ICHIA TECHNOLOGIES INC.

2023 ANNUAL REPORT

Stock Code : 2402

i.The Company’s spokesperson, acting spokesperson, position TEL and e-mail:

Spokesperson
Name: Tseng Kung-Sheng
Position: Chief executive officer
TEL: (03)397-3345
E-mail: ichia.ir@ichia.com

Acting spokesperson
Name: Huang Yen-Hsiang
Position: Chief finance officer
TEL: (03)397-3345
E-mail: ichia.ir@ichia.com

ii.Address of the Company’s Head Office and Plant, and TEL:

Address: No. 268, Huaya 2nd Rd., Guishan Dist., Taoyuan City
TEL: (03)397-3345

iii.Stock transfer agency:

Name: Taishin Securities Co., Ltd., Stock Affairs
Address: B1, No. 96, Section 1, Jianguo North Road, Taipei City
TEL: (02)2504-8125
Website: https://www.tssco.com.tw

iv.Attesting CPA of the annual financial statements for the most recent year:

CPA: Hsieh Ming-Chung, Liu Shu-Lin
CPA firm: Deloitte Touche Tohmatsu Limited
Address: 20th Floor, No. 100 Songren Road, Xinyi District, Taipei City
TEL: (02)2725-9988
FAX: (02)4051-6888
Website: http://www2.deloitte.com/tw

v.The name of any exchanges where the Company’s securities are listed offshore, and the method by which to access information on said offshore securities: None.

vi.Company website: http://www.ichia.com

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I. Letter to Shareholders

The year 2023 was still a challenging year for ICHIA. Under the continuing influence of the geopolitics, the global economy is slowing down, the demand for consumer products is weak, and destocking remains along the supply chain. Faced with so many challenges, the Company delivered outstanding results in 2023 thanks to the perseverance and hard work of the ICHIA management team. The Group's consolidated revenue was NT$8.561 billion with an increase of 12% from the previous year. The consolidated gross margin was 15% and the consolidated net operating profit was NT$483 million. The consolidated net profit after tax was NT$465 million, and the after-tax earnings per share was about NT$1.56. Against the trend, the Company's profit increased by 30% for the whole year, setting a new high in the operations.

In response to the restructuring of the global supply chain and the needs of customers, ICHIA continues to develop towards internationalization. In addition to the existing production bases, we have established a trading company in Vietnam in 2023 and planned to expand the production base in Malaysia and continue enhancing the production deployment in Southeast Asia, in order to meet the needs of future customers and cope with the changes in the international situation. The year 2023 marked the 40th anniversary of ICHIA, and it was also the year when ICHIA's technology transformation was successful and the automotive products blossomed. From the perspective of market applications, the development of smart vehicles, new energy vehicles, data centers/servers, smart wearable devices, and the IIoT will stimulate more demand for PCB-related products. ICHIA will continue to work with strategic partners, catch up with the trends, expand market share, integrate the resources of the Group, and strengthen the competitive advantages in the industry to address the challenges of the external competitive environment.

Looking to the future, in the development of the automotive electronics market, the importance and value of automotive electronics systems will continue to increase due to the realization of software-defined cars. The industrial structure will continue to transform and the supply chain will move toward cross-industry cooperation and strengthen the integration of software and hardware. In addition to continuously developing the automotive-related product market, ICHIA is actively developing modular products to provide customers with one-stop shopping service solutions to increase market share and enhance product competitiveness. We will march forward to become a global leading company of modular product solutions. In terms of the promotion of corporate sustainable development, the Company firmly believes that a good corporate governance model is the basis for improving operational performance. So, we keep pace with the times, follow the requirements of the competent authorities and international corporate governance trends, strive to improve the corporate system, and promote sustainable corporate governance. We also develop green energy, implement recycling and use recycled materials, build smart factories, and fulfill the corporate responsibility of taking from the society and contributing to the society, in the hope to march toward truly sustainable operations.

Chairman HUANG CHIU YUNG

i. 2023 Business Result

(i) Implementation Result of Business Plan

(In Thousands of NT$; Net Profits (Losses) After Tax per Share in NT$)

Item	2022	2023	Increase (decrease) percentage (%)
Net operating revenues	7,654,149	8,561,414	12%
Operating costs	6,611,844	7,287,462	10%
Net operating profits (losses)	364,236	482,612	32%
Non-operating incomes and expenses	110,981	65,871	(41%)
Net profits (losses) after tax	357,407	465,261	30%
Net profits (losses) after tax per share	1.2	1.56	30%

(ii) Implementation status of budget: not applicable.

(iii) Financial receipts and expenditures, and profitability analysis

Item		2022	2023
Capital structure (%)	Debts to total assets ratio	38.36	38.65
	Long-term capital to property, plant, and equipment ratio	244.11	242.68
Solvency (%)	Current ratio	206.94	184.57
	Quick ratio	162.05	150.85
	Times interest earned ratio	20.51	13.23
Profitability (%)	Return on assets	3.99	5.02
	Return on equity	6.06	7.88
	Net profit margin	4.67	5.43
	Earnings per share (NT$)	1.20	1.56

(iv) Research and development

In 2023, the Company invested $267,214 thousand, or approximately 3% of its revenues, in research and development, and the results of research and development were in line with the Company's scheduled progress. For more information on the R&D plans for the coming years, please refer to page 50 of this annual report; For more information on the newly developed technologies and products in 2023, please refer to page 58 of this annual report.

ii. Summary of 2023 Business Plan

(i) Operational guidelines

1. Operation planning

(1) Conduct training of professionals, implement performance evaluation system, optimize salary and reward mechanism, and enrich human capital.

(2) Establish a comprehensive global production and sales network, diversify and pluralize our products and continue developing highly reliable products at the technology level to become a world-class supplier of integrated key components.

(3) Implement organizational reform and accountability culture to strengthen team competitiveness and enhance operational performance.

2. Financial Planning

(1) Based on the medium- and long-term capital demand planning, raise capital, deploy assets safely and soundly, effectively control the budget and capital expenditure, and improve the financial structure.

(2) Establish close collaboration relationship with financial institutions to keep abreast of financial market trends, reduce capital costs, use financial instruments flexibly, hedge exchange rate/interest rate risks, build financial risk management mechanisms, and enhance the Group's capital utilization efficiency.

(3) Make good use of the capital market and expand the economies of scale for operations through investment, merger and acquisition to enhance shareholders' equity value.

(ii) Expected sales volume and its basis

(1) Based on our existing mass production and developing models, as well as our customers' expected demand for new models in the future, and according to our production capacity and future expansion plans, we expect our sales volume to continue to grow steadily.

(2) Based on the product development trend of the end market and the assessment of our process technology and capability, we will continue to develop new business performance in the field of new products and technologies.

(iii) Important production and marketing policies

1. Production strategy

(1) Adjust the organization and production capacity configuration according to the business conditions of the Company and the customer to improve production efficiency and competitiveness.

(2) Effectively regulate and utilize each manufacturing base's production capacity, implement production risk diversification, increase the proportion of automation in the production process, and effectively shorten the delivery time and promote the production efficiency of each factory.

(3) Construct the full-process production capacity, work with customers to research and develop solid intellectual property, strengthen smart automatic production equipment, continuously improve the quality of production, technology capability, and improve yield rate and reduce cost.

2. Marketing strategies

(1) With the headquarters in Taiwan as the global operation center, establish a global operation management and collaboration system, integrate and establish a long-term and stable international marketing network, and increase global sales volume and profits.

(2) Actively participate in domestic and foreign trade shows to expand our sales reach, and continue to collect and analyze industry information to improve sales and marketing capabilities.

(3) Cultivate long-term relationships with our customers, develop niche markets for high reliability products, and help customers reduce costs and provide one-stop-shopping services by expanding our product lines and production and sales scale.

(4) Continue to expand overseas markets to establish competitive advantages in quality, delivery and price and increase the market share steadily.

iii. The Company's future development strategy

(i) Expand our product applications and are committed to new product and technology development to capture market opportunities.

(ii) Develop products in multiple material combinations to increase the diversity of product lines and expand our niche by developing high value-added products.

(iii) Enhance engineering capabilities, actively invest in product development and design, shorten product development time, reduce development costs, and continue to work on quality improvement.

(iv) Combine the existing product series, recruit high-level researchers to invest in the research and development of high-end products.

iv. The effect of the external competitive, legal and macroeconomic environment:

Please refer to the “Letter to Shareholders” on page 1.

II. Company Profile

i. Date of establishment: November 7, 1989.

ii. Company history

In 1989, the Company was established with a capital of NT$12 million.

In 1992, purchased factory and land at No. 7, Datong Road, Hukou Township, Hsinchu County, with a base area of 883.3 pings.

In 1993, the North American branch was established in San Diego, U.S.A., responsible for the marketing of North America. In 1994, the Company invested in a Mexican manufacturing plant to combine production and sales.

In 1994, passed ISO-9002 international quality certification.

In 1996, invested in Malaysia - ICHIA Rubber Industry (Malaysia) Sdn Bhd and acquired 80% of its shares.

In 1997, ICHIA Holdings (BVI) Limited, a 100% owned subsidiary of the Company, was established to hold directly all investee enterprises in Malaysia and China. Processed public offerings of stocks.

In 1998, obtained ISO-14001 international environmental protection certification.

In 1999, the construction of the Linkou operation headquarters started for the global operation and R&D center.

In 2000, officially listed and traded on the Taiwan Stock Exchange.

The product of flexible printed circuit board was successfully launched after R&D

The Linkou operation headquarters was officially opened after the completion of construction

In 2001, invested in LANDSFAIR TECH CORP. and acquired 30% of its shares to develop magnesium and aluminum alloy products.

Established ICHIA TECHNOLOGY (SUZHOU) CO., LTD

In 2004, ICHIA Technologies Hungary Limited Liability Company was established and the ICHIA Hungary plant was in progress.

In 2007, the second phase of the Suzhou plant was expanded.

In 2008, Zhongshan New Plant was officially opened in Guangdong.

In 2009, increased the shareholding in LANDSFAIR TECH CORP. to 50.1%.

In 2010, merger of LANDSFAIR TECH CORP.

In 2012, expansion of 35 SMT production lines in Suzhou FPC plant.

In 2013, MVI medical devices received ISO13485 certification.

The third phase expansion of the Suzhou plant was completed.

In 2014, PEDLIM (L/S:35:25 um), a fine line process, was officially mass produced.

In 2015, one of the top 50 companies in Taiwan’s “Top 2000 Companies” survey by CommonWealth Magazine.

Selected by the Taiwan Stock Exchange as a member of the “Taiwan Corporate Governance 100 Index” based on corporate governance evaluation, liquidity and financial indicators.

In 2017, PEDLIM (L/S:20:20 um), a fine line process, was officially mass produced.

Completed the development of the SOF process. (System on Flex, COF film lamination and SMT surface part adhesion 2-in-1 process)

In 2020, the Suzhou factory launched the production of rigid PCB punching products.

In 2021, Received VDA 6.3 seed instructor certification from the German Association of the Automotive Industry.

Passed IATF 16949 certification for the automotive industry.

Passed ISO 9001 quality system certification.

Passed TTQS (Talent Quality Management System) certification.

In 2022, the Linkou Headquarters, Suzhou Factory, Zhongshan Factory and the Malaysia Factory passed the ISO 14001 environmental management system certification.

Linkou Headquarters, Suzhou Factory, Zhongshan Factory passed the ISO 45001 occupational health and safety management system certification.

Suzhou Factory and Zhongshan Factory passed the ISO 14064-1 greenhouse gas inventory certification.

Linkou Headquarters passed the “Healthy Workplace Certification.”

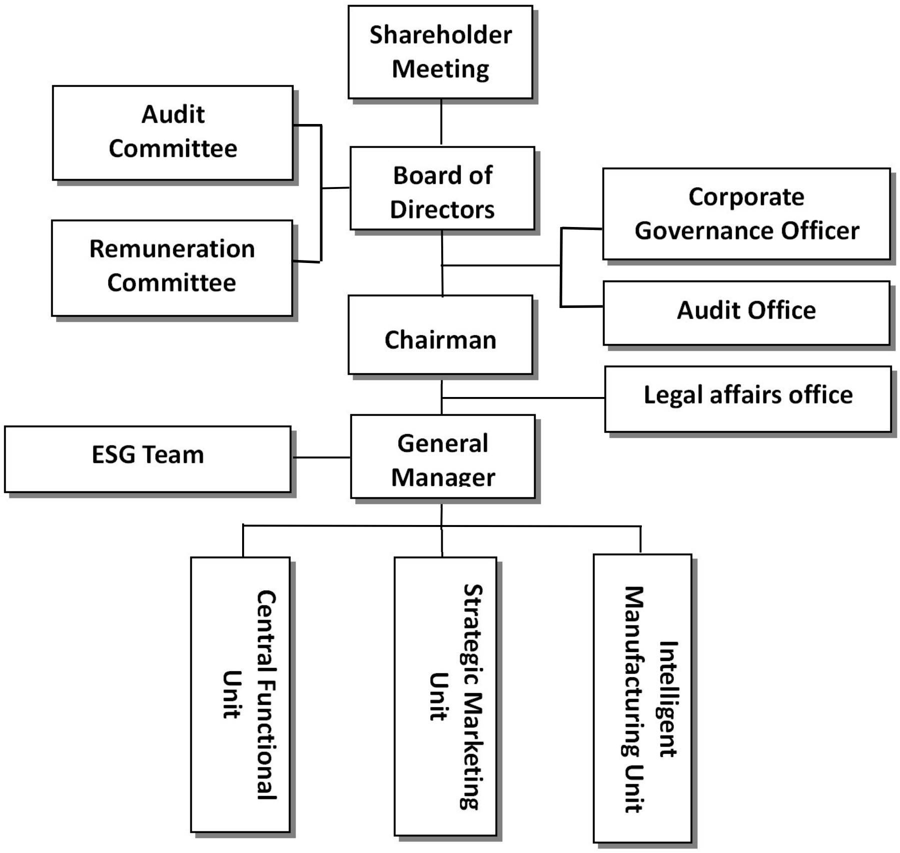
In 2023, ICHIA TECHNOLOGY VIETNAM COMPANY LIMITED was established.

In 2024, ICHIA TECHNOLOGY MALAYSIA SDN BHD was established.

III. Corporate Governance Report

i. Organizational system

(i) Organizational structure



(ii) Businesses of Major Departments

Major departments	Task and Duty
Corporate Governance	Implement corporate governance and legal compliance; provide information required for directors and independent directors to execute their business; handle matters related to board meetings and shareholders' meetings.
Audit Office	Establishment, revision and review of internal audit system, and audit, review and audit of internal control system (for both domestic and overseas subsidiaries).
Legal affairs office	Responsible for corporate legal affairs, audit and management of contracts, etc.
ESG Team	Be dedicated to all aspects of issues of concern to stakeholders, including five major aspects of corporate governance, customer relationship and supplier management, sustainable environment, employee care, and social participation. Communicate with stakeholders from time to time, pay attention to issues that stakeholders are concerned about and respond in a timely manner.
Strategic Marketing Unit	Responsible for the planning, research and development, and marketing management of the Company's products.
Intelligent Manufacturing Unit	Responsible for the production and quality management of the Company's products.
Central Functional Unit	Cover the Company's general affairs, plant affairs, human resources administration division, finance and accounting division, information division and other units; responsible for human resources, education and training, finance, accounting, stock affairs, budget operations, planning and execution of related enterprise management, and construction of the IT environment, information exchange mechanism, and maintenance of information security.

ii. Information about Director, General Manager, Deputy General Manager, Senior Managers, and Officers of Departments and Branches:

(I) Director

1. Information on directors

April 23, 2024, Unit: share

Title	Nationality or place of registration	Name	Gender	Election (Appointment) Date	Term of office	Inauguration Date	Shares held at election		Current shareholding		Current Shares Held by Spouse and Children of Minor Age		Shareholding Under the Name of A Third Party		Major (Academic Degree) Experience	Holding other positions of the Company and other companies at present	Other Chiefs, Supervisors or Directors with Spouses, or Relatives Within the Second Degree of Kinship			Remarks
			Age (year)				Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage			Position	Name	Relationship	
Chairman	R.O.C.	HUANG CHIU YUNG	Male 61-69	2023.6.20	3 years	1999.6.5	10,913,486	3.55	11,541,089	3.75	3,180,790	1.03	40,634,961	13.21	Attended EMBA at National Taiwan University Kinpo Electronics, Inc.	(Note 1)	None	None	None	None
Vice Chairman	R.O.C.	HUANG LI LIN	Female 61-69	2023.6.20	3 years	1999.6.5	4,707,083	1.53	4,707,083	1.53	2,513,994	0.82	0	0	Department of Economics, Fu Jen University Completion of the credit class of the Institute of Business Management of Chung Hsing University TEAPO ELECTRONIC CORPORATION	(Note 2)	None	None	None	None
Director	R.O.C.	Tseng Kung-Sheng	Male 51-59	2023.6.20	3 years	2023.6.20	651,000	0.21	585,000	0.19	1,000,000	0.33	0	0	Department of Physics, Tamkang University Senior Assistant, General Manager's Office, Unimicron Technology Corporation CEO of ICHIA TECHNOLOGIES	(Note 3)	None	None	None	None
Director	R.O.C.	Huang Tzu-Cheng	Male 71-79	2023.6.20	3 years	2014.6.11	1,285,000	0.42	1,285,000	0.42	0	0	0	0	Pacific Western University.	Chairman of I-SHENG ELECTRIC WIRE & CABLECo., Ltd. Chairman of DRAGONJET CORPORATION Independent director of Radiant Opto-Electronics Corporation. Director of VSO ELECTRONICS CO., LTD. (Representative of I-SHENG ELECTRIC WIRE & CABLE CO., LTD.)	None	None	None	None
Independent director	R.O.C.	Huang Chin-Ming	Male 71-79	2023.6.20	3 years	2017.6.13	0	0	0	0	0	0	0	0	Department of Electronic Engineering, National Chiao Tung University	(Note 4)	None	None	None	None
Independent director	R.O.C.	Chen Tai-Jan	Male 71-79	2023.6.20	3 years	2017.6.13	0	0	0	0	200,000	0.07	0	0	Ph.D., State University of New York at Albany, USA	Distinguished Chair Professor, National Taiwan University Independent director and member of Remuneration Committee of CHROMA ATE Inc. Independent director of GOLDSUN BUILDING MATERIALS Co., Ltd. Chairman of Chinese Culture University	None	None	None	None
Independent director	R.O.C.	Hsu Wan-Lung	Male 61-69	2023.6.20	3 years	2020.6.12	0	0	0	0	0	0	0	0	Doctoral degree, Institute of Management Studies, National Chiao Tung University Completion of Senior Management Program, School of Business, University of Washington	(Note 5)	None	None	None	None

Note 1: Chairman of the Board of Directors of the Company, Chairman of ICHIA HOLDINGS (B.V.I) Co., Chairman of the Board of Directors of ICHIA USA Inc., Director of ICHIA RUBBER INDUSTRY (M) Sdn Bhd., Chairman of ICHIA UK Ltd., Chairman of ICHIA HOLDINGS (H.K.) Co., Director of ICHIA RUBBER INDUSTRY (M) Sdn. Bhd., Chairman of Ferrari Investment Co. Ltd., Chairman of Chuang Yi Investment Co., Ltd., Independent Director of ULTRA CHIP, Inc., Member of Audit Committee and Remuneration Committee

Note 2: The Vice Chairman of the Company, the General Manager of ICHIA HOLDINGS (B.V.I) Co., Director of ICHIA USA Inc., Director, ICHIA RUBBER INDUSTRY (M) Sdn Bhd, Managing Director of ICHIA Technologies Hungary Limited Liability Company, Director of ICHIA ELECTRONICS (SUZHOU), Director of ZHONGSHAN ICHIA ELECTRONICS CO., LTD, Director of ICHIA HOLDINGS (H.K.) Co., Chairman of the Board of Directors of SOGAI Investment Co.

Note 3: Director and General Manager of the Company, Chairman and General Manager of ICHIA ELECTRONICS (SUZHOU), Chairman and General Manager of ZHONGSHAN ICHIA ELECTRONICS CO., LTD, Chairman of ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.

Note 4: Concurrent positions held in other companies: Chairman of CHROMA ATE Inc., Director of Leadtek Research Inc., Chairman of DynaScan Technology Corp., Director of I SHENG ELECTRIC WIRE & CABLECo., Ltd., Director of Twoway Communications, Inc., Chairman of TESTAR ELECTRONICS CORP., Director of Tian Zheng International Precision Machinery Co., Ltd., Chairman of INNOVATIVE NANOTECH INCORPORATED.

Note5 :Secretary-General of Chinese Professional Management Association of Hsinchu Consultant of Industry-Academia Alliance for Internet Financial Innovation, Ministry of Science and Technology Digital Economy roject of Technological Innovation, R&D and Application, National Tsing Hua University ,Executive Director of CHINESE INTELLECTUAL PROPERTY TRADE ASSOCIATION

2. Major shareholders of the corporate shareholder: N/A.
3. Disclosure of professional qualifications of directors and supervisors and information on independence of independent directors:

Qualification / Name	Professional qualifications and experience									Status of independence				Number of public companies where the person holds the title as an independent director
	Ability to make operational judgments	Ability to perform accounting and financial analysis.	Ability to conduct business management.	Ability to conduct crisis management	Knowledge of the industry	Understanding of international markets.	Ability to lead	Ability to make decision	Not a person with any of the circumstances under Article 30 of the Company Act.	Does the person, their spouse, or a relative within the second degree of kinship serve as a director, supervisor, or employee of the Company or any of its affiliated companies	Number and percentage of shares held by the person, spouse, a relative within the second degree of kinship (or in the name of another person)	Whether the person is a director, supervisor or employee of any companies in a special relationship with the Company	The compensation and amount received for providing the Company or affiliates with commercial, legal, financial, accounting or related services in the most recent two years	
HUANG CHIU YUNG	√	√	√	√	√	√	√	√	√	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	None	1
HUANG LI LIN	√	√	√	√	√	√	√	√	√	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	None	0
Tseng Kung-Sheng	√	√	√	√	√	√	√	√	√	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	Please refer to the disclosures in the “Information on Directors” on page 8.	None	0
Huang Tzu-Cheng	√	√	√	√	√	√	√	√	√	No	Please refer to the disclosures in the “Information on Directors” on page 8.	No	None	1
Huang Chin-Ming	√	√	√	√	√	√	√	√	√	No	None	No	None	0
Chen Tai-Jan	√	√	√	√	√	√	√	√	√	No	Please refer to the disclosures in the “Information on Directors” on page 8.	No	None	2
Hsu Wan-Lung	√	√	√	√	√	√	√	√	√	No	None	No	None	0

4. Diversity and independence of the Board of Directors:

(1)Diversity of the Board of Directors:

The 7 directors of the 13th Board of Directors possess, on a whole, the abilities to make operational judgments, manage crises, learn knowledge of industry, perform accounting and financial analysis, conduct business management, understand international market, lead, and make decisions. Chairman HUANG CHIU YUNG, Vice Chairman HUANG LI LIN, Director Huang Tzu-Cheng, and Director and CEO Tseng Kung-Sheng have had experience in practical business management for many years; Independent Director Chen Tai-Jan is a teacher at a national university and has professional knowledge and experience in management and teaching; Independent Director Hsu Wan-Lung has worked in industry-academia cooperation for many years and had extensive experience in this field.

All the directors are the citizens of the Republic of China. The range of age among directors: 51-59: 1 director; 61-69: 3 directors; 71-79: 3 directors, including 1 female director, accounting for 14%.

The specific management goals and achievements of the diversity policy on the formation of the Board of Directors are described below:

Management Goal	Achievement
Gender diversity in the composition of the Board of Directors	There is currently one female director and the rest are male directors
The term of office of an independent director shall not exceed three terms	Achieved
At least one-third of the independent directors shall have legal, accounting, or technology specialties	Achieved

(2)Independence of the Board of Directors:

The Company has 3 independent directors, accounting for 43%. The Company has received a written statement from each director to confirm his/her election qualifications and the independence of the director and his/her lineal relatives to the Company in accordance with the regulations for listed companies, and there are no violations against Article 26-3, Paragraphs 3 and 4 of the Securities and Exchange Act.

The Company has established a performance evaluation system for the Board of Directors, and conducts internal Board and board member self-evaluation once a year. The results of the self-evaluation are submitted to the Board of Directors and disclosed in the Company’s annual report. Please refer to page 18 for evaluation items and results.

(ii) Information on general managers, deputy general managers, senior managers, and officers of various departments and branches

April 23, 2024, Unit: share

Title	Nationality	Name	Gender	Election (Appointment) Date	Shareholding		Current Shares Held by Spouse and Children of Minor Age		Shareholding Under the Name of A Third Party		Major (Academic Degree) Experience	Holding positions in other companies at present	Managers Within the Second Degree of Kinship			Remarks
					Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding Percentage			Position	Name	Relationship	
Chairman and CSO	R.O.C.	HUANG CHIU YUNG	Male	2019.8.22	11,541,0891	3.75%	3,180,790	1.03%	40,634,961	13.21%	Attended EMBA at National Taiwan University Chairman of ICHIA TECHNOLOGIES	(Note 1)	None	None	None	None
General Manager	R.O.C.	Tseng Kung-Sheng	Male	2020.7.1	585,000	0.19%	1,000,000	0.33%	0	0%	Department of Physics, Tamkang University Senior Assistant, General Manager's Office, Unimicron Technology Corporation CEO of ICHIA TECHNOLOGIES	(Note 2)	None	None	None	None
Deputy general manager	R.O.C.	Wu Feng-Hsin	Male	2011.6.1	410,000	0.13%	0	0%	0	0%	Executive MBA Program, National Central University General Manager of MVI BU, ICHIA TECHNOLOGIES Factory Manager of ICHIA ELECTRONICS (SUZHOU) CO., LTD.	None	None	None	None	None
Deputy general manager	R.O.C.	Huang Chin-Yuan (Left on 2023.10.2)	Male	2021.10.1	120,000	0.04%	0	0%	0	0%	Department of Electrical Engineering, Tatung University Deputy General Manager of MVI BU, ICHIA TECHNOLOGIES Factory Manager of ZHONGSHAN ICHIA ELECTRONICS Co., Ltd.	None	None	None	None	None
Deputy general manager	R.O.C.	Chen Kuan-Hsien (Left on 2023.4.14)	Male	2022.9.1	0	0%	0	0%	0	0%	Department of Mechanical Engineering, National Central University Chairman of Yongzhang Automotive Electronic (Hangzhou) Co., Ltd.	None	None	None	None	None
Deputy general manager	R.O.C.	Liao Wen-Hua (Left on 2023.10.2)	Male	2023.4.10	0	0%	0	0%	0	0%	Department of Mechanical Engineering, Chung Yuan Christian University Deputy General Manager, Electronics Business Division, Taiwan Calsonic Co.,Ltd.	None	None	None	None	None
Deputy general manager	R.O.C.	Tu Tsung-Ying (Took office on 2024.1.15)	Male	2024.1.15	0	0%	0	0%	0	0%	Master of Business Administration, School of Management, Shih Chien University Assistant Manager, Business Division, Auras Technology Co., Ltd. Deputy General Manager of Thermal Module Business Center, ICHIA TECHNOLOGIES	Xu Kun Telecom Limited Company/General Manager SKY STAIRS SOLUTION CONSULTANT LTD/responsible person	None	None	None	None
Finance officer	R.O.C.	Huang Yen-Hsiang	Male	2019.11.12	161,500	0.05%	0	0%	0	0%	Institute of Science in Finance, Tamkang University CFO of ICHIA TECHNOLOGIES	Supervisor of ICHIA ELECTRONICS (SUZHOU) Supervisor of ZHONGSHAN ICHIA ELECTRONICS Co., Ltd. Director of ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	None	None	None	None
Accounting officer	R.O.C.	Cheng Ching-Yi	Female	2020.3.18	15,040	0.00%	0	0%	0	0%	Department of Business Administration , National Taipei University of Technology Accounting specialist, DING PEI MARKETING Co., Ltd. General accounting manager of ICHIA TECHNOLOGIES	None	None	None	None	None

Note 1: Chairman of the Board of Directors of the Company, Chairman of ICHIA HOLDINGS (B.V.I) Co., Chairman of the Board of Directors of ICHIA USA Inc., Director of ICHIA RUBBER INDUSTRY (M) Sdn Bhd., Chairman of ICHIA UK Ltd., Chairman of ICHIA HOLDINGS (H.K.) Co., Director of ICHIA RUBBER INDUSTRY (M) Sdn. Bhd., Chairman of Ferrari Investment Co. Ltd., Chairman of Chuang Yi Investment Co., Ltd., Independent Director of ULTRA CHIP, Inc., Member of Audit Committee and Remuneration Committee

Note 2: Director of the Company, Chairman and General Manager of ICHIA ELECTRONICS (SUZHOU), Chairman and General Manager of ZHONGSHAN ICHIA ELECTRONICS CO., LTD, Chairman of ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.

iii. Remuneration to directors, supervisors, presidents and vice presidents of the Company in the most recent year

(i) Remuneration to directors

Unit: NT$ Thousand

Position	Name	Remuneration to directors								A, B, C and D as a % of the net profits after tax		Remuneration for employees with concurrent positions								A, B, C, D, E, F and G as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		Base Compensation (A)		Severance and Pension (B)		Remuneration to directors (C)		Business execution fee (D)				Salary, bonus and Special allowance (E)		Severance and Pension (F)		Remuneration to employees (G)						
																The Company		All companies are included into the financial statement.				
		The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	Cash dividends	Stock dividends	Cash dividends	Stock Amount	The Company	All companies are included into the financial statement.	
Corporate Chairman	Creative Investment Co., Ltd. (Left on 2023.6.19)	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Representative Chairman of corporation	HUANG CHIU YUNG (Left on 2023.6.19)	0	0	0	0	0	0	40	40	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	None
Chairman	HUANG CHIU YUNG (Took office on 2023.6.20)	0	0	0	0	3,000	3,000	40	40	0.65%	0.65%	11,640	11,640	0	0	1,145	0	1,145	0	3.40%	3.40%	None
Vice Chairman	HUANG LI LIN	0	0	0	0	1,600	1,600	80	80	0.36%	0.36%	0	0	0	0	0	0	0	0	0.36%	0.36%	None
Corporate director	Fa La Li Investment Co., Ltd. (Left on 2023.6.19)	0	0	0	0	0	0	0	0	0.00%	0.00%	0	0	0	0	0	0	0	0	0.00%	0.00%	None
Representative of corporate director	Huang Tzu-Hsuan (Left on 2023.6.19)	0	0	0	0	0	0	40	40	0.01%	0.01%	0	0	0	0	0	0	0	0	0.01%	0.01%	None
Director	Tseng Kung-Sheng (Took office on 2023.6.20)	0	0	0	0	1,400	1,400	40	40	0.31%	0.31%	12,087	13,954	108	108	2,455	0	2,455	0	3.46%	3.86%	None
Director	Huang Tzu-Cheng	0	0	0	0	1,400	1,400	80	80	0.32%	0.32%	0	0	0	0	0	0	0	0	0.32%	0.32%	None
Independent director	Chen Tai-Jan	600	600	0	0	200	200	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None
Independent director	Huang Chin-Ming	600	600	0	0	200	200	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None
Independent director	Hsu Wan-Lung	600	600	0	0	200	200	80	80	0.19%	0.19%	0	0	0	0	0	0	0	0	0.19%	0.19%	None

1. Please describe the payment policy, system, standard and structure of the remuneration to independent directors, and the association of their responsibility, risk, and time devoted with the amount of the remuneration paid:
   The Company has established the "Regulations Governing the Distribution of Remuneration and Compensation to Directors" to govern the distribution thereof depending on the involvement of the directors in the business of the Company.
   (i) Fixed compensation: The Company may pay a fixed monthly compensation of NT$10,000 to NT$50,000 to independent directors for their independent fulfillment of duties and participation in the corporate governance within the scope of their responsibilities.
   (ii) Attendance fee: The independent directors who come to the Company to attend a meeting may receive an attendance fee.
   (iii) Distribution of remuneration: To be implemented in accordance with Article 23 of the Articles of Incorporation governing the remuneration to directors.
   (iV) Other remuneration items: Where any other compensations other than those listed above are paid to independent directors, the Remuneration Committee shall put forward assessment recommendations and submit them to the Board of Directors for approval.
2. The remuneration received by the Company's directors for providing services (e.g. serving as a consultant, who is not regarded as an employee, of the parent company / any of the companies included in the financial reports / any investee) in the most recent year other than the remunerations disclosed above: None.

(ii)Remuneration to general manager and deputy general manager

Unit: NT$ Thousand / Thousand shares

Position	Name	Salary (A)		Severance and Pension (B)		Bonus and special allowance (C)		Remuneration to employees (D)				A、A, B, C and D as a % of the net profits after tax		Remuneration from reinvested enterprises outside subsidiaries or from the parent company
		The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company	All companies are included into the financial statement.	The Company		All companies are included into the financial statement.		The Company	All companies are included into the financial statement.	
								Cash dividends	Stock dividends	Cash dividends	Stock dividends			
Chairman and CSO	HUANG CHIU YUNG	3,600	3,600	0	0	8,040	8,040	1,145	0	1,145	0	2.75%	2.75%	None
General Manager (CEO)	Tseng Kung-Sheng	4,687	6,004	108	108	7,400	7,950	2,455	0	2,455	0	3.15%	3.55%	None
Deputy general manager	Wu Feng-Hsin	3,793	3,793	108	108	3,010	3,010	655	0	655	0	1.63%	1.63%	None
Deputy general manager	Huang Chin-Yuan (Left on 2023.10.2)	2,106	2,619	81	81	1,911	1,911	0	0	0	0	0.88%	0.99%	None
Deputy general manager	Chen Kuan-Hsien (Left on 2023.4.14)	716	716	31	31	216	216	0	0	0	0	0.21%	0.21%	None
Deputy general manager	Liao Wen-Hua (Left on 2023.10.2)	1,103	1,103	50	50	0	0	0	0	0	0	0.25%	0.25%	None

(iii)The name of the managerial officer in charge of the distribution of employee remuneration and the status of the distribution

December 31, 2023 Unit: NT$ Thousand / Thousand shares

Position	Position	Name	Stock dividends	Cash amount	Total (Note)	Total amount as a % of the net profits after tax
Managerial officer	Strategy office	HUANG CHIU YUNG	0	4,991	4,991	1.07%
	General Manager (CEO)	Tseng Kung-Sheng				
	Deputy general manager	Wu Feng-Hsin				
	Finance officer	Huang Yen-Hsiang				
	Accounting officer	Cheng Ching-Yi				

Note: This amount is a proposed amount

(iv) Specify and compare the remuneration that the Company and all the companies included in the consolidated financial statements paid to the directors, supervisors, general managers and deputy general managers of the Company in the most recent two years as a percentage of the net profit after tax stated in the stand-alone or individual financial statements, and specify the remuneration payment policies, standards and portfolios, the procedures for determining the remuneration, and the association with the operation performance and future risk exposure.

i. Analysis of the remuneration that the Company and all the companies included in the consolidated financial statements paid to the directors, supervisors, general managers and deputy general managers of the Company in the most recent two years as a percentage of the net profit after tax stated in the stand-alone or individual financial statements:

Item / Position	The Company				All companies included in the consolidated financial statements			
	2022		2023		2022		2023	
	Total amount (NT$ Thousand)	Percentage	Total amount (NT$ Thousand)	Percentage	Total amount (NT$ Thousand)	Percentage	Total amount (NT$ Thousand)	Percentage
Remuneration to directors	8,960	2.51%	10,360	2.23%	8,960	2.51%	10,360	2.23%
Remuneration to general manager and deputy general manager	18,040	5.05%	41,625	8.95%	19,806	5.54%	44,005	9.46%
Net profit after tax	357,407	—	465,261	—	357,407	—	465,261	—

The increase in total remuneration to directors, supervisors, general managers and deputy general managers in 2023 was mainly due to the 2022 increase in net profit after tax.

(i) Policies, standards and portfolios for the payment of remuneration:
The remuneration to directors is set aside in accordance with the Company's Articles of Incorporation: The Company shall set aside not more than 3% of its annual net profits before tax before employees' and directors' remuneration as directors' remuneration. The measurements of the performance evaluation of individual directors included (1) understanding of the goals and missions of the

Company; (2) awareness of director’s duties: (3) involvement in the operations of the Company; (4) internal relationship management and communication; (5) professionalism and continuing education of directors; and (6) internal control.

The remuneration to managerial officers is set aside in accordance with the Company’s Articles of Incorporation: The Company shall set aside not less than 1% of the annual net profits before tax for the current period prior to deduction of employees’ and directors’ remuneration as the remuneration to employees. The performance evaluation consists of three parts: (1) the responsibilities of each managerial officer, (2) the achievement of the performance targets for the year, and (3) the contribution to the Company.

The portfolio of the remuneration shall be determined in accordance with the organizational charter of the Remuneration Committee, including cash remuneration, stock options, bonus shares, retirement benefits or severance pay, various allowances and other substantive incentive measures.

(ii) Remuneration determination procedure

The performance of the Company’s directors and managerial officers is linked to the Company’s operating performance indicators. Their remuneration and individual performance are evaluated and reviewed annually by the Remuneration Committee and the Board of Directors. The performance self-evaluation results of the Board of Directors, Board members and functional committees in 2023 were “excellent” or above, indicating an overall outstanding operation of the units. According to the results of the managerial performance review in 2023, all managerial officers’ performance have met or exceeded the preset targets. The above evaluation takes into account an individual’s performance achievement rate and contribution to the Company, as well as the overall operational performance of the Company, future risks and development trends in the industry, as well as the review of the remuneration system in a timely manner depending on the actual operating conditions and relevant laws and regulations, in order to provide reasonable remuneration. The 2023 remuneration to directors and managerial officers is submitted to the Remuneration Committee for review after the performance evaluation, and then to the Board of Directors for resolution.

(iii) The association with the operation performance and future risk exposure

The Company’s remuneration policy, payment standard and review of the system are determined in consideration of the overall business status of the Company, and the payment standard is approved depending on the performance achievement rate and the contribution in order to improve the performance of the Board of Directors and the entire team. The remuneration standards of other companies in the industry are also taken into account to ensure the remuneration to the management of the Company is competitive and thus retain outstanding management talents.

The key decisions of the Company’s management are made after a balanced consideration of various risk factors. The performance of the relevant decisions is reflected in the Company’s profitability. The management’s compensation is related to the performance of risk control.

The remunerations paid to directors, general managers, and deputy general managers by the Company and its subsidiaries include long-term rewards, which may be paid in the form of cash, shares, or stock options, and are not paid in full in the current year of earnings. The actual value is related to the stock price in the future, that is, it shares the future operating risks with the Company.

iv. Implementation of corporate governance

(i) Operations of the Board of Directors

The Board held 6 meetings in 2023. The attendance record of directors is listed below:

Position	Name	Number of attendance in person	Number of attendance by proxy	% of attendance in person	Remarks
Chairman	Creative Investment Co., Ltd. Representative: HUANG CHIU YUNG	6	0	100%	None
Vice Chairman	HUANG LI LIN	6	0	100%	None
Director	Huang Tzu-Cheng	6	0	100%	None
Corporate director (Left on 2023.6.19)	Fa La Li Investment Co., Ltd. Representative: Huang Tzu-Hsuan	3	0	100%	None
Director (Newly elected on 2023.6.20)	Tseng Kung-Sheng	3	0	100%	None
Independent director	Chen Tai-Jan	6	0	100%	None
Independent director	Huang Chin-Ming	6	0	100%	None
Independent director	Hsu Wan-Lung	6	0	100%	None

Other matters to be recorded:

i. If any of the following is applicable to the operation of the Board, specify the date, the series of the session, the content of the motions, the opinions of the Independent Directors, and the response of the Company to the opinions of the Independent Directors:

(i) Matters listed in Article 14-3 of the Securities and Exchange Act: The Company has established an audit committee. The provisions of Article 14-3 of the Securities and Exchange Act are not applicable.

(ii) Any other documented objections or qualified opinions raised by the independent director against board resolution in relation to matters other than those described above: None.

ii. The implementation of directors' recusal of proposals for being interested parties:

For 2023 and as of the date of the annual report, there were no resolutions in which the directors of the Company have personal interests.

iii. Evaluation of the Board of Directors:

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation scope and result
Once a year	2023.1.1-2023.12.31	Board of Directors Individual board members, functional committees	i. Self-evaluation of Board of Directors ii. Self-evaluation of directors iii. Self-evaluation of functional committees (Audit Committee and Remuneration Committee)	■Scope of evaluation: i. Self-evaluation of Board of Directors 1. Participation in the operation of the company. 2. Improvement of the Board's decision-making quality 3. The composition and structure of the Board of Directors. 4. Director's professionalism and continuing education. 5. Internal control. ii. Self-evaluation of directors 1. Alignment of the goals and mission of the company. 2. Awareness of the duties of a director. 3. Participation in the operation of the

				company. 4. Management of internal relationship and communication. 5. The director's professionalism and continuing education; and 6. Internal control. iii. Self-evaluation of functional committees 1. Participation in the operation of the company. 2. Self-evaluation of functional committees. 3. Improvement in the quality of the committee's decision-making. 4. Composition and appointment of the committee members. 5. Internal control. ■Result of evaluation: The Company finished the performance evaluation of the Board of Directors, directors, Remuneration Committee and Audit Committee in December 2023. The results were reported to the Board of Directors held on March 11, 2024. All the evaluation results were "excellent" or above, indicating an overall outstanding operation of the units.

iv. Enhancements to the functionality of the board of directors in the current and the most recent year (e.g. establishment of an Audit Committee, improvement of information transparency etc.), and the progress of such enhancements:
Directors are encouraged to attend courses related to corporate governance, and in 2023, 7 directors studied for 67 hours.

(iii) Operation of the Audit Committee

The Audit Committee met four times in 2023, and the attendance of independent directors is as follows:

Position	Name	Number of attendance in person	Number of attendance by proxy	% of attendance in person	Remarks
Independent director	Chen Tai-Jan	4	0	100%	None
Independent director	Huang Chin-Ming	4	0	100%	None
Independent director	Hsu Wan-Lung	4	0	100%	None

Other matters to be recorded:

i. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, resolution of the Audit Committee and the Company's handling of the Audit Committee's opinions should be described:

(i) Matters listed in Article 14-5 of the Securities and Exchange Act:

Date	Proposal content	Resolution results and the Company's handling of independent directors' opinions
2023.03.14	1. 2022 Business Report. 2. 2022 stand-alone and consolidated financial statements. 3. 2022 earnings distribution and cash dividends proposal. 4. 2022 Statement of Internal Control System. 5. Exemption from non-compete restrictions against newly elected directors. 6. Plan to borrow from subsidiary.	1. All proposals are approved as proposed and submitted to the Board of Directors for a resolution, except for proposal 5, in which Director Huang Chin-Ming recused for conflict of interest. 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2023.05.12	1. 2023 Q1 financial statements. 2. Transfer of treasury stocks to employees and determination of subscription base date. 3. Establishment of a subsidiary in Vietnam. 4. Amendment to certain provisions of the "Procedures for Loaning Funds to Others."	1. Approved as proposed and submitted to the Board of Directors for a resolution 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2023.08.07	1. 2023 Q2 financial statements.	1. Approved as proposed and submitted to the Board of Directors for a resolution 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.
2023.11.10	1. 2023 Q3 financial statements. 2. Establishment of 2024 annual internal audit plan. 3. Appointment of 2024 CPA s and their compensation.	1. Approved as proposed and submitted to the Board of Directors for a resolution 2. The Company's handling of the Audit Committee's opinion: All directors present passed the motion without objection.

(ii) Other than the foregoing, resolutions not approved by the Audit Committee and approved by two-thirds or more of all directors: None.

ii. The recusal of the independent directors from motions that involved a conflict of interest. Specify the names of the independent directors, the content of the motions, and reason for recusal, and the participation in voting:「Exemption from non-compete restrictions against newly elected directors」is approved as proposed except Director Huang Chin-Ming recused for conflict of interest.

iii. Communication between independent directors, internal audit officer and CPA (major matters, methods and results of communication on the Company's financial and business conditions, etc. should be included):

(i) The internal auditor and CPA may contact with independent directors whenever necessary. They can make smooth communication.

(ii) The independent directors receive an audit report every month and the audit officer reports important matters to them at the quarterly meeting. They have made full communication on the implementation of audit matters and its effectiveness.

(iii) Status of corporate governance, deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and reasons for such deviations:

Items under evaluation	Status			Any nonconformity to the Corporate Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
i. Has the Company formulated and disclosed its corporate governance practice principles in accordance with the "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	V		The Company has established "Corporate Governance Best Practice Principles," which is disclosed on the Company's website.	No difference
ii. Equity structure and shareholders' equity (i) Whether the Company has defined some internal operating procedure to deal with suggestions, questions, disputes and legal actions from shareholders, and implemented the procedure? (ii) Whether the Company controls the list of major shareholders and the controlling parties of such shareholders? (iii) Whether the Company establishes or implements some risk control and firewall mechanisms between the Company and its affiliates? (iv) Does the Company set up internal norms to prohibit the insiders from utilizing the undisclosed information to trade securities?	 V V V V		(i) The Company has an investor relations specialist dedicated to handling shareholders' proposals or disputes and will appoint legal counsel to assist when necessary. (ii) The Company's stock affairs are entrusted to a professional stock affairs agency. A person is assigned to understand the shareholder structure so that he/she can grasp the list of major shareholders and ultimate controllers of major shareholders who substantially control the Company. (iii) The Company has established management systems in accordance with relevant laws and regulations, such as the "Regulations Governing the Operation of Subsidiaries" and "Management of Related Party Transactions," to control the risks between the Company and its affiliated companies and to establish appropriate firewalls. (iv) The Company has an "Ethical Business Best Practice Principles," Article 14 of which explicitly prohibits insider trading and is disclosed on the website of the Company. Insiders are reminded, when necessary, not to trade the Company's stocks during the trading period to avoid violation of these Principles.	No difference

iii. The organization of the Board of Directors and its duties: (i) Has a policy of diversification and specific management objectives been established and implemented by the Board of Directors? (ii) Does the Company, in addition to setting up the Remuneration Committee and Audit Committee lawfully, have other functional committee set up voluntarily? (iii) Whether the Company has formulated board performance evaluation measures and methods, conducts performance evaluations annually and regularly, and reports the results of performance evaluations to the Board of Directors, and uses them as a reference for individual directors' remuneration and a nomination for reappointment? (iv) Does the Company have the independence of the public accountant evaluated regularly?	V V V	 V	(i) Yes, please refer to page 11 for more information about disclosure. (ii) The Company has not yet established other types of functional committees, which will be evaluated in the future. (iii) The Company has evaluation regulations for the performance of the Board of Directors, conducts regular performance evaluation every year, submits the results to the Board of Directors, uses them as the basis for the nomination for re-election of individual directors. (iv) The Company evaluates the independence of CPAs once a year. In 2023, the Company added the "Audit Quality Indicators (AQIs)" to the evaluation. The results were submitted to the Board of Directors for approval on November 10, 2023. It has been evaluated that CPA Hsieh Ming-Chung and Liu Shu-Lin of Deloitte Touche Tohmatsu Limited appointed by the Company meet the Company's independence evaluation criteria (Note 1).	Other functional committees will be established if needed
iv. Does the Company as a listed enterprise have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be responsible for corporate governance related matters (including but not limited to providing information necessary for directors and supervisors to perform their business, assisting directors and supervisors in complying with laws and regulations, conducting board meeting and shareholder meeting related matters in accordance with the law, handling company registration and alteration registration, and preparing minutes of board meetings and shareholder meetings, etc.)?	V		The Company has a corporate governance officer and investor relations and stock affairs departments responsible for corporate governance-related matters.	No difference

v. Has the Company established channels for communications with the stakeholders (including but not limiting to shareholders, employees, customers, and suppliers), and set up an area for stakeholders at the official website of the Company with proper response to the concerns of the stakeholders on issues related to corporate social responsibility?	V		The Company has a dedicated staff to act as a communication channel for the Company and to maintain a smooth communication channel with stakeholders through face-to-face communication, phone calls, letters or emails. It has set up a stakeholder area on the Company's website to keep track of relevant information to protect the legal and reasonable rights of both parties.	No difference
vi. Has the Company commissioned a professional share registration and investor service institution for providing services to shareholders?	V		The Company has appointed Taishin Securities' stock affairs agency department to handle the shareholders' meeting.	No difference
vii. Disclosure of information (i) Does the Company have a website setup and the financial business and corporate governance information disclosed? (ii) Whether there are other means for disclosure adopted by the Company (e.g. set up an English website, with the personnel dedicated to gathering and disclosing relevant information, properly implement the spokesman system, and post the meetings minutes with institutional investors on the Company website)? (iii) Does the Company publicly announce and file annual financial statements within two months after the end of the fiscal year? The financial statements for the first, second and third quarters and the monthly operating status before the prescribed deadline?	V V	 V	(i) The Company has established a website (www.ichia.com) to regularly disclose information regarding the Company's finance, business and corporate governance. (ii) The Company has dedicated personnel responsible for the disclosure of information on the Market Observation Post System and the Company's website, the implementation of the spokesperson system, and the posting of presentations and video files of earnings call or corporate briefing in the investors' area of the Company's website in accordance with the regulations. (iii) According to the current operation schedule, the Company cannot publicly announce and file annual financial statements within two months after the end of the fiscal year. However, we have announced and file the Q1, Q2 and Q3 financial statements earlier within the prescribed deadline.	No material difference
viii. Other important information facilitating understanding of the functioning of corporate governance (including but not limited to the state of employees' rights and interests, concern for employees, investor relations, vendor relations, rights of interested parties, continuing education of directors and supervisors, implementation of risk management policy and risk assessment criteria, implementation of customer policy, and liability insurance purchased by the Company for directors and supervisors)?	V V V V		(i) Employee rights and benefits: The Company protects the rights and benefits of its employees in accordance with the Labor Standards Act (ii) Employee care: The Company has an Employee Welfare Committee that arranges employee travels and various annual festival benefits. The occupational safety personnel arrange regular health checkups for employees and advanced health checkups for the management. The "Employees Stock Ownership Trust" has been implemented since 2022. (iii) Investor relations: The Company has dedicated investor relations personnel to handle shareholder proposals or disputes. (iv) Supplier relationships: The Company maintains good long-term	No difference

			cooperative relationships with its suppliers.	
	V		(v) Rights of stakeholders: The Company has dedicated personnel to establish a smooth communication channel with stakeholders to protect the rights and interests of both parties.	
	V		(vi) Directors' and supervisors' continuing education: The number of hours of continuing education for the Company's directors and supervisors in 2023 complied with the requirements of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies," as described in Note 2.	
	V		(vii) Implementation of risk management policies and risk measurement standards: The Company establishes internal regulations and conducts various risk management and evaluation in accordance with the law.	
	V		(viii) Implementation of customer policies: The Company maintains good relationships with its customers, builds long-term mutual trust and cooperation, and creates company profits.	
	V		(ix) Liability insurance for directors and supervisors: As of the publication date of the annual report, the Company has taken out liability insurance for directors and supervisors.	
ix. Please explain the improvements made based on the corporate governance evaluation results published by the Corporate Governance Center of Taiwan Stock Exchange in the most recent year, and propose enhancement measures and measures for those that have not yet been rectified: The Company conducts annual reviews of the low-scoring items in the corporate governance evaluation and plans to improve them. The transparency of disclosures on our website was improved significantly in 2023. As for the "specificity and implementation" required by the evaluation indicators, we will further list examples and modify the disclosure method; in addition, the English version of the quarterly financial statements and the sustainability report will be disclosed on the Company's website to provide foreign investors with better information of the Company and connect with the international market.				

