Nichidenbo Corporation and Subsidiaries

Consolidated Financial Statements for the Years Ended December 31, 2023 and 2022 and Independent Auditors' Report

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The companies required to be included in the consolidated financial statements of affiliates in accordance with the "Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises" for the year ended December 31, 2023 are all the same as the companies required to be included in the consolidated financial statements of parent and subsidiary companies as provided in International Financial Reporting Standard No. 10 "Consolidated Financial Statements." Relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies. Hence, we did not prepare a separate set of consolidated financial statements of affiliates.

Very truly yours,

NICHIDENBO CORPORATION

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FREDDY CHOU
Chairman

March 13, 2024

Deloitte.

勤業眾信

勤業眾信聯合會計師事務所
110016 台北市信義區松仁路100號20樓

Deloitte & Touche
20F, Taipei Nan Shan Plaza
No. 100, Songren Rd.,
Xinyi Dist., Taipei 110016, Taiwan

Tel :+886 (2) 2725-9988
Fax:+886 (2) 4051-6888
www.deloitte.com.tw

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Nichidenbo Corporation

Opinion

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

The key audit matters of the consolidated financial statements for the year ended December 31, 2023 are as follows:

Valuation of Inventories

Inventories are stated at the lower of cost or net realizable value. The net realizable value was based on significant judgments and accounting estimates made by management; therefore, we identified the valuation of inventories as a key audit matter in our audit for the year ended December 31, 2023.

The main audit procedures that we performed in respect of the valuation of inventories included obtaining the estimated data of inventories stated at the lower of cost or net realizable value by management and sampling recent sales data to evaluate the reasonableness of the net realizable value.

Other Matter

We have also audited the parent company only financial statements of Nichidenbo Corporation as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion.

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

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and 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 of entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Chih-Ming Shao and Ya-Ling Wong.

Chih-ming, Shao   Ya-Ling Wong

Deloitte & Touche
Taipei, Taiwan
Republic of China

March 13, 2024

<u>*Notice to Readers*</u>

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

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

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	2023		2022	
ASSETS	**Amount**	**%**	**Amount**	**%**
CURRENT ASSETS				
Cash and cash equivalents (Note 6)	$ 2,081,962	22	$ 1,424,947	15
Financial assets at fair value through profit or loss - current (Note 7)	1,558	-	100,006	1
Financial assets at fair value through other comprehensive income - current (Note 8)	102,333	1	303,715	3
Financial assets at amortized cost - current (Notes 9 and 10)	505,000	6	810,000	9
Notes receivables, net (Notes 11, 12 and 37)	114,961	1	113,680	1
Trade receivables from unrelated parties, net (Notes 11 and 25)	3,289,314	35	3,047,033	33
Other receivables from unrelated parties (Note 11)	32,491	-	24,512	-
Current tax assets (Note 27)	1,578	-	3,941	-
Inventories (Note 12)	1,934,283	21	2,317,061	25
Prepayments	2,704	-	3,657	-
Other current assets (Note 19)	1,936	-	1,464	-
Total current assets	8,068,120	86	8,150,016	87
NON-CURRENT ASSETS				
Financial assets at fair value through other comprehensive income - non-current (Note 8)	96,979	1	93,384	1
Financial assets at amortized cost - non-current (Notes 9, 10 and 37)	178,930	2	178,879	2
Property, plant and equipment (Notes 14 and 37)	678,453	7	614,455	7
Right-of-use assets (Note 15)	30,899	1	9,046	-
Investment properties (Notes 16 and 37)	190,222	2	191,465	2
Goodwill (Note 17)	21,805	-	21,805	-
Other intangible assets (Note 18)	30,853	-	34,922	-
Deferred tax assets (Note 27)	77,961	1	64,362	1
Refundable deposits	5,137	-	3,442	-
Net defined benefit assets - non-current (Note 23)	3,817	-	4,043	-
Total non-current assets	1,315,056	14	1,215,803	13
TOTAL	$ 9,383,176	100	$ 9,365,819	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 20 and 37)	$ 1,554,378	17	$ 1,170,046	12
Contract liabilities - current (Note 25)	6,311	-	2,281	-
Notes payables (Note 21)	251	-	207	-
Trade payables to unrelated parties (Note 21)	980,730	10	891,409	10
Other payables to unrelated parties (Note 22)	299,815	3	377,317	4
Current tax liabilities (Note 27)	85,728	1	118,053	1
Lease liabilities - current (Note 15)	9,771	-	9,740	-
Other current liabilities (Note 22)	42,948	1	47,754	1
Total current liabilities	2,979,932	32	2,616,807	28
NON-CURRENT LIABILITIES				
Deferred tax liabilities (Note 27)	77,929	1	74,126	1
Lease liabilities - non-current (Note 15)	22,116	-	544	-
Net defined benefit liability - non-current (Note 23)	23,564	-	29,800	-
Guarantee deposits received	5,521	-	5,520	-
Total non-current liabilities	129,130	1	109,990	1
Total liabilities	3,109,062	33	2,726,797	29
EQUITY				
Common stock	2,126,572	23	2,126,572	23
Capital surplus	1,625,096	17	1,621,500	17
Retained earnings				
Legal reserve	935,029	10	785,382	9
Special reserve	51,875	1	10,950	-
Unappropriated earnings	1,537,832	16	2,167,303	23
Total retained earnings	2,524,736	27	2,963,635	32
Other equity	(42,358)	-	(108,311)	(1)
Total equity attributable to owners of the Company	6,234,046	67	6,603,396	71
NON-CONTROLLING INTERESTS	40,068	-	35,626	-
Total equity	6,274,114	67	6,639,022	71
TOTAL	$ 9,383,176	100	$ 9,365,819	100

The accompanying notes are an integral part of the consolidated financial statements.

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OPERATING REVENUE (Note 25)	$ 10,655,709	100	$ 10,440,729	100
OPERATING COSTS (Notes 12 and 26)	9,013,500	85	8,660,488	83
GROSS PROFIT	1,642,209	15	1,780,241	17
OPERATING EXPENSES (Note 26)				
Selling and marketing expenses	565,363	5	620,316	6
General and administrative expenses	202,684	2	267,664	2
Expected credit loss (gain)	974	-	(160)	-
Total operating expenses	769,021	7	887,820	8
PROFIT FROM OPERATIONS	873,188	8	892,421	9
NON-OPERATING INCOME AND EXPENSES (Note 26)				
Interest income	39,072	1	14,824	-
Other income	66,011	1	45,288	-
Other gains and losses	22,970	-	107,796	1
Finance costs	(78,548)	(1)	(39,986)	-
Total non-operating income and expenses	49,505	1	127,922	1
PROFIT BEFORE INCOME TAX FROM CONTINUING OPERATIONS	922,693	9	1,020,343	10
INCOME TAX EXPENSE (Note 27)	202,387	2	229,742	2
NET PROFIT FROM CONTINUING OPERATIONS	720,306	7	790,601	8
NET PROFIT FROM DISCONTINUED OPERATIONS (Note 13)	-	-	759,899	7
NET PROFIT FOR THE YEAR	720,306	7	1,550,500	15

(Continued)

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
OTHER COMPREHENSIVE INCOME (LOSS) (Notes 23, 24 and 27)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans	$ (376)	-	$ 10,695	-
Unrealized gain (loss) on investments in equity instruments at fair value through other comprehensive income	61,465	-	(96,438)	(1)
Income tax related to items that will not be reclassified subsequently to profit or loss	4,995	-	1,360	-
	66,084	-	(84,383)	(1)
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translation of the financial statements of foreign operations	(7,057)	-	20,428	-
Other comprehensive income (loss) for the year, net of income tax	59,027	-	(63,955)	(1)
TOTAL COMPREHENSIVE PROFIT FOR THE YEAR	$ 779,333	7	$ 1,486,545	14
NET PROFIT ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 706,306	7	$ 1,488,045	14
Non-controlling interests	14,000	-	62,455	1
	$ 720,306	7	$ 1,550,500	15
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owner(s) of the Company	$ 765,463	7	$ 1,424,081	14
Non-controlling interests	13,870	-	62,464	-
	$ 779,333	7	$ 1,486,545	14
EARNINGS PER SHARE (Note 28)				
From continuing and discontinued operations				
Basic	$ 3.39		$ 8.02	
Diluted	$ 3.33		$ 7.89	
From continuing operations				
Basic	$ 3.39		$ 4.21	
Diluted	$ 3.33		$ 4.14	

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	Equity Attributable to Owners of the Company										
			Retained Earnings (Note 24)			Other Equity (Notes 24 and 29)					
	Ordinary Shares (Notes 24 and 29)	Capital Surplus (Notes 24, 29 and 32)	Legal Reserve	Special Reserve	Unappropriated Earnings	Exchange Differences on Translation of the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefits	Total	Non-controlling Interests (Notes 24, 29, 30, 31 and 32)	Total Equity
BALANCE AT JANUARY 1, 2022	$ 1,786,572	$ 475,353	$ 690,815	$ 10,950	$ 1,480,027	$ (54,771)	$ 86,237	$ -	$ 4,475,183	$ 402,787	$ 4,877,970
Appropriation of 2021 earnings											
Legal reserve	-	-	94,567	-	(94,567)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(714,629)	-	-	-	(714,629)	-	(714,629)
Total	-	-	94,567	-	(809,196)	-	-	-	(714,629)	-	(714,629)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(54,545)	(54,545)
Other changes in capital surplus	-	189	-	-	-	-	-	-	189	4	193
Net profit for the year ended December 31, 2022	-	-	-	-	1,488,045	-	-	-	1,488,045	62,455	1,550,500
Other comprehensive (loss) income for the year ended December 31, 2022, net of income tax	-	-	-	-	8,427	20,427	(92,818)	-	(63,964)	9	(63,955)
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	1,496,472	20,427	(92,818)	-	1,424,081	62,464	1,486,545
Issuance of common stock for cash	300,000	1,020,600	-	-	-	-	-	-	1,320,600	-	1,320,600
Difference between consideration and carrying amount of subsidiaries' net assets during actual acquisition or disposals	-	(553)	-	-	-	-	-	-	(553)	(2,967)	(3,520)
Issuance of restricted shares for employees	40,000	125,911	-	-	-	-	-	(82,937)	82,974	-	82,974
Share-based payment arrangements	-	-	-	-	-	-	-	15,551	15,551	4,381	19,932
Changes of non-controlling interests	-	-	-	-	-	-	-	-	-	(376,498)	(376,498)
BALANCE AT DECEMBER 31, 2022	2,126,572	1,621,500	785,382	10,950	2,167,303	(34,344)	(6,581)	(67,386)	6,603,396	35,626	6,639,022
Appropriation of 2022 earnings											
Legal reserve	-	-	149,647	-	(149,647)	-	-	-	-	-	-
Special reserve	-	-	-	40,925	(40,925)	-	-	-	-	-	-
Cash dividends distributed by the Company	-	-	-	-	(1,169,614)	-	-	-	(1,169,614)	-	(1,169,614)
Total	-	-	149,647	40,925	(1,360,186)	-	-	-	(1,169,614)	-	(1,169,614)
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	(9,445)	(9,445)
Other changes in capital surplus	-	439	-	-	-	-	-	-	439	17	456
Net profit for the year ended December 31, 2023	-	-	-	-	706,306	-	-	-	706,306	14,000	720,306
Other comprehensive income (loss) for the year ended December 31, 2023, net of income tax	-	-	-	-	(301)	(7,057)	66,515	-	59,157	(130)	59,027
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	706,005	(7,057)	66,515	-	765,463	13,870	779,333
Share-based payment arrangements	-	3,157	-	-	794	-	-	30,411	34,362	-	34,362
Disposal of investments in equity instruments designated as at fair value through other comprehensive income	-	-	-	-	23,916	-	(23,916)	-	-	-	-
BALANCE AT DECEMBER 31, 2023	$ 2,126,572	$ 1,625,096	$ 935,029	$ 51,875	$ 1,537,832	$ (41,401)	$ 36,018	$ (36,975)	$ 6,234,046	$ 40,068	$ 6,274,114

The accompanying notes are an integral part of the consolidated financial statements.

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before income tax		
Income before income tax from continuing operations	$ 922,693	$ 1,020,343
Income before income tax from discontinued operations	-	785,072
	922,693	1,805,415
Adjustments for:		
Depreciation expense	26,378	29,763
Amortization expense	4,442	9,680
Expected credit loss (gain)	974	(150)
Net loss on fair value changes of financial assets or liabilities at fair value through profit or loss	604	2,750
Finance costs	78,548	40,117
Interest income	(39,072)	(17,283)
Dividends income	(20,745)	(20,994)
Share-based payment	31,989	19,932
Loss on disposal of property, plant and equipment	24	690
Gain on disposal of subsidiary	-	(660,235)
Inventory write-downs	-	1,308
Loss on net realizable value of inventories	40,887	12,287
Impairment losses	-	3,449
Others	794	-
Changes in operating assets and liabilities		
Financial assets mandatorily classified as at fair value through profit or loss	101,750	(48,470)
Notes receivables	(3,204)	18,813
Trade receivables from unrelated parties	(246,906)	270,188
Other receivables from unrelated parties	(6,445)	(95)
Inventories	339,533	(28,193)
Prepayments	939	(5,142)
Other current assets	(478)	4
Net defined benefit asset	(104)	603
Financial liabilities held for trading	(3,906)	-
Contract liabilities	4,082	(3,369)
Notes payables	45	(112)
Trade payables to unrelated parties	90,381	(240,470)
Other payables to unrelated parties	(79,488)	81,146
Other current liabilities	(4,804)	14,266
Net defined benefit liabilities	(6,282)	(3,267)
Cash generated from operating activities	1,232,629	1,282,631
Interest received	37,496	15,030
Interest paid	(74,626)	(37,582)
Income tax received	1,815	1,593
Income tax paid	(238,852)	(309,324)
Net cash generated from operating activities	958,462	952,348

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NICHIDENBO CORPORATION AND SUBSIDIARIES

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

	2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from sale of financial assets at fair value through other comprehensive income	$ 259,252	$ -
Purchase of financial assets at amortized cost	(1,572,703)	(1,475,836)
Proceeds from sale of financial assets at amortized cost	1,877,652	818,347
Net cash outflow on acquisition of subsidiary	-	(62,266)
Disposal of subsidiaries	-	599,270
Payments for property, plant and equipment	(5,342)	(1,181)
Proceeds from disposal of property, plant and equipment	14	28
Increase in refundable deposits	(1,749)	(206)
Payments for intangible assets	(375)	(5,407)
Payments for investment properties	(70,691)	-
Dividends received	20,745	20,994
Net cash generated from (used in) investing activities	506,803	(106,257)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from short-term borrowings	5,733,320	7,956,348
Repayments of short-term borrowings	(5,348,819)	(8,720,051)
Proceeds from short-term bills payable	28,963	495,074
Repayments of short-term bills payable	(28,963)	(730,013)
Guarantee deposits received	3	16
Repayment of the principal portion of lease liabilities	(14,233)	(16,786)
Cash dividends paid	(1,169,614)	(714,629)
Proceeds from issuance of common stock	-	1,320,600
Dividends paid to non-controlling interests	(9,445)	(54,545)
Changes of non-controlling interests	-	(3,520)
Proceeds from issuance of restricted shares for employees	-	87,720
Dividends from claims extinguished by prescription	456	193
Net cash used in financing activities	(808,332)	(379,593)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	82	8,265
NET INCREASE IN CASH AND CASH EQUIVALENTS	657,015	474,763
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	1,424,947	950,184
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 2,081,962	$ 1,424,947

The accompanying notes are an integral part of the consolidated financial statements. (Concluded)

NICHIDENBO CORPORATION AND SUBSIDIARIES

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. GENERAL INFORMATION

Nichidenbo Corporation (the "Company") was established on January 4, 1993 in New Taipei City. The Company engages mainly in sales and marketing of electronic components.

