,610
Payments for property, plant and equipment	(6,781)	(4,586)
Increase in refundable deposits	(490)	(1,235)
Payments for intangible assets	-	(497)
Increase in other non-current assets	(2,008)	(1,832)
Increase in prepayments for machinery and equipment	(2,525)	(6,303)
Dividends received	24,932	14,141
Net cash generated from (used in) investing activities	(14,058)	2,298
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	-	170,000
Decrease in short-term borrowings	(150,000)	(146,671)
Decrease in guarantee deposit received	(4)	(456)
Repayment of the principal portion of lease liabilities	(2,279)	(1,403)
Dividends paid	(167,635)	(89,964)
Proceeds from issuance of ordinary shares	248,995	-
Net cash used in financing activities	(70,923)	(68,494)
NET INCREASE IN CASH AND CASH QUIVALENTS	78,439	55,583
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	279,120	223,537
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 357,559	$ 279,120

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

(Concluded)

1. GENERAL INFORMATION

Niching Industrial Corporation (the "Company") was incorporated in May, 1993. Its main business activities include the import, export, trading, and manufacturing of various raw materials, components, and equipment required for the semiconductor and optoelectronic industries.

The Company obtained approval from the Financial Supervisory Commission (the "FSC") Securities and Futures Bureau for public issuance in August 1993. In June 1997, it was approved for listing on the Taipei Exchange. Subsequently, in September 1997, the Company's shares were officially listed and traded on the exchange.

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

2. APPROVAL OF PARENT COMPANY ONLY FINANCIAL STATEMENTS

The parent company only financial statements were approved by the Company's board of directors on March 7, 2024.

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

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

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

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

New, Amended and Revised Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets between An Investor and Its Associate or Joint Venture”	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 “Initial Application of IFRS 9 and IFRS 17 - Comparative Information”	January 1, 2023
Amendments to IAS 21 “Lack of Exchangeability”	January 1, 2025 (Note 2)

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

The parent company only financial statements have been prepared on the historical cost basis except for financial instruments which are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

When preparing these parent company only financial statements, the Company used the equity method to account for its investments in subsidiaries, associates and joint ventures. In order for the amounts of the net profit for the year, other comprehensive income for the year and total equity in the parent company only financial statements to be the same as the amounts attributable to the owners of the Company in its consolidated financial statements, adjustments arising from the differences in accounting treatments between the parent company only basis and the consolidated basis were made to investments accounted for using the equity method, the share of profit or loss of subsidiaries and associates and the related equity items, as appropriate, in these parent company only financial statements.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Foreign currencies

In preparing the parent company only financial statements, transactions in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

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

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

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

e. Inventories

Inventories consist of merchandise and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less selling and marketing expenses to make the sale. Inventories are recorded at weighted-average cost on the balance sheet date.

f. Investments accounted for using the equity method.

The Company uses the equity method to account for its investment in subsidiaries and associates.

1) Investments in subsidiaries

A subsidiary is an entity that is controlled by the Company.

Under the equity method, an investment in a subsidiary is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the subsidiary. The Company also recognizes the changes in the Company's share of equity of subsidiaries attributable to the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in the Company losing control of the subsidiary are equity transactions. The Company recognizes directly in equity any difference between the carrying amount of the investment and the fair value of the consideration paid or received.

When the Company's share of losses of a subsidiary exceeds its interest in that subsidiary (which includes any carrying amount of the investment accounted for using the equity method and long-term interests that, in substance, form part of the Company's net investment in the subsidiary), the Company continues recognizing its share of further losses.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognized immediately in profit or loss.

The Company assesses its investment for any impairment by comparing the carrying amount with the estimated recoverable amount as assessed based on the investee's financial statements as a whole. Impairment loss is recognized when the carrying amount exceeds the recoverable amount. If the recoverable amount of the investment subsequently increases, the Company recognizes a reversal of the impairment loss; the adjusted post-reversal carrying amount should not exceed the carrying amount that would have been recognized (net of amortization or depreciation) had no impairment loss been recognized in prior years. An impairment loss recognized on goodwill cannot be reversed in a subsequent period.

When the Company loses control of a subsidiary, it recognizes the investment retained in the former subsidiary at its fair value at the date when control is lost. The difference between the fair value of the retained investment plus any consideration received and the carrying amount of the previous investment at the date when control is lost is recognized as a gain or loss in profit or loss. Besides this, the Company accounts for all amounts previously recognized in other comprehensive income in relation to that subsidiary on the same basis as would be required if the Company had directly disposed of the related assets or liabilities.

Profits or losses resulting from downstream transactions are eliminated in full only in the parent company only financial statements. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized only in the parent company only financial statements only to the extent of interests in the subsidiaries that are not related to the Company.

2) Investment in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture.

The Company uses the equity method to account for its investments in associates.

Under the equity method, investments in an associate is initially recognized at cost and adjusted thereafter to recognize the Company's share of the profit or loss and other comprehensive income of the associate. The Company also recognizes the changes in the Company's share of equity of associates.

Any excess of the cost of acquisition over the Company's share of the net fair value of the identifiable assets and liabilities of an associate at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognized immediately in profit or loss.

The entire carrying amount of an investment is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset.

When assessing impairment, the Company treats the entire carrying amount of an investment as a single asset and compares its recoverable amount with the carrying amount to conduct impairment testing. Any impairment loss recognized is also considered as a component of the carrying amount of the investment.

When the Company transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the parent company only financial statements only to the extent of interests in the associate that are not related to the Company.

g. Property, plant, and equipment

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

h. Intangible assets

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

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

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

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

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

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

j. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at amortized cost

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

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

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

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

Interest income is calculated by applying the effective interest rate to the gross carrying amount of such financial asset, except for:

i) Purchased or originated credit-impaired financial asset, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial asset; and

ii) Financial assets that are not credit impaired on purchase or origination but have subsequently become credit impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

Credit losses on financial assets are significant financial difficulty of the issuer or borrower, a breach of contract, it becoming probable that the borrower will enter bankruptcy or other financial reorganization, or the disappearance of an active market for the financial asset because of financial difficulties.

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

ii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

For internal credit risk management purposes, the Company determines that the following situations indicate that a financial asset is in default (without taking into account any collateral held by the Company):

i. Internal or external information shows that the debtor is unlikely to pay its creditors.

ii. When a financial asset is more than 360 days past due unless the Company has reasonable and corroborative information to support a more lagged default criterion.

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

3) Financial liabilities

a) Subsequent measurement

Financial liabilities are measured at amortized cost using the effective interest method.

b) Derecognition of financial liabilities

The difference between the carrying amount of a financial liability derecognized and the consideration paid is recognized in profit or loss.

k. Revenue recognition

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

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

For contract where the period between the date on which the Company transfers a promised good or service to a customer and the date on which the customer pays for that good or service is one year or less, the Company does not adjust the promised amount of consideration for the effects of a significant financing component.

1) Sales revenue

Sales revenue from the sale of raw materials and components required for the electronic semiconductor and optoelectronic industries. Since customers have established pricing and usage rights for the goods at the time of shipment, and assume the risk of obsolescence of the goods, the Company recognizes revenue at that point in time.

