Stock Code: 3680

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Financial Statements and Independent Auditors' Report

For the Years Ended 2023 and 2022

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

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Affiliates' Statement of Consolidated Financial Statements

In 2023 (from January 1 to December 31, 2023), the "companies" required to be included in the consolidated financial statements of affiliates under the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises", are all the same as companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in the International Accounting Standards No. 10 (IAS 10), and relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the proceeding consolidated financial statements of parent and subsidiary companies, thus the Company is not required to prepare separate consolidated financial statements of affiliates.

Hereby declare

Name of Company: Gudeng Precision Industrial Co., Ltd.

Chairman: Ming-Chien Chiu

March 6, 2024

Independent Auditors' Report

To: Gudeng Precision Industrial Co., Ltd.

Audit Opinion

We have audited the accompanying parent company consolidated financial statements of the Gudeng Precision Industrial Co., Ltd. and its subsidiary (Gudeng consolidated company), which comprise the parent company only balance sheets as of December 31, 2023 and 2022 and the parent company consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company consolidated financial statements, including a summary of significant accounting policies.

In our opinion which based on our audit results and the other certified public accountants' audit reports (please refer to the paragraph of Other Matter), the accompanying parent company consolidated financial statements present fairly and the preparation of International Financial Reporting Standards, International Accounting Standards, interpretations and explanatory announcements approved and issued by the Financial Supervisory Commission, in all material respects, the parent company only financial position of the Company as of December 31, 2023 and 2022, and its parent company consolidated financial performance and its parent company consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the consolidated Financial Statements section of our report. In accordance with the professional ethics code of accountants, the staff of the accounting firm under the independence standard have maintained their independence from Gudeng consolidated company and fulfilled other responsibilities under the standard. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

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

Key audit matters for Gudeng consolidated company consolidated financial statements for the year ended December 31, 2023 are stated as follows:

<u>Sale revenue recognition</u>

Revenue from Gudeng Precision Industrial Co., Ltd. is derived from mask and wafer handling solutions, in which the recognition of sales revenue from a particular client requires manual recognition and verification of the relevant documents. Additionally, Gudeng Equipment Co., Ltd. generates its main revenue from selling equipment and machinery. The products are custom-made, and the transaction terms for selling equipment and machines are the delivery completion, customers acceptance and the contractual obligations are fulfilled. This requires determining whether the control of the goods sold has transferred, which may result in the existence of an inappropriate recognition of revenue, presuming as a significant risk by the Statements on Auditing Standards; therefore, authenticity of the recognition of sales revenue is considered as a key audit matter. Please refer to Note 4(16) and 28 of the consolidated financial statements for the accounting policy and information regarding the revenue recognition.

The main audit procedures performed on the above mentioned key matter are as follows:

1. We understood, assessed, and tested the reasonableness and effectiveness of the implementation of the internal controls over revenue recognition.
2. We obtained details of the sales revenue and sales of equipment and machinery from particular clients to process sampling, and verified related documents of revenue recognition in order to confirm conduct sample testing samples, check the shipment supporting documents and the collection of receivables to confirm the authenticity of the sales revenue.
3. Upon receiving the detailed report of sales returns after the balance sheet date, we will randomly audit the relevant documents and examine the reasonableness of the return.

Other Matters

Related associates in the consolidated financial statements of Gudeng consolidated company shall be checked by other accountants. Therefore, our opinions expressed in the parent company consolidated financial statements regarding the amounts stated in respect of such investments using the equity method are based on the audit reports of other accountants. The balance of the investment under the equity method of associates on December 31, 2023 and 2022 were $165,987 thousand and $103,678 thousand, accounting for 1.02% and 0.85% of the total amount of the assets, and associates' share of comprehensive income or loss accounted for using the equity method for the year ended December 31, 2023 and 2022 were $4,763 thousand and $5,775 thousand, accounting for and 0.38% and 0.65% of the total amount of consolidated comprehensive income.

Gudeng Precision Industrial Co., Ltd. has prepared the individual financial reports for the year of 2023 and 2022, and the audit report issued by the accountant with unqualified opinion is on file for reference.

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

Management is responsible for the preparation and fair presentation of the parent company consolidated financial statements in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Preparation of International Financial Reporting Standards, International Accounting Standards, Explanations and Explanatory Announcements approved and issued by the Financial Supervisory Commission" and for such internal control as management determines is necessary to enable the preparation of parent company consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the parent company consolidated financial statements, management is responsible for assessing Gudeng consolidated 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 Gudeng consolidated company or to cease operations, or has no realistic alternative but to do so.

Those charged with governance (including Audit Committee) are responsible for overseeing the Gudeng consolidated company's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

As part of an audit in accordance with the auditing standards in the Republic of China, we exercise professional judgment and maintain professional skepticism. We also:

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Gudeng consolidated 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 Gudeng consolidated 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause Gudeng consolidated company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the related notes, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information on the entities or business activities within Gudeng consolidated company to express an opinion on the parent company consolidated financial statements. We are responsible for the direction, supervision and performance of the consolidated company audit. We remain solely responsible for our opinion to consolidated company.

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

Deloitte & Touche

CPA-Jian-Ming Zeng

Financial Supervisory Commission Approval Document No.: Financial-Supervisory-Securities-Auditing-1100356048

CPA-Pan-Fa Wang

Financial Supervisory Commission Approval Document No.: Financial-Supervisory-Securities-Auditing-1100356048

March 6, 2024

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Balance Sheets

For the Years Ended December 31, 2023 and 2022

Unit: In Thousands of New Taiwan Dollars

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 4,004,779	25	$ 2,270,488	19
1110	Financial assets at fair value through profit or loss - current (Notes 4 and 7)	167,095	1	142,562	1
1136	Financial assets at amortized cost - current (Notes 4 and 9)	550,294	3	329,760	3
1150	Notes receivable from unrelated parties (Note 10)	1,453	-	1,433	-
1160	Notes receivable from related parties' net (Notes 10 and 39)	222	-	615	-
1170	Trade receivables from unrelated parties (Notes 4, 10 and 28)	885,391	5	1,077,420	9
1180	Trade receivables from related parties' net (Notes 10 and 39)	147	-	275	-
1200	Other receivables (Note 10)	41,792	-	6,850	-
1210	Other receivables from related parties (Notes 10 and 39)	12,653	-	9	-
1220	Current tax assets (Note 30)	2,218	-	9	-
130X	Inventories (Notes 4 and 11)	1,908,982	12	1,645,942	13
1410	Prepayments (Notes 19 and 39)	165,030	1	166,918	1
1479	Other current assets (Note 20)	70,544	1	4,901	-
11XX	Total current assets	7,810,600	48	5,647,182	46
	Non-current assets				
1517	Purchase of financial assets at fair value through other comprehensive income - non-current (Notes 4 and 8)	652,143	4	403,475	3
1535	Financial assets at amortized cost - non-current (Notes 4 and 9)	-	-	2,546	-
1550	Investments accounted for using the equity method (Notes 4 and 13)	165,987	1	103,678	1
1600	Property, plant and equipment (Notes 4, 14 and 39)	6,079,627	37	4,737,362	39
1755	Right-of-use assets (Notes 4 and 15)	170,021	1	92,468	1
1760	Investment properties, net (Notes 4 and 16)	654,375	4	780,755	6
1805	Goodwill (Notes 4 and 17)	176,750	1	65,383	1
1821	Other intangible assets (Notes 4 and 18)	162,035	1	103,569	1
1840	Deferred tax assets (Notes 4 and 30)	59,193	-	49,762	-
1915	Prepayments for equipment (Note 41)	240,820	2	216,846	2
1990	Other non-current assets - other (Notes 20 and 26)	871	-	1,453	-
1920	Refundable deposits (Note 39)	125,942	1	28,945	-
15XX	Total non-current assets	8,487,764	52	6,586,242	54
1XXX	Total assets	$ 16,298,364	100	$ 12,233,424	100

Code	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term borrowings (Note 21)	$ 125,000	1	$ 28,000	-
2120	Financial liabilities at fair value through profit or loss - current (Notes 4 and 7)	3,300	-	1,447	-
2150	Notes payable to unrelated parties (Note 23)	123	-	8,753	-
2160	Notes payable to related parties (Notes 23 and 39)	-	-	100	-
2170	Trade payables to unrelated parties (Note 23)	514,411	3	541,279	5
2180	Trade payables to related parties (Notes 23 and 39)	35,132	-	13,616	-
2219	Other payables (Note 24)	1,115,561	7	954,093	8
2220	Other payable - related parties (Notes 39)	10	-	-	-
2230	Current tax liabilities (Note 30)	73,511	-	202,458	2
2250	Provisions - current (Notes 4 and 25)	29,318	-	26,618	-
2280	Lease liabilities - current (Notes 4 and 15)	39,377	-	28,827	-
2131	Contract liabilities - current (Notes 4 and 28)	837,105	5	709,026	6
2320	Current portion of Long-term borrowings (Notes 4 and 21)	257,712	2	154,638	1
2399	Other current liabilities (Notes 24 and 39)	80,218	1	13,696	-
21XX	Total current liabilities	3,110,778	19	2,682,551	22
	Non-current liabilities				
2530	Corporate Bonds payable (Notes 4 and 22)	942,415	6	922,582	8
2540	Long-term borrowings (Note 21)	3,175,392	19	3,169,205	26
2570	Deferred tax liabilities (Notes 4 and 30)	815	-	4,140	-
2580	Lease liabilities - non-current (Notes 4 and 15)	112,882	1	65,674	-
2640	Net defined benefit liabilities - non-current (Notes 4 and 26)	36,289	-	26,110	-
2645	Guarantee deposits (Note 39)	9,022	-	8,538	-
25XX	Total non-current liabilities	4,276,815	26	4,196,249	34
2XXX	Total liabilities	7,387,593	45	6,878,800	56
	Equity attributable to owners of the company (Note 27)				
	Share capital				
3110	Ordinary shares	941,844	6	840,973	7
3140	Share capital collected in advance	1,128	-	1,521	-
3100	Total share capital	942,972	6	842,494	7
3200	Capital surplus	5,989,152	37	3,248,341	26
	Retained earnings				
3310	Legal reserve	310,168	2	216,567	2
3320	Special reserve	-	-	157,093	1
3350	Unappropriated earnings	794,151	5	560,545	5
3300	Total retained earnings	1,104,319	7	934,205	8
3400	Other equity	82,801	-	(146,666)	(1)
31XX	Total equity attributable to owners of the Company	8,119,244	50	4,878,374	40
36XX	Non-controlling interests (Note 27)	791,527	5	476,250	4
3XXX	Total equity	8,910,771	55	5,354,624	44
	Total liabilities and equity	$ 16,298,364	100	$ 12,233,424	100

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu　　Manager: Tien-Jui Lin　　Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022
Unit: In Thousands of New Taiwan Dollars, Except Earnings Per Share in Dollars

Code		2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating revenue (Notes 4, 28, and 39)	$ 5,078,345	100	$ 4,494,031	100
5000	Operating costs (Notes 4, 11, 29 and 39)	2,639,697	52	2,303,716	51
5900	Gross profit	2,438,648	48	2,190,315	49
	Operating expenses (Notes 26, 29 and 39)				
6100	Selling and marketing expenses	256,607	5	198,603	4
6200	General and administrative expenses	680,729	13	579,886	13
6300	Research and development expenses	436,395	9	297,794	7
6450	Expected credit impairment loss	4,839	-	21,729	1
6000	Total operating expenses	1,378,570	27	1,098,012	25
6900	Net operating income	1,060,078	21	1,092,303	24
	Non-operating revenue and expenses (Note 29)				
7100	Interest income	43,064	1	5,587	-
7190	Other income (Note 39)	131,668	2	79,568	2
7020	Other gains and losses (Note 39)	43,226	1	98,283	2
7050	Finance costs	(89,181)	(2)	(55,056)	(1)
7060	Share of profit or loss from associates accounted for using the equity method	4,763	-	5,775	-
7000	Total non-operating revenue and expenses	133,540	2	134,157	3
7900	Net income before tax	1,193,618	23	1,226,460	27
7950	Income tax expense (Notes 4 and 30)	(170,245)	(3)	(199,131)	(4)
8200	Net income for the year	1,023,373	20	1,027,329	23

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Code		2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income/(loss)				
8310	Items that will not be reclassified to profit or loss				
8311	Remeasurement of defined benefit plans (Note 26)	($ 5,409)	-	$ 1,074	-
8316	Unrealized valuation gain/(loss) on investments in equity instruments at fair value through other comprehensive income	263,940	5	(140,936)	(3)
8360	Items that may be reclassified subsequently to profit or loss				
8361	Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	(11,833)	-	179	-
8300	Other comprehensive income/(loss) for the year (net of income tax)	246,698	5	(139,683)	(3)
8500	Total comprehensive income/(loss) for the year	$ 1,270,071	25	$ 887,646	20
	Net profit attributable to				
8610	owners of the Company	$ 905,006	18	$ 933,071	21
8620	Non-controlling interests	118,367	2	94,258	2
8600		$ 1,023,373	20	$ 1,027,329	23
	Total comprehensive income/(loss) attributable to				
8710	owners of the Company	$ 1,151,925	23	$ 793,258	18
8720	Non-controlling interests	118,146	2	94,388	2
8700		$ 1,270,071	25	$ 887,646	20
	Earnings per share (Note 31)				
9710	Basic	$ 10.24		$ 11.12	
9810	Diluted	$ 10.08		$ 10.84	

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu   Manager: Tien-Jui Lin   Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022
Unit: In Thousands of New Taiwan Dollars

		Equity attributable to owners of the company												
		Ordinary shares				Retained earnings			Other equity					
Code		Number of Shares	Share capital	Share capital collected in advance	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences on translating the financial statements of foreign operations	Exchange differences on translating the financial statements of foreign operations	Treasury stock	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2022	84,097	$ 840,973	$ -	$ 3,094,606	$ 143,427	$ 24,637	$ 338,648	($ 18,668)	$ 12,759	($ 15,289)	$ 4,421,093	$ 104,581	$ 4,525,674
	Appropriation of earnings													
B1	Appropriation of legal reserve	-	-	-	-	73,140	-	(73,140)	-	-	-	-	-	-
B3	Appropriation of special reserve	-	-	-	-	-	132,456	(132,456)	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(504,435)	-	-	-	(504,435)	-	(504,435)
M7	Changes in percentage of ownership interests in subsidiaries (Note 35)	-	-	-	-	-	-	(2,087)	-	-	-	(2,087)	-	(2,087)
	Changes in other capital surplus:													
C5	Equity component of convertible bonds issued by the Company	-	-	-	42,872	-	-	-	-	-	-	42,872	-	42,872
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	1,188	-	-	-	-	-	-	1,188	1,174	2,362
I1	Conversion of convertible corporate bonds	-	-	1,521	32,178	-	-	-	-	-	-	33,699	-	33,699
N1	Issuance of employees stock options by the Company	-	-	-	77,497	-	-	-	-	-	15,289	92,786	-	92,786
O1	Increase/decrease in non-controlling interests (Note 27)	-	-	-	-	-	-	-	-	-	-	-	(1,451)	(1,451)
M5	Acquisition of part of the equity of subsidiaries (Note 27)	-	-	-	-	-	-	-	-	-	-	-	277,558	277,558
D1	Net income for 2022	-	-	-	-	-	-	933,071	-	-	-	933,071	94,258	1,027,329
D3	Other comprehensive income/(loss) after tax for 2022	-	-	-	-	-	-	944	179	(140,936)	-	(139,813)	130	(139,683)
D5	Total comprehensive income/(loss) for 2022	-	-	-	-	-	-	934,015	179	(140,936)	-	793,258	94,388	887,646
Z1	Balance on December 31, 2022	84,097	840,973	1,521	3,248,341	216,567	157,093	560,545	(18,489)	(128,177)	-	4,878,374	476,250	5,354,624
	Appropriation of earnings													
B1	Legal reserve	-	-	-	-	93,601	-	(93,601)	-	-	-	-	-	-
B3	Special reserve	-	-	-	-	-	(157,093)	157,093	-	-	-	-	-	-
B5	Cash dividends distributed by the Company	-	-	-	-	-	-	(724,236)	-	-	-	(724,236)	-	(724,236)
M7	Changes in percentage of ownership interests in subsidiaries (Note 35)	-	-	-	-	-	-	(12,228)	-	-	-	(12,228)	-	(12,228)
	Changes in other capital surplus:													
M5	Acquisition or disposal of part of the equity of subsidiaries (Note 35)	-	-	-	86,856	-	-	-	-	-	-	86,856	203,317	290,173
C7	Changes in associates and joint venture accounted for using the equity method	-	-	-	(106)	-	-	(15,880)	-	-	-	(15,986)	-	(15,986)
C5	Equity items of convertible bonds issued by the Company	-	-	-	56,446	-	-	-	-	-	-	56,446	-	56,446
E1	Issuance of ordinary shares for cash	5,800	58,000	-	1,678,960	-	-	-	-	-	-	1,736,960	-	1,736,960
N1	Issuance of employees stock options by the Company	-	-	-	37,726	-	-	-	-	-	-	37,726	-	37,726
I1	Conversion of convertible corporate bonds	4,287	42,871	(393)	880,929	-	-	-	-	-	-	923,407	-	923,407
O1	Increase/decrease in non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(6,186)	(6,186)
D1	Net income for 2023	-	-	-	-	-	-	905,006	-	-	-	905,006	118,367	1,023,373
D3	Other comprehensive income/(loss) after tax for 2023	-	-	-	-	-	-	(5,188)	(11,833)	263,940	-	246,919	(221)	246,698
D5	Total comprehensive income/(loss) for 2023	-	-	-	-	-	-	899,818	(11,833)	263,940	-	1,151,925	118,146	1,270,071
Q1	Disposal of equity instruments at fair value through other comprehensive income	-	-	-	-	-	-	22,640	-	(22,640)	-	-	-	-
Z1	Balance on December 31, 2023	94,184	$ 941,844	$ 1,128	$ 5,989,152	$ 310,168	$ -	$ 794,151	($ 30,322)	$ 113,123	$ -	$ 8,119,244	$ 791,527	$ 8,910,771

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu　　Manager: Lin, Tien-Jui　　Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Consolidated Statements of Cash Flows
From January 1 to December 31, 2023 and 2022
Unit: In Thousands of New Taiwan Dollars

Code		2023	2022
	Cash flows from operating activities		
A10000	Net income before tax for the year	$ 1,193,618	$ 1,226,460
A20010	Adjustments for		
A20100	Depreciation expenses	317,285	234,924
A20200	Amortization expenses	20,391	23,070
A20300	Expected credit impairment loss	4,839	21,729
A20400	Net loss (profit) on financial assets at fair value through profit or loss	(45,793)	10,425
A20900	Finance costs	89,181	55,056
A21200	Interest income	(43,064)	(5,587)
A21300	Dividend income	(52,097)	(31,857)
A21900	Compensation costs of share-based payment	37,726	79,535
A22300	Share of profit or loss from associates accounted for using the equity method	(4,763)	(5,775)
A22800	Gains on bargain purchase	-	(36)
A23200	Gain on disposal of subsidiaries	-	(54,936)
A22500	Gain (loss) on disposal of property, plant and equipment	1,607	(1,580)
A22900	Loss (gain) on lease amendment	(553)	192
A23700	Write-downs of inventories for price loss (gain on reversal) and obsolescence	(4,219)	30,009
A29900	Income from the conversion of corporate bonds into fractional shares	(30)	(1)
A30000	Net Changes in operating assets and liabilities		
A31130	Notes receivable	373	6,752
A31150	Trade receivables	236,184	(430,526)
A31180	Other receivables	3,921	(4,362)
A31200	Inventories	(232,917)	(600,645)
A31230	Prepayments	17,483	(75,833)
A31240	Other current assets	(65,643)	(1,801)
A32130	Notes payable	(8,730)	(39,816)
A32150	Trade payables	(59,688)	122,903
A32180	Other payables	(65,649)	113,262
A32200	Provisions	2,700	(2,204)
A32210	Contract liabilities	128,079	261,708

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Code		2023	2022
A32230	Other current liabilities	$ 66,522	$ 6,147
A32240	Net defined benefit liabilities	4,770	226
A33000	Cash generated from/(used in) operations	1,541,533	937,439
A33100	Interest received	40,527	5,587
A33200	Dividends received	36,095	31,741
A33300	Interest paid	(88,991)	(46,102)
A33500	Income tax paid	(315,092)	(75,771)
AAAA	Net cash inflow from operating activities	1,214,072	852,894
	Cash flows from investing activities		
B00010	Purchase of financial assets at fair value through other comprehensive income	(21,237)	(68,714)
B00020	Disposal of financial assets at fair value through other comprehensive income	36,704	-
B00040	Purchase of financial assets at amortized cost	(220,534)	(307,848)
B00050	Proceeds from sale of financial assets at amortized cost	2,546	-
B00100	Purchase of financial assets at fair value through profit or loss	(27,025)	(161,340)
B00200	Sale of financial assets at fair value through profit or loss	57,767	57,858
B01800	Acquisition of long-term equity investments accounted for using the equity method	(71,466)	-
B02200	Net cash outflow on acquisition of subsidiaries (Note 33)	(214,403)	(23,664)
B02300	Net cash inflow on disposal of subsidiaries (Note 34)	-	208,129
B02700	Payments for property, plant and equipment	(1,292,709)	(966,354)
B02800	Proceeds from disposal of property, plant and equipment	75,957	10,115
B03700	Increase in refundable deposits	(96,997)	-
B03800	Decrease in refundable deposits	-	998
B04200	Decrease in other receivables	-	103,152
B04500	Payments for intangible assets	(59,508)	(18,303)
B04600	Disposal of intangible assets	980	-
B06700	Increase in other non-current assets	-	(1,026)
B06800	Decrease in other non-current assets	582	-
B07100	Increase in prepayments for equipment	(134,424)	(56,737)
B07600	Receive associates’ dividend	3,500	3,500
BBBB	Net cash outflow from investment activities	(1,960,267)	(1,220,234)

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Code		2023	2022
	Cash flows from financing activities		
C00100	Proceeds from short-term borrowings	$ 1,400,120	$ 799,284
C00200	Repayments of short-term borrowings	(1,303,120)	(918,710)
C01200	Issuing corporate bonds	997,285	994,720
C04600	Issuance of ordinary shares for cash	1,736,960	-
C01600	Proceeds from long-term borrowings	2,168,353	1,728,240
C01700	Repayments of long-term borrowings	(2,059,092)	(1,571,430)
C03000	Increase in guarantee deposits	484	-
C03100	Refund of guarantee deposits	-	(416)
C04020	Return on lease liabilities principal	(36,165)	(23,650)
C04500	Cash dividends distribution	(683,351)	(234,715)
C05100	Treasury stocks purchased by employees	-	15,289
C05400	Acquisition of equity of subsidiaries	(6,322)	-
C05500	Disposal of equity of subsidiaries	113,538	-
C05800	Cash dividends paid to non-controlling interests	(22,515)	-
C09900	Changes in non-controlling interests	182,896	141,782
CCCC	Net cash inflow from financing activities	2,489,071	930,394
DDDD	Impact of changes in interest rates on cash and cash equivalents	(8,585)	105
EEEE	Net increase in cash and cash equivalents	1,734,291	563,159
E00100	Cash and cash equivalents at the beginning of the year	2,270,488	1,707,329
E00200	Cash and cash equivalents at the end of the year	$ 4,004,779	$ 2,270,488

The attached notes are part of this consolidated financial statements.