On December 31, 2007, the Company's shares were listed on the Taiwan Stock Exchange (TWSE).

The consolidated financial statements are presented in the Group's functional currency, the New Taiwan dollar.

2. APPROVAL OF FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Company's board of directors on March 13, 2024.

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

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

   The initial application of IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Company's accounting policies, financial positions and financial performance.

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

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

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

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

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

As of the date the consolidated financial statements were authorized for issue, the Group assessed that the application of the above amendments to standards and interpretations did not have material impact on the Group's financial position and financial performance.

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION

a. Statement of compliance

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

b. Basis of preparation

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

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

1) Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;

2) Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices); and

3) Level 3 inputs are unobservable inputs for an asset or liability.

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

Current assets include:

1) Assets held primarily for the purpose of trading;

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

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

Current liabilities include:

1) Liabilities held primarily for the purpose of trading;

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

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

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

d. Basis of consolidation

1) The basis for the consolidated financial statements

The consolidated financial statements incorporate the consolidated financial statements of the Company and the entities controlled by the Company (i.e., its subsidiaries).

Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate.

When necessary, adjustments are made to the consolidated financial statements of subsidiaries to bring their accounting policies into line with those of the Group.

All intra-group transactions, balances, income and expenses are eliminated in full upon consolidation. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Changes in the Group’s ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the interests of the Group and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity and attributed to the owners of the Company.

2) The subsidiaries in the consolidated financial statements

The detail information of the subsidiaries was as follows:

Name of Investor	Name of Investee	Main Businesses and Products	Percentage of Ownership December 31 2023	Percentage of Ownership December 31 2022	Note
Nichidenbo Corporation	Vic-Dawn Enterprise Co., Ltd. (Vic-Dawn)	Sales and marketing of electronic components	95.31	95.31	
	Nichidenbo (Mauritius) Ltd. (NDB (Mauritius))	Investment activities	100.00	100.00	
	Lipers Enterprise Co., Ltd. (Lipers)	Sales and marketing of electronic components	99.34	99.34	
	Scope Technology Co., Ltd. (Scope)	Sales and marketing of electronic components	100.00	100.00	
	Advance Electronic Supply Inc. (AES)	Sales and marketing of electronic components	100.00	100.00	1
	Tonsam Corporation (Tonsam)	Sales and marketing of electronic components	100.00	100.00	
	Sentelic Corporation (Sentelic)	Manufacturing, sales and marketing of electronic components	-	9.68	2
	Lipers (Hong Kong) Enterprise Co., Ltd. (Lipers (HK))	Sales and marketing of electronic components	100.00	100.00	3
	Koho (Taiwan) Co., Ltd. (Koho)	Sales and marketing of electronic components	85.00	85.00	4
Nichidenbo (Mauritius) Corporation	Nichidenbo (Shenzhen) Trading Co., Ltd. (NDB (Shenzhen))	Sales and marketing of electronic components	100.00	100.00	
	Nichidenbo Suzhou Trading Co., Ltd. (NDB (Suzhou))	Sales and marketing of electronic components	100.00	100.00	
Lipers (Hong Kong) Enterprise Co., Ltd.	Lipers Electronic (Shenzhen) Co., Ltd. (Lipers Electronics (Shenzhen))	Sales and marketing of electronic components	100.00	100.00	

Note 1: AES's board of directors resolved to increase the capital from retained earnings by $97,448 thousand on May 24, 2022, and the subscription base date was on May 31, 2022.

Note 2: As of December 31, 2022, the Company holds 46.00% interest in Sentelic. Sentelic is a listed company, and the remaining 54.00% interest in Sentelic is dispersed and held by thousands of shareholders that are unrelated to the Company. The directors of the Company considered the Company's absolute size of holding in Sentelic and the relative size of dispersion of the shareholdings owned by the other shareholders and concluded that the Company has the practical ability to direct the relevant activities of Sentelic and, therefore, the Company has control over Sentelic.

The Company participated in Weltrend Semiconductor Incorporated's takeover bid for 10,710,000 common shares of Sentelic on August 24, 2022. The Company's shareholding in Sentelic decreased from 46.00% to 9.68%. The control of Sentelic was passed to the acquirer, and the unsold interest was recognized as gain on disposal of $660,235 thousand and recorded in financial assets at FVTOCI. (Profit was recorded in net profit from discontinued operations).

The Company disposed of all 2,908,732 shares of Sentelic Corporation from July 1 to September 30, 2023.

Note 3: Lipers (HK)'s board of directors resolved to reduce the capital and refund the amount of $76,081 thousand (HK$18,643 thousand) on August 31, 2023, and the base date was September 11, 2023.

Note 4: The Company signed a share sale and purchase agreement with non-related parties, acquiring 2,550,000 common shares of Koho, at a consideration of $81,600 thousand in total at a price of $32 on January 26 and March 3, 2022. The Company holds a 85% interest in Koho, and therefore, it became a subsidiary.

e. Business combinations

Acquisitions of businesses are accounted for using the acquisition method. Acquisition-related costs are generally recognized in profit or loss as they are incurred.

Goodwill is measured as the excess of the sum of the consideration transferred and the fair value of the acquirer's previously held equity interests in the acquiree over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value.

f. Foreign currencies

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

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

Non-monetary item denominated in a foreign currency and measured at historical cost is stated at the reporting currency as originally translated from the foreign currency.

For the purpose of presenting consolidated financial statements, the financial statements of its foreign operations/the Company's foreign operations (including subsidiaries in other countries) that are prepared using functional currencies which are different from the currency of the Company are translated into the presentation currency, the New Taiwan dollar, as follows: Assets and liabilities are translated at the exchange rates prevailing at the end of the reporting period; and income and expense items are translated at the average exchange rates for the period. The resulting currency translation differences are recognized in other comprehensive income (attributed to the owners of the Company and non-controlling interests as appropriate).

g. Inventories

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

h. Property, plant and equipment

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

The depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation methods are reviewed at the end of each reporting period, with the effects of any changes in the estimates accounted for on a prospective basis.

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

i. Investment properties

Investment properties are properties held to earn rental and/or for capital appreciation.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation and accumulated impairment loss.

Depreciation of investment properties is recognized using the straight-line method.

For a transfer of classification from investment properties to property, plant and equipment, the deemed cost of the property for subsequent accounting is its carrying amount at the commencement of owner-occupation.

For a transfer of classification from property, plant and equipment to investment properties, the deemed cost of an item of property for subsequent accounting is its carrying amount at the end of owner-occupation.

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

j. Goodwill

Goodwill arising from the acquisition of a business is measured at cost as established at the date of acquisition of the business less accumulated impairment loss.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units or Groups of cash-generating units (referred to as "cash-generating units") that are expected to benefit from the synergies of the combination.

A cash-generating unit to which goodwill has been allocated is tested for impairment annually or more frequently whenever there is an indication that the unit may be impaired, by comparing its carrying amount, including the attributed goodwill, with its recoverable amount. However, if the goodwill allocated to a cash-generating unit was acquired in a business combination during the current annual period, that unit shall be tested for impairment before the end of the current annual period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then pro rata to the other assets of the unit based on the carrying amount of each asset in the unit. Any impairment loss is recognized directly in profit or loss. Any impairment loss recognized for goodwill is not reversed in subsequent periods.

If goodwill has been allocated to a cash-generating unit and the Group disposes of an operation within that unit, the goodwill associated with the operation which is disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal and is measured on the basis of the relative values of the operation disposed of and the portion of the cash-generating unit retained.

k. Intangible assets

1) Intangible assets acquired separately

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

2) Derecognition of intangible assets

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

l. Impairment of property, plant and equipment, right-of-use asset, intangible assets other than goodwill

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

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

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

m. Financial instruments

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

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

1) Financial assets

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

a) Measurement categories

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

i. Financial assets at FVTPL

Financial assets are classified as at FVTPL when such financial assets are mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments which are not designated as at FVTOCI and debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, and any dividends and interest earned on such financial assets are recognized in other income and interest income, respectively; any remeasurement gains or losses on such financial assets are recognized in other gains or losses. Fair value is determined in the manner described in Note 35.

ii. Financial assets at amortized cost

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

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

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

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

Interest income is calculated applying the effective interest rate to the gross carrying amount of such a financial asset.

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

iii. Investments in equity instruments at FVTOCI

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

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

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

b) Impairment of financial assets

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

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

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

The impairment loss of all financial assets is recognized in profit or loss by a reduction in their carrying amounts through a loss allowance account.

c) Derecognition of financial assets

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

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

2) Equity instruments

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

3) Financial liabilities

a) Subsequent measurement

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

b) Derecognition of financial liabilities

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

4) Derivative financial instruments

The Group enters into a variety of derivative financial instruments to manage its exposure to interest rate and foreign exchange rate risks, including foreign exchange forward contracts.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognized in profit or loss immediately unless the derivative is designated and effective as a hedging instrument; in which event, the timing of the recognition in profit or loss depends on the nature of the hedging relationship. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

n. Revenue recognition

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

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

Revenue from the sale of goods comes from sales of electronic components. Sales of electronic components are recognized as revenue when the goods are delivered to the customer's specific location and signed by the customer because it is the time when the customer has full discretion over the manner of distribution and price to sell the goods, has the primary responsibility for sales to future customers and bears the risks of obsolescence. Trade receivables and sales revenue are recognized concurrently.

o. Leases

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

1) The Group as lessor

All leases are classified as operating leases.

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

2) The Group as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee's incremental borrowing rate will be used.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, a change in the assessment of an option to purchase an underlying asset, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments, the Group remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the consolidated balance sheets.

p. Borrowing costs

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

q. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

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

r. Share-based payment arrangements

<u>Restricted shares for employees granted to employees</u>

The fair value at the grant date of the restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimates of the number of shares that are expected to ultimately vest, with a corresponding increase in capital surplus - other equity - unearned employee benefits. It is recognized as an expense in full at the grant date if vested immediately.

When restricted shares for employees are issued, other equity - unearned employee benefits is recognized on the grant date, with a corresponding increase in capital surplus - restricted shares for employees. If restricted shares for employees are granted for consideration and the considerations received should be returned if employees resign in the vesting period, the amounts expected to be returned are recognized as payables. Dividends paid to employees on restricted shares that do not need to be returned if employees resign in the vesting period are recognized as expenses when the dividends are declared with a corresponding adjustment in retained earnings and capital surplus - restricted shares for employees.

At the end of each reporting period, the Group revises its estimate of the number of restricted shares for employees that are expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expense reflects the revised estimate, with a corresponding adjustment to capital surplus - restricted shares for employees

s. Taxation

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

1) Current tax

Income tax payable (recoverable) is based on taxable profit (loss) for the year determined according to the applicable tax laws of each tax jurisdiction.

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

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

2) Deferred tax

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

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

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

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

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

3) Current and deferred taxes

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

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

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

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

Key Sources of Estimation Uncertainty

a. Estimated impairment of financial assets

The provision for impairment of trade receivables and notes receivables is based on assumptions on probability of default and loss given default. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's historical experience, existing market conditions as well as forward looking estimates as of the end of each reporting period. For details of the key assumptions and inputs used, see Note 11. Where the actual future cash inflows are less than expected, a material impairment loss may arise.

b. Valuation of inventories

The net realizable value of inventory is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale. The estimation of net realizable value is based on current market conditions and historical experience in the sale of product of a similar nature. Changes in market conditions may have a material impact on the estimation of the net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31 2023	December 31 2022
Cash on hand	$ 875	$ 699
Demand deposits and checking accounts	383,542	429,020
Cash equivalents		
Time deposits	1,564,763	815,038
Commercial paper	132,782	180,190
	$ 2,081,962	$ 1,424,947

The market rate intervals of time deposits and commercial paper at the end of the year were as follows:

	December 31 2023	December 31 2022
Time deposits	1.100%-5.200%	0.965%-4.000%
Commercial paper	0.840%-5.400%	0.620%-0.850%

7. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31 2023	December 31 2022
Current		
Held-for-trading		
Forward exchange contracts	$ 1,558	$ -
Financial assets mandatorily classified as at FVTPL		
Domestic mutual funds	$ -	$ 100,000
Unrealized loss on financial assets	-	6
	$ -	$ 100,006

At the end of the year, outstanding foreign exchange forward contracts not under hedge accounting were as follows:

	Currency	Maturity Date	Notional Amount (In Thousands)
December 31, 2023			
Sell	USD/NTD	2024.01.16	USD1,000/NTD31,350
Sell	USD/NTD	2024.02.15	USD1,000/NTD31,246

The Group entered into foreign exchange forward contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities. As of December 31, 2022, there wasn’t any foreign exchange forward contracts of the Group.

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	**2022**
Current		
Investments in equity instruments	$ 102,333	$ 303,715
Non-current		
Investments in equity instruments	$ 96,979	$ 93,384

Investments in equity instruments

	December 31	
	2023	**2022**
Current		
Domestic investments		
Listed shares	$ 8,001	$ 243,337
Unrealized gain (loss) on financial assets	2,490	(56,064)
	10,491	187,273
Foreign investments		
Listed shares	133,933	133,933
Unrealized loss on financial assets	(42,091)	(17,491)
	91,842	116,442
	$ 102,333	$ 303,715
Non-current		
Domestic investments		
Unlisted shares	$ 30,000	$ 30,000
Unrealized gain on equity instruments	66,979	63,384
	$ 96,979	$ 93,384

The Group's hold on Sentelic's interest has declined to 9.68% on August 24, 2022, the date the control of Sentelic passed to the acquirer. At the same time, the carrying amount of the unsold interest, which was recorded in financial assets at fair value through other comprehensive income - current of $197,794 thousand, calculated based on the closing price at the date of disposal.

The Group disposed of all 2,908,732 shares of Sentelic Corporation from July 1 to September 30, 2023.