2) Service revenue

Service revenue is derived from providing services to arrange the transfer of goods to customers on behalf of another party. The Company forwards accepted customer orders to suppliers, who then directly ship the goods to the customers' specified locations. As the obligation is to arrange for the provision of goods by another party, the Company recognizes as revenue any fees or commissions expected to be received upon fulfillment of the obligation.

l. Leases

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

1) The Company as lessor

Leases are classified as finance leases whenever the terms of a lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Lease payments (less any lease incentives payable) from operating leases are recognized as income on a straight-line basis over the terms of the relevant leases. Initial direct costs incurred in obtaining operating leases are added to the carrying amounts of the underlying assets and recognized as expenses on a straight-line basis over the lease terms.

2) The Company as lessee

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

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

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

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

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. For a lease modification that is not accounted for as a separate lease, the Company accounts for the remeasurement of the lease liability by (a) decreasing the carrying amount of the right-of-use asset of lease modifications that decreased the scope of the lease, and recognizing in profit or loss any gain or loss on the partial or full termination of the lease; (b) making a corresponding adjustment to the right-of-use asset of all other lease modifications. Lease liabilities are presented on a separate line in the balance sheets.

m. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Where funds are borrowed specifically, costs eligible for capitalization are the actual costs incurred less any income earned on the temporary investment of such borrowings.

Other than that which is stated above, all other borrowing costs are recognized in profit or loss in the period in which they are incurred.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

o. Share-based payment arrangements

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

p. Taxation

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

1) Current tax

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

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

2) Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred tax for the year

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

<u>Key Sources of Estimation Uncertainty - Estimated impairment of financial assets</u>

The provision for impairment of trade receivables is based on assumptions on probability of default and loss given default. The Company uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Company's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 7 "Trade receivables". Where the actual future cash inflows are less than expected, a material impairment loss may arise.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	**2022**
Cash on hand	$ 966	$ 1,016
Checking accounts and demand deposits	213,968	212,731
Cash equivalents		
Time deposits (investments with original maturities of 3 months or less)	142,625	65,373
	$ 357,559	$ 279,120
Rate of interest per annum (%)		
Cash in bank	0.001-1.45	0.001-1.7
Time deposits in bank	1.09-5	1.5-4

7. TRADE RECEIVABLES

	December 31	
At amortized cost	**2023**	**2022**
Gross carrying amount	$ 442,609	$ 526,386
Less: Allowance for impairment loss	(1,113)	(858)
	$ 441,496	$ 525,528

The average collection period for selling products and rendering services of the Company is 75 to 150 days, excluding accounts receivable. The Company's policy is to only engage in transactions with counterparties rated investment grade or higher (inclusive), and to obtain sufficient collateral, if necessary, to mitigate the risk of financial loss due to defaults. The Company evaluates the creditworthiness of its major customers using publicly available financial information and historical transaction records. It continuously monitors credit exposures and the credit ratings of counterparties, and diversifies total transaction amounts among credit-rated qualified customers. Additionally, the management annually reviews and approves credit limits for counterparties to manage credit exposures.

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

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

The following table details the loss allowance of trade receivables:

	Less than 150 days	151 to 365 Days	Over 365 Days	Total
December 31, 2023				
Expected credit loss rate (%)	-	0.01-8.71	100	
Gross carrying amount	$ 437,471	$ 5,138	$ -	$ 442,609
Loss allowance	-	(1,113)	-	(1,113)
Amortized cost	$ 437,471	$ 4,025	$ -	$ 441,496
December 31, 2022				
Expected credit loss rate (%)	-	5	100	
Gross carrying amount	$ 508,603	$ 17,783	$ -	$ 526,386
Loss allowance	-	(858)	-	(858)
Amortized cost	$ 508,603	$ 16,925	$ -	$ 525,528

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 858	$ 227
Net remeasurement of loss allowance	255	631
Balance at December 31	$ 1,113	$ 858

8. INVENTORIES

	December 31	
	2023	2022
Merchandise	$ 67,008	$ 60,031

The cost of inventories recognized as cost of goods sold for the years ended December 31,2023 and 2022 was $723,887 thousand and $738,790 thousand, respectively.

Operating costs include the following items:

	For the Year Ended December 31	
	2023	2022
Inventory write-downs (reversal of impairment losses)	($ 1,064)	$ 1,428

9. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT

Name of Investee Company	December 31 2023	2022
Unlisted ordinary shares		
Advanced Processing Equipment Technology Co., Ltd.（APET）	$ 21,328	$ 23,523
Global Simmtech Co., Ltd.（GST）	17,713	19,148
Precision Chemtech Company Limited （PCCL）	14,949	-
Eliting Technology Corporation（ELITING）	10,490	8,979
QiangFang Technology Co., Ltd. (QiangFang）	123	775
ProMOS Technologies Inc. (ProMOS）	-	-
	$ 64,603	$ 52,425

These investments in equity instruments are held for medium to long-term strategic purposes. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Company's strategy of holding these investments for long-term purposes.

In March 2023, the Board of Directors of the Company passed a resolution to dispose of all shares of ProMOS at a price of $10 dollar per share, with a net selling price of $14 thousand, and accumulated fair value changes of $54 thousand transferred directly to retained earnings.

10. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31 2023	2022
Investments in subsidiaries	$ 44,974	$ 52,202
Investments in associates	198,831	204,822
	$ 243,805	$ 257,024

a. Investments in subsidiaries

	December 31 2023		2022	
Investee	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Private entity				
Advanced Corporation （Advanced）	$ 44,974	100	$ 52,202	100

The investment accounted for using the equity method and the share of profit or loss of the subsidiaries was based on the financial statements audited by the auditors in 2023 and 2022.

b. Investments in subsidiaries

Investee	December 31			
	2023		2022	
	Carrying Amount	% of Ownership	Carrying Amount	% of Ownership
Private entity				
Enplas Niching Technology Corporation（ENPLAS）	$147,716	30	$149,298	30
STNC Hong Kong Holdings Limited（STNC）	51,115	30	55,524	30
	$198,831		$204,822	

The summarized financial information of ENPLAS has been prepared on the basis of its consolidated financial statements prepared in accordance with IFRS, the rest reflects the adjustments the Group made for equity accounting purposes.

	December 31	
	2023	2022
Total assets	$ 651,545	$ 858,858
Total liabilities	$ 158,666	$ 360,700

	For the Year Ended December 31	
	2023	2022
Revenue for the year	$ 1,225,012	$ 1,822,801
Profit for the year	$ 74,622	$ 167,282
Other comprehensive income for the year	($ 306)	$ 612

The summarized financial information of STNC has been prepared on the basis of its consolidated financial statements prepared in accordance with IFRS, the rest reflects the adjustments the Group made for equity accounting purposes.