Note 1: CPA Independence and Competence Evaluation Form

Items under evaluation	Evaluation of evaluation	Compliance with independence and competence
1. Whether the CPA has an employment relationship with the Company?	No	Yes
2. Whether the CPA has held any position as a director, supervisor, managerial officer, or others with significant influence on the audit of the Company in the last two years?	No	Yes
3. Whether the CPA is related to a director, supervisor or managerial officer of the Company?	No	Yes
4. Whether the CPA has had dealings with the Company or the Company's person in charge in the form of financial loans?	No	Yes
5. Whether a statement of independence has been received from the CPA?	Yes	Yes
6. Whether the CPA has provided the Company with audit services for 7 consecutive years?	No	Yes
7. Whether the Company's financial statements have been subject to litigation or corrected by the competent authorities?	No	Yes
8. Use of the Audit Quality Indicators (AQIs) in evaluation:		
8.1 Aspect 1: Are the professionalism indicators (audit experience, training hours, turnover rate, professional support) sufficient?	Yes	Yes
8.2 Aspect 2: Are the quality control indicators (CPA workload, audit input, EQCR status, and quality control support capability) sufficient?	Yes	Yes
8.3 Aspect No. 3: Is independence (non-audit services, client familiarity) abnormal?	No	Yes
8.4 Aspect 4: Is supervision (external inspection deficiencies and penalties, letter from the competent authority for improvement) is abnormal?	No	Yes
8.5 Aspect 5: Is there audit innovation planning ability?	Yes	Fair

Note 2: Directors' continuing education for 2023

Position	Name	Date		Organizer	Name of Course	Hours
		From	To			
Chairman	HUANG CHIU YUNG	2023/12/15	2023/12/15	Corporate Operating and Sustainable Development Association	Legal Compliance of the Board of Directors and Legal Responsibilities of Directors and Supervisors and Case Study	3
		2023/06/02	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit	3
Vice Chairman	HUANG LI LIN	2023/08/17	2023/08/18	Taiwan Corporate Governance Association	Net Zero Sustainable Talent Incubation Course (Northern Taiwan) - Low-Carbon Transformation Strategies for Enterprises	9
		2023/06/02	2023/06/02	Chinese National Association of Industry and Commerce	2023 Taishin Net Zero Summit	3
Director	Huang Tzu-Cheng	2023/09/04	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
		2023/04/27	2023/04/27	Taiwan Stock Exchange	Sustainable Development Action Plan Conference for TWSE/TPEx-listed Companies	3
Director	Tseng Kung-Sheng	2023/11/10	2023/11/11	Commerce Development Research Institute	ESG Sustainability Leadership 2nd Term - A Special Course for Directors/Supervisors/Business Owners (Afnor International Certification Course)	12

Independent director	Huang Chin-Ming	2023/09/04	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
		2023/05/23	2023/05/23	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Review and Analysis of Financial Statements by Directors and Supervisors	3
Independent director	Chen Tai-Jan	2023/09/27	2023/09/27	Taiwan Investor Relations Association	Empower the Board of Directors to Become a Key Force in Leading Sustainable Governance	5
		2023/09/04	2023/09/04	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3
		2023/06/02	2023/06/02	Chinese National Association of Industry and Commerce	A Workshop for Director and Supervisor - 2023 Taishin Net Zero Summit	3
Independent director	Hsu Wan-Lung	2023/06/15	2023/06/15	Securities and Futures Institute	Advanced Seminar for Directors (including Independent Directors) and Corporate Governance Officers - Performance Evaluation of the Board of Directors	3
		2023/04/25	2023/04/25	Accounting Research and Development Foundation	How the Board of Directors and Senior Executives Review ESG Sustainability Reports	3
		2023/02/21	2023/02/21	Taiwan Institute for Sustainable Energy	SASB Contents and Implementation Practices	8

(iv) Composition, duties and operations of the Remuneration Committee.

1. Composition of the Remuneration Committee

Identity / Name / Condition		Professional qualifications and experience	Status of independence	Number of public companies where the person holds the title as Remuneration Committee member
Independent directors (Note 1)	Huang Chin-Ming	Please refer to page 10 "Professional qualifications of directors and independence of independent directors"		0
Independent directors (Note 2)	Chen Tai-Jan			2
Independent directors (Note 3)	Hsu Wan-Lung			0

Note 1. Independent Director Huang Chin-Ming is the convener of the Remuneration Committee. Please refer to the information on directors on page 8 for his identity.

Note 2: Please refer to the information on directors on page 8 for the identity of the Independent Director Chen Tai-Jan.

Note 3: Please refer to the information on directors on page 8 for the identity of the Independent Director Hsu Wan-Lung.

2. Duties of the Remuneration Committee

The Remuneration Committee's duties shall be to submit recommendations on the following matters to the Board of Directors for discussion in accordance with Article 4 of the Company's Remuneration Committee Charter.

(1) Stipulate and regularly review the compensation policies, systems, standards and structures, and performance of directors and managers.

(2) Regularly review and adjust directors' and managers' remuneration.

3. Information about operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of three (3) members.

(2) Current term of office: The term of office commences from June 20, 2023 until June 19, 2026. The Committee held 3 meetings in 2023. Members' qualifications and attendance are as follows:

Position	Name	Actual attendance	Number of attendance by proxy	Actual attendance rate (%)	Remarks
Convener	Huang Chin-Ming	3	0	100	None
Committee member	Chen Tai-Jan	3	0	100	None
Committee member	Hsu Wan-Lung	3	0	100	None

(3) The Remuneration Committee's discussions and resolutions.

Date:	Proposal content	Resolution results and the Company's handling of independent directors' opinions
2023.3.14	1. Review of the remuneration to the Chief Strategy Officer 2. Review of the 2022 remuneration to directors and employees	1. All proposals were approved as proposed and submitted to the Board of Directors for a resolution 2. The Company's handling of the Remuneration Committee's opinion: All directors present passed the motion without objection.
2023.05.12	1. Review of the monthly remuneration to new managerial officers and the amount of payment 2. Review of treasury stock transfer to managerial officers and determination of subscription base date 3. Review of 2022 remuneration distribution to managerial officers and employees 4. Amendment to certain provisions of the "Directors' remuneration and remuneration distribution regulations"	1. All proposals were approved as proposed and submitted to the Board of Directors for a resolution 2. The Company's handling of the Remuneration Committee's opinion: All directors present passed the motion without objection.
2023.11.10	1. Review of the adjustment of the remuneration to the General Manager 2. Review of the remuneration to the Independent Director Huang Chin-Ming 3. Review of the remuneration to the Independent Director Chen Tai-Jan 4. Review of the remuneration to the Independent Director Hsu Wan-Lung	1. All parties concerned recused themselves from proposal 2, 3 and 4 and did not participate in the review. The remaining committee members unanimously approved these 4 proposals and submitted it to the Board of Directors for resolution. 2. The Company's handling of the opinions of the Remuneration Committee: It was unanimously approved by all the directors present at the meeting.

(4) Other matters to be recorded:

1. If the Board of Directors does not adopt, or amends, the Remuneration Committee's suggestions, please specify the meeting date, term, contents of motion, resolution of the board of directors, and the Company's handling of the Remuneration Committee's opinions: None
2. For resolution(s) made by the Remuneration Committee with the Committee members voicing opposing or qualified opinions on the record or in writing, please state the meeting date, term, contents of motion, opinions of all members and the Company's handling of the said opinions: None.

(v) Promotion of sustainable development:

Item	Implementation status			Any nonconformity to the Sustainable Development Governance Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary description	
i. Does the Company have a governance structure that promotes sustainable development and have a special unit or designate an existing unit for the task of sustainable development promotion? Does the Board of Directors of the Company authorize the top management to handle relevant matters? How does the Board of Directors conduct supervision?	V		The concurrent “ESG Team” has been set up . The CEO acts as the head of the Team and gathers the heads of different departments to serve as the team members to establish medium-term and long-term and sustainable development plans. The Team acts as a communication platform for vertical integration and horizontal connection. It identifies the sustainability issues that are critical to the business of the Company and concerns of the stakeholders. The Team develops strategies and work guidelines to address the issues, budgets for them, plans and implements annual programs, and follows up implementation effectiveness in order to ensure thorough implementation of the sustainable development in the routine operations of the Company. The implementation results of the sustainable development and the work plans for the coming year have been reported to the Board of Directors. If necessary, it supervises the sustainability team to make adjustments depending on the progress of the strategy.	No difference

ii. Does the Company conduct risk evaluations on environmental, social and corporate governance issues related to the Company's operations in accordance with the materiality principle, and formulate relevant risk management policies or strategies?	V		Faced with the rapid changes in the VUCA era, the Company establishes the "Risk Assessment and Management Procedure". The responsible units identify, analyze, measure and monitor risks with respect to their business-related risk characteristics and the level of impact based on the principle or materiality. In addition to the daily management and operation of each functional department, the Group holds monthly operation and management meetings to identify and evaluate internal and external risks through TOWS analysis to ensure timely adjustment of operating strategies.	No difference
iii. Environmental Issues (i) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	V		The Company has passed the SIO 14001 Environmental Management Systems certification and established the "Environmental Management Policy" accordingly. We conduct environment-related management pursuant the Policy. In addition to the minimum standards required by laws, we are committed to the environmental protection to realize UN SDGs (2030 Sustainable Development Goals) and the ESG spirit in favor of the environment and sustainability.	No difference
(ii) Is the Company committed to enhancing the utilization efficiency of resources and using renewable materials with low impact on the environment?	V		The Company is committed to the design and development of new low-pollution green products. In 2023, the Company has begun to produce self-made quench plates used for shipment and cooperate with customers in the aspect of the recycle mechanism to increase the plastic recycling and reuse rate. In 2024, the subsidiaries of the Group will conduct a comprehensive inventory of the use of plastics. Subsequent plans will be made to find alternative materials and a establish a recycling mechanism to reduce the usage of plastics. The goal is to achieve plastic neutrality by 2030.	No difference
(iii) Does the Company evaluate the potential risks and opportunities of climate change to the Company now and in the future, and take corresponding measures to respond to related issues?	V		After assessment, the Company may cause supply chain interruption or resource shortage risk due to climate change. Therefore, the management of sustainable supply chain and various greenhouse gas reduction measures, including improving energy efficiency, optimizing production processes, spontaneous solar energy and using green power generation, are all ongoing. Through the above strategic management, we hope to better respond to the challenges brought by climate change and reduce potential risks in the future.	No difference

(iv) Does the Company make statistics on greenhouse gas emissions, water consumption and the total weight of waste for the past two years and formulate policies for greenhouse gas reduction, water consumption reduction or other waste management?	V		The Company continues to collect statistics on greenhouse gas emissions, water consumption, and the weight of waste every year. Relevant results are disclosed on the website and in the sustainability report. Since 2022, ESG-related projects and plans have been launched and policies and procedures for reduction and emission reduction have been formulated and implemented. In 2023, all subsidiaries of the Group have completed the ISO14064-1 organizational carbon inventory and received third-party certification. From the second half of 2023 to the first half of 2024, the subsidiaries will complete the ISO50001 energy management system certification one after another. Through the indicator-based management under ISO, sustainable development will be implemented more thoroughly in the daily operation and management.	No difference
iv. Social Issues (i) Does the Company have the relevant management policies and procedures stipulated in accordance with the relevant laws and regulations and international conventions on human rights?	V		The Company has established management policies and procedures in accordance with labor-related laws and regulations and international human rights conventions. It has integrated corporate citizenship principles into its internal management strategies, including corporate policies, management procedures, human resource development, internal reporting, etc. The Company adopts a two-way open communication approach to promote corporate policies and the understanding of employees' opinions. The Group's subsidiaries have obtained RBA, SA8000, and Harmonious Enterprise certification one after another.	No difference
(ii) Whether the Company has formulated and implemented reasonable employee welfare measures (including remuneration, vacation and other benefits, etc.), and appropriately reflects operating performance or results in employee remuneration?	V		The Company has established work rules and related personnel management regulations, which cover basic wages, working hours, leave, pension benefits, labor and health insurance benefits, and compensation for occupational accidents for workers employed by the Company in accordance with the Labor Standards Act. The Employee Benefits Committee has been established to handle welfare matters through the operation of an employee-elected welfare committee. The Company's remuneration to employees is based on the individual's ability and associated with the contribution to the Company and performance. It has a positive relation with the operating performance of the Company.	No difference

(iii)	Whether the Company provides its employees with a safe and healthy work environment and regularly implements employee safety and health education measures?	V		In addition to provision of the causes on occupational safety, the Company takes the necessary preventive equipment or measures to protect workers from occupational accidents; new employees are all provided with occupational safety training. Safety and health education and training are also provided to workers every year that are necessary for them to perform their duties and prevent accidents.The company has no fire incidents in 2024.	No difference
(iv)	Does the Company have an effective career capacity development training program established for the employees?	V		In addition to passing the TTQS Talent Quality Management System certification, the Company conducts year-end training surveys for the goals of the next year, compiles them into an annual training plan, and arranges employee training courses according to the annual training plan.	No difference
(v)	Does the Company comply with relevant laws and regulations and international standards regarding the issues of customer health and safety, customer privacy, marketing and labeling of products and services, and establish relevant consumer or customer rights protection policies and complaint procedures?	V		The Company has complied with laws and international standards with regards to the marketing and labeling of products and services.	No difference
(vi)	Has the Company formulated supplier management policies requiring suppliers to follow relevant environmental protection regulations, occupational safety and health, or labor rights and monitor their implementation?	V		Before dealing with suppliers, the Company assesses whether there is any record of impacting the environment and society, and requires suppliers to sign a social responsibility commitment and a declaration of non-use of conflict minerals to ensure compliance with the Company's corporate social responsibility policy.	No difference

v. Does the Company use internationally accepted standards or guidelines for preparation of reports as a reference for preparing corporate sustainability reports and other reports disclosing non-financial information of the Company? Has the assurance or opinion been obtained from a third-party certifying institution for the reports of the preceding paragraph?		V	The Company prepared the corporate sustainability report pursuant to the standards or guidelines, and publishes it in the ESG section on the Company's website to disclose the actual operation. We will obtain assurance from a third-party certifying institution for the report within the schedule required by laws and regulations.	We will also obtain assurance from a third-party certifying institution for subsequent reports within the schedule required by laws and regulations.
vi. In the event that the Company has established sustainable development best practice principles in accordance with the "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies", please describe the deviations between the implementation and the established principles. The Company has established sustainable development best practice principles. Their implementation conforms to the sustainable development required fo TWSE/TPEx listed companies.				
vii. Other information that enables a better understanding of the Company's promotion of sustainable development: (i) Environmental protection and safety and health: Comply with domestic environmental protection and safety and health-related laws and regulations, meet the requirements of the government and customers on the banned substances of the products delivered, and strive to save energy, industrial waste reduction, pollution prevention and comprehensive risk assessment to effectively reduce safety and health risks to achieve the goal of continuous improvement. (ii) Community involvement, social contribution, social service and social welfare: In 2023, we held the "I love Guishan" mountain cleaning and the Nankan River cleaning activities to continuously take care of the environment and the community. We also participated in the "DOMI Green" tree planting event to put the concept of caring for the earth into practice. We have provided venues for Mr. Yu Chung-Ping to exhibit ceramic works and supported arts and cultural events many years. In addition, we sponsor LPGA professional golfers to training domestic sports talents. (iii) Consumer rights: Comply with fair trade, no exaggerated and untrue marketing, abide by the business philosophy of honesty and integrity, and provide the highest quality and service to our customers. (iv) Human Rights: We will not recruit or employ child labor as defined by the laws of each country; we will not force employees to work; we will prohibit any violence or discrimination; we will provide employees with a physically and mentally healthy and safe working environment, and we will protect the rights and interests of employees.				

(vi) The Company's implementation of ethical corporate management and the measures taken:

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary	
i. Establish ethical business policies and programs (i) Has the Company established an ethical corporate management policy approved by the Board of Directors and stated in its Articles of Incorporation or external correspondence about the policies and practices it has to maintain ethical management? Are the board of directors and the management committed to fulfilling this commitment?	V		(i) The Company has established Ethical Business Best Practice Principles and adheres to the management philosophy of honesty and integrity.	No difference
(ii) Whether the Company has established a mechanism for evaluating the risk of unethical conduct, regularly analyzes and evaluates the activities in the scope of business with a higher risk of unethical conduct. Based on this, it has formulated a plan to prevent unethical conduct, which covers at least the preventive measures for the conduct set out in Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"?	V		(ii) The precautionary measures are clearly defined in the Company's Ethical Business Best Practice Principles.	
(iii) Whether the Company has specified operating procedures, conduct guidelines, and disciplinary and complaint systems for violations in the plan to prevent unethical conduct and implemented the plan as well as regularly reviews and amends it?	V		(iii) The precautionary measures are clearly defined in the Company's Ethical Business Best Practice Principles.	

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary	
ii. The implementation of ethical corporate management (i) Does the Company evaluate the integrity of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	V		(i) Before working with any counterparties, we will evaluate their ethical records and set up a letter of commitment to operating in ethical ways, requiring them to comply with each country's laws and regulations and our internal regulations and not to have improper interests.	No difference
(ii) Does the Company have a dedicated unit under the Board of Directors to promote ethical corporate management and regularly report (at least once a year) to the Board of Directors on its ethical management policy and plan to prevent unethical conduct and monitor their implementation?	V		(ii) The Board of Directors, the Chairman's Office, and the Finance and Accounting Division are the functional units that promote and implement the Company's ethical corporate management.	
(iii) Does the Company have developed policies to prevent conflicts of interest, provided an adequate channel for communication, and substantiated the policies?	V		(iii) Article 6 of the Company's Code of Ethical Conduct and affidavit for Employees states that employees shall avoid any situation that may cause a conflict between their personal interests and those of the Company.	
(iv) Whether the Company has established an effective accounting system and internal control system for the implementation of ethical corporate management, and the internal audit unit draws up relevant audit plans based on the evaluation results of risk of unethical conduct and audits the compliance of the plan to prevent unethical conduct or entrusts a CPA to perform the audit?	V		(iv) The Company has established an effective accounting system and internal control system, and the internal auditors regularly review the compliance of the above-mentioned system.	

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary	
(v) Does the Company organize internal or external training on a regular basis to maintain ethical management?	V		(v) We arrange education and training on corporation culture for new employees during the induction training to make sure our corporate culture of "Integrity & Honesty, Dedication, Innovation, and Achievement" are the values of the employees. Then, the Company regularly promotes the ethical corporate management policy to our employees and integrates it in the internal education and training programs.	
iii. The operations of the Company's whistleblower reporting system (i) Has the Company set up a specific whistleblower reporting and reward system and a convenient reporting channel and designated appropriate personnel to deal with the reported matters? (ii) Has the Company formulated standard operating procedures to investigate the reported matters, follow-up measures to be taken after the completion of the investigation, and the relevant confidentiality mechanisms? (iii) Whether the Company takes measures to protect whistleblowers from being improperly handled due to reporting?	V V V		(i) The Company has established Ethical Business Best Practice Principles, and has set up a stakeholder complaint mailbox with a dedicated department to establish a good and convenient reporting channel. (ii) The Company has a dedicated unit to receive reports and complaints, and the identity of the person making the report and the content of the report are kept confidential. (iii) The Company shall take appropriate protection and confidentiality for the whistleblower and shall not suffer improper disposal due to the whistleblower.	No difference
iv. Strengthening information disclosure Has the Company disclosed its ethical management principles and progress onto its website and Market Observation Post System (MOPS)?	V		The Company's website and Market Observation Post System (MOPS) have disclosed the ethical management principles.	No difference

Assessment item	Implementation status			Any nonconformity to the Ethical Business Best Practice Principles for TSEC/GTSM Listed Companies, and reasons thereof:
	Yes	No	Summary	
v. If the Company has related practice principles of its own in accordance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies,” please state the differences between the two and the state of implementation: The Company has established Ethical Corporate Management Best Practice Principles and its actual operations are in compliance with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” with no material differences.				
vi. Other important information that is helpful to understand the implementation of ethical corporate management: None.				

(vii) If the Company has formulated the “Corporate Governance Practice Principles” and related rules, it shall disclose its inquiry methods: The Company has disclosed the relevant principles on our website and the Market Observation Post System.

(viii) Other important information that is helpful to understand the Company's implementation of corporate governance may also be disclosed:

1. Please refer to the following schedule for the corporate governance-related courses attended by the Company's senior executives during 2023:

Position	Name	Date	Institute	Name of Course	Hours
CFO and Corporate governance officer	Huang Yen-Hsiang	2023.04.27	Taiwan Stock Exchange	Sustainable Development Action Plan Conference for TWSE/TPEx-listed Companies	3
		2023.07.18	Internal Audit Association	Knowledge of Labor Law That Auditors Shall Have - from Recruitment to Resignation	6
		2023.09.28	Securities and Futures Institute	Advanced Seminar on Directors and Supervisors (Including Independent) and Corporate Governance Supervisors	3
		2023.10.04	Securities and Futures Institute	Advanced Seminar on Directors and Supervisors (Including Independent) and Corporate Governance Supervisors	3
		2023.11.16	Taiwan Institute for Sustainable Energy	6th Global Corporate Sustainability Forum 3-2	3
Accounting officer	Cheng Ching-Yi	2023.09.07 - 2023.09.08	Accounting Research and Development Foundation	Continuing Education Program for Accounting Officer of the Issuer, Securities Firm and Securities Exchange	12
Audit officer	Chang Hsin-Yi	2023.04.19	Internal Audit Association	Analysis of Regulations and Practice on Loaning Funds, Endorsement and Guarantee, and Acquisition and Disposal of Assets	6
		2023.05.16	Internal Audit Association	Regulatory Analysis and Audit Focus of the Board of Directors and Functional Committees (Audit, Remuneration)	6
		2023.09.19	Internal Audit Association	Production Cycle Practices and Audit Focus	6

2. The corporate governance evaluation grade has been improved by one level compared to the previous year. In accordance with the Company's sustainable development plan, the goal is to upgrade to a higher level.

(ix) Implementation of internal control system:

1. Internal Control statement:

ICHIA TECHNOLOGIES INC.
Statement of International Control System

Date: March 11, 2024

The following declaration is made based on the 2023 self-assessment of the Company's internal control system:

1. The Company is fully aware that the Board of Directors and the management are responsible for establishing, implementing, and maintaining the internal control system and it is established accordingly. The purpose of this system is to provide reasonable assurance in terms of the effectiveness and efficiency of operations (including profitability, performance and asset security etc), reliable, timely and transparent reporting, and compliance with relevant laws and regulations.
2. The internal control system is designed with inherent limitations. No matter how perfect the internal control system is, it can only provide reasonable assurance to the fulfillment of the three objectives referred to above. Moreover, the internal control system's effectiveness could be affected by the changes in the environment and circumstances. The Company's internal control system is designed with a self-monitoring mechanism; therefore, corrective actions will be activated upon identifying any nonconformity.
3. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria defined in "the Regulations" include five elements depending on the management control process: (1) environment control, (2) risk assessment, (3) control process, (4) information and communication, and (5) supervision. Each of the five elements is then divided into a sub-category. Please refer to "the Regulations" for details.
4. The Company has implemented the internal control system's criteria referred to above to inspect the effectiveness of internal control system design and implementation.
5. Based on the result of the assessment, the Company finally determined the effectiveness of the design and implementation of our internal control system until December 31, 2023 (including supervision and management of subsidiaries) regarding the effectiveness and efficiency of operations, the reliability, promptness, and transparency of reports and compliance with relevant laws and regulations. This system provided reasonable assurance that the above objectives have been achieved.
6. The Statement of Internal Control System is the main content of the Company's annual report and prospectus published. Any false and concealment of the published contents referred to above involve the liability illustrated in Article 20, Article 32, Article 171, and Article 174 of the Securities and Exchange Act.
7. The Statement of Internal Control System was resolved at the Board meeting with the objection of 0 board directors out of the 6 attending board directors on March 11, 2024. The contents of the statement have been accepted without objection.

ICHIA TECHNOLOGIES INC.

Chairman: HUANG CHIU YUNG (Signature/Seal)

General manager: Tseng Kung-Sheng (Signature/Seal)

2. The internal control audit report issued by the CPA commissioned to conduct an internal control audit if any: None.

(x) Considering the company and its internal personnel being punished according to law and the internal personnel in violation of internal control system being punished by the company in the most recent year as of the publication date of the annual report, please describe the major defect and corrective actions: None

(xi) Resolutions reached in the shareholder’s meeting or by the Board of Directors during the most recent year and up to the date of publication of this annual report:

1. Important resolutions made at shareholders' meeting and their implementation

Meeting date	Summary of major motions	Resolution	Implementation status
2023.6.20	1. 2022 business report, stand-alone and consolidated financial statements	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 173,918,837, representing 86.21% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The relevant reports have been reported to the competent authorities and publicly announced in accordance with the law.
	2. 2022 earnings distribution proposal.	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 174,280,243, representing 86.38% of the total number of voting rights. The proposal was approved as originally proposed after voting.	August 24, 2023 was set as the ex-dividend date, and the full amount was distributed on September 22, 2023 (cash dividend of NT$0.9915487 per share).
	3. Exemption from non-compete restrictions against newly elected directors.	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 168,696,345, representing 83.62% of the total number of voting rights. The proposal was approved as originally proposed after voting.	Approved.
	4. Amendment of certain provisions of the “Articles of Incorporation.”	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 174,072,036, representing 86.28% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The revised “Articles of Incorporation” shall apply, which has been published on the Company’s website.
	5. Amendment to certain provisions of the “Procedures for Loaning Funds to Others.”	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 170,392,011, representing 84.46% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The revised “Procedures for Loaning Funds to Others” shall apply, which has been published on the Company’s website.
	6. Amendment to certain provisions of the “Rules of Procedure for Shareholders’ Meeting”	The number of voting rights of shareholders present at the time of voting was 201,736,983, and the number of voting rights in favor of the proposal was 174,268,464, representing 86.38% of the total number of voting rights. The proposal was approved as originally proposed after voting.	The revised “Rules of Procedure for Shareholders’ Meeting” shall apply, which has been published on the Company's website.

2. Important resolution made by the Board of Directors

Meeting date	Important resolution
2023.3.14	1. Establishment of the 2023 Business Plan. 2. Establishment of 2023 annual budget. 3. 2022 Business Report. 4. 2022 Financial Statements. 5. 2022 earnings distribution and payment of cash dividends 6. 2022 remuneration to directors and employees. 7. 2022 Statement of Internal Control System. 8. Full re-election of directors. 9. Nomination and review of candidates for directors and independent directors. 10. Exemption from non-compete restrictions against newly elected directors. 11. Determination of the date, venue, and proposal period for the 2023 shareholders' meeting. 12. Formulations of the agenda for 2023 shareholders' meeting 13. Appointment of Chief Strategy Officer and review of his/her remuneration and bonus. 14. Plan to borrow from subsidiary. 15. Application for bank credit facility.
2023.4.12	Nomination and review of candidates for directors and independent directors.
2023.5.12	1. 2023 Q1 financial statements. 2. Transfer of treasury stocks to employees and determination of subscription base date. 3. Establishment of a subsidiary in Vietnam. 4. Amendment of certain provisions of the "Articles of Incorporation." 5. Amendment to certain provisions of the "Procedures for Loaning Funds to Others." 6. Amendment to certain provisions of the "Rules of Procedure for Shareholders' Meeting" 7. Amendment to partial provisions of the "Rules of Procedure for Shareholders' Meeting." 8. Amendments to partial provisions of the "Corporate Governance Best Practice Principles ." 9. Amendment to partial provisions of the "Regulations Governing the Distribution of Remuneration and Compensation to Directors." 10. Amendment to the agenda for 2023 shareholders' meeting. 11. Determination of the monthly salary to new managerial officers. 12. 2022 remuneration distribution to managerial officers and employees. 13. Application for bank credit facility.
2023.6.20	Election of the Chairman and Vice Chairman of the Board of Directors.
2023.8.7	1. 2023 Q2 financial statements. 2. The appointment of the Company's Remuneration Committee members. 3. Bank credit facility applications.
2023.11.10	1. 2023 Q3 financial statements. 2. Establishment of 2024 annual internal audit plan. 3. Evaluation of the independence of the CPAs. 4. Appointment of 2024 CPAs and their compensation. 5. Adjustment of the remuneration to the General Manager. 6. Remuneration to the Independent Director Huang Chin-Ming. 7. Remuneration to the Independent Director Remuneration to the Independent Director Huang Chin-Ming. 8. Remuneration to the Independent Director Hsu Wan-Lung. 9. Application for bank credit facility.

(xii) Recorded or written statements made by any director or supervisor which specified dissent to important resolutions passed by the Board of Directors during the most recent year and up to the date of publication of this annual report: N/A

(xiii) The resignation or dismissal of the Company's Chairman, General Manager, accounting officer, finance officer, internal audit officer and R&D officer in the most recent year and up to the publication date of the annual report:

Date: Dec. 31, 2023

Position	Name	Start date	Dismissal Date	Reason for resignation or dismissal
Deputy General Manager	Huang Chin-Yuan	October 1, 2022	October 2, 2023	Personal career planning
Deputy General Manager	Liao Wen-Hua	April 10, 2023	October 2, 2023	Personal career planning

v. Information on CPA's professional fees

(i) Disclosure of the amount of the audit and non-audit fees paid to CPAs, their firm and any of its affiliates, and the details of the non-audit services:

Unit: NT$ Thousand

Firm Name	CPA Name	Duration of Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Deloitte Touche Tohmatsu Limited	Hsieh Ming-Chung	2023.01.01-2023.12.31	2,800	568	3,368	Non-audit fees: Including transfer pricing report, information review for non-supervisory full-time employees, audit fee for direct deduction of business tax, and audit fee for offshore capital investment plan
	Liu Shu-Lin					

1. In the event that the accounting firm has been changed and that the amount of audit fees paid during the year when the change occurs is lower than that paid during the previous year, the amounts before and after the change and the reasons must be disclosed: N/A
2. In the event the amount of audit fees is reduced by at least 10% in comparison with the previous year, the amount, percentage and reasons of the reduction must be disclosed: N/A.

vi. Information on the Replacement of CPA:N/A.

vii. The circumstances where the Chairman, General Manager, and Managerial Officer in charge of finance or accounting of the Company has in the most recent year held a position at the CPA or any of its affiliate: None.

viii. Any transfer of equity interests and pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent in the most recent year and until to the date of publication of the annual report

(i) Changes in shareholdings of directors, supervisors, managerial officers and shareholders holding more than 10 percent of the shares:

Unit: Number of shares

Position	Name	2023		As of April 23, 2024	
		Increase (Decrease) in number of shares held	Increase (Decrease) in number of shares pledged	Increase (Decrease) in number of shares held	Increase (Decrease) in number of shares pledged
Chairman	Creative Investment Co., Ltd.(Left on 2023.6.20)	0	0	None	None
Representative of Chairman	HUANG CHIU YUNG (Left on 2023.6.20)	0	0	None	None
Chairman	HUANG CHIU YUNG	627,603	0	0	0
Vice Chairman	HUANG LI LIN	0	0	0	0
Director	Huang Tzu-Cheng	0	0	0	0
Director	Tseng Kung-Sheng	(66,000)	0	0	0
Director	Fa La Li Investment Co., Ltd.(Left on 2023.6.20)	0	0	None	None
Representative of corporate director	Huang Tzu-Hsuan (Left on 2023.6.20)	0	0	None	None
General Manager	Tseng Kung-Sheng	(66,000)	0	0	0
Deputy general manager	Wu Feng-Hsin	200,000	0	0	0
Deputy general manager	Tu Tsung-Ying	0	0	0	0
Deputy general manager	Huang Chin-Yuan (Left on 2023.10.2)	120,000	0	None	None
Deputy general manager	Chen Kuan-Hsien (Left on 2023.4.14)	0	0	None	None
Deputy general manager	Liao Wen-Hua (Left on 2023.10.2)	0	0	None	None
Major shareholders	HUANG CHIU YUNG	627,603	0	0	0
Independent director	Chen Tai-Jan	0	0	0	0
Independent director	Huang Chin-Ming	0	0	0	0
Independent director	Hsu Wan-Lung	0	0	0	0
Finance officer	Huang Yen-Hsiang	100,000	0	0	0
Accounting officer	Cheng Ching-Yi	15,000	0	0	0
Other	HUANG CHIU YUNG	627,603	0	0	0
Other	Huang Yen-Hsiang	100,000	0	0	0

(ii) Information on the transfer of shares:

Name	Reasons for transfer of shares	transaction date	Counterparty of transaction	Relationship between the counterparty and the Company, directors, supervisors and shareholders holding more than 10 percent of the shares	Number of shares	Prices of shares
Huang Chiu-Yung	inheritance	2023.10.31	Huang,You-Gu	father and son	27,603	NT$16.74
Tseng Kung-Sheng	gift	2023.11.07	Chang,Chia-Yu	Spouse	566,000	NT$32.55

(iii) Information on the pledge of shares:

Name	Reasons for pledge and change	Date of change	Counterparty of transaction	Relationship between the counterparty and the Company, directors, supervisors and shareholders holding more than 10 percent of the shares	Number of shares	Shareholding Percentage	Pledge ratio	Amount of pledge (redemption)
Creative Investment Co., Ltd.	Pledge	2021.02.18	Zhongshan Branch of Mega International Commercial Bank	None	4,200,000	6.46%	1.37%	NT$30 million
Fa La Li Investment Co., Ltd.	Pledge	2021.02.18	Zhongshan Branch of Mega International Commercial Bank	None	4,200,000	6.54%	1.37%	NT$30 million

ix. Information on the relationship among the top 10 shareholders if anyone is a related party, a spouse or a relative within second degree of kinship of another

Name	Own shareholding		Current shares held by spouse and children of minor age		Total shareholding under the name of a third party		The names and relationships of the top ten shareholders who are related to each other under SFAS No. 6 or who are related to each other as spouses or relatives within second degree of kinship		Remarks
	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Number of shares	Shareholding percentage	Name	Relationship	
Fa La Li Investment Co., Ltd.	20,098,481	6.54%	0	0.00%	0	0.00%	Creative Investment Co., Ltd.	Same Chairman	None
Creative Investment Co., Ltd.	19,872,480	6.46%	0	0.00%	0	0.00%	Fa La Li Investment Co., Ltd.	Same Chairman	None
HUANG CHIU YUNG	11,541,089	3.75%	3,180,790	1.03%	40,634,961	13.21%	Juan Mei-na Huang Tzu-Hsuan Huang Tzu-Rui	Wife Son Son	None
Citi (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Polunin Emerging Markets Fund, Inc.	5,419,573	1.76%	0	0.00%	0	0.00%	None	None	None
HUANG LI LIN	4,707,083	1.53%	2,513,994	0.82%	0	0.00%	None	None	None
Huang Tzu-Rui	4,527,406	1.47%	0	0.00%	0	0.00%	HUANG CHIU YUNG Juan Mei-na Huang Tzu-Hsuan	Father Mother Brothers	None

Huang Tzu-Hsuan	4,422,896	1.44%	0	0.00%	0	0.00%	HUANG CHIU YUNG Juan Mei-na Huang Tzu-Rui	Father Mother Brothers	None
Hsu Wei-Hsiang	4,155,000	1.35%	0	0.00%	0	0.00%	None	None	None
JPMorgan Chase Bank N.A., Taipei Branch has been entrusted with the Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,193,000	1.04%	0	0.00%	0	0.00%	None	None	None
Juan Mei-na	3,180,790	1.03%	11,541,089	3.75%	0	0.00%	HUANG CHIU YUNG Huang Tzu-Hsuan Huang Tzu-Rui	Husband Son Son	None

x. The number of shares held by the Company and the Company's directors, managerial officers, and the number of shares invested in a single company held by the entities directly or indirectly controlled by the Company and calculating the consolidated shareholding percentage of the above categories.

All of the Company's investees are 100% owned by the Company or by companies directly and wholly owned by the Company (see "Organization Chart of Affiliates"), so none of the Company's directors and managers hold shares in the investees.

IV. Capital Raising

i. Capital and shares

(i) Source of Capital Stock

1. Source of Capital Stock

April 23, 2024; Unit: NTD Thousand/thousand shares

Year/ Month	Issue price (TWD Dollar)	Authorized capital		Paid-in capital		Remarks		
		Number of shares	Amount	Number of shares	Amount	Source of Capital Stock	Using property other than cash as payment of shares	Others (Approval date and document number)
2018.8	10	420,000	4,200,000	325,650	3,256,505	Capital reduction by treasury stock of $100,000,000	None	Jing-Shou-Shang-Tzu No. 10701104780 on August 17, 2018
2018.12	10	420,000	4,200,000	317,267	3,172,675	Capital reduction by treasury stock of NT$83,830,000	None	Jing-Shou-Shang-Tzu No. 10701146090 on December 4, 2018
2019.4	10	420,000	4,200,000	307,536	3,075,366	Capital reduction by treasury stock of NT$97,310,000	None	Jing-Shou-Shang-Tzu No. 10801037270 on April 8, 2019
2020.7	10	600,000	6,000,000	307,536	3,075,366	None	None	Jing-Shou-Shang-Tzu No. 10901113430 on July 8, 2020

2. Type of share

April 23, 2024 Unit: Share

Type of share	Authorized capital			Remarks
	Outstanding shares	Unissued shares	Total	
Common share	307,536,533 (Including 7,464,000 shares of treasury stock)	292,463,467	600,000,000	Listed on TWSE

3.Information on shelf registration system: None.

(ii) Composition of shareholders

April 23, 2024

Composition of shareholders / Quantity	Government Agency	Financial institution	Other Juristic Persons	Individual	Foreign Institution or Foreigner	Total
Shareholders	0	14	203	59,802	113	60,152
Shareholding	0	1,190,444	48,925,843	238,291,051	19,129,195	307,536,533
Shareholding Percentage	0.00%	0.39%	15.91%	77.48%	6.22%	100.00%

(iii) Diversification of equity

1. Common stock ($10 per share)

April 23, 2024

Shareholding range	Number of Shareholders	Shareholding	Shareholding Percentage
1 to 999	26,814	1,231,077	0.40%
1,000 to 5,000	26,257	54,179,216	17.62%
5,001 to 10,000	3,868	31,479,369	10.24%
10,001 to 15,000	1,031	13,370,459	4.35%
15,001 to 20,000	729	13,715,426	4.46%
20,001 to 30,000	549	14,178,376	4.61%
30,001 to 40,000	273	9,874,426	3.21%
40,001 to 50,000	164	7,654,381	2.49%
50,001 to 100,000	265	19,036,951	6.19%
100,001 to 200,000	115	16,479,616	5.36%
200,001 to 400,000	49	12,840,759	4.18%
400,001 to 600,000	15	7,280,255	2.37%
600,001 to 800,000	1	736,000	0.24%
800,001 to 1,000,000	3	2,792,420	0.91%
More than 1,000,001	19	102,687,802	33.39%
Total	60,152	307,536,533	100.00%

2. Preference share: None.

(iv) Roster of Major Shareholders

April 23, 2024

Share / Name of Major Shareholder	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	20,098,481	6.54%
Creative Investment Co., Ltd.	19,872,480	6.46%
Huang Chiu-Yung	11,541,089	3.75%
Citi (Taiwan) Commercial Bank is entrusted with the custody of the investment account of Polunin Emerging Markets Fund, Inc.	5,419,573	1.76%
Huang Li-Lin	4,707,083	1.53%
Huang Tzu-Ray	4,527,406	1.47%
Huang Tzu-Hsuan	4,422,896	1.44%
Xu Wei-Hsiang	4,155,000	1.35%
JPMorgan Chase Bank N.A., Taipei Branch has been entrusted with the Vanguard Emerging Markets Stock Index Fund, a series of Vanguard International Equity Index Funds	3,193,000	1.04%
Juan Mei-na	3,180,790	1.03%

(v) Information on market value, net value, earnings and dividends per share in the most recent two years

Item / Year			2022	2023	As of March 31 2024 (Note 8)
Market price per share (NT$) (Note 1)	Highest		20.5	48.6	36.6
	Lowest		13.9	17.35	32.6
	Average		16.42	31.27	34.71
Net worth per share (NT$) (Note 2)	Before distribution		20.41	20.18	20.60
	After distribution		19.41	18.98	-
Earnings per share (NT$)	Weighted-average number of shares (thousand shares)		297,536	298,460	300,072
	Earnings per share (Note 3)		1.2	1.56	-
Dividends per share (NT$)	Cash dividends		1	1.2	-
	Stock dividends	Stock dividends from earnings	0	0	-
		stock dividends from capital surplus	0	0	-
	Cumulative unpaid dividend (Note 4)		1	1.2	-
Return on investment analysis	Price to earning ratio (Note 5)		13.68	20.04	-
	Price to dividend ratio (Note 6)		16.42	26.06	-
	Cash dividend yield (Note 7)		6.09%	3.84%	-

* In the event retained earnings or capital surplus is used for stock dividends to increase capital, Information on market price and cash dividends adjusted retrospectively based on the number of shares issued should be disclosed.

Note 1: List the highest and lowest market prices of each year and calculate the average market price of each year based on each year's transaction value and volume.

Note 2: Please fill it in based on the number of shares issued by the end of the year and the proposed distribution to be resolved at next year’s shareholder meeting.

Note 3: If there is a retroactive adjustment due to circumstances such as stock dividend, etc., earnings per share before and after the adjustment should be shown.

Note 4: If the terms of issuance of equity securities provide that the current year's unpaid dividends may be accumulated till the year when there are earnings, the accumulated unpaid dividends till the current year should be disclosed separately.

Note 5: Price to earning ratio = average closing price per share for the year/earnings per share.

Note 6: Price to dividend ratio = average closing price per share for the year/cash dividend per share.

Note 7: Cash dividend yield = dividend per share/average closing price per share for the year

Note 8: Please identify the net value per share and EPS available in the latest quarterly financial information audited (reviewed) by the independent auditor before the date of publication of the annual report and the information available until the date of publication of the annual report in the other sections.

(vi) Dividend Policy and the Status of Implementation

1. The dividend policy defined by the Articles of Incorporation

The Board of Directors determines the Company's dividend policy in accordance with the business plan, investment plan, capital budget and changes in the internal and external environment. The Company may distribute all or part of the distributable earnings for the year based on financial, business and operational considerations. The distribution of earnings may be made in the form of cash or stock dividends, with the percentage of cash dividends distributed being no less than 30% of the total dividends distributed in the year. However, if the shareholders' total dividend is less than NT$0.50 per share, the entire amount may be distributed in the form of stock dividends.

2. Distribution of dividends proposed at the shareholders' meeting

The proposed distribution of earnings for 2023 was approved by the board of directors on March 11, 2024 and proposed distributing cash dividends of NT$360,087,040 to shareholders and NT$1.2 per share in cash.

(vii) The effect of stock dividend as proposed in this General Meeting on the operation performance and earnings per share of the Company: N/A.

(viii) Employees' Remuneration and Directors' Remuneration.

1. Proportion or scope of remuneration to employees and directors as stated in the Articles of Incorporation:

   The Company shall set aside not less than 1% of its annual net profits before tax before employees' and directors' remuneration as employees' remuneration and not more than 3% as directors' remuneration, which shall be distributed by resolution of the board of directors and reported to the stockholders' meeting. However, if the Company still has accumulated losses (including the amount of adjustment to undistributed earnings), it should retain the loss make-up amount in advance. When the above-mentioned employees are paid in stock or cash, the recipients of the payment may include employees of the subordinate companies who meet certain criteria.

2. The accounting in the case of deviation from the basis for stating remuneration to employees and directors, the basis for calculating the quantity of stock dividends to be allocated, and the actual allocation:

   In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the net profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. If there is a change in the amount of the financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

3. Distribution of remuneration approved by the Board of Directors: For the 2023 remuneration distribution, the Board of Directors approved NT$10,146,000 for employees and NT$8,000,000 for directors on March 11, 2024, all of which was paid in cash.

4. Actual payment of employees'/directors'/supervisors' remuneration for the previous year (including the number of shares allocated, the sum of cash paid, and the price at which shares were issued), and any differences from the figures estimated (explain the amount, the cause, and treatment of such discrepancies).

Unit: NTD

Item	2022 (paid in 2023)			
	Proposed payment approved by the Board of Directors	Actual payment	Difference	Handling situations
Employee bonus	12,400,000	10,035,000	2,365,000	Distribution in installments
Remuneration to directors	6,600,000	6,600,000	0	The payment was fully made in 2023

(ix) Repurchase of the Company's shares:

Repurchase term	1st in 2015	2nd in 2015	1st in 2016	1st in 2020
Purpose for repurchase	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees	Transfer of shares to employees
Repurchase period:	2015/6/11-2015/8/10	2015/8/26-2015/10/25	2016/1/15-2016/3/14	2020/7/28-2020/9/25
Estimated repurchase price range	NT$20-30	NT$10-20	NT$12-18	NT$12-18
Type and number of shares actually repurchased	Common stock/10,000,000 shares	Common stock/8,383,000 shares	Common stock/9,731,000 shares	Common stock/10,000,000 shares
Actual amount of shares repurchased	NT$231,311,215	NT$159,386,963	NT$148,996,738	NT$161,328,237
Number of shares retired and transferred	10,000,000 shares	8,383,000 shares	9,731,000 shares	2,563,000 shares
Cumulative number of shares held in the Company	0 shares	0 shares	0 shares	7,646,000 shares
Percentage of the cumulative number of shares held in the Company to the total number of shares issued (%)	0%	0%	0%	2.43%

ii. Issuance of Corporate Bonds: None.

iii. Issuance of preferred shares: None.

iv. Issuance of global depository receipts: None.

v. Employee stock option: None.

vi. Employee restricted stock: None.

vii. Issuance of new shares in connection with mergers or acquisitions of shares of other companies None.

viii. Implementation of Capital Utilization Plan: None.

V. Business Overview

i. Business Contents

(i) Business lines

1. Business Contents

(1) CC01080 Electronics Components Manufacturing
(2) CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
(3) CC01110 Computer and Peripheral Equipment Manufacturing
(4) F113050 Wholesale of Computers and Clerical Machinery Equipment
(5) F119010 Wholesale of Electronic Materials
(6) CA04010 Surface Treatments
(7) CC01060 Wired Communication Mechanical Equipment Manufacturing
(8) CC01070 Wireless Communication Mechanical Equipment Manufacturing
(9) CQ01010 Mold and Die Manufacturing
(10) CE01030 Optical Instruments Manufacturing
(11) F601010 Intellectual Property Rights
(12) CC01101 Controlled Telecommunications Radio-Frequency Devices and Materials Manufacturing
(13) F401021 Restrained Telecom Radio Frequency Equipment and Materials Import.
(14) F401010 International Trade.
(15) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

2. Weight of business

Unit: NTD thousand

Revenue and sales percentage / Product items	2023	
	Revenue	ratio
Mechanism integrated components (including products + molds+modules)	1,568,556	18%
Electronic integrated components (including products + molds+modules)	6,992,858	82%
Total	8,561,414	100%

3. Current products

Main products	Purpose
Mechanism integrated components	Design and processing of automotive interior and exterior trim parts, waterproof structural parts, wearable modules, light guide modules, phone keypads, home smart parts, mechanical electronic integrated modules, metal alloy products, thermal modules, and molds.
Electronic integrated components	The products include FPC, PCB, RF that can be assembled in smart phones, automotive interior trim parts, wearable products, touch panels, high-end cameras, notebooks, displays and other electronic products, and can be assembled with other components in conjunction with the SMT process.
In-vehicle module solution	A new module solution resulting from the integration of the above two integrated components, including central touch module, overhead control module, door ambient lighting panels, on-screen knobs, steering wheel touch modules, etc.