Chairman: Ming-Chien Chiu Manager: Tien-Jui Lin Accounting Supervisor: Po-An Lai

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Notes to Consolidated Financial Statements

From January 1 to December 31, 2023 and 2022

(Amounts in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1. **Company Overview**

   Gudeng Precision Industrial Co., Ltd. (hereinafter "the Company") was a company limited by shares incorporated at New Taipei City in March 1998, and opened for business in March of the same year with primary business of trading and manufacturing of mold and mask package.

   Shares of the Company were traded in the over-the-counter (OTC) market at Taipei Exchange (TPEx) in August 2011.

   The consolidated financial statements of the Company are presented in the New Taiwan Dollars, the functional currency of the Company.

2. **Date and Procedures of Authorization of Financial Statements**

   The consolidated financial statements were reported to and issued by the Company's board of directors on March 6, 2024.

3. **Application of New and Amended Standards and Interpretations**

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

      The first adoption of IFRS endorsed and issued into effect by the FSC did not result in significant changes on the accounting policies of Gudeng Precision Industrial Co., Ltd. and its subsidiaries (hereinafter referred to as the Consolidated Company).

   b. IFRS Accounting Standards endorsed by the FSC that are applicable in 2024

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendment 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
Amendment to IFRS 7 "Supplier Finance Arrangements" and IAS 7	January 1, 2024 (Note 3)

Note 1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: The seller and the lessee shall retroactively correct the leaseback transactions in accordance with the IFRS 16 after the initial application of the IFRS 16.

Note 3: When applying this amendment for the first time, exemptions apply to certain disclosure requirements.

As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company has evaluated its financial position and financial performance which were not impacted as a result of the aforementioned amendments of the standards or interpretations.

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

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

Note 1: Unless stated otherwise, the aforementioned New, Revised or Amended Standards and Interpretations are effective for annual periods beginning on or after their respective effective dates.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. Upon initial application of the amendment, the impact shall be recognized in the retained earnings on the date of initial application. When the consolidated company presents its currency using non-functional currencies, it will impact the exchange differences of foreign operations under the equity items on the initial application date.

As of the date the accompanying consolidated financial statements were authorized for issue, the consolidated company continues in evaluating the impact on its financial position and financial performance as a result of the aforementioned standards or interpretations. The related impact will be disclosed when the evaluation has been completed.

4. **Summary of Significant Accounting Policies**

a. Statement of Compliance

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

b. Basis of Preparation

The consolidated financial statements have been prepared on the historical cost basis except for financial instruments at fair value and net defined benefit liabilities recognized at the present value of defined benefit obligations 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 related inputs are observable and based on the significance of the related inputs, are described as follows:

1) Level 1: Inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities on the measurement date.
2) Level 2: 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).
3) Level 3: Inputs are unobservable inputs for the asset or liability.

c. Criteria classifying current/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, excluding those that are restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period.

The construction part of the consolidated company has an operating cycle longer than one year. Assets related to the construction business are classified as current or non-current according to the normal operating cycle.

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;
2) Liabilities that are due for repayment within 12 months after the balance sheet date (current liabilities even if long-term refinancing or rescheduling agreements have been completed between the balance sheet date and the issuance of financial statements), and
3) Liabilities for which the Company is not able to defer the repayment deadline to more than 12 months after the balance sheet date unconditionally. Terms of an obligation that could, at the option of the counterparty, result in its settlement by the issuance of equity instruments, do not affect its classification.

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

d. Basis for merger

This consolidated financial statement includes the financial statements of the Company and the entities (subsidiaries) controlled by the Company. The consolidated statements of comprehensive income include the operating profit or loss of subsidiaries that have been acquired or disposed of from the acquisition date to the disposal date of the current period. The financial statements of the subsidiaries have been adjusted to align their accounting policies with those of the consolidated company. During the preparation of the consolidated financial statements, all transactions, account balances, gains and losses between the individual companies have been eliminated. The total comprehensive income and loss of the subsidiaries is attributable to the owners of the Company and non-controlling interests, even if the non-controlling interests result in a deficit balance.

Where the change in the consolidated company’s ownership interest in the subsidiary does not result in the loss of control, it shall be treated as an equity transaction. The carrying amount of the consolidated company and non-controlling interests have been adjusted to reflect changes in equity of the subsidiaries. The amount adjusted for non-controlling interests and the difference between the carrying amount of the investment and the fair value of the consideration paid or received is directly recognized as equity and is attributable to owners of the company

For details of subsidiaries, ratio of shareholding, and operations, please refer to Note 12 and Tables 7 & 8.

e. Business combinations

Enterprise combinations are handled using the acquisition method. Acquisition related costs are recognized as expenses in the current period of cost occurrence and labor acquisition.

Goodwill is measured by the total amount of the fair value of the transfer consideration and the fair value of the acquirer's previously held interest in the acquiree on the acquisition date, which exceeds the net amount of the identifiable assets acquired and liabilities assumed on the acquisition date.

f. Foreign currency

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

Monetary items denominated in foreign currencies are translated at the closing rates on the balance sheet date. Exchange differences on monetary items arising from settlement or translation are recognized in profit or loss in the current period.

Non-monetary items denominated in foreign currencies that are measured at fair value are translated at the exchange rates prevailing on the date of measurement of the fair value. The exchange difference is recognized as the current profit and loss. However, if the change of fair value is recognized as other comprehensive income, the exchange difference generated is recognized as other comprehensive income.

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

In the preparation of consolidated financial statements, the assets and liabilities of foreign operations (including the country of operation or currency used of the subsidiaries, associates, joint ventures, or branches different from the Company) are converted into NTD at the exchange rate on each balance sheet date. Income and expense items are translated at the average exchange rates on the balance sheet date. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the consolidated company and non-controlling interests as appropriate).

If the retained interests after the consolidated company disposes of all the interests in the foreign operation, or disposes of part of the interests in the subsidiaries of the foreign operation but loses control, or disposes of the joint agreement of the foreign operation or the related enterprise are financial assets and are treated in accordance with the accounting policy of financial instruments, all accumulated exchange differences attributable to the owner of the consolidated company and related to the foreign operation will be reclassified to profit or loss.

If part of the disposal of a subsidiary of a foreign operation does not result in loss of control, the accumulated exchange difference are reattributed to the non-controlling interests in proportion, and are not recognized as profit or loss. In other disposal of foreign operations, the accumulated exchange differences will be classified as profit and loss based on its proportion.

g. Inventory and inventory - site for construction

Inventories include raw materials, semi-finished goods, finished goods, work-in-progress and stock in hand. Inventory is measured by the lower of cost and net realizable value. When comparing cost and net realizable value, except for similar stock in hand, it is based on individual items. Net realizable value is the balance that the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventory costs are calculated by weighted average method.

The land to be developed is classified as construction land upon acquisition of ownership. The construction land is measured by the lower of the cost and net realized value. Comparative cost and net realized value is based on individual projects.

h. Investment in affiliated companies

An associate is an entity over which the consolidated company has significant influence on and that is not a subsidiary or joint venture.

The consolidated company accounts for investments in associates by using the equity method.

Under the equity method, investments in associates are initially treated at cost and adjusted thereafter for the post-acquisition change in the consolidated company's interest in profit or loss, share in other comprehensive income, and profits of associates. In addition, equity changes in associates are recognized based on the shareholding ratio.

When the acquisition cost exceeds the net fair value of the consolidated company's identifiable assets and liabilities of the associate on the acquisition date, the exceeding amount is classified as goodwill, which is included in the carrying value of the investment and is not amortized; when the net fair value of the consolidated company's net fair value of the associate exceeds the acquisition cost, the exceeding amount is classified as current profit or loss.

When the associate issues new shares, if the consolidated company does not subscribe according to the proportion of shares, resulting in the change of the proportion of shares, and the resulting increase or decrease of the net equity value of the investment, the increase or decrease is recognized as an adjustment to capital reserve - change of net equity value of associate recognized by the equity method and investment by equity method. However, if the ownership interest of the associate is reduced due to the failure to subscribe or acquire according to the proportion of shares, the amount related to the associate recognized in other comprehensive income is reclassified according to the proportion of reduction, and the basis of accounting treatment is the same as that the associate must follow if it directly disposes of the relevant assets or liabilities; If capital reserves should be debited as a result of the foregoing adjustment, and the balance of capital reserves resulting from the investment under the equity method is insufficient, the difference is debited to the retained surplus.

When the consolidated company's shares of losses of an associate equal or exceed its equity in that associate (which includes any carrying amount of the investment accounted for by using the equity method and long-term equity that, in substance, form part of the consolidated company's net investment in the associate), the consolidated company discontinues recognizing its further losses. Additional losses and liabilities are recognized only to the extent that the consolidated company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

In the assessment of impairment, the consolidated company treats the total carrying amount of the investment (including goodwill) as a single asset to compare the recoverable amount with the carrying amount, and carry out the impairment test. The impairment loss recognized is also part of the carrying amount of the investment. Reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of investment.

The consolidated company discontinues the use of the equity method from the date on which its investment ceases to be an associate. Any retained investment is measured at fair value at that date, and the fair value is regarded as the investment's fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The consolidated company accounts for all amounts recognized in other comprehensive income in relation to that associate on the same basis as would be required if the associate had directly disposed of the related assets or liabilities. If an investment in an associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in an associate, the consolidated company continues to use the equity method without any remeasurement of retained interest.

When a consolidated company entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the consolidated company' consolidated financial statements only to the extent that interests in the associate are not related to the consolidated company.

i. Property, plant and equipment

Property, plant and equipment are stated at cost, subsequently are measured at the amount of cost less accumulated depreciation and accumulated impairment loss.

Property, plant and equipment in the course of construction are carried at cost less any recognized impairment loss. Cost includes professional fees and borrowing costs eligible for capitalization. Such assets are depreciated and classified to the appropriate categories of property, plant and equipment when completed and ready for their intended use.

Except for the self-owned land which is not depreciated, the property, plant and equipment are separately depreciated on a straight-line basis over their useful lives to each significant part. The estimated useful lives, residual values, and depreciation methods are reviewed by the consolidated company at least at the end of each year. Also, it defers the impact of changes in accounting estimates.

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

j. Investment properties

Investment property is a property held to earn rental and/or for capital appreciation. Investment property also includes land held for future use that is currently undetermined.

Owned investment real estate is originally measured at cost (including transaction cost) and subsequently at cost minus accumulated depreciation and accumulated impairment loss.

Investment properties are transferred to property, plant and equipment for the carrying amounts by the transfer date to be self-owned.

On de-recognition of an investment property, the difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss.

k. Goodwill

Goodwill acquired through M&A uses the goodwill value recognized on the M&A day as the cost, subsequently measured by cost deducting accrued impairment loss.

For purposes of impairment test, the goodwill shares to the consolidated company benefits cash-generating unit or its consolidated company due to integrative M&A effect (hereinafter referred to as the "Cash-generating Unit").

The cash-generating unit shared with the goodwill conducts impairment test through comparison between its face value containing goodwill and recoverable value every year (and the time with sign showing potential impairment). If the goodwill with such shares was acquired by corporate M&A, then, the unit should conduct impairment test at end of the year. If the recoverable amount of the cash-generating unit with shared goodwill is less than its face value, firstly, the loss deducts the face value with shared goodwill, second, decrease the face value of each asset with respect of the proportion in the unit. Any impairment loss is directly recognized as current loss. Goodwill impairment losses may not be reversed in subsequent periods.

The disposal of profit/loss is defined by including disposal related goodwill value during operation of the cash generation unit with goodwill shares.

l. Intangible Assets

1) Acquired separately

Intangible assets with finite useful lives that are acquired separately are initially measured at cost and subsequently measured at the amount of cost less accumulated amortization and accumulated impairment loss. Intangible assets are amortized on a straight-line basis over their useful lives, and the estimated useful lives, residual values, and amortization methods are reviewed by the consolidated company at least at the end of each year. Also, the impact of changes in applicable accounting estimates is postponed.

2) Acquisition through business combinations

The intangible assets acquired by business combinations are recognized at the fair value of the acquisition date and are separately recognized with goodwill. The subsequent measurement method is the same as the intangible assets acquired separately.

3) De-recognition

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

m. Impairment of property, plant and equipment, right-of-use asset, investment property and intangible assets (other than goodwill)

On each balance sheet date, the consolidated company reviews the carrying amounts of its property, plant and equipment, right-of-use asset, investment property 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 consolidated company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the consolidated company of the smallest cash-generating unit on a reasonable and consistent basis.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually.

The recoverable amount is the higher of fair value less costs of sale 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.

Because the inventory, real estate, plant and equipment and intangible assets recognized in the customer contract are subject to impairment recognition according to the inventory impairment loss regulations and the above regulations first, and then the difference between the carrying amount of the assets related to the contract cost and the remaining amount of the consideration expected to be recovered from the provision of goods or services less the directly related cost shall be recognized as the impairment loss, and then the carrying amount of the assets related to the contract cost shall be included in the cash generating unit for the impairment assessment of the cash generating unit.

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

n. Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the consolidated company becomes a party to the contractual provisions of the instruments.

When financial assets and financial liabilities are initially measured, in case financial assets and financial liabilities are not measured at FVTPL, they are measured with the fair value added to transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognized immediately in profit or loss.

1) Financial assets

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

i. Measurement categories

Financial assets held by the consolidated company are classified into the following categories: financial assets measured at fair value through profit and loss, financial assets measured at amortized cost, investment in equity instruments measured at fair value through other comprehensive profits and losses.

(a) Financial assets at fair value through profit or loss

Financial assets measured at fair value through profit and loss are financial assets that are forced to be measured at fair value through profit and loss. Financial assets mandatorily measured at fair value through profit or loss include equity instrument investments not designated to be measured at fair value through other comprehensive income, and debt instrument investments not subject to classification as measured at amortized cost or to be measured at fair value through other comprehensive income.

Financial assets measured at fair value through profit and loss are measured at fair value, and the dividends and interest generated are recognized in other income and interest income respectively, and profits or losses generated by re-measurement are recognized in other profits and losses. Please refer to Note 38 for the method of determining the fair value.

(b) Financial assets at amortized cost

The consolidated company's financial assets that meet the following conditions are subsequently measured at amortized cost:

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

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

Financial assets at amortized cost (including cash and cash equivalents, accounts receivable at amortized cost, other receivables, and refundable deposits) are measured at the aggregate carrying amount of the financial asset after initial recognition and determined by using the effective interest method. Any foreign exchange gains or losses are recognized in profit or loss.

Except for the following cases, the interest income is calculated by applying the effective interest rate to multiply the gross carrying amount of a financial asset:

a) For credit-impaired financial assets purchased or initiated, the interest income is calculated based on the adjusted effective interest rate multiplying the amortized cost of the financial asset.

b) For the financial assets that are not purchased or initiated, but subsequently become credit-impaired, the interest income shall be calculated based on the effective interest rate multiplying the amortized cost of the financial asset from the next reporting period after the credit impairment.

Cash equivalents include time deposits with high liquidity, which can be converted into quota cash at any time and with little risk of value change within three months from the date of acquisition. They are used to meet short-term cash commitments.

(c) Investments in equity instruments at fair value through other comprehensive income

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

Investments in equity instruments at FVTOCI are measured at fair value, and subsequently gains and losses arising from changes in fair value are recognized in other comprehensive income and accumulated in other equity. When the investment is disposed of, the cumulative gain or loss is directly transferred to retained earnings and is not reclassified to profit or loss.

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

ii. Impairment of financial assets

The consolidated company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including account receivables) on each balance sheet date.

Accounts receivable are recognized for a loss allowance based on lifetime expected credit losses. Other financial assets are evaluated to see whether the credit risk has increased significantly since they were initially recognized. If not, they are recognized as the loss allowance for 12-month expected credit loss. If they have increased considerably, they are recognized as the loss allowance based on lifetime expected credit loss.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. The 12-month expected credit loss represents possible credit loss from breach of contract within 12 months of reporting date. Lifetime expected credit loss represents expected credit loss from breach of contract of financial instruments during period of existence.

The carrying amount of the impairment loss of all financial assets is reduced by the provision account, while the provision loss of the investment in debt instruments measured at fair value through other composite gains or losses is recognized as other composite gains or losses and does not reduce the carrying amount.

iii. De-recognition of Financial Assets

The consolidated 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 de-recognition 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. When the debt instrument investment measured at fair value through other comprehensive income is derecognized as a whole, the difference between its carrying amount and the sum of the consideration received plus any accumulated profit or loss recognized in other comprehensive income is recognized in profit and loss. Upon de-recognition of investment using equity instruments measured at fair value through other comprehensive profits and losses as a whole, the accumulated gains and losses are directly transferred to retained earnings and are not reclassified in profit and loss.

2) Financial liabilities

i. Follow-up measurement

All financial liabilities are measured at amortized cost by effective interest methods.

ii. De-recognition of Financial Liabilities

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

3) Convertible corporate bonds

Components of the conversion option included in the convertible corporate bonds issued by the consolidated company are classified as derivative financial liabilities due to they are exchanged of a fixed amount of cash or other financial assets for a fixed number of conversion option settled by the consolidated company's own equity instruments.

At initial recognition, the derivative financial liability component of the convertible bonds is measured at fair value, and the original carrying amount of the non-derivative financial liability component is the residual amount after separating the embedded derivatives. In subsequent periods, non-derivative financial liabilities are measured at cost using the effective interest method, and derivative financial liabilities are measured at fair value while the changes in the fair value are recognized as profit or loss.

The transaction costs related to the issuance of convertible corporate bonds are the components of non-derivative financial liabilities allocated in proportion to the corresponding fair values (included in the carrying amount of liabilities) and the components of derivative financial liabilities (included in profit or loss).

o. Provisions

The amount recognized as the provisions is the best estimate of the expenses needed to settle the obligation on the balance sheet date, which is based on the risk and uncertainty of the obligation. The provisions is measured by the discounted value of the estimated cash flow of the obligation to settle.

Warranty

The warranty obligations that correspond to the requirements of the guarantee and the agreement are based on the best estimates of the expenditure required to settle the consolidated company's obligations, and recognize revenue when the relevant products are recognized.

p. Revenue recognition

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

1) Sales revenue of commodities

Merchandise sales revenue is derived from the sale of manufacturing light cover cases and their design services. Upon shipping of the products, the clients have the right to set prices and to use the merchandise as well as the major responsibility of reselling, and bear the risk of obsolescence. The consolidated company recognizes revenue and accounts receivable at that point in time.

Merchandise sales revenue comes from the sale of equipment for manufacturing semiconductors. Revenue and accounts receivable are recognized when the customer accepts the equipment, that is, the performance obligations are satisfied and the customer has control over the product.

2) Service revenue

Service income comes from maintenance services.

For the maintenance services provided by the consolidated company, the relevant income is recognized at the time of service provision.

q. Leasing

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

1) The consolidated company as lessor

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

Regarding financial leases, lease payments include fixed payments, in-substance fixed payments, variable lease payments that are determined by an index or a rate, guaranteed residual value, the exercise price of a purchase option when it is reasonably certain to exercise the option, and penalties for terminating the lease reflected in the lease term, and less any lease incentives payable. Net value of lease investment is measured as the sum of the present value of lease receivables and the unguaranteed residual value plus the original direct cost, and it is expressed as finance lease receivable. Financing income is allocated to each accounting period to reflect the fixed rate of return obtained during each period from the net value of the unexpired lease investment of the consolidated company.

Under operating leases, lease payments after deduction of lease incentives are recognized as income on a straight-line basis over the relevant lease term. The initial direct cost incurred from the acquisition of the operating lease shall be added to the carrying amount of the underlying assets, and it shall be recognized as an expense within the lease term on a straight-line basis.

Variable lease payments that do not depend on an index or a rate in the lease agreements are recognized income in the current period.

2) The consolidated company as lessee

Except that the lease payments of the low-value underlying assets and short-term leases applicable to the recognition exemption are recognized as expenses on a straight-line basis during the lease term, other leases are recognized as right-of-use assets and lease liabilities on the inception of the lease.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, the lease payment paid before the lease commencement date minus the lease incentive received, the original direct cost and the estimated cost of the recovery target asset), and subsequently measured at cost minus the accumulated depreciation and the accumulated impairment loss and adjusted for the remeasurement of the lease liability. A right-of-use asset is separately presented on the consolidated balance sheet.

Right-of-use assets are depreciated using the straight-line basis 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.

The lease liability is initially measured by the present value of lease payments (including fixed payments; in-substance fixed payments; variable lease payments that are determined by an index or a rate; amounts expected to be paid by the lessee under residual value guarantees; the exercise price of a purchase option when it is reasonably certain to exercise the option; and penalties for terminating the lease reflected in the lease term; less any lease incentives receivable). If the implicit interest rate of a lease can be determined easily, the interest rate is used to discount the lease payment. If the interest rate is not easy to determine, the lessee’s incremental borrowing rate shall be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. If there is a change in future lease payments due to changes in the assessment of the lease term, the amounts expected to be paid under residual value guarantees, and purchase option of the underlying assets, or a change in the index or rate used to determine lease payments, the consolidated company remeasures the lease liabilities and adjusts the right-of-use assets accordingly. However, if the carrying amount of the right-of-use assets has been reduced to zero, the remaining remeasured amount is recognized in profit or loss. For lease modifications that are not treated as a separate lease, remeasurement of the lease liabilities due to the reduction in the scope of the lease is to reduce the right-of-use assets, and to recognize the profit or loss on the partial or full termination of the lease; the remeasurement of the lease liabilities due to other modifications is to adjust the right-of-use assets. Lease liabilities are presented separately in the consolidated balance sheets.

r. Borrowing costs

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

The investment income earned from the temporary investment of a specific loan before the occurrence of capital expenditure meeting the requirements shall be deducted from the borrowing cost meeting the capitalization conditions.

Except for the above, other borrowing costs are recognized in profit or loss.

s. 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 service.

2) Benefits after retirement

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

Defined benefit costs (including service cost, net interest and re-measurement) under the defined benefit retirement benefit plans are determined using the projected unit credit method. The service cost, including the current service cost, and the net interest of the net defined benefit liabilities (assets) are recognized as employee benefit expenses when incurred. The remeasurement (including actuarial profit and loss, changes in the impacts of the asset ceiling, and plan asset remuneration after deducting interest) is recognized in other comprehensive income and included in retained earnings when incurred, and will not be reclassified to profit or loss in subsequent periods.

Net defined benefit liabilities (assets) is the shortfall (surplus) for defined benefit pension plans. Net defined benefit assets may not exceed the present value of refundable contributions from the plan or reductions in future contributions.

t. Employees stock options

Employee stock option for employees

Employee subscription right is recognized as expenses on straight basis over the given period pursuant to the fair value of equity tool on the given day and the best quantity forecast as expected, while making adjustments on capital reserve - employee stock options. If it is vested at grant date, the expense is recognized in full at the same date. The Company's cash capital increase to retain employees' subscription and transfer of employees with treasury stocks is based on the date of approval by the Board of Directors.

u. Income tax

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

1) Current income tax

The consolidated company determines the current income (loss) in accordance with the laws as well as regulations established by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

A tax is levied on the unappropriated earnings pursuant to the Income Tax Act of the Republic of China and is recorded as an income tax expense in the year when the shareholders' meeting resolves to appropriate the earnings.