	December 31	
	2023	2022
Total assets	$ 180,683	$ 203,646
Total liabilities	$ 10,301	$ 18,565

	For the Year Ended December 31	
	2023	2022
Revenue for the year	$ 24,755	$ 60,207
Profit for the year	($ 11,736)	$ 33,360
Other comprehensive income for the year	($ 2,963)	$ 1,816

The share of profit or loss and other comprehensive income from associates accounted for using the equity method for the years 2023 and 2022 is recognized based on the audited financial statements of each associate during the respective periods.

Refer to Table 2 “Information on Investees” for the nature of activities, principal places of business and countries of incorporation of the joint ventures.

11. PROPERTY, PLANT AND EQUIPMENT

	December 31	
	2023	2023
Assets used by the Company	$ 150,084	$ 151,559
Assets subject to operating leases	72,263	73,436
	$ 222,347	$ 224,995

a. Assets used by the Company

	For the Year Ended December 31, 2023				
	Beginning Balance	Additions	Disposals	Reclassified Amount	Ending Balance
Cost					
Land	$ 42,733	$ -	$ -	$ -	$ 42,733
Buildings and improvements	122,990	1,000	-	-	123,990
Machinery and equipment	27,393	4,927	(5,803)	2,587	29,104
Transportation equipment	3,456	-	(1,270)	-	2,186
Office equipment	4,577	1,002	(224)	-	5,335
	201,129	$ 6,929	($ 7,297)	$ 2,587	203,348
Accumulated depreciation					
Buildings and improvements	34,870	$ 3,638	$ -	$ -	38,508
Machinery and equipment	12,799	5,518	(5,803)	-	12,514
Transportation equipment	1,221	777	(1,270)	-	728
Office equipment	680	1,058	(224)	-	1,514
	49,570	$ 10,991	($ 7,297)	$ -	53,264
	$ 151,559				$ 150,084

	For the Year Ended December 31, 2022						
	Beginning Balance	Additions	Disposals	Reclassified Amount	Reclassified of assets as operating lease assets	Reclassified of assets leased out under operating leases	Ending Balance
Cost							
Land	$ 46,243	$ -	$ -	$ -	($ 3,510)	$ -	$ 42,733
Buildings and improvements	110,279	-	-	529	-	12,182	122,990
Machinery and equipment	25,245	737	(476)	1,887	-	-	27,393
Transportation equipment	2,870	-	(1,600)	2,186	-	-	3,456
Office equipment	2,127	3,861	(1,541)	110	-	-	4,557
	186,764	$ 4,598	($ 3,617)	$ 4,712	($ 3,510)	$ 12,182	201,129
Accumulated depreciation							
Buildings and improvements	30,043	$ 3,568	$ -	$ -	$ -	$ 1,259	34,870
Machinery and equipment	8,025	5,250	(476)	-	-	-	12,799
Transportation equipment	1,840	981	(1,600)	-	-	-	1,221
Office equipment	1,284	937	(1,541)	-	-	-	680
	41,192	$ 10,736	($ 3,617)	$ -	$ -	$ 1,259	49,570
	$ 145,572						$ 151,559

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

Buildings and improvements	
Main buildings	50 years
Decoration equipment	5-10 years
Machinery and equipment	2-8 years
Transportation equipment	3-7 years
Office equipment	3-11 years
Miscellaneous equipment	3-9 years

The Board of Directors of the Company approved the acquisition of the corporate operational headquarters on March 7, 2024, with a total contract price of $371,580 thousand. The Chairman of the Board was authorized to handle all matters related to the subsequent acquisition of assets.

Property, plant and equipment used by the Company pledged as collateral for bank borrowings are set out in Note 26.

b. Assets subject to operating leases

	For the Year Ended December 31, 2023			
	Beginning Balance	**Additions**	**Disposals**	**Ending Balance**
Cost				
Land	$ 27,567	$ -	$ -	$ 27,567
Buildings and improvements	58,215	-	-	58,215
	85,782	$ -	$ -	85,782
Accumulated depreciation				
Buildings and improvements	12,346	$ 1,173	$ -	13,519
	$ 73,436			$ 72,263

	For the Year Ended December 31, 2022				
	Beginning Balance	**Additions**	**Reclassification from self-use assets**	**Converted to self-use assets**	**Ending Balance**
Cost					
Land	$ 24,057	$ -	$ 3,510	$ -	$ 27,567
Buildings and improvements	70,397	-	-	(12,182)	58,215
	94,454	$ -	$ 3,510	($ 12,182)	85,782
Accumulated depreciation					
Buildings and improvements	12,432	$ 1,173	$ -	($ 1,259)	12,346
	$ 82,022				$ 73,436

The Company leases certain office space and parking lots under operating leases, with lease terms of 1 to 5 years. Upon the termination of the lease period, the lessee has no bargain purchase option for the contacts.

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

Buildings and improvements	
Main buildings	50 years
Decoration equipment	5-10 years

Property, plant and equipment subject to operating leases pledged as collateral for bank borrowings are set out in Note 25.

12. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts		
Land	$ 270	$ 337
Transportation equipment	5,156	3,946
	$ 5,426	$ 4,283

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 3,463	$ 2,707
Depreciation charge for right-of-use assets		
Land	$ 67	$ 68
Transportation equipment	2,253	1,350
	$ 2,320	$ 1,418

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 2,534	$ 1,898
Non-current	$ 3,025	$ 2,477

Range of discount rate for lease liabilities was as follows:

	December 31	
	2023	2022
Land	5.84%	5.84%
Transportation equipment	5.74%-5.84%	5.74%-5.84%

c. Material leasing activities and terms

The Company leases certain land and transportation equipment with lease terms of 3 to 10 years. Upon the termination of the lease period, the Company has no renewal and bargain purchase option for the contacts.

d. Other lease information

	December 31	
	2023	**2022**
Expenses relating to short-term leases	$ 600	$ 1,668
Expenses relating to low-value asset leases	$ 80	$ 94
Total cash outflow for leases	($ 3,194)	($ 3,297)

The Company's leases of Buildings and improvements qualify as short-term leases and low-value office equipment leases. The Company has elected to apply the recognition exemption and thus, did not recognize right-of-use assets and lease liabilities for these leases.

13. SHORT-TERM BORROWINGS

	December 31	
	2023	**2022**
Line of credit borrowings	$ -	$ 60,000
Secured short-term borrowings	-	90,000
	$ -	$ 150,000
Effective annual interest rate (%)		
Line of credit borrowings	-	1.550-1.675
Secured short-term borrowings	-	1.670-1.875

14. OTHER PAYABLES

	December 31	
	2023	**2022**
Salaries and rewards	$ 25,801	$ 32,358
Compensation of employees and remuneration of directors	8,548	19,330
Payables for annual leave	3,292	3,292
Others	9,355	9,416
	$ 46,996	$ 64,396

15. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined contribution plans

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

The amounts included in the balance sheets in respect of the Company’s defined benefit plans were as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 35,300	$ 36,405
Net defined benefit liabilities	(14,467)	(13,716)
Net defined benefit liabilities	$ 20,833	$ 22,689

