Chroma
Advancing Excellence

Ticker Number 2360
Chroma ATE Inc.
2023 Annual Report

Taiwan Stock Exchange Market Observation Post System https://mops.twse.com.tw
Chroma ATE Inc. website https://www.chromaate.com
Printed on 8th April, 2024

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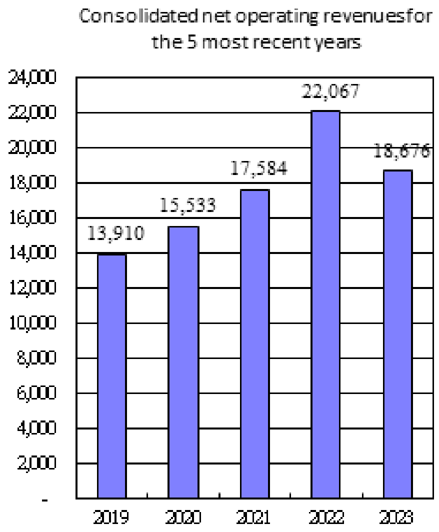
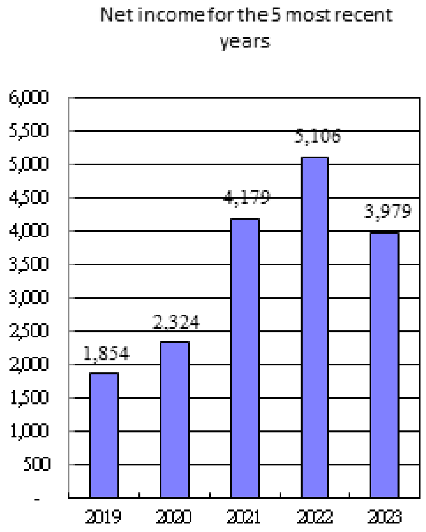
Critical financial indicators (integrated)

Unit: NT$ million

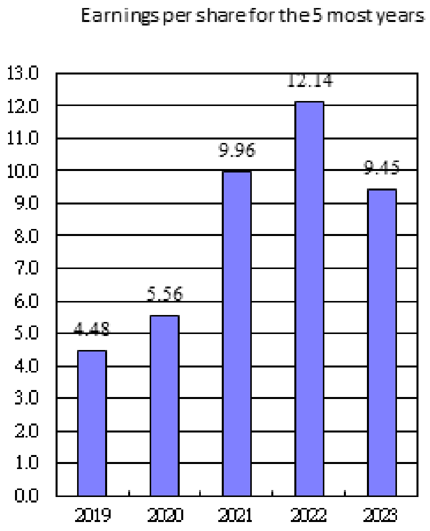
	2021	2022	2023
Consolidated net operating revenues	17,584	22,067	18,676
Net income (attributable to the parent Corporation)	4,179	5,106	3,979
Earnings per share（NT$）	9.96	12.14	9.45
Capital stock	4,219	4,254	4,254
Total assets	29,546	33,829	33,482
Total equity	18,947	21,873	22,517
Return on total assets	14.62	16.25	11.97
Return on total equity	24.17	25.61	18.37



Unit：NT$ million



Unit：NT$ million



Unit：NT$

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Chapter 1 Reports to Shareholders

Business Report

In 2023, with the exception of the electric vehicle (EV) industry, which continued to grow steadily, global market demand remained sluggish. Manufacturers saw their inventory digestion and adjustments fall short of expectations. Capacity expansion slowed down, particularly so for mature-node semiconductors. Although the company had a strong grasp on the demands of the EV industry, our overall growth was still negatively affected. Last year's revenue was NT$12,530 million, with group revenue reaching NT$18,676 million, post-tax net profit at NT$3,979 million, and basic earnings per share at NT$9.45.

Looking back at last year, Chroma group's overall revenue from test & measurement instruments declined by 12%. Still, driven by the booming EV industry and strong demand for testing of related components, revenue from power test instruments grew by 15%. However, semiconductor/photonics test systems saw a 34% decline in revenue due to sluggish demand. Within the group, MAS Automation’s revenue was down by 21%, and overall group revenue declined by 15%. Other relevant consolidated financial figures are as follows:

Financial Revenue and Profitability Analysis

Item		2023	2022
Financial Structure (%)	Debt-to-Asset Ratio	32.75	35.34
	Long-term Capital to Fixed Assets Ratio	349.57	349.73
Debt Servicing Capacity (%)	Current Ratio	187.34	191.39
	Quick Ratio	128.32	137.28
Profitability (%)	Return on Assets	11.97	16.25
	Return on Equity	18.37	25.61
	Net Profit Margin	21.31	23.14

Business plan, development strategies, external competition and environment, legal environment, and macro-business environment

Looking ahead into 2024, market demand remains uncertain due to factors such as regional wars, inflation, and concerns about oversupply of EVs. Yet, with semiconductor inventories back to normal levels, and especially with the hot demand for AI/HPC, we anticipate a gradual recovery in market conditions. In response, our company will undertake the following measures, aiming to overcome current challenges, seize opportunities arising from the economic recovery, and continue to generate revenue and profit:

(1) Accelerate development of Test & Measurement Solutions for both front-end and back-end semiconductor manufacturing processes.

(2) Accelerate efforts to win world-class, 1st Tier customers.

(3) Enhance manufacturing efficiency, improve product quality, and increase customer satisfaction.

Finally, we would like to express sincere gratitude to all shareholders for their long-term support and encouragement, and wish everyone good health and all the best!

Chairman Leo Huang

Chapter 2 Company Introduction

I. Date of founding: November 8, 1984

II. Company overview:

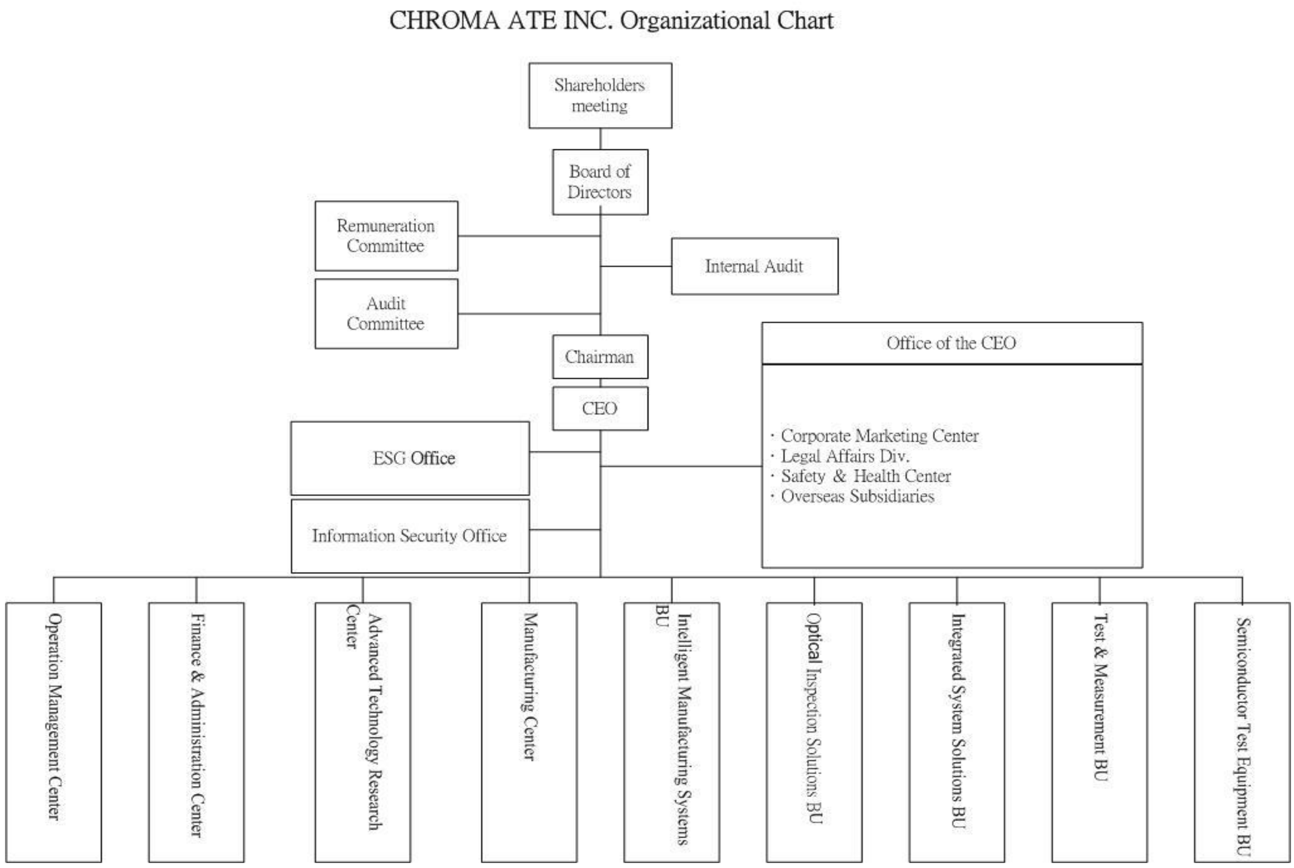
November 1984	Founded in Taipei City with a capital of NT$2 million. Launched the first Taiwanese-invented programmable video signals generator (65MHz).
November 1986	Released the world's first automatic testing with simultaneous and parallel testing architecture for switched-mode power supplies.
February 1993	Invested in U.S. subsidiary Chroma ATE Inc., as a sales office based in the United States.
December 1993	Official opening of the new Wugu plant.
February 1994	Invested in the establishment of Hong Kong subsidiary Neworld Electronics Limited as a base for expanding the Chinese market.
December 1994	Granted the ISO9002 quality certification.
November 1995	Passed the Chinese National Laboratory Accreditation (CNLA).
December 1996	The Company's shares were listed and traded on TWSE on December 21.
August 1997	Granted the ISO9001 quality certification.
December 1997	9107 Uninterruptible Power Supply and 3203 Memory IC Tester were honored with the 6th Taiwan Excellence Award.
April 1998	Received the Outstanding Performance Award during the 6th MOEA Industrial Technology Development Award. Invested in DynaScan Technology Corp.
July 1998	Received the 2nd Outstanding Photonics Product Award for the 7100 Color Analyzer.
September 1998	Invested in ADLINK Technology Inc.
December 1998	The 2225 Series and 2325 Series Video Pattern Generator, along with the 9105 Uninterruptible Power Supply, were awarded the 7th Taiwan Excellence Award.
May 1999	Received the Excellent Product Design Award for the 9105/9107 Uninterruptible Power Supply.
June 1999	Acquired Hita Technology Co., Ltd.
September 1999	Investment in establishing Chroma ATE Europe B.V., a subsidiary in the Netherlands, to set up sales points in Europe.
November 1999	Grand opening of the new Taoyuan plant.
June 2000	Issuance of the first domestic unsecured convertible corporate bonds for NT$1.5 billion.
August 2000	Invested in EVT Technology Co., Ltd.
January 2001	Acquired Zentech Tech Inc.
March 2003	Set up a branch office in Hsinchu Science Park
September 2003	Set up the global headquarters in Taiwan.
December 2004	20th anniversary of the Corporation and grand opening of the Taoyuan headquarters.
June 2005	The first domestic unsecured convertible corporate bonds matured and were delisted from the stock exchange.
August 2006	Spun off the Special Material business unit as new subsidiary, Chroma New Material Corp.
January 2007	Invested in Wei Kuang Automatic Equipment (Nanjin) Co., Ltd., Mou Kuan Technologies (Nanjin) Co., Ltd., Sajet Technology Co., Ltd., and MAS Automation Corp.
February 2007	Invested in Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.
March 2007	Invested in Testar Electronic Corporation.
April 2007	Established the MES business unit.
March 2008	Simple merger of subsidiary Silver Town Electronic Co., Ltd.
May 2008	Invested in the establishment of Chroma Japan Corp.
March 2009	Granted ISO 9001:2008 certification.
September 2009	Established the Kaohsiung branch.
September 2009	Invested in Chroma Systems Solutions, Inc., as a sales office based in the United States.