The Group holds the domestic listed shares, the domestic unlisted shares and foreign listed shares for medium to long-term strategic purposes, expecting to make a profit from long-term investment. Accordingly, the management elected to designate these investments in equity instruments as at FVTOCI as they believe that recognizing short-term fluctuations in these investments' fair value in profit or loss would not be consistent with the Group's strategy of holding these investments for long-term purposes.

9. FINANCIAL ASSETS AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ 505,000	$ 810,000
Non-current		
Pledged time deposits	$ 165,668	$ 165,617
Restricted cash	13,262	13,262
	$ 178,930	$ 178,879

a. Refer to Note 10 for information relating to the credit risk management and impairment of investments in financial assets at amortized cost.

b. Refer to Note 37 for information relating to investments in financial assets at amortized cost pledged as security.

10. CREDIT RISK MANAGEMENT FOR INVESTMENTS IN DEBT INSTRUMENTS

Investments in debt instruments are classified as at amortized cost:

	At Amortized Cost	
	December 31	
	2023	2022
At amortized cost (current and non-current)		
Gross carrying amount	$ 683,930	$ 988,879
Less: Allowance for impairment loss	-	-
Amortized cost	$ 683,930	$ 988,879

The credit risk of financial instruments such as bank deposits is measured and monitored by the finance department. The Group selects the transaction partners and the performing parties which are all banks with good credit.

11. NOTES RECEIVABLE, TRADE RECEIVABLES AND OTHER RECEIVABLES

	December 31	
	2023	2022
Notes receivable		
At amortized cost		
Gross carrying amount	$ 115,538	$ 114,251
Less: Allowance for impairment loss	(577)	(571)
	$ 114,961	$ 113,680

(Continued)

	December 31	
	2023	2022
Notes receivable - operating	$ 114,958	$ 113,677
Notes receivable non-operating	3	3
	$ 114,961	$ 113,680
Trade receivables		
At amortized cost		
Gross carrying amount	$ 3,310,183	$ 3,067,007
Less: Allowance for impairment loss	(20,869)	(19,974)
	$ 3,289,314	$ 3,047,033
Other receivables		
VAT refundable	$ 26,282	$ 19,401
Others	6,209	5,111
	$ 32,491	$ 24,512

(Concluded)

a. Notes receivable

As of December 31, 2023 and 2022, the notes receivable did not expire.

Refer to Note 35 for the amount of discounted notes receivable and related terms of the Group.

b. Trade receivables

The average credit period on sales of goods is 90 to 150 days. In order to minimize credit risk, the management of the Group has delegated a team responsible for determining credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. In addition, the Group reviews the recoverable amount of each individual trade debt at the end of the year to ensure that adequate allowance is made for possible irrecoverable amounts. In this regard, the management believes the Group's credit risk was significantly reduced.

The Group measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix prepared by reference to the past default experience of the customer, the customer's current financial position, and profitability. As the Group's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status is not further distinguished according to the Group's different customer base.

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

The following table details the loss allowance of trade receivables based on the Group's provision matrix.

December 31, 2023

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.50%-4.14%	0.50%-36.88%	0.50%-46.72%	0.50%-68.17%	100.00%	
Gross carrying amount	$ 3,291,514	$ 11,554	$ 3,236	$ 742	$ 3,137	$ 3,310,183
Loss allowance (Lifetime ECLs)	(16,646)	(467)	(342)	(277)	(3,137)	(20,869)
Amortized cost	$ 3,274,868	$ 11,087	$ 2,894	$ 465	$ -	$ 3,289,314

December 31, 2022

	Not Past Due	1 to 30 Days Past Due	31 to 60 Days Past Due	61 to 90 Days Past Due	Over 90 Days Past Due	Total
Expected credit loss rate	0.50%-1.79%	0.50%-20.36%	0.50%-24.75%	38.02%-63.54%	100.00%	-
Gross carrying amount	$ 3,038,378	$ 23,795	$ 2,992	$ 284	$ 1,558	$ 3,067,007
Loss allowance (Lifetime ECLs)	(15,602)	(2,295)	(356)	(163)	(1,558)	(19,974)
Amortized cost	$ 3,022,776	$ 21,500	$ 2,636	$ 121	$ -	$ 3,047,033

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

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 20,545	$ 21,160
Add: Acquisitions through business combinations	-	62
Add: Reclassification of overdue receivables	-	20
Add: Remeasurement of loss allowance	3,839	2,714
Less: Amounts written off	-	(20)
Less: Reversal of loss allowance	(2,865)	(2,864)
Less: Derecognized on disposal of a subsidiary	-	(616)
Foreign exchange gains and losses	(73)	89
Balance at December 31	$ 21,446	$ 20,545

12. INVENTORIES

	December 31	
	2023	2022
Merchandise and finished goods	$ 1,934,283	$ 2,317,061

The nature of the cost of goods sold is as follows:

	For the Year Ended December 31	
	2023	2022
Cost of inventories sold	$ 8,972,607	$ 8,853,959
Loss on net realizable value of inventories	40,887	12,287
Loss on physical inventory	6	93
Inventory write-downs	-	1,308
	9,013,500	8,867,647
Cost of goods sold from discontinued operation (Note 13)	-	(207,159)
	$ 9,013,500	$ 8,660,488

13. DISCONTINUED OPERATION

The Group's hold on Sentelic's interest has declined to 9.68% on August 24, 2022, the date the control of Sentelic passed to the acquirer, and the unsold interest was recorded in financial assets at fair value through other comprehensive income. The Group regarded Sentelic as a cash generating unit; therefore, reclassified the income (loss) of the cash generating unit to discontinued operation. The Group reclassified the income/loss of discontinued operations for the seven months ended July 31, 2022 and made the related period information of the consolidated income statements more relevant.

The details of profit (loss) from discontinued operations and the related cash flow information were as follows:

	January 1, 2022 to July 31, 2022
Operating revenue	$ 390,536
Operating costs	(207,159)
Gross profit	183,377
Selling and marketing expenses	(16,855)
General and administrative expenses	(20,893)
Research and development expenses	(47,705)
Expected credit losses	(10)
Profit from operations	97,914
Interest revenue	2,459
Other revenue	119
Other gains and losses	24,476
Finance costs	(131)
Profit before income tax	124,837
Income tax expense	(25,173)
Net profit for the year	99,664
Gain on disposals (Note 31)	660,235
Net profit from discontinued operations	$ 759,899
Net profit from discontinued operations attributable to	
Owners of the Company	$ 707,013
Non-controlling interests	52,886
	$ 759,899

(Continued)

	January 1, 2022 to July 31, 2022
Cash flows	
Operating activities	$ 48,778
Investing activities	30,850
Financing activities	(97,600)
Net cash outflows	$ (17,972)

(Concluded)

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Other Equipment	Construction in Progress	Total
Cost					
Balance at January 1, 2023	$ 423,144	$ 256,842	$ 24,768	$ -	$ 704,754
Additions	-	-	4,578	764	5,342
Disposals/derecognition	-	-	(2,028)	-	(2,028)
Reclassification	54,226	16,280	840	(764)	70,582
Effects of foreign currency exchange difference	-	(1,328)	(99)	-	(1,427)
Balance at December 31, 2023	$ 477,370	$ 271,794	$ 28,059	$ -	$ 777,223
Accumulated depreciation					
Balance at January 1, 2023	$ -	$ 77,238	$ 13,061	$ -	$ 90,299
Depreciation expense	-	6,971	4,158	-	11,129
Disposals/derecognition	-	-	(1,990)	-	(1,990)
Effects of foreign currency exchange difference	-	(612)	(56)	-	(668)
Balance at December 31, 2023	$ -	$ 83,597	$ 15,173	$ -	$ 98,770
Carrying amount at December 31, 2023	$ 477,370	$ 188,197	$ 12,886	$ -	$ 678,453
Cost					
Balance at January 1, 2022	$ 423,144	$ 255,792	$ 39,747	$ -	$ 718,683
Additions	-	-	1,181	-	1,181
Disposals/derecognition	-	-	(2,673)	-	(2,673)
Acquisitions through business combinations (Note 30)	-	-	2,171	-	2,171
Derecognized on disposal of a subsidiary (Note 31)	-	-	(15,729)	-	(15,729)
Effects of foreign currency exchange differences	-	1,050	71	-	1,121
Balance at December 31, 2022	$ 423,144	$ 256,842	$ 24,768	$ -	$ 704,754

(Continued)

	Land	Buildings	Other Equipment	Construction in Progress	Total
Accumulated depreciation					
Balance at January 1, 2022	$ -	$ 70,097	$ 16,021	$ -	$ 86,118
Depreciation expense	-	6,753	5,328	-	12,081
Disposals/derecognition	-	-	(1,955)	-	(1,955)
Acquisitions through business combinations (Note 30)	-	-	1,296	-	1,296
Derecognized on disposal of a subsidiary (Note 31)	-	-	(7,675)	-	(7,675)
Effects of foreign currency exchange differences	-	388	46	-	434
Balance at December 31, 2022	$ -	$ 77,238	$ 13,061	$ -	$ 90,299
Carrying amount at December 31, 2022	$ 423,144	$ 179,604	$ 11,707	$ -	$ 614,455

(Concluded)

Depreciation is calculated on a straight-line basis over the estimated useful lives as follows:

Buildings	20-55 years
Other equipment	3-7 years

Refer to Note 37 for property, plant and equipment pledged as collateral for the payment of purchase.

15. LEASE ARRANGEMENTS

a. Right-of-use assets

	December 31	
	2023	2022
Carrying amounts of right-of-use assets		
Building	$ 30,899	$ 9,046

	For the Year Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 36,339	$ 884
Derecognized on disposal of a subsidiary (Note 31)	$ -	$ 11,008
Depreciation expense of the right-of-use asset		
Building	$ 14,003	$ 16,076
Less: Depreciation expense of discontinued operations	-	(2,854)
	$ 14,003	$ 13,222

Except for the aforementioned additions and recognized depreciation, there were no material subleases or impairment of the Group’s right-of-use assets in 2023 and 2022.

b. Lease liabilities

	December 31	
	2023	2022
Carrying amounts		
Current	$ 9,771	$ 9,740
Non-current	$ 22,116	$ 544

Range of discount rates for lease liabilities is as follows:

	December 31	
	2023	2022
Buildings	1.20%-3.55%	1.20%-4.35%

c. Other lease information

Refer to Note 16 for lease arrangements under operating leases of investment properties.

	For the Year Ended December 31	
	2023	2022
Expenses relating to short-term leases	$ 5,573	$ 6,774
Expenses relating to low-value asset leases	$ 241	$ 239
Total cash outflow of leases	$ 20,484	$ 24,549

16. INVESTMENT PROPERTIES

	For the Year Ended December 31	
	2023	2022
Cost		
Balances at January 1	$ 224,910	$ 224,648
Additions	56,791	-
Reclassification	(56,682)	-
Effects of foreign currency exchange differences	(332)	262
Balance at December 31	$ 224,687	$ 224,910
Accumulated depreciation and impairment losses		
Balance at January 1	$ 33,445	$ 28,292
Depreciation expense	1,246	1,606
Impairment losses	-	3,449
Effects of foreign currency exchange differences	(226)	98
Balance at December 31	$ 34,465	$ 33,445
Carrying amount at December 31	$ 190,222	$ 191,465

The investment properties are leased out for 1 to 5 years. The lessees do not have bargain purchase options to acquire the investment properties at the expiry of the lease periods.

The maturity analysis of lease payments receivable under operating leases of investment properties was as follows:

	December 31	
	2023	2022
Less than a year	$ 5,254	$ 7,752
1-5 years	405	3,177
	$ 5,659	$ 10,929

The investment properties are depreciated using the straight-line method over 20 to 55 years of their estimated useful lives.

For those located in R.O.C., the fair value of the investment property as of December 31, 2023 and 2022 was $266,921 thousand and $234,733 thousand, respectively. The fair value of the investment property was appraised by the Group's management by reference to market evidence of transaction prices for similar properties.

For those located in China, the fair value of the investment property was appraised by the Group's management by reference to the income approach with the discounted cash flow method at the discount rate of 5.20%, and the fair value was measured using Level 3 inputs. The fair value in amount of $5,872 thousand and $6,166 thousand as of December 31, 2023 and 2022, respectively, and the difference between carrying amount of $3,449 thousand as of December 31, 2022 was included in other gains and losses.

The investment properties are owned by the Group. The investment properties pledged as collateral for payment of purchase in Note 37.

17. GOODWILL

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 21,805	$ 28,990
Acquisitions through business combinations (Note 30)	-	21,805
Derecognized on disposal of a subsidiary (Note 31)	-	(28,990)
Balance at December 31	$ 21,805	$ 21,805

The carrying amount of goodwill was allocated to the cash-generating units as follows:

	December 31	
	2023	2022
Koho	$ 21,805	$ 21,805

The Group's hold on Sentelic's interest has declined to 9.68% on August 24, 2022, the date the control of Sentelic passed to the acquirer, and impairment losses of $28,990 thousand was recognized.

The Group acquired Koho on January 26, 2022 and recognized goodwill of $21,805 thousand.

It was indicated in a valuation report received in the current year that the fair values of other intangible assets and deferred income tax liabilities of Koho at the date of acquisition were $37,000 thousand and $7,400 thousand, respectively. The tentative price figures have been restated as if the initial accounting was completed at the acquisition date.

The impact of adjustments on related items of consolidated balance sheets is set out below:

	Acquisition Date
Other intangible assets	$ 37,000
Goodwill adjustments	$ (22,322)
Deferred tax liabilities	$ 7,400
Non-controlling interests	$ 7,278

18. OTHER INTANGIBLE ASSETS

	Patents	Computer Software	Supplier Contracts	Total
Cost				
Balance at January 1, 2023	$ -	$ 2,876	$ 37,000	$ 39,876
Additions	-	375	-	375
Derecognition	-	(701)	-	(701)
Effect of foreign currency exchange differences	-	(4)	-	(4)
Balance at December 31, 2023	$ -	$ 2,546	$ 37,000	$ 39,546
Accumulated amortization				
Balance at January 1, 2023	$ -	$ 1,562	$ 3,392	$ 4,954
Amortization expenses	-	742	3,700	4,442
Derecognition	-	(701)	-	(701)
Effect of foreign currency exchange differences	-	(2)	-	(2)
Balance at December 31, 2023	$ -	$ 1,601	$ 7,092	$ 8,693
Carrying amount at December 31, 2023	$ -	$ 945	$ 29,908	$ 30,853

(Continued)

	Patents	Computer Software	Supplier Contracts	Total
Cost				
Balance at January 1, 2022	$ 13,600	$ 15,926	$ -	$ 29,526
Acquisitions through business combinations (Note 30)	-	-	37,000	37,000
Additions	-	5,407	-	5,407
Derecognition	-	(264)	-	(264)
Derecognized on disposal of a subsidiary (Note 31)	(13,600)	(18,200)	-	(31,800)
Effect of foreign currency exchange differences	-	7	-	7
Balance at December 31, 2022	$ -	$ 2,876	$ 37,000	$ 39,876
Accumulated amortization				
Balance at January 1, 2022	$ 8,257	$ 7,873	$ -	$ 16,130
Amortization expenses	1,133	5,155	3,392	9,680
Derecognition	-	(264)	-	(264)
Derecognized on disposal of a subsidiary (Note 31)	(9,390)	(11,209)	-	(20,599)
Effect of foreign currency exchange differences	-	7	-	7
Balance at December 31, 2022	$ -	$ 1,562	$ 3,392	$ 4,954
Carrying amount at December 31, 2022	$ -	$ 1,314	$ 33,608	$ 34,922

(Concluded)

The above items of other intangible assets are amortized on a straight-line basis over the estimated useful lives as follows:

Patents	7 years
Computer software	1-5 years
Supplier contracts	10 years

19. OTHER ASSETS

	December 31	
	2023	2022
Current		
Others	$ 1,936	$ 1,464
Non-current		
Overdue receivables (Note)	$ 79,395	$ 79,395
Less: Allowance for impairment loss	(79,395)	(79,395)
	$ -	$ -

Note: The Group reclassified the impairment loss of trade receivables and relevant allowance for impairment loss, which were evaluated individually, to overdue receivables.