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liabilities**
Balance at January 1, 2022	$ 37,093	($ 12,25	$ 24,836
Service cost			
Current service cost	567		567
Net interest expense (income)	260	(8	173
Recognized in profit or loss	827	(8	740
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(93	(935)
Actuarial gain - changes in financial assumptions	(1,277)		(1,277)
Actuarial gain - experience adjustments	(238)		(238)
Recognized in other comprehensive income	(1,515)	(93	(2,450)
Contributions from the employer	-	(43	(437)
Balance at December 31, 2022	36,405	(13,71	22,689
Service cost			
Current service cost	258		258
Net interest expense (income)	437	(16	268
Recognized in profit or loss	695	(16	526
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(12	(124)
Actuarial gain - experience adjustments	(1,800)		(1,800)
Recognized in other comprehensive income	(1,800)	(12	(1,924)
Contributions from the employer	-	(45	(458)
Balance at December 31, 2023	$ 35,300	($ 14,46	$ 20,833

Through the defined benefit plans under the Labor Standards Act, the Company is exposed to the following risks:

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

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

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

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

	December 31	
	2023	**2022**
Discount rates	1.20%	1.20%
Expected rates of salary increase	3.00%	2.50%

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

	December 31	
	2023	**2022**
Discount rate		
0.1% increase	($ 236)	($ 246)
0.1% decrease	$ 239	$ 249
Expected rate of salary increase/decrease		
0.1% increase	$ 200	$ 210
0.1% decrease	($ 198)	($ 208)

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

	December 31	
	2023	**2022**
Expected contributions to the plan for the next year	$ 444	$ 564
Average duration of the defined benefit obligation	6.6 years	6.7 years

16. EQUITY

a. Ordinary shares and Capital surplus

	December 31	
	2023	2022
Number of shares authorized (in thousands)	50,000	50,000
Shares authorized	$ 500,000	$ 500,000
Number of shares issued and fully paid (in thousands)	44,115	39,115
Shares issued	$ 441,146	$ 391,146

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

On November 3, 2022, the Company's board of directors resolved to issue 5,000 thousand ordinary shares, with a par value of $10, and authorized the chairman to handle subsequent matters. On January 5, 2023, the above transaction was approved by the SFB and FSC and the subscription base date set March 7, 2023 , with approval from the chairman on February 2, 2023, for a consideration of $160 per share.

According to the Company Act, the issuance of ordinary shares shall appropriate 10% of the total amount of new shares for subscription by employees. According to IFRS 2 "Share-based Payment", the Company recognized salary expense and capital surplus amounted to $5,500 thousand in 2023.

b. Capital surplus

	December 31	
	2023	2022
Issuance of ordinary shares	$ 261,040	$ 56,611
Invalid employee shares	66	-
	$ 261,106	$ 56,611

The capital surplus generated from donations and the excess of the issuance price over the par value of capital stock may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital, limited to a certain percentage of the Company's capital surplus and once a year.

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the amended Articles, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, except when the legal reserve equals the Company's total issued capital, and setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan. When the distribution is made by issuing new shares, it shall be distributed upon resolution at the shareholders' meeting. When it is made in cash, it shall be distributed upon resolution by the board of directors.

Dividends and bonuses or all or part of the statutory surplus reserve and capital reserve to be distributed by the Company in cash shall be distributed upon resolution by the board of directors attended by two-thirds or more of the directors and approved by more than half of the directors present, as stipulated in Article 240, Paragraph 5 of the Company Law, and shall be reported to the shareholders' meeting.

The Company's dividend policy is to distribute dividends in consideration of the current and future development plans, investment environment, funding needs, and domestic and international competitive conditions, while also taking into account shareholders' interests. When distributing shareholders' dividends, at least 40% of the distributable surplus for the year shall be allocated as shareholders' dividends, which may be in cash or stock, with cash dividends not being less than 10% of the total dividends.

For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 19.

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

The Company specifies that when the special reserve is allocated from the net deduction of other equity accumulated in the previous period, if there is a reversal of the deduction in the current year, the amount can only be allocated from the previous period's undistributed earnings.

The Company held board of directors in May 2023 and regular shareholders' meetings in June 2022 respectively and passed the earnings distribution proposals as

	For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 19,794	$ 13,486
Special reserve	-	(5,711)
Cash dividends	167,635	89,964
Cash dividend per share (NT$)	3.8	2.3

The above appropriation for cash dividends for 2022 was resolved by the Company's board of directors on March 16,2023; the other proposed appropriations were resolved by the shareholders in their meeting on June 15,2023.

The appropriation of earnings for 2023, which was proposed by the Company's board of directors in March 2024, was as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 9,503
Special reserve	10,466
Cash dividends	101,464
Stock dividends	8,823
Cash dividend per share (NT$)	2.3
Stock dividends per share (NT$)	0.2

The above-mentioned cash dividends were approved by the Company's board of directors for distribution, and the other appropriation of earnings is subject to the resolution of the shareholders in their meeting held on June 13,2024.

17. REVENUE

	For the Year Ended December 31	
	2023	2022
Sales revenue		
Semiconductor products	$ 464,941	$ 485,909
Optoelectronics products	353,934	358,275
Other	14,381	10,377
	833,256	854,561
Service revenue	131,275	180,204
	$ 964,531	$ 1,034,765

Contract information

	December 31		January 1
	2023	2022	2022
Notes receivable and trade receivables	$ 441,537	$ 525,829	$ 502,869

18. NET PROFIT FROM CONTINUING OPERATIONS

a. Finance costs

	For the Year Ended December 31	
	2023	2022
Interest on bank loans	$ 688	$ 1,857
Interest on lease liabilities	235	132
	$ 923	$ 1,989

b. Employee benefits expense, depreciation and amortization expenses

	Operating Costs	Operating Expenses	Total
For the Year Ended December 31, 2023			
Employee benefits			
Salaries and bonuses	$ 2,666	$ 85,814	$ 88,480
Labor and health insurance	257	6,493	6,750
Defined contribution plans	127	3,148	3,275
Defined benefit plans	28	498	526
Remuneration of directors	-	6,007	6,007
Other employee benefits	187	4,238	4,425
Depreciation expenses	1,956	12,528	14,484
Amortization expenses	-	47	47
For the Year Ended December 31, 2022			
Employee benefits			
Salaries and bonuses	2,682	95,622	98,304
Labor and health insurance	247	5,699	5,946
Defined contribution plans	125	3,007	3,132
Defined benefit plans	28	712	740
Remuneration of directors	-	8,969	8,969
Other employee benefits	139	3,092	3,231
Depreciation expenses	2,331	10,996	13,327
Amortization expenses	-	84	84

For the years ended December 31,2023 and 2022, the Company had an average of 73 employees. There were 6 directors who did not serve concurrently as employees. The calculation basis is consistent with that of employee benefits expenses. Average labor cost for the years 2023 and 2022 were NT$ 1,544 and 1,662 respectively. Average salary and bonus were NT$ 1,321 and 1,467 respectively. The average salary and bonus decrease by 10 % year over year.

The Company had established the audit committee to replace supervisors in June, 2022. The supervisors cost for the year 2022 was NT$ 927.