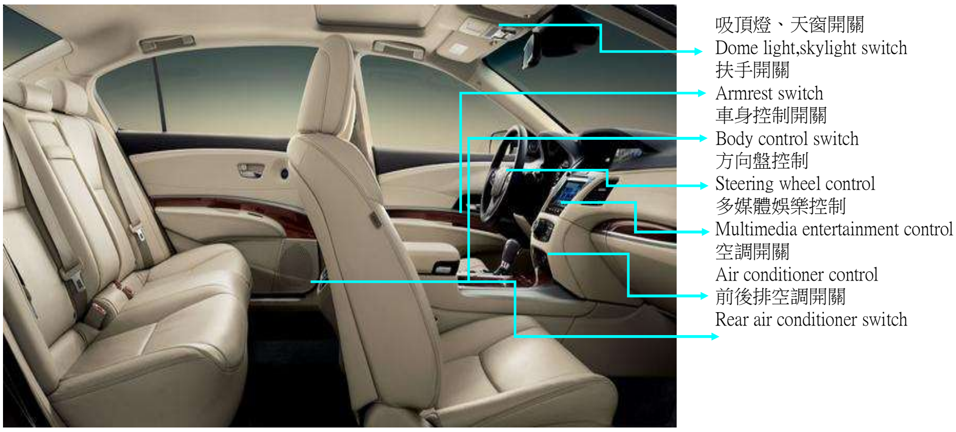
4. New products under development

Transformation from a supplier of key components to an automotive module solution provider

(1) Mechanism integrated components

Product types	Product items	Remarks
Wearable Product/Smart Home (Wearable /IOT)	(Smart Wristband/Watch)	IML shell module LSR shell module
	Smart Home IOT	
	AR/VR/MR	
Automotive Product (Automotive)	Display modules	IML/IME vehicle interior touch module
	Over Head Console	
	Control keypad modules	
Thermal product (Thermal)	Industrial / Consumer / Server	Thermal module

Application of Touch Module Solution in Automotive



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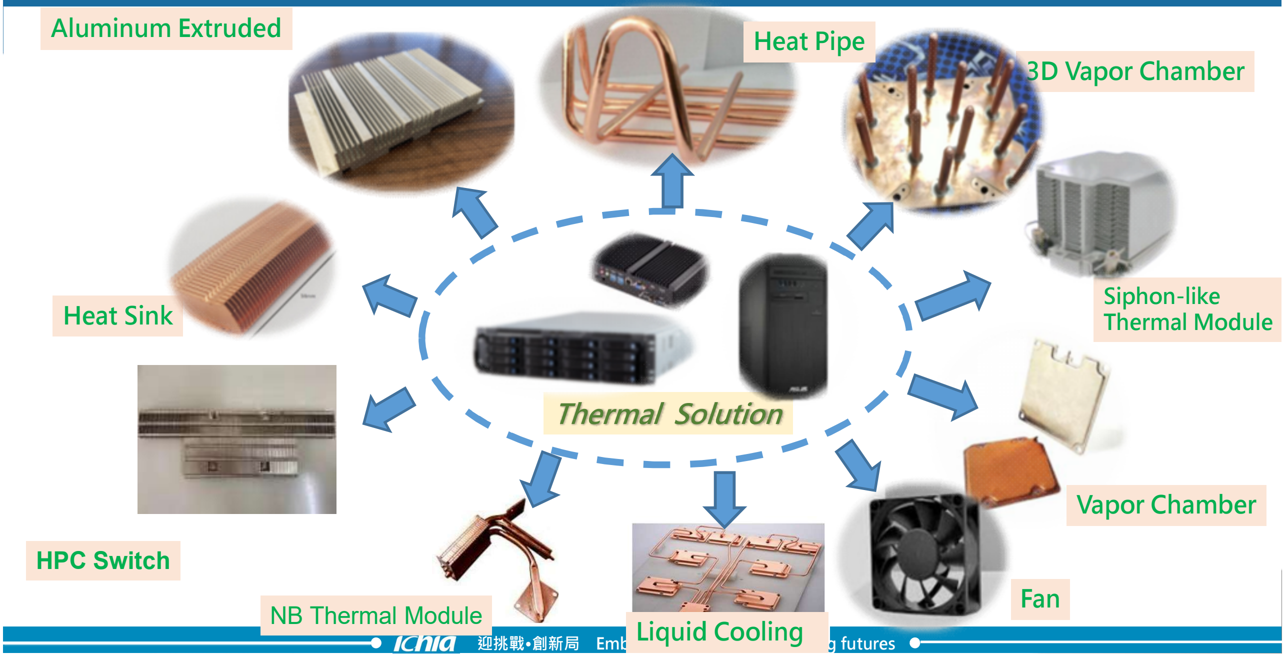
Core Technology of Thermal Solution



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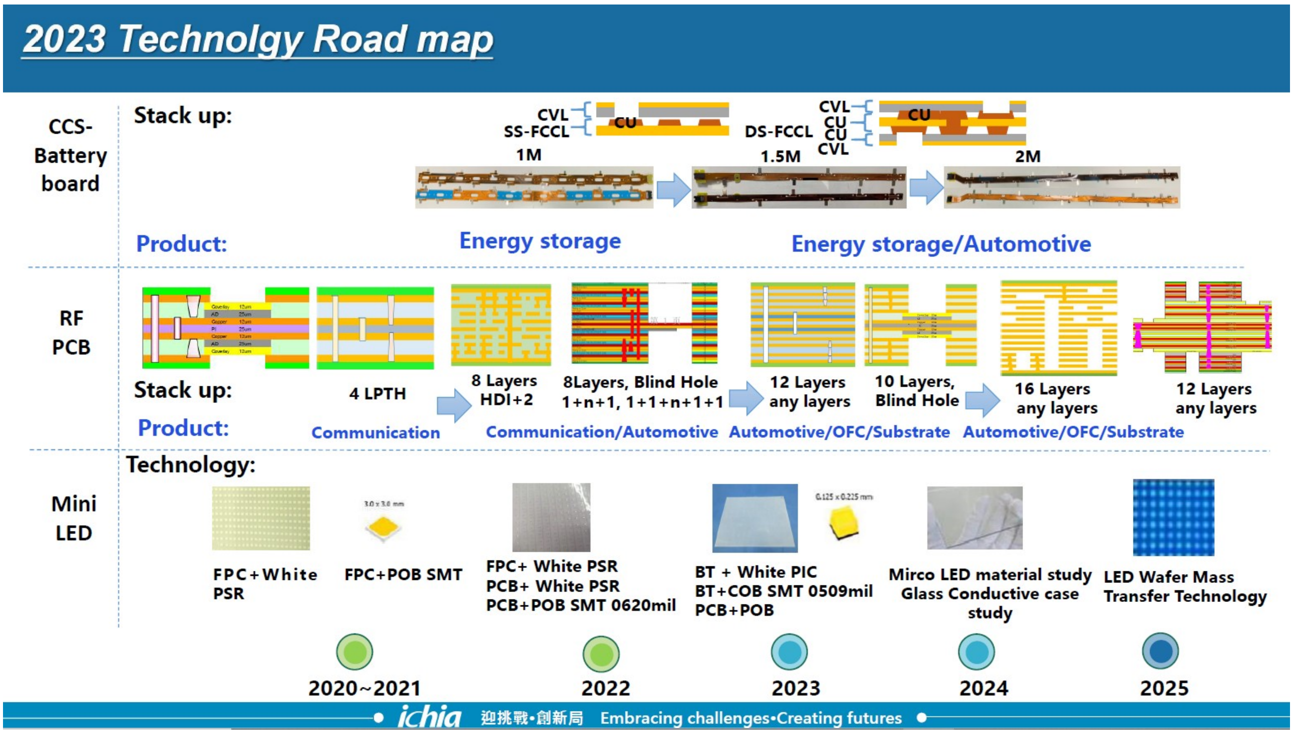
(2)Electronic integrated components



CCS battery Board

Battery module - FPC process capability

Deployment		2021	2022	2023	2024
Line/Space	FCCL	•50/50um (T: 1/3oz) •60/60um(T: 1/2oz) •100/100um(T: 1oz)		•100/100um (T: 1oz) •150/150um(T: 2oz) •300/300um(T: 3oz)	
S/S thickness (Thinner)	FCCL	1/3oz、1/2oz、1oz		1oz、2oz、3oz	
Line Tolerance		±30%	±20%	±20%	±15%
Coverlay lamination Tolerance		300um	250um	200um	150um
Stifferen (PI/FR4/SUS) lamination Tolerance		300um	200um	150um	100um
PNL Size		250*900mm	250*1150mm	250*1500mm	250*2000mm
Surface Finishes		osp	osp	osp/ENIG	osp/ENIG
Pattern(L/S) to outline tolerance		±300um	±200um	±150um	±100um
Outline Size Tolerance		±200um（L<800） ±200um（L<1000）	±300um（L<1200） ±300um（L<1500）	±250um（L<1200） ±300um（L<1500） ±400um（L<2000）	

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RF/PCB

PCB process capability

NO	Content	Normal	Limit
1	Layer Count	2~10	2~16
2	Panel Size (Max)	21*24inch	
3	Board Thickness	0.2--2mm	0.1--2mm
4	Finished Board Thickness Tolerance(0.2≤Board Thickness < 1mm)	±10%	±0.075mm
5	Warpage (Min.)	0.70%	0.50%
6	Drill Size	min:0.1mm、 max6.0mm	min:0.1mm、 max6.5mm
7	Min. blind via size	0.1mm	0.075mm
8	Aspect Ratio(Max)纵横比	5:01	10:01
9	Hole Wall Copper Thickness	Through hole ≥25um， Blind Hole≥15um	
10	Line Width/Spacing of outer Layer (Min)& Inner Layer (Min)	T/T OZ: 2.4mil/2.4mil & 2mil/2mil	T/T OZ: 2mil/2mil & 1.6mil/1.6mil
	Etching Tolerance	H/H OZ: 3mil/3mil & 2.4mil/2.4mil	H/H OZ: 2mil/2mil & 2mil/2mil
	Solder Mask Registration Tolerance (Min)	1/1 OZ: 4mil/4mil & 3mil/3mil	1/1 OZ: 2.5mil/2.5mil & 2.5mil/2.5mil
11	Solder Mask Thickness (Min)	±20%	±15%
12	Impedance Tolerance(Min)	±0.05mm	±0.04mm
13	Surface Finish	15µm	10µm
14	Layer Count	±10%	±7%
15	Panel Size (Max)	ENIG (成功) ENEPIG (上村 UYEMURA)	AU:0.03~0.09um,NI:1.5~6um Au:≥0.1um Ni :≥6um Pd :0.05-0.2um
	Board Thickness	OSP	0.15~0.5mm
	Finished Board Thickness Tolerance(0.2≤Board Thickness < 1mm)	Gold Plating	AU:0.03~0.19um,NI:3~9um;

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Mini-LED

Mini Led Road map

Mini-LED structure

	ITEM	2022	2023
FPC specification	Substrate	FPC PI/FR4BT<0.2MM in thickness	FR4BT<0.4MM in thickness
	Layer	2layers Cu	4layers Cu
	Upper surface	Double-sided	Double-sided
	Metal Line/Width	Min. line 50 / width 50um	Min. line 40 / width 40um
	White PSR reflectivity	Before anneal >90% After 3x anneal >85%	Before anneal >92% After 3x anneal >88%
	Product size	FPCA:300*450mm MAX	PCBA: 510*580mm MAX
	Tolerance requirement	+/-0.15mm	+/-0.1mm
SMT LED	LED size	06x20,08x20MIL (tape)	05x09,04xl2MIL (Wafer plate)
	SPI (printing)	High : <5um(3σ) Volume <+/-3%	High : <2um(3σ) Volume <+/-3%
	LED Bonding	UPH/LED>20k ea Bonding precision <+/-5um	UPH/LED>50k ea Bonding precision <+/-5um
	Reflow	Special pressure equipment for baking Temperature range 120-260C	Vacuum reflow oven
Test equipment requirement	LED Testing after LED bonding	X-ray false soldering inspection AOI inspection Thrust testing >250g Electrical testing	X-ray false soldering inspection AOI inspection Thrust testing >250g Electrical testing

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(ii) Overview of industry

1. Overview and development of industry

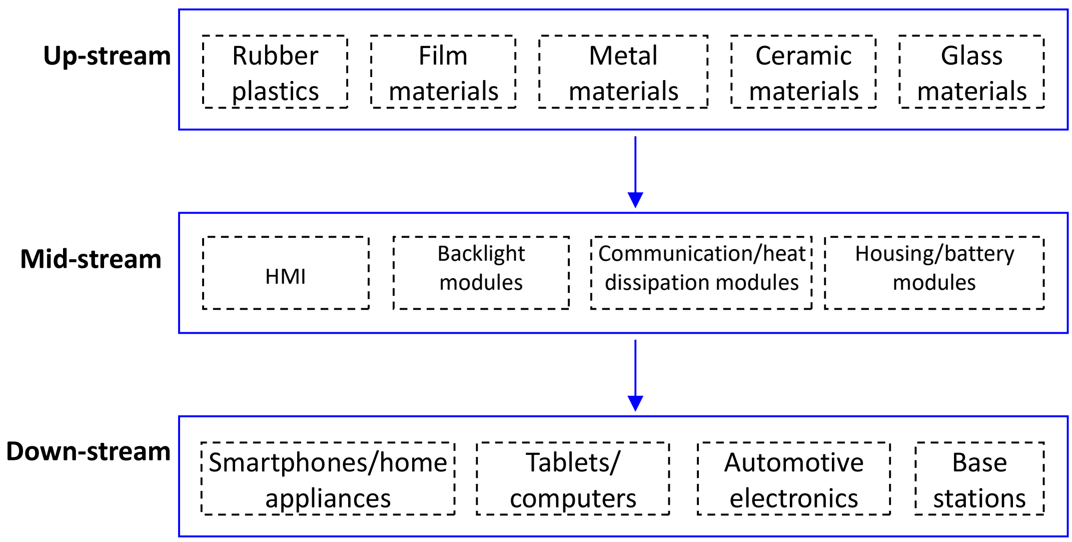
Communications advance to the next generation every 10 years with three to five years of technology upgrade (buffering period) and the following five years for expanding industrial application transformation and product integration. Among them, technologies such as millimeter-wave high-frequency technology, high-speed information transmission, and low-latency message feedback are gradually introduced in ICT-related application fields. Regarding the communication environment after 2030, 3GPP began to discuss the 6G specifications in 2023. The integration of communication technologies with the sustainable development and renewable energy projects advocated by ESG will accelerate the global digital transformation and drive cross-region interaction, enhance the vertical integration of software and hardware information for various industrial ecosystems, and increase the circular economy of (1) smart healthcare, (2) smart transportation, (3) smart display, and (4) smart retail .

In terms of cross-industry IoT exchanges and senior citizen programs proposed by many countries, smart medical and IoT healthcare services have become the personal wearable accessories for the transformation of global medical care. Through the modular design, the thin, skin-friendly, and flexible mechanical parts are combined with the sensing electronic soft modules, and the Mini LED/Micro LED smart display method can detect personal physiological performance and medical history data in a real time manner. The doctor-patient relationship is improved. During surgery, the robotic arm holding the endoscopy lens is connected to the display antenna through the built-in antenna of the controller module to improve the quality of surgery. The high-resolution image detection lens and network communication equipment on the mobile telemedicine cart not only promote the integration between active and passive component and mechanism design, PCB flex, and rigid board function systems, but also is helpful in the significant increase of the demand for high-density boards (HDI), fine lines, flexible designs and technologies.

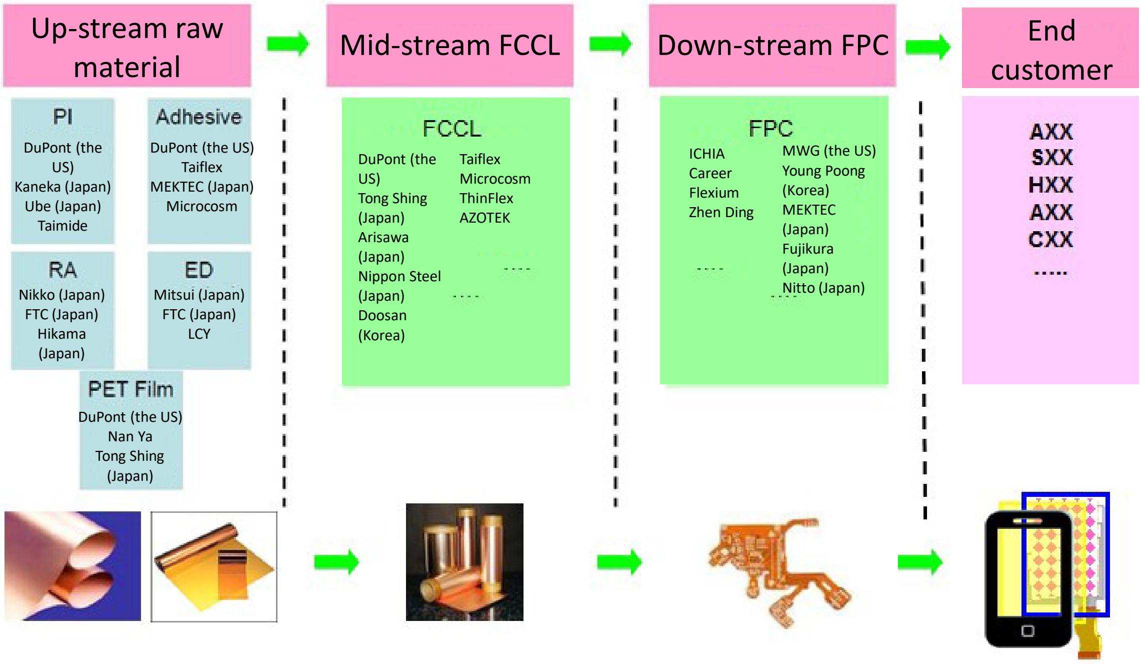
The development of the Internet of Vehicles is linked to the 2050 Global Net Carbon Emission Plan, which drives the development of the car manufacturers toward “carbon neutrality”, “implementation of electrification” and “evolution of safety technology” for the development of intelligent and networked vehicles. Inside and outside the vehicle - -The low-delay-tolerance ADAS system, high-delay-tolerance smart cockpit, and lightweight power integration system are also transforming. In terms of ADAS system and intelligent cockpit requirements, in order to more accurately capture the information of driving environments, we are constantly advancing toward modularization and mechanical integration technology. Due to the complex three-dimensional shape and curved surface in the vehicle body, the Company strives to connect flexible and rigid PCB and electronic components in a limited space to meet the needs of an intelligent vehicle body. In addition, in the power integration system, we make effort to achieve intelligent control and lightweight design of the battery safety system by significantly increasing the demand for battery control FPCs. With the expansion of the application fields of connected vehicles, the amount of upstream and downstream data has increased dramatically. The matching needs of thermal design has also increased significantly to improve the overall performance of servers and clouds in terms green computing.

2. Correlation between the up-stream, mid-stream, and down-stream dealers in the industry

(1) Mechanism integrated components (MVI)



(2)Electronic integrated components



3. Development trends of products

(1) Mechanism integrated components

Though the actuation and stroke of a physical mechanism have been replaced with touch and voice controls, physical mechanical components cannot be replaced completely. Electromechanical integration and modular solutions will be useful for us to provide valuable and differentiated services for customers. What mechanical components are involved is not merely quality requirements. The special appearance of a mechanism indicates new process requirements, such as hidden characters, light-guiding uniformity, and use of heterogeneous materials and forming processes to reduce assemblies. Thinness, lightweight, improved reliability, waterproofness and dust-resistance are the major trends.

As the functions of all products have improved brought about more consumption of energy for CPU/GPU computing, Wi-Fi 6 became the main specification in a wave of replacement of old devices and during the growing period of new devices in 2022. The thermal requirements and the complexity increases, too. How to meet the thermal requirements, reduce the cost, and optimize the thermal design of the product to achieve lightweight will be the keys to win on the market.

(2) Electronic integrated components

In the past, FPC was usually used for signal connection at the folded and rotating positions of a mobile phone. Now, however, it is used in the application of “breaking up the whole into parts” by disassembling separable modules and connecting them again using FPC to put them in other compartments. This way, the products made nowadays can be slimmer. This slim trend also leads to the modularization of cell phones and tablets, which allows them to integrate more functions and drives the demand for the FPC. In the current products, a feature phone only needs **5- 10** FPCs while a smartphone needs **8-25** FPCs. A smartphone equipped with dual lens and several modules needs **10-27** FPCs. This shows that the development of high-end products will drive the demand for the FPC.

Because the Flex PCB can be produced automatically and continuously, we have better pattern density and lightweight, fewer layout errors, simple assembly, flexibility, diverse design, 3D layout. We can also eliminate wire soldering at contact, and change its contour to solve the space constraints. Therefore, FPC is suitable for consumer electronics, PCs, peripherals, flat panel displays, office equipment, communication equipment, vehicles, etc. The proportion of downstream FPC makers varies.

The wireless charging FPC module will be the rising star. It may be the standard component of smartphones. Its corresponding docking station consists of a large FPC and other components. This will create significant demands for FPC.

Quantities of FPC used in each product

Products	Quantity used
Mobile phones	5-10 pieces
Smartphones	8-27 pieces
Tablets	5-18 pieces
Notebooks	4-6 pieces
Wearables	2-5 pieces
Digital cameras	7-10 pieces

Main application products of the Flex PCB

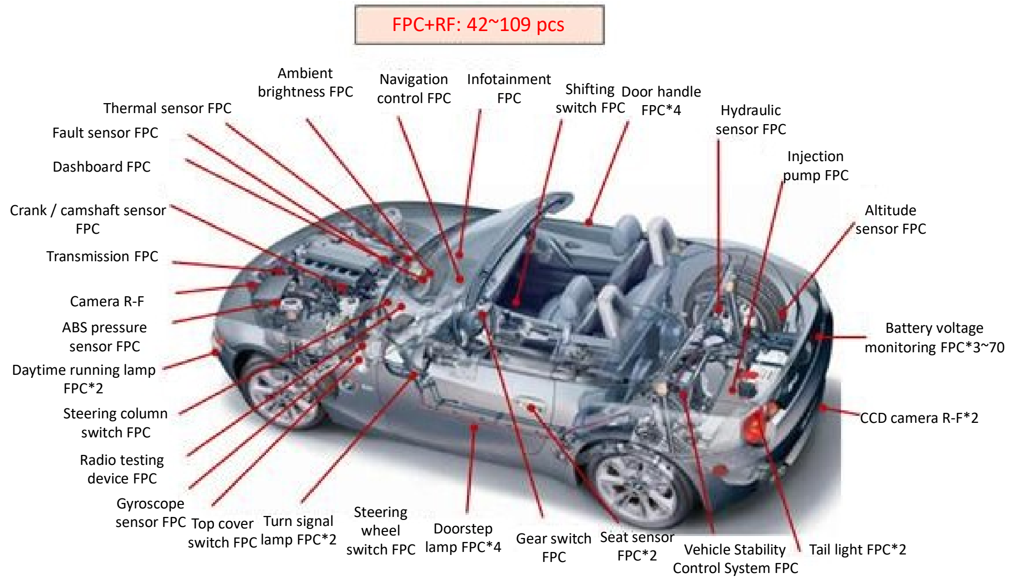
Application	Product
Consumer electronics	High-end cameras camcorders, portable speakers,
computers	Tablets, notebooks,
computer peripherals	Printers, storage devices, HDDs
Flat panel displays	Touch panels, LCD panels, high-definition TVs
Communication equipment	Smartphones
Vehicles	Navigation systems, in-vehicle infotainment system, braking assistance system, throttle control system, etc.
Others	Wearable watches, medical instruments, industrial equipment, aerospace, and military purpose

Source: Material and Chemical Research Laboratories, ITRI

Diagram of the main application products of the Flex PCB

Source: TPCA; IEK Consulting, ITRI

On-board FPC applications



Source: read01.com/nxRmex7.html#.YjF8v3pBw2x

4. Degree of competition

The Company's mechanism integrated products and electronic integrated components adhere to quality, efficiency and global logistics services to compete with competitors. More emphasis is placed on integration and one-stop solutions to reduce the supplier management cost at the customer end through design, production, integration, assembly. At the same time, we actively invest in the R&D and manufacturing of high-tech products to obtain the competitive advantage and provide value-added services.

(iii) Overview of technology and R&D

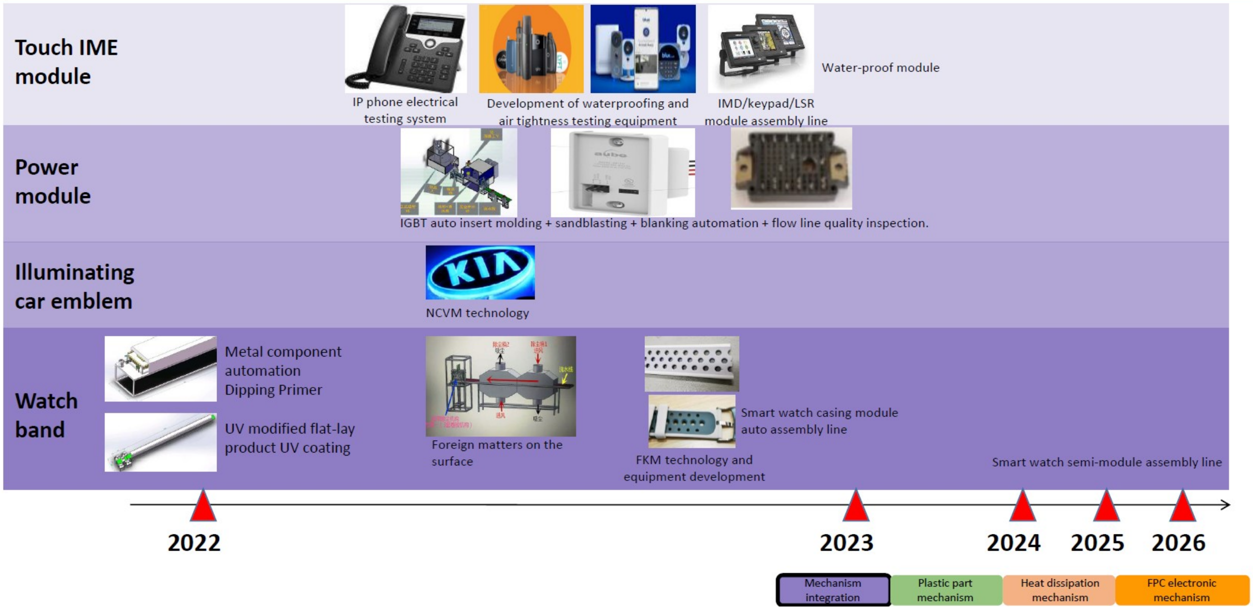
1. The R&D expenses invested in the most recent year and up to the publication date of the annual report

Unit: NTD thousand

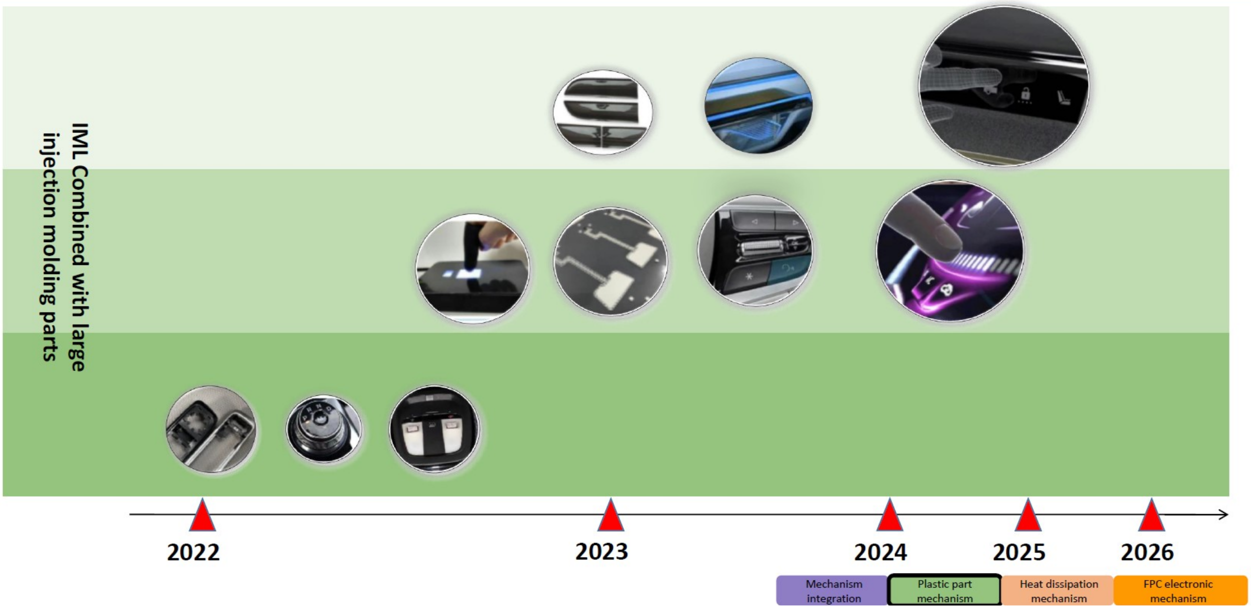
Year / Item	2022	2023	2024 (estimates)	2025 (estimates)
R&D expenses	217,561	267,214	300,000	360,000

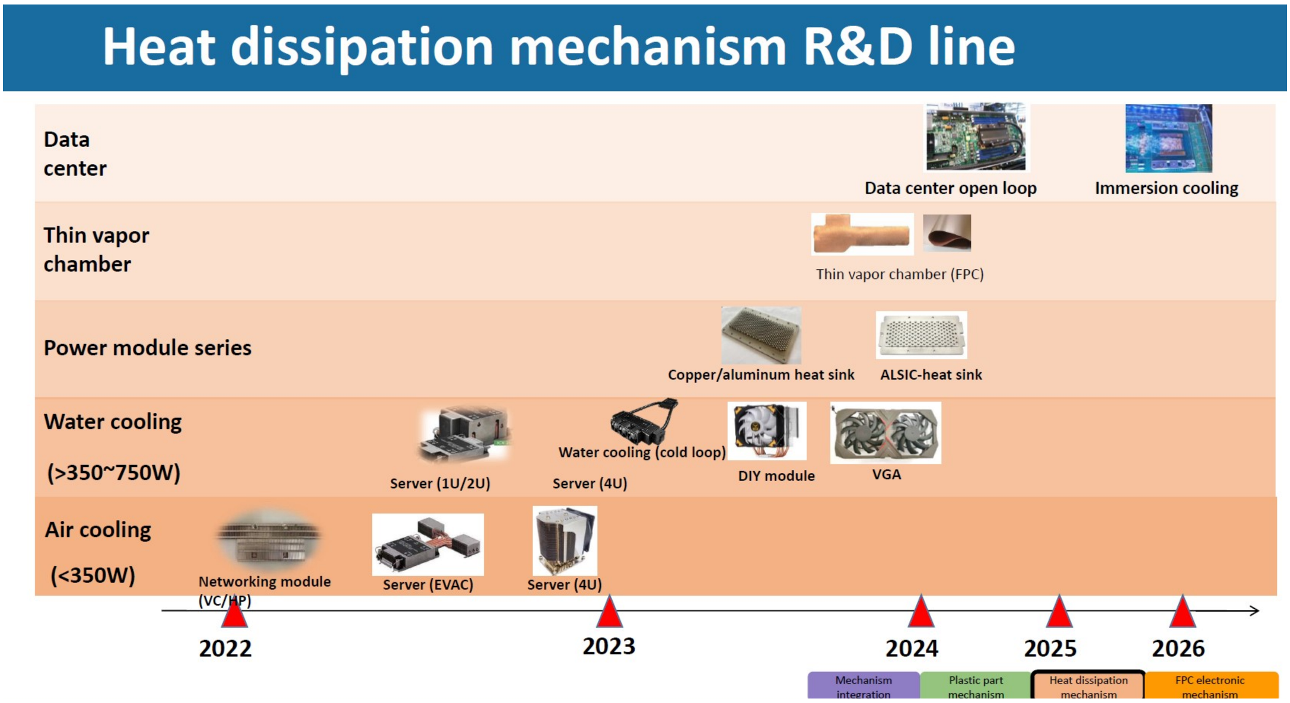
2. Technology or product developed successfully:
(1) Production processes which meet the requirements of environmental protection
(2) Development and integration of thermal modules
(3) Development of Touch IME modules
(4) Multi-functional keypad module combining optical/electronic technology/metal shrapnel, flexible circuit printed board applications
(5) Keypad module with energy-saving optical design
(6) Bluetooth tire pressure detector module
(7) Automotive component module development
(8) Development of Multi-layer FPCs
(9) Development of extra fine FPCs
(10) Development of double-sided COF boards
(11) Development of fiber-optic communication FPCs
(12) Development of FPC substrates
(13) Development of FPCs which meet the requirements of environmental protection
(14) Development of FPCs for bezel-less monitor applications
(15) Development of high-speed signal FPCs
(16) CCM & OLED flex-rigid PCB project
(17) Development of heat sink (TGP) FPCs
(18) Development of Mini LED projects

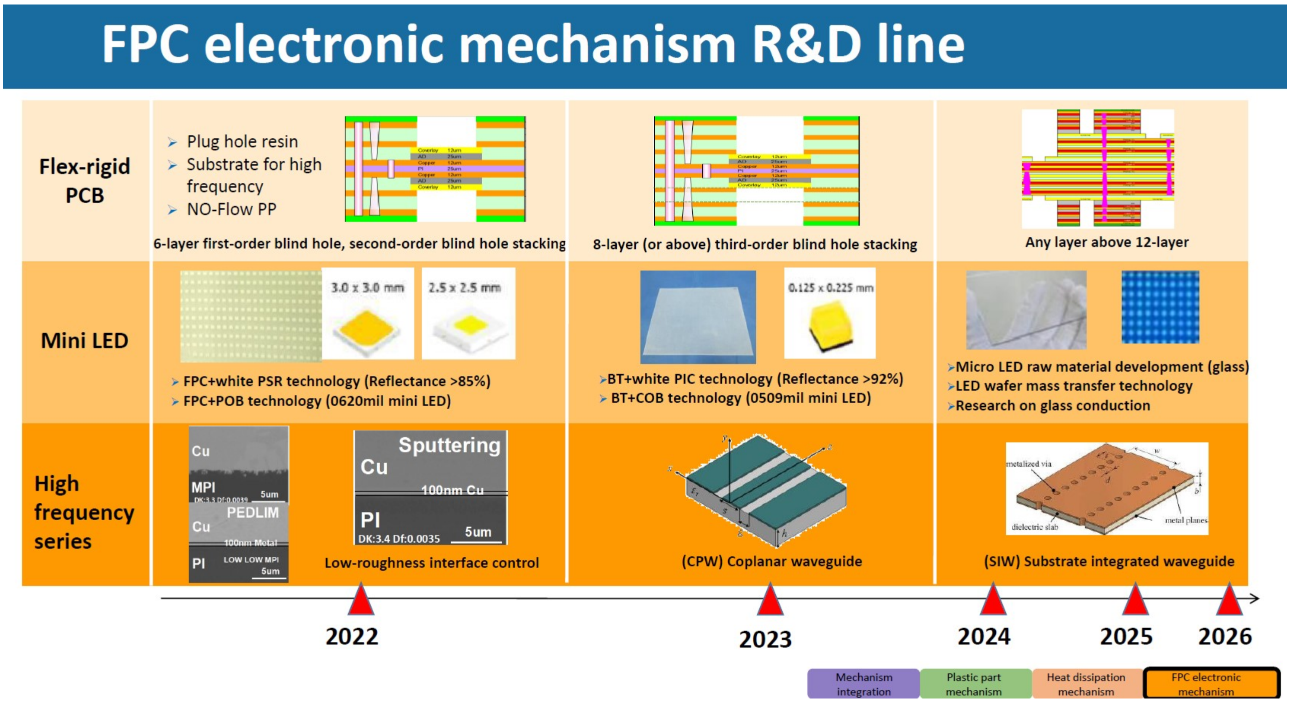
Mechanism integration R&D line



Plastic part mechanism R&D line







(iv) Long-term and short-term business development plans

1. Short-term business development plans

(1) Marketing strategies

A. Actively participate in domestic and foreign trade shows to expand our sales reach, collect industry intelligence quickly, and enhance our marketing capabilities.

B. Utilize the advantages of the sales locations of the existing overseas investees to enhance the interaction with the customers.

C. Provide the portfolio of parts and accessories, expand the production and sales scale, help customer reduce costs, and provide one-stop services.

D. Take IML/IME touch module as the core of the product development to expand automotive and consumer markets.

E. Promote new technologies and improve the market adoption and awareness of new technologies

(2) Production policies

A. Adapt to changing operational situations and achieve the balance between the planned production capacity and estimated demand to improve capacity utilization and production efficiency, while refining smart workshop modification and managing production using big data.

B. With the headquarter in Taiwan serving as the R&D center, technical support by our factories and overseas production locations are provided. Provide more service locations and more diversified customer services to enhance production competitiveness.

C. Effectively adjust and utilize the production capacity of each manufacturing base. Especially, the demand in Southeast Asia is increasing and thus we increase the production and automation percentage of the Malaysian factory. At the same time, we expand the new factory in Malaysia to meet the overseas production needs of the customers .

(3) Products and R&D

A. R&D focuses on advanced technologies, precision molds, and manufacturing process integration for diverse product lineup and highly value-added products, such as IML/IME module products. Potential markets are selected to expand the niche.

B. We focus on the future development direction of major customers and grasp market opportunities to align R&D resources with the market trends.

C. Enhance engineering capabilities as well as big data system management, shorten product development time, reduce development costs, and continue to work on quality improvement.

(4) Operation planning

A. Continue to train the R&D, technical, sales, and management talents, put the performance evaluation into practice, formulate a new profit-sharing system for employees to enhance human resources and maximize the Company's potential.

B. Streamline the workflow, improve the portion of automation, improve the management performance, and reinforce the concept of cost center management.

C. Continue to enhance technical capabilities, develop product diversification, and march toward the goal of becoming an international group enterprise.

(5) Financial Planning

A. Use hedging instrument flexibly, avoid the exchange rate fluctuation risk, and develop countermeasures to control the exchange rate risk.

B. Maintain a close relationship with financial institutions, gain visibility into the financial market trend, reduce capital costs, and improve the performance of financial funds.

C. Follow the safe and stable principle to perform the financial planning based on the framework of the short-term, mid-term, and long-term capital requirements plans.

D. Enhance cost and expense control, manage capital expenditure, improve operational efficiency, and build long-term development strength.

2. Long-term development plan

(1) Marketing strategies

A. With the headquarters in Taiwan as the operation center, establish a global operation management and collaboration system, maintain consistent systems, ensure local production, integrate and establish a long-term and stable international marketing network, and increase global sales volume and profits.

B. Adapt to the global massive economic development and increase customer service locations to serve local customers, and enhance customer relations to increase market share.

C. Screen existing customer groups and select potential customers to increase the depth of cooperation.

(2) Production policies

A. Put the related ISO processes into practice and achieve the quality goals.

B. Enhance all manufacturing processes and automated production equipment to reduce incompliance caused by human factors.

C. Improve the production efficiency of overseas factories and the awareness of cost centers to implement effective cost control.

D. Continue to improve the quality of the preliminary design and process technology to increase the yield rate.

(3) Products and R&D

A. Hire senior R&D staff for research and development of products.

B. In addition to the existing keypad and FPC modular integrated products, the Company develops new automotive and thermal modules.

C. Eliminate the inconvenience of the supply chain of fine line manufacturers to provide one-stop services and more options for customers.

D. Carrier products.

(4) Operation planning

After the short-term product development strategy works out, we will continuously invest in our technical capabilities and refine the technologies required by fine line and HF products to take the lead in industrial technologies.

(5) Financial planning

Enrich the working capital, improve the financial structure and build mid-term and long-term funds to strengthen the long-term development strength of the Company's operations. In the long run, the Company expects to build a comprehensive global network of sales and production though investment in R&D, production, marketing, finance, and become a famous global leading company with our most excellent R&D team and most efficient production lines.

ii. Overview of market and production & marketing

(i) Market analysis

1. Regions of distribution for the major products

Unit: NTD thousand

Year / Sales regions	2022		2023	
	Sales volume	Ratio	Sales volume	Ratio
America	226,706	3%	130,349	2%
Europe	55,440	1%	34,381	0%
Asia	5,939,549	77%	6,708,213	78%
Africa	220	0%	0	0%
Subtotal of overseas market	6,221,915	81%	6,872,943	80%
Domestic market	1,432,234	19%	1,688,471	20%
Total	7,654,149	100%	8,561,414	100%

2. Market share

(1) Mechanism integrated components

Terminal brand manufacturers have gradually tended to control only key components, and a small number of mechanical components have been handed over to the assembly plants for their own control. Suppliers will face severe challenges in the aspects of price, quality, and delivery. The solution of modular products will raise the threshold of competition, and this is the direction of the Company's integration and transformation.

Due to geopolitical factors, the provision of localized services has gradually become a key element. The Company has operations in Taiwan, China, and Southeast Asia to meet the real-time needs of customers. In addition, the Company is also engaged in consumer electronics, wearables, and automotive products in order to avoid fierce changes in a single product category and drastic fluctuations in demand during low-peak cycles, which may affect the Company’s resource arrangements.

(2) Electronic integrated components

FPC is a highly reliable and flexible printed circuit board made of polyimide or polyester film and other surrounding substrates. It also has the advantages of high wiring density, small size, light weight, consistent assembly and connection, and can be folded and bent. These are the advantages to which three-dimensional wiring and other types of PCB are incomparable, and are consistent with the trend of intelligence, portability, lightweight and thinness in the downstream electronics industry. The production value of FPCs has continued to grow since 2020.

3. Future supply & demand and growth of market

(1) Supply

Mobile carriers are undoubtedly the best carrier application products in the IoT that can be connected in series through over-the-air (OTA). In the electric vehicle market, the advanced and safe driver assistance systems (ADAS) are closely integrated with in-vehicle telematics products. Under the implementation timeframe from Level 1 to Level 5, wireless computing integration systems such as high-performance processors, millimeter-wave radar, DMS, LIDAR, and sensing cameras, are constantly increasing; under the demand for free cabin space and futuristic interiors, smart cockpits are turning to curved display panels instead of flat displays; in parallel to the intelligent reform of cabin components, the mechanical control part is also developing from capacitive touch to intuitive human-machine interface sensing and identification such as voice or gestures. In response to the functional integration of space, sensing, and synchronization, the multi-functional integration of components is conducted through multi-mode printed circuits to increase the added value of mechanical components and implement modular development together with customers.

(2) Demand

As for the development of generative AI, the continuous implementation of machine learning has shortened the time of changes in markets, lifestyle, and information. The brand manufacturers have decided to partially return the autonomy of selecting product functions to consumers, so that products are no longer a cold device, but a helper for accurate matching. At the same time, through connection of information, the end customer groups, brand manufacturers, and manufacturing industry can understand the status of purchase and change product-related tasks on a phase-by-phase basis under the advocacy of circular economy.

Through the vertical integration of development, design, and production capabilities, The Company works with customers at the product development stage to discuss mechanical and electronic system integration, FPC stack-up performance improvement, diversification of system heat dissipation solutions, and customized cross-industry integration technology. Under the premise of ensuring product reliability, improving product experience and adding brand value have become the focus of iteration and upgrade. In addition, in the face of the shortage of logistics supply caused by the pandemic and geopolitical factors, enterprises have turned to one-stop integrated modular services, so that there is more flexibility and less risk for the integrated supply of mechanisms and PCB components in the aspects of material preparation and inventory. In terms of single part or assembly, we can standardize the specifications more accurately and help customers to respond quickly to the changing market; when the demand of a market tends to be saturated, we will shift to other markets and launch new products that better meet the market demand.

4. Competitive niche

(1) Strong R&D strength

The Company has obtained a total of 240 valid patent rights worldwide for our products. The countries where application for patents has been filed include markets, manufacturing bases, and the countries where competitors are located and technologies are developed, such as Taiwan, China, the United States, Japan, and South Korea. There are 57 patent applications in different countries are under approval for issuance of certificates. The mechanical process capability is that of combining heterogeneous materials such as LSR and IME, coupled with the industry-leading FPC fine line process. The continuous investment in R&D and the improvement of the module integration capability have become the Company's largest competitive advantage.

(2) Strong product development capability

Due to the rapid changes in the market and high technology and quality requirements, the Company has built-in systems and R&D teams in the design and production areas to meet customer's customization requirements, give instant reply, improve design quality, and reduce the error rate.

(3) Improved levels of automation

In response to the increase in labor wages and the improvement of the yield rate during the production, a high degree of automation has become the direction that companies are pursuing. The Company has rich experience in production automation and in-house development of automated machines for many years, and developed various good and efficient manufacturing processes for different products. The systematic construction of the production history information can demonstrate the quality control capability of the Company more clearly. In addition to 90% automated production of fine lines, the FPC department continues to increase the automation ratio in the back-end assembly section to achieve the effect of good product quality, accurate delivery and saving of costs.

(4) Global logistics model

The Company has establish its overseas production bases and marketing centers to serve its local customers, collect market information, adjust production capacity, reduce production costs, have flexible shipping locations, and shorten delivery date to win customer trust.

(5) Maintenance of good relationship with terminal brand manufacturers

The Company grasps the R&D direction and trend of terminal brand manufacturers to ensure the consistency of the Company's research and development direction in order to meet service needs accurately and enhance product competitiveness.

(6) Diversified and integrated development

In addition to the existing mechanism and FPC capabilities, the Company provides customers with more diversified services in conjunction with thermal modules and integrated services.

5. Advantages and disadvantages for future development, and the countermeasures

(1) Advantages

Thinness and lightweight are still the development trend of products or wearable devices, and this is also the development direction of all electronic products; customers are concerned about whether suppliers can provide diversified modular services to reduce supply chain management costs.

Flex PCB (FPC) is flexible, lightweight and can be used to manufacture the PCB with high density layout or link boards. It can applied for slim and lightweight smartphones, tablets, wearables, in-vehicle FPC. In addition, the rise of new industries such as AR/VR/MR, electric vehicles and data centers will stimulate more needs. The Company's existing production strengths and new technologies, combined with the integrated modular services, are favorable to raise the threshold of competition and increase visibility on the market.

(2) Disadvantages

The emergence of Chinese suppliers has brought impacts. Many factories have expanded their production capacity and price competition has become increasingly fiercer. As technology advances in the mobile communication industry with each passing day, the needs of the consumers change very rapidly. They demand more colors and personalized HMI so that companies have to invest more in research of material feeding and mass production technologies. Globally, countries are paying more and more attention to ESG issues and environmental protection, which has accelerated the rise of raw material costs and tight supply. The crisis of supply chain disruption and the long-term and short-term results of the pandemic have all tested the management capabilities of the suppliers.

(3) Countermeasures

Closely interact with customers and vendors on supply and demand, grasp the demand and production status of customers and vendors, and precisely control the inventory level. Determine the direction of customer development, target industries with potential and prospect, and avoid price wars.

Grasp the market development and trends in a timely manner, respond quickly to customer product development trends, align the development direction of the R&D unit, increase R&D funds, improve product design, development, and integration capabilities, and accelerate the training of integrated talents.

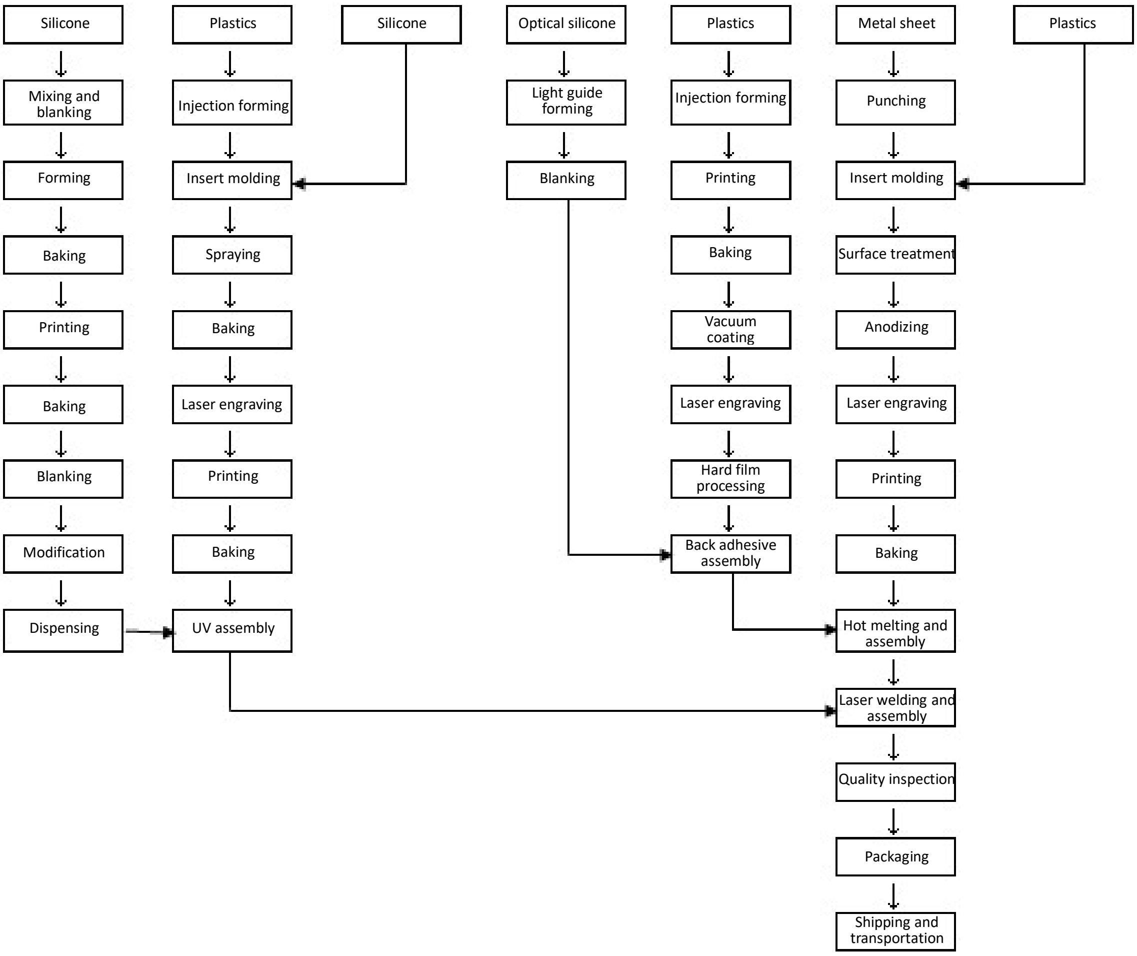
(ii) Important purpose and manufacturing processes of main products

1. Important purpose of main products

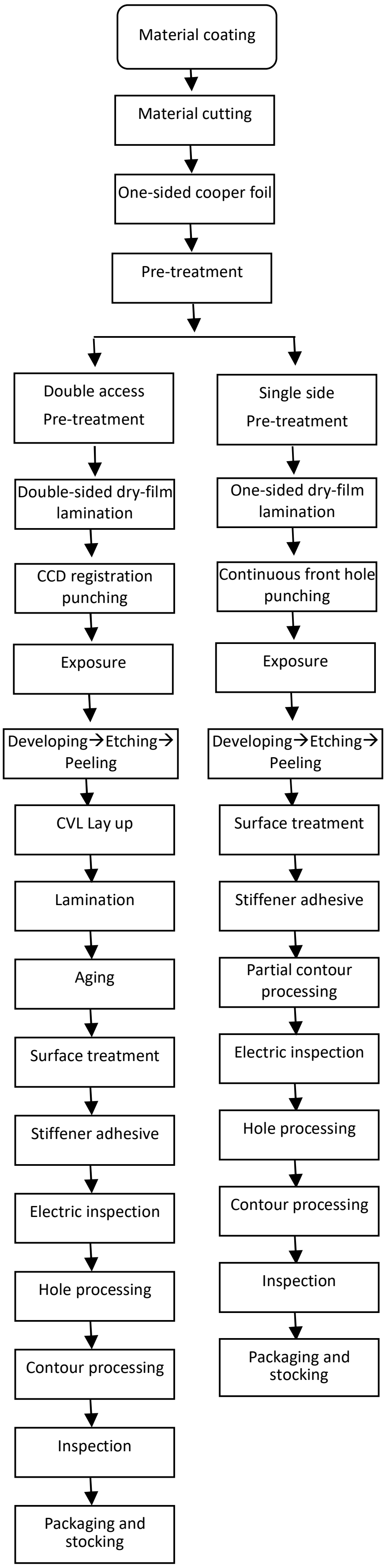
Main product	Purpose
Mechanism integrated components	Telephones, mobile phones, remote controls, wearables, smart home products, automotive electronic modules, industrial/server thermal modules, etc.
Electronic integrated components	Consumer electronics, such as smartphones, wearable products, in-vehicle products, automotive electronics, touch panels, high-end cameras.
In-vehicle module solution	Central touch module, overhead control module, door ambient lighting panels, on-screen knobs, steering wheel touch modules.
Molds	Mechanism forming modes and Flex PCB molds .