20. BORROWINGS

Short-term borrowings

	December 31	
	2023	2022
Secured loans		
Unsecured bank loans	$ 1,543,310	$ 1,170,046
Secured bank loans	11,068	-
	$ 1,554,378	$ 1,170,046

The market rate interval of short-term borrowings at the end of the year was as follows:

	December 31	
	2023	2022
Unsecured bank loans	0.563425%-6.512000%	0.528541%-6.000000%
Secured bank loans	1.200000%	-

Refer to Notes 35 and 37 for information on the use of commercial bills receivable as collateral mortgage by NDB's (Suzhou) to China Merchants Bank.

21. TRADE PAYABLES

	December 31	
	2023	2022
Notes payables		
Non-operating	$ 251	$ 207
Trade payables		
Operating	$ 980,730	$ 891,409

22. OTHER LIABILITIES

	December 31	
	2023	2022
Current		
Other payables		
Payable for salaries and bonuses	$ 213,516	$ 285,581
Payables for purchase and selling	25,503	27,117
Payables for annual leave	12,330	12,034
Interest payable	7,856	3,934
VAT payable	1,289	1,886
Other	39,321	46,765
	$ 299,815	$ 377,317
Other liabilities		
Refund liabilities	$ 40,463	$ 45,275
Other	2,485	2,479
	$ 42,948	$ 47,754

23. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

NDB (Shenzhen), NDB (Suzhou) Corporation, Lipers (HK) and Lipers Electronics (Shenzhen), which is a state-managed defined contribution plan, makes contributions to employee's pension accounts at a defined rate of standard wages legalized by the local government in the manner of the defined contribution plan.

b. Defined benefit plans

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

Lipers had applied a suspension of pension contribution to the pension fund from December 2002 to November 2024, and had been approved by Labor Affairs Department of New Taipei City Government.

The amounts included in the consolidated balance sheets in respect of the Group's defined benefit plans are as follows:

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 61,135	$ 61,958
Fair value of plan assets	(41,388)	(36,201)
Deficit	19,747	25,757
Net defined benefit assets	3,817	4,043
Net defined benefit liability	$ 23,564	$ 29,800

Movements in net defined benefit liability are as follows:

	Present Value of the Defined Benefit Obligation	**Fair Value of the Plan Assets**	**Net Defined Benefit Liability**
Balance at January 1, 2023	$ 61,958	$ (36,201)	$ 25,757
Service cost			
Current service cost	845	-	845
Net interest expense (income)	896	(576)	320
Recognized in profit or loss	1,741	(576)	1,165
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(91)	(91)
Actuarial loss - changes in financial assumptions	581	-	581
Actuarial gain - experience adjustments	(114)	-	(114)
Recognized in other comprehensive income	467	(91)	376
Contributions from the employer	-	(7,551)	(7,551)
Benefits paid	(3,031)	3,031	-
Balance at December 31, 2023	$ 61,135	$ (41,388)	$ 19,747
Balance at January 1, 2022	$ 75,223	$ (34,736)	$ 40,487
Service cost			
Current service cost	1,284	-	1,284
Net interest expense (income)	374	(177)	197
Recognized in profit or loss	1,658	(177)	1,481
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,160)	(2,160)
Actuarial gain - changes in financial assumptions	(6,617)	-	(6,617)
Actuarial gain - experience adjustments	(1,918)	-	(1,918)
Recognized in other comprehensive income	(8,535)	(2,160)	(10,695)
Contributions from the employer	-	(4,145)	(4,145)
Benefits paid	(3,780)	3,780	-
Acquisitions through business combinations (Note 30)	3,212	(2,638)	574
Derecognized on disposal of a subsidiary (Note 31)	(5,820)	3,875	(1,945)
Balance at December 31, 2022	$ 61,958	$ (36,201)	$ 25,757

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

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

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

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

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

	December 31	
	2023	**2022**
Discount rate(s)	1.125%-1.375%	1.375%-1.750%
Expected rate(s) of salary increase	2.000%-2.750%	2.000%-3.000%

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

	December 31	
	2023	**2022**
Discount rate(s)		
0.25% increase	$ (1,183)	$ (1,310)
0.25% decrease	$ 1,222	$ 1,355
Expected rate(s) of salary increase		
0.25% increase	$ 1,185	$ 1,316
0.25% decrease	$ (1,153)	$ (1,279)

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

	December 31	
	2023	**2022**
The expected contributions to the plan for the next year	$ 1,895	$ 3,609
The average duration of the defined benefit obligation	7.2-13.2 years	8.1-14.2 years

24. EQUITY

a. Share capital

Common stock

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	250,000
Shares authorized	$ 5,000,000	$ 2,500,000
Number of shares issued and fully paid (in thousands)	212,657	212,657
Shares issued	$ 2,126,572	$ 2,126,572

Common stock issued had a par value of NT$10, and holders have the right to vote and receive dividends.

Of the Company's authorized shares, 10,000 thousand shares were reserved for the issuance of convertible bonds, preferred shares and employee share options, respectively.

On July 14, 2022, the Company's board meeting resolved to issue the first-time employee restricted stock awards (RSAs) for the year 2022 in a total of 4,000 thousand shares. The aforementioned issuance of new shares was approved. The registration has been completed, and the subscription base date was July 22, 2022.

In order to enrich operating capital, intensify financial structure and provide capital demands for the company's long term operating development, the Company raised fund and introduced strategic investors. On June 15, 2022, the Company held shareholder's meeting and a resolution was passed to increase cash capital by issuing 30,000 thousand common stock through private placement. On October 6, 2022, the Company's board of directors resolved to offer for subscription with the subscriber - Wt Microelectronics Co., Ltd. at a price of $44.02 at premium, and a total cash of $1,320,600 thousand was received. The subscription base date was on October 7, 2022, and the registration has been completed on October 25, 2022.

The aforementioned rights and obligations of private placement of new shares were same as which the common stock the Company had issued. However, in accordance with Article 43-8 under the Securities and Exchange Act, the common stock of this private placement shall not be freely transferred within three years from the date of subscription, except as otherwise specified in laws and regulations for special circumstances. The board of directors was authorized to finish the public offering procedure ex post facto with the competent authority and apply for trading on the exchange or OTC market.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Issuance of common stock	$ 1,301,615	$ 1,301,615
Conversion of bonds	111,200	111,200
Treasury share transactions	19,455	19,455

(Continued)

	December 31	
	2023	2022
The difference between the consideration received or paid and the carrying amount of the subsidiaries' net assets during actual disposal or acquisition	$ 15,334	$ 15,334
From business combinations	289	289
Other	3,814	3,814
	1,451,707	1,451,707
<u>May only be used to offset a deficit</u>		
Changes in percentage of ownership interests in subsidiaries	42,656	42,656
Other	1,665	1,226
	44,321	43,882
<u>May not be used for any purpose</u>		
Employee restricted shares	129,068	125,911
	$ 1,625,096	$ 1,621,500

(Concluded)

Note: Such capital surplus may be used to offset a deficit; in addition, when the Company has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital (limited to a certain percentage of the Company's capital surplus and once a year).

c. Retained earnings and dividend policy

The shareholders of the Company held their regular meeting on June 15, 2023 and in that meeting, resolved the amendments to the Company's Articles of Incorporation. In accordance with Article 240 of Company Act, the Company authorizes the board of directors to attend by over two-thirds of the directors, and over half of the directors' resolution to distribute dividends, bonuses, all or part of the legal reserve and capital surplus stipulated in Article 241 of Company Act in the form of cash, and report to the shareholders' meeting, which shall not be subject to the provisions of shareholders' meeting resolution.

Under the dividends policy as set forth in the Articles, if there is a surplus in the final accounts of the Company, the tax shall be paid first to make up for previous losses, and 10% shall be added to the legal reserve, except when the legal reserve has reached the paid-up capital of the company. In addition, the special reserve shall be listed or reversed according to the Company's operating needs and legal regulations. The total amount of dividends distributed each year shall not be less than 50% of the distributable earnings of the current year, and the board of directors shall draft a surplus distribution plan to shareholders' meeting resolution for distribution. For the policies on the distribution of compensation of employees and remuneration of directors after the amendment, refer to compensation of employees and remuneration of directors in Note 26(g).

The Company will consider the environment and its growth stage, in response to future capital needs and long-term financial planning. The earnings shall be distributed in accordance with Article 21 of Articles of Incorporation, and the cash dividend distributed to shareholders in the current year shall be no less than 30% of the total amount of shareholders' dividends.

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

The appropriations of earnings for 2022 and 2021, which were approved in the shareholders' meetings on June 15, 2023 and June 15, 2022, respectively, were as follows:

	Appropriation of Earnings For the Year Ended December 31	
	2022	**2021**
Legal reserve	$ 149,647	$ 94,567
Special reserve	$ 40,925	$ -
Cash dividends	$ 1,169,614	$ 714,629
Cash dividends per share (NT$)	$ 5.5	$ 4.0

The appropriation of earnings for 2023, which were proposed by the Company's board of directors on March 13, 2024, were as follows:

	For the Year Ended December 31, 2023
Legal reserve	$ 73,072
Reversal of special reserve	$ 40,925
Cash dividends	$ 723,034
Cash dividends per share (NT$)	$ 3.40

The above appropriation for cash dividends has been resolved by the Company's board of directors; the other proposed appropriations will be resolved by the shareholders in their meeting to be held on June 25, 2024.

d. Special reserve

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	$ 10,950	$ 10,950
Special reserve appropriated		
Debits to other equity items	40,925	-
Balance at December 31	$ 51,875	$ 10,950

A proportionate share of special reserve relating to exchange differences from the translation of the financial statements of foreign operations (including the subsidiaries of the Company) will be reversed on the Company's disposal of foreign operations; on the Company's loss of significant influence, however, the entire special reserve will be reversed. Additional special reserve should be appropriated for the amount equal to the difference between net debit balance reserves and the special reserve appropriated on the first-time adoption of IFRSs. Any special reserve appropriated may be reversed to the extent that the net debit balance reverses and thereafter distributed.

e. Others equity items

1) Exchange differences on translation of the financial statements of foreign operations

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (34,344)	$ (54,771)
Recognized for the year		
Exchange differences on the translation of the financial statements of foreign operations	(7,057)	20,445
Reclassification adjustments		
Share from the disposal of subsidiaries (Note 31)	-	(18)
Other comprehensive income recognized for the year	(7,057)	20,427
Balance at December 31	$ (41,401)	$ (34,344)

2) Unrealized valuation gain (loss) on financial assets at FVTOCI

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ (6,581)	$ 86,237
Recognized for the year		
Unrealized gain (loss) on equity instruments	61,627	(96,293)
Related income tax	4,888	3,475
Other comprehensive income recognized for the year	66,515	(92,818)
Cumulative unrealized gain of equity investments transferred to retained earnings due to disposal	(23,916)	-
Balance at December 31	$ 36,018	$ (6,581)

f. Non-controlling interests

	For the Year Ended December 31	
	2023	2022
Balance at January 1	$ 35,626	$ 402,787
Share in profit for the year	14,000	62,455
Other comprehensive income (loss) during the year		
Exchange differences on translating the financial statements of foreign entities	-	1
Unrealized loss on financial assets at FVTOCI	(162)	(145)
Remeasurement of defined benefit plans	-	162
Related income tax	32	(9)
Cash dividends paid by subsidiaries	(9,445)	(54,545)
Non-controlling interests of subsidiary's restricted shares for employees (Note 29)	-	4,381
Non-controlling interests from acquisition of subsidiaries (Note 30)	-	15,071

(Continued)

	For the Year Ended December 31	
	2023	2022
Disposal of subsidiary control was lost (Note 31)	$ -	$ (391,569)
Changes in the Group's ownership interests in existing subsidiaries (Note 32)	-	(2,967)
Other	17	4
Balance at December 31	$ 40,068	$ 35,626

(Concluded)

25. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from the sale of goods	$ 10,655,709	$ 10,831,265
Revenue from discontinued operation (Note 13)	-	(390,536)
	$ 10,655,709	$ 10,440,729

a. Contract information

Revenue from sale of goods

The Group sells electronic components to the manufacturers of the information products, video products, and electronic communication products. The amount of discount and related revenue are estimated using the most likely amount, taking into consideration the customer's historical purchase records. All other goods are sold at their respective amounts as agreed in the contracts.

b. Contact balances

	December 31, 2023	December 31, 2022	January 1, 2022
Trade receivables, net (Note 11)	$ 3,289,314	$ 3,047,033	$ 3,332,017
Contract liabilities - current			
Advance on contract	$ 6,311	$ 2,281	$ 5,692

The changes in the balance of contract liabilities primarily result from the riming difference between the Group's satisfaction of performance obligations and the respective customer's payment. The revenue recognized from the contract liability balance at the beginning for the year, which amounted to $2,281 thousand and $5,692 thousand for the years ended December 31, 2023 and 2022, respectively.

c. Contract detail

Refer to Note 42 for the details of revenue information.