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

2) Deferred income tax

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

Deferred income tax liabilities are generally recognized for all temporary taxable differences, and deferred income tax assets are recognized when there is a high probability that taxable income will be available for the use of income tax credits generated by temporary deductible differences, loss carryforward, purchase of mechanical equipment, research development, and personnel training.

Deferred income tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, associates and joint agreement, except where the consolidated company 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 income 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 income tax assets is reviewed at the end of each balance sheet date 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 asset to be recovered. A previously unrecognized deferred income tax asset is also reviewed at the end of each balance sheet date and recognized to the extent that it has become probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

3) Current tax and deferred income tax for the year

Current and deferred income taxes are recognized in profit or loss, but current and deferred income taxes related to items recognized in other comprehensive income or directly included in equity are recognized in other comprehensive income or directly included in equity.

If current income tax or deferred income tax is derived from the business combination, the income tax impact is included in the accounting treatment of the business combination.

5. The Primary Sources of Uncertainties in Major Accounting Judgments, Estimates, and Assumptions

When the consolidated company adopts accounting policies, the management must make judgments, estimates and assumptions based on historical experience and other critical factors. Actual results might be different from estimates.

After evaluation by the management of the consolidated company, there are no uncertainties in major accounting judgments, estimates, and assumptions.

6. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 982	$ 940
Bank checking and demand deposits	3,777,399	2,249,548
Cash equivalents (investments with original maturity date within 3 months)		
Bank time deposits	226,398	20,000
	$ 4,004,779	$ 2,270,488

At the end of the balance sheet date, the ranges of the market rates for bank deposits were as follows:

	December 31, 2023	December 31, 2022
Current deposit	0.001%～1.45%	0.001%～1.05%
Fixed deposit	0.55%～4.95%	0.31%～0.435%

7. Financial Instruments at Fair Value through Profit or Loss

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily at fair value through profit or loss		
Derivatives (not designated for hedging)		
– Foreign exchange forward contracts (1)	$ -	$ 460
– Conversion of options (Note 22)	1,000	2,605
Non-derivative financial assets		
– Domestic publicly traded shares	152,540	139,497
– Non-guaranteed financial products with floating rate income	13,555	-
	$ 167,095	$ 142,562
Financial liabilities - current		
Held for trading		
Derivatives (not designated for hedging)		
– Conversion of options (Note 22)	$ 3,300	$ 1,447

a. At the end of the balance sheet date, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

December 31, 2022

	Currency	Maturity period	Contract amount (in thousands)
Buy forward exchange contracts	USD:NTD	From January 2022 to January 2023	NTD 4,145/USD150

The consolidated company entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

8. Financial assets at fair value through other comprehensive income

Investments in equity instruments

	December 31, 2023	December 31, 2022
Non-current		
Domestic investment		
Publicly traded placement shares		
Symtek Automation Asia Co., Ltd.	$ 398,437	$ 251,124
Publicly traded shares		
Asia Neo Tech Industrial Co., Ltd.	148,844	83,150
Symtek Automation Asia Co., Ltd.	16,897	-
Non-publicly traded shares		
NanoClean Materials Co., Ltd.	4,020	1,465
MontJade Engineering Co., Ltd.	7,883	16,669
Jiurun Precision Technology Co., Ltd.	29,032	12,202
Origin Precision Technology Co., Ltd.	5,021	5,918
Certain Micro Application Technology Inc.	42,009	32,947
	$ 652,143	$ 403,475

The consolidated company invests in publicly and non-TWSE/TPEx ordinary shares in Taiwan under the medium and long-term strategy and expects to make profits through long-term investment. The management of the consolidated company believes that if the short-term fluctuations of fair value of these investments are included in the profit or loss, it would be inconsistent with the aforementioned long-term investment plan. Therefore, we have chosen to designate these investments as measured at fair value through other comprehensive income.

Some of the shares of Symtek Automation Asia Co., Ltd. held by the consolidated company are private ordinary shares subject to transfer restrictions pursuant to Article 43-8 of the Securities and Exchange Act.

9. Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Current		
Pledged certificate of deposit	$ 121,500	$ 126,500
Time deposits with original maturity date exceeding 3 months	372,054	203,260
Pledged deposits	56,740	-
	$ 550,294	$ 329,760
Non-current		
Pledged deposits	$ -	$ 2,546

a. As of December 31, 2023 and 2022, the interest rates of time deposits were 0.56%~5.4% and 0.815%~5.05%, respectively.

b. Refer to Note 40 for information related to financial assets at amortized cost pledged as security.

10. Notes receivable, Trade receivables, Other receivables, and Collection

	December 31, 2023	December 31, 2022
Notes receivable		
Measured at amortized cost		
Total carrying amount	$ 1,453	$ 1,433
Less: allowance for loss	-	-
	$ 1,453	$ 1,433
Arising from operations	$ 1,453	$ 1,433
Notes receivable from related parties (Note 39)		
Measured at amortized cost		
Total carrying amount	$ 222	$ 615
Less: allowance for loss	-	-
	$ 222	$ 615
Trade receivables		
Measured at amortized cost		
Total carrying amount	$ 897,291	$ 1,084,009
Less: allowance for loss	(11,900)	(6,589)
	$ 885,391	$ 1,077,420

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	December 31, 2023	December 31, 2022
Accounts receivable from related parties (Note 39)		
Measured at amortized cost		
Total carrying amount	$ 147	$ 275
Less: allowance for loss	-	-
	$ 147	$ 275
Other receivables		
Other receivable - non-related parties		
Land receivables (Note 36)	$ 32,722	$ -
Dividends receivable	4,155	155
Interest receivable	2,537	-
Others	2,378	6,695
	$ 41,792	$ 6,850
Other receivables from related parties (Note 39)	$ 12,653	$ 9
Collection		
Measured at amortized cost		
Total carrying amount	$ 20,203	$ 20,248
Less: allowance for loss	(20,203)	(20,248)
	$ -	$ -

Trade receivables

The average credit period of the consolidated company for commodity sales is 60 to 120 days. In assessing the recoverability of trade receivable, the consolidated company considers any change in the credit quality of the trade receivables from the original credit date to the balance sheet date. To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the consolidated company's credit risk is significantly reduced.

The consolidated company applies the simplified approach of IFRS 9 and recognizes allowance for uncollectible accounts for trade receivables as lifetime expected credit losses for the duration of contract. The lifetime expected credit loss is determined the provision matrix which refers to past default records and the current financial condition of the clients and industrial economic conditions. Due to the historical experience of credit losses of the consolidated company, there is no significant difference in the loss patterns of different client's groups. Therefore, the provision matrix does not further distinguish the customer base, and only sets the expected credit loss rate based on the overdue days of notes receivable and entry days of trade receivable.

The consolidated company directly reclassifies the collection when there is evidence indicating that the debtor is experiencing in severe financial difficulty and there is no realistic prospect of recovery by the consolidated company, such as the counterparty is under liquidation or the aging of the debts is over 365 days. The consolidated company continues to engage in enforcement activity, and the recovered amounts are written off the related collection.

The consolidated company's loss allowance for notes receivable and trade receivables based on the provision matrix were as follows:

Notes receivable

December 31, 2023

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 1,675
Allowance for losses (lifetime expected credit losses)	-
Costs after amortization	$ 1,675

December 31, 2022

	Not overdue
Expected credit loss rate	0%
Total carrying amount	$ 2,048
Allowance for losses (lifetime expected credit losses)	-
Costs after amortization	$ 2,048

Trade receivables

December 31, 2023

	1~90 days	91~180 days	181~270 days	271~365 days	Total
Expected credit loss rate	0.39%	5.03%	11.66%	6.72%	
Total carrying amount	$ 773,404	$ 52,645	$ 29,870	$ 41,519	$ 897,438
Allowance for losses (lifetime expected credit losses)	(2,978)	(2,646)	(3,484)	(2,792)	(11,900)
Costs after amortization	$ 770,426	$ 49,999	$ 26,386	$ 38,727	$ 885,538

December 31, 2022

	1~90 days	91~180 days	181~270 days	271~365 days	Total
Expected credit loss rate	0.26%	3.52%	6.46%	15.19%	
Total carrying amount	$ 993,258	$ 79,704	$ 6,253	$ 5,069	$1,084,284
Allowance for losses (lifetime expected credit losses)	(2,611)	(2,804)	(404)	(770)	(6,589)
Costs after amortization	$ 990,647	$ 76,900	$ 5,849	$ 4,299	$1,077,695

The above is the aging analysis based on the date of entry.

Changes in loss allowance for trade receivables are as follows:

	2023	2022
Beginning balance	$ 6,589	$ 2,861
Add: Allowance of impairment losses in the current year	13,734	21,729
Add: Acquisition through business combinations	493	399
Less: Transferred out due to reclassification for the period	(8,891)	(17,991)
Less: Disposal of subsidiaries (Note 34)	-	(25)
Less: Actual write-off of the current year	-	(398)
Exchange difference of foreign currency	(25)	14
Ending balance	$ 11,900	$ 6,589

Changes in loss allowance for collection are as follows:

	2023	2022
Beginning balance	$ 20,248	$ 2,228
Add: Transferred in due to reclassification in the current year	8,891	17,991
Less: Reversal for impairment losses in the current year	(8,895)	-
Less: Actual write-off of the current year	(19)	-
Exchange difference of foreign currency	(22)	29
Ending balance	$ 20,203	$ 20,248

11. Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 400,489	$ 383,578
Semi-finished products	297,235	259,513
Work in process	661,845	643,849
Finished products	400,829	242,117
Merchandise Inventory	26,450	2,807
	1,786,848	1,531,864
Land Held for Construction Site		
Sanxia District, New Taipei City	122,134	114,078
	$ 1,908,982	$ 1,645,942

Nature of cost of goods sold as below:

	2023	2022
Cost of inventory sold	$ 2,625,887	$ 2,258,249
Inventory loss (recovery gain) for market price decline	(4,219)	30,009
Loss on inventory scrap	22,584	17,107
Others	(4,555)	(1,649)
	$ 2,639,697	$ 2,303,716

As of December 31, 2022, part of the construction land of the consolidated company is the agricultural and animal husbandry land to be developed, which is temporarily registered as the ownership in the name of a third party. The trustee has issued a closing letter.

12. Subsidiaries

Subsidiaries included in the consolidated financial statements

The main entity responsible for the preparation of this consolidated financial statement is as follows:

			Percentage of equity held		
Name of Investor Company	Name of Subsidiary	Nature of Business	December 31, 2023	December 31, 2022	Description
Gudeng Precision Industrial Co., Ltd. (hereinafter "the Company")	Gudeng Venture Capital Co., Ltd. (hereinafter "Gudeng Venture")	Venture capital and management consulting business	100%	100%	-
	We Solutions Technology Co., Ltd. (hereinafter "We Solutions")	Trading, repair, and maintenance of various precision instruments	83.33%	83.33%	-
	Gudeng Equipment Co. Ltd. (formerly: Gudeng Automation Corporation) (hereinafter "Gudeng Equipment")	Manufacture, trading, repair, and maintenance of various precision instruments	46.83%	50.10%	Note 1, 8, and 10
	Rich Point Global Corp. (hereinafter "Rich Point")	Engaged in various investment activities	100%	100%	-
	Partner one Ltd.	Engaged in various investment activities	-	-	Note 2
	Gudeng Inc. (USA)	Engaging in various electronic component businesses	51%	100%	Note 1 and 11
	Gudeng Aerospace Technologies Corporation. (hereinafter "Gudeng Aerospace")	Retail, wholesale, and manufacturing of aircraft and their components.	100%	-	Note 12
Gudeng Venture	Jia Shuo Construction, Inc. (hereinafter "Jia Shuo Construction")	Industrial plant, residential and building development and leasing, real estate sales and leasing	100%	100%	-

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Name of Investor Company	Name of Subsidiary	Nature of Business	Percentage of equity held December 31, 2023	Percentage of equity held December 31, 2022	Description
	Hengyang Green Energy Co., Ltd. (hereinafter "Hengyang")	Piping works and electrical installations	45%	45%	Note 7
Rich Point	Sun Park Development Limited (hereinafter "Sun Park")	Engaged in various investment activities	100%	100%	-
	Gudeng Investment Co., Ltd. (hereinafter "Gudeng Investment")	Engaged in various investment activities	100%	100%	-
Sun Park	Shanghai Gudeng Trading Co., Ltd. (hereinafter "Shanghai Gudeng")	Sales of plastic and electronic products	100%	100%	-
	Suzhou Kun Ju Trading Co., Ltd. (hereinafter "Suzhou Kun Ju")	Sales and maintenance of automobiles, trading various types of alcoholic beverages and aluminum foil	-	100%	Note 13
Gudeng Investment	Suzhou Wu Jiang Start-up Automobile Trade Co., Ltd. (hereinafter "Wu Jiang Start-up")	Sales and maintenance of automobiles	-	-	Note 4
Shanghai Gudeng	Kawaguchi Plastic Industry (Kunshan) Co., Ltd.(hereinafter "Kunshan Kawaguchi")	Sales of plastic and electronic products	100%	-	Note 14
Kunshan Kawaguchi	Dachuan Plastic Industrial (Kunshan) Co., Ltd. (hereinafter "Kunshan Dachuan")	Sales of plastic and electronic products	100%	100%	Note 14
Partner one Ltd.	Gudeng Investment (HK)	Engaged in various investment activities	-	-	Note 2
Gudeng Investment (HK)	Welton Technology Limited. (hereinafter "Welton")	Engaged in the business of manufacturing plastic products, electronic and communication equipment, electric machinery and equipment	-	-	Note 3
Gudeng Equipment Co., Ltd.	Showa Precision Co., Ltd. (hereinafter "Showa")	Manufacture, trading, repair, and maintenance of various precision instruments	100%	100%	-
	Gudeng Inc. (USA)	Engaging in various electronic component businesses	4%	-	Note 11
We Solutions	Fu Rui Sheng Industrial Co., Ltd. (hereinafter "Fu Rui Sheng")	Investment and management consulting business	54.94%	54.94%	Note 5
	Shuoting Precision Industry Co., Ltd. (hereinafter "Shuoting")	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	70.43%	41.37%	Notes 1, 6 and 9
	Bor Sheng Industrial Co., Ltd. (hereinafter "Bor Sheng")	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	0.5%	-	Note 1
Fu Rui Sheng	Bor Sheng	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	93%	93%	Note 5
	Shuoting	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	-	29.06%	Notes 1, 6 and 9

Note 1: Please refer to Note 35 for details of change in percentage of equity held by the consolidated company.

Note 2: The registration was completed in 2017, but no capital has been invested yet.

Note 3: Welton is currently in the pre-approval stage for its name and has not yet been established.

Note 4: The related assets and liabilities of Suzhou Wu Jiang Start-up Automobile Trade Co., Ltd. have been reclassified as disposal consolidated company held for sale, and all transactions, account balances, gains and losses between the individual companies and the consolidated company have been eliminated upon consolidation. The consolidated company signed an agreement of 100% equity transfer of Wu Jiang Start-up with Jiaxing Fengmiao Trading Co., Ltd. and Suzhou Chengfeng Trading Co., Ltd., and completed the equity transfer on April 25, 2022, losing control over Wu Jiang Start-up since then.

Note 5: We Solutions invested NT$96,551 thousand on July 29, 2022, and acquired 54.94% of Fu Rui Sheng's equity interests and 93% of its subsidiaries' equity interests.

Note 6: We Solutions acquired Shuoting for NT$23,860 thousand on July 29, 2022, and the consolidated shareholding ratio was 69.15%, including Fu Rui Sheng's shareholding, with obtaining the control over Shuoting; therefore, it was included to the consolidated entity from July 29, 2022. Shuoting handled a cash capital increase of NT$45,000 thousand on September 29, 2022, but the consolidated company did not subscribe according to the shareholding ratio, resulting in an increase in the consolidated shareholding ratio from 69.15% to 70.43%.

Note 7: Gudeng Venture invested NT$54,000 thousand on September 1, 2022 to acquire a 45% equity interests in Hengyang. Since the consolidated company had more than half of the board seats of Hengyang, it had substantial control and was included to the consolidated entity from September 1, 2022.

Note 8: Gudeng Automation Corporation changed its name to Gudeng Equipment Co., Ltd. on February 10, 2023.

Note 9: For the purpose of organizational restructuring, We Solutions acquired 29.06% of the shares of Shuoting from Fu Rui Sheng for NT$31,505 thousand on May 12, 2023, and the consolidated shareholding ratio was still 70.43%.

Note 10: Since Gudeng Equipment is a domestic listed company, the consolidated company holds 46.83% of its shares, and the remaining 53.27% of its shares are held by hundreds of shareholders who are not related parties to the consolidated company, taking into account the absolute number, relative size and distribution of voting rights held by other shareholders. It is judged that the consolidated company has the substantive ability to dominate the relevant activities of Gudeng Equipment, so it is classified as a subsidiary.

Note 11: Gudeng Inc. (USA) increased its capital on September 30, 2023. Gudeng and Gudeng Equipment participated in the subscription, with shareholding ratio of 51% and 4% respectively. The consolidated shareholding ratio is 55%.

Note 12: The consolidated company invested NT$320,000 thousand on September 6, 2023 to acquire 100% equity of Gudeng Aerospace.

Note 13: On September 14, 2023, Suzhou Kun Ju's registration was canceled, and the consolidated company lost control.

Note 14: Shanghai Gudeng invested RMB 107,500 thousand on November 30, 2023, to acquire 100% equity of Kunshan Kawaguchi and its subsidiaries.

13. Investments accounted for using the equity method

Investment in affiliated companies

	December 31, 2023	December 31, 2022
Individual insignificant associates	$ 165,987	$ 103,678

On June 9, 2023, the consolidated company participated in the investment of TSS Holdings Limited (hereinafter referred to as TSS), acquiring 2,000 thousand ordinary shares of TSS by cash at $10 per share, for a total of NT$20,000 thousand with a shareholding of 12.5%. Additionally, TSS holds a 45% equity interest in our subsidiary, Gudeng Inc. (USA), which is deemed to have a significant impact on the company.

On April 15, 2023, the consolidated company participated in the cash capital increase of i Analyzer at NT$3.24 per share and acquired 7,667 thousand ordinary shares, totaling NT$24,866 thousand. After acquisition, the shareholding ratio increased to 30.64%.

The consolidated company had been resolved by the Board of Directors on December 2, 2022 to participate in the cash capital increase of YAHO System Technology Inc. for the year ended December 31, 2023 through acquiring 700 thousand ordinary shares of YAHO System Technology Inc. by cash at NT$38 per share with a shareholding of 21.05% and obtained significant influence over the company.

The consolidated company held 10,474 thousand ordinary shares of i Analyzer Incorporation (herein after "i Analyzer") on February 10, 2022, recognized as financial assets at FVTOCI－non-current, with a book value of NT$33,970 thousand, and a shareholding ratio of 16.40%.

On June 30, 2022, it participated in the cash capital increase of i Analyzer at NT$3.24 per share and acquired 6,157 thousand shares of common stock for a total of NT$19,970 thousand. After the acquisition, the shareholding ratio increased to 23.24%. The acquisition had a significant impact on the company, therefore, based on the fair value at the time of acquisition (NT$3.24 per share), the financial assets measured by fair value via other comprehensive profit and loss are transferred to investment by equity method.

Please refer to Table 7 “Names, Locations and Relevant Information of Investee Companies” for nature of business, primary business premises, and countries of company registration of the above-mentioned associates.

The share of profit or loss and other comprehensive income enjoyed by the associate and the consolidated company using the equity method is calculated on the basis of the financial statements audited by other accountants.

14. Property, plant and equipment

	Self-owned land	Buildings	Machinery equipment	Leasehold improvements	Other equipment	Real property under construction	Total
Cost							
Balance on January 1, 2023	$ 2,640,623	$ 588,493	$ 1,059,162	$ 54,566	$ 1,157,007	$ 443,480	$ 5,943,331
Acquisition through business combinations (Note 33)	-	129,406	216,495	46,828	21,509	-	414,238
Addition	204,552	22,034	277,095	9,349	230,136	561,287	1,304,453
Disposal	(29,490)	-	(59,798)	-	(98,261)	-	(187,549)
Reclassification	-	-	39,384	2,541	68,525	-	110,450
Transfer in from investment properties	38,245	92,074	-	-	-	-	130,319
Net exchange differences	-	(2,435)	(3,562)	(785)	(422)	-	(7,204)
Balance on December 31, 2023	$ 2,853,930	$ 829,572	$ 1,528,776	$ 112,499	$ 1,378,494	$ 1,004,767	$ 7,708,038
Accumulated depreciation and impairment							
Balance on January 1, 2023	$ -	$ 65,251	$ 544,329	$ 21,888	$ 574,501	$ -	$ 1,205,969
Acquisition through business combinations (Note 33)	-	69,350	118,907	15,098	16,097	-	219,452
Disposal	-	-	(43,950)	-	(33,313)	-	(77,263)
Depreciation expenses	-	14,530	95,630	7,120	155,778	-	273,058
Reclassification	-	-	405	540	(945)	-	-
Transfer in from investment properties	-	10,832	-	-	-	-	10,832
Net exchange differences	-	(1,167)	(1,969)	(273)	(228)	-	(3,637)
Balance on December 31, 2023	$ -	$ 158,796	$ 713,352	$ 44,373	$ 711,890	$ -	$ 1,628,411
Net amount on December 31, 2023	$ 2,853,930	$ 670,776	$ 815,424	$ 68,126	$ 666,604	$ 1,004,767	$ 6,079,627
Cost							
Balance on January 1, 2022	$ 2,444,861	$ 677,791	$ 659,208	$ 35,899	$ 924,837	$ 283,009	$ 5,025,605
Acquisition through business combinations (Note 33)	147,405	-	265,770	-	39,531	12,008	464,714
Addition	230,835	1,335	127,415	11,868	193,589	166,411	731,453
Disposal	-	-	(46,379)	-	(8,971)	-	(55,350)
Reclassification	-	4,346	53,143	6,790	29,697	(17,948)	76,028
Reclassified as investment property	(182,478)	(7,460)	-	-	-	-	(189,938)
Disposal of subsidiaries (Note 34)	-	(90,783)	-	-	(22,546)	-	(113,329)
Net exchange differences	-	3,264	5	9	870	-	4,148
Balance on December 31, 2022	$ 2,640,623	$ 588,493	$ 1,059,162	$ 54,566	$ 1,157,007	$ 443,480	$ 5,943,331
Accumulated depreciation and impairment							
Balance on January 1, 2022	$ -	$ 123,893	$ 278,155	$ 17,141	$ 441,300	$ -	$ 860,489
Acquisition through business combinations (Note 33)	-	-	235,164	-	33,312	-	268,476
Disposal	-	-	(37,940)	-	(8,875)	-	(46,815)
Depreciation expenses	-	12,548	68,949	4,739	114,333	-	200,569
Reclassification	-	(40)	-	-	-	-	(40)
Reclassified as investment property	-	(96)	-	-	-	-	(96)
Disposal of subsidiaries (Note 34)	-	(73,683)	-	-	(5,810)	-	(79,493)
Net exchange differences	-	2,629	1	8	241	-	2,879
Balance on December 31, 2022	$ -	$ 65,251	$ 544,329	$ 21,888	$ 574,501	$ -	$ 1,205,969
Net Balance on December 31, 2022	$ 2,640,623	$ 523,242	$ 514,833	$ 32,678	$ 582,506	$ 443,480	$ 4,737,362

Depreciation expenses are calculated by straight-line basis using the estimated useful lives as follows:

Buildings	6 to 51 years
Machinery equipment	4 to 11 years
Leasehold improvements	5 to 9 years
Other equipment	1 to 21 years

The consolidated company's significant components of the buildings includes main buildings of plants, improvement of main buildings, roads and walls, etc., and they are depreciated based on the estimated useful lives of 51 years, 21 years, and 20 years, respectively.