August 2010	Received Finance Awards as the Best Managed Company, the Best Corporate Governance, and the Best Mid-cap Company in Taiwan.
October 2010	Granted ISO/TS 16949 certification.
August 2011	Acquired Wise Life Technology Co., Ltd.
January 2012	Acquired the tender for the Industrial Development Zone (Tender A) in the Taoyuan International Airport Access MRT Station A7 Transit-Oriented Development Zone.
November 2012	Simple merger of subsidiary Novatest Electronics Co., Ltd.
December 2012	Acquired the world's first SAE J1772 certification from UL for automated communication protocol test system.
February 2013	Received the 1st MOEA Taiwan Mittelstand Award.
February 2013	Invested in Adivic Technology Co., Ltd.
May 2014	Second issuance of unsecured convertible corporate bonds in Taiwan worth NT$ 2 billion.
January 2016	Invested in Quantel Private. Ltd. in Singapore as a Southeast Asia branch.
January 2017	Received the Distinguished Enterprise Innovation Award, the highest honor available from the 5th National Industrial Innovation Award.
August 2017	Established Innovative Nanotech Incorporated.
September 2017	Established subsidiary Chroma Germany GmbH in Germany.
October 2017	Invested in Touch Cloud Inc..
October 2017	Received the "Best Trade Contribution Award" from MOEA.
January 2018	Received the 26th Taiwan Excellence Award for the 61800 Series Regenerative Grid Simulator and 3160-C Tri-Temp Quad Sites Handler.
February 2018	Established Chroma Korea as a branch office in South Korea.
January 2019	Received the 27th Taiwan Excellence Award for the "17040 Regenerative Battery Pack Test System" and "2238 Video Pattern Generator".
February 2019	Invested Camtek Ltd. in Israel.
September 2019	Approved the joint housing construction with Fu Yu Construction.
October 2019	Awarded as "2019 Top 35 of the MOEA Best Taiwan Global Brands".
November 2019	Received Bronze Award at 12th TCSA Taiwan Corporate Sustainability Report Award.
November 2020	Awarded as "Top 40 of the MOEA Best Taiwan Global Brands" for 2020.
December 2020	Headquarters relocation and expansion.
November 2021	Received Bronze Award at 2021 TCSA Taiwan Corporate Sustainability Report Award.
December 2021	Awarded as "Top 40 of the MOEA Best Taiwan Global Brands" for 2021.
December 2021	Donated to establish the Chroma Cultural and Educational Foundation.
January 2022	Invested in Environmental Stress Systems, Inc.
November 2022	Awarded as "Top 40 of the MOEA Best Taiwan Global Brands" for 2022.
November 2023	Awarded the Silver Award in the 2023 TCSA Taiwan Corporate Sustainability Report category.
December 2023	Awarded as "Top 40 of the MOEA Best Taiwan Global Brands" for 2023.

Chapter 3 Corporate Governance Report

I. Organization

(I) Organizational structure



(II) Responsibilities and functions of main departments

Department	Responsibilities
CEO Office	Set up market planning center, Legal Affairs Dept., and Safety & Health Center. Comprehensive management of the company's administrative operations, including goal setting, execution, communication, and coordination; planning for company product development and new business development; intellectual property management; legal affairs and contract review; occupational safety management; and environmental health and safety management.
Internal Audit Office	Establish, update, and revise internal audit and control systems. Review, revise, and audit internal control systems.
Semiconductor Test Equipment BU	Responsible for the planning, research, and development (R&D), and marketing of semiconductor test equipment and products.
Test & Measurement BU	Responsible for the R&D and marketing of measurement instruments. In charge of calibration services as well as operations of calibration labs for measurement instruments.
Integrated System Solution BU	Responsible for the R&D and sales of MES systems. Responsible for the planning, R&D, and marketing of modular instruments and products. Responsible for the planning, R&D, and marketing of system integration solutions.
Intelligent Manufacturing System BU	Responsible for the R&D and marketing of MES systems.
Optical Inspection Solution BU	Responsible for the R&D and marketing of optical inspection systems.
Manufacturing Center	Responsible for the raw material purchasing and production for the entire Corporation. Responsible for the planning and maintenance of product quality systems.
Advanced Technology Research Center	New technology planning, development, and supporting the business units (BU) to comprehend the future development of new industries.
Finance & Administration Center	Consists of the Financial Division, Accounting Division, HR Division, General Affairs Department, and Facilities Department Financial Division: Responsible for capital planning and utilization for the entire Corporation, assessing investment plans, and providing support for certain operations. Accounting Division: Responsible for establishing and implementing an accounting system, and handling various taxation and accounting affairs. HR Department: Planning HR resources, organizational development, and training for the entire Company. General Affairs Department: Responsible for the procurement of general supplies, administrative affairs, and fixed asset management. Facilities Department: Responsible for factory maintenance and safety.
Operation Management Center	Responsible for building and managing the Corporation's operations management system. Information Division and Data Control Department: Responsible for the planning, construction, and management of the company's information equipment and application systems, information system development and operation, issuance of regulations and rules, and data control.
Information Security Office	Coordinates the promotion of information security policies and resource allocation, plans, monitors, and implements information security managemen operations.
ESG Office	Responsible for formulating and implementing ESG strategies, and communicating key ESG performance to stakeholders.

II. Directors, president, vice presidents, assistant vice presidents, and heads of departments and branches

(I) Director Information

April 8, 2024

Position title	Nationality or place of registration	Name	Gender Age	Date elected	Final date of term of office	Date first elected	Number of shares held when elected		Shares currently held		Shares held by spouse or minor children		Shareholding in the name of others/shareholding percentage	Major experience/academic background	Positions currently assumed in the Company or other corporations	Any managerial officer, director, or supervisor who is a spouse or relative within the second degree of kinship			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio				Position title	Name	Relations	
Chairperson	Republic of China	Leo Huang	Male 71~80	2023.06.09	2026.06.08	1984.10.23	20,859,897	4.90%	20,859,897	4.90%	9,294,362	2.19%	0	Electronics Engineering Department, National Chiao Tung University	General Manager of Corporation Chairperson, DynaScan Technology Corp. Director, I-Sheng Electric Wire & Cable Co., Ltd. Director, Twoway Communications, Inc. Independent Director, Ichia Technology Inc. Director, Tian Zheng International Precision Machinery Co., Ltd. Refer to Page 111~112 for details on positions assumed in related companies	Director	David Huang	Father and son	Note 1
Director	Republic of China	I-Shih Tseng	Male 61~70	2023.06.09	2026.06.08	2012.06.06	240,548	0.06%	184,548	0.04%	0	0	209,000/ 0.05%	Doctor of Mechanical Engineering, Pennsylvania State University, USA Project Manager, Institute for Information Industry	General Manager of the Integrated Systems Division of the company Refer to Page 111~112 for details on positions assumed in related companies	None	None	None	None
Director	Republic of China	David Yang	Male 51~60	2023.06.09	2026.06.08	2023.06.09	54,000	0.01%	52,000	0.01%	0	0	0	Electronics Engineering Department, National Chiao Tung University Teaching Assistant, Department of Information Technology, College of Engineering, Chung Hua University	General Manager of the Measurement Instruments Division of the company Refer to Page 111~112 for details on positions assumed in related companies	None	None	None	None
Director	Republic of China	David Huang	Male 41~50	2023.06.09	2026.06.08	2023.06.09	3,376,432	0.79%	3,309,432	0.78%	0	0	0	University of Western Ontario Business Administrative Commercial Study Global Director of Business Development of DynaScan Technology, Inc.	Director & Executive General Manager of Dynascan Technology Corp. Global Director of DynaScan Technology, Inc. USA	Chairperson	Leo Huang	Father and son	None
Director	Republic of China	Shui-Yung Lin	Male 61~70	2023.06.09	2026.06.08	2023.06.09	0	0	0	0	0	0	0	Master's from the Institute of International Taxation, Northrop University, USA Bachelor of Finance and Taxation, Feng Chia University Chairman of the Board of Directors of Export-Import Bank of China Commissioner of the Financial Affairs Department	Ministry of Finance Advisor to the ROC Economic Association Independent Director of Collins Co., LTD. Supervisor of Semisils Applied Materials Co., Ltd. Independent Director of Tci Gene Inc. Independent Director of Orient EuroPharma Co., Ltd. Director of Liuying Storage Energy Co., Ltd.	None	None	None	None
Independent director	Republic of China	Tai-Jen George Chen	Male 71~80	2023.06.09	2026.06.08	2017.06.08	0	0	0	0	0	0	0	Doctor of Atmospheric Science, State University of New York (Albany), USA Academic Vice President of National Taiwan University Vice President for Academic Affairs, National Taiwan University Professor, Department of Atmospheric Sciences, National Taiwan University	Chairman, Chinese Culture University National Taiwan University Honorary/Chair Professor Independent Director, Ichia Technology Inc. Independent Director of Goldsun Building Materials Co Ltd.	None	None	None	None
Independent director	Republic of China	Jia-Ruey Duann	Male 61~70	2023.06.09	2026.06.08	2020.06.10	0	0	0	0	0	0	0	Ph. D., Physics North Dakota State University Harvard Business School Advanced Management Program Assistant vice president, ITRI CEO, ITRI Southern Region Campus/ITRI Central Region Campus Director of Measurement Technology Development Center, ITRI Group leader and deputy director of Measurement Technology Development Center, ITRI Adjunct Professor, Department of Physics, Chung Yuan Christian University President of Automatic Optical Inspection Equipment Alliance Assistant Researcher of Precision Instrument Development Center, National Science Council /Plant manager of optical devices	Distinguished Expert, ITRI Independent Director, Powertip Tech Corp. Director, Industrial Technology Investment Corporation (ITIC) Advisor, CTCA	None	None	None	None
Independent director	Republic of China	Steven Wu	Male 51~60	2023.06.09	2026.06.08	2020.06.10	0	0	0	0	0	0	0	MBA, George Washington University Department of Industrial and Information Management, National Cheng Kung University Senior Vice President, China Venture Management, Inc. Senior Vice President, WI Harper Group Deputy Manager, Investment Business Dept., Central Investment Company Assistant Manager, Investment Review Group, KMT Investment Business Management Committee Senior Advisor, Corporate Financial Consulting Dept., Deloitte Taiwan Investment Manager, Pacific Capital	Vice President of Self-fund Investment Department of China Development Capital International Co., Ltd.; Managing Director of China Development Capital International Co., Ltd. Vice Chairman, Global Biomaterials Corporation; Director, World Fitness Services Ltd.; Director , Prime Express Holdings Limited; Director, Jiangyin Tongli Photoelectric Technology Co., Ltd.; Director, Jiangsu Junhui Photoelectric Technology Co., Ltd. , Director of Jiangyin Suda Huicheng Composite Materials Company, Director of Anhui Dongjin Resources Recycling Technology Co., Ltd., Director of Dongjin Environmental Protection Technology Co., Ltd., Director of Billion View Investments Limited, Director of Dongjin Green Tech Holdings Co., Ltd., Director Director of Shokai Resources Recycling Co., Ltd.; Director of Anhui Rongtai Recycling Resources Co., Ltd.	None	None	None	None
Independent director	Republic of China	Janice Chang	Female 51~60	2023.06.09	2026.06.08	2023.06.09	0	0	0	0	0	0	0	Master of Business Administration, Major in Financial Management, Drexel University of Pennsylvania Lecturer in Accounting Department, National Chengchi University VP, Capital Market Department, KGI Securities	Independent Director, P-DUKE TECHNOLOGY CO., LTD. Independent Director of KMC (KUEI MENG) NTERNATIONAL INC. Supervisor, Renewable PV Tech	None	None	None	None

Note 1: If the Chairman of the Board and the president or their equivalent (chief managerial officer) are the same person, each other's spouse, or a relative of the first degree of kinship, the reason, reasonableness, necessity, and response measures (e.g. increasing the number of independent directors and more than half of the directors do not concurrently serve as employees or managerial officers) shall be stated:

(1) The chairman of the Company holds the concurrent position as the CEO to enhance the overall operating efficiency and decision execution of the Group. To strengthen the independence of the board of directors, our company completely re-elected directors at the regular shareholders' meeting in 2023, increasing the number of independent director seats to four, accounting for 4/9 of all director seats. The chairman maintains regular communication with all directors about the company's operational overview and business performance to implement corporate governance effectively.

(2) In order to enhance the functions of the Board of Directors and strengthen its supervisory function, the Company has the following measures in place:1. A majority of the Board members are not also managerial officers or employees. 2. The four independent directors of our company have extensive work experience in financial investment, talent management, and the electronic technology industry, enabling them to effectively fulfill their supervisory functions. 3. Members of the Audit Committee and the Remuneration Committee of the Company consist of independent directors, and all committees can thoroughly discuss and make recommendations for the Board's decision to implement corporate governance.

(3) The Company is engaged in multiple electronic measuring and testing instruments covering monitors, power supplies, passive components, semiconductors, battery modules, solar energy, electric vehicles, and energy-related electronic sub-industries involving high technology levels. Therefore, the Company's management must be familiar with the development context of various sub-industries and accumulate contacts in various sub-industries, in order to foresee opportunities for industrial development, control the timing to sprout industries, and launch the testing products needed by the industries in a timely manner. Then, the Company may have a chance to secure its market position. To this end, only rich industrial experience may help management craft the right strategy. Besides, in contrast with the general industries which adopt the business model of mass production, the instrument industry is used to adopt the business model of producing many product types for limited quantities. The chairman of our company, who also serves as the general manager, seizes opportunities in industry changes to timely set product development strategies, heavily invests in research and development, and broadly recruits talent. Our products hold a key position in the industry, with outstanding business performance. The revenue for the past three years was 10,308 million, 13,461 million, and 12,530 million respectively, with good profitability. There are no issues with the chairman and general manager of our company.