26. NET PROFIT FOR THE YEAR

a. Interest income

	For the Year Ended December 31	
	2023	2022
Bank deposits	$ 36,478	$ 16,102
Others	2,594	1,181
	39,072	17,283
Profit (loss) from discontinued operations (Note 13)	-	(2,459)
	$ 39,072	$ 14,824

b. Other income

	For the Year Ended December 31	
	2023	2022
Dividends income	$ 20,745	$ 20,994
Rental income		
Investment properties	9,674	8,578
Depreciation of investment properties	(1,246)	(1,606)
	8,428	6,972
Remuneration of director acquired	12,241	9,963
Others	24,597	7,478
	66,011	45,407
Other income from discontinued operation (Note 13)	-	(119)
	$ 66,011	$ 45,288

c. Other gains and losses

	For the Year Ended December 31	
	2023	2022
Fair value changes of financial assets and financial liabilities		
Financial assets mandatorily classified as at FVTPL	$ 3,302	$ (1,883)
Financial liabilities held for trading	(3,906)	(867)
Gain on disposal of investment	-	660,235
Net foreign exchange gains	23,992	139,424
Impairment loss	-	(3,449)
Loss on disposal of property, plant, and equipment	(24)	(690)
Others	(394)	(263)
	22,970	792,507
Other gains and losses from discontinued operation (Note 13)	-	(684,711)
	$ 22,970	$ 107,796

d. Finance costs

	For the Year Ended December 31	
	2023	**2022**
Interest on bank loans	$ 78,091	$ 39,358
Interest on lease liabilities	437	750
Interest on rental deposits	20	9
	78,548	40,117
Finance costs from discontinued operation (Note 13)	-	(131)
	$ 78,548	$ 39,986

e. Depreciation and amortization

	For the Year Ended December 31	
	2023	**2022**
Property, plant and equipment	$ 11,129	$ 12,081
Right-of-use assets	14,003	16,076
Investment properties	1,246	1,606
Other intangible assets	4,442	9,680
	30,820	39,443
Depreciation and amortization from discontinued operation	-	(9,956)
	$ 30,820	$ 29,487
An analysis of depreciation by function		
Operating costs	$ -	$ 744
Operating expenses	25,132	27,413
Non-operating income and expenses	1,246	1,606
	26,378	29,763
Depreciation from discontinued operation	-	(4,316)
	$ 26,378	$ 25,447
An analysis of amortization by function		
Operating costs	$ -	$ 45
Operating expenses	4,442	9,635
	4,442	9,680
Amortization from discontinued operation	-	(5,640)
	$ 4,442	$ 4,040

f. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Post-employment benefits		
Defined contribution plans	$ 15,141	$ 16,862
Defined benefit plans (Note 23)	1,165	1,481
	16,306	18,343
Share-based payments (Note 29)		
Equity-settled	31,989	19,932
Other employee benefits	423,885	614,842
	472,180	653,117
Employee benefits expense from discontinued operation	-	(69,006)
	$ 472,180	$ 584,111
An analysis of employee benefits expense by function		
Operating costs	$ -	$ 4,967
Operating expenses	472,180	648,150
	472,180	653,117
Employee benefits expense from discontinued operation	-	(69,006)
	$ 472,180	$ 584,111

g. Compensation of employees and remuneration of directors

If the Company makes a profit in a year, no less than 5% shall be set aside as employee compensation and no over 3% shall be set aside as director compensation. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions. The compensation of employees and the remuneration of directors for the years ended December 31, 2023 and 2022, which were calculated on the basis of historical experience and operating conditions, were approved by the Company's board of directors on March 13, 2024 and March 13, 2023, respectively, are as follows:

	For the Year Ended December 31	
	2023	2022
	Cash	Cash
Compensation of employees	$ 60,583	$ 121,401
Remuneration of directors	$ 12,982	$ 26,014

If there is a change in the amount after the annual consolidated financial statements are authorized for issue, the differences are recorded as a change in the accounting estimate.

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

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

27. INCOME TAXES

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

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 199,184	$ 256,109
Income tax on unappropriated earnings	6,814	6,960
Additional income tax under the Alternative Minimum Tax Act	-	9,898
Adjustments for prior year	1,190	(413)
	207,188	272,554
Deferred tax		
In respect of the current year	(4,968)	(17,605)
Adjustments for prior years	167	(34)
	(4,801)	(17,639)
Income tax expense recognized in profit or loss	202,387	254,915
Income tax expense from discontinued operation (Note 13)	-	(25,173)
	$ 202,387	$ 229,742

A reconciliation of accounting loss expense and income tax expense is as follows:

	For the Year Ended December 31	
	2023	2022
Profit before tax from continuing operations	$ 922,693	$ 1,020,343
Income tax benefit calculated at the statutory rate	$ 191,365	$ 359,929
Nondeductible expenses in determining taxable income	129	991
Deferred tax effect of earnings of subsidiaries	7,891	(10,213)
Tax exempt income	(4,429)	(136,615)
Additional income tax under the Alternative Minimum Tax Act	-	9,898
Income tax on unappropriated earnings	6,814	6,960
Adjustments for prior years' tax	1,190	(497)
Adjustments for prior years' deferred tax	167	(34)
Deferred tax from acquisitions through business combinations	(740)	(677)
Income tax expense recognized in profit or loss	$ 202,387	$ 229,742

b. Income tax recognized in other comprehensive income

	For the Year Ended December 31	
	2023	2022
Deferred tax		
In respect of the current year		
Fair value changes of financial assets at FVTOCI	$ (4,920)	$ (3,498)
Remeasurement of defined benefit plans	(75)	2,138
Income tax recognized in other comprehensive income	$ (4,995)	$ (1,360)

c. Current tax assets and liabilities

	December 31 2023	December 31 2022
Current tax assets		
Tax refund receivable	$ 1,578	$ 3,941
Current tax liabilities		
Income tax payable	$ 85,728	$ 118,053

d. Deferred tax assets and liabilities

The movements of deferred tax assets and deferred tax liabilities are as follows:

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Closing Balance
Deferred tax assets				
Temporary differences				
Provision for loss on inventories	$ 16,125	$ 7,820	$ -	$ 23,945
Allowance for impairment loss	13,824	(150)	-	13,674
Unrealized gross profit on sales	10,249	(2,158)	-	8,091
Unrealized sales allowance	9,055	(962)	-	8,093
Defined benefit obligation	5,627	(1,256)	9	4,380
Unrealized exchange loss	3,521	5,412	-	8,933
Financial assets at fair value through other comprehensive income	3,498	-	4,920	8,418
Payable for annual leave	2,238	60	-	2,298
Others	225	(96)	-	129
	$ 64,362	$ 8,670	$ 4,929	$ 77,961
Deferred tax liabilities				
Temporary differences				
Share of profit or loss of subsidiaries	$ 66,521	$ 4,530	$ -	$ 71,051
Other intangible assets	6,723	(740)	-	5,983
Defined contribution retirement benefit plan	628	21	(66)	583
Unrealized exchange profit	254	(254)	-	-
Financial assets at fair value through profit or loss	-	312	-	312
	$ 74,126	$ 3,869	$ (66)	$ 77,929

For the year ended December 31, 2022

	Opening Balance	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Acquisitions Through Business Combinations (Note 30)	Derecognized on Disposal of A Subsidiary (Note 31)	Closing Balance
Deferred tax assets						
Temporary differences						
Provision for loss on inventories	$ 16,760	$ 1,710	$ -	$ 20	$ (2,365)	$ 16,125
Allowance for impairment loss	13,736	88	-	-	-	13,824
Defined benefit obligation	7,722	(494)	(1,601)	-	-	5,627
Unrealized sales allowance	6,249	2,806	-	-	-	9,055
Unrealized gross profit on sales	5,758	4,491	-	-	-	10,249
Payable for annual leave	2,604	146	-	12	(524)	2,238
Unrealized exchange loss	1,213	2,284	-	24	-	3,521
Financial assets at fair value through other comprehensive income	-	-	3,498	-	-	3,498
Others	316	(91)	-	-	-	225
	$ 54,358	$ 10,940	$ 1,897	$ 56	$ (2,889)	$ 64,362
Deferred tax liabilities						
Temporary differences						
Share of profit or loss of subsidiaries	$ 76,577	$(10,056)	$ -	$ -	$ -	$ 66,521
Defined contribution retirement benefit plan	235	40	537	-	(184)	628
Unrealized exchange profit	123	3,994	-	-	(3,863)	254
Other intangible assets	-	(677)	-	7,400	-	6,723
	$ 76,935	$ (6,699)	$ 537	$ 7,400	$ (4,047)	$ 74,126

e. Deductible temporary differences for which no deferred tax assets have been recognized in the consolidated balance sheets

	December 31	
	2023	2022
Deductible temporary differences		
Impairment loss on goodwill	$ 50,011	$ 50,011
Impairment loss on financial assets	$ 11,028	$ 11,028

f. Income tax assessments

The income tax returns of the Company, Lipers, Scpoe, AES, Vic-dawn, Tonsam and Koho through 2021 have been assessed by the tax authorities.

28. EARNINGS PER SHARE

Unit: NT$ Per Share

	For the Year Ended December 31	
	2023	2022
Basic earnings per share		
From continuing operations	$ 3.39	$ 4.21
From discontinued operations	-	3.81
Total basic earnings per share	$ 3.39	$ 8.02

(Continued)

	For the Year Ended December 31	
	2023	**2022**
Diluted earnings per share		
From continuing operations	$ 3.33	$ 4.14
From discontinued operations	-	3.75
Total diluted earnings per share	$ 3.33	$ 7.89

(Concluded)

The earnings and weighted average number of common stock outstanding used in computation of earnings per share were as follows:

Net Profit for the Year

	For the Year Ended December 31	
	2023	**2022**
Earnings used in the computation of basic earnings per share	$ 706,306	$ 1,488,045
Less: Profit for the year from discontinued operations used in the computation of basic earnings per share from discontinued operations	-	707,013
Earnings used in the computation of diluted earnings per share from continuing operations	$ 706,306	$ 781,032

Weighted average number of common stock outstanding (in thousand shares):

	For the Year Ended December 31	
	2023	**2022**
Weighted average number of common stock used in the computation of basic earnings per share	208,657	185,726
Effect of potentially dilutive common stock		
Compensation of employees	1,458	2,605
Share-based payment arrangements	1,778	379
Weighted average number of common stock used in the computation of diluted earnings per share	211,893	188,710

The Group may settle compensation or bonuses paid to employees in cash or shares, therefore, the Group assumes that the entire amount of the compensation or bonuses will be settled in shares, and the resulting potential shares will be included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares is included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

29. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Company

On March 23, 2022, the Company's board meeting resolved to issue the first employee restricted stock awards (RSAs), consisting of 4,000 thousand shares with a par value of NT$10, in a total amount of $40,000 thousand at a price of 50% of the closing price on the issuing date. This proposal was approved and became effective by the Financial Supervisory Commission (FSC) dated July 12, 2022. The Company's board meeting resolved to issue the RSAs on July 14, 2022, and the subscription base date was on July 22, 2022. The issue price and the fair value at grant date were $21.93 per share and $21.92 per share, respectively. If an employee remains employed by the Company for two years after that grant date, 40% of the restricted shares will be vested; if an employee remains employed by the Company for three years after that grant date, 30% of the restricted shares will be vested; if an employee remains employed by the Company for four years after that grant date, 30% of the restricted shares will be vested. There were 4,000 thousand of shares that had not met the vesting conditions as of the reporting date.

Movements in RSAs are as follows:

	Common Stock	Capital Surplus - Restricted Stock Units	Capital Surplus - Issue of Shares at Premium	Other Equity - Unearned Stock-based Employee Compensation
Amounts at July 14, 2022, the grant date of RSAs	$ 40,000	$ 125,911	$ -	$ (82,937)
Share-based payments recognized	-	-	-	15,551
Balance at December 31, 2022	40,000	125,911	-	(67,386)
Share-based payments recognized	-	-	-	31,989
Adjustment to the movement of resignation	-	3,157	-	(1,578)
Recognition of non-vesting condition dividends	-	-	794	-
Balance at December 31, 2023	$ 40,000	$ 129,068	$ 794	$ (36,975)

The restrictions on the rights of the employees who acquire the restricted shares but have not met the vesting conditions are as follows:

1) The RSAs should be held in stock trust. During each vesting period, no employee granted RSAs, except for inheritance, may sell, pledge, transfer, give to another person, create any encumbrance on, or otherwise dispose of, any shares under the unvested RSAs.

2) The voting rights of the shareholders meeting shall be exercised by trust custodians in accordance with relevant laws and regulations.

3) Before the vesting conditions are fulfilled, the employees holding these shares are entitled to receive cash and share dividends, which are the same as those of holders of common stock of the Company. However, the employees holding these shares are not entitled with the subscription right of the new shares issued for any capital increase.

b. On May 4, 2023, the Company's board meeting resolved to issue the first employee restricted stock awards (RSAs), consisting of 4,000 thousand shares with a par value of NT$10, in a total amount of $40,000 thousand at the expected issuance price, which is 50% of the closing price on the issuance date. This aforementioned resolution was approved and became effective by the Financial Supervisory Commission (FSC) on October 11, 2023.

c. Employee share option plan of Sentelic

On May 24, 2019, Sentelic's shareholders meeting resolved to issue employee restricted stock awards (RSAs), consisting of 800 thousand shares in a total amount of $8,000 thousand. The employ restricted stock awards were made free of charge and were granted to employees who were on duty before giving day. This proposal was approved and became effective by the Financial Supervisory Commission (FSC) dated October 4, 2019. The Sentelic's board meeting resolved to issue the RSAs on July 31, 2020, and the subscription base date was on August 10, 2020. The fair value at grant date were $39.50 per share. If an employee remains employed by Sentelic for one year after that grant date, 40% of the restricted shares will be vested; if an employee remains employed by Sentelic for two years after that grant date, 30% of the restricted shares will be vested; if an employee remains employed by Sentelic for three years after that grant date, 30% of the restricted shares will be vested. There were 63 thousand of forfeited employee restricted shares due to resignation or not reaching the vesting condition. As of July 31, 2022, There were 433 thousand of shares that had not met the vesting conditions.