2. Production and manufacturing processes

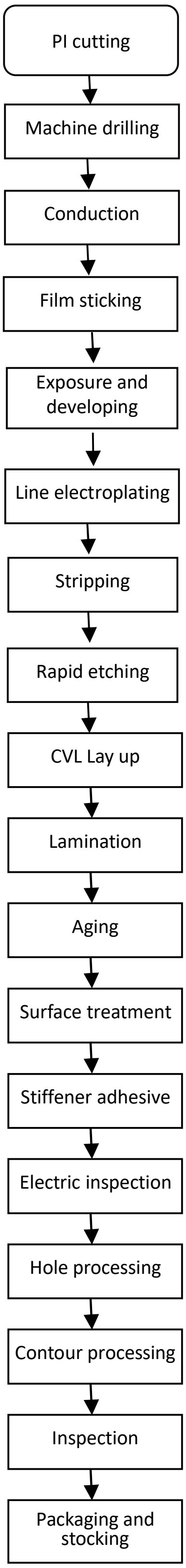
(1) Mechanism integrated components (MVI)



(2) Electronic integrated components



(3) Electronic integrated components - Fine line PEDLIM process



(iii) Supply of main raw materials

1. Mechanism integrated components

The main raw materials used for the mechanism integrated components produced by the Company are plastics, silicone rubber, polycarbonate, inks, and valuable components; there are only 4 suppliers of silicone rubber in the world. The Company has maintained a good relationship with each supplier for stable supply of raw materials. The Company is also an important customer of each supplier without any raw material supply shortage.

Main suppliers of raw materials for mechanism integrated components

Main raw materials	Regions of sourcing	Main suppliers	Current availability
Stainless steel	Domestic	Hotechnic Precious Hardware Limited	Good
Plastic and silicone rubber materials	Overseas	Shandechenxin Commerce Co., Ltd.	Good

2. Electronic integrated components

The main raw materials used for FPC products of the Company are Flexible Copper Clad Laminate (FCCL), protective coatings, stiffener films, etc.; all of our suppliers are the famous international and domestic companies that have good product quality, delivery date, pricing, and aftersales services. The availability of raw materials used for our FPC products is very stable.

Major suppliers of Flex PCB raw materials

Main raw materials	Regions of sourcing	Main suppliers	Current availability
Flexible Copper Clad Laminate (FCCL)	Overseas	Guangdong Shengyi SHENGYI Technology Co., Ltd.	Good
Protective coatings	Overseas	ITEQ Corporation - Guangzhou	Good
Stiffener films	Overseas	Suzhou Pinxing Electronics Ltd.	Good
Potassium gold cyanide	Overseas	Suzhou Xingrui Noble Metal Material Co., Ltd.	Good

(iv) The name of the supplier (customer) that accounted for more than 10% of the total purchase (sale) in any of the last two years, and the proportion of the purchase (sale) amount, the reason for the changes

1. Major suppliers in the last two years and their total sales in any of the last two years, and the proportion of the purchase amount of each year:

	2022				2023				As of previous quarter, 2024			
Item	Name	Amount (NT$ Thousand)	Annual net purchase ratio (%)	Relationship with the issuer	Name	Amount (NT$ Thousand)	Annual net purchase ratio (%)	Relationship with the issuer	Name	Amount (NT$ Thousand)	Net purchase ratio as of the previous quarter of the current year (%)	Relationship with the issuer
1	Company A	379,098	8.62%	None	Company F	405,656	8.77%	None	Company F	122,721	11.54%	None
2	Company D	240,813	5.47%	None	Company A	260,677	5.64%	None	Company D	50,196	4.72%	None
3	Company E	174,960	3.98%	None	Company D	234,883	5.08%	None	Company E	46,857	4.41%	None
4	Others	3,604,580	81.93%	None	Others	3,723,788	80.51%		Others	843,397	79.33%	None
Total	Net procurement	4,399,451	100%		Net procurement	4,625,004	100%		Net procurement	1,063,171	100%	

The reason for the changes is that the customers' sales may fluctuate over time.

2. Major customers in the last two years and their total purchase in any of the last two years, and the proportion of the purchase amount of each year:

	2022				2023				As of previous quarter, 2024			
Item	Name	Amount (NT$ Thousand)	Annual net sales ratio (%)	Relationship with the issuer	Name	Amount (NT$ Thousand)	Annual net sales ratio (%)	Relationship with the issuer	Name	Amount (NT$ Thousand)	Net sales ratio as of the previous quarter of the current year (%)	Relationship with the issuer
1	Company I	1,999,038	26%	None	Company I	2,544,373	30%	None	Company I	604,374	30%	None
2	Others	5,655,111	74%	None	Others	6,017,041	70%	None	Others	1,395,066	70%	None
Total	Net sales	7,654,149	100%		Net sales	8,561,414	100%		Net sales	1,999,440	100%	

The reason for the changes is that the Group adjusted the overseas production percentage based on the overall resources planning. As a result, the purchase amount for external factories has been increased.

(v) Production value over the last two (2) years

Unit of production volume: thousand pcs (set); unit of production value: NT$ thousand

Year / Production / Quantity value	2022			2023		
Main products (or by department)	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
Mechanism integrated component products	209,442	62,156	966,737	205,980	51,211	781,689
Electronic integrated components	296,728	164,674	3,953,341	292,362	151,657	5,760,684
Total	506,170	226,830	4,920,078	498,342	202,868	6,542,373

(vi) Sales value over the last two years

Unit of sale volume: thousand; unit of sales value: thousand

Year / Sales / Quantity value / Main product (or by department)	2022				2023			
	Domestic market		Export		Domestic market		Export	
	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value	Sales volume	Sales value
Mechanism integrated component products	7,911	348,593	74,241	1,461,083	11,693	362,639	68,151	1,205,917
Electronic integrated components	31,052	1,083,641	101,808	4,760,832	23,288	1,325,832	108,669	5,667,026
Total	38,963	1,432,234	176,049	6,221,915	34,981	1,688,471	176,820	6,872,943

iii. Information on employees

Year		2022	2023	As of April 23, 2024
Number of employees	Direct labor	2186	862	1010
	Indirect labor	901	1339	1381
	Total	3087	2201	2391
Average age		32	35	35
Average years of service		3.7	5	4.5
Qualification	Doctoral degree	0.06%	0.05%	0.04%
	Master's degree	0.52%	0.59%	0.46%
	College	21.09%	24.31%	23.15%
	Senior high school	44.90%	20.90%	20.52%
	Below senior high school	33.43%	54.16%	55.83%

Note: The figures shall be the data of the year and up to the publication date of the annual report.

iv. Environment protection expenditure information

(i) Losses due to pollution of environment in the most recent year up till the publication date of this annual report and countermeasures: None

(ii) Future countermeasures

1. Compliance with laws and regulations: Communicate information on laws and regulations to employees, and select qualified suppliers for cooperation.
2. Continuous improvement: Provide regular education and training, carry out audit, and conduct review and improvement whenever deficiencies are identified.

v. Labor-management relations

(i) Availability and execution of employee welfare, education, training and retirement policies. Elaborate on the agreements made between employers and employees, and the protection of employees' rights:

1. Employee welfare measures:
   The Company has employees' cafeteria, dormitory, parking lot, infirmary, nursing room and reading area. There are social centers such as gym, swimming pool, sauna, rhythm classroom, table tennis room and billiard room for employees to use during their breaks. In 2023, the Company has even partnered with external fitness centers to offer physical education courses (including Muay Thai, YOGA, Muaythai, TBATA, etc.) for employees to exercise more frequently for their health.
   In addition to meal subsidies, the Company provides employees with free ground coffee. Since there are no shops in the park, the Company has entered into agreements with vending machine providers to provide diversified and sufficient snacks and noodles for employees as supplementary diets.

In terms of recreational and leisure activities, the Company allocates budget each year for each department to organize two departmental dinner parties. The Employee Welfare Committee arranges and holds special events for festivals and holidays. It plans and organizes family days, year-end parties, employee travel and other activities every year. The Company also provides subsidies for club activities and encourages employees to establish clubs and participate in activities; in addition, from time to time, the Company distributes tickets for art and cultural performances and organizes various flexible lectures. Paintings and pottery works are exhibited in the factory and replaced from time to time to cultivate the temperament of employees and enhance their humanistic qualities.

Considering the differences in eating habits and homesickness of foreign employees and dormitory employees, the Company provides kitchens for foreign employees who live in the dormitory to cook their own favorite meals. The Company tries the best to provide comprehensive welfare measures for all employees.

2. Continuing education and training:

To stay competitive, put organizational strategies into practice, and improve employee performance, the Company has formulated the "Employee's Training and Education Regulations" to plan the overall training courses based on the working requirements, and give the orientation to new employee; the Company also provide internal on-job training courses and subsidies for external training and education to encourage its employees to receive training and provide various books to help them improve their working skills.

Employee training in 2023:

Courses	Training time	Hours	Total training costs
Various external and internal training courses	2023/1/1-2023/12/31	47,717	2,662(thousand)

3. Retirement system and implementation status:

Pension system	Old System	New system
Applicable law	Labor Standards Act	Labor Pension Act
How to contribute	The total monthly salary is appropriated at a specific rate and deposited in the pension account at the Bank of Taiwan in the name of the Company.	Appropriate 6% based on the employee's insurance level into the personal account at the Bureau of Labor Insurance
Amount of contribution	As of January 1, 2024, the account balance was NT$37,731 (thousand)	The total contribution amount in 2023 was NT$6,706 (thousand)

Employee stock ownership trust

In terms of the labor retirement system, in addition to regularly contributing reserves to the statutory retirement account in accordance with the Labor Standards Act and the Labor Pension Act, the Company has established a employee stock ownership trust committee. After full-time employees have been employed for half a year, they can decide on the amount of monthly withdrawals for purchase of the Company's stocks at a regular fixed amount. And, based on the employee's monthly deposit amount, the Company will allocate 100% of the same amount as a shareholding incentive.

4. Labor-management agreements and measures to protect the rights and interests of employees:
   The Company's labor-management relations are always harmony and a good communication channel has been established with the Employee Mailbox. Comprehensive regulations have been established for employee motivation, training, and retirement to take care of the employees' and Company's interests.

(ii) Losses due to labor-management disputes in the most recent year up till the publication date of this annual report and countermeasures:
1. Losses due to labor-management disputes and countermeasures: None.
2. The estimated amount of labor-management disputes that may occur in the future and countermeasures:
   The Company uses multiple channels to effectively communicate with employees and respond to employees' opinions in a timely manner. Labor-management relations are harmonious and no major labor-management disputes have occurred. Looking to the future, as long as the interaction between labor and management is good, it is estimated that the possibility of losses due to labor-management disputes in the future is low.

vi. Management of information and communication security

(i) Information and communication security risk management framework, information and communication security policy, specific management plan, and resources invested in information and communication security management:

1. Organization and structure :

The Intelligence Promotion Division is an independent department not affiliated to the using unit. It is responsible for coordinating and implementing information security policies, promoting information security messages, enhancing employees' information security awareness, and collecting and improving the technology, products or procedures of the organization's information security management system. At the same time, it takes the responsibility for promoting the digital transformation of working hours.
The Intelligence Promotion Division cooperates with the Company's audit unit to conduct information security audits, including internal audits and external audits.

Information security risk management mechanism:

Implement information security management **:** Implement the management of the network security, computer information file security, device security, email security, and information system access control.

2. Information security policy:

2-1. Goals of information security:

To ensure the confidentiality, integrity and availability of the Company's information and information assets and provide an information environment for the continuous operation of the Company's information business. Establish a safe and reliable computerized operating environment to protect it from internal and external deliberate or accidental threats and protect the Company's interests and the sustainable operation of the information system of each unit.

2-2. Scope of information security:

1) Computer system security management.
2) Network security management
3) System access control.
4) Information assets security management.
5) Physical and environmental security management.

6) Information security audit.

2-3. Principles and standards of information security:

1) In order to prevent the information system and files from being attacked and infected by computer viruses, detection and preventive measures shall be adopted for computer virus attacks and infections, and an active intrusion detection system shall be established for intrusion and malicious attacks to meet the requirements of computer data security.
2) A policy for the sustainable operation of the information system shall be established to prevent the Company from encountering natural disasters or man-made major events that may cause disruption to important information assets and key services or communication systems, .

2-4. Relevant regulations that employees shall abide by:

1) Computer data and equipment shall not be arbitrarily damaged, taken out, borrowed, or improperly modified in order to maintain data integrity.
2) Employees shall abide by the Company's policies and regulations on e-mail and Internet access, and shall not install software not authorized by the IT department or non-copyright software.
3) After accessing the operating system , the user shall exit the system after the work is completed, or when the system is not used for a long time, to prevent the leakage of confidential data, damage by others, or system crash.
4) ICT equipment shall be set up in a position convenient for the user. It shall be kept far away from water, tea, coffee, sun or wet locations. Equipment in acid-alkaline environment shall use protective covers to extend the service life.
5) When the computer equipment fails to work normally, the user shall immediately notify the information unit for inspection or maintenance.

3. Information security management plan :

3-1. Internet information security management and control:

1) Installation of firewalls.
2) Email security control.
3) The Company conducts virus scanning on the computer system and data storage medium on a regular basis.
4) The use of network services shall be implemented in accordance with the information security policy.

3-2. Data access control:

1) Computer equipment shall be put under custody of dedicated personnel with user IDs and passwords.
2) Different levels of access are assigned based on functions.
3) Transferred personnel Revoke the permission of the personnel who have transferred to another position.
4) Confidential and sensitive data and copyrighted software shall be removed or overwritten before the equipment is scrapped.
5) The use of portable devices is restricted, and data transmission is limited to the Company’s operating environment.

3-3. Response and recovery mechanism :

1) Establish a system backup mechanism and implement off-site backup.
2) Periodically review emergency response plans.
3) Periodically review computer network security control measures.
4) Maintain and evaluate third-party partners to work together to improve the recovery mechanism.

3-4. Emergency reporting procedure:

In the event of an information security incident, the responsible unit shall report the incident to the Security Management Team of the IT Division. The type of incident shall be identified, problems shall identified, and a record shall be maintained.

4. Investment of resources in information and communication security management

1) Optimize various server hardware equipment, while strengthening the operation of the backup mechanism.
2) Introduce the desktop management system to precisely control the application scope of the equipment.
3) Education, training and drills on letter-phishing .
4) Appoint information security personnel for information and communication management.

(ii) Losses due to major information and communication security incidents in the most recent year and up to the date of publication of the annual report, and disclose the estimated amounts that may incur currently and in the future, and countermeasures:

As of the date of publication of the annual report, there is no major information security incident causing business damage; the above information and communication policies are implemented to minimize the loss.

vii. Important contracts

<table>
<tr><th>Nature of contract</th><th>Principals</th><th>Duration</th><th>Contents</th><th>Restrictive clause</th></tr>
<tr><td>Supply and sale contract</td><td colspan="2">Confidentiality and non-disclosure</td><td>Purchase of our products, delivery models, products, specifications, delivery period and quantity, and other related regulations</td><td rowspan="3">Non-disclosure agreement</td></tr>
<tr><td>Material Purchase and Sales Agreement</td><td colspan="2">Confidentiality and non-disclosure</td><td>Purchase of our products, delivery models, products, specifications, delivery period and quantity, and other related regulations</td></tr>
<tr><td>Material Purchase and Sales Agreement</td><td colspan="2">Confidentiality and non-disclosure</td><td>The quality, objectives and needs of the purchased products and other related regulations</td></tr>
</table>

VI. Overview of finance

i. Condensed balance sheet and comprehensive income statement of the most recent five years

(i) Condensed balance sheet and comprehensive income statement

1. Consolidated Condensed Balance Sheet - IFRSs

Unit: NTD thousand

Item \ Year		Financial Information for the Most Recent Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		4,970,193	5,960,814	5,701,430	6,656,442	6,406,024
Property, plant and equipment (Note 2)		2,921,587	2,783,419	2,734,585	2,717,099	2,738,631
Intangible asset		-	-	-	-	-
Others assets (Note 2)		136,475	215,923	199,971	227,987	182,258
Total assets		8,489,255	9,460,234	9,065,970	9,849,412	10,116,759
Current liabilities	Before distribution	2,331,010	3,599,329	2,766,615	3,216,660	3,470,785
	After distribution	2,484,778	3,748,097	2,915,383	3,514,197	3,830,872
Non-current liabilities		299,944	157,421	567,110	561,345	439,442
Total liabilities	Before distribution	2,630,954	3,756,750	3,333,725	3,778,005	3,910,227
	After distribution	2,784,722	3,905,518	3,482,493	4,075,542	4,270,314
Equity attributable to the parent company		5,858,301	5,703,484	5,732,245	6,071,407	6,206,532
Share capital		3,075,366	3,075,366	3,075,366	3,075,366	3,075,366
Capital surplus		2,163,711	2,086,827	2,054,098	2,054,098	2,086,436
Retained earnings	Before distribution	954,930	998,016	1,100,000	1,311,895	1,485,497
	After distribution	878,046	849,248	951,232	1,014,358	1,125,410
Other equities		(335,706)	(295,397)	(335,891)	(208,624)	(320,345)
Treasury stock		-	(161,328)	(161,328)	(161,328)	(120,422)
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	5,858,301	5,703,484	5,732,245	6,071,407	6,206,532
	After distribution	5,704,533	5,554,716	5,583,477	5,773,870	5,846,445

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

Note 2: Where revaluation of assets was performed for the current year, the date of the revaluation and the amount arising therefrom shall be indicated: No revaluation of assets was performed for 2022.

2.Consolidated Condensed comprehensive income statement - IFRSs

Unit: NTD thousand (except for EPS)

Year / Item	Financial Information for the Most Recent Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	6,148,946	5,502,842	6,478,555	7,654,149	8,561,414
Operating gross profits	864,211	744,435	803,934	1,042,305	1,273,952
Operating profits or losses	280,795	195,687	208,110	364,236	482,612
Non-operating incomes and expenses	244	-5,674	59,532	110,981	65,871
Net profits before tax	281,039	190,013	267,642	475,217	548,483
Net profits from continuing operations for the period	226,792	120,190	222,893	357,407	465,261
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	226,792	120,190	222,893	357,407	465,261
Other comprehensive income for the period (net after tax)	(199,055)	40,089	(45,364)	130,523	(105,843)
Total comprehensive income for the period	27,737	160,279	177,529	487,930	359,418
Net profits attributable to shareholders of parent company	226,792	120,190	222,893	357,407	465,261
Net profits attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	27,737	160,279	177,529	487,930	359,418
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share (EPS)	0.74	0.40	0.75	1.20	1.56

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

3. Standalone Condensed balance sheet - IFRSs

Unit: NTD thousand

Item \ Year		Financial Information for the Most Recent Five Years (Note 1)				
		2019	2020	2021	2022	2023
Current assets		2,286,360	2,828,792	2,355,219	3,144,501	3,020,518
Property, plant and equipment (Note 2)		916,464	852,685	815,796	791,323	748,198
Intangible asset		-	-	-	-	-
Others assets (Note 2)		32,332	63,748	46,440	34,786	45,509
Total assets		8,459,597	9,039,291	8,570,639	9,739,527	9,898,217
Current liabilities	Before distribution	2,304,491	3,200,672	2,283,991	3,122,322	3,263,551
	After distribution	2,458,259	3,349,440	2,432,759	3,419,859	3,623,638
Non-current liabilities		296,805	135,135	554,403	545,798	428,134
Total liabilities	Before distribution	2,601,296	3,335,807	2,838,394	3,668,120	3,691,685
	After distribution	2,755,064	3,484,575	2,987,162	3,965,657	4,051,772
Equity attributable to the parent company		5,858,301	5,703,484	5,732,245	6,071,407	6,206,532
Share capital		3,075,366	3,075,366	3,075,366	3,075,366	3,075,366
Capital surplus		2,163,711	2,086,827	2,054,098	2,054,098	2,086,436
Retained earnings	Before distribution	954,930	998,016	1,100,000	1,311,895	1,485,497
	After distribution	878,046	849,248	951,232	1,014,358	1,125,410
Other equities		(335,706)	(295,397)	(335,891)	(208,624)	(320,345)
Treasury stock		-	(161,328)	(161,328)	(161,328)	(120,422)
Non-controlling interests		-	-	-	-	-
Total equity	Before distribution	5,858,301	5,703,484	5,732,245	6,071,407	6,206,532
	After distribution	5,704,533	5,554,716	5,583,477	5,773,870	5,846,445

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

Note 2: Where revaluation of assets was performed for the current year, the date of the revaluation and the amount arising therefrom shall be indicated: No revaluation of assets was performed for 2022.

4. Standalone Condensed comprehensive income statement - IFRSs

Unit: NTD thousand

Item \ Year	Financial Information for the Most Recent Five Years (Note 1)				
	2019	2020	2021	2022	2023
Operating revenues	4,087,876	3,637,810	3,996,676	5,131,980	5,777,007
Operating gross profits	158,057	270,514	277,848	305,243	329,997
Operating profits or losses	(15,530)	115,789	110,666	80,091	46,828
Non-operating incomes and expenses	244,938	39,621	136,111	301,405	443,775
Net profits before tax	229,408	155,410	246,777	381,496	490,603
Net profits from continuing operations for the period	226,792	120,190	222,893	357,407	465,261
Losses from discontinued operations	-	-	-	-	-
Net profits (losses) for the period	226,792	120,190	222,893	357,407	465,261
Other comprehensive income for the period (net after tax)	(199,055)	40,089	(45,364)	130,523	(105,843)
Total comprehensive income for the period	27,737	160,279	177,529	487,930	359,418
Net profits attributable to shareholders of parent company	226,792	120,190	222,893	357,407	465,261
Net profits attributable to non-controlling interests	-	-	-	-	-
Total comprehensive income attributable to shareholders of parent company	27,737	160,279	177,529	487,930	359,418
Total comprehensive income attributable to non-controlling interests	-	-	-	-	-
Earnings per share (EPS)	0.74	0.40	0.75	1.20	1.56

Note 1: The year for which CPAs did not conduct audit or certification must be indicated: The financial data of the Company have been audited by CPAs.

(ii) The name of attesting CPA for the most recent five years and the audit opinions.

Year	CPA Name	Audit opinions
2019	Lin Yi-Hui, Chih Jui-Chuan	Unqualified opinions
2020	Lin Yi-Hui, Chih Jui-Chuan	Unqualified opinions
2021	Hsieh Ming-Chung, Liu Shu-Lin	Unqualified opinions
2022	Hsieh Ming-Chung, Liu Shu-Lin	Unqualified opinions
2023	Hsieh Ming-Chung, Liu Shu-Lin	Unqualified opinions

ii. Financial analysis for the latest 5 years

(i) Consolidated financial analysis - IFRSs

Analysis	Year	Financial Analysis for the Most Recent Five Years (Note 1)				
		2019	2020	2021	2022	2023
Capital structure	Debt to assets ratio(%)	30.99	39.71	36.77	38.36	38.65
	Long-term capital to property, plant, and equipment ratio(%)	210.78	210.56	230.36	244.11	242.68
Solvency	Current ratio(%)	213.22	165.61	206.08	206.94	184.57
	Quick ratio(%)	181.01	137.5	165.38	162.05	150.85
	Times interest earned ratio	12.02	13.58	22.22	20.51	13.23
Operating performance	Accounts receivable turnover rate (times)	2.34	2.27	2.61	2.67	2.57
	Average collection days	155.98	160.79	139.84	136.70	142.02
	Inventory turnover rate (times)	7.09	5.83	5.66	5.47	5.91
	Accounts payables turnover rate (times)	4.09	3.27	3.57	3.84	3.77
	Average sales days	51.48	62.6	64.48	66.72	61.75
	PPE turnover rate (times)	2.10	1.98	2.37	2.82	3.13
	Total asset turnover rate (times)	0.72	0.58	0.71	0.78	0.85
Profitability	Return on assets (%)	2.72	1.47	2.52	3.99	5.02
	Return on equity (%)	3.83	2.08	3.90	6.06	7.88
	Net profits before tax to paid-in capital ratio (%)	9.14	6.18	8.70	15.45	17.83
	Net profit margin (%)	3.69	2.18	3.44	4.67	5.43
	Earnings per share (NT$)	0.74	0.40	0.75	1.20	1.56
Cash flow	Cash flow ratio (%)	56.13	12.37	14.30	5.91	30.92
	Cash flow adequacy ratio (%)	91.86	80.25	85.36	88.24	104.73
	Cash reinvestment ratio (%)	11.18	2.86	2.39	0.37	7.35
Leverage	Operating leverage	2.59	3.08	2.93	2.00	1.69
	Financial leverage	1.10	1.08	1.06	1.07	1.10

Please explain the reasons for the changes in financial ratios for the most recent 2 years:

(1)interest coverage ratio:The decrease in interest coverage ratio in 2023 was mainly due to the increase in interest expense in the current period compared to the previous period.

(2)Return on assets: The increase in return on assets in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(3)Return on equity: The increase in return on equity in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(4) Earnings per share: The increase in earnings per share in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.

(5) Cash flow ratio: The increase in cash flow in 2023 was mainly due to the increase in cash inflow from operating activities in the current period compared to the previous period.

(6) Cash reinvestment ratio: The increase in cash reinvestment ratio in 2023 was mainly due to the increase in cash inflow from operating activities in the current period compared to the previous period.

Note 1: The above information has been audited and attested by CPAs.

Note 2: Please refer to the following table for the calculation formula used in this table.

(ii) Standalone financial analysis - IFRSs

Item		Financial Analysis for the Most Recent Five Years (Note 1) 2019	2020	2021	2022	2023
Capital structure	Debt to assets ratio	30.75	36.90	33.12	37.66	37.30
	Long-term capital to property, plant, and equipment ratio(%)	671.61	684.73	770.62	836.22	886.75
Solvency	Current ratio(%)	99.21	88.38	103.12	100.71	92.55
	Quick ratio(%)	94.90	85.06	99.49	98.08	90.40
	Times interest earned ratio	11.82	15.63	26.18	32.01	32.03
Operating performance	Accounts receivable turnover rate (times)	2.38	2.40	2.67	2.90	2.77
	Average collection days	153.36	152.08	136.70	125.86	131.76
	Inventory turnover rate (times)	58.99	38.08	46.09	70.34	88.84
	Accounts payables turnover rate (times)	3.70	2.40	2.68	2.79	2.65
	Average sales days	6.18	9.58	7.91	5.18	4.10
	PPE turnover rate (times)	4.46	4.27	4.90	6.49	7.72
	Total asset turnover rate (times)	0.48	0.40	0.47	0.53	0.58
Profitability	Return on assets (%)	2.80	1.47	2.62	4.01	4.87
	Return on equity (%)	3.83	2.08	3.90	6.06	7.58
	Net profits before tax to paid-in capital ratio (%)	7.46	5.05	8.02	12.40	15.95
	Net profit margin (%)	5.55	3.30	5.58	6.96	8.05
	Earnings per share (NT$)	0.74	0.40	0.75	1.20	1.56
Cash flow	Cash flow ratio (%)	33.23	15.19	5.14	9.15	4.12
	Cash flow adequacy ratio (%)	168.70	180.56	177.90	191.92	153.64
	Cash reinvestment ratio (%)	33.26	22.77	(1.68)	7.34	(2.12)
Leverage	Operating leverage	(5.84)	1.87	1.92	2.02	2.42
	Financial leverage	0.42	1.10	1.10	1.18	1.51

Please explain the reasons for the changes in financial ratios (up to 20%) for the most recent 2 years:

(1) Inventory turnover rate: The increase in inventory turnover rate in 2023 was mainly due to the decrease in average inventory in the current period compared to the previous period.
(2) Average sales days: The decrease in average sales days in 2023 was mainly due to the increase in inventory turnover rate in the current period compared to the previous period.
(3) Return on assets: The increase in return on assets in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.
(4) Return on equity: The increase in return on equity in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.
(5) Net profit before tax to paid-in capital ratio: The increase in the ratio in 2023 was mainly due to the increase in net profit before tax in the current period compared to the previous period.
(6) Earnings per share: The increase in earnings per share in 2023 was mainly due to the increase in net profit after tax in the current period compared to the previous period.
(7) Cash flow ratio: The decrease in cash flow ratio in 2023 was mainly due to the decrease in cash flows from operating activities in the current period compared to the previous period.
(8) Cash reinvestment ratio: The decrease in cash reinvestment ratio in 2023 was mainly due to the decrease in cash flows from operating activities in the current period compared to the previous period.

Note 1: The above information has been audited and attested by CPAs.

Note 2: The calculation formula for the ratios is described below:

1. Capital structure
   (1) Debt to assets ratio = Total liabilities/total assets.
   (2) Long-term capital to property, plant, and equipment ratio = (total equity + non-current liabilities)/net property, plant, and equipment.
2. Solvency
   (1) Current ratio = Current assets/current liabilities.
   (2) Quick ratio = (Current assets-inventory-prepaid expenses)/current liabilities.
   (3) Times interest earned ratio = net profits before tax and interest expense/interest expense for the period.
3. Operating performance
   (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net

sales/balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).

(2) Average collection days = 365/receivables turnover rate.

(3) Inventory turnover rate = costs of goods sold/average inventory.

(4) Payable (including accounts payable and notes payable from business operations) turnover rate = costs of goods sold/balance of average accounts payable for various periods (including accounts payable and notes payable from business operations).

(5) Average sales days = 365/inventory turnover rate.

(6) Property, plant, and equipment turnover rate = net sales/average property, plant, and equipment.

(7) Total assets turnover rate = net sales/average total assets.

4. Profitability

(1) Return on assets = [net profits after tax + interest expense x (1 - tax rate)]/average total assets.

(2) Return on equity = net profits after tax/average total equity.

(3) Net profits margin = net profits after tax/net sales.

(4) Earnings per share = (net profits attributable to shareholders of the parent - preferred stock dividend)/weighted average number of shares outstanding. (Note 3)

5. Cash flow

(1) Cash flow ratio = net cash flow from operating activities/current liabilities.

(2) Cash flow adequacy ratio = sum of net cash flow from operating activities for the most recent 5 years/sum of capital expenditures, inventory additions, and cash dividend for the most recent 5 years.

(3) Cash flow reinvestment ratio = (net cash flow from operating activities - cash dividend)/(gross property, plant, and equipment + long-term investment + other non-current assets + working capitals). (Note 4)

6. Leverage:

(1) Operating leverage = (net operating revenue - variable operating costs and expenses) / operating profits (Note 5)

(2) Financial leverage = operating profits/(operating profits - interest expense).

Note 3: Special attention shall be paid to the following when using the above earnings per share calculation formula:

1. Weighted average quantity of shares is on the basis of common stock, not the outstanding shares as of the end of the year.
2. If there is a cash capital increase or treasury transaction, the outstanding period should be considered for weighted-average stock calculation.
3. If any additional shares were issued against retained earnings or capital surplus, the full year or half-year earnings per share must be adjusted proportionally and retroactively, regardless of when the additional stocks were issued.
4. If the preferred stock is unconvertible cumulative preferred stock, the dividend for the year (whether the dividend is paid or not) should be deducted from the net income or added to the net loss. If preference shares were non-cumulative, the preference shares dividends must be deducted from after tax net profit; no adjustment is required from after tax net loss.

Note 4: The following shall be considered in assessing cash flow analysis:

1. Net cash flow from operating activities refers to net cash inflow from operating activities as stated in the Statement of Cash Flow.
2. Capital expenditure refers to the cash outflow for annual capital investments.
3. The increase in inventory is included only when the balance at the ending is greater than that at beginning. If the inventory decreases at the end of the year, it shall be calculated as “zero”.
4. Cash dividend includes cash dividend for common stock and preferred stock.
5. Gross property, plant and equipment refers to the total property, plant and equipment before subtracting by accumulated depreciation.

Note 5: The issuer shall distinguish the operating costs and operating expenses as fixed and floating ones by nature. If any estimation or judgment is involved, please note the reasonableness and consistency.

Note 6: In the case of shares issued by the Company with no par value or a par value other than NT$10 per share, said calculation about the ratio of the paid-in capital shall be replaced by the equity attributable to the parent company identified in the balance sheet.

iii. Audit Committee's review report of the financial statements for the most recent year:

Audit Committee's Audit Report The Company's Board of Directors prepared the 2023 financial statements. Deloitte & Touche has audited the 2023 financial statements and issued an audit report. The above-mentioned business report, financial statements and earnings distribution proposal have been examined by the Audit Committee and are found to be in conformity with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act. Please review. To: 2024 Regular Shareholders' Meeting of ICHIA TECHNOLOGIES INC. Audit Committee convener: Huang Chin-Ming March 11, 2024

iv. Financial statements for the most recent year: See pages 94-182.

v. Standalone financial statements audited and attested by CPAs for the most recent year: See pages 183-264.

vi. If the Company or any of its affiliated companies had, in the latest year up until the publication of this annual report, experienced financial distress, the impacts to the Company's financial status must be disclosed: None.

VII. Review and analysis of financial status and financial performance and risk

i. Financial position

(i) Comparative analysis of financial position

Unit: NTD thousand; %

Year / Item	2022	2023	Difference	
			Amount	%
Current assets	6,656,442	6,406,024	(250,418)	-4%
Property, Plant and Equipment	2,717,099	2,738,631	21,532	1%
Other assets	227,987	182,258	(45,729)	-20%
Total assets	9,849,412	10,116,759	267,347	3%
Current liabilities	3,216,660	3,470,785	254,125	8%
Non-current liabilities	561,345	439,442	(121,903)	-22%
Total liabilities	3,778,005	3,910,227	132,222	3%
Share capital	3,075,366	3,075,366	0	0%
Capital surplus	2,054,098	2,086,436	32,338	2%
Retained earnings	1,311,895	1,485,497	173,602	13%
Total shareholders' equity	6,071,407	6,206,532	135,125	2%

(ii) Analysis of changes in the percentage of increase or decrease in the last two years;

1.Assets: The decrease in current assets in 2023 was mainly due to the decrease in inventories in the current period compared to the previous period; the decrease in other assets in 2023 was mainly due to the decrease in prepayment for equipment in the current period compared to the previous period.

2. Liabilities: The increase in current liabilities in 2023 was mainly due to the increase in Long-term loans in the current period compared to the previous period.

ii. Financial performance

(i) Analysis of operating results for the last two years

Unit: NTD thousand; %

Item	2022	2023	Increase (decrease) amount	Change percentage (%)
Net operating revenues	7,654,149	8,561,414	907,265	12%
Operating costs	6,611,844	7,287,462	675,618	10%
Operating gross profits	1,042,305	1,273,952	231,647	22%
Operating expenses	678,069	791,340	113,271	17%
Operating profits	364,236	482,612	118,376	32%
Non-operating incomes and expenses	110,981	65,871	(45,110)	-41%
Net profits before tax for the period	475,217	548,483	73,266	15%
Income tax expenses	(117,810)	(83,222)	34,588	-29%
Net profits after tax for the period	357,407	465,261	107,854	30%

(ii) Analysis of changes in the percentage of increase or decrease in the last two years;

1. Operating profits: The increase in operating profits in 2023 was mainly due to the increase in operating revenue in 2023 compared to the previous period.
2. Non-operating income and expense: The decrease in non-operating income and expense in 2023 was mainly due to the decrease in net profit from foreign currency exchange gains and losses in 2023 compared to the previous period.
3. Current net profit after tax: The increase in net profit after tax in 2023 was mainly due to the increase in operating profits and the decrease in Income tax expense in 2023 compared to the previous period.

iii. Cash flow

(i) Analysis of changes in the cash flow for the most recent two years:

Unit: NTD thousand

Year / Item	2022	2023	Increase (decrease) %
Operating activities	190,088	1,060,337	458%
Investment activities	298,637	(873,363)	-392%
Financing activities	(263,060)	(91,920)	65%

Explanation:

1. Operating activities: Mainly due to the decrease in inventories in the current period compared to the previous period.
2. Investment activities: Mainly due to the increase in disposal of financial assets measured at amortized cost in the current period compared to the previous period.
3. Financing activities: Mainly due to the increase in long-term loans in the current period compared to the previous period.

(ii) Improvement plan for liquidity deficiency: The Company has no liquidity deficiency.

(iii) Cash flow analysis for the coming year

Unit: NTD thousand

Cash balance at beginning of the period	Estimated full-year net cash flow from operating activities	Estimated full-year cash outflow	Estimated cash surplus (shortage)	Remedy for estimated cash shortage	
				Investment plan	Financial plan
1,802,295	500,000	400,000	1,902,295	N/A	N/A

iv. Major capital expenditure and its impact on finance and business matters of the Company in the most recent year: None.

v. Investment policy for the most recent year, the main reasons for profit or loss, improvement plan and investment plan for the coming year

(i) Investment policy for the most recent year: The Company's main consideration in making investments is the core process capability and customers’ needs, and there were no diversified investment activities in recent years.

(ii) Main reasons for profit or loss and improvement plan: In addition to continuing to increase the proportion of automation, the Company will enhance core technology and process capability to maintain its competitiveness in the industry and build up the R&D and process capability for FPC integrated products, cultivate existing customers and explore new customers to enhance its operating performance.

(iii) Investment plan for the coming year: None.

vi. Analysis and assessment of risks for the most recent year and up to the publication date of the annual report

(i) Impact of interest and exchange rate fluctuations and inflation on the profit and loss of the Company, and the future countermeasures:

1. Impact on the Company's profit or loss

(1) Changes in interest rates: Fluctuations in interest rates affect the increase or decrease in interest expense on bank loans, which in turn affects the Company's profit or loss.

(2) Changes in exchange rates: The Company's imports and exports are mainly denominated in foreign currencies, so fluctuations in exchange rates will partially affect the Company's profit and loss.

(3) Inflation: Inflation of raw materials will increase the Company's cost of goods and indirectly affect part of the profit or loss.

2. Future countermeasures

(1) Countermeasures for changes in interest rates: The Company regularly tracks and analyzes fluctuations in general economic and market interest rates, and evaluates whether to enter into interest rate swap contracts to hedge interest rate risk at any time.

(2) Countermeasures for exchange rate fluctuations: The Company's response to exchange rate fluctuations is mainly through natural hedging and forward exchange contracts to hedge the exchange rate risk.

(3) Countermeasures for Inflation: In response to possible inflation in raw materials, the Company will introduce strategic materials and strengthen the bargaining power to suppliers to reduce the purchase cost of materials, while timely transferring it to customer quotations, and if necessary, will also evaluate ways to hedge the risk of price increases in raw materials by means of commodity hedging.

(ii) Policies on high-risk, high-leverage investments, lending funds to others, endorsement and guarantee and derivative transactions, main reasons for profits or losses and future countermeasures: The Company does not engage in high-risk investments, and all investments are carefully evaluated and executed. The lending of funds to others and the endorsement of guarantees are made to 100%-owned facilities, and derivative financial instruments are operated mainly for hedging purposes, and all operations have been carefully executed in consideration of possible risks.

(iii) Future R&D plans and expected R&D expenses

Future R&D plans are detailed on page 58 of this annual report, and budget for R&D expenses for 2024 is NT$300,000 thousand.

(iv) Impact of changes in domestic and foreign important policies and laws on the Company's finance and business matters and countermeasures: The Company operates in accordance with domestic and foreign laws and regulations, and regularly reviews and revises the Company's internal management rules and regulations to comply with the laws and regulations.

(v) The effect of technological and industrial changes on finance and business matters of the Company, and countermeasures: None.

(vi) Impact of corporate image change on corporate crisis management and countermeasures: The Company operates under the management philosophy of honesty, diligence, innovation, and achievement unlimited. The Company has a good corporate image and has not experienced any incidents that endanger its corporate image over the long term. In the future, we will continue to fulfill our corporate social responsibility and strengthen our corporate governance to achieve the goal of sustainable operations.

(vii) Expected benefits, possible risks to mergers and acquisitions and countermeasures: The Company has not made any mergers and acquisitions in the most recent year up to the date of publication of the annual report.

(viii) Expected benefits, possible risks and countermeasures for plant expansion: None.

(ix) Risks associated with the concentration of purchases or sales and countermeasures: None.

(x) The impact on the Company and risks of the massive transfer or change of shares of directors, supervisors or major shareholders with 10% stake or more in the most recent year and in the current year up to the date of publication of the annual report and countermeasures: None.

(xi) Impact and risk associated with changes in management rights, and countermeasures: N/A.

(xii) For litigious and non-litigious matters, please list major litigious, non-litigious or administrative disputes that have been resolved or are still proceeding involving the Company and/or any director, supervisor, the general manager, any person with actual responsibility for the firm and any major shareholder holding a more than 10% of the shares, and the affiliated companies. Moreover, where such a dispute could materially affect shareholders' equity or the prices of the securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the publication date of the annual report: None.

(xiii) Other major risks in the most recent year and in the current year up to the date of publication of the annual report and corresponding measures: The Company has established a comprehensive information security mechanism and related management methods, and conducts annual assessments for the upgrade and backup of related software and hardware equipment to ensure the normal operation of the operating system. For the most recent year up to the date of publication of the annual report, there has been no significant information security incidents in the Company.

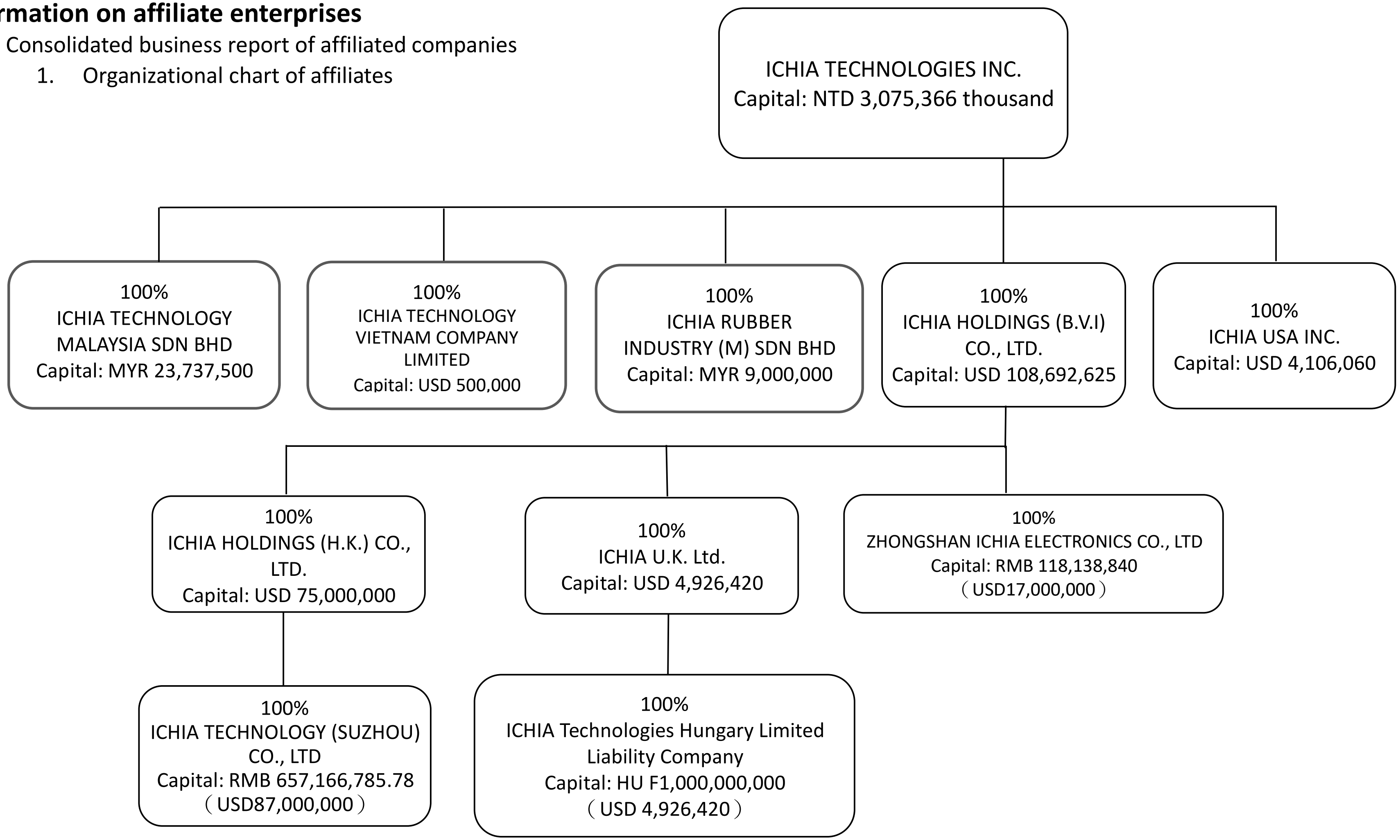
vii. Other important disclosures: None.

VIII. Special notes

i. Information on affiliate enterprises

(i) Consolidated business report of affiliated companies

1. Organizational chart of affiliates



2. Basic information on affiliates

Name of enterprise	Date of incorporation	Address	Paid-in capital	Principal business or production items
ICHIA TECHNOLOGIES INC.	1989.11.7	No. 268, Huaya 2nd Rd., Guishan Dist., Taoyuan City	NTD 3,075,366 (thousand)	Engaged in the manufacturing, processing, and trading of various components and materials for electronics, home appliances, electronic engineering, electrical equipment, communications (telecommunications), and computers, as well as the import and export of domestic and foreign products and agency, distribution, tender and quotation business.
ICHIA HOLDINGS (B.V.I) CO., LTD.	1997.9.9	Vistra Corporate Services Centre, Wickhams Cay II,Road Town,Tortola,VG1110,B.V.I	USD 108,692,625	Engaged in investments for holding.
ICHIA USA INC.	1993.9.9	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	USD 4,106,060	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.
ICHIA RUBBER INDUSTRY (M) SDN BHD	1994.3.30	977-978 Solok Perusahaan 3, Prai Industrial Estate,13600 Prai, Province Welllesley, Penang, Malaysia.	MYR 9,000,000	Manufacturing and sale of rubber, plastic keypads and flexible printed circuit boards.
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	2001.12.11	No. 118, Jinshan Road, Suzhou New District, Suzhou City, Jiangsu Province, China	RMB 657,166,785.78	Manufacturing and sale of rubber, plastic keypads and flexible printed circuit boards.
ICHIA U.K. LTD	2002.8.13	OMC Chambers,Wickhams Cay I,Road Town,Tortola,British Virgin Islands	USD 4,926,420	Various investment businesses
ICHIA Technologies Hungary Limited Liability Company	2004.9	2900 Komárom, Bánki Donát u. 2. Hungary	HUF 1,000,000,000	Manufacturing, processing and trading of rubber and plastic keypads.
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	2002.6.28	No. 26, Yixian Road, Torch Development Zone, Zhangjiabian, Zhongshan City, Guangdong Province, China	RMB 118,138,840	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.
ICHIA HOLDINGS (H.K.) CO., LTD.	2008.1.4	151 Gloucester Road, Wanchai, Hong Kong Room 1004, National Health Centre	USD 75,000,000	Various investment businesses.
ICHIA TECHNOLOGY VIETNAM COMPANY LIMITED	2023.10.2	House No 15, Le Thai To Street , Vo Cuong Ward, Bac Ninh City, Bac Ninh Province, Vietnam	USD 500,000	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.
ICHIA TECHNOLOGY MALAYSIA SDN BHD	2024.1.22	SUITE 3.01-3.02RD FLOR KHTP BUSINESS CENTRE KULIM HI-TECH PARK 09090 KULIM KEDAH MALAYSIA	MYR 23,737,500	Manufacturing, processing and trading of various electronic components and materials.