As of December 31, 2023 and 2022, the consolidated company had NT$220,359 thousand and NT$29,586 thousand in self-owned land, and the ownership was temporarily registered in the name of a third party, and the trustee had issued a settlement statement.

Please refer to Note 40 for the amount of property, plant and equipment pledged as collateral for loans.

15. Lease Agreements

a. Right-of-use assets

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land	$ 20,369	$ -
Buildings	140,015	83,243
Transportation equipment	9,637	9,225
	$ 170,021	$ 92,468

	2023	2022
Additions of right-of-use assets	$ 71,737	$ 16,572
Depreciation expense of right-of-use assets		
Land	$ 45	$ 170
Buildings	30,621	15,800
Transportation equipment	6,668	9,339
	$ 37,334	$ 25,309

b. Lease liabilities

	December 31, 2023	December 31, 2022
Carrying amount of lease liabilities		
Current	$ 39,377	$ 28,827

	December 31, 2023	December 31, 2022
Non-current	$ 112,882	$ 65,674

Ranges of discount rates for lease liabilities are as follows:

	December 31, 2023	December 31, 2022
Buildings	1.45%～5.33%	1.45%～2.72%
Transportation equipment	1.50%～2.99%	1.50%～7.90%

c. Major lease activities and terms

The consolidated company leases several transportation equipment for operational use with lease terms of 3 to 5 years. At the end of the lease term, the consolidated company has the option to purchase the equipment for its nominal amount at that time.

The consolidated company has also leased certain land for plant use for a period of 5 to 20 years. Upon the termination of the lease term, the consolidated company does not have any preferential right to purchase the leased land and buildings, and it is agreed that without the consent of the lessor, the consolidated company shall not sublease or transfer the entire or any part of the leased property.

d. Other lease information

	2023	2022
Short-term leases expenses	$ 18,198	$ 12,551
Expenses relating to low-value asset leases	$ 137	$ 3
Total cash (outflow) for leases	($ 56,705)	($ 37,694)

The consolidated company has elected to apply the recognition exemption on the leases houses and buildings which qualify as short-term leases and office equipment which qualify for low-cost leases, and it did not recognize related right-of-use assets and lease liabilities for these leases.

All lease commitments with lease terms beginning after the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Lease commitments	$ 138	$ 62,655

16. Investment properties

	Completed Investment Properties
Cost	
Balance on January 1, 2023	$ 834,964
Reclassified to Property, Plant and Equipment	(130,319)
Balance on December 31, 2023	$ 704,645
Accumulated depreciation and impairment	
Balance on January 1, 2023	$ 54,209
Reclassified to Property, Plant and Equipment	(10,832)
Depreciation expenses	6,893
Balance on December 31, 2023	$ 50,270
Net amount on December 31, 2023	$ 654,375
Cost	
Balance on January 1, 2022	$ 645,026
Transfer in from property, plant and equipment	189,938
Balance on December 31, 2022	$ 834,964
Accumulated depreciation and impairment	
Balance on January 1, 2022	$ 45,067
Transfer in from property, plant and equipment	96
Depreciation expenses	9,046
Balance on December 31, 2022	$ 54,209
Net Balance on December 31, 2022	$ 780,755

The total amount of lease payments to be collected in the future for investment property on operating lease is as follows:

	December 31, 2023	December 31, 2022
Year 1	$ 34,096	$ 19,811
Year 2	5,262	320
	$ 39,358	$ 20,131

Investment properties are depreciated by straight-line basis using the service life as follows:

Main buildings	51 years

The fair value of investment properties is measured by an independent appraisal company on December 31, 2023, using Level 3 input. The valuation is based on the cash flow method and the comparison method. Important unobservable inputs used include discount rates. The fair value obtained from the valuation is as follows:

	December 31, 2023
Fair Value	$ 1,198,400

The consolidated company held freehold interests in all of its investment properties. Please refer to Note 40 for the amount of investment real estate set as security for borrowing.

The consolidated company has no lease commitment commencing after the balance sheet date for the lease term.

17. Goodwill

	2023	2022
Cost		
Beginning balance	$ 89,584	$ 98,784
Acquisition through business combination for the current year (Note 33)	131,271	40,761
Disposal of subsidiaries (Note 34)	-	(49,961)
Reclassification	(19,904)	-
Ending balance	$ 200,951	$ 89,584
Accumulated impairment loss		
Beginning balance	($ 24,201)	($ 24,201)
Impairment loss recognized for the period	-	-
Ending balance	($ 24,201)	($ 24,201)
Beginning net balance	$ 65,383	$ 74,583
Ending net balance	$ 176,750	$ 65,383

The consolidated company acquired Kawaguchi Plastic Industry (Kunshan) Co., Ltd.and Fu Rui Sheng Industrial Co., Ltd. on November 30, 2023 and July 29, 2022, respectively, generating goodwill of NT$131,271 thousand and NT$40,761 thousand. The goodwill mainly arises from control premium, including expected combination synergies, revenue growth, future market development, all of which have been assessed and no impairment losses have been recognized.

The recoverable amount of Showa Precision Co., Ltd. is determined on the basis of use value, and is estimated by the cash flow of the financial budget for the next 5 years approved by the management of the consolidated company, and calculated by the annual discount rate of 13.9% and 14.3% in 2023 and 2022, respectively.

It was assessed that the recoverable amount of Showa Precision Co., Ltd. was more than the carrying amount, so no impairment loss was recognized.

18. Other Intangible Assets

	Patents	Computer Software	Franchise rights	Golf membership card	Technology	Client relationship	Total
Cost							
Balance on January 1, 2023	$ 97,425	$ 67,779	$ -	$ 8,763	$ 5,900	$ 5,300	$ 185,167
Acquisition through business combinations (Note 33)	-	631	-	-	-	-	631
Acquired separately	2,500	57,008	-	-	-	-	59,508
Disposal	-	(980)	-	-	-	-	(980)
Reclassification	-	-	-	-	-	19,904	19,904
Balance on December 31, 2023	$ 99,925	$ 124,438	$ -	$ 8,763	$ 5,900	$ 25,204	$ 264,230
Accumulated amortization and impairment							
Balance on January 1, 2023	$ 30,796	$ 43,815	$ -	$ -	$ 1,687	$ 5,300	$ 81,598
Acquisition through business combinations (Note 33)	-	183	-	-	-	-	183
Amortization expenses	8,654	10,896	-	-	841	-	20,391
Net exchange differences	-	23	-	-	-	-	23
Balance on December 31, 2023	$ 39,450	$ 54,917	$ -	$ -	$ 2,528	$ 5,300	$ 102,195
Net amount on December 31, 2023	$ 60,475	$ 69,521	$ -	$ 8,763	$ 3,372	$ 19,904	$ 162,035
Cost							
Balance on January 1, 2022	$ 97,425	$ 48,926	$ 44,158	$ 8,763	$ 5,900	$ 5,300	$ 210,472
Acquisition through business combinations (Note 33)	-	550	-	-	-	-	550
Acquired separately	-	18,303	-	-	-	-	18,303
Disposal of subsidiaries (Note 34)	-	-	(45,805)	-	-	-	(45,805)
Net exchange differences	-	-	1,647	-	-	-	1,647
Balance on December 31, 2022	$ 97,425	$ 67,779	$ -	$ 8,763	$ 5,900	$ 5,300	$ 185,167
Accumulated amortization and impairment							
Balance on January 1, 2022	$ 22,467	$ 32,420	$ 44,158	$ -	$ 843	$ 2,650	$ 102,538
Acquisition through business combinations (Note 33)	-	148	-	-	-	-	148
Amortization expenses	8,329	11,247	-	-	844	2,650	23,070
Disposal of subsidiaries (Note 34)	-	-	(45,805)	-	-	-	(45,805)
Net exchange differences	-	-	1,647	-	-	-	1,647
Balance on December 31, 2022	$ 30,796	$ 43,815	$ -	$ -	$ 1,687	$ 5,300	$ 81,598
Net Balance on December 31, 2022	$ 66,629	$ 23,964	$ -	$ 8,763	$ 4,213	$ -	$ 103,569

The franchisor is Wu Jiang Start-up, which is granted the franchising rights to sell Shanghai Volkswagen vehicles in Suzhou City. The consolidated company had completed the equity transfer of Wu Jiang Start-up on April 25, 2022. Please refer to Note 34.

Golf membership card of the consolidated company is a right of use and the management of the consolidated company considers that the consolidated company has the intention and ability to extend the useful life continuously, hence it is an intangible asset with indefinite useful life, and is tested for impairment annually whether or not there is any indication of impairment. Security deposit of golf membership amounted to NT$12,000 thousand and recognized as refundable deposits.

Amortization expenses are calculated by straight-line basis using the estimated service life as follows:

Computer Software	1 to 9 years
Patents	5 to 10 years
Technology	7 years
Client relationship	2 to 8 years

Amortization expenses summarized by function:

	2023	2022
Operating costs	$ 4,981	$ 8,464
Sales expenses	8	-
General and administrative expenses	6,389	5,705
Research expenses	9,013	8,901
	$ 20,391	$ 23,070

19. Prepayments

	December 31, 2023	December 31, 2022
Current		
Advance payment	$ 102,406	$ 124,572
Tax overpaid retained for offsetting the future tax payable	38,408	17,853
Other prepayments	24,216	24,493
	$ 165,030	$ 166,918

20. Other Assets

	December 31, 2023	December 31, 2022
Current		
Other current assets		
Temporary payments	$ 2,846	$ 4,901
Payment on behalf of others	67,698	-
	$ 70,544	$ 4,901
Non-current		
Other non-current assets		
Net defined benefit plans (Note 26)	$ 871	$ 1,379
Others	-	74
	$ 871	$ 1,453

21. Borrowings

a. Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured loans (Note 40)		
-Bank loans	$ 125,000	$ 28,000

The interest rates on revolving loans of banks were 2.05-2.40% and 2.05-2.47% respectively as of December 31, 2023 and 2022.

b. Long-term Borrowings

	December 31, 2023	December 31, 2022
Secured loans (Note 40)	$ 2,644,969	$ 2,527,770
Unsecured loans	788,135	796,073
Less: current portion matured in 1 year	(257,712)	(154,638)
	$ 3,175,392	$ 3,169,205
Contents of borrowings		
Annual Interest Rate	1.850%～3.850%	1.625%～2.995%
Maturity Date	Mature in succession before January 2042	Mature in succession before June 2041

Please refer to Notes 40 and 41 for the collateral of the above bank loans.

22. Corporate Bonds Payable

	December 31, 2023	December 31, 2022
Domestic unsecured convertible bonds	$ 942,415	$ 922,582
Less: current portion matured in 1 year	-	-
	$ 942,415	$ 922,582

The fourth domestic secured convertible bonds

On October 18, 2023, the consolidated company issued 10,000 units with 3-year issuance periods of NTD denominated unsecured convertible corporate bonds at a coupon rate of 0% with a principal amounted to $1,000,000 thousand.

Holders of corporate bonds of each unit are entitled to convert into the ordinary shares of the consolidated company at NT$374.9 per share. After such conversion price is determined, if there is an increase in the ordinary shares in issue, the conversion price adjustment formula shall be adjusted.

From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the closing price of the consolidated company's ordinary shares exceeds 30% of the current conversion price for 30 consecutive business days, the consolidated company may, within 30 business days, delivery a “Notice to call back bonds” due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period; from the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of total initial issue amount, the consolidated company may, at any time after that time, delivery a “Notice to call back bonds” due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period.

The date when two years have passed since the issuance of the convertible corporate bonds is the benchmark date for bondholders to sell back the converted corporate bonds in advance. Forty business days before the date, the consolidated company shall send a “Notice of Exercise of Put-back Option” by registered mail to redeem all of its bonds in cash at the face value of the bonds.

This convertible corporate bonds comprise a liability and equity component, and the equity component is presented under equity as capital surplus – share option. The equity component is initially recognized at the effective interest rate of 2.14%.

Movements of the master contracts of debt from the issuance date to December 31, 2023 are as follows:

	Amount
Issue proceeds on October 18, 2023 (less transaction costs of NT$2,715 thousand)	$ 997,285
Equity components (less transaction cost allocated to equity of NT$154 thousand)	(56,446)
Derivatives components - put right	(3,700)
Derivatives components - redemption rights	1,200
Liability components on issuance date (Derivatives components - redemption rights)	938,339
Interests calculated at the effective interest rate of 2.14%	4,076
Liability components on December 31, 2023	$ 942,415

The third domestic secured convertible bonds

On July 7, 2022, the consolidated company issued 10,000 units with 3-year issuance periods of NTD denominated unsecured convertible corporate bonds at a coupon rate of 0% with a principal amounted to $1,000,000 thousand.

Holders of corporate bonds of each unit are entitled to convert into the ordinary shares of the consolidated company at $231.4 per share. After such conversion price is determined, if there is an increase in the ordinary shares in issue, the conversion price adjustment formula shall be adjusted.

From the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the closing price of the consolidated company's ordinary shares exceeds 30% of the current conversion price for 30 consecutive business days, the consolidated company may, within 30 business days, delivery a "Notice to call back bonds" due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period; from the day after the issuance of the convertible corporate bonds for three months to 40 days before the maturity date, if the outstanding balance of the convertible corporate bonds is less than 10% of total initial issue amount, the consolidated company may, at any time after that time, delivery a "Notice to call back bonds" due in 30 days through registered mails, and call back all the corporate bonds by cash at par value by the end of that period.

The date when two years have passed since the issuance of the convertible corporate bonds is the benchmark date for bondholders to sell back the converted corporate bonds in advance. Forty business days before the date, the consolidated company shall send a "Notice of Exercise of Put-back Option" by registered mail to redeem all of its bonds in cash at the face value of the bonds.

This convertible corporate bonds comprise a liability and equity component, and the equity component is presented under equity as capital surplus – share option. The equity component is initially recognized at the effective interest rate of 1.79%.

The contents of the conversion which was fully converted by the consolidated company per the requests of the bond holders as of December 31, 2023 are as follows:

	2023
Total amount of requested conversion of bonds	$ 964,800
Less: shares capital of ordinary shares issued at the conversion price of the above-mentioned convertible bonds in accordance with issuance regulations	(42,478)
premium on conversion	922,322
Add: capital surplus – share option	41,362
Financial liabilities at fair value through profit or loss	687
Less: discount on corporate bonds payable	(37,968)
Financial assets at fair value through profit or loss	(4,082)
Odd lot transferred into other revenue	(30)
Ordinary shares Issued and partially transferred to capital surplus - premium on conversion of corporate bonds	$ 922,291

Movements of the master contracts of debt from the issuance date to December 31, 2023 are as follows:

	Amount
Issue proceeds on July 7, 2022 (less transaction costs of NT$5,280 thousand)	$ 994,720
Equity components (less transaction cost allocated to equity of NT$228 thousand)	(42,872)
Derivatives components - put right	(4,500)
Derivatives components - redemption rights	700
Liability components on issuance date (Derivatives components - redemption rights)	948,048
Interests calculated at the effective interest rate of 1.79%	8,300
Ordinary shares converted from corporate bonds payable	(33,766)
Liability components on December 31, 2022	$ 922,582
Liability components on January 1, 2023	$ 922,582
Interests calculated at the effective interest rate of 1.79%	4,250
Ordinary shares converted from corporate bonds payable	(926,832)
Liability components on December 31, 2023	$ -

23. Note Payables and Trade Payables

	December 31, 2023	December 31, 2022
Notes payable		
Arising from operations – non-related parties	$ 123	$ 8,753
Arising from operations - related parties (Note 39)	$ -	$ 100
Trade payables		
Arising from operations – non-related parties	$ 514,411	$ 541,279
Arising from operations - related parties (Note 39)	$ 35,132	$ 13,616

The average credit period for partial commodities purchased by the consolidated company is 1-3 months, without interest imposed on the accounts payable. The consolidated company has financial risk management policies to ensure that all accounts payable are paid within the pre-determined credit terms.

24. Other Liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Equipment payment payable	$ 122,474	$ 68,733
Salaries and bonuses payable	185,279	230,658
Employee compensation payable	67,827	67,554
Directors and supervisors remuneration payable	43,839	44,631
Vacation leave payment payable	20,247	23,811
Interest payable	3,336	2,883
Dividends payable	377,883	336,998
Payable for investments (Note 36)	93,031	-
Others	201,645	178,825
	$1,115,561	$ 954,093
Other Liabilities		
Temporary received	$ 337	$ 518
Received on behalf of others	72,452	4,771
Others	7,429	8,407
	$ 80,218	$ 13,696

25. Provisions

	December 31, 2023	December 31, 2022
Current		
Warranty	$ 29,318	$ 26,618

Warranty provisions is the present value of the best estimate of the future economic benefits resulted from the consolidated company's management due to warranty obligations according to the agreements of sales contracts of commodities. This estimate is based on the historical experience of warranty and considers the adjustment of new raw materials, changes in manufacturing process, or other factors affecting quality of the products.

26. Benefits after retirement plan

a. Defined contribution plans

The pension system of the Labor Pension Act applicable to the Company, We Solutions, Gudeng Equipment, Gudeng Venture, Showa, Shuoting and Bor Sheng under the consolidated company was a defined contribution plan under government administration, and 6% of the employees' monthly salaries is contributed to their personal accounts at the Bureau of Labor Insurance.

Wu Jiang Start-up, Shanghai Gudeng, Kunshan Kawaguchi, Kunshan Dachuan, Kun Ju, Sun Park, Gudeng Investment and Rich Point under the consolidated company, have not yet established employee retirement measures, and the local government has not forced to formulate employee retirement measures, so the provisions of IAS 19 are not applicable.

b. Defined benefit plans

The Company, Shuoting, and Showa under the consolidated company with the pension mechanism under the “Labor Standards Law” is considered as defined benefit plans. The payment of the employee’s pension is based on the length of service and the average salary of six months before the approved retirement date. Those companies contribute monthly an amount equal to 2% of the employees’ monthly salaries and wages to a retirement fund that is deposited with Bank of Taiwan under the name of The Supervisory Committee of Workers’ Retirement Fund. Before the end of year, if the balance at the retirement fund is not sufficient to pay employees who will meet the retirement criteria next year, a lump-sum deposit for the shortfall should be made before the end of March of the following year. The plan assets are held in a commingled fund which is operated and managed by the government’s designated authorities; as such, the consolidated company does not have any right to intervene in the investments of the funds.

The amounts included in the accompanying balance sheets arising from the consolidated company’s obligation in respect of its defined benefit plans were as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 37,843	$ 40,120
Fair value of plan assets	(2,425)	(15,389)
Net defined benefit liabilities	$ 35,418	$ 24,731

The changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liabilities
January 1, 2023	$ 40,120	($ 15,389)	$ 24,731
Service costs			
Service costs from previous periods	5,151	(37)	5,114
Interest expenses (income)	659	(236)	423
Recognized in profit or loss	5,810	(273)	5,537
Re-measurement on the net defined benefit liability			
Actuarial losses – changes in financial assumptions	1,576	-	1,576
Actuarial losses - experience adjustments	3,815	18	3,833
Recognized in other comprehensive income	5,391	18	5,409
Contributions from employer	(9,569)	(259)	(9,828)
Benefits paid	(3,909)	13,478	9,569
December 31, 2023	$ 37,843	($ 2,425)	$ 35,418
January 1, 2022	$ 31,658	($ 4,700)	$ 26,958
Interest expenses (income)	235	(112)	123
Recognized in profit or loss	235	(112)	123
Remeasurements			
Actuarial gains recognized from changes in financial assumptions	($ 1,530)	$ -	($ 1,530)
Actuarial (gains) losses - experience adjustments	1,705	(1,249)	456
Recognized in other comprehensive income	175	(1,249)	(1,074)
Business combinations	10,361	(11,460)	(1,099)
Contributions from employer	-	(177)	(177)
Benefits paid	(2,309)	2,309	-
December 31, 2022	$ 40,120	($ 15,389)	$ 24,731

The amounts recognized in profit or loss for the defined benefit plans are summarized by function as follows:

	2023	2022
General and administrative expenses	$ 5,537	$ 123

The consolidated company is exposed to following risks for the defined benefits plans under the "Labor Standards Law":

1) Investment risk: Through its own use and entrusting operation, Bureau of Labor Funds, MOL invested labor pension funds in domestic (foreign) equity and debt securities and bank deposits. But the allocated amounts of the consolidated company's plan assets shall not be lower than the gain calculated by the average interest rate on a two-year time deposit.
2) Interest rate risk: The decline in government bond interest rate will increase the present value of the obligation on the defined benefit plan, while the return on plan assets will increase. The net effect on the present value of the obligation on defined benefit plan is partially offset by the return on plan assets.
3) Salary risk: The calculation of the present value of defined benefit obligation is in reference to the plan participants' future salary. Hence, the increase in plan participants' salary will increase the present value of the defined benefit obligation.

The present value of the defined benefit obligation of the consolidated company was calculated by the independent actuary. The principal assumptions on the measurement date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.3000%～1.1580%	1.4402%～1.7000%
Expected rates of salary increase	2.0000%～4.0000%	1.0000%～4.0000%

Mortality rate is based on Taiwan life insurance experience life table of 2021.

The turnover rate is based on the data obtained from the employee turnover experience data provided by the consolidated company and considering the future trend.

If there are reasonable and possible changes in material actuarial assumptions while all other assumptions remain unchanged, the amount of increase (decrease) in the present value of the defined benefit obligation is as follows:

	December 31, 2023	December 31, 2022
Discount rate		
0.5% increase	($ 1,542)	($ 2,042)
0.5% decrease	$ 1,624	$ 2,186
Expected rates of salary increase		
0.5% increase	$ 1,558	$ 2,106
0.5% decrease	($ 1,496)	($ 2,012)

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	December 31, 2022
The expected amount of contribution within 1 year	$ 326	$ 183
The average maturity period of defined benefit obligations	6~9.3 years	9.7~14.52 years

27. Equity

a. Ordinary share capital and share capital collected in advance

	December 31, 2023	December 31, 2022
Nominal shares (in thousand shares)	150,000	150,000
Nominal share capital	$ 1,500,000	$ 1,500,000
Number of shares issued and payments received in full (in thousand shares)	94,184	84,097
Share capital issued	$ 941,844	$ 840,973
Share capital collected in advance	$ 1,128	$ 1,521

On August 30, 2023, the Board of Directors resolved a capital increase in cash to issue 5,800 thousand of new shares with a par value of NT$10 per share, and issued on premiums for NT$300 per share. The above-mentioned capital increase in cash had been reported and approved for effectiveness by the Securities and Futures Bureau, Financial Supervisory Commission on September 25, 2023, and the ex-rights date of the capital increase was October 24, 2023 resolved by the Board of Directors, and the change of registration was completed on January 2, 2024.

In 2023, the Company's corporate bonds were converted into 4,287 ordinary shares, with a par value of NT$10 per share, totaling NT$42,871 thousand.