Movements in RSAs are as follows:

	Common Stock	Capital Surplus - Restricted Stock Units	Capital Surplus - Issue of Shares at Premium	Other Equity - Unearned Stock-based Employee Compensation
Amounts at July 31, 2020, the grant date of RSAs	$ 8,000	$ 18,188	$ -	$ (26,188)
Share-based payments recognized	(130)	130	-	6,728
Adjustment to the movement of resignation	-	(2,477)	-	2,477
Balance at December 31, 2020	7,870	15,841	-	(16,983)
Share-based payments recognized	(304)	304	-	13,658
Vested restricted shares	-	(8,956)	8,956	-
Adjustment to the movement of resignation	-	2,290	-	(2,290)
Balance at December 31, 2021	7,566	9,479	8,956	(5,615)
Share-based payments recognized	(198)	198	-	4,381
Adjustment to the movement of resignation	-	1,020	-	(1,020)
Balance at July 31, 2022	$ 7,368	$ 10,697	$ 8,956	$ (2,254)

30. BUSINESS COMBINATIONS

a. Subsidiaries acquired

Subsidiary	Principal Activity	Date of Acquisition	Proportion of Voting Equity Interests Acquired (%)	Consideration Transferred
Koho	Sales and marketing of electronic components	January 26, 2022	81.33	$ 78,080

b. Consideration transferred

The Group acquired Koho (Taiwan) Co., Ltd. at the consideration of $78,080 thousand, and was paid in full on January 26, 2022. Acquisition-related costs were excluded from the consideration transferred and were recognized as expenses in the periods incurred under the consolidated statements of comprehensive income.

c. Assets acquired and liabilities assumed at the date of acquisition

	Koho
Current assets	
Cash and cash equivalents	$ 15,814
Notes receivables	1,728
Trade receivables, net	100,018
Inventories	10,622
Non-current assets	
Property, plant and equipment	875
Other intangible assets	37,000
Deferred tax assets	56
Refundable deposits	3
Current liabilities	
Short-term borrowings	(35,000)
Notes payables	(103)
Trade payables	(46,830)
Other payables	(620)
Current tax liabilities	(4,213)
Other current liabilities	(30)
Non-current liabilities	
Net defined benefit liabilities	(574)
Deferred tax liabilities	(7,400)
	$ 71,346

d. Non-controlling interests

The non-controlling interest (a 18.67% ownership interest in Koho) recognized at the acquisition date was measured by reference to the fair value of the non-controlling interest and amounted to $15,071 thousand. This fair value was estimated at $26.91 per share, on the basis of the acquisition price of $32 per share, considering the discount rate of 15.90% with control rights.

e. Goodwill recognized on acquisitions

	Koho
Consideration transferred	$ 78,080
Plus: Non-controlling interests (18.67% in Koho)	15,071
Less: Fair value of identifiable net assets acquired	(71,346)
Goodwill recognized on acquisitions	$ 21,805

The goodwill recognized in the acquisitions of Koho mainly represents the control premium included in the cost of the combinations. In addition, the consideration paid for the combinations effectively included amounts attributed to the benefits of expected synergies, revenue growth, future market development and the assembled workforces of Koho. These benefits are not recognized separately from goodwill because they do not meet the recognition criteria for identifiable intangible assets.

f. Net cash outflow on the acquisition of subsidiaries

	Koho
Consideration paid in cash	$ 78,080
Less: Cash and cash equivalent balances acquired	(15,814)
	$ 62,266

g. Impact of acquisitions on the results of the Group

The financial results of the acquirees since the acquisition dates, which are included in the consolidated statements of comprehensive income, were as follows:

	Koho
	2022/1/26-12/31
Revenue	$ 535,075
Profit	$ 36,782

Had Koho concluded the acquisition at the beginning of 2022, the Group’s revenue would have been $10,879,904 thousand, and the profit would have been $1,553,236 thousand for the year ended December 31, 2022. This pro-forma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed at the beginning of the acquisition year, 2022, nor is it intended to be a projection of future results.

31. DISPOSAL OF SUBSIDIARIES

The Group’s hold on Sentelic’s interest has declined to 9.68% on August 24, 2022, the date the control of Sentelic passed to the acquirer, and the unsold interest was recorded in financial assets at fair value through other comprehensive income.

a. Consideration received from disposals

	Sentelic
Consideration received in cash and cash equivalents	$ 778,417

b. Analysis of assets and liabilities on the date control was lost

	Sentelic
Current assets	
Cash and cash equivalents	$ 179,147
Financial assets at fair value through profit or loss - current	13,743
Financial assets at amortized cost - current	284,123
Notes receivables, net	2,642
Trade receivables, net	119,926
Trade receivables from related parties	945
Other receivables	6,652
Current tax assets	30
Inventories	154,173
Prepayments	6,941
Other current assets	283
Non-current assets	
Financial assets at amortized cost - non-current	15,297
Property, plant and equipment	8,054
Right-of-use assets	11,008
Goodwill	28,990
Other intangible assets	11,201
Deferred tax assets	2,889
Refundable deposits	855
Other non-current assets	11,416
Current liabilities	
Contract liabilities	(69)
Trade payables	(67,808)
Trade payables to related parties	(679)
Other payables	(41,240)
Other payables to related parties	(283)
Deferred tax liabilities	(22,665)
Lease liabilities - current	(5,073)
Other current liabilities	(438)
Non-current liabilities	
Deferred tax liabilities	(4,047)
Lease liabilities - non-current	(6,505)
Net defined benefit liabilities - non-current	(1,945)
Net assets disposed of	$ 707,563

c. Gain on disposal of subsidiaries

	Sentelic
Consideration received	$ 778,417
Net assets disposed of	(707,563)
Non-controlling interests	391,569
Reclassification of other comprehensive income in respect of subsidiaries	18
Fair value of the residual assets (the day with loss of control)	197,794
Gain on disposals	$ 660,235

For the year ended December 31, 2022, the gain on the disposal of Sentelic includes the unrealized gain of $130,303 thousand (i.e., the difference between the fair value of the residual interest in the former subsidiary and the carrying amount of the residual interest in the former subsidiary).

The gains on disposal of Sentelic was included in the profit from discontinued operations.

d. Net cash inflow on disposals of subsidiaries

	Sentelic
Consideration received in cash and cash equivalents	$ 778,417
Less: Cash and cash equivalent balances disposed of	(179,147)
	$ 599,270

32. EQUITY TRANSACTIONS WITH NON-CONTROLLING INTERESTS

The Group acquired a partial of shares of Koho on March 3, 2023. Therefore, the Group's shareholding in Sentelic increased from 81.33% to 85.00%. The above transactions were accounted for as equity transactions, since the Group did not cease to have control over these subsidiaries.

	Koho
Consideration paid	$ (3,520)
The proportionate share of the carrying amount of the net assets of the subsidiary transferred to non-controlling interests	2,967
Differences recognized from equity transactions	$ (553)

Differences recognized from equity transactions

	Koho
Capital surplus - the difference between consideration received or paid and the carrying amount of the subsidiaries net assets during actual disposal or acquisition	$ (553)

33. CASH FLOWS INFORMATION

Changes in Liabilities from Financing Activities

For the year ended December 31, 2023

	Opening Balance	Cash Flows	Non-cash Changes: Leases Movement	Non-cash Changes: Effects of Foreign Currency	Closing Balance
Short-term borrowings	$ 1,170,046	$ 384,501	$ -	$ (169)	$ 1,554,378
Guarantee deposits received	5,520	3	-	(2)	5,521
Lease liabilities (current and non-current)	10,284	(14,233)	36,339	(503)	31,887
	$ 1,185,850	$ 370,271	$ 36,339	$ (674)	$ 1,591,786

For the year ended December 31, 2022

	Opening Balance	Cash Flows	Non-cash Changes: Leases Movement	Acquisition of Subsidiaries	Disposal of Subsidiaries	Effects of Foreign Currency	Closing Balance
Short-term borrowings	$ 1,898,749	$ (763,703)	$ -	$ 35,000	$ -	$ -	$ 1,170,046
Short-term bills payable	234,939	(234,939)	-	-	-	-	-
Guarantee deposits received	5,502	16	-	-	-	2	5,520
Lease liabilities (current and non-current)	37,185	(16,786)	884	-	(11,578)	579	10,284
	$ 2,176,375	$ (1,015,412)	$ 884	$ 35,000	$ (11,578)	$ 581	$ 1,185,850

34. CAPITAL MANAGEMENT

The Group manages its capital to ensure that the Group will be able to continue as a going concern to fund its working capital needs, repayment of bank loan, and dividend expense over the next 12 months while maximizing the return to shareholders through the optimization of the debt and equity balance.

The capital structure of the Group consists of net debt and equity attributable to owners of the Company

The Group is not subject to any externally imposed capital requirements.

35. FINANCIAL INSTRUMENTS

a. Fair value of financial instruments not measured at fair value

Management believes the carrying amounts of financial assets and financial liabilities recognized in the consolidated financial statements approximate their fair values.

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

1) Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Forward exchange contracts	$ -	$ 1,558	$ -	$ 1,558
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 10,491	$ -	$ -	$ 10,491
Domestic unlisted shares	-	-	96,979	96,979
Foreign listed shares	91,842	-	-	91,842
	$ 102,333	$ -	$ 96,979	$ 199,312

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets mandatorily classified as at FVTPL				
Domestic mutual funds	$ 100,006	$ -	$ -	$ 100,006
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed shares	$ 187,273	$ -	$ -	$ 187,273
Domestic unlisted shares	-	-	93,384	93,384
Foreign listed shares	116,442	-	-	116,442
	$ 303,715	$ -	$ 93,384	$ 397,099

There were no transfers between Levels 1 and 2 in the current and prior periods.

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2023	$ 93,384
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	3,595
Balance at December 31, 2023	$ 96,979

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTOCI Equity Instruments
Balance at January 1, 2022	$ 98,711
Recognized in other comprehensive income (included in unrealized valuation gain/(loss) on financial assets at FVTOCI)	(5,327)
Balance at December 31, 2022	$ 93,384

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

Financial Instruments	Valuation Techniques and Inputs
Derivatives - foreign exchange forward contracts	Future cash flows are estimated based on observable forward exchange rates at the end of the reporting period and contract forward rates, discounted at a rate that reflects the credit risk of various counterparties.

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

Financial Instruments	Valuation Techniques and Inputs
Unlisted shares - domestic	a) The asset-based approach is used for evaluation based on the total value of individual assets and individual liabilities to show the overall value of the investment target. Significant unobservable inputs are discounted by considering market liquidity. b) The market approach is used for evaluation determined with reference to the share prices of listed companies with similar businesses as the Corporation to show the overall value of the investment target. Significant unobservable inputs are discounted by considering market liquidity.

c. Categories of financial instruments

	December 31	
	2023	**2022**
<u>Financial assets</u>		
FVTPL		
Mandatorily classified as at FVTPL	$ 1,558	$ 100,006
Financial assets at amortized cost		
Cash and cash equivalents	2,081,962	1,424,947
Notes receivables, net	114,961	113,680
Trade receivables from unrelated parties, net	3,289,314	3,047,033
Other receivables from unrelated parties	6,209	5,111
Refundable deposits	5,137	3,442
Overdue receivables (included in other non-current assets)	-	-
Financial assets at amortized cost (included in current and non-current)	683,930	988,879
Financial assets at FVTOCI (included in current and non-current)		
Equity instruments	199,312	397,099
<u>Financial liabilities</u>		
Financial liabilities at amortized cost		
Short-term borrowings	1,554,378	1,170,046
Notes payables	251	207
Trade payables to unrelated parties	980,730	891,409
Other payables to unrelated parties	72,680	77,816
Guarantee deposits received	5,521	5,520

d. Financial risk management objectives and policies

The Group's major financial instruments include equity and debt investments, trade receivables, trade payables, long term and short term borrowings, and lease liabilities. The Group's corporate treasury function provides services to the business, coordinates access to domestic and international financial markets, and monitors and manages the financial risks relating to the operations of the Group through internal risk reports that analyze exposures by degree and magnitude of risks. These risks include market risk (including foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Group seeks to minimize the effects of these risks by using derivative financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Group's policies approved by the shareholders' meeting, which provided written principles on foreign currency risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the internal auditors on a continuous basis. The Group did not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

1) Market risk

The Group's activities exposed it primarily to the financial risks of changes in foreign currency exchange rates (see (a) below) and interest rates (see (b) below). The Group entered into a variety of foreign exchange forward contracts to manage the Group's activities exposure to foreign currency risk.

a) Foreign currency risk

The Group have foreign currency denominated sales and purchases, which expose the Group to foreign currency risk. Exchange rate exposures were managed within approved policy parameters utilizing foreign exchange forward contracts.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) and of the derivatives exposed to foreign currency risk at the end of the year are set out in Note 40.

Sensitivity analysis

The Group was mainly exposed to USD.

The following table details the Group's sensitivity to a 5% increase and decrease in the New Taiwan dollar (i.e., the functional currency) against the relevant foreign currencies. The sensitivity analysis included only outstanding foreign currency denominated monetary items, and adjusts their translation at the end of the year for a 5% change in foreign currency rates. A positive number below indicates an increase in pre-tax profit with the New Taiwan dollar strengthening 5% against the relevant currency. For a 5% weakening of the New Taiwan dollar against the relevant currency, there would be an equal and opposite impact on pre-tax profit, and the balances below would be negative.

	USD Impact	
	For the Year Ended December 31	
	2023	**2022**
Profit or loss	$ 38,821	$ 50,162

b) Interest rate risk

Interest rate risk refers to the risk that the change in market value will influence the fair value of financial instruments. The Group's interest rate risk arises primarily from investment at fixed interest rates and borrowings at floating interest rates.

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

	December 31	
	2023	**2022**
Fair value interest rate risk		
Financial assets	$ 2,098,204	$ 1,719,457
Financial liabilities	943,455	460,207
Cash flow interest rate risk		
Financial assets	653,550	680,408
Financial liabilities	642,810	720,123

Sensitivity analysis

The sensitivity analysis below was determined based on the Group's exposure to interest rates for non-derivative instruments at the end of year. For floating rate liabilities, the analysis was prepared assuming the amount of each liability outstanding at the end of the year was outstanding for the whole year.

If interest rates had been 50 basis points higher and all other variables were held constant, the Group's pre-tax profit for the years ended December 31, 2023 and 2022 would have increased (decreased) by $54 thousand and $(199) thousand, respectively.

c) Other price risk

The Group was exposed to equity price risk through its investments in listed equity securities.

Sensitivity analysis

The sensitivity analyses below were determined based on the exposure to equity price risks at the end of the reporting period.

If equity prices had been 1% higher, the post-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased by $1,023 thousand and $3,037 thousand, respectively.

2) Credit risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. At the end of the year, the Group's maximum exposure to credit risk due to failure of counterparties to discharge an obligation could arise from the carrying amount of the respective recognized financial assets as stated in the balance sheets.

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

The Group transacts with all kinds of customers, which separated in different industries and geographical location, the Group's exposure and the operating performance of its counterparties are continuously monitored. The Group transacted with a large number of customers from various industries and geographical locations. The Group continuously assesses the financial positions of customers.

The receivables from Group A amounted to $466,218 thousand and $520,143 thousand for the year ended December 31, 2023 and 2022, respectively. The Group transacts with a large number of unrelated customers and thus, credit risk is not highly concentrated.

3) Liquidity risk

The Group manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to finance the Group's operations and mitigate the effects of fluctuations in cash flows. In addition, management monitors the utilization of bank borrowings and ensures compliance with loan covenants.

a) Liquidity and interest risk rate tables for non-derivative financial liabilities

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Group can be required to pay. The tables included both interest and principal cash flows. Specifically, bank loans with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights. The maturity dates for other non-derivative financial liabilities were based on the agreed repayment dates.

To the extent that interest flows are at floating rate, the undiscounted amount was derived from the interest rate curve at the end of the year.

The non-interest-bearing financial liabilities of the Group's current liabilities are due within one year and not required to be paid off. Guarantee deposits received in non-current financial liabilities are mainly deposited by lessee as credit guarantees and have no specific maturity date.