Policy on Compensation

Policy, Standards, and Composition of Remuneration, Procedure for Determining Remuneration, and its Relevance to Operating Performance and Future Risks:

1) The Company determines the respective remuneration for directors and managers based on the extent of their service to the Company.

2) The remuneration of directors is in accordance with Article 31 of the Company's Articles of Association: "Regardless of the Company's operating profits or losses, the Company may pay remuneration to directors and supervisors for performing their duties. The remuneration is authorized by the board of directors based on their participation in the Company's operations and the value of their contributions, not exceeding the usual level in the industry. If the Company has a surplus, additional compensation will be distributed according to the provisions of Article 30."

3) The remuneration of the General Manager and Deputy General Managers includes position salary and performance remuneration. The payment policy is as follows:

   i. Position Salary: Fixed monthly salary is determined based on the "Job Title Salary Standards Table" and market salary levels, to ensure competitive salaries.

   ii. Performance Remuneration: Includes employee compensation, year-end bonuses, and performance bonuses, determined based on the Company's annual operating performance, departmental performance, and individual performance:

      a) Employee Compensation: Calculated and paid according to the Company's "Employee Compensation Management Measures."

      b) Year-End Bonus: Paid at two months' salary (excluding meal allowance) when the Company's pre-tax earnings per share are positive.

      c) Performance Bonus: Determined based on the annual net profit per share and individual performance. The higher the pre-tax earnings per share, the higher the performance bonus, to incentivize the management team to achieve high performance.

   iii. Procedure for Providing Remuneration: Handled in accordance with the Company's "Remuneration Committee Charter." Position salaries are reviewed annually for reasonableness and market competitiveness during the first regular meeting of the Remuneration Committee each year, while performance remuneration is reviewed and approved by the Remuneration Committee before distribution.

4) Employee Compensation Policy: In addition to referencing the consumer price index annually, the Company has participated in external salary comparisons and analysis for many years to ensure that every colleague receives a fair and reasonable salary adjustment rate. Good operating performance is also reflected in the annual employee bonuses, encouraging employees to work hard alongside the Company.

19. COMPENSATION OF EMPLOYEES AND REMUNERATION OF DIRECTORS

According to the Articles of Incorporation of the Company, the Company accrues compensation of employees and remuneration of directors at rates of no less than 2% and no higher than 3%, respectively, of net profit before income tax, compensation of employees, and the remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022 which have been approved by the Company’s board of directors in March 2024 and 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Accrual rate	Amount	Accrual rate	Amount
Compensation of employees	5%	$ 6,020	5%	$ 12,673
Remuneration of directors	2.1%	2,528	2.63%	6,657

If there will be a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

There was no difference between the actual amounts of compensation of employees and remuneration of directors paid and the amounts recognized in the parent company only financial statements for the years ended December 31,2022 and 2021.

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

20. INCOME TAXES RELATING TO CONTINUING OPERATIONS

a. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 20,940	$ 36,827
Income tax on unappropriated earnings	-	1,299
Adjustment for prior years	(1,436)	706
	19,504	38,832
Deferred tax		
In respect of the current year	(1,205)	(684)
Income tax expense recognized in profit or loss	$ 18,299	$ 38,148

A reconciliation of accounting profit and income tax expenses is as follows:

	For the Year Ended December 31	
	2023	2022
Income tax expense calculated at the statutory rate (20%)	$ 22,369	$ 46,824
Tax-exempt income	(2,634)	(10,681)
Income tax on unappropriated earnings	-	1,299
Adjustments for prior year's tax	(1,436)	706
Income tax expense recognized in profit or loss	$ 18,299	$ 38,148

b. Major components of tax expense recognized in profit or loss

	For the Year Ended December 31, 2023			
	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 4,538	$ 14	($ 385)	$ 4,167
Unrealized foreign exchange loss	475	1,404	-	1,879
Unrealized inventory loss	590	(213)	-	377
Payables for annual leave	658	-	-	658
	$ 6,261	$ 1,205	($ 385)	$ 7,081
Deferred tax liabilities				
Temporary differences				
Gain from bargain purchase	$ 1,469	$ -	$ -	$ 1,469
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	2,128	-	(726)	1,402
	$ 3,597	$ -	($ 726)	$ 2,871

	For the Year Ended December 31, 2022			
	Opening Balance	**Recognized in Profit or Loss**	**Recognized in Other Comprehensive Income**	**Closing Balance**
Deferred tax assets				
Temporary differences				
Defined benefit obligations	$ 4,967	$ 61	($ 490)	$ 4,538
Unrealized foreign exchange loss	244	231	-	475
Unrealized inventory loss	304	286	-	590
Payables for annual leave	552	106	-	658
	$ 6,067	$ 684	($ 490)	$ 6,261
Deferred tax liabilities				
Temporary differences				
Gain from bargain purchase	$ 1,469	$ -	$ -	$ 1,469
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	1,046	-	1,082	2,128
	$ 2,515	$ -	$ 1,082	$ 3,597

c. The aggregate amount of temporary differences associated with investments for which deferred tax liabilities have not been recognized

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries for which no deferred tax liabilities have been recognized were $36,097 thousand and $33,665 thousand, respectively.

d. Income tax assessments

The tax returns of the Company through 2021 have been assessed by the tax authorities.

21. EARNINGS PER SHARE

	Net Income	Number of Shares (Denominator In Thousands)	Earnings Per Share NT$
For the year ended December 31, 2023			
Basic earnings per share			
Net income available to owners of the Company	$ 93,545	43,224	$ 2.16
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	100	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially	$ 93,545	43,324	$ 2.16
For the year ended December 31, 2022			
Basic earnings per share			
Net income available to owners of the Company	$ 195,976	39,115	$ 5.01
Effect of potentially dilutive ordinary shares			
Compensation of employees	-	241	
Diluted earnings per share			
Profit for the period attributable to owners of the Corporation plus effect of potentially	$ 195,976	39,356	$ 4.98

Since the Company offered to settle compensation paid to employees in cash or shares, the Company assumed the entire amount of the compensation will be settled in shares and the resulting potential shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. CAPITAL MANAGEMENT

The Company manages its capital to ensure that entities in the Company will be able to continue as going concerns while maximizing the return to stakeholders through the optimization of the debt and equity balance. The Company's overall strategy remains unchanged.

The capital structure of the Company consists of net debt (borrowings offset by cash and cash equivalents) and equity of the Company (comprising issued ordinary shares, capital surplus, retained earnings and other equity).

The Company is allowed not to follow other external laws or regulations on capital.

Key management personnel of the Company review the capital structure on a quarterly basis. As part of this review, the key management personnel consider the cost of capital and the risks associated with each class of capital. Based on recommendations of the key management personnel, in order to balance the overall capital structure, the Company may adjust the amount of dividends paid to shareholders, the number of new shares issued or repurchased, and/or the amount of new debt issued or existing debt redeemed.