1. Professional qualifications of directors and information on independence of independent directors

(1) Professional qualifications and experiences of directors

Name	Professional qualifications and experiences
Chairperson Leo Huang	Graduated from the Electronics Engineering Department, National Chiao Tung University Currently serving as the chairman and general manager of our company, and as a director for multiple listed companies including I-SHENG Co., Ltd., with over five years of experience in electronics and information technology, market marketing, strategic planning, and business management.
Director I-Shih Tseng	Doctor of Mechanical Engineering, Pennsylvania State University, USA Currently, the President of the Company’s Integrated System Solution BU, has more than five years of professional experience in electronic information and management.
Director David Yang	Graduated from the Electronics Engineering Department, National Chiao Tung University Currently, the President of the Company’s Test & Measurement BU, has more than five years of professional experience in electronic information and management.
Director David Huang	Graduated from the Business Administrative Commercial Study at the University of Western Ontario. Currently serving Director & Executive General Manager of Dynascan Technology Corp., with over five years of experience in market marketing, strategic planning, and business management.
Director Shui-Yung Lin	Master's from the Institute of International Taxation, Northrop University, USA Previously served as the Chairman of the Board of Directors at the Export-Import Bank of China, with over five years of experience in finance and banking.
Independent director Tai-Jen George Chen	Graduated from the Department of Atmospheric Sciences, State University of New York(Albany), USA Serves as the convener of our company's Compensation Committee and a member of the Audit Committee. Currently, the chairman of Chinese Culture University, an independent director of Ichia Technology Co., Ltd., and Goldsun Building Materials Co Ltd. Formerly the Vice President for Academic Affairs at National Taiwan University, with over five years of expertise in the field of atmospheric sciences and talent management qualifications.
Independent director Jia-Ruey Duann	Graduated from Physics North Dakota State University. A member of the Remuneration Committee and Audit Committee of this company, an independent director of Powertip Tech Corp., and previously served as the Assistant vice president of the Industrial Technology Research Institute. Have more than five years of experience in the electronics and technology industry, as well as talent management experience.
Independent director Steven Wu	MBA, George Washington University The convener of the Audit Committee and a member of the Remuneration Committee of the Company, currently Vice President of Own Capital Investment Dept., CDIB Capital International Corp., with at least five years of experience in financial investment and asset management.
Independent director Janice Chang	MBA, with a focus on Financial Management, Drexel University, PA U.S.A. A member of the Remuneration Committee and Audit Committee of the company, and previously served as the Deputy General Manager of the Capital Markets Division at KGI Securities Co., Ltd. Have more than five years of experience in securities business and management.

(2) Information on the independence of independent directors

Name	Where none of the circumstances in the subparagraphs of Article 30 of the Company Act applies.	Status of Independence (Note 1)											Currently serving as the independent director of other public-owned corporations
		1	2	3	4	5	6	7	8	9	10	11	
Chairman Leo Huang	V												1
Director I-Shih Tseng	V												0
Director David Yang	V												0
Director David Huang	V												0
Director Shui-Yung Lin	V												3
Independent director Tai-Jen George Chen	V	V	V	V	V	V	V	V	V	V	V	V	2
Independent director Jia-Ruey Duann	V	V	V	V	V	V	V	V	V	V	V	V	1
Independent director Steven Wu	V	V	V	V	V	V	V	V	V	V	V	V	0
Independent Director Janice Chang	V	V	V	V	V	V	V	V	V	V	V	V	2

Note 1: Please check "✓" the corresponding boxes if the independent directors meet the following conditions during the two years prior to the nomination and during the term of office.

(1) Not an employee of the Company or any of its affiliates.

(2) Not a director or supervisor of the Company or any of its affiliates. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate amount of 1% or more of the total number of outstanding shares of the Company or is ranked in the top 10 in shareholdings.

(4) Not a managerial officer in (1) or a spouse, relative within the second degree of kinship, or lineal relative within the third degree of kinship, of any of the persons in (2) and (3).

(5) Not a director, supervisor, or employee of a corporate shareholder that directly holds 5% or more of the total number of issued shares of the company or of a corporate shareholder that ranks among the top five in shareholdings or a director, supervisor, or employee of a corporate shareholder who is appointed as a director or supervisor of the Company per paragraph 1 or 2 of Article 27 of the Companies Act. Not applicable in cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

(6) Not a director, supervisor, or employee of another company that holds director seats in the Company or more than half of the shares with voting rights and is controlled by the same person. Not applicable in cases where the person is an independent directorof the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country ofthe parent or subsidiary.

(7) Not a director (a member of the governing board), supervisor (a member of the supervising board) or employee of a company or institution which is the same person or spouse as the chairman, general manager, or equivalent of the Company. Not applicablein cases where the person is an independent director of the Company, its parent company, or any subsidiary as appointed inaccordance with the Act or with the laws of the country of the parent or subsidiary.

(8) Not a director (a member of the governing Board), supervisor (a member of the supervising Board), managerial officer, or shareholder who holds more than 5% of the shares of a specified company or institution that has a financial or business relationshipwith the Company. Not applicable in cases where the specified company or institution holds more than 20% of the total number ofissued shares of the Company and not more than 50% and the person is an independent director of the Company, its parent company, or any subsidiary as appointed in accordance with the Act or with the laws of the country of the parent or subsidiary.

(9) Not a professional individual or owner, partner, director (a member of the governing Board), supervisor (a member of the supervising Board), managerial officer and his/her spouse of a professional, sole proprietorship, partnership, company, or institutionthat provides audit services to the Company or an affiliated enterprise or has received remuneration in the 2 most recent years notexceeding NT$500,000 for business, legal, financial and accounting related services. However, members of the special committeeon remuneration, public acquisition review, or merger and acquisition who perform their functions and powers in accordance withthe provisions of the Securities and Exchange Act or Business Mergers and Acquisitions Act and other relevant regulations shallnot be subject to this provision.

(10) Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company.

(11) Where the person is not elected in the capacity of the government, a juristic person, or a representative thereof as provided in Article 27 of the Company Act

2. Diversity policy and independence of the Board of Directors

In order to strengthen corporate governance and promote the sound composition of the Board of Directors, the Company considers diversity for the composition of the Board of Directors. In addition to the fact that the number of directors who are also managerial officers of the Company shall not exceed one-third of the Board of Directors, the Company follows an appropriate diversity policy for the election of Board members in accordance with its operation, business model and development needs. In order to achieve the desired objectives of corporate governance, Article 20 of the Corporate Governance Best Practice Principles state that the Board of Directors as a whole should have the following competencies: (1) The ability to make judgments about operations. (2) Accounting and financial analysis ability. (3) Business management ability. (4) Crisis management ability. (5) Industry Knowledge (6) An international market perspective. (7) Leadership (8) Decision-making ability.

Diversity of the Board of Directors: The Company is in the electronic measurement instrument industry with a wide range of products and is R&D technology-intensive with rapid changes in downstream industries. Therefore, in order to make forward-looking decisions, many of the Board members have many years of experience in the information electronics industry. In addition, the Company's R&D manpower accounts for one-third of the Company's manpower, so human resources management is relatively important. Many of our Board members are experienced in operations and human resources management. In addition, the Company has a number of management and financial investment professionals in the Board of Directors.

In summary, the Company's Board of Directors is diversified in age and expertise with members between 40 to 80 years old, and the quality of decision making is balanced against the multifaceted nature of the business. The Company re-elected all directors at the 2023 annual general meeting, and the number of directors was increased from 7 to 9. There was 1 new female director. There is a total of 9 directors on the current board, including 4 independent directors, accounting for 44% of the total board seats. The independent directors have each served less than three terms and possess different professional backgrounds, ensuring their complete independence. They have also all met the relevant regulations set by the Financial Supervisory Commission regarding independent directors. Two of the directors are relatives within the second degree of kinship. However, there are no circumstances as described in Article 26-3, Paragraph 3 of the Securities and Exchange Act, so the board operates independently.

The Company pays attention to gender equality in the composition of the Board of Directors, and aims to have at least one female director. Currently, 89% (8) of the Board (8) are male and 11% (1) are female. In the future, the Company will strive to increase the number of female directors to achieve target.

Core items of diversity / Name of director	Basic composition										Capability possessed					
	Nationality	Gender	Age				Concurrently serving as an employee of the Company	Length of service as an independent director			Industry Knowledge	Business management	Technology	Marketing	Human resources management	Finance
			41 to 50	51 to 60	61 to 70	71 and above		Less than 3 years	3 to 6 years	6 to 9 years						
Chairman Leo Huang	Republic of China	Male				V	V				V	V	V	V	V	V
Director I-Shih Tseng	Republic of China	Male			V		V				V	V	V	V	V	V
Director David Yang	Republic of China	Male		V			V				V	V	V	V	V	V
Director David Huang	Republic of China	Male	V				V				V	V	V	V	V	V
Director Shui-Yung Lin	Republic of China	Male			V						V	V		V	V	V
Independent director Tai-Jen George Chen	Republic of China	Male				V				V	V	V	V		V	
Independent director Jia-Ruey Duann	Republic of China	Male			V				V		V	V	V		V	
Independent director Steven Wu	Republic of China	Male		V					V		V	V		V	V	V
Independent Director Janice Chang	Republic of China	Female		V				V			V	V		V	V	V

(II) CEO, general managers, vice presidents, assistant managers, and supervisors at various departments and branches

April 8, 2024

Position title	Nationality	Name	Gender	Date of assuming position	Shares held		Shares held by spouse or minor children		Shares held in the name of other persons		Major experience/academic background	Positions currently assumed in the Corporation	Any managerial officer who is a spouse or a relative within the second degree of kinship			Remark
					Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Position title	Name	Relations	
President	Republic of China	Leo Huang	Male	1984.11.08	20,859,897	4.90%	9,294,362	2.19%	0	0	Electronics Engineering Department, National Chiao Tung University	Director of I-Sheng Electric Wire & Cable Co.Ltd., Independent Director of Ichia Technologies Co., Ltd., Director of Tian Zheng International Precision Machinery Co., Ltd., and Director of Twoway Communications, Inc., Chairman of DynaScan Technology Corp. Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	Note 1
General Manager, Test & Measurement BU	Republic of China	David Yang	Male	1992.08.14	52,000	0.01%	0	0	0	0	Electronics Engineering Department, National Chiao Tung University Teaching Assistant, Department of Information Technology, College of Engineering, Chung Hua University	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None
General Manager, Integrated System Solution BU	Republic of China	I-Shih Tseng	Male	1998.07.16	184,548	0.04%	0	0	209,000	0.05%	Mechanical Engineering, Pennsylvania State University, US Project Manager, Institute for Information Industry	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None
General Manager, Semiconductor Test Equipment BU	Republic of China	George Chang	Male	2006.08.01	48,400	0.01%	0	0	0	0	Electrical and Control Engineering Department, National Chiao Tung University Manager, Business Department, Lian Li Co., Ltd.	None	None	None	None	None
Senior Vice President of Finance & Administration Center	Republic of China	Paul Ying (Note 2)	Male	1999.05.03	120,969	0.03%	0	0	0	0	School of Management, New York Institute of Technology Vice President of Finance, Hsin Yu Energy Development Co., Ltd.	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None
Senior Vice President, Operation Management Center	Republic of China	Benjamin Huang	Male	1992.06.22	184,723	0.04%	0	0	0	0	Electrical Engineering Department, National Taiwan University Vice President, R&D Department, Test & Measurement BU of the Corporation	None	None	None	None	None
Senior Vice President of Joint Manufacturing Center	Republic of China	Steven Liu	Male	1991.08.22	98,012	0.02%	0	0	0	0	Department of Information & Communications, Chinese Culture University Divisional Head, Property and Product Management Division of the Company	None	None	None	None	None
Vice President, Marketing Division, Integrated System Solution BU	Republic of China	Herbert Tsai	Male	2005.07.01	7,974	0	0	0	0	0	Machinery and Automation Engineering, Nanya Institute of Technology Vice President, Dasike Technology Corporation	None	None	None	None	None
Vice President, Product Planning Division, Test & Measurement BU	Republic of China	Bobby Tseng	Male	2001.01.01	6,000	0	0	0	0	0	Electrical Engineering, Waseda University Division Head, Product Planning Division, Measurement Instrument BU of the Company	None	None	None	None	None
Vice President, Greater China Area Sales Department, Test & Measurement BU	Republic of China	Vincent Chen	Male	2001.01.01	43,860	0.01%	0	0	0	0	Department of Electrical Engineering, Lunghwa University of Science and Technology Division Head, Greater China Area Sales Division, Test & Measurement BU	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None
Vice President, Technical Service Division, Test & Measurement BU	Republic of China	Tony Yang	Male	2003.07.01	101,154	0.02%	0	0	0	0	Department of Electrical Engineering, National Taitung Junior College Manager, Engineering Division, Tiger Power Co., Ltd.	None	None	None	None	None
Vice President, R&D Division, Test & Measurement BU	Republic of China	Vincent Wu	Male	2003.07.16	97,665	0.02%	903	0	0	0	Electrical and Control Engineering Department, National Chiao Tung University Department Manager, R&D Department, Test & Measurement BU of the Corporation	None	None	None	None	None
Vice President, R&D Division, Integrated System Solution BU	Republic of China	Lance Ouyang	Male	2009.07.01	33,500	0.01%	0	0	0	0	Mechanical Engineering Department, National Chiao Tung University Vice President, Global Target Corporation	None	None	None	None	None
Vice President, Marketing Division, Integrated System Solution BU	Republic of China	Jeff Lee	Male	2007.01.01	92,500	0.02%	0	0	0	0	Department of Electrical Engineering, Hsinpu Institute of Technology Divisional Manager, Product Planning Division, Integrated System Solution BU of the Company	None	None	None	None	None
Vice President, Product Planning Division, Test & Measurement BU	Republic of China	Kenny Wang	Male	1993.04.23	463,928	0.11%	0	0	0	0	Department of Electrical Engineering, Hsinpu Institute of Technology Division Head, Product Planning Division, Measurement Instrument BU of the Company	None	None	None	None	None
Vice President, Turnkey Solution Sales & Marketing Division, Test & Measurement BU	Republic of China	Cindy Tai	Female	2009.11.01	7,936	0	0	0	0	0	Bachelor of Chemical Engineering Manager, Product Planning Department, Test & Measurement BU of the Company	None	None	None	None	None
Vice President, Product Planning Division, Test & Measurement BU	Republic of China	Galen Chou	Male	1996.07.01	7,000	0	0	0	0	0	Electrical and Control Engineering Department, National Chiao Tung University Division Head, Product Planning Division, Measurement Instrument BU of the Company	None	None	None	None	None
Vice President, Marketing Division, Intelligent Manufacturing System BU	Republic of China	Arno Wu	Male	2007.04.01	0	0	0	0	0	0	Department of Business Management, Tamkang University Assistant Vice President, Sajet Technology	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None
Vice President, Product Planning Office Optical Inspection Solution BU	Republic of China	Alex Zheng	Male	2020.06.15	3.000	0	0	0	0	0	Institute of Electronic Engineering, University of Warwick Institute of Biomechanical Engineering, National Taiwan University Vice President of Asia Pacific Region and Vice President of Taiwan Branch, Fortemedia, Inc.	None	None	None	None	None
Vice President, Product Planning Office, Semiconductor Test Equipment BU	Republic of China	Eugene Lin	Male	2018.12.17	6,000	0	0	0	0	0	Business Management Institute, National Chengchi University Manager, Keysight Technologies Inc.	None	None	None	None	None
Corporate governance officer	Republic of China	Amy Huang	Female	1992.07.16	50,311	0.01%	0	0	0	0	Department of Accounting, Tunghai University Division Head, Finance Division of the Company	Refer to Page 111~112 for details on positions assumed in related companies.	None	None	None	None