December 31, 2023

	On Demand or Less than 1 Month	**1-6 Months**	**7 Months to 1 Year**	**1-5 Years**	**5+ Years**
Lease liabilities	$ 424	$ 4,514	$ 5,416	$ 23,624	$ -
Variable interest rate liabilities	38,576	612,301	-	-	-
Fixed interest rate liabilities	538,647	379,102	-	-	-
	$ 577,647	$ 995,917	$ 5,416	$ 23,624	$ -

December 31, 2022

	On Demand or Less than 1 Month	1-6 Months	7 Months to 1 Year	1-5 Years	5+ Years
Lease liabilities	$ 887	$ 4,435	$ 4,597	$ 549	$ -
Variable interest rate liabilities	36,622	690,922	-	-	-
Fixed interest rate liabilities	162,797	290,661	-	-	-
	$ 200,306	$ 986,018	$ 4,597	$ 549	$ -

The amounts included above for variable interest rate instruments for both non-derivative financial assets and liabilities are subject to change if changes in variable interest rates differ from those estimates of interest rates determined at the end of the year.

b) Liquidity and interest risk rate tables for derivative financial liabilities

For liquidity analysis of derivative financial instruments, the derivative instruments are based on total undiscounted cash inflows and outflows with gross settlement.

December 31, 2023

	On Demand or Less than 1 Month	1-6 Months	7 Months to 1 Year	1-5 Years	5+ Years
Gross settled					
Foreign exchange forward contracts					
Inflows	$ 31,350	$ 31,246	$ -	$ -	$ -
Outflows	(30,583)	(30,455)	-	-	-
	$ 767	$ 791	$ -	$ -	$ -

e. Transfers of financial assets

During the year ended December 31, 2023, the Group entered into a commercial bills receivables contract with a bank. According to the contract, if these commercial bills are not recoverable at maturity, banks have the right to request that the Group pay the unsettled balance. As the Group has not transferred the significant risks and rewards relating to these commercial bills, it continues to recognize the full carrying amounts of these commercial bills and treats these commercial bills that have been transferred to banks as collateral for borrowings in Note 20.

As of December 31, 2023, the carrying amount of these commercial bills that have been transferred but not derecognized was $11,068 thousand, and the carrying amount of the related liabilities was $11,068 thousand.

36. TRANSACTIONS WITH RELATED PARTIES

Balances and transactions between the Company and its subsidiaries, which are related parties of the Company, have been eliminated on consolidation and are not disclosed in this note. Besides information disclosed elsewhere in the other notes, details of transactions between the Group and other related parties are disclosed as follows.

Remuneration of Key Management Personnel

	For the Year Ended December 31	
	2023	2022
Short-term employee benefits	$ 93,141	$ 150,208
Post-employment benefits	1,753	2,244
Share-based payments	24,791	12,690
	$ 119,685	$ 165,142

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

37. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The following assets were provided as collateral for short-term loans, lawsuits and payment of purchase. The carrying amounts were as follows:

	December 31	
	2023	2022
Financial assets at amortized cost - non-current	$ 178,930	$ 178,879
Property, plant and equipment	73,108	73,334
Investment properties	15,835	15,874
Notes receivable	11,068	-
	$ 278,941	$ 268,087

38. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

In addition to those disclosed in other notes, significant contingencies and unrecognized commitments of the Group were as follows:

Significant Unrecognized Commitments

a. Unused letters of credit for purchases of inventories amounted to $2,647 thousand U.S dollars in total.

b. As of December 31, 2023, the amount of Mega bank's bank and Taishin International Bank guaranteed letter provided as collateral for payment of purchases were $55,000 thousand and $50,000 thousand, respectively.

39. SIGNIFICANT EVENTS AFTER THE REPORTING PERIOD

On March 13 2024, the board of directors resolved to acquire 12,834,314 shares of Concord Advanced Technology Co., Ltd. at $22 per share, for total investment amount of $282,355 thousand.

40. EXCHANGE RATE INFORMATION OF FOREIGN-CURRENCY FINANCIAL ASSETS AND LIABILITIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 110,584	30.7050 (USD:NTD)	$ 3,395,489
USD	106	7.0827 (USD:RMB)	3,245
USD	561	7.8150 (USD:HKD)	17,228
Financial liabilities			
Monetary items			
USD	82,953	30.7050 (USD:NTD)	2,547,086
USD	2,884	7.0827 (USD:RMB)	88,379
USD	129	7.8150 (USD:HKD)	3,950

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 102,958	30.7100 (USD:NTD)	$ 3,161,833
USD	73	6.9646 (USD:RMB)	2,254
USD	2,889	7.7984 (USD:HKD)	88,731
Financial liabilities			
Monetary items			
USD	69,852	30.7100 (USD:NTD)	2,145,167
USD	3,177	6.9646 (USD:RMB)	97,536
USD	223	7.7984 (USD:HKD)	6,851

For the years ended December 31, 2023 and 2022, realized and unrealized net foreign exchange gains were $23,992 thousand and $139,424 thousand, respectively. It is impractical to disclose net foreign exchange gains (losses) by each significant foreign currency due to the variety of the foreign currency transactions and functional currencies of the entities in the Group.

41. SEPARATELY DISCLOSED ITEMS

a. Information on significant transactions:

1) Financing provided to others: Table 1 (attached)

2) Endorsements/guarantees provided: Table 2 (attached)

3) Marketable securities held (excluding investment in subsidiaries, associates and joint controlled entities): Table 3 (attached)

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

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

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

7) Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 4 (attached)

8) Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Table 5 (attached)

9) Trading in derivative instruments: Table 7 (attached)

10) Intercompany relationships and significant intercompany transactions: Table 6 (attached)

b. Information on investees: Table 7 (attached)

c. Information on investments in mainland China

1) Information on any investee company in mainland China, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, ownership percentage, net income of investees, investment income or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 8 (attached)

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the year: Table 6 (attached)

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the year.: Table 6 (attached)

c) The amount of property transactions and the amount of the resultant gains or losses: None

d) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the year and the purposes: Table 2 (attached)

e) The highest balance, the ending balance, the interest rate range, and total current period interest with respect to financing of funds: Table 1 (attached)

f) Other transactions that have a material effect on the profit or loss for the year or on the financial position, such as the rendering or receipt of services: None

d. Information of major shareholders: List all shareholders with ownership of 5% or greater showing the name of the shareholder, the number of shares owned, and percentage of ownership of each shareholder: Table 9 (attached)

42. SEGMENT INFORMATION

The Group's reportable segments (including discontinued segments) under IFRS 8 "Operating Segments" were as follows:

- Taiwan
- Others

a. Segment revenue and results

The following was an analysis of the Group's revenue and results from continuing operations by reportable segments:

	Segment Revenue For the Year Ended December 31		Segment Income December 31	
	2023	2022	2023	2022
Taiwan area				
From external customers	$ 10,050,730	$ 10,080,617		
From other segments	1,306,395	1,407,767		
	11,357,125	11,488,384	$ 714,826	$ 883,380
Others				
From external customers	604,979	750,648		
From other segments	73,382	60,809		
	678,361	811,457	51,050	77,893
Eliminating the transactions among segments	(1,379,777)	(1,468,576)	107,312	29,062
	$ 10,655,709	$ 10,831,265	873,188	990,335
Interest revenue			39,072	17,283
Other income			66,011	45,407
Other gains and losses			22,970	792,507
Finance costs			(78,548)	(40,117)
Income before income tax			$ 922,693	$ 1,805,415

Revenues reported above were from transactions with external customers. The intersegment sales for the years ended December 31, 2023 and 2022 have been eliminated completely in preparing the consolidated financial statements.

Segment profit represents the profit before tax earned by each segment without other income, other gains and losses, finance costs and income tax expense. This was the measure reported to the chief operating decision maker for the purpose of resource allocation and assessment of segment performance.

b. Total segment assets and liabilities

	December 31	
	2023	**2022**
Segment assets		
Assets in Taiwan	$ 8,583,315	$ 8,544,024
Assets in other area	799,861	821,795
Consolidated total assets	$ 9,383,176	$ 9,365,819
Segment liabilities		
Liabilities in Taiwan	$ 2,971,162	$ 2,671,633
Liabilities in other area	137,900	55,164
Consolidated total liabilities	$ 3,109,062	$ 2,726,797

For the purpose of monitoring segment performance and allocating resources between segments:

1) All assets were allocated to reportable segments other than interests in associates accounted for using the equity method, other financial assets, and current and deferred tax assets. Goodwill was allocated to the reportable segments; and

2) All liabilities were allocated to reportable segments other than borrowings, other financial liabilities, current and deferred tax liabilities.

c. Other segment information

	Depreciation and Amortization		Increase (Decrease) in Non-current Assets	
	For the Year Ended December 31		For the Year Ended December 31	
	2023	**2022**	**2023**	**2022**
Taiwan	$ 13,348	$ 22,312	$ 60,952	$ (24,936)
Others	17,472	17,131	19,587	(19,039)
	$ 30,820	$ 39,443	$ 80,539	$ (43,975)

d. Revenue from major products and services

	For the Year Ended December 31	
	2023	**2022**
Capacitor-line	$ 8,550,545	$ 8,084,436
Others	2,105,164	2,746,829
	$ 10,655,709	$ 10,831,265

e. Geographical information

The Group operates in mainly Taiwan and other two areas.

The Group's revenue from continuing operations from external customers by location of operations and information on its non-current assets by location of assets are detailed below.

	Revenue from External Customers		Non-current Assets	
	For the Year Ended December 31		December 31	
	2023	2022	2023	2022
Taiwan	$ 10,050,730	$ 10,080,617	$ 875,825	$ 814,873
Others	604,979	750,648	76,407	56,820
	$ 10,655,709	$ 10,831,265	$ 952,232	$ 871,693

Non-current assets exclude financial instruments, deferred tax assets, and net defined benefit assets.

f. Information on major customers

Included in revenue arising from sales of goods of $10,655,709 thousand and $10,831,265 thousand in 2023 and 2022, respectively, is revenue of approximately $1,585,926 thousand and $1,785,404 thousand which arose from sales to the Group's largest customer. No other single customers contributed 10% or more to the Group's revenue for both 2023 and 2022.

TABLE 1

NICHIDENBO CORPORATION AND SUBSIDIARIES

FINANCING PROVIDED TO OTHERS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Lender	Borrower	Financial Statement Account	Related Party	Highest Balance for the Year	Ending Balance	Actual Amount Borrowed	Interest Rate (%)	Nature of Financing (Note 4)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limits
													Item	Value		
0	Nichidenbo Corporation	AES	Other receivables from related parties	Yes	$ 190,000	$ -	$ -	-	(b)	$ -	Operational needs	$ -	-	$ -	$ 1,870,213 (Note 1)	$ 2,493,618 (Note 1)
		Scope	Other receivables from related parties	Yes	600,000	200,000	100,000	1.715	(b)	-	Operational needs	-	-	-	1,870,213 (Note 1)	2,493,618 (Note 1)
		Lipers	Other receivables from related parties	Yes	340,000	300,000	200,000	1.715	(b)	-	Operational needs	-	-	-	1,870,213 (Note 1)	2,493,618 (Note 1)
		Koho	Other receivables from related parties	Yes	160,000	80,000	50,000	1.715	(b)	-	Operational needs	-	-	-	1,870,213 (Note 1)	2,493,618 (Note 1)
1	Vic-Dawn	Lipers	Other receivables from related parties	Yes	25,000	-	-	-	(b)	-	Operational needs	-	-	-	99,334 (Note 2)	132,446 (Note 2)
		Tonsam	Other receivables from related parties	Yes	10,000	-	-	-	(b)	-	Operational needs	-	-	-	99,334 (Note 2)	132,446 (Note 2)
2	NDB (Shenzhen)	NDB (Suzhou)	Other receivables from related parties	Yes	44,450 (RMB 10,000 thousand)	43,270 (RMB 10,000 thousand) (Note 5)	43,270 (RMB 10,000 thousand) (Note 5)	3.550	(b)	-	Operational needs	-	-	-	306,742 (Notes 3 and 5)	306,742 (Notes 3 and 5)

Note 1: Aggregate financing limits should not exceed 40% of Nichidenbo Corporation’s net worth. The limit of short-term financing for each counterparty should not exceed 30% of Nichidenbo Corporation’s net worth as shown in the audited financial statements for the year ended 2023. For the borrower needing short-term financing with direct or indirect holding of 100% voting right on corporation not established in the ROC, financing limits should not exceed 100% of Nichidenbo Corporation’s net worth.

Note 2: Aggregate financing limits should not exceed 40% of Vic-Dawn’s net worth. The limit of short-term financing for each counterparty should not exceed 30% of Vic-Dawn’s net worth as shown in the audited financial statements for the year ended 2023.

Note 3: Aggregate financing limits should not exceed 40% of NDB (Shenzhen)’s net worth in the audited financial statements for the year ended 2023

Note 4: Reasons for the nature of financing are as follows:

a. Business relationship.
b. Necessity of short-term financing.

Note 5: Calculated by the exchange rate as of December 31, 2023, RMB1=NT$4.327.

Note 6: All intra-group transactions have been eliminated upon consolidation of the financial statements.

TABLE 2

NICHIDENBO CORPORATION AND SUBSIDIARIES

ENDORSEMENTS/GUARANTEES PROVIDED
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

No.	Endorser/Guarantor	Endorsee/Guarantee		Limit on Endorsement/ Guarantee Given on Behalf of Each Party (Note 2)	Maximum Amount Endorsed/ Guaranteed During the Year	Outstanding Endorsement/ Guarantee at the End of the Year	Actual Amount Borrowed	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement/ Guarantee to Net Equity in Latest Financial Statements (%) (Note 3)	Aggregate Endorsement/ Guarantee Limit (Note 2)	Endorsement/ Guarantee Given by Parent on Behalf of Subsidiaries	Endorsement/ Guarantee Given by Subsidiaries on Behalf of Parent	Endorsement/ Guarantee Given on Behalf of Companies in Mainland China
		Name	Relationship (Note 1)										
0	Nichidenbo Corporation	Scope	b.	$ 9,351,069	$ 2,490,080	$ 852,690	$ 659,345	$ -	13.68	$ 18,702,138	Y	N	N
		AES	b.	9,351,069	740,000	-	-	-	-	18,702,138	Y	N	N
		Tonsam	b.	9,351,069	291,480	61,410	17,291	-	0.99	18,702,138	Y	N	N
		NDB (Suzhou) and NDB (Shenzhen) (Note 4)	b.	9,351,069	88,900	86,540	-	-	1.39	18,702,138	Y	N	Y
		Lipers	b.	9,351,069	826,680	107,468	5,284	-	1.72	18,702,138	Y	N	N
		Vic-Dawn	b.	9,351,069	180,000	60,000	-	-	0.96	18,702,138	Y	N	N
		Koho	b.	9,351,069	330,000	190,000	80,000	-	3.05	18,702,138	Y	N	N

Note 1: Relationship between the endorser/guarantor and the endorsee/guarantee is classified as follows:

a. Having a business relationship.
b. The endorser/guarantor directly or indirectly owns more than 50% of the common stock of the endorsee/guarantee.
c. The endorsee/guarantee directly or indirectly owns more than 50% of the common stock of the endorser/guarantor.
d. Company in which the public company directly or indirectly holds 90% or more of the voting shares may make endorsements/guarantees for each other.
e. Due to joint venture, all shareholders provide endorsements/guarantees to the endorsee/guarantee in proportion to its ownership.
f. Where a public company fulfills its contractual obligations by providing mutual endorsements/guarantees for another company in the same industry or joint builders for the purposes of undertaking a construction project.
g. Where companies in the same industry provide among themselves joint and several securities for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 2: The aggregate limits on endorsements/guarantees given by Nichidenbo Corporation should not exceed 300% of the Company's the net equity as shown in the audited financial statements for the year ended 2023; the individual limit on endorsement/guarantee given by Nichidenbo Corporation should not exceed 150% of the Company's the net equity as shown in the audited financial statements for the year ended 2023.