3. For those presumed to be in a controlling and subordinate relationship, the common shareholder information: None.

4. The industry covered by the business of all affiliated companies

Name of enterprise	Controlling (subordinate) company	Controlling (subordinate) relationship	The division of business between affiliated companies
ICHIA TECHNOLOGIES INC.	Controlling company	-	Group headquarter
ICHIA USA INC.	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the Americas
ICHIA HOLDINGS (B.V.I) CO., LTD.	Subordinate company	Shareholding Control	Engaged in investments for holding
ICHIA RUBBER INDUSTRY (M) SDN BHD	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the Southeast Asian market
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Subordinate company	Shareholding Control	Engaged in the processing of various types of keypads outsourced by ICHIA (BVI) and manufacturing and sales in China
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in Eastern and Northern China markets
ICHIA U.K. LTD.	Subordinate company	Shareholding Control	Various investment businesses
ICHIA Technologies Hungary Limited Liability Company	Subordinate company	Shareholding Control	Responsible for manufacturing and sales in the European market
ICHIA HOLDINGS (H.K.) CO., LTD.	Subordinate company	Shareholding Control	Engaged in investments for holding
ICHIA TECHNOLOGY VIETNAM COMPANY LIMITED	Subordinate company	Shareholding Control	Responsible for sales in the Southeast Asian market
ICHIA TECHNOLOGY MALAYSIA SDN BHD	Subordinate company	Shareholding Control	Responsible for sales in the Southeast Asian market

5. The names of directors, supervisors and general managers of the affiliated companies and their shareholdings or capital contributions to the companies

Name of affiliated company	Title	Name or representative	Shareholding as of April 23, 2024	
			Number of shares	Shareholding Percentage
Controlling company				
ICHIA TECHNOLOGIES INC.	Chairman	Huang Chiu-Yung	11,541,089	3.75%
	Vice Chairman	Huang Li-Lin	4,707,083	1.53%
	Director	Huang Tzu-Cheng	1,285,000	0.42%
	Director	Tseng Kung-Sheng	585,000	0.19%
	Independent director	Chen Tai-Jan	0	0%
	Independent director	Huang Chin-Ming	0	0%
	Independent director	Hsu Wan-Lung	0	0%
ICHIA HOLDINGS (B.V.I) CO., LTD.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD108,692,625	100%
	General Manager	Huang Li-Lin	0	0%

Name of affiliated company	Title	Name or representative	Shareholding as of April 23, 2024	
			Number of shares	Shareholding Percentage
ICHIA USA INC.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD4,106,060	100%
	Director	Huang Li-Lin	0	0%
	Director	Huang Wen-Chieh	0	0%
ICHIA RUBBER INDUSTRY(M) SDN BHD	Chairman	Hung Chien-Cheng	MYR 9,000,000	100%
	Director	Huang Chiu-Yung	0	0%
	Director	Huang Li-Lin	0	0%
	Director	Huang Ti-Ju	0	0%
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	Chairman and general manager	Representative of ICHIA TECHNOLOGIES INC.: Tseng Kung-Sheng	RMB 657,166,785.78	100%
	Director	Huang Li-Lin	0	0%
	Director	Che Xiao-Lin	0	0%
	Supervisor	Huang Yen-Hsiang	0	0%
ICHIA U.K. LTD.	Chairman	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung	USD 4,926,420	100%
ICHIA Technologies Hungary Limited Liability Company	Managing director	Representative of ICHIA TECHNOLOGIES INC.: Huang Li-Lin	HUF 1,000,000,000	100%
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	Chairman and general manager Director Director Supervisor	Representative of ICHIA TECHNOLOGIES INC.: Tseng Kung-Sheng Huang Li-Lin Luo Li Huang Yen-Hsiang	RMB 118,138,840	100% 0% 0% 0%
ICHIA HOLDINGS (H.K.) CO., LTD.	Chairman Director	Representative of ICHIA TECHNOLOGIES INC.: Huang Chiu-Yung Huang Li-Lin	USD 75,000,000	100% 0%
ICHIA TECHNOLOGY VIETNAM COMPANY LIMITED	Representative	Lai Guo-Fong	0	0%
ICHIA TECHNOLOGY MALAYSIA SDN BHD	Chairman Director Director Director	Tseng Kung-Sheng Huang Chiu-Yung Huang Yen-Hsiang Huang Ti-Ju	0 0 0 0	0% 0% 0% 0%

6. Business overview of affiliates

Unit: NTD thousand

Name of enterprise	Capital	Total assets	Total liabilities	Net worth	Operating revenues	Operating profits (losses)	Profits or losses for the period	Earnings per share (EPS) (NT$)
ICHIA TECHNOLOGIES INC.	3,075,365	9,898,217	3,691,685	6,206,532	5,777,006	46,828	465,261	1.56
ICHIA HOLDINGS (B.V.I) CO., LTD.	3,337,407	5,881,791	0	5,881,791	0	(160)	388,335	-
ICHIA USA INC.	126,077	45,390	5,887	39,503	8,381	(681)	2,562	-
ICHIA HOLDINGS (H.K.) CO., LTD.	2,302,875	4,496,714	0	4,496,714	0	(99)	390,298	-
ICHIA RUBBER INDUSTRY (M) SDN BHD	57,699	155,673	28,911	126,762	128,265	11,401	11,454	-
ICHIA TECHNOLOGY (SUZHOU) CO., LTD	2,848,957	7,074,208	2,576,474	4,497,734	7,126,868	435,043	384,162	-
Ichia U.K. Ltd.	151,266	(21,483)	0	(21,483)	0	0	6,020	-
ICHIA Technologies Hungary Limited Liability Company	88,615	39,988	61,471	(21,483)	0	(1,104)	6,162	-
ZHONGSHAN ICHIA ELECTRONICS CO., LTD	512,157	933,566	147,416	786,150	690,288	(16,917)	(7,315)	-
ICHIA TECHNOLOGY VIETNAM COMPANY LIMITED	15,289	14,432	110	14,322	0	(693)	(997)	-

(ii) Consolidated financial statements of affiliated companies: The information required to be disclosed in the consolidated financial statements of affiliated companies has been disclosed in the consolidated financial statements, and the Company shall not prepare separate consolidated financial statements of affiliated companies.

(iii) Relationship report: N/A.

ii. **Private placement of marketable securities in the most recent year and up to the publication date of the annual report:** None.

iii. **Holding or disposal of shares in the Company by the Company's subsidiaries for the most recent year and up to the publication date of the annual report:** None.

iv. **Other supplementary disclosure:** None.

v. **Any of the situations listed in Article 36, Paragraph 2, Subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholder equity or the price of the Company's securities, which has occurred during the most recent year or during the current year up to the date of publication of the annual report:** None.

Appendix 1

Statement of Consolidated Financial Statements of Affiliated Enterprises

The companies to be included in the consolidated financial statements of affiliated enterprises in 2023 (from January 1, 2023 to December 31, 2023) pursuant to the “Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises” are the same as those to be included in the consolidated financial statements of the parent company and subsidiaries pursuant to the IAS 10. Further, the related information to be disclosed in the consolidated financial statement of affiliated enterprises has been disclosed in the said consolidated financial statements of parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial statements of affiliated enterprises separately.

Declared by:

Company name: ICHIA TECHNOLOGIES INC.

Corporate director: Huang Chiu-Yung

March 11,2024

Independent Auditor's Report

To the Board of Directors and Shareholders of ICHIA TECHNOLOGIES INC.:

Audit opinions

We have audited the accompanying consolidated balance sheet of ICHIA TECHNOLOGIES INC. and subsidiaries as of December 31, 2023 and 2022, and the related consolidated comprehensive income statements, consolidated statement of changes in equity, consolidated cash flow statements, and notes to the consolidated financial statements (including significant accounting policies) for the years then ended.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of ICHIA TECHNOLOGIES INC. and subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of regulations governing the preparation of financial statements by securities issuers and International Financial Reporting Standards, International Accounting Standards, and Interpretations issued by the Financial Supervisory Commission.

Basis for opinions

We conclude 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 responsibilities of auditors for the audit of the consolidated financial statements. We are independent of ICHIA TECHNOLOGIES INC. and subsidiaries in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 2023 consolidated financial statements of ICHIA

TECHNOLOGIES INC. and subsidiaries. These matters were addressed in the content of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2023 consolidated financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries were as follows:

Authenticity of revenues recognized from sales to specific customers

ICHIA TECHNOLOGIES INC. and subsidiaries manufacture a wide range of flexible printed circuit boards and mechanism integrated components (MVI) for the automotive and consumer electronics markets. The sales revenue is a major indicator for the management to evaluate the sales performance. Since the sales revenue from major customers occupies a substantial percentage of the overall sales revenues, the authenticity of the sales revenues recognized from sales to major customers with more significant changes in the increase and proportion of the sales revenue is included as key audit matters in this year's consolidated financial statements.

We have also performed the following major audit procedures with respect to the above key audit matters:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Conduct random inspection of the sales revenue from major customers and check relevant certificates and documents to make sure of the authenticity of the recognition.
3. Examine whether there are any abnormalities in the collection after the credit period granted to specific customers.

Other Matters

We have also audited the stand-alone financial statements of ICHIA TECHNOLOGIES INC. as of and for the year ended December 31, 2023 and 2022 on which we have issued an unqualified opinion.

Responsibilities of Management and Those in Charge of Governance of the Consolidated Financial Statements

The responsibility of management is to prepare fairly presented consolidated financial statements in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards interpretations, and announcements of interpretations recognized and published by the Financial Supervisory Commission and maintain necessary internal control related to the preparation of consolidation of financial statements in order to ensure material misstatement caused by fraud or error does not exist in the consolidated financial statements.

In preparing the consolidated financial statements, the management is also responsible for assessing the ability of ICHIA TECHNOLOGIES INC. and subsidiaries as a going concern, disclosing as applicable matters related to a going concern and using the going concern basis of accounting, unless the management either intends to liquidate ICHIA TECHNOLOGIES INC. and subsidiaries or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of ICHIA TECHNOLOGIES INC. and subsidiaries.

Auditor's 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 auditor's report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with accounting standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Misstatements are considered material, individually or in aggregate, if 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 auditing standards, we exercise professional judgment and skepticism throughout the audit. 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 countermeasures for assessed risks; and obtain evidence that is sufficient and appropriate to provide a basis of audit opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in ICHIA TECHNOLOGIES INC. and subsidiaries.
3. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICHIA TECHNOLOGIES INC. and subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICHIA TECHNOLOGIES INC. and subsidiaries to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the consolidated financial statements (including related notes), whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

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

Deloitte Touche Tohmatsu Limited

CPA Steven Hsieh	CPA Liu Shu-Lin
Approval No. from the Financial Supervisory Commission: Jin-Guan-Zheng-Shen-Zi No. 1000028068	Approval No. from the Financial Supervisory Commission: Jin-Guan-Zheng-Shen-Zi No. 1050024633

March 11, 2024

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NT$ thousands

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 1,802,295	18	$ 1,794,682	18
1110	Financial assets measured at fair value through profit or loss – current (Notes 4 and 7)	44,949	-	71,469	1
1136	Financial assets measured at amortized cost – current (Notes 4, 9 and 30)	21,493	-	51,444	1
1170	Accounts receivable - net (Notes 4 and 10)	3,302,151	33	3,231,689	33
1220	Current income tax assets (Note 4 and 24)	25	-	36	-
130X	Inventory (Notes 4 and 11)	1,096,733	11	1,370,109	14
1470	Other current assets (Note 16)	138,378	1	137,013	1
11XX	Total current assets	6,406,024	63	6,656,442	68
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 4 and 8)	-	-	12,000	-
1535	Financial assets measured at amortized cost – non-current (Notes 4, 9 and 30)	576,966	6	12,224	-
1600	Property, plant and equipment (Notes 4, 13 and 30)	2,357,057	23	2,413,723	25
1755	Right-of-use assets (Note 14)	117,973	1	127,264	1
1760	Investment property (Note 15)	381,574	4	303,376	3
1840	Deferred income tax assets (Notes 4 and 24)	94,907	1	96,396	1
1975	Net defined benefit assets -non-current (Notes 4 and 20)	24,374	-	18,320	-
1990	Other non-current assets (Note 16)	157,884	2	209,667	2
15XX	Total non-current assets	3,710,735	37	3,192,970	32
1XXX	Total assets	$ 10,116,759	100	$ 9,849,412	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Notes 4 and 17)	$ 897,106	9	$ 887,418	9
2120	Financial liabilities measured at fair value through profit or loss – current (Note 7)	31	-	-	-
2130	Contract liabilities – current (Note 22)	6,674	-	17,045	-
2170	Accounts payable – non-related parties (Note 18)	1,907,286	19	1,959,619	20
2200	Other payables (Note 19)	323,191	3	306,001	3
2230	Income tax liabilities in current period (Notes 4 and 24)	48,202	-	17,085	-
2280	Lease liabilities - current (Notes 4 and 14)	2,135	-	2,762	-
2320	Long-term loans maturing within one year (Notes 4 and 17)	274,221	3	9,374	-
2399	Other current liabilities (Note 19)	11,939	-	17,356	-
21XX	Total current liabilities	3,470,785	34	3,216,660	32
	Non-current liabilities				
2541	Long-term loans (Notes 4 and 17)	222,511	3	335,626	4
2542	Long-term notes payable (Note 17)	199,799	2	199,980	2
2570	Deferred income tax liabilities (Notes 4 and 24)	4,223	-	8,504	-
2580	Lease liabilities - non-current (Notes 4 and 14)	1,624	-	3,758	-
2600	to other non-current liabilities	11,285	-	13,477	-
25XX	Total non-current liabilities	439,442	5	561,345	6
2XXX	Total liabilities	3,910,227	39	3,778,005	38
	Equity (Note 21)				
3110	Common stock	3,075,366	30	3,075,366	31
3200	Capital surplus	2,086,436	20	2,054,098	21
	Retained earnings				
3310	Legal reserve	643,458	7	607,392	6
3320	Special reserve	208,624	2	335,891	3
3350	Undistributed earnings	633,415	6	368,612	4
3300	Total retained earnings	1,485,497	15	1,311,895	13
3490	Other equities	(320,345)	(3)	(208,624)	(2)
3500	Treasury stock	(120,422)	(1)	(161,328)	(1)
3XXX	Total equity	6,206,532	61	6,071,407	62
	Total liabilities and equity	$ 10,116,759	100	$ 9,849,412	100

The attached notes are part of the consolidated financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Comprehensive Income Statement

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands; earnings per share: NT$ dollar

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operating revenue (Notes 4 and 22)				
4110	Sales revenues	$ 8,649,074	101	$ 7,732,513	101
4170	Sales return	(20,899)	-	(40,028)	(1)
4190	Sales discount	(66,761)	(1)	(38,336)	-
4000	Total operating revenue	8,561,414	100	7,654,149	100
5000	Operating cost (Note 4, 11 and 23)	(7,287,462)	(85)	(6,611,844)	(86)
5900	Operating gross profits	1,273,952	15	1,042,305	14
	Operating expenses (Note 23)				
6100	Promotional expenses	207,058	3	221,591	3
6200	Administrative expenses	308,632	4	234,161	3
6300	R&D expenses	267,214	3	217,561	3
6450	Expected credit impairment loss	8,436	-	4,756	-
6000	Total operating expenses	791,340	10	678,069	9
6900	Operating income	482,612	5	364,236	5
	Non-operating incomes and expenses (Notes 23)				
7100	Interest incomes	40,952	1	19,203	-
7010	Other incomes	77,245	1	47,845	-
7020	Other gains and losses	(7,491)	-	68,293	1
7050	Financial costs	(44,835)	(1)	(24,360)	-
7000	Total non-operating incomes and expenses	65,871	1	110,981	1
7900	Net profits before tax	548,483	6	475,217	6
7950	Income tax expenses (Notes 4 and 24)	(83,222)	(1)	(117,810)	(2)
8200	Net profits for the year	465,261	5	357,407	4

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Code		2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income				
8310	Titles not reclassified as profit or loss				
8311	Remeasurement of defined benefit plan (Note 20)	NT$ 5,878	-	NT$ 3,256	-
8316	Gain/loss on valuation of equity instrument investments measured at fair value through other comprehensive income	(12,000)	-	-	-
8360	Titles likely to be reclassified to profit or loss subsequently				
8361	Exchange differences in the financial statement translation of foreign operations	(99,721)	(1)	127,267	2
8300	Other comprehensive income in the year (net after tax)	(105,843)	(1)	130,523	2
8500	Total comprehensive income in the year	NT$ 359,418	4	NT$ 487,930	6
	Earnings per share (Note 25)				
9710	Basic	NT$ 1.56		NT$ 1.20	
9810	Diluted	NT$ 1.56		NT$ 1.20	

The attached notes are part of the consolidated financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands

		Common stock			Retained earnings			Other equity items			
Code		Number of shares (thousand shares)	Amount	Capital surplus	Legal reserve	Special reserve	Undistributed earnings	Exchange differences in the financial statement translation of foreign operations	Gain/loss on valuation of financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity
A1	Balance as of January 1, 2022	307,536	$ 3,075,366	$ 2,054,098	$ 585,590	$ 295,397	$ 219,013	($ 335,891)	$ -	($ 161,328)	$ 5,732,245
	Allocation and distribution of earnings in 2021										
B1	Legal reserve	-	-	-	21,802	-	(21,802)	-	-	-	-
B3	Earnings set aside as a special reserve	-	-	-	-	40,494	(40,494)	-	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(148,768)	-	-	-	(148,768)
D1	Net profit in 2022	-	-	-	-	-	357,407	-	-	-	357,407
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	3,256	127,267	-	-	130,523
D5	Total comprehensive income in 2022	-	-	-	-	-	360,663	127,267	-	-	487,930
Z1	Balance as of December 31, 2022	307,536	3,075,366	2,054,098	607,392	335,891	368,612	(208,624)	-	(161,328)	6,071,407
	Allocation and distribution of earnings in 2022										
B1	Legal reserve	-	-	-	36,066	-	(36,066)	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(127,267)	127,267	-	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(297,537)	-	-	-	(297,537)
L3	Transfer of treasury stock to employees	-	-	(123)	-	-	-	-	-	40,906	40,783
N1	Share-based payment	-	-	32,461	-	-	-	-	-	-	32,461
D1	Net profit in 2023	-	-	-	-	-	465,261	-	-	-	465,261
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	5,878	(99,721)	(12,000)	-	(105,843)
D5	Total comprehensive income in 2023	-	-	-	-	-	471,139	(99,721)	(12,000)	-	359,418
Z1	Balance as of December 31, 2023	307,536	$ 3,075,366	$ 2,086,436	$ 643,458	$ 208,624	$ 633,415	($ 308,345)	($ 12,000)	($ 120,422)	$ 6,206,532

The attached notes are part of the consolidated financial statements.

Chairman: HUANG CHIU YUNG   Manager: Tseng Kung-Sheng   Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries

Consolidated Cash Flow Statement

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands

Code		2023	2022
	Cash flow from operating activities		
A10000	Profit before tax in the year	$ 548,483	$ 475,217
A20010	Profit and loss items		
A20300	Expected credit impairment loss	8,436	4,756
A20100	Depreciation expense	330,644	364,966
A20400	Net loss on financial assets/liabilities measured at fair value through profit or loss	52,890	49,126
A20900	Financial costs	44,835	24,360
A21200	Interest incomes	(40,952)	(19,203)
A21900	Employee stock option compensation cost	32,461	-
A23700	Inventory devaluation and obsolescence loss	-	11,930
A23800	Gains from recovery of inventory devaluation and obsolescence	(10,814)	-
A22500	Gain on disposal of property, plant and equipment	(3,242)	(920)
A23700	Impairment reversal profit of property, plant and equipment	(131)	(11,472)
A30000	Net changes in operating assets and liabilities		
A31130	Notes and accounts receivable	(78,741)	(853,044)
A31200	Inventories	287,910	(337,409)
A31240	Other current assets	7,993	(24,851)
A31990	Other operating assets	(176)	(42)
A32125	Contract liabilities	(10,371)	11,824
A32150	Accounts payable	(52,333)	477,965
A32180	Other payables	11,675	48,134
A32230	Other current liabilities	(5,417)	4,099
A33000	Cash generated from operations	1,123,150	225,436
A33100	Interest received	31,594	30,050
A33300	Interest paid	(39,521)	(22,107)
A33500	Income tax paid	(54,886)	(43,291)
AAAA	Net cash inflow from operating activities	1,060,337	190,088
	Cash flows from investment activities		
B00040	Acquisition of financial assets measured at amortized cost	(746,540)	(348,413)
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	-	(12,000)

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Code		2023	2022
B00050	Disposal of financial assets measured at amortized cost	$ 219,381	$ 954,621
B00100	Acquisition of financial assets measured at fair value through profit and loss	(80,000)	(100,000)
B00200	Disposal of financial assets measured at fair value through profit or loss	53,543	152,299
B02700	Purchase of property, plants, and equipment	(68,875)	(56,030)
B02800	Disposal of property, plant, and equipment	18,435	4,042
B03700	Increase in refundable deposit	(202)	(4,684)
B03800	Decrease in refundable deposit	6,131	1,910
B06800	(Increase) decrease in other non-current assets	(2,394)	19,323
B07100	Increase in prepayments for equipment	(272,842)	(312,431)
BBBB	Net cash (outflow) inflow from investing activities	(873,363)	298,637
	Cash flow from financing activities		
C00100	Increase in short-term loans	3,995,317	4,311,561
C00200	Decrease in short-term loans	(3,977,424)	(4,430,391)
C00500	Increase in short-term notes payable	-	50,000
C00600	Decrease in short-term notes payable	-	(50,000)
C01600	Borrowing of long-term loans	151,732	-
C01800	Increase in long-term note payables	200,000	200,000
C01900	Decrease in long-term note payables	(199,980)	(199,935)
C03000	Collection of guarantee deposits received	902	6,962
C03100	Refund of guarantee deposits received	(2,952)	(672)
C04020	Repayment of principal for lease	(2,761)	(1,817)
C04500	Distribution of cash dividends	(297,537)	(148,768)
C04900	Payment of treasury stock transaction cost	(123)	-
C05000	Amount for transfer of treasury stock to employees	40,906	-
CCCC	Net cash outflow from financing activities	(91,920)	(263,060)
DDDD	Effect of changes in the exchange rate on cash and cash equivalents	(87,441)	120,171
EEEE	Net increase in cash and cash equivalents	7,613	345,836
E00100	Balance of cash and cash equivalents - beginning of the year	1,794,682	1,448,846
E00200	Balance of cash and cash equivalents - end of year	$ 1,802,295	$ 1,794,682

The attached notes are part of the consolidated financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC. and subsidiaries
Notes to the Consolidated Financial Statements
January 1 to December 31, 2023 and 2022
(Amounts NT$ thousand, unless otherwise stated)

i. Company History

ICHIA TECHNOLOGIES INC. (hereinafter referred to as the Company) was established in November 1989 to manufacture, process, and trade various components (conductive silicone elastomers, plastic keys, keyboard assemblies, input devices, and flexible printed circuit boards) and materials for electronics, home appliances, electronical engineering, electrical equipment, communications (telecommunications), and computers, as well as to import and export domestic and foreign products and to engage in the agency, distribution, tender and quotation business.

The Company's shares have been listed on the Taiwan Stock Exchange since January 14, 2000.

The consolidated financial statements are presented in New Taiwan dollars (NT$), which is the functional currency of the Company.

ii. Date and Procedure for Approval of Financial Statements

The consolidated financial statements were approved by the Board of Directors on March 11, 2024

iii. Application of New and Revised Standards and Interpretations

(i). First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the amended IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Consolidated Company's accounting policies:

(ii) FSC-approved IFRSs to be applied in 2024

The new/amended/revised standards or interpretations	Effective date of IASB publication (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 Noncurrent”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
IAS 7 and IFRS 7 Amendments "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

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

In addition to the aforesaid impacts, up to the approval and release date of the consolidated financial statements, the Consolidated Company considered that the amendments to other standards and interpretations would not have material impact on the financial position and performance of the Consolidated Company after assessment.

(iii). The IFRSs released by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards or interpretations	Effective date of IASB publication (Note 1)
Amendment 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
Amendments to IAS 21 "Lack of Exchangeability"	Wednesday, January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

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

The Consolidated Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Consolidated Company to the date the consolidated financial statements are approved and released, and will make appropriate disclosure after the evaluation.

iv. Summary of Significant Accounting Policies

(i). Compliance Statement

The consolidated financial statements are prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and published by the FSC.

(ii). Basis of preparation

The consolidated financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation date (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.
3. Level 3 input value: the unobservable input value of asset or liability.

(iii). Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date, and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(iv). Basis of consolidation

The consolidated financial statements include the financial statements of the Company and entities controlled by the Company (subsidiaries). The consolidated comprehensive income statements include the operating profits or losses of the acquired or disposed subsidiaries for the period from the date of acquisition or up to the date of disposal. The subsidiaries' financial statements have been properly adjusted to make the accounting policies consistent with the accounting policies of the Consolidated Company. In preparing the consolidated financial statements, all inter-company transactions, account balances, gains and losses have been eliminated.

For details of subsidiaries, shareholding percentage and business scope, see Note 12 and Exhibit 5.

(v). Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing the stand-alone financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss, except for the following:

1. Exchange differences arising from hedging transactions to hedge part of the exchange rate risk; and
2. For a monetary item receivable from or payable to a foreign operation, of which the settlement is neither planned nor likely to occur in the foreseeable future (and therefore forms part of the net investment in the foreign operation), the exchange difference is recognized initially in other comprehensive income and is reclassified from equity to profit or loss upon disposal of the net investment.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the consolidated financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries and affiliates in the countries of business operation or those using currencies different from the Company's) were converted to NT$ based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income.

If the Consolidated Company disposes of its entire equity interest in a foreign operation, or disposes of part of its equity interest in a subsidiary that includes a foreign operation and loses control, or the retained equity interest after disposing of a joint agreement of a foreign operation or an affiliate is a financial asset and is accounted for as a financial instrument, all cumulative translation differences attributable to the Company's shareholders and related to the foreign operation are reclassified to profit or loss.

If the partial disposal of a foreign operating subsidiary does not result in a loss of control, the accumulated exchange differences are included in the non-controlling interests of the subsidiary on a pro rata basis, but are not recognized in profit or loss. In the case of any other partial disposal of foreign operations, the cumulative exchange differences are reclassified to profit or loss in proportion to the disposal.

(vi). Inventories

Inventories include raw materials, semi-finished goods, finished goods, work in process and in-transit. Inventories are valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. Inventories are valued at standard costs before book closing and adjusted upon book closing to approximate cost calculated on a weighted-average basis.

(vii). Property, plant and equipment

Property, plant, and equipment shall be recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. If the lease period is shorter than the useful life, depreciation is provided over the lease period. The Consolidated Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in prospective application accounting estimates.

In removing property, plant, and equipment from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(viii). Investment property

An investment property is a property held for earning rent income or for capital appreciation, or both. The investment property includes land held without a definite purpose of use.

The investment property owned by the Company is initially measured based on the cost (including transaction cost) and subsequently measured based on the cost net of accumulated depreciations and accumulated impairment losses.

The investment property is depreciated on the straight line basis.

In removing investment property from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(ix). Impairment of property, plant and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs.

The Consolidated Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, Investment property, intangible assets and assets related to contract costs may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Consolidated Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(x). Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheets when the Consolidated Company becomes a party to the contracts of such instruments.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

The customary transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

(1). Type of measurement

The types of financial assets held by the Consolidated Company are financial assets measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Consolidated Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

Financial assets measured at fair value through profit or loss are measured at fair value. For the determination of fair value, please refer to Note 28.

B. Financial assets at amortized cost

The Consolidated Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and
b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash and cash equivalents, accounts receivable measured at amortized cost) after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.
b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Credit-impaired financial assets are those for which the issuer or the debtor has experienced significant financial difficulties, defaulted, or where it is probable that the debtor will declare bankruptcy or other financial reorganization, or where an active market for the financial assets has disappeared due to financial difficulties.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within 3 months from the acquisition date and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Consolidated Company may make an irrevocable selection to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Consolidated Company's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2). Impairment of financial assets and contract assets

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

An allowance for losses is recognized for accounts receivable based on the expected credit loss over the duration. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the lifetime of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the lifetime of the financial instruments means the expected loss of credit from the financial instruments within the lifetime of these financial instruments.

For internal credit risk management purposes, the Consolidated Company, without considering the collateral, determines the following circumstances indicating that a default has occurred on the financial instrument:

A. There is internal or external information indicating that the debtor is no longer able to pay their debts.

B. Payments are overdue for more than 90 days, unless there is reasonable and supporting information showing that the delayed default benchmark is more appropriate.

All impairment losses on financial assets are accounted for by reducing the carrying amount through an allowance account.

(3). The derecognition of financial assets

The Consolidated Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as profit or loss. When investments in debt instruments measured at fair value through other comprehensive income are derecognized as a whole, the difference between the carrying amount and the sum of the consideration received plus any cumulative gain or loss recognized in other comprehensive income is recognized as profit or loss. When investments in equity instruments measured at fair value through comprehensive income are entirely derecognized, the accumulated profit or loss shall be directly transferred to retained earnings without being classified as profit or loss.

2. Financial liabilities

(1). Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following:

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss include financial liabilities held for trading.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses. The fair value is determined as described in Note 28.

(2). Derecognition of financial liabilities

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

3. Derivatives

The derivatives entered into by the Consolidated Company include forward exchange contracts, which are used to manage the Consolidated Company’s interest rate and exchange rate risks.

Derivatives are initially recognized at fair value when the derivative contracts are entered into and subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from subsequent measurements are recognized directly in profit or loss, except for derivatives designated as effective hedging instruments, for which the point of recognition in profit or loss will depend on the nature of the hedging. When the fair value of the derivatives is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

For derivatives embedded in asset master contracts within the scope of IFRS 9 “Financial Instruments”, the classification of financial assets shall be determined based on the overall contract. A derivative is considered to be a separate derivative if it is embedded in an asset master contract that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(xi). Revenue recognition

The Consolidated Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Merchandise sales revenues

Merchandise sales revenues are derived from sales of electronic parts and components. The Consolidated Company recognizes revenues and accounts receivable at the point when the products arrive at the customer’s designated location because the customer has the right to determine resale prices and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence.

(xii). Lease

The Consolidated Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Consolidated Company is the lessor

A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

For an operating lease, the net lease payments of the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease period.

2. The Consolidated Company is the lessor

Except for the low-value leased assets entitled to exemption and lease payments for short-term leases recognized as expenses on a straight-line basis over the lease period, the right-of-use assets and lease liabilities of other leases are recognized starting from the lease commencement date.

The right-of-use assets are initially measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease commencement date net of the lease incentives collected, the original direct costs, and the estimated cost of the recovered underlying assets), and then subsequently measured at the net cost of the accumulated depreciation and accumulated impairment loss; also, the remeasured amount of the lease liability is adjusted. Right-of-use assets are expressed separately in the consolidated balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease commencement date to the end of their useful life or the expiration of the lease period, whichever is sooner.

Lease liabilities are measured initially at the present value of lease payments (including fixed benefits). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If said lease implied interest rate is not easy to determine, the lease payment is discounted at the lessee's incremental borrowing rate of interest.

Subsequently, the lease liability is measured according to the effective interest method and the amortized cost; also, the interest expense is amortized over the lease period. If a change in the lease period results in a change in future lease payments, the Consolidated Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are expressed separately in the consolidated balance sheet.

(xiii). Cost of borrowing

Borrowing costs directly attributable to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities have achieved their intended use or sale condition.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the above, all other loan costs are recognized as profit and loss upon occurring.

(xiv). Government subsidies

Government subsidies are recognized as other incomes only when it is reasonably certain that the Consolidated Company will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies related to revenues are recognized in reduction of relevant costs or other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Consolidated Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Consolidated Company and have no future related costs.

(xv). Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

   Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

   The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current and prior service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(xvi). Income tax

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

1. Income tax for the period

The Consolidated Company determines income (loss) for the period in accordance with the regulations enacted by the income tax reporting jurisdictions and calculates income tax payable (recoverable) accordingly.

Additional income tax on unappropriated earnings calculated in accordance with the Republic of China Income Tax Act is recognized in the year in which resolutions are made at the shareholder meeting.

The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates and joint ventures, except where the Consolidated Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset, and part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected by the consolidated company to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity, which are respectively recognized in other comprehensive income or directly included in the equity.

v. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

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

Management will review estimates and underlying assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if they affect only that period. The revisions are recognized in the period of the revisions and future periods if they affect both current and future periods.

vi. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	NT$ 74	NT$ 982
Bank checking accounts and demand deposits	1,350,443	1,299,275
Cash equivalents (investments with an original maturity of less than 3 months)		
Bank acceptance bills	65,553	27,383
Bank time deposits	386,225	467,042
	NT$ 1,802,295	NT$ 1,794,682

The interest rate ranges for bank deposits as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Bank demand deposits	0.01%～0.73%	0.005%～0.38%
Bank time deposits	1.85%～5.50%	1.75%～4.30%

vii. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily measured at fair value through profit or loss		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts	NT$4,885	NT$11,387
Non-derivative financial assets		
- Fund beneficiary certificates	40,064	60,082
	NT$ 44,949	NT$ 71,469

	December 31, 2023	December 31, 2022
Financial liabilities - current		
Mandatorily measured at fair value through profit or loss		
Derivatives (not designated for hedging)		
- Forward foreign exchange contracts	NT$ 31	NT$ -

Forward foreign exchange contracts not subject to hedge accounting and outstanding at the balance sheet date were as follows:

December 31, 2023

	Currency	Expiration Date	Contract Amount (Thousands)
Sale of forward foreign exchange	RMB to USD	August 11, 2023 to January 12, 2024	RMB35,564／USD5,000
Sale of forward foreign exchange	RMB to USD	September 19, 2023 to February 6, 2024	RMB36,000／USD5,000
Sale of forward foreign exchange	RMB to USD	September 28, 2023 to March 13, 2024	RMB36,000／USD5,000
Sale of forward foreign exchange	RMB to USD	November 21, 2023 to April 12, 2024	RMB35,183／USD5,000
Sale of forward foreign exchange	RMB to USD	December 1, 2023 to May 14, 2024	RMB35,110／USD5,000
Sale of forward foreign exchange	RMB to USD	December 1, 2023 to June 12, 2024	RMB35,010／USD5,000
Sale of forward foreign exchange	RMB to USD	November 21, 2023 to January 15, 2024	RMB7,097／USD1,000
Sale of forward foreign exchange	RMB to USD	November 21, 2023 to February 6, 2024	RMB7,084／USD1,000
Sale of forward foreign exchange	RMB to USD	December 1, 2023 to May 15, 2024	RMB7,057／USD1,000
Sale of forward foreign exchange	RMB to USD	December 1, 2023 to April 15, 2024	RMB7,035／USD1,000

December 31, 2022

	Currency	Expiration Date	Contract Amount (Thousands)
Sale of forward foreign exchange	RMB to USD	July 6, 2022 to January 20, 2023	RMB20,063／USD3,000
Sale of forward foreign exchange	RMB to USD	September 22, 2022 to February 17, 2023	RMB21,110／USD3,000
Sale of forward foreign exchange	RMB to USD	September 28, 2022 to March 17, 2023	RMB21,490／USD3,000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to March 17, 2023	RMB13,882／USD2,000
Sale of forward foreign exchange	RMB to USD	November 16, 2022 to April 14, 2023	RMB20,995／USD3,000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to April 14, 2023	RMB13,850／USD2,000
Sale of forward foreign exchange	RMB to USD	November 24, 2022 to May 13, 2023	RMB21,223／USD3,000
Sale of forward foreign exchange	RMB to USD	September 22, 2022 to January 16, 2023	RMB7,050／USD1,000

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	Currency	Expiration Date	Contract Amount (Thousands)
Sale of forward foreign exchange	RMB to USD	September 26, 2022 to February 15, 2023	RMB3,555／USD500
Sale of forward foreign exchange	RMB to USD	November 28, 2022 to February 15, 2023	RMB3,574／USD500
Sale of forward foreign exchange	RMB to USD	November 28, 2022 to March 15, 2023	RMB7,130／USD1000
Sale of forward foreign exchange	RMB to USD	December 23, 2022 to April 17, 2023	RMB6,925／USD1000
Sale of forward foreign exchange	RMB to USD	December 26, 2022 to May 15, 2023	RMB6,900／USD1000

The purpose of the Consolidated Company's forward exchange transactions is to hedge the risk of foreign currency assets and liabilities arising from exchange rate fluctuations.

viii. Financial assets measured at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Non-current		
Equity instrument investments measured at fair value through other comprehensive income		
Domestic investment		
Non-listed (non-OTC) stock－		
Common stock	NT$ -	NT$12,000

The purpose of the holding by the Company is for long-term strategic investment and they have been designated as measured at fair value through other comprehensive income.

ix. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Current		
Time deposits with original maturity of more than 3 months (1)	NT$ 21,493	NT $ -
Pledge of time deposits (2)	-	51,444
	NT$ 21,493	NT$ 51,444
Non-current		
Time deposits with original maturity of more than 1 year (1)	NT$ 563,577	NT$ -
Pledge of time deposits (2)	3,187	2,127
Restricted foreign exchange deposits with offshore funds (3)	10,202	10,097
	NT$ 576,966	NT$ 12,224

(i). As of December 31, 2023, the interest rate range for time deposit with original maturity of more than 3 months was 3.1% to 5% per annum.

(ii). As of December 31, 2023 and 2022, the interest rate ranges for pledged time deposits were 1.58% and 1.46% per annum, respectively.

(iii). On August 26, 2020, the Consolidated Company remitted NT$ 146,285 thousand (USD 5,000 thousand) in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" and deposited the net amount after tax in a dedicated account for foreign exchange deposits, as approved by the National Taxation Bureau of the Northern Area, Ministry of Finance. The deposits in the dedicated account are subject to restrictions on the free use of the funds as prescribed by law, except for financial investments or real investments and part of the free use of the funds as prescribed by law, which can be withdrawn in three-year increments after five years from the date of deposit in the dedicated account.

(iv). For information on pledges of financial assets measured at amortized cost, see Note 30.

x. Accounts receivable and overdue receivables

	December 31, 2023	December 31, 2022
Accounts receivable		
Measured at amortized cost		
Total carrying amount	NT$ 3,306,575	NT$ 3,232,259
Less: Allowance for loss	(4,424)	(570)
	NT$ 3,302,151	NT$ 3,231,689
Overdue receivables		
Measured at amortized cost		
Total carrying amount	NT$ 61,514	NT$ 57,358
Less: Allowance for loss	(61,514)	(57,358)
	NT$ -	NT$ -

Accounts receivable

The average credit period of the Consolidated Company's merchandise sales is 150 days. In determining the collectability of accounts receivable, the Consolidated Company considers any changes in the credit quality of the accounts receivable from the original credit grant date to the balance sheet date. To mitigate credit risk, the Consolidated Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, the Consolidated Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk has been significantly reduced.

The Consolidated Company recognizes the allowance for loss of accounts receivable based on the expected credit loss over the duration. Expected credit losses for the duration are calculated using an allowance matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as GDP forecasts and industry outlook. Since the Consolidated Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the allowance matrix only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Consolidated Company cannot reasonably expect to recover the amount, for example, if the counterparty is in liquidation or the debt is overdue for more than 365 days, the Consolidated Company reclassifies the amount directly to overdue receivable and continues the collection activities, and the amount recovered is offset against the related overdue receivable.

The Consolidated Company estimated the allowance for losses on accounts receivable based on the allowance matrix as follows:

Accounts receivable

December 31, 2023

	Not overdue	Overdue 1 to 180 days	Overdue 181 to 365 days	Total
Expected credit loss rate	0%	0.8%	22.28%	-
Total carrying amount	NT$3,028,965	NT$ 267,338	NT$ 10,272	NT$3,306,575
Allowance for loss (Expected credit losses over the duration)	-	(2,135)	(2,289)	(4,424)
Amortized cost	NT$3,028,965	NT$ 265,203	NT$ 7,983	NT$3,302,151

December 31, 2022

	Not overdue	Overdue 1 to 180 days	Overdue 181 to 365 days	Total
Expected credit loss rate	0%	0.18%	8.02%	-
Total carrying amount	NT$2,985,624	NT$ 244,877	NT$ 1,758	NT$3,232,259
Allowance for loss (Expected credit losses over the duration)	-	(429)	(141)	(570)
Amortized cost	NT$2,985,624	NT$ 244,448	NT$ 1,617	NT$3,231,689

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2023	2022
Balance at the beginning of the year	NT$ 570	NT$1,455
Add: Provision for impairment loss for the year	11,149	5,462
Less: Actual write off for the year	(15)	(65)
Less: Reclassification for the year	(7,148)	(6,589)
Foreign currency translation difference	(132)	307
Balance at the end of the year	NT$4,424	NT$ 570

Information on the changes in the allowance for losses on overdue receivables is as follows:

	2023	2022
Balance at the beginning of the year	NT$ 57,358	NT$ 51,830
Add: Reclassification for the year	7,148	6,589
Less: Actual write off for the year	(254)	(384)
Less: Reversal of impairment loss for the year	(2,713)	(706)
Foreign currency translation difference	(25)	29
Balance at the end of the year	NT$ 61,514	NT$ 57,358

xi. Inventory

	December 31, 2023	December 31, 2022
Finished goods	NT$ 251,826	NT$ 356,726
Semi-finished goods	74,826	85,745
Work in progress	179,899	221,479
Raw materials	500,584	653,316
In-transit	89,598	52,843
	NT$ 1,096,733	NT$ 1,370,109

The nature of cost of goods sold is as follows:

	2023	2022
Cost of inventories sold	NT$ 7,343,834	NT$ 6,648,179
Inventory devaluation (gain from price recovery) loss (i)	(10,814)	11,930
Others	(45,558)	(48,265)
	NT$ 7,287,462	NT$ 6,611,844

(i) The increase in the net realizable value of inventories was due to increase in the selling price of some of the inventories.

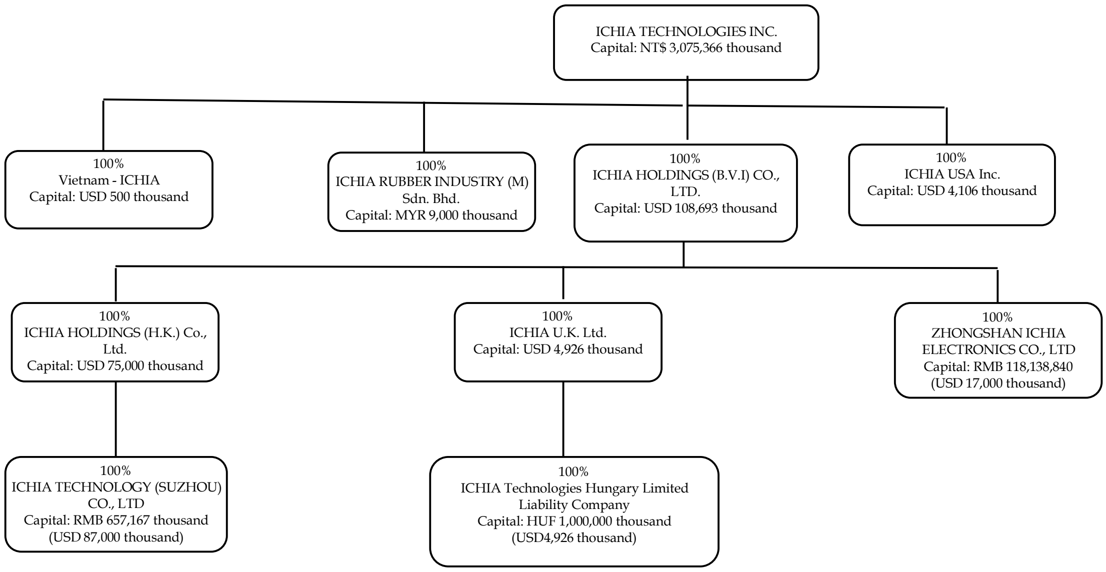
xii. Subsidiary

Subsidiaries Included in Consolidated Financial Statements

Entities covered by the consolidated financial statements are as follows:

			Shareholding percentage		
Investor	Subsidiary name	Business nature	December 31, 2023	December 31, 2022	Description
ICHIA TECHNOLOGIES INC.	ICHIA USA INC. (hereafter referred to as ICHIA USA).	Manufacturing, processing and trading of various electronic components and materials	100%	100%	-
	ICHIA HOLDINGS (B.V.I) CO., LTD. (hereafter referred to as BVI-ICHIA)	Various investment businesses	100%	100%	-
	ICHIA RUBBER INDUSTRY (M) SDN BHD (hereinafter referred to as ICHIA Malaysia)	Manufacturing, processing and trading of various electronic components and materials	100%	100%	1
	ICHIA TECHNOLOGY VIET NAM COMPANY LIMITED (hereinafter referred to as Vietnam - ICHIA)	Trading of various electronic components and materials	100%	-	2
BVI-ICHIA	ICHIA UK LTD.	Various investment businesses	100%	100%	-
	ICHIA HOLDINGS (H.K.) CO., LTD. (hereafter referred to as ICHIA H.K.)	Various investment businesses	100%	100%	-
	ZHONGSHAN ICHIA ELECTRONICS CO., LTD. (hereafter referred to as ZHONGSHAN ICHIA)	Manufacturing, processing and trading of rubber and plastic keypads	100%	100%	-
ICHIA U.K. LTD.	Ichia Hungary Ltd. (hereafter referred to as ICHIA Hungary)	Manufacturing, processing and trading of rubber and plastic keypads	100%	100%	-
ICHIA H.K.	ICHIA TECHNOLOGY (SUZHOU) CO., LTD. (hereafter referred to as ICHIA SUZHOU)	Manufacturing, processing and trading of rubber and plastic keypads and flexible printed circuit boards	100%	100%	-

As of December 31, 2023, the Company's investment relationships and shareholdings with its investees over which it has control are shown as below:



Remarks:

1. The Consolidate Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by ICHIA HOLDINGS (B.V.I) Co., Ltd. in ICHIA RUBBER INDUSTRY (M) Sdn. Bhd. to ICHIA TECHNOLOGIES INC.
2. The Board of Directors meeting in 2023 approved the establishment of a subsidiary. On October 2, 2023, a capital of USD 500,000 was invested and the formal registration was completed.

The Company and the above investees included in the consolidated financial statements are collectively referred to as the Consolidated Company.

The financial statements of the subsidiaries included in the consolidated financial statements have been audited by the CPA.

xiii. <u>Property, plant, and equipment</u>

<u>Self-use</u>

	Self-owned land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2023	NT$ 296,869	NT$2,436,564	NT$3,443,187	NT$1,004,740	NT$7,181,360
Addition	-	52,451	2,128	14,296	68,875
Disposal	-	(39,723)	(230,445)	(21,584)	(291,752)
Transfer to investment property	-	(142,851)	-	-	(142,851)
Reclassification	-	20,010	227,899	73,146	321,055
Net exchange differences	(2)	(29,561)	(47,002)	(13,516)	(90,081)
Balance as of December 31, 2023	NT$ 296,867	NT$2,296,890	NT$3,395,767	NT$1,057,082	NT$7,046,606
Accumulated depreciation and impairment					
Balance as of January 1, 2023	NT$ -	NT$1,604,404	NT$2,309,495	NT$ 853,738	NT$4,767,637
Disposal	-	(37,063)	(217,063)	(21,328)	(275,454)
Transfer to investment property	-	(60,234)	-	-	(60,234)
Depreciation expense	-	71,583	201,962	50,528	324,073
Benefit from government subsidies	-	-	(5,719)	-	(5,719)
Reversal of impairment loss	-	(131)	-	-	(131)
Net exchange differences	-	(19,248)	(30,100)	(11,275)	(60,623)
Balance as of December 31, 2023	NT$ -	NT$1,559,311	NT$2,258,575	NT$ 871,663	NT$4,689,549
Net as of December 31, 2023	NT$ 296,867	NT$ 737,579	NT$1,137,192	NT$ 185,419	NT$2,357,057
Cost					
Balance as of January 1, 2022	NT$ 523,712	NT$2,566,957	NT$3,294,110	NT$ 950,116	NT$7,334,895
Addition	-	17,701	15,095	23,234	56,030
Disposal	-	(62,996)	(82,978)	(23,808)	(169,782)
Transfer to investment property	(227,663)	(148,886)	-	-	(376,549)
Reclassification	-	25,876	201,473	43,928	271,277
Deferred benefit from government subsidies	-	-	(28,503)	-	(28,503)
Net exchange differences	820	37,912	43,990	11,270	93,992
Balance as of December 31, 2022	NT$ 296,869	NT$2,436,564	NT$3,443,187	NT$1,004,740	NT$7,181,360
Accumulated depreciation and impairment					
Balance as of January 1, 2022	NT$ -	NT$1,642,784	NT$2,136,660	NT$ 820,866	NT$4,600,310
Disposal	-	(62,914)	(79,781)	(23,420)	(166,115)
Transfer to investment property	-	(70,281)	-	-	(70,281)
Reclassification	-	-	248	-	248
Depreciation expense	-	82,834	237,510	46,760	367,104
Benefit from government subsidies	-	-	(11,435)	-	(11,435)
Reversal of impairment loss	-	(11,472)	-	-	(11,472)
Net exchange differences	-	23,453	26,293	9,532	59,278
Balance as of December 31, 2022	NT$ -	NT$1,604,404	NT$2,309,495	NT$ 853,738	NT$4,767,637
Net as of December 31, 2022	NT$ 296,869	NT$ 832,160	NT$1,133,692	NT$ 151,002	NT$2,413,723

The Consolidated Company assesses the recoverable amount of assets for operating use as of the reporting date for impairment and uses the value in use as the basis for calculating the recoverable amount. The calculation of the value in use is based on the estimated cash flows of the Consolidated Company's future financial projections.

The recoverable amount of the impaired assets was evaluated to be higher than that of the previous year. Therefore, the Consolidated Company recorded a reversal of impairment loss at NT$ 131 thousand and NT$ 11,472 thousand in 2023 and 2022, respectively. The impairment profit from the reversal was included in other gains and losses in the Consolidated Comprehensive Income Statement.

Depreciation expense is provided on a straight-line basis over the following useful life:

Building	
Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 51 years
Machinery and equipment	13 years
Other equipment	16 years

xiv. Lease agreement

(i). Right-of-use assets.

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Land	NT$ 114,252	NT$ 120,776
Transportation equipment	3,721	6,488
	NT$ 117,973	NT$ 127,264

	2023	2022
Addition of right-of-use assets.	NT$ -	NT$ 6,378

Depreciation expense of right-of-use assets		
Land	NT$ 4,580	NT$ 4,592
Transportation equipment	2,768	1,813
	NT$ 7,348	NT$ 6,405

Other than the above additions and depreciation expense recognized, there were no significant subleases or impairments of the Consolidated Company's right-of-use assets in 2023 and 2022.

Right-of-use asset - Land refers to its use rights in Mainland China.

(ii). Lease liabilities

	December 31, 2023	December 31, 2022
Carry amount of lease liabilities		
Current	NT$2,135	NT$2,762
Non-current	NT$1,624	NT$3,758

The discount rate range for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Transportation equipment	1.615%	1.615%～2.5%

(iii). Information on other leases

	2023	2022
Short-term lease expenses	NT$3,403	NT$7,451
Low-value asset lease expenses	NT$ 479	NT$ 307
Total cash (outflow) from leases	(NT$6,727)	(NT$9,634)

The Consolidated Company has elected to apply the recognition exemption to leases of buildings, structures and office equipment that qualify as short-term leases and certain other equipment that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

The amount of short-term lease commitments for which the recognition exemption was applicable (including short-term lease commitments commencing after the balance sheet date) was NT$ 99 thousand and NT$ 13,903 thousand as of December 31, 2023 and 2022, respectively.