Note 1: If the chairman of the Board and the CEO or their equivalent (chief manager) are the same person, each other's spouse, or a relative of the first degree of kinship, the reason, reasonableness, necessity, and response measures (e.g. increase the number of independent directors and more than half of the directors do not concurrently serve as employees or managers) shall be stated:

(1) The chairman of the Company holds the concurrent position as the CEO to enhance the overall operating efficiency and decision execution of the Group. To strengthen the independence of the board of directors, the company increased the number of independent director seats to four during the board of directors' election at the shareholders' regular meeting on June 9, 112th year, which accounts for 4/9 of all director seats. The chairman also maintains full communication with the directors about the company's operational overview and business performance to implement corporate governance.

(2) In order to enhance the functions of the Board of Directors and strengthen its supervisory function, the Company has the following measures in place:1. A majority of the Board members are not also managerial officers or employees. 2. The four independent directors of the company each have extensive work experience in financial investment, securities operations, human resource management, and electronic technology-related industries, enabling them to effectively exercise their supervisory functions. 3. Members of the Audit Committee and the Remuneration Committee of the Company consist of independent directors, and all committees can thoroughly discuss and make recommendations for the Board's decision to implement corporate governance.

Note 2: Senior Vice President Paul Ying also concurrently holds the position of the Company's financial officer and accounting officer.

III. Total remuneration paid to directors, president, and vice presidents in the most recent year

(I). Remuneration for the director (including independent directors)

Unit: In thousands of NT$

Position title	Name (Note 1)	Director's remuneration								Proportion of NIAT after summing the 4 items of A, B, C, and D (Note 4)		Remuneration paid to concurrent employee								Proportion of NIAT after summing the 7 items of A, B, C, D, E, F, and G (Note 4)		Compensation paid to the president and vice presidents from an invested company other than the Company's subsidiaries or parent company (Note 7)
		Remuneration (A)		Severance and pension (B)		Remuneration for directors (C) (Note 2)		Business execution fees (D) (Note 3)				Salaries, bonuses, and special expenses (E) (Note 5)		Retirement pension (F)		Remuneration for employee (G) (Note 6)						
																The Company		All entities in the financial statements				
		The Company	All entities in the financial statements	The Company	All entities in the financial statements	The Company	All entities in the financial statements	The Company	All entities in the financial statements	The Company	All entities in the financial statements	The Company	All entities in the financial statements	The Company	All entities in the financial statements	Cash amount	Stock amount	Cash amount	Stock amount	The Company	All entities in the financial statements	
Director	Leo Huang I-Shih Tseng Tsun-I, Wang (Note 9) Chung-Ju Chang (Note 9) David Yang (Note 9) David Huang (Note 9) Shui-Yung Lin (Note 9)	0	0	0	0	8,343	8,843	330	330	8,673 0.22%	9,173 0.23%	21,128	21,128	569 (Note 8)	569 (Note 8)	25,948	0	25,948	0	56,318 1.42%	56,818 1.43%	2,040
Independent director	Tai-Jen George Chen Jia-Ruey Duann Steven Wu Janice Chang (Note 9)	0	0	0	0	5,342	5,342	270	270	5,612 0.14%	5,612 0.14%	0	0	0	0	0	0	0	0	5,612 0.14%	5,612 0.14%	0

1. Description of the policies, systems, standards, and structure of the remuneration packages of independent directors and their correlations with the amount of remuneration paid, taking into account their responsibilities, risks, and time commitment:
   Bonus paid by the Company mainly comprises bonuses for directors. According to Article 34 of the Company's Articles of Incorporation, bonuses distributed to directors shall not be greater than 1.5% of the Company's net income before taxes before deducting bonus distributed to employees and directors in the current year. The independent directors' bonus distribution policy not only takes into account the operating performance of the entire Corporation, but also the individual director's contributions to the performance of the Company. The Remuneration Committee and the Board review the remuneration of the Directors, and the remuneration system is reviewed from time to time based on actual operating conditions, to strike a balance between the Company's sustainable operation and risk control.
2. Except for the information disclosed above, remuneration paid for services rendered by Directors of the Company to all consolidated entities (e.g. serving as a non-employee consultant in the parent company/all entities in the financial statements/investees) in the most recent fiscal year: None.

Table of remuneration ranges

Remuneration range for each director in the Corporation	Name of director			
	Sum of the first 4 items (A+B+C+D)		Sum of the first 7 items (A+B+C+D+E+F+G)	
	The Company	Parent company and all reinvested businesses (Note 7)	The Company	Parent company and all reinvested businesses (Note 7)
Less than NT$ 1,000,000	David Yang, David Huang, Shui-Yung Lin, Janice Chang, Tsun-I, Wang, Chung-Ju Chang	David Yang, David Huang, Shui-Yung Lin, Janice Chang, Tsun-I, Wang, Chung-Ju Chang	Shui-Yung Lin, Janice Chang, Chung-Ju Chang	Shui-Yung Lin, Janice Chang, Chung-Ju Chang
NT$1,000,000 (inclusive) to 2,000,000 (not inclusive)	I-Shih Tseng, Tai-Jen George Chen, Jia-Ruey Duann, Steven Wu	I-Shih Tseng, Tai-Jen George Chen, Jia-Ruey Duann, Steven Wu	Tai-Jen George Chen, Jia-Ruey Duann, Steven Wu	Tai-Jen George Chen, Jia-Ruey Duann, Steven Wu
NT$2,000,000 (inclusive) to 3,500,000 (not inclusive)	Leo Huang	Leo Huang	Tsun-I Wang	Tsun-I Wang
NT$3,500,000 (inclusive) to 5,000,000 (not inclusive)			David Huang	
NT$5,000,000 (inclusive) to NT$10,000,000 (not inclusive)				David Huang
NT$10,000,000 (inclusive) to 15,000,000 (not inclusive)			I-Shih Tseng, David Yang	I-Shih Tseng, David Yang
NT$15,000,000 (inclusive) to NT$30,000,000 (not inclusive)			Leo Huang	Leo Huang
NT$30,000,000 (inclusive) to NT$50,000,000 (not inclusive)				
NT$50,000,000 (inclusive) to NT$100,000,000 (not inclusive)				
NT$100,000,000 and above				
Total	11 people	11 people	11 people	11 people

Note 1: The names of the Directors shall be listed separately, and the names of the general Directors and independent Directors shall be listed individually, and the amount of remuneration paid shall be disclosed collectively.
Note 2: It refers to bonuses distributed to directors upon approval by the Board of Directors in 2023.
Note 3: It refers to business expenses paid to directors in the most recent year (including transport, special expenses, various allowances, accommodation, and provision of physical items such as vehicles)
Note 4: NIAT refers to those acquired from recent years. According to the International Financial Reporting Standards employed for this report, NIAT shall refer to that of the most recent fiscal year of the entity.
Note 5: Remuneration for directors concurrently holding positions in the Corporation (for positions that include the General Manager, Deputy General Manager, other managerial officers, or employees) shall include salaries, job remuneration, severance, bonuses, performance fees, transport fees, special expenses, various subsidies, accommodation, vehicles, and provision of physical items and services. Salary expenses recognized under IFRS 2 - Share-based Payment, such as employee stock option certificates, new restricted employee shares, and participation in subscription of stocks in cash capital increase, shall also be included within the remuneration.
Note 6: Employee bonus for directors in 2023 shall be distributed this year according to the actual distribution percentage of the previous year.
Note 7: a. If the director receives remuneration from investments in other companies that are not subsidiaries of the Company or the parent companies, the said remuneration shall be included in the remuneration range table. The name of the column shall also be changed to "All investments in parent companies other companies".
b. Remuneration, in this case, shall refer to remuneration, fees (including remuneration as a company employee, director, or supervisor), business expenses, and other related payments received by the director of the Company or the parent companies for being a director, supervisor, or managerial officer of other non-subsidiary companies that the Company has invested in.
Note 8: It refers to the amount of retirement pension contributed.
Note 9: At the annual general meeting of shareholders on June 9, 2023, a complete re-election of the board of directors took place. Mr. Tsun-I Wang and Mr. Chung-Ju Chang stepped down after the re-election on the day of the shareholders' meeting. Mr. David Yang, Mr. David Huang, Mr. Shui-Yung Lin, and Ms. Janice Chang assumed their positions after the re-election on the day of the shareholders' meeting. Their compensation disclosures are calculated based on the individual directors' tenure.

(II) Remuneration for president, and vice presidents

Unit: In thousands of NT$

<table>
<tr><th rowspan="3">Position title</th><th rowspan="3">Name</th><th colspan="2">Salary (A)</th><th colspan="2">Severance and pension (B)</th><th colspan="2">Bonuses and allowances (C) (Note 1)</th><th colspan="4">Remuneration for employees (D) (Note 2)</th><th colspan="2">Proportion of NIAT after summing the 4 items of A, B, C, and D (%)</th><th rowspan="3">Compensation paid to the president and vice presidents from an invested company other than the Company's subsidiaries or parent company (Note 3)</th></tr>
<tr><th rowspan="2">The Company</th><th rowspan="2">All entities in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All entities in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All entities in the financial statements</th><th colspan="2">The Company</th><th colspan="2">All entities in the financial statements</th><th rowspan="2">The Company</th><th rowspan="2">All entities in the financial statements</th></tr>
<tr><th>Cash amount</th><th>Stock amount</th><th>Cash amount</th><th>Stock amount</th></tr>
<tr><td>President</td><td>Leo Huang</td><td rowspan="21">56,654</td><td rowspan="21">57,492</td><td rowspan="21">2,972
(Note 4)</td><td rowspan="21">2,972
(Note 4)</td><td rowspan="21">45,528</td><td rowspan="21">46,407</td><td rowspan="21">69,650</td><td rowspan="21">0</td><td rowspan="21">69,650</td><td rowspan="21">0</td><td rowspan="21">174,804
4.39%</td><td rowspan="21">176,521
4.44%</td><td rowspan="21">None</td></tr>
<tr><td>General Manager, Test & Measurement BU</td><td>David Yang</td></tr>
<tr><td>General Manager, Integrated System Solution BU</td><td>I-Shih Tseng</td></tr>
<tr><td>General Manager, Semiconductor Test Equipment BU</td><td>George Chang</td></tr>
<tr><td>Senior Vice President of Finance & Administration Center</td><td>Paul Ying</td></tr>
<tr><td>Senior Vice President, Operation Management Center</td><td>Benjamin Huang</td></tr>
<tr><td>Senior Vice President of Manufacturing Center</td><td>Steven Liu</td></tr>
<tr><td>Vice President, Marketing Division, Integrated System Solution BU</td><td>Herbert Tsai</td></tr>
<tr><td>Vice President, Office of the CEO</td><td>C.C. Fan
(Note 5)</td></tr>
<tr><td>Vice President, Product Planning Division, Test & Measurement BU</td><td>Bobby Tseng</td></tr>
<tr><td>Vice President, Greater China Area Sales Department, Test & Measurement BU</td><td>Vincent Chen</td></tr>
<tr><td>Vice President, Technical Service Division, Test & Measurement BU</td><td>Tony Yang</td></tr>
<tr><td>Vice President, R&D Division, Test & Measurement BU</td><td>Vincent Wu</td></tr>
<tr><td>Vice President, R&D Division, Integrated System Solution BU</td><td>Lance Ouyang</td></tr>
<tr><td>Vice President, Marketing Division, Integrated System Solution BU</td><td>Jeff Lee</td></tr>
<tr><td>Vice President, Product Planning Division, Test & Measurement BU</td><td>Kenny Wang</td></tr>
<tr><td>Vice President, Turnkey Solution Sales & Marketing Division, Test & Measurement BU</td><td>Cindy Tai</td></tr>
<tr><td>Vice President, Product Planning Division, Test & Measurement BU</td><td>Galen Chou</td></tr>
<tr><td>Vice President, Marketing Division, Intelligent Manufacturing System BU</td><td>Arno Wu</td></tr>
<tr><td>Vice President, Product Planning Office, Optical Inspection Solution BU</td><td>Alex Cheng</td></tr>
<tr><td>Vice President, Product Planning Office, Semiconductor Test Equipment BU</td><td>Eugene Lin</td></tr>
</table>