Note 3: The ratio of the outstanding endorsement/Guarantee to the net value of the Company providing guarantees or endorsements.

Note 4 NDB (Suzhou) and NDB (Shenzhen) have both become endorsees/guarantees since they share the limit of endorsement/guarantee of RMB20,000 thousand.

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

Holding Company	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units	Carrying Amount	Percentage of Ownership	Fair Value	
Nichidenbo Corporation	Shares							
	Honey Hope Honesty Enterprise Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	374,000	$ 10,491	0.47	$ 10,491	
	Concord Advanced Technology Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	9,097,898	96,979	8.53	96,979	
Lipers Enterprise Co., Ltd.	Shares							
	Nippon Chemi-Con Corporation	-	Financial assets at fair value through other comprehensive income - current	321,800	91,842	1.47	91,842	
	Hatsushiba Tech Co., Ltd.	-	Financial assets mandatorily classified as at fair value through profit or loss - non-current	102,807	-	3.67	-	Note 1
Tonsam Corporation	Shares							
	Amazing Cool Technology Corporation.	-	Financial assets at fair value through other comprehensive income - non-current	500,000	-	3.04	-	Note 2

Note 1: Hatsushiba Tech Co., Ltd. has recognized impairment losses for all amounts.

Note 2: Amazing Cool Technology Corporation. has recognized the unrealized valuation loss on investments in equity instruments at fair value through other comprehensive income for all amounts.

Note 3: Refer to Tables 7 and 8 for information relating to investments in subsidiaries.

TABLE 4

NICHIDENBO CORPORATION AND SUBSIDIARIES

TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES OF AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Buyer	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note Amount
			Purchase/ Sale	Amount	% of Total	Payment Term	Unit Price	Payment Term	Ending Balance	% of Total	
Lipers	AES	Sister company	Sales	$ (158,611)	(10.42)	Net 90 days from the end of the month	$ -	-	$ 45,327	8.44	
AES	Lipers	Sister company	Purchases	158,611	15.16	Net 90 days from the end of the month	-	-	(45,327)	(15.22)	
Lipers	Scope	Sister company	Sales	(148,915)	(9.78)	Net 90 days from the end of the month	-	-	53,593	9.98	
Scope	Lipers	Sister company	Purchases	148,915	3.42	Net 90 days from the end of the month	-	-	(53,593)	(13.51)	
	Lipers	Sister company	Sales	(173,934)	(3.73)	Net 90 days from the end of the month	-	-	50,249	3.36	
Lipers	Scope	Sister company	Purchases	173,934	13.90	Net 90 days from the end of the month	-	-	(50,249)	(24.57)	
AES	Nichidenbo Corporation	Parent company and subsidiary	Sales	(118,123)	(9.00)	Net 90 days from the end of the month	-	-	17,822	4.10	
Nichidenbo Corporation	AES	Parent company and subsidiary	Purchases	118,123	9.81	Net 90 days from the end of the month	-	-	(17,822)	(12.14)	
AES	Scope	Sister company	Sales	(111,228)	(8.47)	Net 90 days from the end of the month	-	-	33,491	7.71	
Scope	AES	Sister company	Purchases	111,228	2.55	Net 90 days from the end of the month	-	-	(33,491)	(8.44)	
AES	Lipers	Sister company	Sales	(110,998)	(8.45)	Net 90 days from the end of the month	-	-	27,739	6.39	
Lipers	AES	Sister company	Purchases	110,998	8.87	Net 90 days from the end of the month	-	-	(27,739)	(13.56)	

Note: All intra-group transactions have been eliminated upon consolidation of the financial statements.

TABLE 5

NICHIDENBO CORPORATION AND SUBSIDIARIES

RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NT$100 MILLION OR 20% OF THE PAID-IN CAPITAL
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Company Name	Related Party	Relationship	Ending Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Impairment Loss
					Amount	Actions Taken		
Nichidenbo Corporation	Lipers	Subsidiary	$ 219,246 (Note 1)	3.73	$ -	-	$ 9,117	$ -
	Scope	Subsidiary	111,609 (Note 2)	2.48	-	-	11,504	-

Note 1: Including trade receivables in the amount of $17,754 thousand and other receivables in the amount of $201,492 thousand (mainly $200,000 thousand of financing provided to others); other receivables were not applicable for calculating turnover rate.

Note 2: Including trade receivables in the amount of $7,757 thousand and other receivables in the amount of $103,852 thousand (mainly $100,000 thousand of financing provided to others); other receivables were not applicable for calculating turnover rate.

Note 3: All intra-group transactions have been eliminated upon consolidation of the financial statements.

NICHIDENBO CORPORATION AND SUBSIDIARIES

INTERCOMPANY RELATIONSHIPS AND SIGNIFICANT INTERCOMPANY TRANSACTIONS
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

No. (Note 1)	Investee Company	Counterparty	Relationship (Note 2)	Transaction Details			
				Financial Statement Accounts	**Amount (Note 4)**	**Payment Terms**	**% of Total Sales or Assets (Note 3)**
0	Nichidenbo Corporation	Lipers	a	Trade receivables from related parties	$ 17,754	At arm's length	-
			a	Operating revenue	67,582	Internal transfer pricing	1
			a	Other receivables from related parties	201,492	-	2
		Scope	a	Operating revenue	27,603	Internal transfer pricing	-
			a	Other receivables from related parties	103,852	-	1
		Vic-Dawn	a	Operating revenue	16,610	Internal transfer pricing	-
		Koho	a	Other receivables from related parties	51,020	-	1
			a	Operating revenue	13,267	Internal transfer pricing	-
1	Lipers	Scope	c	Trade receivables from related parties	53,593	At arm's length	1
			c	Operating revenue	148,915	Internal transfer pricing	1
		AES	c	Trade receivables from related parties	45,327	At arm's length	-
			c	Operating revenue	158,611	Internal transfer pricing	1
		Lipers Electronics (Shenzhen)	c	Trade receivables from related parties	12,102	At arm's length	-
			c	Operating revenue	32,912	Internal transfer pricing	-
2	Scope	Nichidenbo Corporation	b	Operating revenue	18,786	Internal transfer pricing	-
		Lipers	c	Trade receivables from related parties	50,249	At arm's length	1
			c	Operating revenue	173,934	Internal transfer pricing	2
		AES	c	Trade receivables from related parties	17,233	At arm's length	-
			c	Operating revenue	78,770	Internal transfer pricing	1
		Vic-Dawn	c	Operating revenue	13,439	Internal transfer pricing	-
		Lipers Electronics (Shenzhen)	c	Trade receivables from related parties	13,589	At arm's length	-
			c	Operating revenue	29,475	Internal transfer pricing	-
3	AES	Nichidenbo Corporation	b	Trade receivables from related parties	17,822	At arm's length	-
			b	Operating revenue	118,123	Internal transfer pricing	1
		Lipers	c	Trade receivables from related parties	27,739	At arm's length	-
			c	Operating revenue	110,998	Internal transfer pricing	1
		Scope	c	Trade receivables from related parties	33,491	At arm's length	-
			c	Operating revenue	111,228	Internal transfer pricing	1
		Lipers Electronics (Shenzhen)	c	Trade receivables from related parties	15,322	At arm's length	-
			c	Operating revenue	35,800	Internal transfer pricing	-
		NDB (Suzhou)	c	Trade receivables from related parties	14,284	At arm's length	-
			c	Operating revenue	36,844	Internal transfer pricing	-

(Continued)

No.	Investee Company	Counterparty	Relationship	Transaction Details			
				Financial Statement Accounts	Amount	Payment Terms	% of Total Sales or Assets
4	Vic-Dawn	Scope	c	Operating revenue	$ 10,890	Internal transfer pricing	-
5	Koho	Nichidenbo Corporation	b	Operating revenue	13,787	Internal transfer pricing	-
6	NDB (Shenzhen)	Lipers Electronics (Shenzhen)	c	Operating revenue	18,046	Internal transfer pricing	-
		NDB (Suzhou)	c	Other receivables from related parties	43,317	-	-
			c	Operating revenue	16,826	Internal transfer pricing	-
7	NDB (Suzhou)	NDB (Shenzhen)	c	Operating revenue	19,982	Internal transfer pricing	-

Note 1: Transactions between the Company and its subsidiaries should be remarked, as well as numbered in the first column. Rules are as follows:

a. Nichidenbo Corporation - 0
b. Subsidiaries are numbered in Arabic figures

Note 2: Related party transactions are divided into three categories as follows:

a. Nichidenbo Corporation to its subsidiaries.
b. Subsidiaries to Nichidenbo Corporation.
c. Subsidiaries to subsidiaries

Note 3: When calculating the ratio of the amount of transactions to consolidated total assets, use the balance amount as the amount of transactions when they are regarded as assets or liabilities; use the accumulated amount as the amount of transactions when they are regarded as profits or losses.

Note 4: It is considered as the disclosure criterion when the amount of the intercompany relationships and significant intercompany transactions reaches $10,000 thousand.

Note 5: All intra-group transactions have been eliminated upon consolidation of the financial statements.

(Concluded)

TABLE 7

NICHIDENBO CORPORATION AND SUBSIDIARIES

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

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		As of December 31, 2023			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Value			
Nichidenbo Corporation	Vic-Dawn	Xindian District, New Taipei City	Sales and marketing of electronic components	$ 187,646	$ 187,646	14,296,603	95.31	$ 315,477	$ 107,059	$ 102,013 (Note 1)	Subsidiary
	Nichidenbo (Mauritius)	Mauritius	Investment activities	154,382	154,382	5,050,000	100.00	463,774	26,309	26,309	Subsidiary
	Lipers	Xindian District, New Taipei City	Sales and marketing of electronic components	729,615	729,615	31,788,710	99.34	662,550	104,579	102,597 (Note 2)	Subsidiary
	Scope	Xindian District, New Taipei City	Sales and marketing of electronic components	814,502	814,502	53,016,276	100.00	1,027,784	109,076	109,044 (Note 1)	Subsidiary
	AES	Xindian District, New Taipei City	Sales and marketing of electronic components	383,887	383,887	37,224,808	100.00	530,867	78,693	78,386 (Note 1)	Subsidiary
	Tonsam	Xindian District, New Taipei City	Sales and marketing of electronic components	358,430	358,430	15,000,000	100.00	285,145	17,786	17,761 (Note 2)	Subsidiary
	Lipers (HK) (Note 3)	Hong Kong	Sales and marketing of electronic components	140,373	216,454	11,000,000	100.00	128,090	16,370	16,370	Subsidiary
	Koho	Xindian District, New Taipei City	Sales and marketing of electronic components	81,600	81,600	2,550,000	85.00	126,443	57,945	46,697 (Note 2)	Subsidiary

Note 1: The difference between an investee’s net income in the Corporation’s share and share of profits was a unrealized gross margin from upstream transactions.

Note 2: The difference between an investee’s net income in the Corporation’s share and share of profits was a amortization between fair value and carrying amount of investee’s assets and unrealized gross margin from upstream transactions.

Note 3: Lipers (HK)’s board of directors resolved to reduce the capital and refund of shares by $76,081 thousand (HK$18,643 thousand) on August 31, 2023, and the base date was September 11, 2023.

Note 4: Refer to Tables 8 for information relating to investments in mainland China.

Note 5: All intra-group transactions have been eliminated upon consolidation of the financial statements.

NICHIDENBO CORPORATION AND SUBSIDIARIES

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars, Unless Specified Otherwise)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 4)	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023	Net Income (Loss) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 1)	Carrying Amount as of December 31, 2023 (Note 1)	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outward	Inward						
NDB (Shenzhen)	Sales and marketing of electronic components	$ 90,499 (US$ 2,744 thousand) and (HK$ 2,000 thousand)	Invested by Nichidenbo (Mauritius)	$ 90,499	$ -	$ -	$ 90,499	$ 22,081	100	$ 22,081	$ 306,742	$ 109,625
NDB (Suzhou) (Note 3)	Sales and marketing of electronic components	101,712 (US$ 3,396 thousand)	Invested by Nichidenbo (Mauritius)	59,900	-	-	59,900	4,221	100	4,221	155,045	4,475
Lipers Electronics (Shenzhen)	Sales and marketing of electronic components	29,385 (US$ 1,000 thousand)	Invested by Lipers (HK)	61,911	-	-	61,911	9,731	100	9,731	108,955	45,393

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
$212,310 (HK$2,000 thousand, US$4,744 thousand and NT$61,911 thousand)	$254,122 (HK$2,000 thousand, US$6,140 thousand and NT$61,911 thousand)	$3,764,468 (Note 2)

Note 1: The investment gain (loss) and carrying amount as of December 31, 2023 are recognized based on the audited financial statements.

Note 2: The upper limit on investment in mainland China is determined by sixty percent (60%) of the Company’s consolidated net worth.

Note 3: The $59,900 thousand (US$2,000 thousand) among paid-in capital of NDB (Suzhou) was shift in invested through third area to mainland China from Taiwan output, remaining of paid-in capital was indirectly invested by retained earnings of Nichidenbo (Mauritius)., which was received from Nichidenbo Shanghai Trading Co., Ltd.

Note 4: Total amount of paid-in capital was translated into NTD at historical rate.

Note 5: All intra-group transactions have been eliminated upon consolidation of the financial statements.

TABLE 9

NICHIDENBO CORPORATION

INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
WT MICROELECTRONICS CO., LTD.	31,000,000	14.57

Note 1: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of common stock and preference shares held by shareholders with ownership of 5% or greater, that have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

Note 2: If a shareholder delivers the shareholdings to the trust, the above information will be disclosed by the individual trustee who opened the trust account. For shareholders who declare insider shareholdings with ownership greater than 10% in accordance with the Security and Exchange Act, the shareholdings include shares held by shareholders and those delivered to the trust over which shareholders have rights to determine the use of trust property. For information relating to insider shareholding declaration, please refer to Market Observation Post System.