As of December 31, 2023 and 2022, the bond holders of the Company's unsecured convertible corporate bonds had requested to convert into 113 thousand and 152 thousand ordinary shares, of which were recorded as share capital collected in advance amounted to NT$1,128 thousand and NT$1,521 thousand respectively, and the registration of the change was made after new shares issued on the ex-rights date of the capital increase according to the law.

b. Capital surplus

	December 31, 2023	December 31, 2022
Used to offset deficit, distribute cash, or replenish share capital (1)		
Premium on issuance of shares	$ 4,412,831	$ 2,696,145
Premium on conversion of convertible corporate bonds	1,231,476	309,185
Treasury shares transactions	200,461	200,461
Changes in net equity values of associates and joint venture accounted for using the equity method	1,082	1,188
Difference between equity value and book value of subsidiaries' actual acquisition or disposal	86,856	-
Not to be used for any purposes		
Stock option	56,446	41,362
	$ 5,989,152	$ 3,248,341

1) This type of capital surplus may be used to offset deficit or issue cash or replenish share capital when there are no loss, but share capital replenishment is restricted to the ratio of actual share capital stock each year.

c. Retained Earnings and Dividends Policy

According to the surplus distribution policy of the Company's Articles of Incorporation, the Company's earning distribution or appropriation for deficits shall be made after the end of the half-year period in a fiscal year. As in the form of new share issuance, the proposal shall be resolved in the shareholders' meeting before the distribution; as in the form of cash, the proposal shall be resolved by the Board of Directors and then reported in the shareholders' meeting.

According to the surplus distribution policy of the company's Articles of Incorporation, if there is a surplus in the annual final accounts, taxes shall be paid in accordance with the law, and after the accumulated losses are made up, another 10% shall be allocated as the statutory surplus reserve, and the rest shall be set aside or reversed to special surplus reserves as required by law and order; if there is a balance and accumulated undistributed surplus, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends and bonuses to shareholders. For the policies on employees' compensation and remuneration of directors, which is stipulated in the Company's Articles of Incorporation, please refer to Note 29 (7).

The legal reserve shall be allocated until it reaches the balance of the Company's paid-in capital. The legal reserve can be used to offset deficit. When the Company has no loss, the part of the legal capital reserve exceeding 25% of the total paid-in capital may be distributed in cash in addition to being appropriated as share capital.

The Company has set aside and reversed the special surplus reserve in accordance with the provisions of Financial Supervisory Securities Letter No. 1010012865 and No. 1090150022. If there is a subsequent reversal of the net reduction of other equity, the surplus may be allocated in respect of the reserved portion of the reserved special surplus reserve.

The Board of Directors of the Company has decided on the surplus distribution plan for the year 2021 as follows:

	From July 1 to December 31, 2021	From January 1 to June 30, 2021
Date of the resolution of the Board of Directors Meeting	March 7, 2022	November 5, 2021
Legal reserve	$ 25,365	$ 7,463
Special reserve	($ 18,728)	$ 3,561
Cash dividends	$ 167,437	$ 67,278
Cash dividend per share (NT$)	$ 2.0	$ 0.8

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on May 27, 2022.

The Board of Directors of the Company has decided on the surplus distribution plan for the year 2022 as follows:

	From July 1 to December 31, 2022	From January 1 to June 30, 2022
Date of the resolution of the Board of Directors Meeting	March 29, 2023	November 9, 2022
Legal reserve	$ 45,417	$ 47,775
Special reserve	($ 10,427)	$ 151,184
Cash dividends	$ 346,353	$ 336,998
Cash dividend per share (NT$)	$ 4.0	$ 4.0

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on May 24, 2023.

The Board of Directors of the Company has decided on the surplus distribution plan for the year 2023 as follows:

	From July 1 to December 31, 2023	From January 1 to June 30, 2023
Date of the resolution of the Board of Directors Meeting	March 6, 2024	November 8, 2023
Legal reserve	$ 42,317	$ 48,184
Special reserve	$ -	($ 146,666)
Cash dividends	$ 330,040	$ 377,883
Cash dividend per share (NT$)	$ 3.5	$ 4.27

The above-mentioned cash dividend was resolved by the Board of Directors to distribute, and the remaining earnings distribution items were also resolved at the regular shareholders' meeting held on May 24, 2024.

d. Non-controlling interests

	2023	2022
Beginning balance	$ 476,250	$ 104,581
Net income for the year	118,367	94,258
Other comprehensive income		
Re-measurements of defined benefit plan	(221)	130
Adjustments of changes in capital surplus of associates accounted for using the equity method	-	1,174
Earnings distribution for the year	(22,515)	-
Increase in non-controlling interests from acquisition of subsidiaries (Note 33)	-	132,563
Acquisition and disposal of part of the equity of subsidiaries (Note 35)	20,421	-
Capital increase in cash in non-controlling interests	182,896	144,995
Increase in non-controlling interests from acquisition of subsidiaries based on non-shareholding ratio	12,123	(1,451)
Increase in non-controlling interests resulting from organizational restructuring	4,206	-
Ending balance	$ 791,527	$ 476,250

e. Treasury stock

Reason for buy-back	Shares transferred to employees (in Thousand Shares)	Buy-back for Cancellation (in Thousand Shares)	Shares of parent company held by subsidiaries (in Thousand Shares)	Total (in Thousand Shares)
Number of shares on January 1, 2022	449	-	-	449
Decrease during the year	(449)	-	-	(449)
Number of shares on December 31, 2022	-	-	-	-

In January 2022, the Company transferred treasury stocks to employees with transferred treasury stocks of 70 thousand shares at a total buy-back cost of NT$2,384 thousand. The record date of the employee shares subscription for these treasury stocks was December 27, 2021 and the date to deliver the shares to employees was January 26, 2022.

In June 2022, the Company transferred treasury stocks to employees with transferred treasury stocks of 120 thousand shares at a total buy-back cost of NT$4,086 thousand. The record date of the employee shares subscription for these treasury stocks was April 29, 2022 and the date to deliver the shares to employees was June 10, 2022.

In July 2022, the Company transferred treasury shares to employees with transferred treasury shares of 259 thousand shares at a total buy-back cost of NT$8,819 thousand. The record date of the employee shares subscription for these treasury shares was May 27, 2022 and the date to deliver the shares to employees was July 1, 2022.

The Company received NT$15,289 thousand for the transfer of treasury stock and also recognized capital surplus - treasury shares transaction of NT$97,300 thousand on the date of share delivery to employees, please refer to Note 32.

Treasury stocks held by the Company shall not be pledged as collateral in accordance with the Securities and Exchange Act, nor shall it be entitled to dividend distribution and voting rights.

28. Revenue

	2023	2022
Revenue from customer contracts		
Sales revenue of commodities	$ 4,372,150	$ 3,897,457
Other operating revenue	706,195	596,574
	$ 5,078,345	$ 4,494,031

a. Explanation from customer contracts

Sales revenue of commodities

The sales revenue of commodities comes from the manufacturing of mask packages, its service of design, and the sales of semiconductor related products. Upon shipping of the mask packages products, the clients have the right to set prices and to use the merchandise as well as the major responsibility of reselling, and bear the risk of obsolescence. Besides, for the sales of semiconductor equipment, when the customer accepts the equipment, it will satisfy the performance obligation and the customer will take control of the product. The consolidated company recognizes revenue and trade receivables at that point in time.

b. Balance of contracts

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables (Note 10)	$ 885,391	$ 1,077,420	$ 626,519
Trade receivables from related parties (Note 10)	$ 147	$ 275	$ -
Contract liabilities – Unearned sales revenue			
Sales of commodities	$ 817,764	$ 670,354	$ 400,677
Others	19,341	38,672	58,882
	$ 837,105	$ 709,026	$ 459,559

The contract liabilities from the beginning of the year and from previous periods whose performance obligations were fulfilled were recognized as revenue for the year as follows.

	2023	2022
From beginning contract liabilities		
Sales of commodities	$ 561,648	$ 384,690
Others	40,190	32,736
	$ 601,838	$ 417,426

c. Breakdown of revenue from customer contracts

Please refer to Note 44 for information on the breakdown of revenue.

29. Net income before tax

a. Interest income

	2023	2022
Bank deposits	$ 42,938	$ 5,504
Imputed interest on deposits	126	83
	$ 43,064	$ 5,587

b. Other income

	2023	2022
Rental income		
Investment properties	$ 35,719	$ 36,243
Other rental	2,420	2,361
	38,139	38,604
Dividend income		
Financial assets at fair value through profit or loss	16,250	6,648
Investments in equity instruments at fair value through other comprehensive income	35,847	25,209
	52,097	31,857
Others	41,432	9,107
	$ 131,668	$ 79,568

c. Other gains and (losses)

	2023	2022
Gain (loss) of financial assets and financial liabilities		
Financial assets and liabilities mandatorily classified as at fair value through profit or loss	$ 45,793	($ 10,425)
Net gain (loss) on foreign exchange	3,172	54,560
Gains on bargain purchase - acquisition of subsidiaries (Note 33)	-	36
Gain (loss) on disposal of property, plant and equipment	(1,607)	1,580
Gain on disposal of subsidiaries (Note 34)	-	54,936
Gain (loss) on lease amendment	553	(192)
Others	(4,685)	(2,212)
	$ 43,226	$ 98,283

d. Finance costs

	2023	2022
Interest on bank loans	$ 87,109	$ 55,890
Interest on convertible corporate bonds	8,326	8,300
Interest on lease liabilities	2,205	1,490
Imputed interest on deposits	50	25
Other interest expenses	80	35
Less: Amount included in the cost of key assets	(8,589)	(10,684)
	$ 89,181	$ 55,056

Information on interest capitalization is as follows:

	2023	2022
Amount of capitalized interest	$ 8,589	$ 10,684
Capitalized interest rate	1.81%	1.42%

e. Depreciation and amortization expenses

	2023	2022
Depreciation expenses summarized by function		
Operating costs	$ 208,077	$ 160,584
Operating expenses	109,208	74,340
	$ 317,285	$ 234,924
Amortization expenses summarized by function		
Operating costs	$ 4,981	$ 8,464
Operating expenses	15,410	14,606
	$ 20,391	$ 23,070

f. Employee benefits expenses

	2023	2022
Benefits after retirement		
Defined contribution plans	$ 31,622	$ 23,579
Defined benefit plans (Note 26)	5,537	123
	37,159	23,702
Equity-based payment		
Equity settlement	37,726	79,535
Other employee benefits	1,072,497	992,143
Total employee benefit expenses	$ 1,147,382	$ 1,095,380
Summarized by function		
Operating costs	$ 487,145	$ 445,337
Operating expenses	660,237	650,043
	$ 1,147,382	$ 1,095,380

g. Remunerations of employees and directors

The Company allocates the employees' compensation and remuneration of directors for not less than 3% and not more than 3%, respectively, of the income before tax before deducting the distributed the employees' compensation and the remuneration of directors in the current year. The employees' compensation and remuneration of directors for the years ended December 31, 2023 and 2022 were resolved by the board of directors on March 6, 2024 and March 8, 2023, respectively, as follows:

Estimated ratio

	2023	2022
Employees' compensation	3%	3.106%
Remuneration of directors	3%	3%

Amount

	2023		2022	
	Cash	Stock	Cash	Stock
Employees' compensation	$ 31,429	$ -	$ 35,338	$ -
Remuneration of directors	31,428	-	34,130	-

If there is any change in the amount after the date of issuance of the annual consolidated financial statements, it shall be treated according to the change in accounting estimates and adjusted and recorded in the next year.

There was no difference between the actual amount paid of employees' compensation and remuneration of directors for the years ended December 31, 2022 and 2021 and the amount recognized in the consolidated financial statements for the years ended December 31, 2022 and 2021.

Information on the employees' compensation 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.

30. Income tax

a. Income tax recognized in profit or loss

The main components of income tax benefits are as follows:

	2023	2022
Current income tax		
Incurred for the year	$ 237,674	$ 238,413
Additional levy on undistributed earnings	6,104	425
Adjustments from prior years	(29,588)	(20,003)
Investment Deduction	(31,189)	-
	183,001	218,835
Deferred income tax		
Incurred for the year	(12,756)	(19,715)
Adjustments from prior years	-	11
	(12,756)	(19,704)
Income tax expense recognized in profit or loss	$ 170,245	$ 199,131

The adjustment of accounting income and income tax expenses is as follows:

	2023	2022
Net income before tax	$ 1,193,618	$ 1,226,460
Income tax expenses of net income before tax calculated at the legal tax rate	$ 238,724	$ 245,292
Non-deductible tax expense	3,349	7,293
Tax-free income	(26,667)	(21,149)
Debenture issuance cost	(543)	(1,056)
Deduction for losses not recognized	2,887	(14,169)
Additional levy on undistributed earnings	6,104	425
Effect of different tax rates on subsidiaries operating in other jurisdictions	7,168	2,487
Current income tax expense from previous years adjusted in the year	($ 29,588)	($ 20,003)
Deferred income tax expense from previous years adjusted in the period	-	11
Investment Deduction	(31,189)	-
Income tax expense recognized in profit or loss	$ 170,245	$ 199,131

b. Directly recognized as income tax in equity

	2023	2022
Current income tax		
Disposal of investments in equity instruments at fair value through other comprehensive income	$ 935	$ -
Directly recognized as income tax in equity	$ 935	$ -

c. Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	$ 2,218	$ 9
Current income tax liabilities		
Income tax payable	$ 73,511	$ 202,458

d. Deferred income tax assets and liabilities

The changes in deferred income tax assets and liabilities are as follows:

2023

Deferred tax assets	Beginning balance	Recognized in profit or loss	Ending balance
Temporary difference			
Unrealized exchange gain or loss	$ -	$ 2,797	$ 2,797
Unrealized loss on inventories for price loss	29,855	(795)	29,060
Unrealized loss on transactions with subsidiaries	346	-	346
Vacation leave payment payable	4,751	(728)	4,023
Allowance for doubtful debts over limit	3,613	1,507	5,120
Impairment loss of fixed assets	6,250	-	6,250
Warranty loss	4,947	870	5,817
Defined benefit retirement plan	-	1,022	1,022
Deduction for losses	-	4,758	4,758
	$ 49,762	$ 9,431	$ 59,193

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Ending balance
Temporary difference			
Unrealized exchange gains	($ 3,514)	$ 3,514	$ -
Unrealized profit on financial assets	(92)	92	-
Unrealized loss on transactions with subsidiaries	(330)	(16)	(346)
Defined benefit retirement plan	(204)	37	(167)
Gains on bargain purchase	-	(302)	(302)
	($ 4,140)	$ 3,325	($ 815)

2022

Deferred tax assets	Beginning balance	Recognized in profit or loss	Ending balance
Temporary difference			
Unrealized exchange gain or loss	$ 1,234	($ 1,234)	$ -
Unrealized loss on inventories for price loss	21,510	8,345	29,855
Unrealized loss on transactions with subsidiaries	346	-	346
Vacation leave payment payable	2,980	1,771	4,751
Allowance for doubtful debts over limit	343	3,270	3,613
Impairment loss of fixed assets	-	6,250	6,250
Warranty loss	-	4,947	4,947
	$ 26,413	$ 23,349	$ 49,762

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Ending balance
Temporary difference			
Unrealized exchange gains	$ -	($ 3,514)	($ 3,514)
Unrealized profit on financial assets	-	(92)	(92)
Unrealized loss on transactions with subsidiaries	(295)	(35)	(330)
Defined benefit retirement plan	(200)	(4)	(204)
	($ 495)	($ 3,645)	($ 4,140)

e. Amount of unused loss deduction for deferred income tax assets not recognized in the consolidated balance sheet

Gudeng Venture

	December 31, 2023	December 31, 2022
Deduction for losses		
Due in 2029	$ 2,639	$ 2,639
Due in 2030	1,748	1,748
Due in 2031	600	600
	$ 4,987	$ 4,987

Jia Shuo Construction

	December 31, 2023	December 31, 2022
Deduction for losses		
Due in 2032	$ 3,890	$ 3,890
Due in 2033	3,033	-
	$ 6,923	$ 3,890

Fu Rui Sheng

	December 31, 2023	December 31, 2022
Deduction for losses		
Due in 2032	$ 670	$ 670
Due in 2033	453	-
	$ 1,123	$ 670

f. Income tax assessments

Except for 2022, the annual income tax return of a profit-seeking enterprise of the Company, Gudeng Venture, We Solutions, Gudeng Equipment Co., Ltd., Showa, Fu Rui Sheng, Shuoting, Bor Sheng, Jia Shuo, and Hengyang have been assessed by the tax authorities, through the 2021 annual income tax return of a profit-seeking enterprise.

31. Earnings per Share

Weighted average of ordinary shares and earnings used for calculating earnings per share are as follows:

Net income for the year

	2023	2022
Net income used for calculating basic earnings per share	$ 905,006	$ 933,071
Impacts of potential ordinary shares with dilution effect:		
Valuation gain or loss on after-tax interest of convertible corporate bonds and conversion options	4,224	1,616
Net income used for calculating diluted earnings per share	$ 909,230	$ 934,687

Number of Shares

Unit: Thousand shares

	2023	2022
Weighted average of ordinary shares used for calculating basic earnings per share	88,370	83,944
Impacts of potential ordinary shares with dilution effect:		
Convertible corporate bonds	1,743	2,108
Employees' compensation	106	146
Weighted average of ordinary shares used for calculating dilutive earnings per share	90,219	86,198

If the consolidated company has the option to issue the employee bonus in stocks or cash when calculating the diluted earnings per share, it is assumed that the employee bonus will adopt the method of issuing stocks, and the weighted average number of outstanding shares will be included in the calculation of diluted earnings per share when the potential ordinary shares are diluted. While determining diluted earnings per share before distributing shares to employees as compensations in the following year, dilutive effects of such potential ordinary shares should still be considered.

32. Share-based Payment Agreement

a. Employees stock option plan

The Company granted 580 stock options to its employees in October 2023.

The information on employee stock options is as follows:

	2023	
Employees stock options	Unit (Thousands)	Weighted average Exercise Price (NT$)
Outstanding at the beginning of the year	-	$ -
Granted for the year	580	300
Exercised in the year	(440)	300
Expiration for the year	(140)	
Outstanding at the end of the year	-	
Exercisable, ending	-	
Weighted-average fair value of the stock options for the year (NT$)	$ 85.8	

The Company priced the granted employee share options granted in October 2023 by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	October 2023
Market value on the grant date	NT$382
Exercised price	NT$300
Expected volatility	55.46%
Duration	48 days
Expected rate of dividend	0%
Risk-free interest rate	0.1721%

Cost of compensation recognized for the year ended December 31, 2023 amounted to NT$37,726 thousand.

b. Employees stock option plan of the subsidiaries

The subsidiary Gudeng Equipment Co., Ltd. (hereinafter "Gudeng Equipment") under the Company granted 600 thousand stock options to its employees in October 2022. The information on employee stock options is as follows:

	2022	
Employees stock options	Unit (Thousands)	Weighted average Exercise Price (NT$)
Outstanding at the beginning of the year	-	$ -
Granted for the year	600	22
Exercised in the year	(600)	22
Outstanding at the end of the year	-	
Exercisable, ending	-	
Weighted-average fair value of the stock options for the year (NT$)	$ 3.3963	

The weighted average share price on the exercise date of employee stock options exercised in 2022 was NT$22.

Gudeng Equipment priced the granted employee share options granted in October 2022 by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	October 2022
Market value on the grant date	NT$25.23
Exercised price	NT$22
Expected volatility	39.61%
Duration	30 days
Expected rate of dividend	0%
Risk-free interest rate	1.157%

Cost of compensation of Gudeng Equipment recognized for the year ended December 31, 2022 amounted to NT$2,038 thousand.

c. The second transfer of treasury stocks to employees in 2022

The regulations of transfer of treasury stocks of the Company were approved by the Board of Directors on March 23, 2019, pursuant to which the employees are entitled to subscribe for such shares, and was considered and approved by the Remuneration Committee on May 27, 2022 to purchase 259 thousand of treasury stocks at the subscription price of $34.05. Recipients include employees that meet specific conditions within the Company.

The information on employee share options of treasury stocks is as follows:

Employee share options of treasury stocks	2022 Unit (Thousands)	2022 Weighted-average exercise price (NT$)
Outstanding at the beginning of the year	-	$ -
Granted for the year	259	34.05
Exercised for the year	(259)	34.05
Outstanding at the end of the year	-	
Weighted-average fair value of the employee share options of treasury shares granted for the year (NT$)	$ 215.4	

The Company priced the granted employee share options by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	Treasury stocks transferred to employees
Number of Shares	259 thousand shares
Restricted transfer period	Unrestricted
Share price on the grant date	NT$249.5
Exercised price	NT$34.05
Expected volatility	43.17%
Duration	22 days
Risk-free interest rate	0.52%

Cost of compensation recognized for the year ended December 31, 2022 amounted to NT$55,789 thousand.

d. The first transfer of treasury stocks to employees in 2022

The regulations of transfer of treasury stocks of the Company were approved by the Board of Directors on March 23, 2019, pursuant to which the employees are entitled to subscribe for such shares, and was considered and approved by the Remuneration Committee on April 29, 2022 to purchase 120 thousand of treasury stocks at the subscription price of $34.05. Recipients include employees that meet specific conditions within the Company.

The information on employee share options of treasury stocks is as follows:

Employee share options of treasury stocks	2022 Unit (Thousands)	2022 Weighted-average exercise price (NT$)
Outstanding at the beginning of the year	-	$ -
Granted for the year	120	34.05
Exercised for the year	(120)	34.05
Outstanding at the end of the year	-	
Weighted-average fair value of the employee share options of treasury shares granted for the year (NT$)	$ 180.9	

The Company priced the granted employee share options by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	Treasury stocks transferred to employees
Number of Shares	120 thousand shares
Restricted transfer period	Unrestricted
Share price on the grant date	NT$215
Exercised price	NT$34.05
Expected volatility	48.16%
Duration	20 days
Risk-free interest rate	0.44%

Cost of compensation recognized for the year ended December 31, 2022 amounted to NT$21,708 thousand.

e. The first transfer of treasury stocks to employees in 2021

The regulations of transfer of treasury stocks of the Company were approved by the Board of Directors on March 23, 2019, pursuant to which the employees are entitled to subscribe for such shares, and was considered and approved by the Remuneration Committee on December 27, 2021 to purchase 70 thousand of treasury stocks at the subscription price of NT$34.05. Recipients include employees that meet specific conditions within the Company.