Table of remuneration ranges

Remuneration range for each General Managers and Vice Presidents in the Corporation	Name of the General Managers and Vice Presidents	
	The Company	All entities in the financial statements
Less than NT$ 1,000,000		
NT$1,000,000 (inclusive) to 2,000,000 (not inclusive)		
NT$2,000,000 (inclusive) to 3,500,000 (not inclusive)	C.C. Fan	C.C. Fan
NT$3,500,000 (inclusive) to 5,000,000 (not inclusive)		
NT$5,000,000 (inclusive) to NT$10,000,000 (not inclusive)	Herbert Tsai, Bobby Tseng, Vincent Chen, Arno Wu, Lance Ouyang, Vincent Wu, Jeff Lee, Kenny Wang, Cindy Tai, Galen Chou, Alex Cheng, Eugene Lin, Tony Yang	Herbert Tsai, Bobby Tseng, Vincent Chen, Arno Wu, Lance Ouyang, Vincent Wu, Jeff Lee, Kenny Wang, Cindy Tai, Galen Chou, Alex Cheng, Eugene Lin, Tony Yang
NT$10,000,000 (inclusive) to 15,000,000 (not inclusive)	David Yang, I-Shih Tseng, Paul Ying, George Chang, Benjamin Huang, Steven Liu	David Yang, I-Shih Tseng, Paul Ying, George Chang, Benjamin Huang, Steven Liu
NT$15,000,000 (inclusive) to NT$30,000,000 (not inclusive)	Leo Huang	Leo Huang
NT$30,000,000 (inclusive) to NT$50,000,000 (not inclusive)		
NT$50,000,000 (inclusive) to NT$100,000,000 (not inclusive)		
NT$100,000,000 and above		
Total	21 people	21 people

Note 1: It includes the amount of various bonuses, rewards, transport fees, special expenses, various allowances, accommodation, provision of physical items such as vehicles, and other types of remuneration for president, and vice presidents in the most recent year. Salary expenses recognized under IFRS 2 - Share-based Payment, such as employee stock option certificates, new restricted employee shares, and participation in subscription of stocks in cash capital increase, shall also be included within the remuneration.

Note 2: The amount of employee compensation for the General Manager and Deputy General Manager in 2023, as approved by the Board of Directors, is based on the proportion of the actual distribution amount from the previous year to calculate the proposed distribution amount for this year.

Note 3: a. If the Company's CEO, general managers or vice presidents receive remuneration from investments in other companies that are not subsidiaries of the Company or the parent companies, the said remuneration shall be included in the remuneration range table. The name of the column shall also be changed to “All investments in the parent companies and other companies”.

b. Remuneration in this case refers to remuneration, bonuses (including employee, director, or supervisor bonuses), and allowances received by the president and vice presidents of the Company as the directors, supervisors, or managerial officers of invested companies other than subsidiaries or parent company.

Note 4: Amount of retirement pension contributed.

Note 5: Retired on December 31, 2023

(III) Compare and analyze the total remuneration paid to the directors, president, and vice presidents of the Company in the two most recent years by all companies listed in the Company's parent company-only and consolidated financial statements as a percentage of NIAT listed in the parent company-only financial statements, and describe the policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its connection to business performance and future risk exposure.

1. Analysis of total remuneration paid to the Company's directors, CEO, general managers, and vice presidents in the 2 most recent years as a percentage of NIAT:

Total compensation paid to directors, President, and Vice President as a percentage of NIAT in 2023 (Note)		Total compensation paid to directors, President, and Vice President as a percentage of NIAT in 2022	
The Company	All entities in the consolidated financial statements	The Company	All entities in the consolidated financial statements
4.79%	4.84%	4.16%	4.25%

Note: The amount of directors and employee compensation allocated for 2023 was approved by the Board of Directors on February 26,2024.

2. Policies, standards, and packages for payment of remuneration, the procedures for determining remuneration, and its linkage to business performance and future risk exposure.

(1) Directors:

Bonus paid by the Corporation mainly comprises bonuses for directors. According to Article 34 of the Corporation's Articles of Incorporation, the bonus distributed to directors shall not be greater than 1.5% of the Corporation's net income before taxes before deducting bonus distributed to employees and directors in the current year. The remuneration policy of the Directors is to provide reasonable remuneration, taking into account the Company's overall operating performance, future operating risks and development trends in the industry, and individual contribution to the Company's performance. The Company's directors were fully re-elected at the 2023 annual shareholders' meeting, and the number of directors was increased to 9. Therefore, the total amount of directors' remuneration in 2023 was increased from the previous year. The remuneration of directors for the most recent two years was paid at a fixed amount per person. Directors (including independent directors) who attend board meetings and independent directors who attend functional committee meetings are entitled to receive attendance fees for their participation. The Remuneration Committee and the Board have reviewed the director remuneration, and review at any time the remuneration system in line with real operating conditions and laws and regulations, so as to strike a balance between risk control and sustainable management of the Company.

The director compensation for 2023 and 2022 were respectively NT$13,685 thousand and NT$12,000 thousand, accounting for 0.27% and 0.18% of the pre-tax net profit for each year. Additionally, the company pays directors' attendance fees for each board meeting, with the fees for 2023 and 2022 being NT$600 thousand and NT$720 thousand, respectively.

(2) Managerial officer:

According to the Company's "Regulations Governing Compensation for Senior Executives", when a managerial officer is appointed, he/she shall be paid a fixed monthly salary based on the pay standards for similar positions in the industry, pay level, organizational framework, and position in the territory where he/she is situated. Variable pay refers to employee remuneration and bonuses, etc. Employee remuneration means the reward for risk responsibility that the senior management are entitled to for achieving the annual performance appraisal indicators. The employee remuneration shall take the Company's business performance, personal performance, and special contributions into account, and adjusted subject to the performance appraisal results. According to the Company's Articles of Incorporation, annual profits concluded by the Company (i.e. the income before tax less the remuneration to employees and directors), if any, shall be subject to employee remuneration of 5%~20%. Among other things, the Company's business performance accounts for one third, by taking into account the indicators including gross profit, performance achievement rate, budget achievement rate, and operating income. Personal performance accounts for one third, subject to the personal annual target achievement rate. Personal special contribution accounts for the other one third. The employee remuneration shall be proposed subject to the Company’s annual production and business target plan and senior management’s personal performance. The proposal shall be submitted to the Remuneration Committee and become effective per resolution by the Board of Directors.

(3) Employees:

The Company's compensation policy takes into account the salary levels of benchmark companies in the market, and provides differentiated and competitive salaries to employees based on the achievement of performance indicators to reflect employee abilities and to measure salary and bonus levels. The salary composition includes the salary and allowances, bonuses and employee compensation, welfare, etc.; the welfare system is designed on the premise that it is better than the laws and regulations for better talent attraction, motivation, and retention.

(4) Each year-end, our company prepares the budget for the following year, taking into account the current economic environment, considering the control and risk of overall operations for the upcoming year, and appropriately adjusts salaries to achieve a balance between operational performance and risk management.

<u>Names of managerial officers who receive employee bonus, and distribution of employee bonus</u>

March 31, 2024 (Unit: NTD thousand)

	Position title	Name	Stock amount	Cash amount (Note)	Total	Total amount of bonus as a percentage of NIAT
Managerial Officer	President	Leo Huang	0	69,650	69,650	1.75%
	General Manager, Test & Measurement BU	David Yang				
	General Manager, Integrated System Solution BU	I-Shih Tseng				
	General Manager, Semiconductor Test Equipment BU	George Chang				
	Senior Vice President of Finance & Administration Center	Paul Ying				
	Senior Vice President, Operation Management Center	Benjamin Huang				
	Senior Vice President of Manufacturing Center	Steven Liu				
	Vice President, Marketing Division, Integrated System Solution BU	Herbert Tsai				
	Vice President, Product Planning Division, Test & Measurement BU	Bobby Tseng				
	Vice President, Greater China Area Sales Department, Test & Measurement BU	Vincent Chen				
	Vice President, Technical Service Division, Test & Measurement BU	Tony Yang				
	Vice President, R&D Division, Test & Measurement BU	Vincent Wu				
	Vice President, R&D Division, Integrated System Solution BU	Lance Ouyang				
	Vice President, Marketing Division, Integrated System Solution BU	Jeff Lee				
	Vice President, Product Planning Division, Test & Measurement BU	Kenny Wang				
	Vice President, Turnkey Solution Sales & Marketing Division, Test & Measurement BU	Cindy Tai				
	Vice President, Product Planning Division, Test & Measurement BU	Galen Chou				
	Vice President, Marketing Division, Intelligent Manufacturing System BU	Arno Wu				
	Vice President, Product Planning Office, Optical Inspection Solution BU	Alex Cheng				
	Vice President, Product Planning Office, Semiconductor Test Equipment BU	Eugene Lin				
	Corporate governance officer	Amy Huang				

Note: Allocation of profit-sharing employee bonuses approved by the Board of Directors in 2023 for managerial officers is based on the actual allocation sum ratio of the previous year.

IV. Operation of corporate governance

(I) Operation of Board of Directors

A total of 5 Board of Directors' meetings were held in 2023 with the following attendance records from directors:

Position title	Name	Number of attendance in person	Delegated presence	Actual presence (attendance) rate (%) (Note)	Remark
Chairperson	Leo Huang	5	-	100%	Reappointed
Director	I-Shih Tseng	4	-	80%	Reappointed
Director	Chung-Ju Chang	2	-	100%	Previously Appointed
Director	Tsun-I Wang	2	-	100%	Previously Appointed
Director	David Yang	3	-	100%	New elect
Director	David Huang	3	-	100%	New elect
Director	Shui-Yung Lin	3	-	100%	New elect
Independent director	Tai-Jen George Chen	5	-	100%	Reappointed
Independent director	Jia-Ruey Duann	5	-	100%	Reappointed
Independent director	Steven Wu	5	-	100%	Reappointed
Independent director	Janice Chang	3	-	100%	New elect

Note: On June 9, 2023, the annual general meeting re-elected directors. The Board of Directors held 2 and 3 meetings before and after the re-election, respectively.