23. FINANCIAL INSTRUMENTS

a. Financial instruments that are not measured at fair value

The management of the Company considers that the carrying amounts of financial assets and liabilities that are not measured at fair value approximate its fair value or its fair value cannot be reliably measured.

b. Fair value of financial instruments measured at fair value on a recurring basis

1) Fair value hierarchy

December 31, 2023	Level 1	Leve2	Leve3	Total
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	$ -	$ -	$ 64,603	$ 64,603
December 31, 2022				
Financial assets at financial assets at fair value through other comprehensive income				
Domestic unlisted shares	$ -	$ -	$ 52,425	$ 52,425

There was no transfer of fair value measurements between Level 1 and Level 2 for 2023 and 2022.

2) Reconciliation of Level 3 fair value measurements on financial instruments

	Financial assets at financial assets at fair value through other comprehensive income	
	Equity instruments	
	For the Year Ended December 31	
Financial assets	2023	2022
Balance at the beginning of the year	$ 52,425	$ 49,917
Unrealized gains (loss) from financial assets measured at fair value through other comprehensive income	(15,008)	2,508
Purchase	27,200	-
Proceed	(14)	-
Balance at the end of the year	$ 64,603	$ 52,425

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

The securities of emerging stocks held by the Company have no market price reference and thus are evaluated under the cost approach and market approach. Its fair value is computed in reference to investment assets.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at amortized cost	$ 804,071	$ 808,743
Financial assets at FVTOCI	64,603	52,425
Financial liabilities		
Financial liabilities at amortized cost	245,802	386,143

Balance of financial assets measured at amortized cost includes cash and cash equivalents, notes receivable, trade receivables, other receivables and refundable deposits, and other financial assets measured at amortized cost.

Balance of financial liabilities measured at amortized cost includes short term bank borrowings, notes payable, accounts payable, other payables, l and guarantee deposits received and other financial liabilities measured at amortized cost.

d. Financial risk management objectives and policies

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

1) Market risk

The Company's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates and interest rates.

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

i. Foreign currency risk

The Company had foreign currency sales and purchases, which exposed the Company to foreign currency risk. Approximately 53 %~55 % of sales revenue is not denominated infunctional currency and approximately 41 %~44 % of the cost is not denominated in functional currency. To protect against reductions in value and the volatility of future cash flows caused by changes in foreign exchange rates, the Company utilizes foreign exchange forward contracts to hedge its currency exposure.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 26.

Sensitivity analysis

The Company was mainly exposed to the USD.

The following table details the Company's sensitivity to a 5% increase and decrease in the New Taiwan dollar (the functional currency) against the relevant foreign currencies. 5% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis included only outstanding foreign currency denominated monetary items and adjusts their translation at the end of the reporting period for a 5% change in foreign currency rates. Numbers below indicate the change in pre-tax profit or equity associated with the New Taiwan dollar strengthening 5% against the relevant currency:

	Impact of fluctuations in exchange rate on profit or loss	
	For the Year Ended December 31	
	2023	**2022**
USD	$ 15,484	$ 21,665

ii. Interest rate risk

The Company is exposed to interest rate risk because the Company borrowed funds at both fixed and floating interest rates. borrowed money at both fixed and variable rate. The Company maintains an appropriate fixed and floating rate for portfolio to manage interest rate risk. The hedge is evaluated on a regular basis, which makes its point of view and the established risk preference identical, to ensure the most efficient hedging strategy is adopted.

The carrying amounts of the Company's financial assets and lease liabilities with exposure to interest rates at the end of the reporting period were as follows:

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 142,625	$ 65,373
Lease liabilities	5,559	4,375
Cash flow interest rate risk		
Financial assets	213,126	212,622
Lease liabilities	-	150,000

Sensitivity analysis

If interest rates had been 5% basis points higher/lower and all other variables been held constant, the Company's pretax profits for the years ended December 31, 2023 and 2022 would have increased/decreased by $533 thousand and $157 thousand, respectively. A 5% basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. As at the end of the reporting period, the Company's maximum exposure to credit risk, which would cause a financial loss to the Company due to the failure of counterparties to discharge an obligation and financial guarantees provided by the Company, could arise from:

i. The carrying amount of the respective recognized financial assets as stated in the balance sheets; and

ii. The amount of contingent liabilities in relation to financial guarantees issued by the Company.

The Company adopted a policy of obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

The Company uses other publicly available financial information and mutual transaction records to rate major customers, continuously monitoring credit exposure and counterparties' credit ratings. The total transaction amount is distributed among customers with qualified credit ratings, and the credit limits for each counterparty are reviewed and approved annually by management to control credit risk.

As of December 31, 2023 and 2022, the balances of accounts receivable from the top two customers were NT$176,669 thousand and NT$199,486 thousand, respectively. During 2023 and 2022, the concentration of credit risk for these companies did not exceed 25% of the total monetary assets, and the concentration of credit risk for other counterparties did not exceed 31% of the total monetary assets.

3) Liquidity risk

The ultimate responsibility for liquidity risk management lies with the board of directors. The Company has established an appropriate liquidity risk management framework to meet short, medium, and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining sufficient bank financing facilities, borrowing commitments, continuously monitoring forecasted and actual cash flows, and planning to settle liabilities with financial assets of similar maturities. As of December 31, 2023 and 2022, the undrawn loan amounts are as follows:

	December 31	
	2023	**2022**
Undrawn loan amounts	$ 565,000	$ 465,000

Liquidity and interest rate risk tables

The Group's remaining contractual maturities for its non-derivative financial liabilities with agreed repayment periods is based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay.

Non-derivative financial liabilities	**Less Than 1 Year**	**More than 1 Years**
December 31, 2023		
Non-interest bearing	$ 245,802	$ -
Lease liabilities	2,770	3,193
	$ 248,572	$ 3,193
December 31, 2022		
Non-interest bearing	$ 236,143	$ -
Lease liabilities	2,103	2,622
Variable interest rate liabilities	150,000	-
	$ 388,246	$ 2,622

Further information on the maturity analysis of the above financial liabilities was as follows:

	Less Than 1 Year	**1-5 Years**	**5-10 Years**
December 31, 2023			
Lease liabilities	$ 2,770	$ 3,193	$ -
December 31, 2022			
Lease liabilities	$ 2,103	$ 2,622	$ -

24. TRANSACTIONS WITH RELATED PARTIES

The significant transactions between the Company and its related parties, other than those disclosed in other notes, are summarized as follows:

1) Related party name and categories

Related Party Name	Related Party Categories
Advanced	Subsidiary
Niching Co., LTD（Niching Suzhou）	Sub-subsidiary
Simmtech Co., Ltd.（Simmtech）	Other related party
Simmtech Graphics Co., Ltd.（STG）	Other related party
Simmtech International Pte., Ltd.（SI）	Other related party
ENPLAS	Associate

2) Sales revenue

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
sub-subsidiary	$ 137	$ 8,465

The sale of goods to related parties were made at the Group's usual list prices.

3) Service revenue

	For the Year Ended December 31	
Related Party Category/Name	**2023**	**2022**
Other related party		
SI	$ 56,629	$ 3,581
Simmtech	39,580	125,479
STG	1,466	15,478
	$ 97,675	$ 144,538

The commission rates for intermediary services provided above are not significantly different from those charged to non-related parties; the payment terms are also not materially different.