The Consolidated Company has no commitments to enter into leases for periods beginning after the balance sheet date.

xv. Investment property

	Completed investment properties
Cost	
Balance as of January 1, 2023	NT$ 376,549
From property, plant and equipment	142,851
Net exchange differences	849
Balance as of December 31, 2023	NT$ 520,249
Accumulated depreciation and impairment	
Balance as of January 1, 2023	(NT$ 73,173)
From property, plant and equipment	(60,234)
Depreciation expense	(4,942)
Net exchange differences	(326)
Balance as of December 31, 2023	(NT$ 138,675)
Net as of December 31, 2023	NT$ 381,574

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	Completed investment properties
Cost	
Balance as of January 1, 2022	NT$ -
From property, plant and equipment	376,549
Balance as of December 31, 2022	NT$ 376,549
Accumulated depreciation and impairment	
Balance as of January 1, 2022	NT$ -
From property, plant and equipment	(70,281)
Depreciation expense	(2,892)
Balance as of December 31, 2022	(NT$ 73,173)
Net as of December 31, 2022	NT$ 303,376

Depreciation expense of investment properties is provided on a straight-line basis over the following useful life:

Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 49 years

The fair value of the investment property amounted to NT$ 736,644 thousand as of December 31, 2023. This fair value has not been valuated by a valuator. It is an estimate determined by the management of the Consolidated Company with reference to the market transaction price of similar properties in neighboring areas.

For the information on the amount of the investment property for secured loans, refer to Note 30.

xvi. Other assets

	December 31, 2023	December 31, 2022
Current		
Tax overpaid retained	NT$ 32,252	NT$ 42,759
Prepaid expenses	60,037	55,527
Prepayments for goods	13,626	18,361
Business tax refund receivable	4,223	4,606
Non-operating receivables	9,673	315
Temporary payments	NT$ 7,414	NT$ 12,523
Others	11,153	2,922
	NT$ 138,378	NT$ 137,013
Non-current		
Prepaid equipment (Note 31)	NT$ 119,696	NT$ 167,909
Refundable deposits	12,169	18,133
Long-term prepaid expenses	26,019	23,625
	NT$ 157,884	NT$ 209,667

xvii. Borrowings

(i). Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Credit facility borrowings	NT$ 897,106	NT$ 887,418

As of December 31, 2023 and 2022, the interest rates on bank borrowings for operating turnover ranged from 1.68% to 5.58% and 1.401% to 4.63%, respectively.

(ii). Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 30)		
Bank borrowings (1)	NT$ 345,000	NT$ 345,000
Unsecured borrowings		
Bank borrowings (2)	151,732	-
Less: Classified as due within 1 year	(274,221)	(9,374)
Long-term borrowings	NT$ 222,511	NT$ 335,626

(1) The bank borrowings were secured by pledges of the Consolidated Company's self-owned land and buildings (see Note 30). The effective interest rates were 1.76% and 1.64% per annum for the years ended December 31, 2023 and 2022, respectively. The maturity date of the borrowings is December 13, 2026. The interest is paid every month during the period from the first to the second year and amortized together with the principal during the period from the third to the fifth year. The purpose of this drawdown is to raise funds for operating turnover.

(2) The bank borrowings are based on the effective interest rate of 2.75% per annum as of December 31, 2023.

The Consolidated Company's borrowings consist of:

	Maturity date	Major terms and conditions	Effective interest rate	December 31, 2023	December 31, 2022
Floating rate borrowings:	2026-12-13	Chang Hwa Commercial Bank, Ltd.			
		The borrowing amount is NT$499,512 thousand to finance the medium-term operating turnover with an interest rate equal to one-year floating rate of postal savings plus 0.2%. The borrowing period is from December 13, 2021 to December 13, 2026, with monthly interest deductions. Repayment is made on the 13th day of each month, starting from December 13, 2023, in 36 equal installments of principal and interest.	1.76%	NT$ 345,000	NT$ 345,000
	113/1/31	China Construction Bank The borrowing amount is RMB 35,000 thousand to finance the medium-term operating turnover. The borrowing period is from January 1, 2023 to January 31, 2024.	2.75%	151,732	-
		Less: Classified as due within 1 year		(274,221)	(9,374)
		Long-term borrowings		NT$ 222,511	NT$ 335,626

(iii) Long-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	NT$ 200,000	NT$ 200,000
Less: Discount on long-term notes payable	(201)	(20)
Long-term notes payable	NT$ 199,799	NT$ 199,980

Undue long-term notes payable as follows:

December 31, 2023

Guarantee/ acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	NT$ 200,000	NT$ 201	NT$ 199,799	2.29%	None	NT$ -

December 31, 2022

Guarantee/ acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Collateral Carrying amount
Commercial paper payable						
IBFC	NT$ 200,000	NT$ 20	NT$ 199,980	1.86%	None	NT$ -

The Company entered into a contract on bank guaranteed revolving release, underwriting and purchase of commercial paper with International Bills Finance Corporation, and can perform circular release of 60-day bank guaranteed commercial paper within 3 years. The Company uses NT$ 200,000 thousand from the underwriting facility on September 5, 2023. The contract expires on September 5, 2026.

xviii. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable		
Occurred due to business	NT$ 1,907,286	NT$ 1,959,619

The average credit period for the purchase of some goods is one to three months, and no interest is accrued on the accounts payable. The Consolidated Company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit periods.

xix. Other Liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Salaries and bonuses payable	NT$ 172,311	NT$ 154,380
Leave payables	51,382	51,149
Interest payables	8,449	3,018
Other expense payables	91,049	97,454
	NT$ 323,191	NT$ 306,001
Other current liabilities		
Temporary receipts	NT$ 10,736	NT$ 16,347
Others	1,203	1,009
	NT$ 11,939	NT$ 17,356
Non-current		
to other non-current liabilities		
Guarantee deposits received	NT$ 11,285	NT$ 13,477

xx. Post-employment benefit plan

(i). Defined contribution plan

The pension system of the Consolidated Company under the "Labor Pension Act" is a government-administered defined contribution pension plan with 6% of employees' monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

(ii). Defined benefit plan

The pension system of the Consolidated Company under the "Labor Standards Act" is a government-administered defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The Company appropriates 2% of the total monthly wage of an employee as the pension and remit the amount to the labor pension reserve fund account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who are expected to meet the retirement conditions in the next year, the Company will make up the difference in one lump sum by the end of March of the following year. The management of the dedicated account is entrusted to the Bureau of Labor Funds, Ministry of Labor. The Consolidated Company has no right to influence the investment management strategy.

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	NT$ 13,357	NT$ 18,625
Fair value of plan assets	(37,731)	(36,945)
Net defined benefit assets	(NT$ 24,374)	(NT$ 18,320)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
January 1, 2022	NT$ 18,790	(NT$ 33,812)	(NT$ 15,022)
Service costs			
Service costs for the period	55	-	55
Interest expenses (incomes)	122	(219)	(97)
Recognized in profit or loss	177	(219)	(42)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(2,914)	(2,914)
Actuarial (profit) loss			
- Change in financial assumptions	(787)	-	(787)
- Adjustments through experience	445	-	445
Recognized in other comprehensive income	(342)	(2,914)	(3,256)
December 31, 2022	18,625	(36,945)	(18,320)
Service costs			
Service costs for the period	53	-	53
Interest expenses (incomes)	233	(462)	(229)
Recognized in profit or loss	286	(462)	(176)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(324)	(324)
Actuarial (profit) loss			
- Adjustments through experience	(5,554)	-	(5,554)
Recognized in other comprehensive income	(5,554)	(324)	(5,878)
December 31, 2023	NT$ 13,357	(NT$ 37,731)	(NT$ 24,374)

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

	2023	2022
Operating costs	(NT$ 24)	(NT$ 6)
Promotional expenses	(8)	(2)
Administrative expenses	(115)	(27)
R&D expenses	(29)	(7)
	(NT$ 176)	(NT$ 42)

The subsidiaries in the Consolidated Company are exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government/corporate bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Consolidated Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	(NT$ 288)	(NT$ 315)
Decrease by 0.25%	NT$ 298	NT$ 328
Expected rate of salary increase		
Increase by 1%	NT$1,247	NT$1,381
Decrease by 1%	(NT$1,103)	(NT$1,217)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2023	December 31, 2022
Average duration to maturity of defined benefit obligations	12.1 years	12.3 years

xxi. Equity

(i). Common stock

	December 31, 2023	December 31, 2022
Authorized number of shares (thousand shares)	600,000	600,000
Authorized capital stock	NT$6,000,000	NT$ 6,000,000
Number of shares issued and fully paid (thousand shares)	307,536	307,536
Issued capital stock	NT$ 3,075,366	NT$ 3,075,366

The issued common stock has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

30,000 thousand shares of the authorized capital stock were reserved for the issuance of convertible bonds and employee restricted stock options.

(ii). Capital surplus

	December 31, 2023	December 31, 2022
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issue premium	NT$ 772,829	NT$ 772,829
Corporate bond conversion premium	1,238,407	1,238,407
Gain on disposal of assets	167	167
Consolidation excess	42,695	42,695
Treasury stock trading	32,338	-
	NT$ 2,086,436	NT$ 2,054,098

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(iii). Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy of the Company's Articles of Incorporation, if there are any net earnings as indicated in the final accounts, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as legal reserve, and the rest shall be set aside as special reserve or offset by reversal of special reserve as required by law; if there are still remaining earnings, the Board of Directors shall prepare a proposal for the distribution of the remainder together with the accumulated unappropriated earnings at the beginning of the period, and submit it to the shareholder meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation is described in Note 23(7) Employees' Remuneration and Directors' Remuneration.

Based on the resolution of a majority of directors at the meeting attended by two-thirds of the total number of directors, the Company shall distribute the dividend and bonus, in whole or in part, in the form of cash and report to the shareholders' meeting.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

The Company has provided and reversed the special reserve in accordance with the letters Jin-Guan-Zheng-Fa-Zi No. 1090150022, Jin-Guan-Zheng-Fa-Zi No. 10901500221, and the requirements of the "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve". If there is a reversal in the balance of deduction from equity, earnings can be distributed within the reversal.

The distribution of earnings for 2022 and 2021 is described below:

	2022	2021
Legal reserve	NT$ 36,066	NT$ 21,802
Special reserve	(NT$127,267)	NT$ 40,494
Cash dividends	NT$ 297,537	NT$ 148,768
Cash dividends per share (NT$)	NT$ 1	NT$ 0.5

The above cash dividends were distributed following the resolutions made in Board of Directors meetings dated March 14, 2023 and March 24, 2022, respectively; the distribution of remaining earnings was resolved at the annual general meeting held on June 20, 2023 and June 16, 2022, respectively.

The Board of Directors proposed the following earnings distribution for 2023 on March 11, 2024:

	Earnings distribution proposal
Legal reserve	NT$ 47,114
Special reserve	NT$ 111,721
Cash dividends	NT$ 360,087
Cash dividends per share (NT$)	NT$ 1.2

The distribution of the aforementioned cash dividends has been approved by the Board of Directors. The remainder is pending resolution at the shareholders' meeting scheduled for June 21, 2024.

(iv). Treasury stock

Reason for recovery	Transfer of shares to employees (thousand shares)	Repurchase for retirement (thousand shares)	Shares of parent company held by subsidiaries (thousand shares)	Total (thousand shares)
Number of shares as of January 1, 2023	10,000	-	-	10,000
Decrease in current period	(2,536)	-	-	(2,536)
Number of shares as of December 31, 2023	7,464	-	-	7,464
Number of shares as of January 1, 2022	10,000	-	-	10,000
Number of shares as of December 31, 2022	10,000	-	-	10,000

The Company repurchased 10,000 thousand shares amounting to NT$ 161,328 thousand and transferred them to the employees to motivate them and enhance their cohesiveness to the Company. The repurchased shares shall be transferred to employees within 5 years in accordance with the Securities and Exchange Act. If the shares are not transferred after the expiration date, they shall be considered as unissued shares of the Company and shall be registered for change.

Treasury stock held by the Company cannot be pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights.

The Company transferred the treasury shares to employees in August 2023. The transferred treasury shares totaled 2,536 thousand shares at a repurchase cost of NT$ 40,906 thousand. The base date for employee stock options was May 12, 2023 August 21, 2023 and the stocks were delivered to employees on August 21, 2023. On the grant date, the Company recognized the employee stock option compensation cost at NT$ 32,461 thousand, and the amount received from transfer of treasury shares was NT$ 40,783 thousand. Capital reserve (NT$ 32,338 thousand for transaction of treasury stocks) was recognized on the stock delivery date. Please refer to Note 26.

xxii. Revenue

	2023	2022
Customer contract revenues		
Merchandise sales revenues	NT$ 8,561,414	NT$ 7,654,149

Contract balance

	December 31, 2023	December 31, 2022
Accounts receivable (Note 10)	NT$ 3,302,151	NT$ 3,231,689
Contract liabilities - current		
Merchandise sales	NT$ 6,674	NT$ 17,045

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

xxiii. Net profits before tax

(i). Interest incomes

	2023	2022
Bank deposits	NT$ 40,910	NT$ 19,179
Imputed interest on deposits	42	24
	NT$ 40,952	NT$ 19,203

(ii). Other incomes

	2023	2022
Lease incomes		
Rental incomes from operating lease		
- Rental income from dormitory and parking lot	NT$ 1,230	NT$ 1,135
- Rental incomes from housing	65,813	16,208
	67,043	17,343
Incomes from insurance claims	-	11,369
Government subsidy incomes	6,402	9,886
Others	3,800	9,247
	NT$ 77,245	NT$ 47,845

(iii). Other incomes (expenses)

	2023	2022
Gain (loss) on financial assets and financial liabilities (Note 7)		
Financial assets mandatorily measured at fair value through profit or loss		
- Realized	(NT$ 47,043)	(NT$ 51,806)
- Unrealized	(5,847)	2,680
	(52,890)	(49,126)
Net foreign currency exchange (loss) gain	NT$ 44,467	NT$ 105,876
Gain on disposal of property, plant and equipment	3,242	920
Impairment reversal profit of property, plant and equipment	131	11,472
Others	(2,441)	(849)
	(NT$ 7,491)	NT$ 68,293

(iv). Financial costs

	2023	2022
Interest on bank borrowings	NT$ 44,751	NT$ 24,301
Interest on lease liabilities	84	59
	NT$ 44,835	NT$ 24,360

No interest capitalization in 2023 and 2022.

(v). Depreciation and amortization

	2023	2022
Depreciation expense is summarized by function		
Operating costs	NT$ 305,092	NT$ 344,445
Operating expenses	25,552	20,521
	NT$ 330,644	NT$ 364,966

(vi). Employee benefit expenses

	2023	2022
Post-employment benefits		
Defined contribution plans	NT$ 6,706	NT$ 6,854
Defined benefit plan (Note 20)	(176)	(42)
	6,530	6,812
Share-based payment		
Equity settled	32,461	-
Other employee benefits	1,572,907	1,482,791
Total employee benefit expenses	NT$ 1,611,898	NT$ 1,489,603
Summarized by function		
Operating costs	NT$ 1,181,301	NT$ 1,157,108
Operating expenses	430,597	332,495
	NT$ 1,611,898	NT$ 1,489,603

(vii). Employees' remuneration and directors' remuneration.

In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. The estimated remuneration to employees and directors for the years ended 2023 and 2022 were resolved by the Board of Directors on March 11, 2024 and March 14, 2023, respectively, as follow:

Estimated percentage

	2023	2022
Remuneration to employees	1.99%	3.10%
Remuneration to directors	1.57%	1.65%

Amount

	2023	2022
	Cash	Cash
Remuneration to employees	NT$ 10,146	NT$ 12,400
Remuneration to directors	8,000	6,600

If there is a change in the amount of the consolidated financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

There was no difference between the actual amount of employees' and directors' and supervisors' remuneration paid for 2022 and 2021 and the amount recognized in the consolidated financial statements in 2022 and 2021.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration of employees, directors and supervisors resolved by the Board of Directors of the Company.

(viii). Foreign currency exchange gains (losses)

	2023	2022
Total foreign currency exchange gains	NT$ 412,197	NT$ 564,790
Total foreign currency exchange (losses)	(367,730)	(458,914)
Net gains (losses)	NT$ 44,467	NT$ 105,876

xxiv. Income tax

(i). Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2023	2022
Income tax for the period		
Occurred in the year	NT$84,800	NT$62,257
Imposition on undistributed earnings	6,078	-
Prior year adjustment	(3,590)	1,102
	87,288	63,359
Deferred tax		
Occurred in the year	(3,930)	55,013
Prior year adjustment	(136)	(562)
	(4,066)	54,451
Income tax expenses recognized in profit or loss	NT$83,222	NT$117,810

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

	2023	2022
Net profits before tax	NT$548,483	NT$475,217
Income tax expenses at statutory tax rate on net profits before tax (20%)	NT$109,697	NT$95,043
Non-deductible expenses for tax purposes	7,169	1,394
Tax-exempt incomes	(213)	(159)
Imposition on undistributed earnings	6,078	-
Tax rate change	-	43,916
Effect of consolidated entities with different tax rates	(25,866)	(12,056)
Adjustments to prior years' deferred tax expenses recorded in the year	136	(562)
Adjustments to prior years' current income tax expenses recorded in the year	(3,590)	1,102
Additional deductions for R&D expenses	(10,189)	(10,868)
Income tax expenses recognized in profit or loss	NT$83,222	NT$117,810

(ii). Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	NT$ 25	NT$ 36
Current tax liabilities		
Income tax payables	NT $48,202	NT $17,085

(iii). Deferred tax assets and liabilities

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

2023

Deferred tax assets	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Leave payables	NT$ 8,769	NT$ 108	(NT$ 117)	NT$ 8,760
Defined benefit pension plan	962	35	-	997
Unrealized loss on decline in value of inventories	34,792	(1,867)	(530)	32,395
Allowance for loss	6,700	1,303	(32)	7,971
Accrued expenses	12,223	(496)	(190)	11,537
Depreciation of property, plant and equipment	32,939	420	(557)	32,802
Unrealized exchange loss	-	436	-	436
Financial assets measured at fair value through profit or loss	-	6	3	9
Others	11	(11)	-	-
	NT$96,396	(NT$ 66)	(NT$ 1,423)	NT$94,907

Deferred tax liabilities	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Unrealized exchange gains	(NT$ 2,184)	NT$ 2,184	NT$ -	NT$ -
Financial assets measured at fair value through profit or loss	(2,035)	1,292	9	(734)
Depreciation of property, plant and equipment	(4,285)	656	140	(3,489)
	(NT$ 8,504)	NT$ 4,132	NT$ 149	(NT$ 4,223)

2022

Deferred tax assets	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Leave payables	NT$11,945	(NT$ 3,350)	NT$ 174	NT$ 8,769
Defined benefit pension plan	954	8	-	962
Unrealized loss on decline in value of inventories	50,245	(16,320)	867	34,792
Allowance for loss	7,886	(1,195)	9	6,700
Impairment of property, plant and equipment	1,216	(1,215)	(1)	-
Accrued expenses	16,258	(4,316)	281	12,223
Depreciation of property, plant and equipment	NT$40,693	(NT$ 8,448)	NT$ 694	NT$32,939
Others	69	(58)	-	11
	129,266	(34,894)	2,024	96,396
Loss carryforwards	25,741	(25,741)	-	-
	NT$ 155,007	(NT$60,635)	NT$ 2,024	NT$96,396

Deferred tax liabilities	Balance at the beginning of the year	Recognized in profit or loss	Exchange difference	Balance at the end of the year
Temporary difference				
Unrealized exchange gains	(NT$ 8,466)	NT$ 6,282	NT$ -	(NT$ 2,184)
Financial assets measured at fair value through profit or loss	(2,079)	79	(35)	(2,035)
Depreciation of property, plant and equipment	(3,937)	(177)	(171)	(4,285)
	(NT$14,482)	NT$ 6,184	(NT$ 206)	(NT$ 8,504)

(iv). Unused loss carryforwards for deferred tax assets not recognized in the consolidated balance sheets

	December 31, 2023	December 31, 2022
Temporary difference	NT$ 6,082	NT$ 6,082
Loss carryforwards		
Expire in 2029	NT$ 890	NT$ 10,413

(v). Approval of Income Tax Returns

The Company's income tax returns have been assessed by the tax authorities up to 2021, but not yet for 2022.

xxv. Earnings per share

Unit: NT$ per share

	2023	2022
Earnings per share		
From continuing operations	$ 1.56	$ 1.20
Diluted earnings per share		
From continuing operations	$ 1.56	$ 1.20

Weighted-average number of shares of common stock used to calculate earnings per share is as follows:

Net profits for the year

	2023	2022
Net profits used to calculate basic earnings per share	NT$ 465,261	NT$ 357,407
Net profits used to calculate diluted earnings per share	NT$ 465,261	NT$ 357,407

Number of shares

Unit: Thousand shares

	2023	2022
Weighted-average number of shares of common stock used to calculate basic earnings per share	298,460	297,536
Impact of potential common stock with dilutive effect:		
Remuneration to employees	405	765
Weighted-average number of shares of common stock used to calculate diluted earnings per share	298,865	298,301

If the Consolidated Company may choose to have the employee compensation distributed via a stock or cash dividend, the calculation of the diluted earnings per share assumes that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the number of shares awarded to employees in the following year's resolution.

xxvi. Share-based payment agreement

Transfer of parent company's treasury stocks to employees

As resolved by the Board of Directors of ICHIA TECHNOLOGIES INC. on May 12, 2023, the Company transferred 2,536 thousand treasury stocks of its treasury shares to employees. These stocks were transferred to the current employees of ICHIA TECHNOLOGIES CO., LTD., ICHIA SUZHOU, and ZHONGSHAN ICHIA at the transfer price of NT$ 16.13. The options for transfer of these treasury stocks to employees were exercised on August 21, 2023.

Information on employee stock options on treasury stocks is as follows:

	2023	
Employee treasury stock options	Unit (thousand)	Weighted average exercise price (NT$)
Outstanding at the beginning of the period	NT$ -	NT$ -
Granted in current period	2,536	16.13
Exercised in current period	(2,536)	16.13
Outstanding at the end of the period	NT$ -	
Weighted average fair value of employee stock options for treasury stocks granted in current period (NT$)	NT$ 12.80	

	May 12, 2023
Stock price on grant date	NT$28.89
Exercise price	NT$16.13
Expected volatility	44.92 %
Duration	0.01 years
Expected dividend yield	-
Risk-free interest rate	0.96%

The compensation cost recognized by the Consolidated Company in 2023 was NT$ 32,461 thousand.

xxvii. Capital risk management

The Consolidated Company engages in capital management to ensure that the Group's enterprises can maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Consolidated Company's capital structure consists of the Consolidated Company's net debt (i.e., borrowings less cash and cash equivalents) and equity attributable to the shareholders of the Company (i.e., capital stock, capital surplus, retained earnings and other equity).

The Consolidated Company is not subject to any other external capital requirements.

The Consolidated Company's key management reviews the Group's capital structure annually, which includes consideration of the cost of various types of capital and the associated risks. The Consolidated Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debt or paying off old debt, as recommended by key management.

xxviii. Financial instruments

(i). Fair value information - Financial instruments that are not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value on the balance sheet approximate their fair values.

(ii). Fair value information - 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 measured at fair value through profit or loss				
Fund beneficiary certificates	NT$ 40,064	NT$ -	NT$ -	NT$ 40,064
Derivatives	-	4,885	-	4,885
	NT$ 40,064	NT$ 4,885	NT$ -	NT$ 44,949
Financial liabilities at fair value through profit or loss				
Derivatives	NT$ -	NT$ 31	NT$ -	NT$ 31

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	NT$ 60,082	NT$ -	NT$ -	NT$ 60,082
Derivatives	-	11,387	-	11,387
	NT$ 60,082	NT$ 11,387	NT$ -	NT$ 71,469
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments - non-listed (non-OTC) stock	NT$ -	NT$ -	NT$ 12,000	NT$ 12,000

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Adjustments to financial instruments measured at Level 3 fair value

	2023
Financial assets measured at fair value through other comprehensive income - equity instrument	
Balance at the beginning of the year	NT$12,000
Recognized in other comprehensive income (unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive income)	(12,000)
Balance at the end of the year	NT$ -

3. Level 2 fair value measurement valuation techniques and input values

Class of financial instruments	Valuation techniques and input values
Derivatives - Forward foreign exchange contracts	The discounted cash flow method: The future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the period, and are discounted at a rate that reflects the credit risk of each counterparty.

4. Level 3 fair value measurement valuation techniques and input values

The fair value of unlisted (non-OTC) stocks is measured by referring to the recent transaction price of the investment target or using the asset method.

(iii). Types of financial instruments

	December 31, 2023	December 31, 2022
Financial asset		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	NT$ 44,949	NT$ 71,469
Financial assets at amortized cost (Note 1)	5,715,074	5,108,172
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	-	12,000
Financial liabilities		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	31	-
Measured at amortized cost (Note 2)	3,611,706	3,505,966

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, accounts receivable and refundable deposits.

Note 2: The balance includes financial liabilities measured at amortized cost, such as short-term borrowings, accounts payable, other payables (excluding employee benefits payable), deposits received, long-term borrowings mature within one year, long-term borrowings, and long-term notes payable.

(iv). Financial risk management objectives and policies

The Consolidated Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, and borrowings. The risks associated with the operations of the above financial instruments include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

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

(1). Exchange rate risk

The Consolidated Company engages in foreign currency-denominated sales and purchase transactions, which expose the Consolidated Company to exchange rate risk. The Consolidated Company manages its exposure to exchange rate risk by using forward exchange contracts and options to the extent permitted by policy.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies (including monetary items denominated in non-functional currencies that have been eliminated in the consolidated financial statements) and the carrying amounts of derivative instruments with exchange rate risk exposure as of the balance sheet date are described in Note 33.

<u>Sensitivity analysis</u>

The Consolidated Company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Consolidated Company when the exchange rate of the NT$ (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity percentage used for the Group’s internal reporting of exchange rate risk to key management and represents management’s assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency monetary items and forward exchange contracts designated as cash flow hedges, and adjusts their period-end translation by a 1% change in exchange rates. The negative amount for USD below represents the decrease in net profits before tax when NT$ strengthens by 1% against USD, and the positive amount when NT$ depreciates by 1% against USD.

	Impact of USD	
	2023	2022
Profit (loss)	NT$10,969	NT$10,607

(i). Mainly derived from the Consolidated Company's receivables and payables that were outstanding at the balance sheet date and not hedged for cash flow.

(2). Interest rate risk

The Consolidated Company's bank deposits and borrowed funds carry both fixed and floating interest rates, resulting in interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial assets	NT$984,684	NT$530,710
- Financial liabilities	897,106	887,418
Cash flow interest rate risk		
- Financial assets	1,350,443	1,299,275
- Financial liabilities	696,531	544,980

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 0.25% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 0.25% basis points, with all other variables held constant, the Consolidated Company's net profits before tax would have decreased/increased by NT$ 1,635 thousand and NT$ 1,886 thousand for 2023 and 2022, respectively.

(3). Other price risk

The Consolidated Company has equity price risk due to its investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If the equity price had increased/decreased by 10%, profits or losses before tax for 2023 and 2022 would have increased/decreased by NT$ 4,006 thousand and NT$ 6,008 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. Other comprehensive incomes before tax in 2023 and 2022 were increased/decreased by NT$ 0 thousand and NT$ 1,200 thousand due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

There was no significant change in the sensitivity of the Consolidated Company's investment in equity securities compared with the previous year.

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. As of the balance sheet date, the Consolidated Company's maximum exposure to credit risk of financial loss due to non-performance by counterparties and the provision of financial guarantees by the Consolidated Company was mainly due to:

(1) The carrying amount of financial assets recognized in the consolidated balance sheets.

(2). The maximum amount that the Consolidated Company may be required to pay for the provision of financial guarantees, regardless of the likelihood of occurrence.

The Consolidated Company's primary potential credit risk arises from financial instruments such as cash and cash equivalents and accounts receivable. The Consolidated Company's cash is deposited with various banks and financial institutions. The cash is held in time deposits with maturities of approximately 3 months, which have high liquidity and flexibility and enjoy high interest rates with near-zero risk. The Consolidated Company controls its exposure to the credit risk of each financial institution and believes that the Consolidated Company's cash and cash equivalents are not subject to significant concentrations of credit risk.

The counterparties of the Consolidated Company's accounts receivable are customers in the electronics industry. In order to reduce the credit risk of accounts receivable, the Consolidated Company's management has assigned a dedicated team to establish credit management rules and regulations and to be responsible for credit limit determination, credit approval and other monitoring procedures for the credit management of accounts receivable.

In addition, the Consolidated Company reviews the recoverable amounts of accounts receivable on a case-by-case basis every month to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Consolidated Company's management believes that the Consolidated Company's credit risk is limited.

The Consolidated Company's credit risk is mainly concentrated in the Consolidated Company's top ten customers. As of December 31, 2023 and 2022, the percentage of total accounts receivable from the aforementioned customers was 70.13% and 67.05%, respectively.

3. Liquidity risk

The Consolidated Company manages and maintains sufficient balance of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Consolidated Company's management monitors the use of bank financing facilities and ensures compliance with the terms and conditions of the borrowing agreements.

Bank borrowings are an important source of liquidity for the Consolidated Company. See (2) below for a description of the Consolidated Company's unused financing facilities as of December 31, 2023 and 2022.

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

The analysis of the remaining contract maturities of non-derivative financial liabilities is prepared using the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest possible date on which the Consolidated Company could be required to make repayment. Therefore, bank borrowings that the

Consolidated Company may be required to repay immediately are shown in the earliest period below, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contract repayment dates.

December 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	NT$1,907,286	NT$ -	NT$ -	NT$ -	NT$1,907,286
Other payables	89,666	-	-	-	89,666
Borrowings	1,179,776	222,511	199,799	-	1,602,086
Lease liabilities	2,179	1,635	-	-	3,814
	NT$3,178,907	NT$ 224,146	NT$ 199,799	NT$ -	NT$3,602,852

December 31, 2022

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	NT$1,959,619	NT$ -	NT$ -	NT$ -	NT$1,959,619
Other payables	96,343	-	-	-	96,343
Borrowings	899,810	535,606			1,435,416
Lease liabilities	2,845	2,179	1,635	-	6,659
	NT$2,958,617	NT$ 537,785	NT$ 1,635	NT$ -	NT$3,498,037

(2). Financing facilities

	December 31, 2023	December 31, 2022
Unsecured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	NT$ 1,248,838	NT$ 1,087,418
Financing facilities unused	4,118,432	4,111,326
	NT$ 5,367,270	NT$ 5,198,744

	December 31, 2023	December 31, 2022
Secured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	NT$ 345,000	NT$ 345,000
Financing facilities unused	-	154,512
	NT$ 345,000	NT$ 499,512

xxix. Related party transactions

All transactions, account balances, incomes and expenses between the Company and its subsidiaries, which are related parties of the Company, are eliminated upon consolidation and are therefore not disclosed in this note. In addition to those disclosed in other notes, the transactions between the Company and other related parties are as follows:

Key management remuneration

	2023	2022
Short-term employee benefits	NT$ 31,326	NT$ 21,344
Post-employment benefits	540	521
	NT$ 31,866	NT$ 21,865

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

xxx. Pledged assets

The following assets have been pledged as collaterals for borrowings and tariff guarantees for imported raw materials:

	December 31, 2023	December 31, 2022
Pledged time deposits (recorded as financial assets at amortized cost - current)	NT$ -	NT$ 51,444
Pledged time deposits (recorded as financial assets at amortized cost - noncurrent)	3,187	2,127
Investment property	299,848	303,376
	NT$ 303,035	NT$ 356,947

xxxi. Significant contingent liabilities and unrecognized contract commitments

(i). The total contract amount of the equipment contracted by the Consolidated Company with vendors was NT$ 221,138 thousand. As of December 31, 2023, the Consolidated Company had paid NT$ 119,696 thousand (recorded as prepayment for equipment) and the remaining NT$ 101,442 thousand had not been paid.

(ii). As of December 31, 2023, the Consolidated Company had guaranteed for cooperative education and provided a reserve for the issuance of refundable deposit notes (including long-term borrowings and short-term borrowings) of approximately NT$ 2,010,000 thousand and USD 7,500 thousand, respectively.

(iii). As of December 31, 2023, the Consolidated Company had received NT$ 7,747 thousand in guarantee deposit notes for the purchase of equipment and construction.

xxxii. Other important disclosures: None.

xxxiii. Information on foreign currency assets and liabilities with significant effect

The following information is expressed in aggregate in foreign currencies other than the entities of the Consolidated Company's functional currencies, and the exchange rates disclosed represent the rates at which such foreign currencies were converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 84,840	30.705 (USD : NT$)	NT$2,605,006
USD	70,066	7.0827 (USD : RMB)	2,151,368
			NT$4,756,374
Foreign currency liabilities			
Monetary items			
USD	82,021	30.705 (USD : NT$)	NT$2,518,442
USD	37,161	7.0827 (USD : RMB)	1,141,025
			NT$3,659,467

December 31, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	$ 84,699	30.710 (USD : NT$)	NT$2,601,112
USD	72,653	6.9646 (USD : RMB)	2,231,167
			NT$4,832,279
Foreign currency liabilities			
Monetary items			
USD	84,327	30.710 (USD : NT$)	NT$2,589,688
USD	38,486	6.9646 (USD : RMB)	1,181,890
			NT$3,771,578

The Consolidated Company's foreign currency exchange gains and losses (realized and unrealized) amounted to a gain of NT$ 44,467 thousand and NT$ 105,876 thousand for 2023 and 2022, respectively. Due to the wide variety of foreign currency transactions and the functional currencies of the entities of the Group, it is not possible to disclose the exchange gains and losses by each major currency.

xxxiv. Other disclosures

(i). Significant transactions and (ii) information on the investee enterprises:

No.	Item	Description
1	Lending funds to others	Exhibit 1
2	Endorsements and guarantees for others.	None
3	Marketable securities held at the end of the period. (Excluding investment in subsidiaries, affiliated enterprises and joint venture interests)	Exhibit 2
4	The cumulative amount of purchases or sales of the same marketable securities reaches at least NT$ 300 million or 20% of the paid-in capital.	None
5	Acquisition of property amounting to at least NT$ 300 million or 20% of the paid-in capital.	None
6	Disposal of property amounting to at least NT$ 300 million or 20% of the paid-in capital.	None
7	The amount of purchase or sale with related parties is at least NT$ 100 million or 20% of the paid-in capital.	Exhibit 3
8	Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital.	Exhibit 4
9	Engagement in derivative transactions.	Note 7
10	Others: Business relationships and significant transactions between the parent and subsidiaries and between subsidiaries and the amounts involved.	Exhibit 7
11	Information on investees	Exhibit 5

(iii). Information on investment in Mainland China:

No.	Item	Description
1	The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China.	Exhibit 6
2	The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses:	
	(1). Amounts and percentages of purchases and related payables at the end of the period.	Exhibit 3
	(2). Amounts and percentages of sales and related receivables at the end of the period.	None
	(3). The amount of property transactions and the amount of gain or loss resulting from such	None

	transactions.	
	(4). The ending balance of endorsement and guarantee of notes or provision of collateral and its purpose.	None
	(5). The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation.	None
	(6). Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.	None

(iv). Information on major shareholders:

Name, number and percentage of shares held by shareholders with 5% or more of the shares: Exhibit 8.

xxxv. Segment information

(i). Financial information by industry and segment

The information provided to the chief business decision maker for allocating resources and measuring segment performance focuses on the type of product or service delivered or provided. In accordance with IFRS 8 "Operating Segments", the Consolidated Company does not have an operating segment that meets the requirements of the IFRS, and the Consolidated Company's business is concentrated on the production and sale of flexible boards and keypads, and there is no division of industrial segments, so the segment revenues, operating results and segment assets are the same as those in the income statement and balance sheet.

(ii). Regional information

The Consolidated Company operates in three main regions - Asia, the Americas and Europe.

Information on the Consolidated Company's revenues from external customers by region of operations and noncurrent assets by region of assets is presented below:

	Revenues from external customers		Noncurrent assets	
	2023	2022	December 31, 2023	December 31, 2022
America	NT$ 130,349	NT$ 215,715	NT$ 23,938	NT$ 24,872
Europe	34,381	55,440	38,902	36,014
Asia	8,396,684	7,382,774	2,951,648	2,993,144
Africa	-	220	-	-
	NT$ 8,561,414	NT$ 7,654,149	NT$ 3,014,488	NT$ 3,054,030

Noncurrent assets exclude financial instruments, deferred tax assets and assets arising from net defined benefit assets.

(iii). Information on major customers

Customers whose revenues accounted for more than 10% of the amount of revenues on the consolidated income statements were as follows:

	2023		2022	
Type of customer	Amount	Percentage of revenues on the consolidated income statement %	Amount	Percentage of revenues on the consolidated income statement %
Company I	NT$ 2,544,373	30	NT$ 1,999,038	26

(iv). Revenues from major products

Analysis of the revenues of the Consolidated Company's major products is as follows:

	2023	2022
Electronic components	NT$ 8,561,414	NT$ 7,654,149

ICHIA TECHNOLOGIES INC. and subsidiaries

Lending funds to others

2023

Exhibit 1

Unit: NT$ and foreign currency in thousands, unless otherwise stated

No. (Note 1)	The lender company of funds	The borrower of funds	Transaction	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual amounts drawn	Interest rate range	Nature of funds lending (Note 2)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		The limit for individual funds lending (Note 3)	The limit for total funds lending (Note 3)	Remarks
													Name	Value			
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	Other receivables - related party	Yes	$ 58,647 (USD 1,910)	$ 58,647 (USD 1,910)	$ 58,647 (USD 1,910)	-	2	$ -	Operating turnover	$ -	None	$ -	$ 11,763,581 (Note 4)	$ 11,763,581 (Note 4)	
		ICHIA TECHNOLOGIES INC.	Other receivables - related party	Yes	531,197 (USD 17,300)	531,197 (USD 17,300)	531,197 (USD 17,300)	-	2	-	Operating turnover	-	None	-	11,763,581 (Note 4)	11,763,581 (Note 4)	

Note 1: The number column is filled out as follows:

(1) Fill in 0 for the issuer.

(2). Investees are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The nature of the funds lending is described as follows:

(1). Fill in 1 for those who have business transactions.

(2). Fill in 2 for those in need of short-term financing.

Note 3: Calculation and amount of funds lending limits.

i. The limit for individual funds lending

(1) The amount of funds lending of the Company to individual counterparties is limited to 30% of the Company's current net worth (December 31, 2023), in accordance with the Company's Operating Procedures for Lending Funds to Others.

(2) The amount of funds lending of an investee to individual counterparties is limited to 200% of the investee's current net worth (December 31, 2023), in accordance with the investee's Operating Procedures for Lending Funds to Others.

(3). The amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2023) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

ii. The limit for total funds lending:

(1) The cumulative amount of funds lending of the Company to external counterparties is limited to 40% of the Company's current net worth (December 31, 2023), in accordance with the Company's Operating Procedures for Lending Funds to Others.

(2) The cumulative amount of funds lending of an investee is limited to 200% of the investee's current net worth (December 31, 2023), in accordance with the investee's Operating Procedures for Lending Funds to Others.

(3) The cumulative amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2023) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

iii. The Company's funds lending limit was calculated based on the net worth of the Company's financial statements reviewed by CPA; the investee's funds lending limit was calculated based on the net worth of the investee's financial statements in foreign currencies reviewed by CPA.

iv. The funds lending limits here are presented in NT$. If foreign currencies are involved, they are translated into NT$ at the prevailing exchange rate on the date of the financial statements. (The spot exchange rate for USD as of December 31, 2023 was 30.705.)

Note 4: The funds lending between companies outside of the Republic of China in which the Company directly or indirectly holds 100% of the voting rights is not subject to the funds lending limits in Note 3.

ICHIA TECHNOLOGIES INC. and subsidiaries

Marketable securities held at the end of the period

December 31, 2023

Exhibit 2

Unit: NT$ and foreign currency in thousands, unless otherwise stated

Subsidiaries held	Type and name of marketable securities (Note 1)	Relationship with the issuer of marketable securities	Account in the book	Period end				Remarks
				Number of shares	Carrying amount	Shareholding (%)	Fair value	
ICHIA TECHNOLOGIES INC.	Fund beneficiary certificates							
	UPAMC James Bond Money Market Fund	None	Financial assets measured at fair value through profit or loss - current	1,167,699	$ 20,022	-	$ 20,022	
	Cathay Taiwan Money Market Fund	〃	〃	1,570,376	20,042	-	20,042	
					$ 40,064		$ 40,064	
	Non-listed (non-OTC) stock - common stock							
	Ten Shen Precision Co., Ltd. (common stock)	〃	Financial assets measured at fair value through other comprehensive income - non-current	765,000	$ -	8.57%	$ -	Note 3

Note 1: Marketable securities referred to here are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 “Financial Instruments”.

Note 2: For information on investments in subsidiaries, affiliates and joint venture interests, please refer to Exhibit 5 and Exhibit 6.

Note 3: On September 8, 2023, the extraordinary shareholders' meeting of Ten Shen Precision Co. Ltd. resolved to convert the preferred shares into common shares at a conversion ratio of 1:1.25. On the same day, it was resolved to reduce capital to make up losses and the registration for change was completed on February 25, 2024. The Company's shareholding after the capital reduction was 765,000 shares.

ICHIA TECHNOLOGIES INC. and subsidiaries

The amount of purchase or sale with related parties is at least NT$ 100 million or 20% of the paid-in capital.

2023

Exhibit 3

Unit: NT$ thousand, unless otherwise stated

Purchase (sale) company	Trading partner name	Relationship	Transactions				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Purchase (sale) company	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	The same affiliate	Purchase	$ 4,750,290	89	150 days from monthly cut-off day	-	-	($ 1,804,872)	(89)	
	ZHONGSHAN ICHIA	〃	〃	388,955	7	150 days from monthly cut-off day	-	-	(131,548)	(6)	

ICHIA TECHNOLOGIES INC. and subsidiaries

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

December 31, 2023

Exhibit 4

Unit: NT$ thousand, unless otherwise stated

Companies with accounts receivable	Trading partner name	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties collected during the subsequent period	Amount of allowance for bad debts
					Amount	Processing method		
ICHIA SUZHOU	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable $ 1,804,872	2.62	$ -	—	$ 416,698	$ -
ZHONGSHAN ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable 131,548	2.44	-	—	46,389	-
BVI-ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Other receivables 531,197	Note	-	—	-	-

Note: The turnover rate is not calculated because it is mainly due to other receivables arising from the lending of funds.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investees, locations, ..., etc.

2023

Exhibit 5

Unit: NT$ and foreign currency in thousands, unless otherwise stated

Investor	Investee	Location	Principle business	Original investment amount		Holding at the end of period			Profit or loss of investees for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares (thousand shares)	Percentage %	Carrying amount			
ICHIA TECHNOLOGIES INC.	ICHIA HOLDINGS (B.V.I) Co., Ltd.	P.O. BOX957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Various investment businesses	$ 3,532,566 (USD 108,693)	$ 3,532,566 (USD 108,693)	108,693	100	$ 5,875,222	$ 391,133	$ 392,276	Subsidiary
	ICHIA USA Inc.	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	International trading of various electronic components and materials	118,309 (USD 4,106)	118,309 (USD 4,106)	4,106	100	39,503	2,567	2,567	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	119,432 (USD 3,762)	119,432 (USD 3,762)	9,000	100	126,762	11,458	11,458	Subsidiary
	Vietnam - ICHIA	Villa No. 15, Le Thai Cho Road, Vo Kiang Place, Bac Ninh City, Bac Ninh Province, Vietnam	Manufacturing, processing and trading of rubber and plastic keypads	16,265 (USD 500)	- (USD -)	-	100	14,322	(997)	(997)	Subsidiary
ICHIA HOLDINGS (B.V.I) Co., Ltd.	ICHIA UK. LTD.	P.O. Box 3152, Town, Tortola, British Virgin Islands	Various investment businesses	151,253 (USD 4,926)	151,253 (USD 4,926)	4,926	100	(21,494) (USD -700)	5,926 (USD 193)	5,926 (USD 193)	Subsidiary
	ICHIA HOLDINGS (H.K.) Co., Ltd.	Room 1004, National Health Centre, 151 Gloucester Road, Wanchai, Hong Kong	Various investment businesses	2,302,875 (USD 75,000)	2,302,875 (USD 75,000)	75,000	100	4,496,717 (USD 146,449)	384,672 (USD 12,528)	384,672 (USD 12,528)	Subsidiary
ICHIA UK. LTD.	ICHIA Technologies Hungary Limited Liability Company	2900 Komarom Ipari Park Banki Domat U. 2. Hungary	Manufacturing, processing and trading of rubber and plastic keypads	151,253 (USD 4,926)	151,253 (USD 4,926)	-	100	(21,494) (USD -700)	5,926 (USD 193)	5,926 (USD 193)	Subsidiary

Note 1: Please refer to Exhibit 6 for information on the investees in Mainland China.

ICHIA TECHNOLOGIES INC. and subsidiaries

Information on investment in Mainland China

2023

Exhibit 6

Unit: NT$ and foreign currency in thousands, unless otherwise stated

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount, repatriated investment gains and losses:

Investee in Mainland China	Principle business	Paid-in capital	Type of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investees for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery						
ICHIA SUZHOU	Rubber, plastic keypads and flexible printed circuit boards	$ 2,671,335 (USD 87,000)	(ii) B	$ 2,671,335 (USD 87,000)	$ -	$ -	$ 2,671,335 (USD 87,000)	$ 376,013 (USD 12,246)	100	$ 384,733 (USD 12,530)	$ 4,494,444 (USD 146,375)	$ -
ZHONGSHAN ICHIA	Rubber and plastic keypads	521,985 (USD 17,000)	(ii) A	521,985 (USD 17,000)	-	-	521,985 (USD 17,000)	(8,137) (USD -265)	100	(8,628) (USD -281) (二)C	785,219 (USD 25,573)	-

2. Investment quota for Mainland China.

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment quota for mainland China as stipulated by the Investment Commission, Ministry of Economic Affairs
NT$ 3,193,320 (USD 104,000)	NT$ 3,193,320 (USD 104,000)	NT$ 3,723,919 (USD 121,281)

Note 1: The investment methods can be divided into the following three types, indicating as such suffices:

(i). Investment in Mainland China directly.

(ii). Investment in Mainland China through companies in third regions (please specify the investment company of the third region).

A. BVI-ICHIA

B. ICHIA HOLDINGS (H.K.) Co., Ltd.

(iii). Other types.

Note 2: In the column of investment gain or loss recognized in the current period:

(i). If the investment is under preparation and there is no investment gain or loss, it should be noted.

(ii). The basis for recognizing investment gains or losses is divided into the following three categories, which should be specified.

A. The financial statements have been audited by an international CPA firm with which CPA firms in the Republic of China have a cooperative relationship.

B. The financial statements have been audited by the attesting CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this Exhibit are presented in NT$. Where foreign currencies are involved, the exchange rate at the date of financial reporting is used to translate into NT$. (The spot exchange rate for USD as of December 31, 2023 was 30.705.)

ICHIA TECHNOLOGIES INC. and subsidiaries

Business relationships and significant transactions between the parent and subsidiaries and between subsidiaries and the amounts involved.

2023

Exhibit 7

Unit: NT$ thousands

No. (Note 1)	Trader name	Counterparty	Relationship with trader (Note 2)	Transactions			
				Account	Amount	Trading terms (Note 4)	Percentage of consolidated total revenues or total assets (Note 3)
0	ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	1	Purchase	$ 4,750,290	—	55
		〃	1	Other receivables	42,925	—	-
		〃	1	Accounts payable	1,804,872	—	18
		ZHONGSHAN ICHIA	1	Purchase	388,955	—	5
		〃	1	Accounts payable	131,548	—	1
		ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	1	Sale	41	—	-
		〃	1	Purchase	4,797	—	-
		〃	1	Accounts payable	4,895	—	-
		BVI-ICHIA	1	Current accounts - payables to related parties	531,197	—	5
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	3	Current accounts - receivables to related parties	58,647	—	1
		〃	3	Non-operating receivables	1,489	—	-
		〃	3	Temporary payments	1,262	—	-
2	ICHIA SUZHOU	ICHIA USA Inc.	3	Sale	5,303	—	-
		〃	3	Accounts receivable	2,026	—	-
		ZHONGSHAN ICHIA	3	Sale	6,649	—	-
		〃	3	Accounts receivable	3,282	—	-
		ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	3	Sale	6,500	—	-
		〃	3	Accounts receivable	5,574	—	-
		〃	3	Other receivables	10,618	—	-
3	ZHONGSHAN ICHIA	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	3	Sale	1,276	—	-
		〃	3	Purchase	130	—	-
		〃	3	Accounts receivable	326	—	-
		ICHIA USA Inc.	3	Sale	2,265	—	-
		〃	3	Accounts receivable	975	—	-

Note 1: Information on business transactions between the parent company and subsidiaries should be indicated in the numbered column respectively, and the number should be filled in as follows:

1. 0 is for the parent company.
2. Subsidiaries are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The relationship with the traders is classified into three types as follows, indicating the type suffices:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

Note 3: The percentage of transaction amount to consolidated total revenues or total assets is calculated as the ending balance to consolidated total assets in the case of assets and liabilities, or as the amount to consolidated total revenues in the case of profit or loss.

Note 4: The trading terms for sales between parent company and subsidiaries are not materially different from those of ordinary sales. The trading terms for other transactions are based on the agreements between the parties because there are no similar transactions to follow.

ICHIA TECHNOLOGIES INC.

Information on major shareholders

December 31, 2023

Exhibit 8

Name of Major Shareholder	Shares	
	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	19,098,481	6.21%
Creative Investment Co., Ltd.	18,872,480	6.13%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's consolidated financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.

Appendix 2

Independent Auditor's Report

To the Board of Directors and Shareholders of ICHIA TECHNOLOGIES INC.:

Audit opinions

We have audited the accompanying stand-alone balance sheet of ICHIA TECHNOLOGIES INC. as of December 31, 2023 and 2022, and the related stand-alone comprehensive income statements, stand-alone statement of changes in equity, stand-alone cash flow statements, and notes to the stand-alone financial statements (including significant accounting policies) for the years then ended.