Other matters to be recorded:

I. Where one of the following circumstances apply for the operations of the Board of Director meetings, the date, session, topics discussed, opinions of every independent director, and the Company's handling of the opinions of the independent directors shall be explained:

(1) Items listed in Article 14-3 of the Securities and Exchange Act:

Board meeting date	Session	Proposal	All independent directors' opinions	The Corporation actions in response to independent directors' opinions
2023.02.23	1st meeting in 2023	(1) Annual remuneration for directors, and attendance fees for directors who attended the Board of Directors' meetings. (2) The case of the remuneration and attendance fees for the members of the Audit Committee of our company for year 2023 for attending Audit Committee meetings. (3) Proposal of salary adjustment for the Company's managerial officers in 2023. (4) The case of employee compensation distribution for our company in 2022. (5) The annual business report and financial statements for year 2022. (6) The profit distribution case for year 2022. (7) Issuance of the internal control system statement for year 2022. (8) Endorsement and guarantee case for a subsidiary. (9) Capital loans for Chroma Japan Corp. (10) Appointment of certified public accountants and assessment of their independence and suitability. (11) Submission of the Company's receivables overdue for more	No objection	Proposal approved as presented

		than 90 days are not of a fund loan nature. (12) Approval of the donation, NT$6 million, to the Chroma Cultural and Educational Foundation. (13) 2023 business plan. (14) Proposal to amend the "Director Election Procedures" of our company. (15) Proposal to amend our company's "Corporate Governance Practices" and "Sustainable Development Practices." (16) Proposal for the re-election of directors and the acceptance of nominations for directors (including independent directors). (17) Proposal to lift the restrictions on competitive activities for newly appointed directors and their representatives. (18) Matters related to convening the 112th (2023) annual general meeting of shareholders and accepting shareholder proposals. (19) Proposal for planning the schedule for greenhouse gas inventory and verification for subsidiaries. (20) Proposal to set the record date for the reduction of capital through the cancellation of new shares restricted to employees.		
2023.04.27	2nd meeting in 2023	(1) Q1 2023 consolidated financial statements. (2) Endorsement and guarantee case for a subsidiary. (3) The capital increase proposal for ADIVIC Technology Co., Ltd. (4) Submission of the Company’s receivables overdue for more than 90 days are not of a fund loan nature. (5) Investment of NT$60 million in WK Technology Fund IX II Ltd.. (6) Proposal for nominating candidates for directors and independent directors. (7) Proposal to set the record date for the reduction of capital through the cancellation of new shares restricted to employees.	No objection	Proposal approved as presented
2023.06.19	3rd meeting in 2023	(1) Chairman election of this term. (2) Appointment of members for the fifth term of the Compensation Committee of the company. (3) Proposal to set the record date for the reduction of capital through the cancellation of new shares restricted to employees.	No objection	Proposal approved as presented
2023.07.31	4th meeting in 2023	(1)The distribution of employee compensation for Managerial Officer for year 2022 by the company. (2)Revision of our company's "Board of Directors Performance Evaluation Procedures." (3)Q2 2023 consolidated financial statements. (4) Endorsement and guarantee for Chroma ATE (Suzhou) Co., Ltd. (5)Capital loans to Chroma Systems Solutions, Inc. (6) Submission of the Company’s receivables overdue for more than 90 days are not of a fund loan nature. (7)Proposal to purchase monitoring equipment from our subsidiary, Touch Cloud Inc. (8)Revision of our company's "Endorsement and Guarantee Procedures." (9)Proposal for investment in NanoSeeX Inc. (10)Establishment of our company's "Regulations for Financial and Business Operations Among Related Parties."	No objection	Proposal approved as presented
2023.10.31	5th meeting in 2023	(1) 2024 audit plan. (2) Amendments to the Company’s “Internal Control System” and “Enforcement Rules for Internal Audit” (3) Q3 2023 consolidated financial statements. (4) Proposal for endorsement and guarantee for MAS Automation Corp. (5) Capital loans to Chroma Systems Solutions, Inc. (6) Submission of the Company’s receivables overdue for more than 90 days are not of a fund loan nature.	No objection	Proposal approved as presented

		(7) Proposal to purchase 100% of the equity of Chroma GmbH from subsidiary Chroma BV. (8) Revision of our company's "Endorsement and Guarantee Procedures." (9) Amendments to the Company's “Corporate Governance Best Practice Principles”.		

(2) In addition to the aforementioned matters, any other resolutions from the Board of Directors where an independent director expressed a dissenting or qualified opinion that has been recorded or stated by writing: None.

II. During the execution process where the Director abstains from being a stakeholder, the name of the director, the content of the proposal, the reason for abstinence, and the results of the voting should be stated:

On April 27, 2023, the Board of Directors passed the review of director candidates. In accordance with Article 206 of the Company Act, Article 178 of the recusal was applied mutatis mutandis. Chairman, Mr. Leo Huang, recused himself as a director due to his own interests, during the discussion and voting Mr. Tai-Jen George Chen, an independent director, was appointed by the chairman of the board to act as the chairman; Mr. Tai-Jen George Chen, Mr. Jia-Ruey Duann and Mr. Steven Wu recused themselves during the discussion and voting for independent director qualification due to their own interests.

Resolution: After consultation by the chairperson, excluding directors with a conflict of interest, this proposal was approved as presented. The list of candidates for directors (including independent directors) is submitted for election at the 2023 annual general meeting of shareholders.

III. TWSE/TPEx listed companies shall disclose information such as the evaluation cycle and period, scope, method, and items of the Board’s self (or peer) evaluation, and fill out the implementation status of evaluation of the Board in Table 2(2).

The Company shall conduct an annual internal performance evaluation of the Board of Directors, directors, the Remuneration Committee, and the Audit Committee in accordance with the "Regulations Governing the Performance Evaluation of the Board of Directors." An external professional independent, the performance evaluation of the current year shall be conducted at the end of the year, and the results of the performance evaluation of the Board of Directors shall be completed before the end of the first quarter of the next year. The internal performance evaluation of the Board of Directors was conducted by internal questionnaires issued by the parliamentary units, and was divided into four parts: the results of the 2023 performance self-assessment of the Board of Directors and board members show an overall average score ranging from 4.85 to 5.00 (out of a maximum of 5). Among these, the aspects of "sufficient communication and interaction with the CPA" and "appropriate frequency of board meetings" received relatively lower scores. The performance evaluation results for the functional committees, including the Audit Committee and the Remuneration Committee, show an overall average score ranging from 4.81 to 5.00 (out of a maximum score of 5). Among these, the aspects of "sufficient communication and interaction between the Audit Committee and the CPA" and "the Remuneration Committee regularly reviewing the company's board performance evaluation standards, submitting them to the Board for approval, and determining directors' compensation based on performance evaluation results" received relatively lower scores. Overall, the operation of the board of directors is in good condition. The company will continue to strengthen based on the evaluation results of the board. It plans to increase meetings between directors and accountants to enhance the effectiveness of corporate governance. The results of the board performance evaluation for year 2023, including external evaluation results, were reported to the board meeting on February 26, 2024.

IV. Goals for enhancing the functions of the Board of Directors (such as establishing an Audit Committee or increasing information transparency) for the current year and most recent year as well as the assessment of the actions implemented:

The Company has set up the Audit Committee, and has formulated the “Audit Committee Charter”. The operation of the Audit Committee complies with the relevant laws and regulations. The Company's website also discloses important resolutions of the Board of Directors in the most recent year to safeguard the rights and interests of the shareholders.

To enhance corporate governance, the company revised the "Board Performance Evaluation Procedure" on July 31, 2023, stipulating that an external evaluation of board performance should be conducted at least once every three years. For the first time, the company entrusted Cheng Yi Management Consulting to conduct an external evaluation of the overall performance of the board, its members, and its functional committees for the year 2023 and to issue a report. The results of

the company's 2023 Board Performance Evaluation have been disclosed on the Market Observation Post System, the company's website, and the annual report. The evaluation procedure is also available on the company's website for investors to review. In order to enable the Board members to exercise their functions and strengthen the promotion of continuing education of directors, all of the Company's directors have completed the continuing education program for the hours required under the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in 2023.

(II) Evaluation of Board of Directors

Frequency	Period	Scope	Method	Content
Once a year	2023.01.01~ 2023.12.31	(1) The entire Board of Directors (2) Individual Board directors (3) Audit Committee (4) Remuneration Committee	Self-evaluation	<u>Assessment Items for the Board of Directors</u> (1) participation in the Company's operations (2) the quality of Board decisions (3) the composition and structure of the Board of Directors (4) the selection and continuing education of directors (5) internal control, etc. <u>Assessment items for individual Board members</u> (1) Alignment of the Company's objectives and tasks (2) directors' awareness of their duties and responsibilities (3) participation in the Company's operations (4) internal relationship management and communication (5) directors' professionalism and continuing education (6) internal control. <u>Functional Committee Performance Evaluation Items</u> (1) Participation in company operations (2) awareness of functional committee responsibilities (3) quality of functional committee decisions (4) composition and selection of functional committee members (5) internal control
Once every three year	2023.01.01~ 2023.12.31	(1) The entire Board of Directors (2) Individual Board directors (3) Audit Committee (4) Remuneration Committee	External institutions	<u>Evaluation Indicators</u> (1) Has the Board of Directors established the policies and procedures governing the operation of the Board of Directors, the composition of the Board of Directors, and the distribution of tasks in accordance with relevant laws and regulations and corporate governance indicators? (2) Whether the directors contribute their expertise, express their opinions, and actively participate in the board of directors and functional committees. (3) Whether the directors maintain good communication channels with the company's management team, and whether the management team provides the operational status of the company to the directors in writing in an appropriate and timely manner. (4) Whether the directors are clear about the company's industry and medium to long-term development goals. (5) Whether the board of directors and each functional committee are functioning effectively. (6) Internal control. (7) Issues of sustainable development, risk management, or information security. <u>Optimization suggestions</u> (1) For the next election, consider increasing the number of external director seats or establishing a nomination committee to strengthen the director appointment mechanism, promote the selection of board members and senior managers, and achieve the goals of board diversity and succession planning. (2) Relevant functional committees, such as a Risk Management Committee or an Information Security Committee, can be established as needed to assist the board in overseeing the company and demonstrating exemplary corporate governance. (3) In the future, the chairperson of the board and the conveners of the functional committees could establish work plans and objectives for their terms to further strengthen the supervisory and managerial responsibilities of the board and the functional committees towards the company.

(III) Operation Overview of the Audit Committee:

During the year 2023, the Audit Committee met 4 times, and the attendance of independent directors was as follows:

Position title	Name	Attendance in person	Delegated presence	Percentage of attendance in person (%) (Note)	Remark
Convener	Steven Wu	4	-	100%	Reappointed
Committee member	Jia-Ruey Duann	4	-	100%	Reappointed
Committee member	Tai-Jen George Chen	4	-	100%	Reappointed
Committee member	Janice Chang	2	-	100%	New elect

Note: On June 9, 2023, at the annual shareholders' meeting, there was a comprehensive re-election of directors. Before the re-election, the Audit Committee met twice, and after the re-election, it met twice.

Other matters to be recorded:

I. If the operation of the Audit Committee is under any of the following circumstances, the date, period, proposal content, the content of the objections, reservations or major recommendations of the independent directors, resolution of the Audit Committee and the Company’s handling of the Audit Committee’s opinions should be described:

(I) Items listed in Article 14-5 of the Securities and Exchange Act:

Audit Committee Date	Session	Proposal	Content of the objections, reservations, or major recommendations of the independent directors	Resolution of the Audit Committee	The Company's actions in response to the opinions of the Audit Committee
2023.02.23	The 17th meeting of the second term	(1) The business report and financial statements for year 2022. (2) The profit distribution proposal for the fiscal year 2022. (3) Issuance of the internal control system statement for the company for the year 2022. (4) Endorsement and guarantee for subsidiaries. (5) Proposal for lending funds to Chroma Japan Corp. (6) Appointment of certified public accountants and assessment of their independence and suitability. (7) Report on the company's receivables overdue for more than ninety days that are not of a lending nature. (8) Donation of NT$6 million to the Chroma Cultural and Educational Foundation. (9) The company's operational plan for the year 2023.	None	Approved by all members.	Proposal approved as presented
2023.04.27	The 18th meeting of the	(1) Q1 2023 consolidated financial statements. (2) Endorsement and guarantee for subsidiaries.	None	Approved by all members.	Proposal approved as presented

	second term	(3) The capital increase proposal for ADIVIC Technology Co., Ltd. (4) Report on the company's receivables overdue for more than ninety days that are not of a lending nature. (5) Investment of NT$60 million in WK Technology Fund IX II Ltd..			
2023.07.31	The 1st meeting of the third term	(1) Q2 2023 consolidated financial statements. (2) Endorsement and guarantee for Chroma ATE (Suzhou) Co., Ltd. (3) Capital loans to Chroma Systems Solutions, Inc. (4) Report on the company's receivables overdue for more than ninety days that are not of a lending nature. (5) Proposal to purchase monitoring equipment from our subsidiary, Touch Cloud Inc. (6) Revision of our company's "Endorsement and Guarantee Procedures." (7) Proposal for investment in NanoSeeX Inc.	None	Approved by all members.	Proposal approved as presented
2023.10.31	The 2nd meeting of the third term	(1) 2024 audit plan. (2) Amendments to the Company's "Internal Control System" and "Enforcement Rules for Internal Audits". (3) Q32023 consolidated financial statements. (4) Proposal for endorsement and guarantee for MAS Automation Corp. (5) Capital loans to Chroma Systems Solutions, Inc. (6) Report on the company's receivables overdue for more than ninety days that are not of a lending nature. (7) Proposal to purchase 100% of the equity of Chroma GmbH from subsidiary Chroma BV. (8) Revision of our company's "Endorsement and Guarantee Procedures."	None	Approved by all members.	Proposal approved as presented

(II) Except for the aforementioned matters, other resolutions were approved by two-thirds or more of all the directors but have yet to be approved by the Audit Committee: None.

II. Execution process where the independent director abstains from being a stakeholder, the name of the director, the content of the proposal, the reason for abstinence, and the results of the voting should be stated: None.

III. Communication between directors and head of internal audit and CPA (including material issues, audit methods, and results relating to the Corporation's finances and business).

1. Communication methods between independent directors and internal audit director:

(1) The Internal Auditing Officer shall complete an audit report at the end of every month and submit the aforesaid report to the independent directors and they may request clarification from the Internal Auditing Officer upon any inquiry.

(2) The Head of Internal Audit shall attend the meetings of the Audit Committee at least once a quarter to give an internal audit business report, which shall include the description of audit projects,

significant items for improvement of internal audit and improvement policies, etc., so the independent directors may have immediate access for consultation and communication.