4) Commission Expense

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
Sub-subsidiary	$ 7,709	$ 5,721

5) Non-operating income - other income

	For the Year Ended December 31	
Related Party Category	**2023**	**2022**
Associate	$ 55	$ 43
Sub-subsidiary	39	61
	$ 94	$ 104

6) Receivables to related parties

Related Party Category/Name	December 31 2023	December 31 2022
Other related party		
Simmtech		
Gross carrying amount	$ 9,495	$ 71,939
Less: Allowance for impairment loss	(202)	(798)
	9,293	71,141
SI		
Gross carrying amount	36,444	3,690
Less: Allowance for impairment loss	(10)	(3)
	36,434	3,687
Others		
Gross carrying amount	-	5,055
Less: Allowance for impairment loss	-	(1)
	-	5,054
Sub-subsidiary	6	981
	$ 45,733	$ 80,863

The outstanding trade receivables from related parties are unsecured. For the years ended December 31, 2023 and 2022 , an allowance for doubtful accounts of $ (590) thousand and $ 638 thousand was respectively reversed (recognized).

7) Other receivables

Related Party Category/Name	December 31 2023	December 31 2022
Other related party		
Simmtech	$ 515	$ 216

8) Payables to related parties

Related Party Category/Name	December 31 2023	December 31 2022
Sub-subsidiary	$ 2,111	$ 1,539

9) Other payables

Related Party Category/Name	December 31 2023	December 31 2022
Sub-subsidiary	$ 479	$ 348

10) Remuneration of key management personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 24,938	$ 35,614
Post-employment benefits	399	392
Share-based payments	1,364	-
	$ 26,701	$ 36,006

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

25. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets had been pledged or mortgaged as collateral for long-term bank loans:

	December 31	
	2023	2022
Property, plant and equipment	$ 67,553	$ 68,699

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

	December 31, 2023			December 31, 2022		
Financial assets	Foreign Currency	Exchange Rate	Carrying Amount	Foreign Currency	Exchange Rate	Carrying Amount
Monetary items						
USD	$ 13,802	30.705	$ 423,805	$ 17,641	30.71	$ 541,746
RMB	274	4.311	1,183	1,183	4.392	5,198
Financial liabilities						
Monetary items						
USD	3,717	30.705	114,130	3,531	30.71	108,437

The realized and unrealized net foreign exchange gains for the Company in 2023 and 2022 were $1,341 thousand and $41,281 thousand, respectively. Due to the diversity of foreign currency transactions, it is not feasible to disclose exchange gains and losses by individual significant foreign currencies.

27. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions and investees:

1) Financing provided to others: None.

2) Endorsements/guarantees provided: None.

3) Marketable securities held (excluding investment in subsidiaries and associates): Table 1.

4) Marketable securities acquired and disposed at costs or prices at least NT$300 million or 20% of the paid-in capital: None.

5) Acquisition of individual real estate at costs of at least NT $300 million or 20% of the paid-in capital: None.

6) Disposal of individual real estate at prices of at least NT$300 million or 20% of the paid-in capital: None.

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table None.

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: None.

9) Trading in derivative instruments: None.

b. Information on investees: Table 2

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, investment income or loss, carrying amount of the investment at the end of the period, repatriation of investment income, and limit on the amount of investment in the mainland China area: Table 3.

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

i. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Note 24.

ii. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Note 24.

iii. The amount of property transactions and the amount of the resultant gains or losses: None.

iv. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.

v. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.

vi. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: Note 24.

d. Information of major shareholders: list all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder : Table 4.

TABLE 1

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

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

Holding Company Nam	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
The Company	Shares							
	APET	None	Financial assets at FVTOCI - non current	282,700	$ 21,328	6	$ 21,328	
	GST	Other related party	Financial assets at FVTOCI - non current	147,972	17,713	1	17,713	
	PCCL	None	Financial assets at FVTOCI - non current	1,360,000	14,949	17	14,949	
	ELITING	None	Financial assets at FVTOCI - non current	335,925	10,490	12	10,490	
	QiangFang	None	Financial assets at FVTOCI - non current	225,000	123	15	123	

Note: For information on the investments in subsidiaries and associates, see Tables 2 and 3.

TABLE 2

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31 , 2023			Net Income Loss of the Investee	Share of Profit Loss	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount			
The Company	Advanced	Samoa	General investment business and import-export trade	$ 45,496	$ 45,496	1,800,293	100	$ 44,974	($ 6,753)	($ 6,753)	
	ENPLAS	Hsinchu City	Import and sale of electronic materials	52,621	52,621	633,000	30	147,716	74,622	22,435	
	STNC	Hongkong	General investment business and import-export trade	8,878	8,878	300,000	30	51,115	(11,736)	(3,521)	

Note: For information on investments in mainland China, see Table 3.

TABLE 3

NICHING INDUSTRIAL CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMB ER 31, 2023
(In Thousands of New Taiwan Dollars and Foreign Currencies

Investee Company (Note 1)	Main Businesses and Products	Paid in Capital	Method of Investment	Accumulated Outward Remittance for Investments from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investments from Taiwan as of December 31, 2023	Net Income Loss of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain Loss (Note 3)	Carrying Amount as of December 31, 2023 (Note 3)	Accumulated Repatriation of Investment Income as of December 31,
					Outward	Inward						
Niching Co., LTD	Wholesale, import and export, commission agency (excluding auctions), and related supporting businesses for equipment, materials, and parts required for the manufacturing of semiconductor, optoelectronic, electronic, and mechanical products.	$ 64,492 (USD 2,100)	(Note 2)	$ 53,366 (USD 1,735)	$	$	$ 53,366 (USD 1,735)	($ 4,695)	100%	($ 4,69	$ 26,178	$ -
Simmtech Niching (Suzhou) Co., Ltd.	Wholesale, import and export, commission agency (excluding auctions), and related supporting businesses for equipment, materials, and parts required for the manufacturing of semiconductor, optoelectronic, electronic, and mechanical products.	29,570 (USD 1,000)	(Note 2)	8,878 (USD 300)			8,878 (USD 300)	(10,867)	30%	(3,26	52,460	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA(Note4)
$ 62,244 (USD 2,035)	$ 66,381 (USD 2,100)	$ 651,881

Note 1: This investment project has been approved by the Investment Commission, with an investment amount of USD $2,100 thousand. However, as of December 31, 2023, USD $2,035 thousand has been remitted.

Note 2: Investment in Mainland China companies through a company invested and established in a third region.

Note 3: In accordance with reports audited by the CPA from the parent company.

Note 4: Limitation is calculated under 'Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China'.

TABLE 4

NICHING INDUSTRIAL CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Jutai Investment Co., Ltd.	3,791,247	8.59%

Note 1: The information on major shareholders disclosed in the table above was calculated by the Taiwan Depository & Clearing Corporation based on the number of ordinary and preference shares held by shareholders with owner ship of 5% or greater, that ha d completed dematerialized registration and delivery including treasury shares as of the last business day of the current quarter. The share capital recorded in the parent company only parent company only financial statements may differ from the number of shares that have completed dematerialized registration and delivery due to differences in the basis of preparation.