The information on employee share options of treasury stocks is as follows:

	2022	
Employee share options of treasury stocks	Unit (Thousands)	Weighted-average exercise price (NT$)
Outstanding at the beginning of the year	70	$ -
Granted for the year	-	34.05
Exercised for the year	(70)	34.05
Outstanding at the end of the year	-	
Weighted-average fair value of the employee share options of treasury shares granted for the year (NT$)	$ 282.9	

The Company priced the granted employee share options by the Black-Scholes option valuation model, and the inputs used for the valuation model are as below:

	Treasury stocks transferred to employees
Number of Shares	70 thousand shares
Restricted transfer period	Unrestricted
Share price on the grant date	NT$317
Exercised price	NT$34.05
Expected volatility	50.64%
Duration	12 days
Risk-free interest rate	0.24%

33. Business combinations

a. Acquisition of subsidiaries

2023

	Main operational activities	Acquisition date	Ownership interest/ acquisition ratio with voting rights (%)	Transfer consideration
Kunshan Kawaguchi and its subsidiary, Dachuan	Sales of plastic and electronic products	November 30, 2023	100%	$ 472,892

2022

	Main operational activities	Acquisition date	Ownership interest/ acquisition ratio with voting rights (%)	Transfer consideration
Fu Rui Sheng and its subsidiary, Bor Sheng	Investment and management consulting business	July 29, 2022	54.94%	$ 96,551
Shuoting Precision Industry Co., Ltd.	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	July 29, 2022	69.15%	$ 23,860
Hengyang Green Energy Co., Ltd.	Piping works and electrical installations	September 1, 2022	45%	$ 54,000

The consolidated company acquired Kunshan Kawaguchi, Fu Rui Sheng and Shuoting for the year ended December 31, 2023 and 2022, respectively, to continue to expand the operations of the consolidated company.

b. Transfer consideration

2023

	Kunshan Kawaguchi
Cash	$ 472,892

2022

	Fu Rui Sheng	Shuoting	Hengyang
Cash	$ 96,551	$ 23,860	$ 54,000

c. Assets acquired and liabilities assumed on the acquisition date

2023

	Kunshan Kawaguchi and subsidiary, Dachuan
Current assets	
Cash and cash equivalents	$ 165,458
Financial assets mandatorily classified as at fair value through profit or loss - current	13,742
Accounts receivable and other receivables	49,067
Inventories	25,732
Prepayments	15,595

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	Kunshan Kawaguchi and subsidiary, Dachuan
Non-current assets	
Property, plant and equipment	$ 194,786
Other Intangible Assets	448
Right-of-use assets	20,732
Current liabilities	
Accounts payable and other payables	(143,939)
	$ 341,621

If the measurement of identifiable assets acquired and liabilities assumed from business combination has not been completed, the balance sheet date shall be recognized with the provisional sum, and retroactive adjustment or additional assets or liabilities shall be recognized during the measurement period to reflect the new information about the actual facts and conditions on the acquisition date.

2022

	Fu Rui Sheng and subsidiary, Bor Sheng	Shuoting	Hengyang
Current assets			
Cash and cash equivalents	$ 22,663	$ 8,994	$ 119,090
Financial assets mandatorily classified as at fair value through profit or loss - current	2,329	1,500	-
Financial assets at amortized cost - current	8,916	-	-
Notes receivable	2,695	5,853	-
Accounts receivable and other receivables	87,376	60,675	-
Inventories	65,770	19,711	-
Prepayments	-	4,349	97
Other current assets	1,476	200	-
Non-current assets			
Property, plant and equipment	3,710	180,520	12,008
Other Intangible Assets	-	402	-
Right-of-use assets	18,638	27,194	-
Deferred tax assets	-	6,045	-
Guarantee deposits	470	2,052	-
Other current assets	-	4	-

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	Fu Rui Sheng and subsidiary, Bor Sheng	Shuoting	Hengyang
Current liabilities			
Bank loans	($ 18,519)	($ 28,103)	$ -
Accounts payable and other payables	(39,905)	(68,132)	(11,115)
Notes payable	(21,224)	(27,355)	-
Other current liabilities	(11,433)	(10,601)	-
Non-current liabilities			
Long-term Borrowings	-	(107,269)	-
Other non-current liabilities	(16,935)	(19,255)	-
	$ 106,027	$ 56,784	$ 120,080

d. Goodwill generated from the acquisition

2023

	Kunshan Kawaguchi and subsidiary, Dachuan
Transfer consideration	$ 472,892
Less: fair value of identifiable net assets acquired	(341,621)
Goodwill generated from the acquisition	$ 131,271

2022

	Fu Rui Sheng and its subsidiary, Bor Sheng	Shuoting	Hengyang
Transfer consideration	$ 96,551	$ 23,860	$ 54,000
Less: fair value of identifiable net assets acquired	(106,027)	(56,784)	(120,080)
Add: Fair value of original shareholding held by Fu Rui Sheng	-	16,642	-
Add: Non-controlling interests	50,237	16,282	66,044
Goodwill arising from acquisition (gains on bargain purchase)	$ 40,761	$ -	($ 36)

The goodwill arising from the acquisition of Kunshan Kawaguchi and Fu Rui Sheng mainly comes from control of premium In addition, the consideration paid for the combination includes the expected combination synergies, revenue growth and future market development. However, such benefits do not meet the requirements for recognition of identifiable intangible assets, thus they are not recognized separately.

The goodwill generated from the acquisition is not expected to be tax deductible.

e. Net cash outflow on acquisition of subsidiaries

2023

	Kunshan Kawaguchi and subsidiary, Dachuan
Consideration paid in cash	$ 472,892
Less: balance of cash and cash equivalent acquired	(165,458)
Payable for investments	(93,031)
	$ 214,403

2022

	Fu Rui Sheng and its subsidiary, Bor Sheng	Shuoting	Hengyang
Consideration paid in cash	$ 96,551	$ 23,860	$ 54,000
Less: balance of cash and cash equivalent acquired	(22,663)	(8,994)	(119,090)
	$ 73,888	$ 14,866	($ 65,090)

34. Disposal of subsidiaries

The consolidated company signed an agreement of 100% equity transfer of Wu Jiang Start-up with Jiaxing Fengmiao Trading Co., Ltd. and Suzhou Chengfeng Trading Co., Ltd., and completed the equity transfer on April 25, 2022, losing control over Wu Jiang Start-up since then.

a. Consideration received

	Wu Jiang Start-up
Cash and cash equivalents	$ 211,145
Total consideration received	$ 211,145

b. Analysis of assets and liabilities upon losing control

	Wu Jiang Start-up
Current assets	
Cash and cash equivalents	$ 3,016
Net trade receivables (including loss allowance of NT$25 thousand)	2,505
Other receivables	212
Inventories	83,737
Prepayments	24,969
Other current assets	20

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	Wu Jiang Start-up
Non-current assets	
Property, plant and equipment	$ 33,836
Right-of-use assets	21,610
Goodwill	49,961
Other current assets	7,749
Refundable deposits	5,216
Current liabilities	
Short-term borrowings	(60,668)
Other payables	(3,244)
Unearned receipts	(12,241)
Guarantee deposits	(469)
Net assets disposed of	$ 156,209

c. Gain on disposal of subsidiaries

	Wu Jiang Start-up
Consideration received	$ 211,145
Net assets disposed of	(156,209)
Gain on disposal of subsidiaries	$ 54,936

d. Net cash inflow from disposal of subsidiaries

	Wu Jiang Start-up
Consideration received in cash and cash equivalents	$ 211,145
Less: cash and cash equivalent balances disposed of	(3,016)
Net cash inflow from disposal of subsidiaries	$ 208,129

35. Equity transactions with non-controlling interests

The consolidated company disposed 3.37% of its shareholding in Gudeng Equipment in June 2023, resulting in a decrease in shareholding ratio from 50.10% to 46.73%. Additionally, in November and December 2023, the consolidated company did not acquire shares of Gudeng Equipment in proportion to the shareholding ratio, resulting in an increase in the shareholding ratio from 46.73% to 46.83%.

As the above-mentioned transaction for the year ended December 31, 2023 did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(November 7 and December 7, 2023) Gudeng Equipment Co., Ltd.	(June 16, 2023) Gudeng Equipment Co., Ltd.
Cash consideration received (paid)	($ 5,872)	$ 113,538
Carrying amount of the subsidiary's net assets to be transferred out (into) of the non-controlling interest with calculations based on the changes in equity	664	(21,474)
Difference in equity transactions	($ 5,208)	$ 92,064
Adjustment account for difference in equity transactions		
Capital surplus - Difference between equity price and book value of subsidiaries' actual acquisition or disposal	($ 5,208)	$ 92,064

In September 2023, the consolidated company did not acquired shares of the subsidiary Gudeng Inc. (USA) issued for cash in proportion to the shareholding ratio, resulting in a decrease in the shareholding ratio from 100% to 55%. The consolidated company acquired 0.50% of its shareholding in Bor Sheng in June 2023, resulting in an increase in the shareholding ratio from 93% to 93.50%.

As the above-mentioned transaction for the year ended December 31, 2023 did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(September 30, 2023) Gudeng Inc. (USA)	(June 30, 2023) Bor Sheng
Cash consideration paid	$ -	($ 450)
Carrying amount of the subsidiary's net assets to be transferred out of (into) non-controlling interest with calculations based on the changes in equity	(16,658)	389
Adjustments to other equity items to owners of the Company		
Unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses	4,491	-
Difference in equity transactions	($ 12,167)	($ 61)
Adjustment account for difference in equity transactions		
Unappropriated earnings	($ 12,167)	($ 61)

On December and November, 2022, the consolidated company did not acquired shares of Gudeng Equipment in proportion to the shareholding ratio resulting in a decrease in the shareholding ratio from 50.93% to 50.10%.

As the above-mentioned transaction for the year ended December 31, 2022 did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(December 28, 2022) Gudeng Equipment Co., Ltd.	(November 30, 2022) Gudeng Equipment Co., Ltd.
Cash consideration paid	($ 3,213)	($ 60,501)
Carrying amount of the subsidiary's net assets to be transferred out of non-controlling interest with calculations based on the changes in equity	2,893	60,024
Difference in equity transactions	($ 320)	($ 477)
Adjustment account for difference in equity transactions		
Unappropriated earnings	($ 320)	($ 477)

On November, 2022, the consolidated company did not acquire shares of We Solutions in accordance with its shareholding ratio, resulting in the shareholding ratio decreased from 100% to 83.33%. On September, 2022, the Company's subsidiary We Solutions did not acquired shares of Shuoting in proportion to the shareholding ratio resulting in an increase in the shareholding ratio from 69.15% to 70.43%.

As the above-mentioned transaction for the year ended December 31, 2022 did not change the control over the subsidiary, the Company treated the transaction as an equity transaction.

	(November 25, 2022) We Solutions	(September 29, 2022)Shuoting
Cash consideration paid	$ -	($ 21,000)
Debt-to-equity swaps	-	(11,505)
Carrying amount of the subsidiary's net assets to be transferred out of (into) non-controlling interest with calculations based on the changes in equity	(797)	32,337
Difference in equity transactions	($ 797)	($ 168)

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	(November 25, 2022) We Solutions	(September 29, 2022) Shuoting
Adjustment account for difference in equity transactions		
Capital surplus - Difference between equity price and book value of subsidiaries' actual acquisition or disposal	$ -	$ -
Capital surplus - recognized changes in percentage of ownership interests in subsidiaries	$ -	$ 325
Unappropriated earnings	($ 797)	($ 493)

36. Information on cash flows

Non-cash Transactions

In the year 2023 and 2022, the consolidated company entered into the following non-cash investing and financing activities:

1) The cash dividend for the first half of the year of Gudeng Company approved by the Board of Directors has not been distributed as of December 31, 2023 and 2022 (refer to Notes 24 and 27).
2) As of December 31, 2023, the consolidated company has not yet collected NT$32,722 thousand from the sale of its self-own land in 2023. This amount is recognized as other receivables.
3) As of December 31, 2023, the consolidated company acquired the equity of Kunshan Kawaguchi. As of December 31, 2023, the consolidated company has not yet paid NT$93,031 thousand. This amount is recognized as other payables.

37. Capital Risk Management

The consolidated company is currently in stable operations, and it conducts management of risks in capital to ensure that it would continue as a going concern with the premise of optimizing the balances of debt and equity, and to maximize shareholders' equity.

The consolidated company adopts a prudent risk management strategy which is reviewed on a regular basis and makes overall planning in accordance with its business development strategies and operational requirements to determine the appropriate capital structure of the consolidated company.

38. Financial instruments

a. Fair value information - financial instruments not measured at fair value

The carrying amounts of financial assets and financial liabilities not measured at fair value, except for the following table, are considered to be close to the fair value by the management of the consolidated company.

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

1) Fair Value Hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 1,000	$ -	$ 1,000
Domestic publicly traded shares	152,540	-	-	152,540
Non-guaranteed financial products with floating rate income	-	13,555	-	13,555
Total	$ 152,540	$ 14,555	$ -	$ 167,095
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
—Domestic publicly traded shares	$ 165,741	$ 398,437	$ -	$ 564,178
—Domestic non-publicly traded shares	-	-	87,965	87,965
Total	$ 165,741	$ 398,437	$ 87,965	$ 652,143
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 3,300	$ -	$ 3,300

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss				
Derivatives	$ -	$ 3,065	$ -	$ 3,065
Domestic publicly traded shares	139,497	-	-	139,497
Total	$ 139,497	$ 3,065	$ -	$ 142,562

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	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income				
Investments in equity instruments				
—Domestic publicly traded shares	$ 83,150	$ 251,124	$ -	$ 334,274
—Domestic non-publicly traded shares	-	-	69,201	69,201
Total	$ 83,150	$ 251,124	$ 69,201	$ 403,475
Financial liabilities at fair value through profit or loss				
Derivatives	$ -	$ 1,447	$ -	$ 1,447

There were no transfers between Levels 1 and 2 fair value measurement for the years ended December 31, 2023 and 2022.

2) Reconciliation of financial instruments at Level 3 fair value measurement

2023

Financial assets	Financial assets at fair value through other comprehensive income Equity instruments
Beginning balance	$ 69,201
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	18,764
Ending balance	$ 87,965

2022

Financial assets	Financial assets at fair value through other comprehensive income Equity instruments
Beginning balance	$ 65,273
Addition	14,774
Recognized in other comprehensive income (included in unrealized gain (loss) on financial assets at FVTOCI)	(10,846)
Ending balance	$ 69,201

3) Valuation techniques and inputs applied to Level 2 fair value measurement

Financial Instruments Classification	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Discounted cash flow: Estimate the future cash flow based on the observable forward exchange rate and the exchange rate specified in the contract, and discount the cash flow based on the discount rate that reflects the credit risk of the specific counterparty.
Derivatives - options to redeem convertible corporate bonds	were estimated by the binary tree model for convertible corporate bonds valuation, and the significant unobservable inputs used are stock price volatility. When share price volatility increases, the fair value of these derivatives will increase.
Domestic publicly traded securities	Private equity investments of the consolidated company are financial commodities that have an active market but cannot be sold subject to a lock-up period, and the consolidated company determines the fair value of such financial commodities based on the relevant market price.
Non-guaranteed financial products with floating rate income	Obtained by referring to quoted prices from counterparties.

4) Valuation techniques and inputs applied to Level 3 fair value measurement

The fair value of unquoted stocks is determined using market valuation method, such as the price-to-earnings ratio method and the price-to-book ratio method, to assess a reasonable fair value.

c. Classification of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at fair value through profit or loss		
Mandatorily at fair value through profit or loss	$ 167,095	$ 142,562
Financial assets at amortized cost (Note 1)	5,622,673	3,718,341
Financial assets at fair value through other comprehensive income		
Investments in equity instruments	652,143	403,475
Financial liabilities		
Measured at fair value through profit or loss		
Held for trading	3,300	1,447
Measured at amortized cost (Note 2)	6,174,778	5,800,804

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

Note 2: The balance refers to the financial liabilities measured at amortized cost, including short-term borrowings, note payables (including related parties), trade payables (including related parties), other payables, guarantee deposits, current portion of long-term borrowings and corporate bonds payables, and long-term borrowings.

d. Objectives and policy of financial risk management

The consolidated company's main financial instruments include equity investment, accounts receivable, accounts payable, corporate bonds payables, and borrowings. Financial risks relates to operations of the above mentioned financial instruments. (Including foreign exchange rates, interest rates and other price risks), credit risk and liquidity risk.

1) Market Risks

The consolidated company's activities expose it primarily to the financial risks of changes in foreign exchange rates (see (1) below) and the changes in interest rates (see (2) below).

There is no change in the consolidated company's exposure to market risks of financial instruments and how such exposure is managed and measured.

i. Exchange Rate Risks

The Company's several subsidiaries' sales and purchase transactions are denominated in foreign currency; as a consequence, the consolidated company is exposed to the risk of fluctuation in the exchange rate. The management of the consolidated company's exchange rate exposure is to use foreign exchange forward contracts and options to manage risks within the scope permitted by the policy.

Please refer to Note 42 for the carrying amount of monetary assets and monetary liabilities of the consolidated company denominated in non-functional currencies on the balance sheet date (including monetary items denominated in a non-functional currency in the consolidated financial statements).

Sensitivity analysis

The consolidated company is mostly affected by the fluctuation of the USD and JPY exchange rate.

The following table details the sensitivity analysis of the consolidated company when the exchange rate of the New Taiwan dollar (functional currency) increases and decreases by 1% against the relevant foreign currencies. A sensitivity rate of 1% is used internally when reporting to management from the group on exchange rate risks. It represents management's assessment on reasonably possible scope of foreign exchange rates.

	Effect of USD currency		Effect of JPY currency	
	2023	2022	2023	2022
Gains and losses	$ 8,485	$ 11,190(a)	$ 319	$ 1,092(b)

(a) It is mainly derived from USD-denominated bank deposits, receivables, and payables that are still outstanding on the balance sheet date of the consolidated company without cash flow hedging.

(b) It is mainly derived from JPY-denominated bank deposits, receivables, and payables that are still outstanding on the balance sheet date of the consolidated company without cash flow hedging.

ii. Interest Rate Risks

The entities of the consolidated company have been exposed to interest rate risk through its fixed and floating-rate borrowings.

The carrying amounts of the consolidated company's financial assets and financial liabilities subject to interest rate exposure on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
With interest rate risk of fair value		
- Financial assets	$ 226,398	$ 20,000
- Financial liabilities	1,094,674	1,017,083
Interest rate risk with cash flows		
- Financial assets	4,327,693	2,581,854
- Financial liabilities	3,561,440	3,354,726

Sensitivity analysis

The following sensitivity analysis is based on the interest rate exposure of derivative and non-derivative instruments on the balance sheet date. For floating rate liabilities, the analysis is based on the assumption that the amount of liabilities outstanding on the balance sheet date is circulated during the reporting period. A 25 basis point fluctuation in interest rate was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates increased/decreased by 0.25% and all other variables were held constant, the consolidated company's pre-tax net profit for the years ended December 31, 2023 and 2022 would increase/decrease by NT$1,916 thousand and NT$1,932 thousand, respectively.

iii. Other Price Risks

The consolidated company has equity price exposure arising from the investments in TWSE/TPEx equity securities, and the management of the consolidated company manage the risks by holding different risk investment portfolios.

Sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to equity price risk at the balance sheet date.

If the monetary fund price increased/ decreased by 10%, the income before tax for the years ended December 31, 2023 and 2022 would have increased/ decreased by NT$15,254 thousand and NT$13,950 thousand, respectively due to an increase/ decrease in the fair value of financial assets at fair value through profit or loss. The profit and loss before tax for 2023 and 2022 would be increased/decreased by NT$65,214 thousand and NT$40,348 thousand, respectively due to the increase/decrease in the fair value of the financial asset measured at fair value through other comprehensive income.

2) Credit Risks

Credit risk refers to the risk of financial loss of the group caused by the counterparty's default of contractual obligations. As of the balance sheet date, the consolidated company's maximum credit risk exposure that may cause financial losses due to the failure of the counterparty to fulfill the obligation and the financial guarantee provided by the consolidated company is mainly from:

i. The carrying amount of financial assets recognized in the consolidated balance sheets.

ii. Amount of contingent liabilities arising from financial guarantees provided by the consolidated company.

The policies adopted by the consolidated company are to trade only with well-reputed counterparties, and, as it is necessary, sufficient collateral must be obtained to reduce the risk of financial losses. To mitigate the credit risk, the management of the consolidated company appoints a team solely responsible for determination of credit lines, credit approvals and other monitoring procedures to ensure that appropriate action has been taken for the collection of overdue receivables. In addition, the consolidated company will review the recoverable amount of the receivables one by one on the balance sheet date to ensure that the unrecoverable receivables have been recognized with appropriate impairment loss. Accordingly, the management of the Company believes that the consolidated company's credit risk is significantly reduced. Therefore, the credit risk is limited.

The consolidated company's credit risks are concentrated on the biggest client, and the ratio of accounts receivable from the above-mentioned client as of December 31, 2023 and 2022 were 41% and 25%, respectively.

3) Liquidity Risks

The consolidated company manages and maintains sufficient positions in cash and cash equivalents to support the consolidated company's operations and to mitigate the impact of cash flow fluctuations. The management of the consolidated company supervises the use of the bank's financing line and ensures compliance with the terms of the loans contract.

The bank loans are an important source of liquidity for the consolidated company. Please refer to the following (2) description of financing lines for the unused financing lines of the consolidated company as of the end of the years ended December 31, 2023 and 2022.

i. Liquidity of non-derivative financial liabilities

The remaining contractual maturity analysis for non-derivative financial liabilities is prepared based on the undiscounted cash flows (including principal and estimated interest) of financial liabilities based on the earliest date on which the consolidated company can be required to pay. Therefore, the consolidated company's bank borrowings with repayment on demand clause are included in the earliest duration in below table regardless of the probability of the banks choosing to exercise their rights immediately. The analysis of maturity dates for other non-derivative financial liabilities is based on the agreed repayment dates.

December 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and above	Total
Non-derivative financial liabilities						
Notes payable	$ 123	$ -	$ -	$ -	$ -	$ 123
Trade payables	549,543	-	-	-	-	549,543
Other payables	1,112,235	-	-	-	-	1,112,235
Lease liabilities	44,835	43,664	33,329	49,952	-	171,780
Guarantee deposits	-	9,022	-	-	-	9,022
Other current liabilities	80,218	-	-	-	-	80,218
Borrowings	386,048	642,924	176,320	2,356,148	-	3,561,440
Convertible corporate bonds	-	-	1,000,000	-	-	1,000,000
	$2,173,002	$ 695,610	$1,209,649	$2,406,100	$ -	$6,484,361

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

	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
Lease liabilities	$ 44,835	$ 43,664	$ 33,329	$ 49,952	$ -

December 31, 2022

	Less than 1 year	1 to 2 years	2 to 3 years	3 to 5 years	5 years and above	Total
Non-derivative financial liabilities						
Notes payable	$ 8,853	$ -	$ -	$ -	$ -	$ 8,853
Trade payables	554,895	-	-	-	-	554,895
Other payables	951,210	-	-	-	-	951,210
Lease liabilities	30,530	24,414	19,004	15,850	9,110	98,908
Guarantee deposits	-	8,538	-	-	-	8,538
Other current liabilities	13,696	-	-	-	-	13,696
Borrowings	185,521	597,050	197,409	2,374,746	-	3,354,726
Convertible corporate bonds	-	-	964,800	-	-	964,800
	$1,744,705	$ 630,002	$1,181,213	$2,390,596	$ 9,110	$5,955,626

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

	Less than 1 year	1-2 years	2-3 years	3-5 years	5 years and above
Lease liabilities	$ 30,530	$ 24,414	$ 19,004	$ 15,850	$ 9,110

ii. Liquidity of derivative financial liabilities

Liquidity analysis of derivatives is prepared on the basis of undiscounted contract net cash inflows and outflows for derivatives with net delivery. For derivatives to be taken for gross delivery, it is prepared on the basis of undiscounted gross cash inflows and outflows. When the amount payable or receivable is not fixed, the amount disclosed is determined based on the estimated interest rate projected by the yield curve on the balance sheet date.