In our opinion, the stand-alone financial statements referred to above present fairly, in all material respects, the stand-alone financial position of ICHIA TECHNOLOGIES INC. as of December 31, 2023 and 2022, and its stand-alone financial performance and cash flows for the years ended December 31 2023 and 2022 in conformity with the requirements of Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinions

We conclude 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 responsibilities of auditors for the audit of the stand-alone financial statements. We are independent of ICHIA TECHNOLOGIES INC. in accordance with the Code of Professional Ethics for Certified Public Accountants, and we have fulfilled our other ethical responsibilities in accordance with the Code. 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 2023 stand-alone financial statements of ICHIA TECHNOLOGIES INC. These matters were addressed in the content of our audit of the stand-alone financial statements as a whole, and in forming our opinion thereon, and we do not provide separate opinions on those matters.

Key audit matters of the 2023 stand-alone financial statements of ICHIA TECHNOLOGIES INC. were as follows:

<u>Authenticity of revenues recognized from sales to specific customers</u>

ICHIA TECHNOLOGIES INC. manufactures a wide range of flexible printed circuit boards and mechanism integrated components (MVI) for the automotive and consumer electronics markets. The sales revenue is a major indicator for the management to evaluate the sales performance. Since the sales revenue from major customers occupies a substantial percentage of the overall sales revenues, the authenticity of the sales revenues recognized from sales to major customers with more significant changes in the increase and proportion of the sales revenue is included as key audit matters in this year's stand-alone financial statements.

We have also performed the following major audit procedures with respect to the above key audit matters:

1. Understand and test the effectiveness of the design and implementation of the internal control system related to revenue recognition.
2. Conduct random inspection of the sales revenue from major customers and check relevant certificates and documents to make sure of the authenticity of the recognition.
3. Examine whether there are any abnormalities in the collection after the credit period granted to specific customers.

Responsibilities of management and those in charge with governance of the stand-alone financial statements

The management is responsible for the preparation and fair presentation of the stand-alone financial statements in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers, and for such internal control as the management determines is necessary to enable the preparation of the stand-alone financial statements to be free from material misstatement whether due to fraud or error.

In preparing the stand-alone financial statements, the management is also responsible for assessing the ability of ICHIA TECHNOLOGIES INC. as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting. Unless the management either intends to liquidate ICHIA TECHNOLOGIES INC. or to cease operations, or has no other realistic alternative but to do so.

Those in charge of governance (including the Auditing Committee) are responsible for overseeing the reporting process of the financial statements of ICHIA TECHNOLOGIES INC.

Auditor's responsibilities for the audit of the stand-alone financial statements

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

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

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

2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control effective in ICHIA TECHNOLOGIES INC.
3. Evaluate the appropriateness of accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude the appropriateness of the use of the going concern basis of accounting by the management, and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on ICHIA TECHNOLOGIES INC. to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the stand-alone financial statements or, if such disclosure is inappropriate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause ICHIA TECHNOLOGIES INC. to cease as a going concern.
5. Evaluate the overall presentation, structure, and content of the stand-alone financial statements, including related notes, and whether the stand-alone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient and appropriate audit evidence regarding the financial information or the entities or business activities of ICHIA TECHNOLOGIES INC. to express an opinion on the stand-alone financial statements. We are responsible for the direction, supervision, and performance of the audit of ICHIA TECHNOLOGIES INC. We remain solely responsible for our audit opinion.

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

We also provide those in charge of governance with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to affect on our independence, and other matters (including related protective measures).

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

Deloitte Touche Tohmatsu Limited

CPA Steven Hsieh

CPA Liu Shu-Lin

Approval No. from the Financial Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No. 1000028068

Approval No. from the Financial Supervisory Commission:
Jin-Guan-Zheng-Shen-Zi No. 1050024633

March 11, 2023

ICHIA TECHNOLOGIES INC.

Stand-alone Balance Sheet

December 31, 2023 and 2022

Unit: NT$ thousands

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current asset				
1100	Cash and cash equivalents (Notes 4 and 6)	$ 833,079	8	$ 920,799	9
1110	Financial assets measured at fair value through profit or loss – current (Notes 4 and 7)	40,064	-	60,082	1
1170	Accounts receivable - non-related parties (Note 4 and 10)	2,023,202	21	2,045,895	21
1210	Other receivables – related party (Note 29)	42,925	1	30,267	-
1220	Current income tax assets (Note 24)	-	-	12	-
130X	Inventory (Notes 4 and 11)	54,659	1	67,967	1
1470	Other current assets (Note 16)	26,589	-	19,479	-
11XX	Total current assets	3,020,518	31	3,144,501	32
	Noncurrent assets				
1517	Financial assets measured at fair value through other comprehensive income - non-current (Notes 4 and 8)	-	-	12,000	-
1535	Financial assets measured at amortized cost – non-current (Notes 4 and 9)	13,389	-	12,224	-
1550	Investment accounted for under the equity method (Notes 4 and 12)	6,055,809	61	5,726,562	59
1600	Property, plant and equipment (Notes 4 and 13)	448,350	5	487,947	5
1755	Right-of-use assets (Notes 4 and 14)	3,721	-	6,488	-
1760	Investment property (Notes 4 and 15)	299,848	3	303,376	3
1840	Deferred income tax assets (Notes 4 and 24)	11,073	-	11,643	-
1975	Net defined benefit assets -non-current (Notes 4 and 20)	24,374	-	18,320	1
1990	Other non-current assets (Note 16)	21,135	-	16,466	-
15XX	Total non-current assets	6,877,699	69	6,595,026	68
1XXX	Total assets	$ 9,898,217	100	$ 9,739,527	100

Code	Liabilities and equity	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities				
2100	Short-term loans (Notes 4 and 17)	$ 460,000	5	$ 400,000	4
2170	Accounts payable – non-related parties (Note 18)	85,334	1	78,827	1
2180	Accounts payable –-related parties (Note 18 and 29)	1,941,315	20	2,009,120	21
2130	Contract liabilities – current (Note 22)	-	-	1,404	-
2200	Other payables (Note 19)	88,787	1	79,579	1
2220	Other payables – related party (Note 29)	531,197	5	531,283	5
2230	Income tax liabilities in current period (Note 24)	29,862	-	2,529	-
2280	Lease liabilities - current (Notes 4 and 14)	2,135	-	2,762	-
2320	Long-term loans maturing within one year (Notes 4 and 17)	122,489	1	9,374	-
2399	Other current liabilities (Note 19)	2,432	-	7,444	-
21XX	Total current liabilities	3,263,551	33	3,122,322	32
	Non-current liabilities				
2541	Long-term loans (Notes 4 and 17)	222,511	2	335,626	4
2542	Long-term notes payable (Note 17)	199,799	2	199,980	2
2570	Deferred income tax liabilities (Notes 4 and 24)	-	-	2,184	-
2580	Lease liabilities - non-current (Notes 4 and 14)	1,624	-	3,758	-
2670	Other non-current liabilities (Note 19)	4,200	-	4,250	-
25XX	Total non-current liabilities	428,134	4	545,798	6
2XXX	Total liabilities	3,691,685	37	3,668,120	38
	Equity (Note 21)				
3110	Common stock	3,075,366	31	3,075,366	32
3200	Capital surplus	2,086,436	21	2,054,098	21
	Retained earnings				
3310	Legal reserve	643,458	7	607,392	6
3320	Special reserve	208,624	2	335,891	3
3350	Undistributed earnings	633,415	6	368,612	4
3300	Total retained earnings	1,485,497	15	1,311,895	13
3490	Other equities	(320,345)	(3)	(208,624)	(2)
3500	Treasury stock	(120,422)	(1)	(161,328)	(2)
3XXX	Total equity	6,206,532	63	6,071,407	62
	Total liabilities and equity	$ 9,898,217	100	$ 9,739,527	100

The attached notes are part of the stand-alone financial statements.

Chairman: HUANG CHIU YUNG　　Manager: Tseng Kung-Sheng　　Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Comprehensive Income Statement

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands; earnings per share: NT$ dollar

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operating revenues				
4110	Sales revenue (Note 4, 22 and 29)	$ 5,824,615	101	$ 5,184,601	101
4170	Sales return	(16,055)	-	(39,432)	(1)
4190	Sales discount	(31,553)	(1)	(13,189)	-
4000	Total operating revenue	5,777,007	100	5,131,980	100
5000	Operating cost (Note 4, 11, 23 and 29)	5,447,010	94	4,826,737	94
5900	Operating gross profits	329,997	6	305,243	6
	Operating expenses (Note 23 and 29)				
6100	Promotional expenses	89,560	1	78,361	2
6200	Administrative expenses	154,271	3	114,731	2
6300	R&D expenses	37,655	1	30,487	1
6450	Expected credit impairment loss	1,683	-	1,573	-
6000	Total operating expenses	283,169	5	225,152	5
6900	Operating income	46,828	1	80,091	1
	Non-operating incomes and expenses (Notes 23)				
7100	Interest incomes	10,477	-	2,831	-
7190	Other incomes	27,164	-	13,690	-
7020	Other gains and losses	16,639	-	23,025	1
7050	Financial costs	(15,809)	-	(12,304)	-
7070	Share of profit/loss of subsidiaries under the equity method	405,304	7	274,163	5
7000	Total non-operating incomes and expenses	443,775	7	301,405	6

(Continued on next page)

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Code		2023 Amount	2023 %	2022 Amount	2022 %
7900	Net profits before tax	$ 490,603	8	$ 381,496	7
7950	Income tax expenses (Notes 4 and 24)	(25,342)	-	(24,089)	-
8200	Net profits for the year	465,261	8	357,407	7
	Other comprehensive income				
8310	Titles not reclassified to profit or loss:				
8311	Remeasurement of defined benefit plan (Note 20)	5,878	-	3,256	-
8316	Gain/loss on valuation of equity instrument investments measured at fair value through other comprehensive income	(12,000)	-	-	-
8360	Titles likely to be reclassified to profit or loss subsequently:				
8361	Exchange differences in the financial statement translation of foreign operations	(99,721)	(2)	127,267	3
8300	Other comprehensive income in the year (net after tax)	(105,843)	(2)	130,523	3
8500	Total comprehensive income in the year	$ 359,418	6	$ 487,930	10
	Earnings per share (Note 25)				
9710	Basic	$ 1.56		$ 1.20	
9810	Diluted	$ 1.56		$ 1.20	

The attached notes are part of the stand-alone financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands

Code		Common stock: Number of shares (thousand shares)	Common stock: Amount	Capital surplus	Retained earnings: Legal reserve	Retained earnings: Special reserve	Retained earnings: Undistributed earnings	Other equity items: Exchange differences in the financial statement translation of foreign operations	Other equity items: Gain/loss on valuation of financial assets measured at fair value through other comprehensive income	Treasury stock	Total equity
A1	Balance as of January 1, 2022	307,536	$ 3,075,366	$ 2,054,098	$ 585,590	$ 295,397	$ 219,013	($ 335,891)	$ -	($ 161,328)	$ 5,732,245
	Allocation and distribution of earnings in 2021										
B1	Legal reserve	-	-	-	21,802	-	(21,802)	-	-	-	-
B3	Earnings set aside as a special reserve	-	-	-	-	40,494	(40,494)	-	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(148,768)	-	-	-	(148,768)
D1	Net profit in 2022	-	-	-	-	-	357,407	-	-	-	357,407
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	3,256	127,267	-	-	130,523
D5	Total comprehensive income in 2022	-	-	-	-	-	360,663	127,267	-	-	487,930
Z1	Balance as of December 31, 2022	307,536	3,075,366	2,054,098	607,392	335,891	368,612	(208,624)	-	(161,328)	6,071,407
	Allocation and distribution of earnings in 2022										
B1	Legal reserve	-	-	-	36,066	-	(36,066)	-	-	-	-
B17	Reversal of special reserve	-	-	-	-	(127,267)	127,267	-	-	-	-
B5	Cash dividend for shareholders	-	-	-	-	-	(297,537)	-	-	-	(297,537)
L3	Transfer of treasury stock to employees	-	-	(123)	-	-	-	-	-	40,906	40,783
N1	Share-based payment	-	-	32,461	-	-	-	-	-	-	32,461
D1	Net profit in 2023	-	-	-	-	-	465,261	-	-	-	465,261
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	5,878	(99,721)	(12,000)	-	(105,843)
D5	Total comprehensive income in 2023	-	-	-	-	-	471,139	(99,721)	(12,000)	-	359,418
Z1	Balance as of December 31, 2023	307,536	$ 3,075,366	$ 2,086,436	$ 643,458	$ 208,624	$ 633,415	($ 308,345)	($ 12,000)	($ 120,422)	$ 6,206,532

The attached notes are part of the stand-alone financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.

Stand-alone Cash Flow Statement

January 1 to December 31, 2023 and 2022

Unit: NT$ thousands

Code		2023	2022
	Cash flow from operating activities		
A10000	Profit before tax in the year	$ 490,603	$ 381,496
A20010	Profit and loss items		
A20300	Expected credit impairment loss	1,683	1,573
A20100	Depreciation expense	66,685	81,423
A20400	Net profit on financial assets/liabilities measured at fair value through profit or loss	(356)	(414)
A20900	Financial costs	15,809	12,304
A21200	Interest incomes	(10,477)	(2,831)
A21900	Employee stock option compensation cost	25,062	-
A23700	Inventory devaluation and obsolescence loss	-	1,545
A23800	Gains from recovery of inventory devaluation and obsolescence	(6,027)	-
A22400	Share of profit/loss of subsidiaries recognized under the equity method	(405,304)	(274,163)
A22500	Gain on disposal of property, plant and equipment	(50)	(277)
A24100	Net foreign currency exchange loss	-	1,543
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	-	42
A31150	Accounts receivable	21,010	(658,667)
A31180	Other receivables	(12,658)	5,325
A31200	Inventories	19,335	(244)
A31240	Other current assets	(6,892)	5,591
A31990	Other operating assets	(176)	(42)
A32125	Contract liabilities	(1,404)	(2,887)
A32150	Accounts payable	(61,298)	717,627
A32180	Other payables	8,991	22,225
A32230	Other current liabilities	(5,012)	4,224
A33000	Cash generated from operations	139,524	295,393
A33100	Interest received	10,259	2,646
A33300	Interest paid	(15,793)	(12,208)
A33500	Refunded (paid) income tax	389	(41)
AAAA	Net cash inflow from operating activities	134,379	285,790

(Continued on next page)

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Code		2023	2022
	Cash flows from investment activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	$ -	($ 12,000)
B00040	Acquisition of financial assets measured at amortized cost	(1,165)	-
B00050	Disposal of financial assets measured at amortized cost	-	94,002
B00100	Acquisition of financial assets measured at fair value through profit and loss	(80,000)	(100,000)
B00200	Disposal of financial assets measured at fair value through profit or loss	100,374	160,351
B02200	Acquisition of equity of subsidiaries	(16,265)	(119,433)
B02700	Purchase of property, plants, and equipment	(17,273)	(39,350)
B02800	Disposal of property, plant, and equipment	-	1,331
B03700	Increase in refundable deposit	-	(2,522)
B03800	Decrease in refundable deposit	1,492	-
B06800	Decrease in other non-current assets	193	4,907
B07100	Increase in prepayments for equipment	(9,874)	(4,565)
BBBB	Net cash outflow from investment	(22,518)	(17,279)
	Cash flow from financing activities		
C00100	Increase in short-term loans	2,650,000	1,801,275
C00200	Decrease in short-term loans	(2,590,000)	(1,882,298)
C00500	Increase in short-term notes payable	-	50,000
C00600	Decrease in short-term notes payable	-	(50,000)
C01800	Increase in long-term note payables	200,000	200,000
C01900	Decrease in long-term note payables	(199,980)	(199,935)
C03100	Increase in deposits received	-	4,200
C03700	Other payables - increase in related parties	-	163,139
C03800	Other payables – decrease in related parties	(86)	-
C04020	Repayment of principal for lease	(2,761)	(1,817)
C04500	Distribution of cash dividends	(297,537)	(148,768)
C04900	Payment of treasury stock transaction cost	(123)	-
C05000	Amount for transfer of treasury stock to employees	40,906	-
CCCC	Net cash outflow from financing activities	(199,581)	(64,204)
EEEE	Net (decrease) increase in cash and cash equivalents	(87,720)	204,307
E00100	Balance of cash and cash equivalents - beginning of the year	920,799	716,492
E00200	Balance of cash and cash equivalents - end of year	$ 833,079	$ 920,799

The attached notes are part of the stand-alone financial statements.

Chairman: HUANG CHIU YUNG Manager: Tseng Kung-Sheng Accounting officer: Cheng Ching-Yi

ICHIA TECHNOLOGIES INC.
Notes to the stand-alone financial statements
January 1 to December 31, 2023 and 2022
(Amounts NT$ thousand, unless otherwise stated)

i. Company History

ICHIA TECHNOLOGIES INC. (hereinafter referred to as the Company) was established in November 1989 to manufacture, process, and trade various components (conductive silicone elastomers, plastic keys, keyboard assemblies, input devices, and flexible printed circuit boards) and materials for electronics, home appliances, electronical engineering, electrical equipment, communications (telecommunications), and computers, as well as to import and export domestic and foreign products and to engage in the agency, distribution, tender and quotation business.

The Company's shares have been listed on the Taiwan Stock Exchange since January 14, 2000.

The stand-alone financial statements are presented in New Taiwan dollars (NT$), which is the functional currency of the Company.

ii. Date and Procedure for Approval of Financial Statements

The stand-alone financial statements were approved by the Board of Directors on March 11, 2024.

iii. Application of New and Revised Standards and Interpretations

(i). First-time application of International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IAS"), Interpretations ("IFRICs") and Interpretations ("SICs") (hereinafter referred to as "IFRSs") endorsed by the Financial Supervisory Commission ("FSC") and issued to be effective

The adoption of the amended IFRSs endorsed and issued into effect by the FSC will not result in significant changes in the Company's accounting policies:

(ii) FSC-approved IFRSs to be applied in 2024

The new/amended/revised standards or interpretations	Effective date of IASB publication (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 Noncurrent”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
IAS 7 and IFRS 7 Amendments "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

Note 2: The seller as a lessee shall be subject to IFRS 16 amendments retroactively in a sale and leaseback transaction agreed after the initial application of the IFRS 16.

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

Up to the approval and release date of the stand-alone financial statements, the Company considered that the amendments to other standards and interpretations would not have material impact on the financial position and performance of the Company after assessment.

(iii). The IFRSs released by the IASB but not yet endorsed and issued into effect by the FSC

The new/amended/revised standards or interpretations	Effective date of IASB publication (Note 1)
Amendment 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
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise stated, the aforementioned new/amended/revised standards or interpretation are effective for annual reporting periods beginning after the respective dates.

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

The Company will continue to evaluate the effect of the amendment to other IFRSs on the financial positions and performance of the Company to the date the parent company only financial statements are approved and released, and will make appropriate disclosure after the evaluation.

iv. Summary of Significant Accounting Policies

(i). Compliance Statement

The stand-alone financial statements were prepared in accordance with the Regulations Governing the Preparation of Financial Statements by Securities Issuers.

(ii). Basis of preparation

The stand-alone financial statements were prepared on the historical cost basis, except for financial instruments measured at fair value and net defined benefit liabilities recognized at the present value of the defined benefit obligation less the fair value of plan assets.

The evaluation of fair value could be classified into Level 1 to Level 3 by the observable intensity and importance of the related input value:

1. Level 1 input value: refers to the quotation of the same asset or liability in an active market as of the evaluation date (before adjustment).
2. Level 2 input value: refers to the direct (the price) or indirect (inference of price) observable input value of asset or liability further to the quotation of Level 1.

3. Level 3 input value: the unobservable input value of asset or liability.

The Company when preparing the stand-alone financial statements processes the investment in subsidiaries and associates using the equity method. In order to make the same the current profit or loss, other comprehensive income and equity in the stand-alone financial statements as the current year's profit or loss, other comprehensive income and equity attributable to the owners of the Company in the consolidated financial statements, certain accounting differences between the stand-alone basis and consolidated basis are adjusted for "investments accounted for using the equity method," "profit or loss share of subsidiaries, affiliates and joint ventures accounted for using the equity method", "other comprehensive income share of subsidiaries, affiliates and joint ventures accounted for using the equity method" and related equity items.

(iii). Standards in differentiating current and noncurrent assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months of the balance sheet date; and
3. Cash and cash equivalents (excluding those restricted from being exchanged or settled more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities due for settlement within 12 months after the balance sheet date, and
3. Liabilities whose settlement deadline cannot be unconditionally deferred until at least 12 months after the balance sheet date.

Those that are not current assets or liabilities above are classified as noncurrent assets or liabilities.

(iv). Foreign currency

For the transactions conducted in a currency other than the business entity's functional currency (foreign currency), it is to be translated to the functional currency in accordance with the exchange rate on the transaction date when preparing financial statements.

Foreign currency monetary items are translated at the closing rate on each balance sheet date. The exchange differences arising from the settlement of monetary items or translating monetary items are recognized in the current profit or loss, except for the following.

When a monetary item receivable from or payable to a foreign operation, the settlement of which is neither planned nor likely to occur in the foreseeable future (and therefore forms part of the net investment in the foreign operation), the exchange difference is recognized initially in other comprehensive income and is reclassified from equity to profit or loss upon disposal of the net investment.

The foreign non-currency items measured at fair value are translated in accordance with the exchange rate on the fair value determination date and the exchange difference is booked as profit or loss in the period. However, for the changes in fair value recognized in other comprehensive income, the exchange difference is recorded in other comprehensive income.

The foreign non-currency items measured at historical cost are translated in accordance with the exchange rate on the transaction date without the need for a translation again.

Upon preparation of the stand-alone financial reports, the assets and liabilities of overseas operating institutions (including the subsidiaries and affiliates in the countries of business operation or those using currencies different from the Company’s) were converted to NT$ based on the exchange rate quoted on every balance sheet date. Income and expense items are translated at the average exchange rate for the period and the exchange differences are booked in other comprehensive income.

If the Company disposes of its entire equity interest in a foreign operation, or disposes of part of its equity interest in a subsidiary that includes a foreign operation and loses control, or the retained equity interest after disposing of a joint agreement of a foreign operation or an affiliate is a financial asset and is accounted for as a financial instrument., all cumulative translation differences related to the foreign operation are reclassified to profit or loss.

If the partial disposal of a foreign operating subsidiary does not result in a loss of control, the accumulated exchange differences are included in equity transactions on a pro rata basis, but are not recognized in profit or loss. In the case of any other partial disposal of foreign operations, the cumulative exchange differences are reclassified to profit or loss in proportion to the disposal.

(v). Inventories

Inventories include raw materials, semi-finished goods, finished goods, work in process and in-transit. Inventories are valued in accordance with the lower of cost or net cash value. When comparing cost and net cash value, except for the homogeneous inventories, it is based on the itemized lower of cost or net cash value. Net realizable value refers to the estimated sale price under normal circumstances net of the estimated cost needed to complete the project and the estimated expenses needed to complete the sale. Inventories are valued at standard costs before book closing and adjusted upon book closing to approximate cost calculated on a weighted-average basis.

(vi). Investments in subsidiaries

The Company adopts the equity method for investment in subsidiaries.

A subsidiary is an entity (including a structured entity) over which the Company has control.

Under the equity method, investments in subsidiaries are originally recognized at cost; the book value after the acquisition date fluctuates along with the distribution of profit or loss from the subsidiaries and other comprehensive income by the Company. Additionally, the change in the interests the Company holds in subsidiaries is recognized pro rata to the shareholding percentages.

When a change in the Company’s ownership interest in a subsidiary does not result in a loss of control, it is treated as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

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

The excess of the acquisition cost over the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries at the acquisition date is recorded as goodwill, which is included in the carrying amount of the investment and is not amortized; the excess of the Company's share of the net fair value of the identifiable assets and liabilities of the subsidiaries at the acquisition date over the acquisition cost is recorded as gain or loss for the period. When a subsidiary that does not constitute a business is acquired, the cost of acquisition is appropriately allocated to the identifiable assets acquired (including intangible assets) and the share of liabilities assumed, and no goodwill or current profit is generated.

The Company assesses impairment based on the cash-generating units as a whole in the financial statements and compares their recoverable amounts with their book values. If the amount of recoverable assets increases in the future, the reversal of impairment shall be recognized as income. The book value of the reversal of impaired assets shall not exceed the book value before recognition for impairment net of amortization. Impairment losses attributable to goodwill must not be reversed in subsequent periods.

When control over a subsidiary is lost, the Company measures its remaining investment in the subsidiary at fair value at the date of loss of control. The difference between the fair value of the remaining investment and the carrying amount of the investment at the date of loss of control, if any, is recognized in profit or loss for the period. In addition, all amounts recognized in other comprehensive income related to the subsidiary are accounted for on the same basis as if the Company had directly disposed of the related assets or liabilities.

Unrealized gains or losses on downstream transactions with subsidiaries are eliminated in the stand-alone financial statements. Gains or losses from upstream and side-stream transactions with subsidiaries are recognized in the stand-alone financial statements only to the extent that they are not related to the Company's equity interest in the subsidiary.

(vii). Property, plant and equipment

Property, plant, and equipment shall be recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment.

Except for land owned by the Company, which is not depreciated, property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each year and defers the effect of changes in prospective application accounting estimates.

In removing property, plant, and equipment from book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss for the period.

(viii). Investment property

An investment property is a property held for earning rent income or for capital appreciation, or both. The investment property includes land held without a definite purpose of use.

The investment property owned by the Company is initially measured based on the cost (including transaction cost) and subsequently measured based on the cost net of accumulated depreciations and accumulated impairment losses.

The investment property is depreciated on the straight line basis.

In removing investment property from the book, the difference between the net proceeds of disposition and the book value shall be recognized as profit or loss.

(ix). Impairment of property, plant and equipment, right-of-use assets, investment property, intangible assets and assets related to contract costs.

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets, intangible assets and assets related to contract costs may have been impaired If any indication of impairment exists, the recoverable amount of the asset is estimated. If the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that would have been determined if the impairment loss had not been recognized in prior years for that asset or cash-generating unit. Reversal of impairment loss is recognized in profit or loss.

(x). Financial instruments

Financial assets and financial liabilities are recognized in the stand-alone balance sheets when the Company becomes a party to the contracts of such instruments.

For the initial recognition of the financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, it is measured at fair value plus transaction cost that is directly attributable to the acquisition or issuance of financial assets or financial liabilities. The transaction cost directly attributable to the acquisition or issuance of financial assets or financial liabilities that are measured at fair value through profit or loss is immediately recognized in profit or loss.

1. Financial assets

   The customary transaction of financial assets is recognized and derecognized in accordance with the trade date accounting.

   (1). Type of measurement

   The types of financial assets held by the Company are financial assets measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

   A. Financial assets measured at fair value through profit or loss

   Financial assets measured at fair value through profit or loss include financial assets that are mandatorily measured at fair value through profit or loss and those designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments not designated by the Company as being measured at fair value through other comprehensive income, and investments in debt instruments not qualified for classification as being measured at amortized cost or at fair value through other comprehensive income.

   Financial assets at fair value through profit or loss are measured at fair value, which is determined as described in Note 28.

   B. Financial assets at amortized cost

The Company's financial assets, if meeting both of the following conditions, are classified as financial assets at amortized cost:

a. Financial assets held under a particular mode of operation and the purpose of holding is for the collection of contractual cash flows; and
b. The terms of the contracts give rise to cash flows at specified dates that are solely for the payment of principal and interest on the outstanding principal amount.

Financial assets (including cash and cash equivalents, accounts receivable measured at amortized cost) after initial recognition, are measured at their total carrying amount determined using the effective interest method, less amortized cost of any impairment loss, with any foreign currency exchange gain or loss recognized in profit or loss.

Interest income is calculated by multiplying the effective interest rate by the total carrying amount of the financial assets, except for the following two cases:

a. Interest income on financial assets that are credit-impaired upon acquisition or creation is calculated using the credit-adjusted effective interest rate multiplied by the amortized cost of the financial assets.
b. Interest income on financial assets that are not credit-impaired upon acquisition or creation but become credit-impaired subsequently is calculated using the effective interest rate multiplied by the amortized cost of the financial assets from the next reporting period after the impairment.

Cash equivalents include time deposits that are highly liquid, readily convertible into fixed amount of cash with minimal risk of changes in value within 3 months from the acquisition date and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At initial recognition, the Company may make an irrevocable selection to measure the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Company's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2). Impairment of financial assets and contract assets

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

An allowance for losses is recognized for accounts receivable based on the expected credit loss over the duration. Other financial assets shall be evaluated for any significant increase of risk from the day of initial recognition. If none is found, recognize for provision for anticipated credit loss along a period of 12 months. If it is, recognize for provision of anticipated credit risk within the lifetime of the assets.

Anticipated credit loss is the weighted average loss of credit on the basis of the weight of the risk of default. Anticipated credit loss in a period of 12 months means the expected loss of credit from the financial instruments within 12 months due to default. Anticipated credit loss with the lifetime of the financial instruments means the expected loss of credit from the financial instruments within the lifetime of these financial instruments.

All impairment losses on financial assets are accounted for by reducing the carrying amount through an allowance account.

(3). The derecognition of financial assets

The Company has financial assets derecognized only when the contractual rights from the cash flows of a financial asset become invalid or when the financial assets are transferred, and almost all the risks and rewards of the asset ownership have been transferred to other enterprises.

When a particular entry of financial assets measured at amortized cost is removed, the difference between its book value and consideration shall be recognized as profit or loss.

2. Financial liabilities

(1). Subsequent measurement

All financial liabilities are measured at amortized cost using the effective interest method, except for the following.

<u>Financial liabilities at fair value through profit or loss</u>

Financial liabilities at fair value through profit or loss comprise financial liabilities held for trading and those designated as at fair value through profit or loss.

(2). Derecognition of financial liabilities

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

3. Derivatives

The derivatives entered into by the Company include forward exchange contracts, which are used to manage the Company's exchange rate risk.

Derivatives are initially recognized at fair value when the derivative contracts are entered into and subsequently remeasured at fair value at the balance sheet date. Gains or losses arising from subsequent measurements are recognized directly in profit or loss, except for derivatives designated as effective hedging instruments, for which the point of recognition in profit or loss will depend on the nature of the hedging. When the fair value of the derivatives is positive, it is classified as a financial asset; when the fair value is negative, it is classified as a financial liability.

For derivatives embedded in asset master contracts within the scope of IFRS 9 "Financial Instruments", the classification of financial assets shall be determined based on the overall contract. A derivative is considered to be a separate derivative if it is embedded in an asset master contract that is not within the scope of IFRS 9 (e.g., embedded in a master contract of a financial liability) and the embedded derivative meets the definition of a derivative, the risks and characteristics of which are not closely related to those of the master contract and the hybrid contract is not measured at fair value through profit or loss.

(xi). Revenue recognition

The Company allocates the transaction price to each performance obligation after the performance obligation is identified in the customer contract and recognizes revenue when each performance obligation is satisfied.

Merchandise sales revenues

Merchandise sales revenues are derived from sales of electronic parts and components. The Company recognizes revenues and accounts receivable at the point when the products arrive at the customer's designated location because the customer has the right to determine resale prices and use the products and has the primary responsibility for re-selling the products and bears the risk of obsolescence.

When materials are supplied to subcontractors for processing, the control and the ownership of the processed products have not been transferred, so revenues are not recognized for the materials supplied.

(xii). Lease

The Company assesses whether a contract is (or contains) a lease at the contract inception date.

1. The Company is the lessor

   A lease is classified as a capital lease when the terms of the lease transfer substantially all the risks and rewards incidental to the ownership of the asset to the lessee. All other leases are classified as operating leases.

   For an operating lease, the net lease payments of the lease incentives are recognized as income on a straight-line basis over the relevant lease periods. The original direct cost incurred in acquiring an operating lease is added to the carrying amount of the subject asset and recognized as an expense on a straight-line basis over the lease period.

2. The Company is the lessee

   Except for the low-value leased assets entitled to exemption and lease payments for short-term leases recognized as expenses on a straight-line basis over the lease period, the right-of-use assets and lease liabilities of other leases are recognized starting from the lease commencement date.

   The right-of-use assets are initially measured at cost (including the original measured amount of lease liability, the lease payment paid before the lease commencement date net of the lease incentives collected, the original direct costs, and the estimated cost of the recovered underlying assets), and then subsequently measured at the net cost of the accumulated depreciation and accumulated impairment loss; also, the remeasured amount of the lease liability is adjusted. Right-of-use assets are expressed separately in the stand-alone balance sheet.

The right-of-use assets are depreciated on a straight-line basis over the period starting from the lease commencement date to the end of their useful life or the expiration of the lease period, whichever is sooner.

Lease liabilities are measured initially at the present value of lease payments (including fixed benefits). If the implied interest rate of the lease is readily determinable, the lease payments are discounted using that rate. If said lease implied interest rate is not easy to determine, the lease payment is discounted at the lessee's incremental borrowing rate of interest.

Subsequently, the lease liability is measured according to the effective interest method and the amortized cost; also, the interest expense is amortized over the lease period. If a change in the lease period results in a change in future lease payments, the Company remeasures the lease liability and adjusts the right-of-use asset accordingly. However, if the carrying amount of the right-of-use asset is reduced to zero, the remaining remeasurement amount is recognized in profit or loss. Lease liabilities are expressed separately in the stand-alone balance sheet.

(xiii). Cost of borrowing

Borrowing costs directly attributable to acquiring, building or producing assets that meet the requirements are part of the costs of such assets until the completion of all necessary activities have achieved their intended use or sale condition.

The income of a temporary investment with a specific loan that has not yet met the essential requirement of capital expenditure is deducted from the loan cost that meets the essential requirement of capitalization.

In addition to the above, all other loan costs are recognized as profit and loss upon occurring.

(xiv). Government subsidies

Government subsidies are recognized only when it is reasonably certain that the Company will comply with the conditions attached to the government subsidies and that the subsidies will be received.

Government subsidies related to revenues are recognized in other income on a systematic basis over the period in which the related costs for which they are intended to compensate are recognized as expenses by the Company.

Government subsidies are recognized in profit or loss in the period in which they become collectible if they are intended to compensate for expenses or losses already incurred or to provide immediate financial support to the Company and have no future related costs.

(xv). Employee benefits

1. Short-term employee benefits

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

2. Post-employment benefits

Under the defined contribution pension plan, the pension amount appropriated during the service years of the employees is recognized as an expense.

The defined benefit cost (including service cost, net interest and remeasurement) of the defined benefit pension plan is actuarially determined using the projected unit credit method. Service cost (including current service cost) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expense as incurred. Remeasurements (including actuarial gains and losses and return on plan assets, net of interest) are recognized in other comprehensive income and included in retained earnings as incurred and are not reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) represents the deficit (remaining) of the defined benefit pension plan appropriation. The net defined benefit asset may not exceed the present value of refunds of appropriations from the plan or reductions in future appropriations.

(xvi). Income tax

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

1. Income tax for the period

Additional income tax on unappropriated earnings calculated in accordance with the Republic of China Income Tax Act is recognized in the year in which resolutions are made at the shareholder meeting.

The adjustment to prior years' income tax payable is booked as current period's income tax.

2. Deferred tax

Deferred tax is calculated on temporary differences between the carrying amounts of assets and liabilities and the tax bases used to compute taxable income.

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which income tax credits can be utilized, such as deductions for temporary differences, loss carryforwards and investment tax credits.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries, affiliates and joint ventures, except where the Company can control the timing of the reversal of the temporary differences and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for deductible temporary differences associated with such investments only to the extent that it is probable that sufficient taxable income will be available to allow the temporary differences to be realized and to the extent that a reversal is expected in the foreseeable future.

The carrying amount of deferred tax assets is reviewed on each balance sheet date and reduced to the extent that it is no longer probable that sufficient tax assets will be available to allow recovery of all or part of the asset, and part of the asset should be adjusted down. Deferred tax assets that are not recognized as such initially are reviewed on each balance sheet date and the carrying amount is increased to the extent that it is probable that future taxable income will be available to recover all or part of the assets.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the liability is settled or the asset is realized, which are based on tax rates and tax laws that have been legislated or substantively legislated on the balance sheet date. The measurement of deferred income tax liabilities and assets reflects the tax consequence resulting from the book value of the assets or liabilities expected by the Company to be recovered or liquidated on the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in the profit or loss, except for the current and deferred income taxes related to the items recognized in other comprehensive income or directly included in the equity, which are respectively recognized in other comprehensive income or directly included in the equity.

v. Significant Accounting Judgments and Estimations, and Main Sources of Assumption Uncertainties

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

As consideration for the consideration for significant accounting estimates, the management will review the estimates and basic assumptions on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if they affect only that period. The revisions are recognized in the period of the revisions and future periods if they affect both current and future periods.

vi. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	NT$ 35	NT $ 35
Bank checking accounts and demand deposits	495,289	629,019
Cash equivalents (investments with an original maturity of less than 3 months)		
Bank time deposits	337,755	291,745
	NT$ 833,079	NT$ 920,799

The interest rate ranges for bank deposits as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Bank demand deposits	0.01%～0.73%	0.01%～0.38%
Bank time deposits	5.10%～5.50%	2.50%～4.30%

vii. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets - current		
Mandatorily measured at fair value through profit or loss		
Non-derivative financial assets		
- Fund beneficiary certificates	NT$ 40,064	NT$ 60,082

viii. Financial assets measured at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Non-current		
Equity instrument investments measured at fair value through other comprehensive income		
Domestic investment		
Non-listed (non-OTC) stock		
Common stock	NT$ -	NT$ 12,000

The purpose of the holding by the Company is for long-term strategic investment and they have been designated as measured at fair value through other comprehensive income.

ix. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Non-current		
Pledge of time deposits (1)	NT$ 3,187	NT$ 2,127
Restricted foreign exchange deposits with offshore funds (ii)	10,202	10,097
	NT$ 13,389	NT$ 12,224

(i). As of December 31, 2023 and 2022, the interest rate ranges for pledged time deposits were 1.59% and 1.46% per annum, respectively.

(ii). On August 26, 2020, the Company remitted NT$ 146,285 thousand (USD 5,000 thousand) in accordance with the "The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" and deposited the net amount after tax in a dedicated account for foreign exchange deposits, as approved by National Taxation Bureau of the Northern Area, Ministry of Finance. The deposits in the dedicated account are subject to restrictions on the free use of the funds as prescribed by law, except for financial investments or real investments and part of the free use of the funds as prescribed by law, which can be withdrawn in three-year increments after five years from the date of deposit in the dedicated account.

(iii). For information on pledges of financial assets measured at amortized cost, see Note 30.

x. Accounts receivable and overdue receivables

	December 31, 2023	December 31, 2022
Accounts receivable		
Measured at amortized cost		
Total carrying amount	NT$ 2,025,200	NT $2,046,441
Less: Allowance for loss	(1,998)	(546)
	NT$ 2,023,202	NT$ 2,045,895
Overdue receivables		
Measured at amortized cost		
Total carrying amount	NT $ 52,363	NT $ 52,132
Less: Allowance for loss	(52,363)	(52,132)
	NT$ -	NT$ -

Accounts receivable

The average credit period of the Company's merchandise sales is 150 days. In determining the collectability of accounts receivable, the Company considers any changes in the credit quality of the accounts receivable from the original credit grant date to the balance sheet date. To mitigate credit risk, the Company's management has assigned a dedicated team to be responsible for credit limit determination, credit approval and other monitoring procedures to ensure that appropriate actions are taken to collect overdue accounts receivable. In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis at the balance sheet date to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk has been significantly reduced.

An allowance for losses is recognized for accounts receivable by the Company based on the expected credit loss over the duration. Expected credit losses for the duration are calculated using an allowance matrix, which takes into account the customer's past default history and current financial condition, the economic situation of the industry, as well as GDP forecasts and industry outlook. Since the Company's credit loss history shows that there is no significant difference in the loss patterns of different customer groups, therefore, instead of further differentiating the customer groups, the allowance matrix only sets the expected credit loss rate based on the number of days past due on accounts receivable.

If there is evidence that the counterparty is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, for example, if the counterparty is in liquidation or the debt is overdue for more than 365 days, the Company reclassifies the amount directly to overdue receivable and continues the collection activities, and the amount recovered is offset against the related overdue receivable.

The Company estimated the allowance for losses on accounts receivable based on the allowance matrix as follows:

Accounts receivable

December 31, 2023

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	1.49%	27.57%	-
Total carrying amount	NT$1,894,332	NT$ 130,683	NT$ 185	NT$2,025,200
Allowance for loss (Expected credit losses over the duration)	-	(1,947)	(51)	(1,998)
Amortized cost	NT$1,894,332	NT$ 128,736	NT$ 134	NT$2,023,202

December 31, 2022

	Not overdue	Overdue 1 to 180 days	Overdue 180 to 365 days	Total
Expected credit loss rate	0%	0.31%	8.02%	-
Total carrying amount	NT$1,914,791	NT$ 129,892	NT$ 1,758	NT$2,046,441
Allowance for loss (Expected credit losses over the duration)	-	(405)	(141)	(546)
Amortized cost	NT$1,914,791	NT$ 129,487	NT$ 1,617	NT$2,045,895

Information on the changes in the allowance for losses on accounts receivable is as follows:

	2023	2022
Balance at the beginning of the year	NT$ 546	NT$ 914
Add: Provision for impairment loss for the year	4,327	2,277
Less: Reclassification for the year	(2,875)	(2,645)
Balance at the end of the year	NT$ 1,998	NT$ 546

Information on the changes in the allowance for losses on overdue receivables is as follows:

	2023	2022
Balance at the beginning of the year	NT$ 52,132	NT$ 50,191
Add: Reclassification for the year	2,875	2,645
Less: Reversal of impairment loss for the year	(2,644)	(704)
Balance at the end of the year	NT$ 52,363	NT$ 52,132

xi. Inventory

	December 31, 2023	December 31, 2022
Finished goods	NT$ 29,180	NT$ 38,243
Semi-finished goods	970	1,624
Work in progress	3,507	4,428
Raw materials	17,979	21,010
In-transit	3,023	2,662
	NT$ 54,659	NT$ 67,967

The nature of cost of goods sold is as follows:

	2023	2022
Cost of inventories sold	NT$ 5,449,891	NT$ 4,826,152
Inventory devaluation (gain from price recovery) loss	(6,027)	1,545
Others	3,146	(960)
	NT$ 5,447,010	NT$ 4,826,737

The increase in the net realizable value of inventories was due to increase in the selling price of some of the inventories.

xii. Investments accounted for using the equity method

Investments in subsidiaries

	December 31, 2023	December 31, 2022
ICHIA USA Inc.	NT$ 39,503	NT$ 36,984
ICHIA HOLDINGS (B.V.I) Co., Ltd.	5,875,222	5,568,830
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	126,762	120,748
Vietnam - ICHIA	14,322	-
	NT$ 6,055,809	NT$ 5,726,562

	Percentage of ownership interest and voting rights	
Subsidiary name	December 31, 2023	December 31, 2022
ICHIA USA Inc.	100%	100%
ICHIA HOLDINGS (B.V.I) Co., Ltd.	100%	100%
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	100%	100%
Vietnam - ICHIA	100%	-

The Company performed the adjustment of the organizational structure in September 2022 by completely transferring the equity held by B.V.I-ICHIA in ICHIA Malaysia to ICHIA TECHNOLOGIES INC.

The Board of Directors meeting in 2023 approved the establishment of a subsidiary. On November 1, 2023, a capital of USD 500 thousand was invested and the formal registration was completed.

Please refer to Note 34 for the details of the Company's indirect investment in subsidiaries.

The shares of profit or loss and other comprehensive income of the subsidiaries under the equity method for 2023 and 2022 were recognized based on the audited financial statements of each subsidiary for the same period.

xiii. Property, plant, and equipment

Self-use

	Self-owned land	Buildings	Machinery and equipment	Other equipment	Total
Cost					
Balance as of January 1, 2023	NT$ 288,562	NT$ 410,096	NT$ 502,071	NT$ 255,606	NT$ 1,456,335
Addition	-	850	2,127	14,296	17,273
Disposal	-	-	(4,873)	(1,880)	(6,753)
Reclassification	-	-	1,065	2,455	3,520
Balance as of December 31, 2023	NT$ 288,562	NT$ 410,946	NT$ 500,390	NT$ 270,477	NT$ 1,470,375
Accumulated depreciation and impairment					
Balance as of January 1, 2023	NT$ -	NT$ 330,058	NT$ 430,670	NT$ 207,660	NT$ 968,388
Disposal	-	-	(4,873)	(1,880)	(6,753)
Depreciation expense	-	17,800	26,367	16,223	60,390
Balance as of December 31, 2023	NT$ -	NT$ 347,858	NT$ 452,164	NT$ 222,003	NT$ 1,022,025
Net as of December 31, 2023	NT$ 288,562	NT$ 63,088	NT$ 48,226	NT$ 48,474	NT$ 448,350
Cost					
Balance as of January 1, 2022	NT$ 516,225	NT$ 556,941	NT$ 483,941	NT$ 229,845	NT$ 1,786,952
Addition	-	1,926	15,095	22,329	39,350
Disposal	-	(95)	(3,912)	(6,543)	(10,550)
Transfer to investment property	(227,663)	(148,886)	-	-	(376,549)
Reclassification	-	210	6,947	9,975	17,132
Balance as of December 31, 2022	NT$ 288,562	NT$ 410,096	NT$ 502,071	NT$ 255,606	NT$ 1,456,335
Accumulated depreciation and impairment					
Balance as of January 1, 2022	NT$ -	NT$ 382,241	NT$ 388,943	NT$ 199,972	NT$ 971,156
Disposal	-	(94)	(2,568)	(6,543)	(9,205)
Transfer to investment property	-	(70,281)	-	-	(70,281)
Depreciation expense	-	18,192	44,295	14,231	76,718
Balance as of December 31, 2022	NT$ -	NT$ 330,058	NT$ 430,670	NT$ 207,660	NT$ 968,388
Net as of December 31, 2022	NT$ 288,562	NT$ 80,038	NT$ 71,401	NT$ 47,946	NT$ 487,947

Depreciation expense is provided on a straight-line basis over the following useful life:

Building	
Main structure	51 years
Air conditioning system	26 years
Improvement to main structures	4 to 51 years
Machinery and equipment	13 years
Other equipment	16 years

xiv. Lease agreement

(i). Right-of-use assets.

	December 31, 2023	December 31, 2022
Carrying amount of right-of-use assets		
Transportation equipment	NT$ 3,721	NT$ 6,488

	2023	2022
Addition of right-of-use assets.	NT$ -	NT$ 6,378
Depreciation expense of right-of-use assets		
Transportation equipment	NT$ 2,767	NT$ 1,813

Other than the above additions and depreciation expense recognized, there were no significant subleases or impairments of the Company's right-of-use assets in 2023 and 2022.

(ii). Lease liabilities

	December 31, 2023	December 31, 2022
Carry amount of lease liabilities		
Current	NT$ 2,135	NT$ 2,762
Non-current	NT$ 1,624	NT$ 3,758

The discount rate range for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Transportation equipment	1.615%	1.615%～2.5%

(iii). Information on other leases

	2023	2022
Short-term lease expenses	NT$ 874	NT$ 139
Low-value asset lease expenses	NT$ 208	NT$ 172
Total cash (outflow) from leases	(NT$3,927)	(NT$2,187)

The Company has elected to apply the recognition exemption to leases of buildings, structures and office equipment that qualify as short-term leases and certain other equipment that qualify as low-value asset leases and does not recognize the related right-of-use assets and lease liabilities for these leases.

The amount of short-term lease commitments for which the recognition exemption was applicable (including short-term lease commitments commencing after the balance sheet date) was NT$ 0 thousand and NT$ 550 thousand as of December 31, 2023 and 2022, respectively.

The Company has no commitments to enter into leases for periods beginning after the balance sheet date.

xv. Investment property

	Completed investment properties
Cost	
Balance as of January 1, 2023	NT$ 376,549
Balance as of December 31, 2023	NT$ 376,549
Accumulated depreciation and impairment	
Balance as of January 1, 2023	(NT$ 73,173)
Depreciation expense	(3,528)
Balance as of December 31, 2023	(NT$ 76,701)
Net as of December 31, 2023	NT$ 299,848
Cost	
Balance as of January 1, 2022	NT$ -
From property, plant and equipment	376,549
Balance as of December 31, 2022	NT$ 376,549
Accumulated depreciation and impairment	
Balance as of January 1, 2022	NT$ -
From property, plant and equipment	(70,281)
Depreciation expense	(2,892)
Balance as of December 31, 2022	(NT$ 73,173)
Net as of December 31, 2022	NT$ 303,376

Depreciation expense of investment properties is provided on a straight-line basis over the following useful life:

Main structure	51 years
Elevator equipment	16 years
Air conditioning system	26 years
Improvement to main structures	4 to 49 years

The fair value of the investment property amounted to NT$ 736,644 thousand as of December 31, 2023. This fair value has not been valuated by a valuator. It is an estimate determined by the management of the Consolidated Company with reference to the market transaction price of similar properties in neighboring areas.

For the information on the amount of the investment property for secured loans, refer to Note 30.

xvi. Other assets

	December 31, 2023	December 31, 2022
Current		
Prepaid expenses	NT$ 15,764	NT$ 14,180
Tax overpaid retained	39	-
Other receivables	4,457	1,580
Temporary payments	363	1,226
Others	5,966	2,493
	NT$ 26,589	NT$ 19,479
Non-current		
Prepaid equipment (Note 31)	NT$ 11,966	NT$ 5,612
Refundable deposits	9,022	10,514
Long-term prepaid expenses	147	340
	NT$ 21,135	NT$ 16,466

xvii. Borrowings

(i). Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings		
Credit facility borrowings	NT$ 460,000	NT$ 400,000

As of December 31, 2023 and 2022, the interest rates on bank borrowings for operating turnover ranged from 1.68% to 1.76% and 1.401% to 1.506%, respectively.

(ii). Long-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings (Note 30)		
Bank borrowings	NT$ 345,000	NT$ 345,000
Less: Classified as due within 1 year	(122,489)	(9,374)
Long-term borrowings	NT$ 222,511	NT$ 335,626

The bank borrowings were secured by pledges of the Company's self-owned land and buildings (see Note 30). The effective interest rates were 1.76% and 1.64% per annum for the years ended December 31, 2023 and 2022, respectively. The maturity date of the borrowings is December 13, 2026. The interest is paid every month during the period from the first to the second year and amortized together with the principal during the period from the third to the fifth year. The purpose of this drawdown is to raise funds for operating turnover.