Date of meeting	Content of the communication	Results of the communication
2023.02.23	(1) Reporting on internal audit activities. (2) Discussion on the issuance of the Company's 2022 statement of the internal control system.	Approved by independent directors without objections
2023.04.27	Briefing of Internal audit activities.	Approved by independent directors without objections
2023.07.31	Briefing of Internal audit activities.	Approved by independent directors without objections
2023.10.31	(1) Reporting on internal audit activities. (2) Discussion of the 2024 audit plan. (3) Amendments to the Company's "Internal Control System" and "Enforcement Rules for Internal Audits".	Approved by independent directors without objections
2024.02.26	(1) Reporting on internal audit activities. (2) Discussion on the issuance of the Company's 2023 statement of the internal control system.	Approved by independent directors without objections

2. Communication between independent directors and CPAs:

The Audit Committee of the Company comprises independent directors, and the CPA reports to the independent directors on the audit of annual financial statements regularly each year.

Summary of communicating meetings between independent directors and CPAs:

Date	Method of the communication	Content of the communication	Results of the communication
2024.02.26	Communicating Meeting	(1) Audit scope and results of the 2023 financial statements. (2) Key audit matters for 2023 (Authenticity of revenue generated - operating revenue of some customers). (3) Explanation of Sustainable Development (ESG).	No comments from independent directors at this meeting.

(IV) The state of the Company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such departure.

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
I. Has the Company formulated and disclosed its corporate governance best practice principles in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies?	V		The Company has stipulated the Corporate Governance Best Practice Principles. Please visit the MOPS or the official website of the Company to peruse the details.	No difference
II. Equity structure and shareholders' rights of the Corporation				No difference
(I)Has the company established internal procedures for handling shareholder suggestions, doubts, disputes, and litigation, and are these procedures implemented accordingly?	V		(I) The Company has established a system of spokespersons and deputy spokespersons for handling shareholders' proposals, inquiries, and other relevant matters.	
(II) Does the Company maintain a list of major shareholders who have actual control over the Company and persons who have ultimate control over the major shareholders?	V		(II) The Company has delegated a dedicated person to manage the relevant information in order to effectively assess shareholding by the Company's directors, managerial officers, and major shareholders holding more than 10% of the Company's shares, and disclosed this information in accordance with the relevant regulations.	
(III) Does the Company establish and enforce risk control and firewall systems with its related corporation?	V		(III) The Company has established regulations for the monitoring of subsidiaries and delegated personnel for supervising the financial operations of these subsidiaries.	
(IV) Has the Company formulated internal regulations that prohibit insiders of the Company from trading securities using undisclosed information in the market?	V		(IV) The Company has established its own "Regulations for the Prevention of Insider Trading". In order to protect shareholders' rights and interests and to implement equal treatment of shareholders, the Regulations expressly prohibit insiders from trading marketable securities using unpublished information in the market, including stock trading control measures from the date the Company's insiders are informed of	

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			the Company's financial reports or related results, including directors and managerial officers from trading their shares during the closed period of 30 days prior to the announcement of annual financial reports and 15 days prior to the announcement of quarterly financial reports. The regulations and their implementation status can be queried on the company's website.	
III. Composition and responsibilities of Board of Directors: (I) Has the board of directors formulated a diversity policy, specific management objectives, and implemented them effectively? (II) Has the Company voluntarily established other functional committees, other than the remuneration committee and audit committee that are	V 	 V	(I) The Company stipulated Best Practice Principles for Corporate Governance where the composition of the Board of Directors must consider diversity as well as the principles of diversity that include the basic criteria, professional knowledge, and skills which correspond to the operations, business, and development required by the Company. In order to make effective decisions, the board of directors should be composed of members with diverse expertise, including professionals in the electronics and information industry, marketing and management, and finance and banking. The Company has 9 directors and 4 independent directors, each of whom has different professional backgrounds and whose terms of office have not exceeded 3 terms. The composition of the Board of Directors also takes gender diversity into consideration. One female director has been elected to the current Board of Directors. The number of directors who also serve as the Company's managerial officers does not exceed one-third of the total number of directors. (II) The Company has established the Compensation Committee and the Audit Committee in accordance with the law.	No difference

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
established in accordance with the law? (III) Does the Company stipulate regulations for assessing the performance of the Board and the process of assessment, conduct performance appraisals on an annual basis regularly, and submit the results of the performance appraisal to the Board? Are the results used as a reference for the remuneration of individual Directors and the nomination for re-appointment? (IV) Does the Company regularly evaluate the independence of CPAs?	 V V		(III) The company has established a Board Performance Evaluation Procedure and its assessment methods, stipulating that the board of directors should conduct an internal performance evaluation of the board, its members, the Compensation Committee, and the Audit Committee at least once a year. Additionally, an external evaluation of the board's performance should be conducted at least once every three years. the Company's Remuneration Committee shall regularly review the policy, system, standards, and structure for the performance appraisal, salary, and remuneration of directors and managerial officers, and shall submit its recommendations to the Board of Directors' for deliberation. The results of the evaluation of the Board of Directors for 2023 were submitted to the Board on February 26, 2024. (IV) The company regularly assesses the independence and suitability of the certifying accountant every year through internal evaluation procedures (see note 1). The most recent evaluation results were approved by the Audit Committee on February 26, 2024, and subsequently by the board of directors on the same date.	
IV.Does the TWSE/TPEx listed company have a suitable and appropriate number of corporate governance personnel and appoint a corporate governance officer to be in charge of corporate governance-related matters (including but not limited to supplying the information requested by the directors and supervisors for the execution of their duties, assisting the directors and	V		The Company's Finance Division has designated dedicated personnel to handle corporate governance matters, and the Head of the Finance Division, Amy Huang, has been designated as the corporate governance officer in accordance with the law, and is the highest authority responsible for governance-related matters of the Company. The main duties are: (1) Administer the meetings of the Board of Directors and the shareholders' meetings in accordance with the law. (2) Preparation of the minutes of the board of directors and	No difference

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
supervisors in compliance with legal regulations, handling matters related to board meetings and shareholders' meetings and preparing minutes of board meetings and shareholders' meetings)?			shareholders' meetings. (3) Assisting directors with their induction and ongoing education. (4) Providing directors with the information needed to perform their duties. (5) Assist directors in complying with the law (6) Report to the Board of Directors whether the qualification of independent directors complies with relevant laws and regulations at the time of nomination, election, and term of office. (7) Matters with regard to the change of directors. (8) Other matters as set forth in the Articles of Incorporation or contract, etc.	
V. Has the Company established channels of communication with stakeholders (including but not limited to shareholders, employees, customers, and suppliers), dedicated a section of the Company's website for stakeholder affairs, and adequately responded to stakeholders' inquiries on material corporate social responsibility (CSR) issues?	V		The Company has established a CSR area on its official website which provided contact information, emails, and other channels of communication to stakeholders so that they may raise topics that they are concerned with. These concerns would then be promptly addressed by the Company.	No difference
VI. Has the company appointed a professional share registrar to handle shareholder meeting affairs?	V		The Company has appointed Taishin Securities Co., Ltd. to handle affairs of the shareholders' meeting.	No difference
VII. Information disclosure (1) Does the company have a website that discloses financial, business, and corporate governance information? (II) Has the Company adopted other means of information disclosure (such as establishing a website in English, appointing specific personnel to collect and disclose company information, implementing a spokesperson system, and disclosing the process of investor conferences on the Company's website)?	 V V		(I) The Corporation has set up a website with special pages on investor services and regular updates on financial operations and corporate governance. Website: (www.chromaate.com) (II) The Company has established Chinese and English language websites as well as a special area for investor services. A professional has been charged with collecting information and providing regular updates for financial operations. The Company has delegated a spokesperson and deputy spokesperson. Investor conferences are held on a regular basis, and relevant information has been	No difference

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
(III) Has the Company published and reported its annual financial report within two months after the end of a fiscal year, and published and reported its financial reports for the first, second, and third quarters, as well as its operating status for each month before the specified deadline.	V		disclosed using the Company's official website. (III) The company announced and filed the financial report for the year 2023 on February 29, 2024, and also announced and filed the financial reports for the first, second, and third quarters ahead of the scheduled deadlines, along with the monthly operational status.	
VIII. Does the Company provide other important information that can help establish a better understanding of the state of corporate governance (including but not limited to employee rights, employee care, investor relations, supplier relations, stakeholders' rights, continuing education among directors and supervisors, implementation of risk management policies and risk measurement standards, implementation of customer policies, and purchase of liability insurance for directors and supervisors of the Company)?	V		1. Employees' equity: According to the Labor Standards Act and the Corporation's personnel regulations; the Corporation takes the employees' equity seriously and so sets up the employees' feedback mail box, communications channels and various specific areas for discussion to provide a comprehensive selection of channels for feedback. 2. Employee Care: In addition to providing a good office environment, the company also offers various recreational facilities for employees, such as swimming pools and gyms. The Company also subsidizes club activities to provide employees with a variety of after-work leisure options. 3. Investor relations: The Corporation's website has an investors' service page, a spokesperson, and a deputy spokesperson, specifically responsible for public disclosure of the Corporation matters. The Corporation will also organize road-shows regularly to disclose relevant information regarding the Corporation's operations, at the same time update that information on the Corporation's website. 4. Supplier relations: The business strategy adopted by the Company upholds trust as the highest guiding principle and respects every commitment made with both suppliers and stakeholders. The Company aims at building positive and interactive relationships with suppliers and will not delay payments without	No difference

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">State of implementation</th><th rowspan="2">Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td></td><td></td><td></td><td>proper cause.
5. Stakeholders’ rights: To provide public investors with information transparency and prompt notification, financial and business information posted on the Company’s website shall be regularly updated.
6. All directors of the Company have academic backgrounds and practical experiences in business management applications to the business scope of the Company. The recent annual continuing education details for directors and managers are as follows (see Note 2).
7. Implementation of risk management policy and risk evaluation standards: The Company has carefully stipulated various internal control regulations to manage and evaluate various risks.
8. Execution of customer policies: The Corporation is involved in the sales of instruments and equipment, and provides excellent product inquiry response as well as rapid maintenance and other post-sales services to ensure that the clients’ production lines operate smoothly while maintaining positive customer relationships.
9. The company has purchased liability insurance for all directors and key staff, and reported this to the board of directors on February 26, 2024.</td><td></td></tr>
<tr><td colspan="5">IX. Improvements made in the most recent year in response to the results of corporate governance evaluation conducted by the Corporate Governance Center of the Taiwan Stock Exchange Corporation, and prioritized matters and measures to be improved upon for matters that have not been improved.
1. Improvements made in the most recent year:
(1) Important contents of shareholders' questions and the Company's responses are recorded in the regular shareholders' meeting minutes.
(2) Providing refresher course information to the directors, and increasing the number of directors' refresher hours.
(3) Executed the 2023 external Board performance evaluation and issued the evaluation report.
(4) A total of 9 directors were re-elected at the 2023 shareholders' meeting (including 4 independent directors), including 1 female independent director.
(5) Upload the uninterrupted audio and video of the entire shareholders' meeting after the meeting.
2. Prioritized matters and measures yet to be improved:
(1) Arrangement of the communicating meetings between directors and CPAs. (2) Publish the financial statements audited and certified by CPAs within two months after the end of the fiscal</td></tr>
</table>

Evaluation Items	State of implementation			Gaps with the Corporate Governance Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
year.				

Note 1: Assessment of independence and competence of the Company's CPAs:

Evaluation Items	Y/N	Whether it meets the required independence and competence
1. The CPA did not serve as directors and supervisors of the Company	Y	✓
2. The CPA is not a shareholder of the Company	Y	✓
3. The CPA does not work part-time in the Company or is engaged in regular work, and is paid	Y	✓
4. The CPA has no significant financial interest in the Company	Y	✓
5. The CPA has no borrowing from or lending to the Company	Y	✓
6. The CPA is not involved in the management function of the Company’s decisions making	Y	✓
7. The CPA has not served in the Company in the first two years of practicing	Y	✓
8. Receipt of a declaration of independence by the CPA	Y	✓
9. The CPA did not provide audit certification services to the company continuously for seven years.	Y	✓
10. There are no interaction issues between CPA and management, governance units, and the internal audit supervisor.	Y	✓
11. The quality of audit and tax services meets the requirements in a timely and effective manner	Y	✓
12. The Company’s financial report has not been litigated or corrected by the competent authority	Y	✓
13. Acquire the AQIs and perform the assessment: (1) Professional indicator (audit experience, training hours, turnover rate, and professional support) - sufficient (2) AQI indicator (CPA’s load, engagement in audits, EQCR recheck status, and quality control support ability) - sufficient (3) Independence (proportion of non-audit services and customer familiarity) - no abnormal situation (4) Supervision (defects found in external inspections and disposition, and the competent authority’s reminder for improvement) - no abnormal situation (5) With the ability to innovate and plan the audit.	Y	✓

Note 2: Continuing education status of directors and managers for the year 2023 and up to the date of the annual report printing.