December 31, 2022

	Payment on demand or less than 1 month	1-3 months	3 months to 1 year	1 to 5 years	5 years above
Net delivery					
Foreign exchange forward contracts	$ 4,145	$ -	$ -	$ -	$ -

iii. Financing facilities

	December 31, 2023	December 31, 2022
Credit line of unsecured bank overdraft (to be extended with agreement between two parties)		
Amount used	$ 913,135	$ 650,223
Amount unused	1,364,360	961,000
	$ 2,277,495	$ 1,611,223
Credit line of secured bank loans (to be extended with agreement between two parties)		
Amount used	$ 2,644,969	$ 2,701,620
Amount unused	748,319	1,209,260
	$ 3,393,288	$ 3,910,880

39. Related parties transaction

All transactions, account balances, gains and losses between the Company and subsidiaries (related parties of the Company) have been eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the consolidated company and other related parties are as follows:

a. Name and relationship of related party

Name of related party	Relationship with the consolidated company
Sheng Jie Investment Co., Ltd. (hereinafter “Sheng Jie”)	Substantial related party
Yun Sheng Investment Co., Ltd. (hereinafter “Yun Sheng”)	Substantial related party
Jin Peng Investment Co., Ltd. (hereinafter “Jin Peng”)	Substantial related party
Onore King Taiwan International Marketing Co., Ltd. (hereinafter “Onore King”)	Substantial related party
Ting Shan Enterprise Co., Ltd. (hereinafter “Ting Shan”)	Substantial related party
Shuo Great Co., Ltd. (hereinafter “Shuo Great”)	Substantial related party
Laien Parts Technology Co., Ltd. (hereinafter “Laien Parts”)	Substantial related party
Sun bright Technology Co., Ltd. (hereinafter “Sun bright”)	Substantial related party
Symtek Automation Asia Co., Ltd. (hereinafter “Symtek”)	Substantial related party
JIN HUI Technology Co., Ltd. (hereinafter “JIN HUI”)	Associates
YAHO System Technology Co., Ltd. (hereinafter “YAHO”)	Associates

b. Operating Revenue

Item	Name of related party	2023	2022
Sales revenue	Substantial related party	$ 2,664	$ -
	Associates	12	-
		$ 2,676	$ -

c. Purchase

Item	Name of related party	2023	2022
Cost of Good sold	Substantial related party	$ 33,404	$ -
	Associates	70,754	40,772
		$ 104,158	$ 40,772

The products purchased by the consolidated company are mainly custom-made and do not have comparable counterparts.

d. Receivables from related parties (excluding loans to related parties)

Item	Name of related party	December 31, 2023	December 31, 2022
Trade receivables - related parties	Ting Shan	$ -	$ 221
	Shuo Great	134	54
	YAHO	13	-
		$ 147	$ 275
Notes receivable - related parties	Ting Shan	$ 161	$ -
	Shuo Great	61	615
		$ 222	$ 615
Other receivable - related parties	Onore King	$ -	$ 2
	Symtek	12,643	-
	JIN HUI	10	7
		$ 12,653	$ 9

No guarantee has been collected for the outstanding receivables from related parties. No expected credit impairment loss was set aside for receivables from related parties for the years ended December 31, 2023 and 2022.

e. Payable to related party (excluding loans to related parties)

Item	Name of related party	December 31, 2023	December 31, 2022
Trade payable - related parties	Laien Parts	$ 14,387	$ -
	JIN HUI	17,401	13,616
	YAHO	3,344	-
		$ 35,132	$ 13,616
Notes payable - related parties	Shuo Great	$ -	$ 100
Other payable - related parties	Laien Parts	$ 10	$ -

The outstanding balance of payables to related parties is not collateralized.

f. Prepayments

Name of related party	December 31, 2023	December 31, 2022
YAHO	$ 4,050	$ -

g. Acquisition of property, plant and equipment

Name of related party	Acquisition price 2023	Acquisition price 2022
Laien Parts	$ 136,000	$ -

h. Disposal of property, plant and equipment

Name of related party	Proceeds from disposal 2023	Proceeds from disposal 2022	Gain (loss) on disposal 2023	Gain (loss) on disposal 2022
Shuo Great	$ 31	$ -	($ 1,386)	$ -

i. Lease agreements as a lessee

Lease expenses

Lessor	Underlying subject	Rental and payment method of rent	Lease expenses 2023	Lease expenses 2022
Substantial related party	Employee dorm	The monthly rent for each room is NT$134 thousand, which shall be paid on a monthly basis.	$ 1,632	$ 1,457
Substantial related party	Warehouse	The monthly rent for each room is NT$150 thousand, which shall be paid on a monthly basis.	$ 1,800	$ 1,350

j. Lease agreements as a lessor

1) The total amount of lease payments received in the future is summarized as follows:

Name of related party	December 31, 2023	December 31, 2022
Substantial related party	$ 36	$ 36

2) Rental income is summarized as follows:

Lessee	Underlying subject	Rental and payment method of rent	2023	2022
Substantial related party	Office	Rent amounted to NT$1 thousand per month with monthly payment.	$ 48	$ 50

3) Guarantee deposits is summarized as follows:

Name of related party	December 31, 2023	December 31, 2022
Sheng Jie	$ 2	$ 2
Yun Sheng	2	2
Jin Peng	2	2
	$ 6	$ 6

k. Other Related Party Transactions

1) Other income

Item	Name of related party	2023	2022
Other income	Substantial related party	$ 1,353	$ -
	Associates	192	118
		$ 1,545	$ 118

2) Other Assets and Liabilities

Item	Name of related party	December 31, 2023	December 31, 2022
Refundable deposits	Sheng Jie	$ 23	$ -
	Yun Sheng	300	-
		$ 323	$ -
Received on behalf of others	Sun Bright	$ 68,638	$ -

l. Remuneration of key management

	2023	2022
Short-term employee benefits	$ 69,981	$ 67,063
Share-based payment	1,991	2,038
	$ 71,972	$ 69,101

The remuneration of directors and other members of key management was determined by the remuneration committee based on the individual performance and market trends.

40. Pledged Assets

The following assets were pledged as collateral for financing loans:

	December 31, 2023	December 31, 2022
Pledged time deposits (recognized as financial assets measured at amortized cost)	$ 121,500	$ 126,500
Pledged deposits (recognized as financial assets measured at amortized cost)	56,740	2,546
Self-owned land	2,746,761	2,383,780
Buildings, net	558,605	487,262
Investment properties	654,375	780,755
	$ 4,137,981	$ 3,780,843

41. Significant Contingent Liabilities and Unrecognized Contract Commitments

Except for those disclosed in other notes, significant commitments and contingencies of the consolidated company on the balance sheet date are as follows:

a. Significant Commitments

1) As of December 31, 2023, guarantee notes issued by the consolidated company for financing facilities applied from financial institutions (including long-term and short-term borrowings) amounted to NT$681,900 thousand.

2) The consolidated company has contracted with various manufacturers to purchase equipment and land. The total contract price is NT$3,759,588 thousand. As of December 31, 2023, it has paid NT$376,820 thousand, of which NT$240,820 thousand is accounted for as prepaid equipment payments and NT$136,000 thousand as property under construction, and the remaining NT$3,382,768 thousand has not been paid.

b. Contingency

The Company's patent of Republic of China No. I238804 has been infringed upon by Entegris Inc. (hereinafter referred to as Entegris) and seven others without authorization, resulting in damages to the Company. The Company has filed a lawsuit for damages in the Intellectual Property Court, requesting a joint compensation of NT$100 million from the aforementioned individuals. The court has rejected the appeal, deeming that the claimant is not qualified after hearing the case, and the Company has declared an appeal against this judgment. The appeal is currently under review.

Entegris in the US filed a confirmation lawsuit with the Intellectual Property Court of the Intellectual Property and Commercial Court on the grounds that the Company's patent of Republic of China No. I238804 was invalid. After the court trial, it was ruled that there was no infringement of patent rights. The Company intends to appeal against this judgment. On January 31, 2024, during the second instance proceedings, Entegris made a statement in court to withdraw the lawsuit. Gudeng has also agreed to withdraw the lawsuit. The plaintiff filed a withdrawal notice on February 16, and the case is now closed.

Entegris has filed a lawsuit against the Company in the Intellectual Property Court of the Intellectual Property and Commercial Court, alleging infringement of the patent of Republic of China No. I606534 or I515159. They are requesting damages of NT$30 million from the Company. The Company received a transcript of complaint on September 12, 2023 and it is currently undergoing the first instance proceedings in the Intellectual Property Court.

The above-mentioned cases have not yet been certain, and it has no significant impact on the operation of finance and business sales function through evaluation.

42. Information on Foreign Currency Assets and Liabilities with Significant Effect

The following information summarizes the currencies other than the functional currencies of the entities of the consolidated company. The disclosed exchange rates refer to the rates at which these foreign currencies are converted into functional currencies. Information on foreign currency assets and liabilities with significant effect are as follows:

December 31, 2023

	Foreign currency	Exchange rate		Carrying Amount
Foreign currency assets				
Monetary items				
USD	$ 53,955	30.705	(USD:NTD)	$ 1,656,688
JPY	152,823	0.2172	(JPY:NTD)	33,193
RMB	5,652	4.327	(RMB:NTD)	24,456
				$ 1,714,337
Foreign currency liabilities				
Monetary items				
USD	26,320	30.705	(USD:NTD)	$ 808,156
JPY	5,826	0.2172	(JPY:NTD)	1,265
RMB	1,824	4.327	(RMB:NTD)	7,892
				$ 817,313

December 31, 2022

Foreign currency assets	Foreign currency	Exchange rate	Carrying Amount
Monetary items			
USD	$ 43,054	30.71 (USD:NTD)	$ 1,322,188
JPY	469,793	0.2324 (JPY:NTD)	109,180
RMB	80	4.408 (RMB:NTD)	353
			$ 1,431,721
Foreign currency liabilities			
Monetary items			
USD	6,618	30.71 (USD:NTD)	$ 203,239
RMB	6,758	4.408 (RMB:NTD)	29,789
			$ 233,028

The net foreign exchange gain or loss (realized and unrealized) of the consolidated company for the years ended December 31, 2023 and 2022 were a gain of NT$3,172 thousand and a gain of NT$54,560 thousand, respectively. Due to the variety of foreign currency transactions and functional currencies of the group individual entities, the exchange gains or losses could not be disclosed according to the foreign currencies with significant impact.

43. Supplementary Disclosures

a. Information on significant transactions and b. reinvestment:

No.	Item	Description
1	Loans to others.	Table 1
2	Endorsements/guarantees to others.	Table 2
3	MARKETABLE SECURITIES HELD AT THE END OF THE PERIOD. (excluding investment in subsidiaries, associates, and joint ventures)	Table 3
4	The cumulative purchase or sale of the same securities amounted to NT$300 million or 20% and above of the paid-in capital.	Table 4
5	The amount of property acquired reached NT$300 million or 20% and above of the paid-in capital.	Table 10
6	The amount of property disposal reached NT$300 million or 20% and above of the paid-in capital.	None
7	The amount of purchases or sales with related parties reached NT$100 million or 20% and above of the paid-in capital.	Table 5
8	Receivables from related parties amounted to NT$100 million or 20% and above of paid-in capital.	None
9	Engaged in derivative products transactions.	Table 7
10	Others: the business relationships and significant transactions and amounts between parent and subsidiaries and between subsidiaries.	Table 6
11	Investee information	Table 7

c. Information on Investments in Mainland China:

No.	Item	Description
1	Name of the investee in mainland China, primary business, paid-in capital, investment method, outward and inward remittance of the fund, shareholding ratio, investment gain (loss) recognized for the period, carrying amount of the investment at the end of the period, repatriation of investment profit or loss and investment limit in mainland China.	Table 8
2	The following significant transactions with the mainland investee, directly or indirectly through the third region, and their prices, payment terms, unrealized gain or loss:	
	(1) Purchase amount and percentage, ending balance and percentage of payables.	Table 9
	(2) Sales amount and percentage, ending balance and percentage of receivables.	Table 9
	(3) The amount of property transactions and the amount of profit or loss generated.	None
	(4) The ending balance and the purpose of bill endorsement, or provision of collateral.	Table 2
	(5) The maximum balance, ending balance, Interest rate interval and total amount of current interest of financing.	Table 1
	(6) Other transactions that have a significant effect on the current profit or loss or financial situation, such as the provision or acceptance of services.	Table 9

d. Information of major shareholder: list of all shareholders with ownership of 5% or greater showing the names and the number of shares and percentage of ownership held by each shareholder. (Table 11)

44. Segment information

Information provided to key operational decision-makers to allocate resources and evaluate segment performance, focusing on the types of products or services delivered or provided. The reportable segments of the consolidated company are as follows:

Semiconductor - manufacturer.

Motor vehicles - direct sales and maintenance.

Others

a. Segment revenue and operating results

The revenue and operating results of the consolidated company shall be analyzed by the reportable segments as follows:

	2023				
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Revenue					
Revenue from external clients	$ 3,371,537	$ 1,206,778	$ 500,030	$ -	$ 5,078,345
Interdepartmental revenue	419,736	3,166	192,674	(615,576)	-
Interest income	26,230	10,534	8,330	(2,030)	43,064
Total revenue	$ 3,817,503	$ 1,220,478	$ 701,034	($ 617,606)	$ 5,121,409
Interest expenses	$ 84,199	$ 733	$ 6,551	($ 2,302)	$ 89,181
Depreciation and amortization expenses	$ 284,311	$ 22,139	$ 34,733	($ 3,507)	$ 337,676
Segment gains and losses	$ 961,487	$ 231,819	$ 124,600	($ 294,533)	$ 1,023,373

	2022					
	Semiconductor manufacturing	Motor vehicles trading	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Revenue						
Revenue from external clients	$ 3,240,538	$ 89,490	$ 987,755	$ 176,248	$ -	$ 4,494,031
Interdepartmental revenue	383,630	-	1,672	106,087	(491,389)	-
Interest income	2,929	44	963	1,651	-	5,587
Total revenue	$ 3,627,097	$ 89,534	$ 990,390	$ 283,986	($ 491,389)	$ 4,499,618
Interest expenses	$ 52,811	$ 35	$ 139	$ 2,106	($ 35)	$ 55,056
Depreciation and amortization expenses	$ 233,004	$ 1,728	$ 11,635	$ 15,531	($ 3,904)	$ 257,994
Segment gains and losses	$ 1,011,998	($ 3,989)	$ 203,415	$ 82,765	($ 266,860)	$ 1,027,329

b. Segment assets and liabilities

	December 31, 2023				
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Segment assets	$14,174,765	$ 1,880,714	$ 3,973,711	($ 3,730,826)	$16,298,364
Segment liabilities	$ 5,690,972	$ 1,147,407	$ 865,335	($ 316,121)	$ 7,387,593

	December 31, 2022				
	Semiconductor manufacturing	Semiconductor equipment manufacturing	Others	Adjustment and elimination	Total
Segment assets	$11,070,014	$ 1,616,042	$ 1,882,089	($ 2,334,721)	$12,233,424
Segment liabilities	$ 5,802,021	$ 1,065,473	$ 235,987	($ 224,681)	$ 6,878,800

Based on the purpose of supervising segment performance and allocating resources to each segment:

1) All assets are evenly allocated to reportable segments other than associates accounted for using the equity method, other financial assets and current and deferred income tax assets. The goodwill has been allocated to the reportable segments. Assets shared by reportable segments are allocated based on the revenue earned by each reportable segment; and

2) All liabilities are evenly allocated to reportable segments other than borrowings, other financial liabilities and current and deferred income tax liabilities. The liabilities shared by reportable segments should be allocated proportionally based on the segments' assets.

c. Income from major products and services

The income from main products and services of the consolidated company is analyzed as follows:

	2023	2022
Photomask carrier products	$ 2,330,972	$ 2,380,923
Wafer carrier products	967,118	653,771
Machinery and equipment	1,074,060	924,206
Motor vehicles trading	-	71,051
Semiconductor manufacturing raw materials and consumables	94,799	46,137
Others	611,396	417,943
	$ 5,078,345	$ 4,494,031

d. Regional Information

The consolidated company mainly operates in two regions - Taiwan and mainland China.

Revenue from external customers of the consolidated company is divided by location of operation and non-current assets by location of assets are listed as follows:

	Revenue from external clients		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$4,770,403	$3,961,871	$7,280,190	$6,076,099
Mainland China	307,890	532,160	271,985	21,970
Others	52	-	98,311	3,445
	$5,078,345	$4,494,031	$7,650,486	$6,101,514

Non-current assets do not include assets classified as financial instruments and deferred income tax assets.

e. Information of major clients:

Revenues from single customer accounting for more than 10% of the consolidated company's total revenue are as follows:

	2023	2022
Client A	$ 2,068,194	$ 1,978,663

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Financing provided to others
From January 1 to December 31, 2023
Unit: In thousands of NT$ and foreign currency, unless otherwise specified

No. (Note 1)	Financing Company	Counterparty	Transaction Item	Related Party	Maximum Balance for the Period	Ending Balance	Amount actually drawn	Interest Rate	Nature for Financing (Note 2)	Business Interaction Amounts	Reason for Financing	Allowance for Bad Debt	Collateral		Financing Limits for Each Borrowing Company (Note 3)	Total financing limits (Note 3)	Note
													Name	Value			
0	Gudeng Precision Industrial Co., Ltd.	We Solutions Technology Co., Ltd.	Other receivable - related parties	Y	$ 30,000	$ -	$ -	3%	2	$ -	Operating capital	$ -	None	$ -	$ 3,247,698	$ 3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	We Solutions Technology Co., Ltd.	Other receivable - related parties	Y	30,000	30,000	-	3%	2	-	Operating capital	-	Promissory note	30,000	3,247,698	3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Venture Capital Co., Ltd.	Other receivable - related parties	Y	30,000	-	-	3%	2	-	Operating capital	-	None	-	3,247,698	3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Venture Capital Co., Ltd.	Other receivable - related parties	Y	30,000	30,000	-	3%	2	-	Operating capital	-	Promissory note	30,000	3,247,698	3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	Shuoting Precision Industry Co., Ltd.	Other receivable - related parties	Y	50,000	50,000	27,000	3%	2	-	Operating capital	-	Promissory note	50,000	3,247,698	3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	Other receivable - related parties	Y	245,640 (USD 8,000)	245,640 (USD 8,000)	-	3%	2	-	Operating capital	-	Promissory note	245,640 (USD 8,000)	3,247,698	3,247,698	
0	Gudeng Precision Industrial Co., Ltd.	Jiurun Precision Technology Co., Ltd.	Other receivables	N	25,000	25,000	-	3%	2	-	Operating capital	-	None	-	3,247,698	3,247,698	
1	Shanghai Gudeng Trading Co., Ltd.	Suzhou Kunju Trading Co., Ltd.	Other receivable - related parties	Y	30,289 (RMB 7,000)	- (RMB -)	- (RMB -)	3%	2	-	Operating capital	-	None	- (RMB -)	3,247,698	3,247,698	
2	Suzhou Kunju Trading Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	Other receivable - related parties	Y	30,289 (RMB 7,000)	- (RMB -)	- (RMB -)	3%	2	-	Operating capital	-	None	- (RMB -)	3,247,698	3,247,698	
3	Gudeng Venture Capital Co., Ltd.	Gudeng Precision Industrial Co., Ltd.	Other receivable - related parties	Y	30,000	-	-	3%	2	-	Operating capital	-	None	-	3,247,698	3,247,698	
3	Gudeng Venture Capital Co., Ltd.	Hengyang Green Energy Co., Ltd.	Other receivable - related parties	Y	20,000	-	-	3%	2	-	Operating capital	-	None	-	3,247,698	3,247,698	
3	Gudeng Venture Capital Co., Ltd.	Gudeng Precision Industrial Co., Ltd.	Other receivable - related parties	Y	30,000	30,000	-	3%	2	-	Operating capital	-	Promissory note	30,000	3,247,698	3,247,698	
3	Gudeng Venture Capital Co., Ltd.	Hengyang Green Energy Co., Ltd.	Other receivable - related parties	Y	20,000	20,000	-	3%	2	-	Operating capital	-	Promissory note	20,000	3,247,698	3,247,698	
4	We Solutions Technology Co., Ltd.	Fu Rui Sheng Industrial Co., Ltd.	Other receivable - related parties	Y	15,000	-	-	3%	2	-	Operating capital	-	None	-	145,819	145,819	
4	We Solutions Technology Co., Ltd.	Shuoting Precision Industry Co., Ltd.	Other receivable - related parties	Y	15,000	15,000	15,000	3%	2	-	Operating capital	-	Promissory note	15,000	145,819	145,819	
5	Gudeng Investment Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	Other receivable - related parties	Y	245,640 (USD 8,000)	245,640 (USD 8,000)	92,568 (RMB 21,393)	3%	2	-	Operating capital	-	Promissory note	245,640 (USD 8,000)	3,247,698	3,247,698	

Note 1: The No. column is filled as follows:
(1) Fill in 0 for issuer.
(2) Investee companies are numbered in order starting from Arabic numeral 1 by company.

Note 2: The nature of the financing are explained as follows:
(1) Fill in 1 for any business interaction.
(2) Fill in 2 for any needs in short-term financing.

Note 3: The methods of calculation and amounts for financing limits.
1. Financing limits for each borrowing company:
(1) The Company's financing limits for each borrowing company for is limited to 40% of the Company's current net worth (December 31, 2023) in compliance with the Company's regulations of procedures for financing.
(2) The investee company's financing limits for each borrowing company for is limited to 40% of the Company's current net worth (December 31, 2023) in compliance with the Company's regulations of procedures for financing.
2. Total financing limits:
(1) The Company's aggregate financing limits for external parties for is limited to 40% of the Company's current net worth (December 31, 2023) in compliance with the Company's regulations of procedures for financing.
(2) The investee company's aggregate financing limits for external parties for is limited to 40% of the Company's current net worth (December 31, 2023) in compliance with the Company's regulations of procedures for financing.
3. The Company's financing limits are calculated based on the net worth of the Company's financial statements reviewed by the certified public accountants; the investee company's financing limits are calculated based on the net worth of the Company's foreign currency financial statements reviewed by the certified public accountants.

Note 4: Financing between the Company and foreign companies whose 100% voting rights held directly or indirectly by the Company is not restricted to the financing limits stated in Note 3.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Endorsements/guarantees to others
From January 1 to December 31, 2023
Unit: In thousands of NT$ and foreign currency, unless otherwise specified

No. (Note 1)	Name of the endorser's company	Endorsement object		Limit of endorsement for single enterprise (Note 3)	Maximum endorsement balance for the current period	Ending endorsement balance	Amount actually drawn	Amount of endorsement secured by property	Ratio of accumulated endorsement amount to net value of latest financial statement (%)	Maximum limit of endorsement (Note 3)	Endorsement of the parent company to the subsidiary company	Endorsement of the subsidiary company to the parent company	Endorsement to Mainland China	Note
		Name of company	Relationship (Note 2)											
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	(3)	$ 1,623,849	$ 768,139 (RMB137,500) (USD 5,640)	$ 768,139 (RMB137,500) (USD 5,640)	$ 688,426	$ -	11.86	$ 4,059,622	Y	N	Y	
0	Gudeng Precision Industrial Co., Ltd.	Gudeng Inc. (USA)	(3)	1,623,849	30,705 (USD 1,000)	30,705 (USD 1,000)	-	-	0.47	4,059,622	Y	N	N	
0	Gudeng Precision Industrial Co., Ltd.	Shuoting Precision Industry Co., Ltd.	(3)	1,623,849	50,000	50,000	-	-	0.77	4,059,622	Y	N	N	
1	Suzhou Kunju Trading Co., Ltd.	Gudeng Investment Co., Ltd.	(3)	1,623,849	21,635 (RMB 5,000)	-	-	-	-	4,059,622	N	N	N	

Note 1: The No. column is filled as follows:

(1) Fill in 0 for issuer.