The Company's borrowings consist of:

	Maturity date	Major terms and conditions	Effective interest rate	December 31, 2023	December 31, 2022
Floating rate borrowings:	2026-12-13	Chang Hwa Commercial Bank, Ltd.			
		The borrowing amount is NT$499,512 thousand to finance the medium-term operating turnover with an interest rate equal to one-year floating rate of postal savings plus 0.2%. The borrowing period is from December 13, 2021 to December 13, 2026, with monthly interest deductions. Repayment is made on the 13th day of each month, starting from December 13, 2023, in 36 equal installments of principal and interest.	1.76%	NT$ 345,000	NT$ 345,000
		Less: Classified as due within 1 year		(122,489)	(9,374)
		Long-term borrowings		NT$ 222,511	NT$ 335,626

(iii) Long-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	NT$ 200,000	NT$200,000
Less: Discount on long-term notes payable	(201)	(20)
Long-term notes payable	NT$ 199,799	NT$ 199,980

Undue long-term notes payable as follows:

December 31, 2023

Guarantee/acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	NT$ 200,000	NT$ 201	NT$ 199,799	2.29%	None	NT$ -

December 31, 2022

Guarantee/acceptance inst.	Par value	Discount value	Carrying amount	Interest rate range	Collateral	Carrying amount of collateral
Commercial paper payable						
IBFC	NT$ 200,000	NT$ 20	NT$ 199,980	1.86%	None	NT$ -

The Company entered into a contract on bank guaranteed revolving release, underwriting and purchase of commercial paper with International Bills Finance Corporation, and can perform circular release of 60-day bank guaranteed commercial paper within 3 years. The Company uses NT$ 200,000 thousand from the underwriting facility on September 5, 2023. The contract expires on September 5, 2026.

xviii. Accounts payable

	December 31, 2023	December 31, 2022
Accounts payable		
Non-related party - Occurred due to business	NT$ 85,334	NT$ 78,827
Related party - Occurred due to business	NT$ 1,941,315	NT$ 2,009,120

The average credit period for the purchase of goods is one to three months, and no interest is accrued on the accounts payable. The Company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit periods.

xix. Other Liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Salaries and bonuses payable	NT$ 42,992	NT$ 39,871
Leave payables	10,413	11,173
Interest payables	657	524
Other expense payables	34,725	28,011
	NT$ 88,787	NT$ 79,579
Other liabilities		
Temporary receipts	NT$ 1,918	NT$ 6,976
Others	514	468
	NT$ 2,432	NT$ 7,444
Non-current		
Other liabilities		
Guarantee deposits received	NT$ 4,200	NT$ 4,200
Deferred credits	-	50
	NT$ 4,200	NT$ 4,250

xx. Post-employment benefit plan

(i). Defined contribution plan

The pension system of the Company under the "Labor Pension Act" is a government-administered defined contribution pension plan with 6% of employees' monthly salaries contributed to the personal accounts at the Bureau of Labor Insurance.

(ii). Defined benefit plan

The pension system of the Company under the "Labor Standards Act" is a government-administered defined benefit pension plan. Pension payment is calculated in accordance with the years of service and the average salary six months prior to the authorized retirement date. The Company appropriate 2% of employees’ monthly salaries as pension funds, which is deposited by the Supervisory Committee of Labor Retirement Reserve in the name of the Committee into a dedicated account at the Bank of Taiwan. Before the end of the year, if the balance in the dedicated account is estimated to be insufficient to pay for employees who are expected to meet the retirement requirements in the following year, the difference will be made up in one lump sum by the end of March of the following year. The management of the dedicated account is entrusted to the Bureau of Labor Funds, Ministry of Labor. The Company has no right to influence the investment management strategy.

The amounts included in the stand-alone balance sheets for defined benefit plan are shown below:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	NT$ 13,357	NT$ 18,625
Fair value of plan assets	(37,731)	(36,945)
Net defined benefit assets	(NT$ 24,374)	(NT$ 18,320)

Changes in net defined benefit assets are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit assets
January 1, 2022	NT$ 18,790	(NT$ 33,812)	(NT$ 15,022)
Service costs			
Service costs for the period	55	-	55
Interest expenses (incomes)	122	(219)	(97)
Recognized in profit or loss	177	(219)	(42)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(2,914)	(2,914)
Actuarial (profit) loss			
- Change in financial assumptions	(787)	-	(787)
- Adjustments through experience	445	-	445
Recognized in other comprehensive income	(342)	(2,914)	(3,256)
December 31, 2022	18,625	(36,945)	(18,320)
Service costs			
Service costs for the period	53	-	53
Interest expenses (incomes)	233	(462)	(229)
Recognized in profit or loss	286	(462)	(176)
Remeasurement			
Return on plan assets (other than amounts included in net interest)	-	(324)	(324)
Actuarial gains			
- Adjustments through experience	(5,554)	-	(5,554)
Recognized in other comprehensive income	(5,554)	(324)	(5,878)
December 31, 2023	NT$ 13,357	(NT$ 37,731)	(NT$ 24,374)

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

	2023	2022
Operating costs	(NT$ 24)	(NT$ 6)
Promotional expenses	(8)	(2)
Administrative expenses	(115)	(27)
R&D expenses	(29)	(7)
	(NT$ 176)	(NT$ 42)

The Company is exposed to the following risks as a result of the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor invests the labor pension fund in domestic and foreign equity securities, debt securities, and bank deposits through its own management or entrusted third parties, but the amount allocated to the Consolidated Company's plan assets is based on the income at a rate no less than the local bank's 2-year time deposit rate.
2. Interest rate risk: A decrease in interest rates on government/corporate bonds will increase the present value of the defined benefit obligation, but the return on debt investment in plan assets will also increase, which will have a partially offsetting effect on the net defined benefit obligation.
3. Salary Risk: The present value of the defined benefit obligation is calculated by reference to the future salary of the plan member. Therefore, increases in plan member's salary will result in an increase in the present value of the defined benefit obligation.

The present value of the Company's defined benefit obligation was actuarially determined by a qualified actuary and the significant assumptions at the measurement date were as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Expected rate of salary increase	3.00%	3.00%

The amount by which the present value of the defined benefit obligation would increase (decrease) if there are reasonable possible changes in significant actuarial assumptions, with all other assumptions held constant, is as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	(NT$ 288)	(NT$ 315)
Decrease by 0.25%	$ 298	$ 328
Expected rate of salary increase		
Increase by 1%	NT$1,247	NT$1,381
Decrease by 1%	(NT$1,103)	(NT$1,217)

The sensitivity analysis above may not reflect actual changes in the present value of the defined benefit obligation because the actuarial assumptions may be correlated and changes in only one assumption are not feasible.

	December 31, 2023	December 31, 2022
Average duration to maturity of defined benefit obligations	12.1 years	12.3 years

xxi. Equity

(i). Common stock

	December 31, 2023	December 31, 2022
Authorized number of shares (thousand shares)	600,000	600,000
Authorized capital stock	NT$ 6,000,000	NT$ 6,000,000
Number of shares issued and fully paid (thousand shares)	307,536	307,536
Issued capital stock	NT$ 3,075,366	NT$ 3,075,366

The issued common stock has a face value of NT$10 per share and each share is entitled to one voting right and receiving dividends.

30,000 thousand shares of the authorized capital stock were reserved for the issuance of convertible bonds and employee restricted stock options.

(ii). Capital surplus

	December 31, 2023	December 31, 2022
For loss make-up, payment in cash or capitalization as equity (1)		
Stock issue premium	NT$ 772,829	NT$ 772,829
Corporate bond conversion premium	1,238,407	1,238,407
Gain on disposal of assets	167	167
Consolidation excess	42,695	42,695
Treasury stock trading	32,338	-
	NT$ 2,086,436	NT$ 2,054,098

1. Such capital surplus may be used to make up for losses or, when the Company has no losses, to distribute cash or to capitalize equity, provided that the capitalization is limited to a certain percentage of the paid-in capital each year.

(iii). Retained Earnings and Dividend Policy

In accordance with the earnings distribution policy of the Company's Articles of Incorporation, if there are any net earnings as indicated in the final accounts, the Company shall pay tax and make up for the accumulated losses, and then set aside 10% as legal reserve, and the rest shall be set aside as special reserve or offset by reversal of special reserve as required by law; if there are still remaining earnings, the Board of Directors shall prepare a proposal for the distribution of the remainder together with the accumulated unappropriated earnings at the beginning of the period, and submit it to the shareholder meeting for resolution on the distribution of dividends to shareholders. The Company's policy on the distribution of employees' and directors' remuneration as stipulated in the Company's Articles of Incorporation is described in Note 23(7) Employees' Remuneration and Directors' Remuneration.

Based on the resolution of a majority of directors at the meeting attended by two-thirds of the total number of directors, the Company shall distribute the dividend and bonus, in whole or in part, in the form of cash and report to the shareholders' meeting.

The legal reserve should be appropriated until the balance reaches the Company's total paid-in capital. The legal reserve may be used to make up for losses. If the Company has no losses, the excess of legal reserve over 25% of the paid-in capital may be distributed in cash in addition to capitalization as equity.

The Company has provided and reversed the special reserve in accordance with the letters Jin-Guan-Zheng-Fa-Zi No. 1090150022, Jin-Guan-Zheng-Fa-Zi No. 10901500221, and the requirements of the "Questions and Answers on the Application of International Financial Reporting Standards (IFRSs) to the Provision of Special Reserve". If there is a reversal in the balance of deduction from equity, earnings can be distributed within the reversal.

The distribution of earnings for 2022 and 2021 is described below:

	2022	2021
Legal reserve	NT$ 36,066	NT$ 21,802
Special reserve	(NT$ 127,267)	NT$ 40,494
Cash dividends	NT$ 297,537	NT$ 148,768
Cash dividends per share (NT$)	NT$ 1	NT$ 0.5

The above cash dividends were distributed following the resolutions made in Board of Directors meetings dated March 14, 2023 and March 24, 2022, respectively; the distribution of remaining earnings was resolved at the annual general meeting held on June 20, 2023 and June 16, 2022, respectively. The Board of Directors proposed the following earnings distribution for 2023 on March 11, 2024:

	Earnings distribution proposal
Legal reserve	NT$ 47,114
Special reserve	NT$ 111,721
Cash dividends	NT$ 360,087
Cash dividends per share (NT$)	NT$ 1.2

The distribution of the aforementioned cash dividends has been approved by the Board of Directors. The remainder is pending resolution at the shareholders' meeting scheduled for June 21, 2024.

(iv). Treasury stock

Reason for recovery	Transfer of shares to employees (thousand shares)	Repurchase for retirement (thousand shares)	Shares of parent company held by subsidiaries (thousand shares)	Total (Thousand shares)
Number of shares as of January 1, 2023	10,000	-	-	10,000
Decrease in current period	(2,536)	-	-	(2,536)
Number of shares as of December 31, 2023	7,464	-	-	7,464
Number of shares as of January 1, 2022	10,000	-	-	10,000
Number of shares as of December 31, 2022	10,000	-	-	10,000

The Company repurchased 10,000 thousand shares amounting to NT$ 161,328 thousand and transferred them to the employees to motivate them and enhance their cohesiveness to the Company. The repurchased shares shall be transferred to employees within 5 years in accordance with the Securities and Exchange Act. If the shares are not transferred after the expiration date, they shall be considered as unissued shares of the Company and shall be registered for change.

Treasury stock held by the Company cannot be pledged under the Securities and Exchange Act, and is not entitled to dividend distribution or voting rights. The Company transferred the treasury shares to employees in August 2023. The transferred treasury shares totaled 2,536 thousand shares at a repurchase cost of NT$ 40,906 thousand. The base date for employee stock options was May 12, 2023 August 21, 2023 and the stocks were delivered to employees on August 21, 2023. On the grant date, the Company recognized the employee stock option compensation cost at NT$ 32,461 thousand, and the amount received from transfer of treasury shares was NT$ 40,783 thousand. Capital reserve (NT$ 32,338 thousand for transaction of treasury stocks) was recognized on the stock delivery date. Please refer to Note 26.

xxii. Revenue

	2023	2022
Customer contract revenues		
Merchandise sales revenues	NT$ 5,777,007	NT$ 5,131,980

Contract balance

	December 31, 2023	December 31, 2022
Accounts receivable (Note 10)	NT$ 2,023,202	NT$ 2,045,895
Contract liabilities - current		
Merchandise sales	NT$ -	NT$ 1,404

The change in contract liabilities mainly arises from the difference between the point at which performance obligations are satisfied and the point at which customers pay.

xxiii. Net profits before tax

(i). Interest incomes

	2023	2022
Bank deposits	NT$ 10,434	NT$ 2,807
Imputed interest on deposits	43	24
	NT$ 10,477	NT$ 2,831

(ii). Other incomes

	2023	2022
Lease incomes		
Rental incomes from operating lease		
- Investment property	NT$ 25,200	NT$ 11,550
- Rental incomes from dormitory and parking lot	1,230	1,135
Government subsidy incomes	186	239
Others	548	766
	NT$ 27,164	NT$ 13,690

(iii). Other incomes (expenses)

	2023	2022
Loss on financial assets (Note 7)		
Financial assets mandatorily measured at fair value through profit or loss		
－Realized	NT$ 373	NT$ 352
－Unrealized	(17)	62
	356	414
Total net foreign currency exchange gains	16,238	22,334
Gain on disposal of property, plant and equipment	50	277
Others	(5)	-
	NT$ 16,639	NT$ 23,025

(iv). Financial costs

	2023	2022
Interest on bank borrowings	NT$ 15,725	NT$ 12,245
Interest on lease liabilities	84	59
	NT$ 15,809	NT$ 12,304

No interest capitalization in 2023 and 2022.

(v). Depreciation

	2023	2022
Depreciation expense is summarized by function		
Operating costs	NT$ 54,252	NT$ 71,159
Operating expenses	12,433	10,264
	NT$ 66,685	NT$ 81,423

(vi). Employee benefit expenses

	2023	2022
Post-employment benefits		
Defined contribution plans	NT$ 6,706	NT$ 6,854
Defined benefit plan (Note 20)	(176)	(42)
	6,530	6,812
Share-based payment		
Equity settled	25,062	-
Other employee benefits	207,636	198,804
Total employee benefit expenses	NT$ 239,228	NT$205,616
Summarized by function		
Operating costs	NT$ 88,282	NT$ 93,384
Operating expenses	150,946	112,232
	NT$ 239,228	NT$ 205,616

(vii). Employees' remuneration and directors' remuneration.

In accordance with the Company's Articles of Incorporation, the Company appropriates no less than 1% and no more than 3% of the profits before tax to employees' and directors' remuneration, respectively, for the year before the distribution of employees' and directors' remuneration. The estimated remuneration to employees and directors for the years ended 2023 and 2022 were resolved by the Board of Directors on March 11, 2024 and March 14, 2023, respectively, as follow:

Estimated percentage

	2023	2022
Remuneration to employees	1.99%	3.10%
Remuneration to directors	1.57%	1.65%

Amount

	2023	2022
	Cash	Cash
Remuneration to employees	NT$ 10,146	NT$ 12,400
Remuneration to directors	8,000	6,600

If there is a change in the amount of the stand-alone financial statements after the date of its issuance, the amount is adjusted in the following year in accordance with the rules related to changes in accounting estimates.

There was no difference between the actual amount of employees' and directors' remuneration paid for 2022 and 2021 and the amount recognized in the stand-alone financial statements in 2022 and 2021.

Please refer to the "Market Observation Post System" of the Taiwan Stock Exchange for information on the remuneration of employees and directors resolved by the Board of Directors of the Company.

(viii) Foreign currency exchange gains (losses)

	2023	2022
Total foreign currency exchange gains	NT$ 258,255	NT$ 299,626
Total foreign currency exchange (losses)	(242,017)	(277,292)
Net gains (losses)	NT$ 16,238	NT$ 22,334

xxiv. Income tax

(i). Income tax recognized in profit or loss

The major components of income tax expense are as follows:

	2023	2022
Income tax for the period		
Occurred in the year	NT$ 22,213	NT$ 2,678
Imposition on undistributed earnings	6,078	-
Prior year adjustment	(1,335)	-
	26,956	2,678
Deferred tax		
Occurred in the year	(1,614)	21,876
Prior year adjustment	-	(465)
	(1,614)	21,411
Income tax expenses	NT$ 25,342	NT$ 24,089

recognized in profit or loss

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

	2023	2022
Net profits before tax	NT$ 490,603	NT$ 381,496
Income tax expenses at statutory tax rate on net profits before tax	NT$ 98,121	NT$ 76,299
Non-deductible expenses for tax purposes	3,610	3,170
Tax-exempt incomes	(81,132)	(54,915)
Imposition on undistributed earnings	6,078	-
Adjustments to prior years' deferred tax expenses recorded in the year	-	(465)
Adjustments to prior years' current income tax expenses recorded in the year	(1,335)	-
Income tax expenses recognized in profit or loss	NT$ 25,342	NT$ 24,089

(ii). Current income tax assets

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	NT$ -	NT$ 12
Current tax liabilities		
Income tax payables	NT$29,862	NT$2,529

(iii). Deferred tax assets and liabilities

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

2023

Deferred tax assets	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Temporary difference			
Leave payables	NT$ 2,234	(NT$ 152)	NT$ 2,082
Defined benefit pension plan	962	35	997
Unrealized loss on decline in value of inventories	2,098	(769)	1,329
Allowance for loss	6,338	327	6,665
Others	11	(11)	-
	NT$11,643	(NT$ 570)	NT$11,073

Deferred tax liabilities	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Temporary difference			
Unrealized exchange gains	(NT$ 2,184)	NT$ 2,184	NT$ -

2022

Deferred tax assets	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Temporary difference			
Leave payables	NT$ 2,226	NT$ 8	NT$ 2,234
Defined benefit pension plan	954	8	962
Unrealized loss on decline in value of inventories	1,789	309	2,098
Allowance for loss	7,341	(1,003)	6,338
Impairment of property, plant and equipment	1,216	(1,216)	-
Others	69	(58)	11
	13,595	(1,952)	11,643
Loss carryforwards	25,741	(25,741)	-
	NT$ 39,336	(NT$ 27,693)	NT$ 11,643

Deferred tax liabilities	Balance at the beginning of the year	Recognized in profit or loss	Balance at the end of the year
Temporary difference			
Unrealized exchange gains	(NT$ 8,466)	NT$ 6,282	(NT$ 2,184)

(iv). Unused loss carryforwards for deferred tax assets not recognized in the stand-alone balance sheets

	December 31, 2023	December 31, 2022
Temporary difference	NT$ 6,082	NT$ 6,082
Loss carryforwards		
Expire in 2029	NT$ 890	NT$ 10,413

(v). Approval of Income Tax Returns

The Company's income tax returns have been assessed by the tax authorities up to 2021, but not yet for 2022.

xxv. Earnings per share

Unit: NT$ per share

	2023	2022
Earnings per share		
From continuing operations	$ 1.56	$ 1.20
Diluted earnings per share		
From continuing operations	$ 1.56	$ 1.20

Weighted-average number of shares of common stock used to calculate earnings per share is as follows:

Net profits for the year

	2023	2022
Net profits used to calculate basic earnings per share	NT$ 465,261	NT$ 357,407
Net profits used to calculate diluted earnings per share	NT$ 465,261	NT$ 357,407

Number of shares		Unit: Thousand shares
	2023	2022
Weighted-average number of shares of common stock used to calculate basic earnings per share	298,460	297,536
Impact of potential common stock with dilutive effect:		
Remuneration to employees	405	765
Weighted-average number of shares of common stock used to calculate diluted earnings per share	298,865	298,301

If the Company may choose to have the employee compensation distributed via a stock or cash dividend, the calculation of the diluted earnings per share assumes that the bonus to employees is with a stock dividend distributed, with the weighted average number of shares outstanding included when the potential common stock has a diluted effect. The diluting effect of these potential common shares also continues to be considered in the calculation of diluted earnings per share before the resolution on the number of shares awarded to employees as remuneration or profit-sharing in the following year's resolution.

xxvi. Share-based payment agreement

Transfer of parent company's treasury stocks to employees

As resolved by the Board of Directors of ICHIA TECHNOLOGIES INC. on May 12, 2023, the Company transferred 2,536 thousand treasury stocks of its treasury shares to employees. These stocks were transferred to the current employees of ICHIA TECHNOLOGIES CO., LTD., ICHIA SUZHOU, and ZHONGSHAN ICHIA at the transfer price of NT$ 16.13. The options for transfer of these treasury stocks to employees were exercised on August 21, 2023.

Information on employee stock options on treasury stocks is as follows:

	2023	
Employee treasury stock options	Unit (thousand)	Weighted average exercise price (NT$)
Outstanding at the beginning of the period	NT$ -	NT$ -
Granted in current period	1,958	16.13
Exercised in current period	(1,958)	16.13
Outstanding at the end of the period	NT$ -	
Weighted average fair value of employee stock options for treasury stocks granted in current period (NT$)	NT$ 12.80	

	May 12, 2023
Stock price on grant date	NT$28.89
Exercise price	NT$16.13
Expected volatility	44.92 %
Duration	0.01 years
Expected dividend yield	-
Risk-free interest rate	0.96%

The compensation cost recognized in 2023 was NT$ 25,062 thousand.

xxvii. Capital risk management

The Company engages in capital management to ensure that it can maximize shareholder returns by optimizing debt and equity balances while continuing to operate.

The Company's capital structure consists of net debt (i.e., borrowings less cash and cash equivalents) and equity (i.e., capital stock, capital surplus, retained earnings and other equity).

The Company is not subject to any other external capital requirements.

The Company's key management reviews the Company's capital structure annually, which includes consideration of the cost of various types of capital and the associated risks. The Company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares and issuing new debt or paying off old debt, as recommended by key management.

xxviii. Financial instruments

(i). Fair value information - Financial instruments that are not measured at fair value

The Company's management believes that the carrying amounts of financial assets and financial liabilities that are not measured at fair value on the balance sheet approximate their fair values.

(ii). Fair value information - 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 measured at fair value through profit or loss				
Fund beneficiary certificates	NT$ 40,064	NT$ -	NT$ -	NT$ 40,064

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Fund beneficiary certificates	NT$ 60,082	NT$ -	NT$ -	NT$ 60,082
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments — Domestic non-listed (non-OTC) stock	NT$ -	NT$ -	NT$ 12,000	NT$ 12,000

There were no transfers between Level 1 and Level 2 fair value measurements in 2023 and 2022.

2. Adjustments to financial instruments measured at Level 3 fair value

	2023
Financial assets measured at fair value through other comprehensive income - equity instrument	
Balance at the beginning of the year	NT$ 12,000
Recognized in other comprehensive income (unrealized valuation profit or loss of financial assets measured at fair value through other comprehensive income)	(12,000)
Balance at the end of the year	NT$ -

	2022
Financial assets measured at fair value through other comprehensive income - equity instrument	
Balance at the beginning of the year	NT$ -
Purchase	12,000
Balance at the end of the year	NT$ 12,000

3. Level 3 fair value measurement valuation techniques and input values

The fair value of unlisted (non-OTC) stocks is measured by referring to the recent transaction price of the investment target or using the asset method.

(iii). Types of financial instruments

	December 31, 2023	December 31, 2022
Financial asset		
Measured at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	NT$ 40,064	NT$ 60,082
Financial assets at amortized cost (Note 1)	2,921,617	3,019,699
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	-	12,000
Financial liabilities		
Measured at amortized cost (Note 2)	3,602,227	3,596,945

Note 1: The balance includes financial assets measured at amortized cost, such as cash and cash equivalents, accounts receivable, other receivables (including related parties) and refundable deposits.

Note 2: The balance includes financial assets measured at amortized cost, such as short-term borrowings, accounts payable (including related parties), other payables (including related parties, excluding employee benefits payable), deposits received, long-term borrowings due within one year or an operating cycle, long-term borrowings, and long-terms notes payable.

(iv). Financial risk management objectives and policies

The Company's major financial instruments include investments in equity instruments, accounts receivable, accounts payable, borrowings and notes payable. The risks associated with the operations of the above financial instruments include market risk (including exchange rate risk, interest rate risk and other price risk), credit risk and liquidity risk.

1. Market risk

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

(1). Exchange rate risk

The Company engages in foreign currency-denominated sales and purchase transactions, which expose the Company to exchange rate risk. The Company manages its exposure to exchange rate risk by using forward exchange contracts and options to the extent permitted by policy.

The carrying amounts of monetary assets and monetary liabilities denominated in non-functional currencies as of the balance sheet date are shown in Note 33.

<u>Sensitivity analysis</u>

The Company is primarily affected by fluctuations in the USD exchange rate.

The following table details the sensitivity analysis of the Company when the exchange rate of the NT$ (functional currency) increases and decreases by 1% against each relevant foreign currency. 1% is the sensitivity percentage used for the Company's internal reporting of exchange rate risk to key management and represents management's assessment of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis includes only outstanding foreign currency monetary items and forward exchange contracts designated as cash flow hedges, and adjusts their year-end translation by a 1% change in exchange rates. The negative amount for USD below represents the decrease in net profits before tax when NT$ strengthens by 1% against USD, and the positive amount when NT$ depreciates by 1% against USD.

	Impact of USD		
	2023	2022	
Profit (loss)	NT$ 866	NT$ 114	(i)

(i). Mainly derived from the Company's receivables and payables that were outstanding at the balance sheet date and not hedged for cash flow.

(2). Interest rate risk

The Company's bank deposits and borrowed funds carry both fixed and floating interest rates, resulting in interest rate risk.

The carrying amounts of financial assets and financial liabilities exposed to interest rate risk as of the balance sheet date were as follows:

	December 31, 2023	December 31, 2022
Fair value interest rate risk		
- Financial assets	NT$ 351,144	NT$ 303,969
- Financial liabilities	460,000	400,000
Cash flow interest rate risk		
- Financial assets	495,289	629,019
- Financial liabilities	544,799	544,980

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk of derivative and non-derivative instruments as of the balance sheet date. For floating rate liabilities, the analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the reporting period. The rate of change used in reporting interest rates internally to key management is a 0.25% basis point increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If interest rates had increased/decreased by 0.25% basis points, with all other variables held constant, the Company's net profits before tax would have increased/decreased by NT$ 124 thousand and NT$ 210 thousand for 2023 and 2022, respectively.

(3). Other price risk

The Company has equity price risk due to its investment in equity securities.

Sensitivity analysis

The following sensitivity analysis is based on the equity price exposure at the balance sheet date.

If the equity price had increased/decreased by 10%, profits or losses before tax for 2023 and 2022 would have increased/decreased by NT$ 4,006 thousand and NT$ 6,008 thousand, respectively, due to the increase/decrease in fair value of financial assets measured at fair value through profit or loss. Other comprehensive incomes before tax in 2023 and 2022 were increased/decreased by NT$ 0 thousand and NT$ 1,200 thousand due to increase/decrease of the fair value of the financial assets measured at fair value through other comprehensive income.

There was no significant change in the sensitivity of the Company's investment in equity securities compared with the previous year.

2. Credit risk

Credit risk refers to the risk of financial loss due to default on contract obligations by the counterparties. As of the balance sheet date, the Company's maximum exposure to credit risk of financial loss due to non-performance by counterparties and the provision of financial guarantees by the Company was mainly due to:

(1) The carrying amount of financial assets recognized in the stand-alone balance sheets.

(2) The maximum amount that the Company may be required to pay for the provision of financial guarantees, regardless of the likelihood of occurrence.

The Company's primary potential credit risk arises from financial instruments such as cash and cash equivalents and accounts receivable. The Company's cash is deposited with various banks and financial institutions. The cash is held in time deposits with maturities of approximately 3 months, which have high liquidity and flexibility and enjoy high interest rates with near-zero risk. The Company controls its exposure to the credit risk of each financial institution and believes that the Company's cash and cash equivalents are not subject to significant concentrations of credit risk.

The counterparties of the Company's accounts receivable are customers in the electronics industry. In order to reduce the credit risk of accounts receivable, the Company's management has assigned a dedicated team to establish credit management rules and regulations and to be responsible for credit limit determination, credit approval and other monitoring procedures for the credit management of accounts receivable.

In addition, the Company reviews the recoverable amounts of accounts receivable on a case-by-case basis every month to ensure that appropriate impairment losses have been recorded for uncollectible accounts receivable. Accordingly, the Company's management believes that the Company's credit risk is limited.

The Company's credit risk is mainly concentrated in the Company's top ten customers. As of December 31, 2023 and 2022, the percentage of total accounts receivable from the aforementioned customers was 87.68% and 83.44%, respectively.

3. Liquidity risk

The Company manages and maintains sufficient balance of cash and cash equivalents to support the Group's operations and mitigate the impact of cash flow fluctuations. The Company's management monitors the use of bank financing facilities and ensures compliance with the terms and conditions of the borrowing agreements.

Bank borrowings are an important source of liquidity for the Company. See (2) below for a description of the Company's unused financing facilities.

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

The analysis of the remaining contract maturities of non-derivative financial liabilities is prepared using the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest possible date on which the Company could be required to make repayment. Therefore, bank borrowings that the Company may be required to repay immediately are shown in the earliest period below, without regard to the probability that the bank will enforce the right immediately; the maturity analysis of other non-derivative financial liabilities is prepared based on the contract repayment dates.

December 31, 2023

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	NT$ 2,026,649	NT$ -	NT$ -	NT$ -	NT$ 2,026,649
Other payables	564,538	-	-	-	564,538
Borrowings	583,146	222,511	199,799	-	1,005,456
Lease liabilities	2,179	1,635	-	-	3,814
	NT$ 3,176,512	NT$ 224,146	NT$ 199,799	$ -	NT$ 3,600,457

December 31, 2022

	Less than 1 year	1 to 2 years	2 to 3 years	More than 3 years	Total
Non-derivative financial liabilities					
Accounts payable	NT$ 2,087,947	NT$ -	NT$ -	NT$ -	NT$ 2,087,947
Other payables	558,183	-	-	-	558,183
Borrowings	409,898	535,606	-	-	945,504
Lease liabilities	2,845	2,179	1,635	-	6,659
	NT$ 3,058,873	NT$ 535,785	NT$ 1,635	NT$ -	NT$ 3,598,293

(2). Financing facilities

	December 31, 2023	December 31, 2022
Unsecured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	NT$ 660,000	NT$ 600,000
Financing facilities unused	1,841,698	1,948,674
	NT$ 2,501,698	NT$ 2,548,674
Secured bank borrowing facility (extendable by mutual consent)		
Financing facilities used	NT$ 345,000	NT$ 345,000
Financing facilities unused	-	154,512
	NT$ 345,000	NT$ 499,512

xxix. Related party transactions

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

(i). Names of related parties and relationships

Name of related party	Relationship with the Company
ICHIA HOLDINGS (B.V.I) Co., Ltd. (hereafter referred to as BVI-ICHIA)	Subsidiary
ICHIA RUBBER INDUSTRY (M) Sdn. Bhd. (hereinafter referred to as ICHIA Malaysia)	Subsidiary
ZHONGSHAN ICHIA ELECTRONICS CO., LTD. (hereafter referred to as ZHONGSHAN ICHIA)	Subsidiary
ICHIA TECHNOLOGY (SUZHOU) CO., LTD. (hereafter referred to as ICHIA SUZHOU)	Subsidiary

(ii). Operating revenues

Account in the book	Type of related party	2023	2022
Sales revenues	Subsidiary	NT$ 41	NT$ 122

Sales to related parties are determined based on the Company's transfer pricing.

(iii). Purchase

Name of related party	2023	2022
ICHIA SUZHOU	NT$ 4,750,290	NT$ 4,017,004
ZHONGSHAN ICHIA	388,955	492,262
ICHIA Malaysia	4,797	-
	NT$ 5,144,042	NT$ 4,509,266

Purchases from related parties are determined based on the Company's transfer pricing.

(iv). Receivables from related parties (excluding loans to related parties and contract assets)

Account in the book	Name of related party	December 31, 2023	December 31, 2022
Other receivables - related party	ICHIA SUZHOU	NT$ 42,925	NT$ 29,362
	ZHONGSHAN ICHIA	-	905
		NT$ 42,925	NT$ 30,267

The outstanding receivables from related parties are not guaranteed. No allowance for loss has been provided for the receivables from related parties in 2023 and 2022.

(v). Payables to related parties (excluding borrowings from related parties)

Account in the book	Name of related party	December 31, 2023	December 31, 2022
Accounts payable - related party	ICHIA SUZHOU	NT$ 1,804,872	NT$ 1,821,567
	ZHONGSHAN ICHIA	131,548	187,553
	ICHIA Malaysia	4,895	-
		NT$ 1,941,315	NT$ 2,009,120

The outstanding payables to related parties are not guaranteed.

(vi). Borrowings from related parties

Name of related party	December 31, 2023	December 31, 2022
Other payables		
BVI-ICHIA	NT$ 531,197	NT$ 531,283

The loans to BVI-ICHIA in 2023 and 2022 were all unsecured loans.

(vii). Key management remuneration

	2023	2022
Short-term employee benefits	NT$ 31,326	NT$ 21,344
Post-employment benefits	540	521
	NT$ 31,866	NT$ 21,865

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

xxx. Pledged assets

The following assets have been pledged as collaterals for borrowings and tariff guarantees for imported raw materials:

	December 31, 2023	December 31, 2022
Pledged time deposits (recorded as financial assets at amortized cost - noncurrent)	NT$ 3,187	NT$ 2,127
Investment property	299,848	303,376
	NT$ 303,035	NT$ 305,503

xxxi. Significant contingent liabilities and unrecognized contract commitments

(i). The total contract amount of the equipment contracted by the Company with vendors was NT$ 29,807 thousand. As of December 31, 2023, the Company had paid NT$ 11,966 thousand (recorded as prepayment for equipment) and the remaining NT$ 17,841 thousand had not been paid.

(ii). As of December 31, 2023, the Company had guaranteed for cooperative education and provided a reserve for the issuance of refundable deposit notes (including long-term borrowings and short-term borrowings) of approximately NT$ 2,010,000 thousand and USD 7,500 thousand, respectively.

(iii). As of December 31, 2023, the Company had received NT$ 7,747 thousand in guarantee deposit notes for the purchase of equipment and construction.

xxxii. Other important disclosures: None.

xxxiii. Information on foreign currency assets and liabilities with significant effect

The following information is expressed in aggregate in foreign currencies other than the Company's functional currency, and the exchange rates disclosed represent the rates at which such foreign currencies were converted to the functional currency. Foreign currency assets and liabilities with significant impact are as follows:

December 31, 2023

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	NT$ 84,840	30.705 (USD : NT$)	NT$ 2,605,006
Non-monetary items			
Subsidiaries under the equity method			
USD	117,061	30.705 (USD : NT$)	NT$ 6,055,809
Foreign currency liabilities			
Monetary items			
USD	82,021	30.705 (USD : NT$)	NT$ 2,518,442

December 31, 2022

	Foreign currency	Exchange rate	Carrying amount
Foreign currency assets			
Monetary items			
USD	NT$ 84,699	30.71 (USD : NT$)	NT$ 2,601,112
Non-monetary items			
Subsidiaries under the equity method USD	116,561	30.71 (USD : NT$)	NT$ 5,726,562
Foreign currency liabilities			
Monetary items			
USD	84,327	30.71 (USD : NT$)	NT$ 2,589,688

Foreign currency translation gains and losses (realized and unrealized) with significant impact as follows:

	2023		2022	
Foreign currency	Exchange rate	Net exchange gains (losses)	Exchange rate	Net exchange gains (losses)
USD	30.705 (USD : NT$)	NT$ 16,238	30.71 (USD : NT$)	NT$ 22,334

xxxiv. Other disclosures

(i). Significant transactions and (ii) information on the investee enterprises:

No.	Item	Description
1	Lending funds to others	Exhibit 1
2	Endorsements and guarantees for others.	None
3	Marketable securities held at the end of the period. (Excluding investment in subsidiaries, affiliated enterprises and joint venture interests)	Exhibit 2
4	The cumulative amount of purchases or sales of the same marketable securities reaches at least NT$ 300 million or 20% of the paid-in capital.	None
5	Acquisition of property amounting to at least NT$ 300 million or 20% of the paid-in capital.	None
6	Disposal of property amounting to at least NT$ 300 million or 20% of the paid-in capital.	None
7	The amount of purchase or sale with related parties is at least NT$ 100 million or 20% of the paid-in capital.	Exhibit 3
8	Receivables from related parties amounting to at least NT$ 100 million or 20% of the paid-in capital.	Exhibit 4
9	Engagement in derivative transactions.	Note 7
10	Information on investees	Exhibit 5

(iii). Information on investment in Mainland China:

No.	Item	Description
1	The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount at the end of the period, repatriated investment gains and losses, and investment quota for Mainland China.	Exhibit 6
2	The following significant transactions with investees in Mainland China, directly or indirectly through third regions, and their prices, payment terms, and unrealized gains or losses:	
	(1). Amounts and percentages of purchases and related payables at the end of the period.	Exhibit 3
	(2). Amounts and percentages of sales and related receivables at the end of the period.	None
	(3). The amount of property transactions and the amount of gain or loss resulting from such transactions.	None

	(4). The ending balance of endorsement and guarantee of notes or provision of collateral and its purpose.	None
	(5). The maximum balance, ending balance, interest rate range and total current interest amount of financial accommodation.	None
	(6). Other transactions that have a significant effect on the current profit or loss or financial position, such as the provision or receipt of services.	None

(iv). Information on major shareholders:

Name, number and percentage of shares held by shareholders with 5% or more of the shares: Exhibit 7.

ICHIA TECHNOLOGIES INC.

Lending funds to others

2023

Exhibit 1

Unit: NT$ and foreign currency in thousands, unless otherwise stated

No. (Note 1)	The lender company of funds	The borrower of funds	Transaction	Related party or not	Maximum balance for the period	Balance at the end of the period	Actual amounts drawn	Interest rate range	Nature of funds lending (Note 2)	Amount of business transactions	Reasons for the necessity of short-term financing	Amount of allowance for bad debts	Collateral		The limit for individual funds lending (Note 3)	The limit for total funds lending (Note 3)	Remarks
													Name	Value			
1	BVI-ICHIA	ICHIA Technologies Hungary Limited Liability Company	Other receivables - related party	Yes	$ 58,647 (USD 1,910)	$ 58,647 (USD 1,910)	$ 58,647 (USD 1,910)	-	2	$ -	Operating turnover	$ -	None	$ -	$ 11,763,581 (Note 4)	$ 11,763,581 (Note 4)	
		ICHIA TECHNOLOGIES INC.	Other receivables - related party	Yes	531,197 (USD 17,300)	531,197 (USD 17,300)	531,197 (USD 17,300)	-	2	-	Operating turnover	-	None	-	11,763,581 (Note 4)	11,763,581 (Note 4)	

Note 1: The number column is filled out as follows:
(1) Fill in 0 for the issuer.
(2). Investees are numbered sequentially from Arabic numeral 1 according to the company type.

Note 2: The nature of the funds lending is described as follows:
(1). Fill in 1 for those who have business transactions.
(2). Fill in 2 for those in need of short-term financing.

Note 3: Calculation and amount of funds lending limits.

i. The limit for individual funds lending
(1) The amount of funds lending of the Company to individual counterparties is limited to 30% of the Company's current net worth (December 31, 2023), in accordance with the Company's Operating Procedures for Lending Funds to Others.
(2) The amount of funds lending of an investee to individual counterparties is limited to 200% of the investee's current net worth (December 31, 2023), in accordance with the investee's Operating Procedures for Lending Funds to Others.
(3). The amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2023) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

ii. The limit for total funds lending:
(1) The cumulative amount of funds lending of the Company to external counterparties is limited to 40% of the Company's current net worth (December 31, 2023), in accordance with the Company's Operating Procedures for Lending Funds to Others.
(2) The cumulative amount of funds lending of an investee is limited to 200% of the investee's current net worth (December 31, 2023), in accordance with the investee's Operating Procedures for Lending Funds to Others.
(3) The cumulative amount of funds lending of BVI-ICHIA to the Group's parent company is limited to 200% of BVI-ICHIA's current net worth (December 31, 2023) in accordance with BVI-ICHIA's Operating Procedures for Lending Funds to Others.

iii. The Company's funds lending limit was calculated based on the net worth of the Company's financial statements reviewed by CPA; the investee's funds lending limit was calculated based on the net worth of the investee's financial statements in foreign currencies reviewed by CPA.

iv. The funds lending limits here are presented in NT$. If foreign currencies are involved, they are translated into NT$ at the prevailing exchange rate on the date of the financial statements. (The spot exchange rate for USD as of December 31, 2023 was 30.705.)

Note 4: The funds lending between companies outside of the Republic of China in which the Company directly or indirectly holds 100% of the voting rights is not subject to the funds lending limits in Note 3.

ICHIA TECHNOLOGIES INC.

Marketable securities held at the end of the period

December 31, 2023

Exhibit 2

Unit: NT$ and foreign currency in thousands, unless otherwise stated

Subsidiaries held	Type and name of marketable securities (Note 1)	Relationship with the issuer of marketable securities	Account in the book	Period end				Remarks
				Number of shares	Carrying amount	Shareholding (%)	Fair value	
ICHIA TECHNOLOGIES INC.	Fund beneficiary certificates							
	UPAMC James Bond Money Market Fund	None	Financial assets measured at fair value through profit or loss - current	1,167,699	$ 20,022	-	$ 20,022	
	Cathay Taiwan Money Market Fund	〃	〃	1,570,376	20,042	-	20,042	
					$ 40,064		$ 40,064	
	Non-listed (non-OTC) stock - common stock							
	Ten Shen Precision Co., Ltd. (common stock)	〃	Financial assets measured at fair value through other comprehensive income - non-current	765,000	$ -	8.57%	$ -	Note 3

Note 1: Marketable securities referred to here are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 “Financial Instruments”.

Note 2: For information on investments in subsidiaries, affiliates and joint venture interests, please refer to Exhibit 5 and Exhibit 6.

Note 3: On September 8, 2023, the extraordinary shareholders' meeting of Ten Shen Precision Co. Ltd. resolved to convert the preferred shares into common shares at a conversion ratio of 1:1.25. On the same day, it was resolved to reduce capital to make up losses and the registration for change was completed on February 25, 2024. The Company's shareholding after the capital reduction was 765,000 shares.

ICHIA TECHNOLOGIES INC.

The amount of purchase or sale with related parties is at least NT$ 100 million or 20% of the paid-in capital.

2023

Exhibit 3

Unit: NT$ thousand, unless otherwise stated

Purchase (sale) company	Trading partner name	Relationship	Transactions				The circumstances and reasons why the trading terms are different from those of ordinary transactions		Notes and accounts receivable (payable)		Remarks
			Purchase (sale)	Amount	Purchase (sale) company	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	
ICHIA TECHNOLOGIES INC.	ICHIA SUZHOU	The same affiliate	Purchase	$ 4,750,290	89	150 days from monthly cut-off day	-	-	($ 1,804,872)	(89)	
	ZHONGSHAN ICHIA	〃	〃	388,955	7	150 days from monthly cut-off day	-	-	(131,548)	(6)	

ICHIA TECHNOLOGIES INC.

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

December 31, 2023

Exhibit 4

Unit: NT$ thousand, unless otherwise stated

Companies with accounts receivable	Trading partner name	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Receivables from related parties collected during the subsequent period	Amount of allowance for bad debts
					Amount	Processing method		
ICHIA SUZHOU	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable $ 1,804,872	2.62	$ -	—	$ 416,698	$ -
ZHONGSHAN ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Accounts receivable 131,548	2.44	-	—	46,389	-
BVI-ICHIA	ICHIA TECHNOLOGIES INC.	The same affiliate	Other receivables 531,197	Note	-	—	-	-

Note: The turnover rate is not calculated because it is mainly due to other receivables arising from the lending of funds.

ICHIA TECHNOLOGIES INC.

Information on investees, locations, ..., etc.

2023

Exhibit 5

Unit: NT$ and foreign currency in thousands, unless otherwise stated

Investor	Investee	Location	Principle business	Original investment amount		Holding at the end of period			Profit or loss of investees for the period	Investment gain (loss) recognized in the period	Remarks
				The end of the period	The end of last year	Number of shares (thousand shares)	Percentage %	Carrying amount			
ICHIA TECHNOLOGIES INC.	ICHIA HOLDINGS (B.V.I) Co., Ltd.	P.O. BOX957, Offshore Incorporation Centre, Road Town, Tortola, British Virgin Islands	Various investment businesses	$ 3,532,566 (USD 108,693)	$ 3,532,566 (USD 108,693)	108,693	100	$ 5,875,222	$ 391,133	$ 392,276	Subsidiary
	ICHIA USA Inc.	1057 Tierra Del Rey, Suite G ,Chula Vista, CA 91910 U.S.A.	International trading of various electronic components and materials	118,309 (USD 4,106)	118,309 (USD 4,106)	4,106	100	39,503	2,567	2,567	Subsidiary
	ICHIA RUBBER INDUSTRY (M) Sdn. Bhd.	997-A, Solok Pervshaan Tiga Prai Industrial Estate 13600 Prai, P.W. West Halasia Malaysia	Manufacturing, processing and trading of various electronic components and materials for various electronic and telecommunication computers.	119,432 (USD 3,762)	119,432 (USD 3,762)	9,000	100	126,762	11,458	11,458	Subsidiary
	Vietnam - ICHIA	Villa No. 15, Le Thai Cho Road, Vo Kiang Place, Bac Ninh City, Bac Ninh Province, Vietnam	Manufacturing, processing and trading of rubber and plastic keypads	16,265 (USD 500)	- (USD -)	-	100	14,322	(997)	(997)	Subsidiary
ICHIA HOLDINGS (B.V.I) Co., Ltd.	ICHIA UK. LTD.	P.O. Box 3152, Town, Tortola, British Virgin Islands	Various investment businesses	151,253 (USD 4,926)	151,253 (USD 4,926)	4,926	100	(21,494) (USD -700)	5,926 (USD 193)	5,926 (USD 193)	Subsidiary
	ICHIA HOLDINGS (H.K.) Co., Ltd.	Room 1004, National Health Centre, 151 Gloucester Road, Wanchai, Hong Kong	Various investment businesses	2,302,875 (USD 75,000)	2,302,875 (USD 75,000)	75,000	100	4,496,717 (USD 146,449)	384,672 (USD 12,528)	384,672 (USD 12,528)	Subsidiary
ICHIA UK. LTD.	ICHIA Technologies Hungary Limited Liability Company	2900 Komarom Ipari Park Banki Domat U. 2. Hungary	Manufacturing, processing and trading of rubber and plastic keypads	151,253 (USD 4,926)	151,253 (USD 4,926)	-	100	(21,494) (USD -700)	5,926 (USD 193)	5,926 (USD 193)	Subsidiary

Note 1: Please refer to Exhibit 6 for information on the investees in Mainland China.

ICHIA TECHNOLOGIES INC.

Information on investment in Mainland China

2023

Exhibit 6

Unit: NT$ and foreign currency in thousands, unless otherwise stated

1. The name of the investees in Mainland China, principal business, paid-in capital, investment methods, capital outward and inward remittances, shareholding, investment gains and losses, investment carrying amount, repatriated investment gains and losses:

Investee in Mainland China	Principle business	Paid-in capital	Type of investment (Note 1)	Accumulated investment amount remitted from Taiwan at the beginning of the period	Amount of investment remitted or recovered during the period		Accumulated investment amount remitted from Taiwan at the end of the period	Profit or loss of investees for the period	Shareholding percentage of the Company's direct or indirect investment	Investment gain (loss) recognized in the period (Note 2)	Carrying amount of investments at the end of the period	Investment income remitted back as of the end of the period
					Remittance	Recovery						
ICHIA SUZHOU	Rubber, plastic keypads and flexible printed circuit boards	$ 2,671,335 (USD 87,000)	(ii) B	$ 2,671,335 (USD 87,000)	$ -	$ -	$ 2,671,335 (USD 87,000)	$ 376,013 (USD 12,246)	100	$ 384,733 (USD 12,530)	$ 4,494,444 (USD 146,375)	$ -
ZHONGSHAN ICHIA	Rubber and plastic keypads	521,985 (USD 17,000)	(ii) A	521,985 (USD 17,000)	-	-	521,985 (USD 17,000)	(8,137) (USD -265)	100	(8,628) (USD -281) (ii) C	785,219 (USD 25,573)	-

2. Investment quota for Mainland China.

Accumulated amount of investment from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	Investment quota for mainland China as stipulated by the Investment Commission, Ministry of Economic Affairs
NT$ 3,193,320 (USD 104,000)	NT$ 3,193,320 (USD 104,000)	NT$ 3,723,919 (USD 121,281)

Note 1: The investment methods can be divided into the following three types, indicating as such suffices:

(i). Investment in Mainland China directly.

(ii). Investment in Mainland China through companies in third regions (please specify the investment company of the third region).

A. BVI-ICHIA

B. ICHIA HOLDINGS (H.K.) Co., Ltd.

(iii). Other types.

Note 2: In the column of investment gain or loss recognized in the current period:

(i). If the investment is under preparation and there is no investment gain or loss, it should be noted.

(ii). The basis for recognizing investment gains or losses is divided into the following three categories, which should be specified.

A. The financial statements have been audited by an international CPA firm with which CPA firms in the Republic of China have a cooperative relationship.

B. The financial statements have been audited by the attesting CPA of the parent company in Taiwan.

C. Others.

Note 3: The figures in this Exhibit are presented in NT$. Where foreign currencies are involved, the exchange rate at the date of financial reporting is used to translate into NT$. (The spot exchange rate for USD as of December 31, 2023 was 30.705.)

ICHIA TECHNOLOGIES INC.

Information on major shareholders

December 31, 2023

Exhibit 7

Name of Major Shareholder	Shares	
	Shareholding	Shareholding Percentage
Fa La Li Investment Co., Ltd.	19,098,481	6.21%
Creative Investment Co., Ltd.	18,872,480	6.13%

Note 1: The information on major shareholders in this Exhibit is compiled by Taiwan Depository & Clearing Corporation based on the last business day of the quarter in which the shareholders held 5% or more of the Company's common shares and preferred shares whose registration and delivery have been completed in non-physical form (including treasury shares). The number of shares recorded in the Company's stand-alone financial statements and the actual number of shares registered and delivered in non-physical form may differ depending on the basis of preparation of the calculations.