Note 2: If the above information is related to shareholders who have delivered their shares held to a trust, the information is separately disclosed by each trustor's account opened by the trustee. As for the declaration of insider shareholdings exceeding 10% in accordance with the securities and exchange act, the shareholdings include the shares held by the shareholder as well as those that have been delivered to the trust and for which the shareholder has the right to determine the use of trust property. For information on the declaration of insider shareholdings, refer to the Market Observation Post System website of the TWSE.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

STATEMENT 1

NICHING INDUSTRIAL CORPORATION

STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Item	Amount
Cash on hand and petty cash	$ 966
Cash in banks	
Checking accounts deposits	830
Demand deposits	187,773
Foreign deposits (Note 1)	25,365
	213,968
Cash equivalents	
Time deposits with original maturities of less than three months (Note 2)	142,625
	$ 357,559

Note 1:Including US $818 thousand, RMB $19 thousand and JPY $770 thousand, converted at the exchange rate of US$1＝NT$30.705, RMB$1＝NT$4.311 and JPY$1＝NT$0.217.

Note 2:Including NT$65,000 thousand, USD $2,500 thousand and RMB $200 thousand, converted at the exchange rate of US$1＝NT$30.705, RMB$1＝NT$4.311 which expired in January 2024, interest rate at 1.09%~5%.

STATEMENT 2

NICHING INDUSTRIAL CORPORATION

STATEMENT OF TRADE RECEIVABLES FROM UNRELATED PARTIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Client Name	Amount
Unrelated parties	
TIANMA MICRO-ELECTRONICS(HONG KONG)LIMITED.	$ 104,879
Advanced Semiconductor Engineering, Inc	71,790
China Star Optoelectronics International(HK) Limited	71,703
Chipbond Technology Corporation	33,474
ChipMOS TECHNOLOGIES INC.	29,366
Other (Note)	85,452
	396,664
Less: Allowance for impairment loss	(901)
	$ 395,763

Note: Each of the clients was less than 5% of the account balance.

STATEMENT 3

NICHING INDUSTRIAL CORPORATION

STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount	Market Price (Note)
Merchandise	$ 68,893	$ 67,008
Less: Allowance for impairment loss	(1,885)	
	$ 67,008	

Note: Inventories are stated at the lower of cost or net realizable value, assessed on an item-by-item basis.

NICHING INDUSTRIAL CORPORATION

STATEMENT OF FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON CURRENT
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2023		Additions（Decrease）			Balance, December 31, 2023			
Financial instrument name	Number of shares (In Thousands)	Fair Value	Number of shares (In Thousands)	Amount	Unrealized gains or losses of Financial	Number of shares (In Thousands)	%	Amount	Collateral
Domestic unlisted ordinary shares									
APET	283	$ 23,523	-	$ -	($ 2,195)	283	6	$ 21,328	None
GST	148	19,148	-	-	(1,435)	148	1	17,713	None
PCCL	-	-	1,360	27,200	(12,251)	1,360	17	14,949	None
ELITING	336	8,979	-	-	1,511	336	12	10,490	None
QiangFang	225	775	-	-	(652)	225	15	123	None
ProMOS	1	-	(1)	(14)	14	-	-	-	None
		$ 52,425		$ 27,186	($ 15,008)			$ 64,603	

NICHING INDUSTRIAL CORPORATION

TATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance, January 1, 2023		Additions (Decrease)					Balance, December 31, 2023			
Investees	Number of shares (In Thousands)	Amount	Number of shares (In Thousands)	Amount	Share of Profit (Loss)	Cash Dividend	Exchange Differences on Translation	Number of shares (In Thousands)	%	Amount	Net Assets Value
Advanced	1,800	$ 52,202	-	$ -	($ 6,753)	$ -	($ 475)	1,800	100	$ 44,974	$ 44,974
ENPLAS	633	149,298	-	-	22,435	(23,924)	(93)	633	30	147,716	147,716
STNC	300	55,524	-	-	(3,521)	-	(888)	300	30	51,115	51,115
		$257,024		$ -	$ 12,161	($ 23,924)	($ 1,456)			$243,805	$243,805

STATEMENT 6

NICHING INDUSTRIAL CORPORATION

STATEMENT OF CHANGES IN RIGHT OF USE ASSETS
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

	Balance at January 1, 2023	Additions	Decrease	Balance at December 31, 2023
Cost				
Land	$ 609	$ -	$ -	$ 609
Transportation equipment	6,210	3,463	(2,192)	7,481
	6,819	$ 3,463	($ 2,192)	8,090
Accumulated depreciation				
Land	272	$ 67	$ -	339
Transportation equipment	2,264	2,253	(2,192)	2,325
	2,536	$ 2,320	($ 2,192)	2,664
	$ 4,283			$ 5,426

STATEMENT 7

NICHING INDUSTRIAL CORPORATION

STATEMENT OF TRADE PAYABLES TO UNRELATED PARTIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Vendor Name	Amount
UNITECH TECHNOLOGY YEH CORPORATION	$ 93,257
SPT Asia Pte. Ltd.	60,948
KEYSTONE SCIENTECH CO., LTD.	28,263
MING CHUN YUAN MICRO PRECISE TECHNOLOGY CO., LTD.	22,187
Dai Nippon Printing Co., Ltd.	19,783
Others (Note)	9,039
	$ 233,477

Note: Each of the clients was less than 5% of the account balance.

STATEMENT 8

NICHING INDUSTRIAL CORPORATION

STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Summary	Lease Term	Discount Rate (%)	Amount
Land	Kaohsiung Branch Office Rent	2017.01.01-2027.12.31	5.84	$ 311
Transportation equipment	Official Vehicle	2021.08.10-2026.11.29	5.74-5.84	5,248
				$ 5,559

STATEMENT 9

NICHING INDUSTRIAL CORPORATION

STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Sales revenue	
Semiconductor products	$ 464,941
Optoelectronic products	353,934
Nanotechnology and Other Products	14,381
	833,256
Service revenue	131,275
	$ 964,531

STATEMENT 10

NICHING INDUSTRIAL CORPORATION

STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Amount
Inspection Costs	$ 7,815
Merchandise, beginning of year	62,980
Add: Merchandise purchased	724,484
Less: Merchandise, end of year	(68,893)
Inventory write-down recovery	(1,064)
Reclassification to various expenses	(1,435)
Operating costs	$ 723,887

STATEMENT 11

NICHING INDUSTRIAL CORPORATION

STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Item	Selling and Marketing Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Salary	$ 37,478	$ 41,390	$ 16,599	$ 95,467
Depreciation expense	4,237	2,524	5,767	12,528
Entertainment expenses	3,858	699	76	4,633
Professional service fees	3,683	3,716	-	7,399
Insurance premium	3,328	2,532	1,284	7,144
Expected credit loss	255	-	-	255
Other expenses	11,601	6,502	10,988	29,091
	$ 64,440	$ 57,363	$ 34,714	$ 156,517