(2) Investee companies are numbered in order starting from Arabic numeral 1 by company.

Note 2: The relationship between the endorsement and the endorsed object is as follows:

(1) The companies with business relationships.

(2) The subsidiaries that directly hold more than 50% of the common stock.

(3) The investee company in which the parent company and its subsidiary indirectly hold more than 50% of the common stock.

(4) A parent company that owns more than 50% of its common stock, either directly or indirectly through a subsidiary.

Note 3: Calculation method and amount of endorsement limit:

1. Limit of endorsement for single enterprise:

(1) The limit of the company's endorsement for a single company is in accordance with the company's endorsement operating procedures, and the limit shall not exceed 20% of the company's current net value (December 31, 2023).

(2) The limit of the company's endorsement for an overseas single affiliated company is in accordance with the company's endorsement operating procedures, and the limit shall not exceed 20% of the company's current net value (December 31, 2023).

2. Maximum limit of endorsement:

(1) The limit of the company's cumulative endorsement is in accordance with the company's endorsement operating procedures, and the limit shall not exceed 50% of the company's current net value (December 31, 2023).

Note 4: An inter-company endorsement in which the company directly or indirectly holds 100% of the voting shares is not subject to the endorsement limit of Note 3.

Table III

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Marketable securities held at the end of the period
December 31, 2023
Unit: In Thousands of New Taiwan Dollars, Except Shares

Name of Held Company	Type and Name of Marketable Securities (Note 1)	Relationship with the issuer of securities	Financial Statement Account	End of the Period				Note
				Number of Shares	Carrying Amount	Percentage of Ownership	Fair Value	
Gudeng Precision Industrial Co., Ltd.	Listed companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Purchase of financial assets at fair value through other comprehensive income - non-current	4,161,692	$ 415,334	5.53	$ 415,334	Note 2
Gudeng Venture Capital Co., Ltd.	Listed companies							
	Symtek Automation Asia Co., Ltd.	Substantial related party	Financial assets at fair value through profit or loss - current	1,459,713	$ 152,540	1.94	$ 152,540	—
	Asia Neo Tech Industrial Co., Ltd.	—	Purchase of financial assets at fair value through other comprehensive income - non-current	2,819,000	148,844	8.73	148,844	—
					$ 301,384		$ 301,384	
	Non-publicly traded company							
	Yinsmart Technology Co., Ltd.	—	Financial assets at fair value through profit or loss - current	25,000	$ -	5.00	$ -	—
	NanoClean Materials Co., Ltd.	—	Purchase of financial assets at fair value through other comprehensive income - non-current	1,000,000	4,020	10.00	4,020	—
	MontJade Engineering Co., Ltd.	—	〃	751,472	7,883	3.36	7,883	—
	Jiurun Precision Technology Co., Ltd.	—	〃	932,000	29,032	16.00	29,032	—
	Origin Precision Technology Co., Ltd.	—	〃	590,000	5,021	19.67	5,021	—
	Certain Micro Application Technology Inc.	—	〃	1,595,495	42,009	8.62	42,009	—
					$ 87,965		$ 87,965	
Dachuan Plastic Industrial (Kunshan) Co.,Ltd.	Non-guaranteed financial products of China Construction Bank	—	Financial assets at fair value through profit or loss - current	-	$ 13,555	-	$ 13,555	—
Bor Sheng Industrial Co., Ltd.	Non-publicly traded company							
	Ting Shan Enterprise Co., Ltd.	—	Financial assets at fair value through profit or loss - current	300,000	$ -	9.58	$ -	—
Fu Rui Sheng Industrial Co., Ltd.	Non-publicly traded company							
	Ting Shan Enterprise Co., Ltd.	—	Financial assets at fair value through profit or loss - current	357,950	$ -	11.43	$ -	—

Note 1: The marketable securities stated in this table is defined as shares, bonds, and beneficiary certificates in the scope of IFRS 9 “Financial Instruments,” and the marketable securities derived from the above-mentioned items.
Note 2: Some of them are private ordinary shares which are financial commodities that have an active market but cannot be sold subject to a lock-up period, the fair value of which is determined based on the relevant market price.
Note 3: The negotiable securities held by the consolidated company are not subject to any guarantee, pledge or other restrictions as agreed except as disclosed in the remarks.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

The cumulative purchase or sale of the same securities amounted to NT$300 million or 20% and above of the paid-in capital
From January 1 to December 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Company Name	Type and Name of Marketable Securities	Financial Statement Account	Counterparty	Relationship	Beginning		Buy		Sell				Other adjustment items (Note)	End of the Period	
					Number of Shares	Amount	Number of Shares	Amount	Number of Shares	Selling price	Carrying Cost	Gain (Loss) on disposal		Number of Shares	Amount
Gudeng Precision Industrial Co., Ltd.	Gudeng Aerospace Technologies Corporation	Investments accounted for using the equity method	Gudeng Aerospace Technologies Corporation	Subsidiaries	-	$ -	16,000,000	$ 320,000	-	$ -	$ -	$ -	$ 381	16,000,000	$ 320,381
Rich Point Global Corp.	Sun Park Development Limited	Investments accounted for using the equity method	Sun Park Development Limited	Subsidiaries	-	115,741 (RMB 26,257)	-	219,360 (RMB 49,900)	-	-	-	-	53,278	-	388,379 (RMB 89,757)
Sun Park Development Limited	Shanghai Gudeng Trading Co., Ltd.	Investments accounted for using the equity method	Shanghai Gudeng Trading Co., Ltd.	Subsidiaries	-	79,322 (RMB 17,995)	-	219,360 (RMB 49,900)	-	-	-	-	62,043	-	360,725 (RMB 83,366)
Shanghai Gudeng Trading Co., Ltd.	Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Investments accounted for using the equity method	Jin Long Global Co., Ltd.	—	-	-	-	472,892 (RMB 107,500)	-	-	-	-	8,794	-	481,686 (RMB 111,321)

Note: It includes the share of gains and losses of subsidiary recognized by adopting equity method and unrealized appraisal gains and losses of financial assets measured at fair value through other comprehensive gains and losses.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Amount of purchases or sales with related parties reached to NT$100 million or 20% and above of the paid-in capital
From January 1 to December 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Buyer/Seller	Name of Counterparty	Relationship	Transaction Status				Abnormal Transaction Situation and Reasons		Notes/ Trade Receivable (Payable)		Note
			Purchase (Sale)	Amount	Ratio to Total Purchase (Sales)	Credit Terms	Unit Price	Credit Terms	Balance	Ratio to Total Notes or Trade Receivable (payable)	
Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	The same affiliate	Sales	$ 205,675	6	120 days	-	-	$ 74,046	10	
〃	We Solutions Technology Co., Ltd.	〃	Purchase	185,543	18	35 days	-	-	(33,426)	(9)	

Note 1: If the trading conditions of related parties are different from general trading conditions, the situation and reasons for the differences should be described in the Unit Price and Credit Terms columns.

Note 2: In case of advance receipt (payment), the reasons, contractual terms, amount and difference from the general transaction shall be stated in the Remarks column.

Note 3: The paid-in capital is the paid-in capital of the parent company. For issuers with shares of no-par value or of par value which is not NT$10 per share, the regulation regarding the 20% of the paid-in capital is calculated by the 10% equity attributable to owners of the parent company on the balance sheet.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

The business relationships and significant transactions between parent and subsidiaries.
From January 1 to December 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

No. (Note 1)	Name of Counterparty	Trade Counterparty	Relationship with Counterparties (Note 2)	Transaction Status			
				Account	Amount	Transaction Terms (Note 4)	Ratio to total consolidated revenue or total assets (Note 3)
0	Gudeng Precision Industrial Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	1	Sales	$ 205,675	–	4
			1	Service fees	112,178	–	2
			1	Trade receivables - related parties	74,046	–	-
			1	Other receivable - related parties	1,449	–	-
			1	Other payable - related parties	7,136	–	-
		Gudeng Equipment Co., Ltd.	1	Sales	10,578	–	-
			1	Rental income	3,583	–	-
			1	Other income	2,275	–	-
			1	Trade receivables - related parties	2,046	–	-
			1	Prepayments for equipment	13,500	–	-
		We Solutions Technology Co., Ltd.	1	Purchase	185,543	–	4
			1	Trade payable - related parties	33,426	–	-
		Gudeng Inc. (USA)	1	Service fees	47,967	–	-
			1	Other payable - related parties	7,870	–	-
		Shuoting Precision Industry Co., Ltd.	1	Sales	8,584	–	-
			1	Purchase	24,857	–	-
			1	Trade receivables - related parties	5,874	–	-
			1	Other receivable - related parties	27,061	–	-
		Dachuan Plastic Industrial (Kunshan) Co., Ltd.	1	Sales	9,125	–	-
			1	Trade receivables - related parties	16,709	–	-
1	Gudeng Equipment Co., Ltd.	Shanghai Gudeng Trading Co., Ltd.	3	Contract liabilities	17,984	–	-
2	Gudeng Investment	Shanghai Gudeng Trading Co., Ltd.	3	Other receivable - related parties	93,819	–	-
3	We Solutions Technology Co., Ltd.	Shuoting Precision Industry Co., Ltd.	3	Other receivable - related parties	15,034	–	-

Note 1: Information on business transaction information between the parent company and its subsidiaries should be specified separately in the No. column. The method for filling in the numbers is as follows:
1. Fill in 0 for parent company
2. Subsidiary are numbered in order starting from Arabic numeral 1 by company.

Note 2: There are three types of relationships with counterparties, simply indicate the type:
1. Parent company to subsidiary
2. Subsidiary to parent company
3. Subsidiary to subsidiary

Note 3: For calculating the ratio of transaction amount to total consolidated revenue or total assets, if it is under the asset and liability accounts, it is the ratio of the ending balance to the total consolidated assets. If it is under the profit or loss account, it is the ratio of the cumulative amount for the interim period to the total consolidated revenue.

Note 4: The prices of purchases and sales between the parent company and its subsidiaries are determined according to the contract, with a payment term of 90 days, and are subject to adjustments based on the capital utilization of affiliated companies. For the rest of the transactions, as there are no relevant or similar transactions to follow, the two parties shall determine through negotiation

Note 5: This table discloses one-way information on the transactions only, and the above-mentioned transactions are wholly eliminated when preparing consolidated financial statements.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Names, Locations and Relevant Information of Investee Companies
From January 1 to December 31, 2023
Unit: In Thousands of New Taiwan Dollars and Foreign Currency, Except Shares

Name of Investor Company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		Held at the End of The Period			Net Income (Loss) of the Investee	Investment Profit (Loss) Recognized in the Current Period	Note
				End of the Current Period	Year-end of the last year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Precision Industrial Co., Ltd.	Rich Point Global Corp.	Equity Trust Chambers, P. O. Box 3269, Apia, Samoa	Engaged in reinvestment of various business	$ 388,571	$ 289,824	-	100	$ 510,067	$ 69,933	$ 69,933	Notes 1 and 2
	Gudeng Venture Capital Co., Ltd.	8F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Venture capital and management consulting business	877,000	777,000	56,700,000	100	967,379	47,800	47,800	Notes 1 and 2
	We Solutions Technology Co., Ltd.	No. 207, Fuxing 2nd Rd., Zhubei City, Hsinchu County	Trading, repair, and maintenance of various precision instruments	248,825	248,825	25,000,000	83.33	303,790	56,480	47,067	Notes 1 and 2
	Gudeng Equipment Co., Ltd.	No. 106, Sec. 2, Fuxing 3rd Rd., Zhubei City, Hsinchu County	Manufacture, trading, repair, and maintenance of various precision instruments	86,566	99,074	12,782,268	46.83	343,515	228,243	110,642	Notes 1 and 2
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Engaging in various electronic component businesses	USD 2,652	USD 850	2,652,000	51	96,175	17,050	17,445	Notes 1 and 2
	Gudeng Aerospace Technologies Corporation	10F, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Retail, wholesale, and manufacturing of aircraft and their components.	320,000	-	16,000,000	100	320,381	381	381	Notes 1 and 2
	TSS Holdings Limited	4F, No. 172, Sec. 2, Minsheng E. Road, Zhongshan District, Taipei City	Investment and management consulting business	20,000	-	2,000,000	12.5	21,781	(3,076)	(384)	Note 1
Rich Point Global Corp.	Sun Park Development Limited	Suite 2302-6 23/F Great Eagle CTR 23 Harbour RD Wanchai H.K.	Engaged in reinvestment of various business	RMB 63,920	RMB 14,020	-	100	RMB 89,757	RMB 13,601	RMB 13,601	Notes 1 and 2
	Gudeng Investment Co., Ltd.	TMF Chambers, P. O. Box 3269, Apia, Samoa	Engaged in reinvestment of various business	RMB 22,549	RMB 50,549	-	100	RMB 27,510	RMB 2,155	RMB 2,155	Notes 1 and 2
Gudeng Venture Capital Co., Ltd.	Jia Shuo Construction, Inc.	8F.-5, No. 2, Sec. 4, Zhongyang Rd., Tucheng Dist., New Taipei City	Industrial plant, residential and building development and leasing, real estate sales and leasing	165,100	135,100	16,510,000	100	157,637	(3,033)	(3,033)	Notes 1 and 2
	Jinhui Technology Co., Ltd.	No. 43, Jingjian 4th Rd., Guanyin Dist., Taoyuan City	Surface treatment and thermal treatment, wholesale of chemical materials, manufacture of other chemical materials and other metals, wholesale of pollution prevention equipment, wholesale of recycled materials	35,000	35,000	3,500,000	34.41	51,485	11,352	3,922	Note 1
	i Analyzer Incorporation	7F-8, No. 200, Sec. 1, Dunhua S. Rd., Da'an Dist., Taipei City	Manufacture, trading, repair, and maintenance of various precision instruments	78,806	53,940	24,298,415	30.64	61,754	(11,962)	(3,142)	Note 1
	Hengyang Green Energy Co., Ltd.	2F, No. 50, Yongkehuan Rd., Wangxing Vil., Yongkang Dist., Tainan City	Piping works and electrical installations	153,000	63,000	15,300,000	45	144,865	(9,710)	(4,370)	Notes 1 and 2
	YAHO System Technology Co., Ltd.	1F, Building 4, No. 96-31, Section I, Fu En Li Industrial Park Road, Xitun District, Taichung	Equipment engineering and mechanical equipment manufacturing	26,601	-	752,911	21.05	30,967	20,744	4,367	Note 1

(Continued on the next page)

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Name of Investor Company	Name of Investee Company	Location	Main Business Activities	Original Investment Amount		Held at the End of The Period			Net Income (Loss) of the Investee	Investment Profit (Loss) Recognized in the Current Period	Note
				End of the Current Period	Year-end of the last year	Number of Shares	Ratio (%)	Carrying Amount			
Gudeng Equipment Co., Ltd.	Showa Precision Co., Ltd.	8F.-6, No. 100, Sec. 1, Jiafeng 11th Rd., Zhubei City, Hsinchu County	Design and transformation of semiconductor and panel PVD vacuum technology related platform	70,000	70,000	3,451,424	100	69,897	3,576	2,733	Notes 1 and 2
	Gudeng Inc. (USA)	1798 Technology DR, #298 San Jose, CA, 95110	Engaging in various electronic component businesses	USD 208	-	208,000	4	7,543	17,050	(32)	Notes 1 and 2
We Solutions Technology Co., Ltd.	Fu Rui Sheng Industrial Co., Ltd.	16F-3, No. 598, Sec. 1, Dunhua Rd., Houzhuang Vil., Beitun Dist., Taichung City	Investment and management consulting business	$ 96,551	$ 96,551	3,218,361	54.94	$ 105,368	$ 5,480	$ 3,011	Notes 1 and 2
	Shuoting Precision Industry Co., Ltd.	1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	76,365	44,860	7,636,509	70.43	53,258	(16,382)	(8,754)	Notes 1 and 2
	Bor Sheng Industrial Co., Ltd.	No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City.	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	450	-	9,000	0.5	404	10,794	27	Notes 1 and 2
Fu Rui Sheng Industrial Co., Ltd.	Shuoting Precision Industry Co., Ltd.	1F, No. 8, Ln. 64, Sec. 2, Gansu Rd., Dahe Vil., Xitun Dist., Taichung City	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	-	31,505	-	-	-	(16,382)	(2,784)	Notes 1 and 2
	Bor Sheng Industrial Co., Ltd.	No. 2, Ln. 146, Fuyi Rd., Yixin Vil., Taiping Dist., Taichung City.	Manufacturing and wholesale of mold and manufacturing of machinery and equipment	16,740	16,740	1,674,000	93	75,134	10,794	10,038	Notes 1 and 2

Note 1: Net income (loss) of the investee and investment profit (loss) recognized in the current period are the amounts audited by the certified public accountants.

Note 2: Wholly eliminated when preparing consolidated financial statements.

Note 3: Please refer to Table 8 for the information about investments in Mainland China.

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Information on Investments in Mainland China
From January 1 to December 31, 2023
Unit: In thousands of NT$ and foreign currency, unless otherwise specified

Name of Investee Company In Mainland China	Main Business Activities	Paid-in Capital	Method of Investment (Note 1)	Accumulated amount of investment remitted out of Taiwan at the beginning of the period	Remitted or repatriated amount of investment for the period		Accumulated amount of investment remitted out of Taiwan at the end of the period	Net Income (Loss) of the Investee	Ratio of Shareholding (%) of the direct or indirect investment of the Company	Investment Profit (Loss) Recognized in Current Period (Note 2)	Carrying amount of the investment at the end of the period	Investment income repatriated by the year end of the period	Note
					Remitted	Repatriated							
Shanghai Gudeng Trading Co., Ltd.	Wholesale, import and export, commission agency and related ancillary services of plastic products, power products and hardware & electric materials	USD 1,000	(2) Investor company: Sun Park Development Limited	$ 30,705 (USD 1,000)	$ 213,400 (USD 6,950)	$ -	$ 244,105 (USD 7,950)	$ 68,011 (RMB 15,471)	100	$ 68,011 (RMB 15,471) (2)B	$ 360,725 (RMB 83,366)	$ -	
Suzhou Kunju Trading Co., Ltd.	Sales of automobiles, after-sales services and technical consulting services related to automobile repair	-	(2) Investor company: Sun Park Development Limited	37,092 (USD 1,208)	-	-	37,092 (USD 1,208)	(7,526) (RMB -1,712)	- Note 4	(7,526) (RMB -1,712) (2)B	- (RMB -)	-	
Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	Wholesale, import and export of plastic products, power products and hardware & electric materials	-	(1) Investor company: Shanghai Gudeng Trading Co., Ltd.	-	-	-	-	16,797 (RMB 3,821)	100	16,797 (RMB 3,821) (2)B	481,686 (RMB 111,321)	-	
Dachuan Plastic Industrial (Kunshan) Co., Ltd.	Wholesale, import and export of plastic products, power products and hardware & electric materials	-	(1) Investor company: Kawaguchi Plastic Industry (Kunshan) Co., Ltd.	-	-	-	-	13,619 (RMB 3,098)	100	13,619 (RMB 3,098) (2)B	176,905 (RMB 40,884)	-	

Accumulated amount of investment remitted out of Taiwan to Mainland China at the end of the period	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs	Upper limit on investment in mainland China regulated by the Investment Commission of the Ministry of Economic Affairs
NTD 281,197 (USD 9,158)	NTD 495,928 (USD 7,950) (RMB 58,198)	NTD 4,871,546 (USD 158,656)

Note 1: The methods of investment are classified as below five types:
(1) Direct investment in Mainland China.
(2) Reinvestment in Mainland China through companies registered in a third region. (please specify the investment company in a third region).
(3) Other method.

Note 2: In the column of investment profit (loss) recognized for the period:
(1) If the company is in preparation status without investment profit (loss), it shall be remarked.
(2) Recognized basis of investment profit (loss) includes below three types and shall be remarked.
A. Financial statements audited and certified by international accounting firms in cooperation with accounting firms of Republic of China.
B. The financial statements had been audited and certified by the parent company's certified public accountant in Taiwan.
C. Other - Based on the financial statements unaudited by the certified public accountants.

Note 3: Amounts related to this table are listed in New Taiwan Dollars, and any foreign currencies are converted into New Taiwan Dollars with spot exchange rate on the financial report date. (USD spot exchange rate of 30.705; RMB spot exchange rate of 4.327; RMB profit and loss exchange rate of 4.396 on December 31, 2023).

Note 4: On September 14, 2023, the Company's registration was canceled, and the Company lost control.

Table IX

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Significant transactions with investee companies in mainland China incurred directly or indirectly through a third region, and their prices, payment terms, unrealized gain or loss, and other relevant information
From January 1 to December 31, 2023
Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Investee Company In Mainland China	Type of Transaction	Purchases, Sales, and Service fees		Price	Transaction Terms		Notes/ Trade Receivable (Payable)		Unrealized Gain (Loss)	Note
		Amount	Percentage		Payment Terms	Compared with Normal Transactions	Amount	Percentage		
Shanghai Gudeng Trading Co., Ltd.	Sales	$ 205,675	6	Same as normal clients	Same as normal clients	Same as normal clients	$ 74,046	10	$ -	
〃	Service fees	112,178	11	Same as normal clients	Same as normal clients	Same as normal clients	(7,136)	2	-	

Table X

Gudeng Precision Industrial Co., Ltd. and Subsidiaries

Acquisition of individual real estate properties at costs of at least NT$300 million or 20% of the paid-in capital
2023
Unit: In Thousands of New Taiwan Dollars, Unless Specified Otherwise

Name of Acquiring Company	Types of Property	Transaction Date	Transaction Amount	Payment Term	Counterparty	Relationship	Information on Prior Transaction for the Counterparty of Related Party				Reference for price determination	Purpose of acquisition and situation of usage	Other agreements
							Owner	Relationship with the Issuer	Transfer Date	Amount			
Gudeng Precision Industrial Co., Ltd.	Self-owned land	2023.3.8	$ 205,700	Payment in accordance with the property sale and purchase contract	Natural person	Non-related party	-	-	-	-	Referred to transactions based on market conditions and property valuation reports from real estate appraisers	Self-usage in operation	-

Table XI

Gudeng Precision Industrial Co., Ltd.

Information on Major Shareholders
December 31, 2023
Unit: Share

Name of Major Shareholders	Shareholding	
	Number of Shares Held	Percentage of Ownership
Ming-Lang Zhuang	8,150,219	8.64%
Ming-Chien Chiu	6,708,527	7.11%
Tien-Jui Lin	6,298,853	6.67%

Note 1: Information on major shareholders in this table is information on 5% and above of the total of the ordinary shares and preference shares held by shareholders without physical registration (including treasury shares) and calculated on the last business day of each quarter by the Taiwan Depository & Clearing Corporation. Share capital indicated in the Company's consolidated statements may differ from the actual number of shares that have been issued and delivered without physical registration as a result of different basis of preparation.