Position title	Name	Training date		Organizer	Curriculum	Training hours	Total training hours for the year
		From	To				
Director	Leo Huang	May 23, 2023	May 23, 2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Review and analysis of directors' and supervisors' financial statements	3	6
		September 04, 2023	September 04, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3	
Director	I-Shih Tseng	September 04, 2023	September 04, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	6
Director	David Huang	May 23, 2023	May 23, 2023	Taiwan Academy of Banking and Finance	Corporate Governance Lecture - Review and analysis of directors' and supervisors' financial statements	3	12
		September 04, 2023	September 04, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3	
		December 05, 2023	December 05, 2023	Taiwan Corporate Governance Association	2024 Global Economic Outlook and Industry Trends	3	
		December 26, 2023	December 26, 2023	Taiwan Corporate Governance Association	Circular Economic Benefits and Sustainable Finance Opportunities	3	
Director	David Yang	June 02, 2023	June 02, 2023	Chinese National Association of Industry and Commerce	Director and Supervisor Orientation - 2023 Taiwan New Net-Zero Electricity Summit	3	12
		July 13, 2023	July 13, 2023	TWSE/TPEx	Sustainable Development Action Plan Promotion Conference for TWSE/TPEx-listed Companies	3	
		October 13, 2023	October 13, 2023	Securities and Futures Institute	2023 Annual Seminar on Prevention of Insider Trading	3	
		November 18, 2023	November 18, 2023	Accounting Research and Development Foundation	Update on Sustainable Disclosure Standards	3	
Director	Shui-Yung Lin	July 04, 2023	July 04, 2023	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Climate Change Summit	3	8
		September 27, 2023	September 27, 2023	Taiwan Institute of Investor Relations	Empower the board of directors to become a key force in leading sustainable governance	5	
Independent director	Jia-Ruey Duann	September 04, 2023	September 04, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	6	6
Independent director	Tai-Jen George Chen	June 02, 2023	June 02, 2023	Chinese National Association of Industry and Commerce	Director and Supervisor Orientation - 2023 Taiwan New Net-Zero Electricity Summit	3	11
		September 04, 2023	September 04, 2023	Financial Supervisory Commission	The 14th Taipei Corporate Governance Forum	3	
		September 27, 2023	September 27, 2023	Taiwan Investor Relations Association	Empower the board of directors to become a key force in leading sustainable governance	5	
Independent director	Steven Wu	August 17, 2023	August 17, 2023	Taiwan Corporate Governance Association	Personal Information Protection Act	3	6
		August 17, 2023	August 17, 2023	Taiwan Corporate Governance Association	Corporate Governance and Securities Laws and Regulations	3	
Independent director	Janice Chang	June 02, 2023	June 02, 2023	Chinese National Association of Industry and Commerce	Director and Supervisor Orientation - 2023 Taiwan New Net-Zero Electricity Summit	3	12
		July 04, 2023	July 04, 2023	Taiwan Stock Exchange	2023 Cathay Pacific Sustainable Banking and Climate Change Summit	6	
		July 13, 2023	July 13, 2023	TWSE/TPEx	Sustainable Development Action Plan Promotion Conference for TWSE/TPEx-listed Companies	3	

Position title	Name	Training date		Organizer	Curriculum	Training hours
		From	To			
Accounting Officer	Paul Ying	October 26, 2023	October 27, 2023	Accounting Research and Development Foundation	Continuing Training Course for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges	12
Corporate governance officer	Amy Huang	March 30, 2023	March 30, 2023	Taiwan Corporate Management and Sustainable Development Association	Corporate Governance and Securities Laws and Regulations - Knowledge of senior executives of TWSE/TPEx-listed companies regarding supervision by the competent authorities	3
		October 13, 2023	October 13, 2023	Securities and Futures Institute	2023 Annual Seminar on Prevention of Insider Trading	3
		December 21, 2023	December 21, 2023	Accounting Research and Development Foundation	Common internal control deficiencies of enterprises and practical case analysis	6

(V) Composition, duties, and operation of the compensation Committee

1. Information on the members of the Remuneration Committee

Identity	Conditions / Name	Professional qualifications and experiences	Status of Independence	Number of salary and remuneration committee memberships concurrently held in other public corporations
Independent director (convener)	Tai-Jen George Chen	Please refer to Page 7~9 for detailed information on directors.	Please refer to Page 7~9 for detailed information on directors.	2
Independent director	Jia-Ruey Duann	Please refer to Page 7~9 for detailed information on directors.	Please refer to Page 7~9 for detailed information on directors.	1
Independent director	Steven Wu	Please refer to Page 7~9 for detailed information on directors.	Please refer to Page 7~9 for detailed information on directors.	0
Independent director	Janice Chang	Please refer to Page 7~9 for detailed information on directors.	Please refer to Page 7~9 for detailed information on directors.	1

2. Operations of the Remuneration Committee

(1) The Company has a Remuneration Committee composed of 4 members.

(2) Duration of the current term of service: from June 19, 2023 until June 8, 2026, a total of 2 Remuneration Committee meetings were held in 2023. Members qualifications and attendance are as follows:

Position title	Name	Attendance in person	Delegated presence	Percentage of attendance in person (%) (Note)	Remark
Convener	Tai-Jen George Chen	2	-	100%	Reappointed
Committee member	Jia-Ruey Duann	2	-	100%	Reappointed
Committee member	Steven Wu	2	-	100%	Reappointed
Committee member	Janice Chang	1	-	100%	New elect

Note: On June 9, 2023, at the annual shareholders' meeting, there was a comprehensive re-election of directors. Before the re-election, the Compensation Committee met once, and after the re-election, it met once.

Other matters to be recorded:

I. Indicate the date of the Remuneration Committee's meeting in the most recent fiscal year, sessions, the content of proposals, resolutions of the Committee, and the results of the Company's actions in response to the opinions of the Remuneration Committee

Session	Date	Content of Motion and Follow-up Actions	Voting results	The Company's actions in response to the opinions of the Remuneration Committee
1st meeting in 2023	February 23, 2023	(1)Proposal of the 2023 salary adjustment for the Company's senior managerial officers. (2)Proposal of the annual rewards for directors, and attendance fees for directors who attended Audit Committee meetings (3)Proposal of 2023 compensation for members of the Audit Committee, and attendance fees for	Approved by all committee members	Proposed by the Board of Directors and adopted with the approval of all attended Directors

		members who attended Audit Committee meetings		
2nd meeting in 2023	July 31, 2023	(1)Proposal of 2022 employee remuneration distributed to the Company's managerial officers. (2)Revision of our company's "Board of Directors Performance Evaluation Procedures."	Approved by all committee members	Proposed by the Board of Directors and adopted with the approval of all attended Directors

II. If the Board of Directors does not adopt or amend the recommendations made by the Remuneration Committee, the date and session of the Board of Directors' meeting, resolutions, voting results and handling of opinions from the Remuneration Committee by the Company shall be disclosed (if the remuneration approved by the Board of Directors is better than that recommended by the Remuneration Committee, the discrepancies and related reasons shall be stated): None.

III. Where resolutions of the Remuneration Committee include dissenting or qualified opinion which is on record or stated in a written statement, the date, session, contents discussed, opinions from every member, and disposition of the members' opinions shall be described in detail: None.

3. Information on the members of the Nomination Committee and its operation: None.

(VI) Implementation of sustainable development, deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons therefor

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the Board of Directors to be handled by senior management, and the supervision situation of the Board of Directors? (A TWSE/TPEx listed company must specify the implementation status, instead of compliance or interpretation.)	V		In 2022, our company established the ESG Sustainable Operations Office, with the Senior Vice President of the Finance & Administration Center serving as the Executive Director. The office integrates seven functional teams responsible for planning and executing corporate sustainable social responsibility. It regularly reports the relevant execution content and results to senior executives and the board of directors. The ESG Sustainability Office reported to the board of directors on October 31, 2023, regarding the implementation of ESG, including corporate governance, sustainable supply chain, sustainable environmental protection, establishment of a safe and healthy workplace, employee care, and social participation. The report also covered the establishment of communication channels with stakeholders and the response to important issues of concern, the company's short- and long-term ESG goals, and the TCFD climate change risk and opportunity assessment report. The board of directors supervises the company's sustainable development promotion and annual operations.	No difference
II. Has the Company assessed the environmental, social, and corporate governance risks related to its operations based on the principle of materiality and established related risk management policies or strategies? (A TWSE/TPEx listed company must specify the implementation status, instead of compliance or interpretation.)	V		The Company identifies material issues based on the four principles of inclusivity, materiality, responsiveness, and impact with reference to the GRI Standards and AA 1000 Accountability Principles. Stakeholders such as SDGs, TCFD, SASB, and DJSI are used as the basis for stakeholder communication and feedback. Their needs and expectations are listened to, understood, and analyzed in depth, and the significance of the material issues' economic, environmental, and social impacts is further assessed. Basis for	No difference

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			sustainable development strategic planning. After analysis and investigation, various aspects of ESG risk were divided into: business ethics and integrity management, economic performance, supply chain management, labor and employment relations, occupational safety and health management, talent development and education and training, community participation and development, customer privacy and information security, waste and waste management, climate change and energy management, and green products and services (hazardous substance management).	
III. Environmental Issues (I) Has the Company referred to the nature of its industry to establish a suitable environmental management system (EMS)? (II) Is the Company committed to improving the usage efficiency of energies and utilizing renewable resources with reduced environmental impact?	V V		(I) All environmental management and operations are in compliance with legal regulations, and regular reporting and tracking are conducted. Sets targets for waste reduction, implements ideas for resource recycling, and sets various energy-saving programs to achieve the goal of energy conservation and love for the earth. The Company has obtained ISO 14001 attestation. (II) The Company is committed to the development of green energy products, giving priority to environmental protection products and building its headquarters in accordance with green building regulations. The Company is committed to reducing the use of hazardous substances, and generating lead-free production processes. Suitable recycling processes are applied according to the attributes of waste. Waste sorting is implemented through policy announcement and promotion, lectures, labeling,	No difference

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			posting and secondary sorting to reduce waste and increase resource recovery rate in fulfilling the environmental protection responsibility.	
(III) Has the company assessed the potential risks and opportunities of climate change on its current and future operations, and taken relevant measures to address them?	V		(III) In response to the impact of climate change issues, the Company follows the guidelines provided by the Task Force on Climate-related Financial Disclosures (referred to as TCFD) proposed by the International Financial Stability Board (FSB). Analysis of the impacts of climate change by the task force. In addition to analyzing the risks brought by climate change and the Company's countermeasures, it also proposed new products and new market opportunities that the Company can grasp under the climate change in the future.	
(IV) Has the company calculated its greenhouse gas emissions, water usage, and total waste weight for the past two years, and formulated policies for reducing greenhouse gas emissions, water usage, or managing other waste?	V		(IV) The Company has introduced ISO 14001 and ISO 14064 systems and has passed external third-party inspection. The Company has implemented measures such as enhancing the efficiency of the air-conditioning cooling system, reducing energy consumption hardware improvement project, installing power-saving designs for air-conditioning containers, replacing air-conditioning temperature control system with refrigerant flow measurement system, strengthening power usage monitoring, water-saving packing device and gradually replacing all factory-wide public lighting equipment with LED lights to achieve energy saving and carbon reduction, reduce energy consumption, so as to reduce carbon emission intensity and fulfill the obligation of	

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			environmental protection. Statistics for the most recent two years Water Consumption: 2022: 67151.9 M3 2023: 88292.2 M3 GHG emission: 2022: 10698.8143 CO2e 2023: 8899.5352 CO2e Total weight of waste "general industrial waste + hazardous industrial waste (including SASB)": 2022: 581.91 tons 2023: 475.25tons	
IV. Social Issues (I) Does the Company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights? (II) Has the Company established and offered proper employee benefits (including compensation, leave, and other benefits) and reflected the business performance or results in employee compensation appropriately?	V V		(I) The Company abides by the laws and regulations where it operates around the world, respects and supports recognized international norms and principles of human rights, including the “International Code of Human Rights”, “Universal Declaration of Human Rights” and the International Labor Organization’s “Declaration of Fundamental Principles and Rights at Work”, treats with dignity and respects all employees, contract and temporary personnel, interns, etc., and formulates the Company’s internal management policies and related procedures accordingly. (II) In addition to providing employees with various leave according to the law, the Company also allows paid sick leave up to five days and one-day birthday leave that are superior to the law. Formulate a competitive salary plan that is superior to legal standards, and allocate employee rewards based on annual operating performance. The Company operating performance and employee personal performance are appropriately reflected in	No difference

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			employee compensation policies to ensure the recruitment, retention, and incentives of human resources, achieving the sustainable operation goal.	
(III) Does the Company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	V		(III) In order to fulfill its corporate social responsibilities and protect all colleagues, the Company regularly implements in-service employee education and training, new employee education and training, and fire drills. The Company has passed the ISO 45001 Occupational Health and Safety Management System, which is valid until February 2027, and covers the Company's A7 Plant, Huaya Plant, Hsinchu Branch, and Kaohsiung Branch. In 2023, a total of 28 employees have been reported to 28 cases (including traffic accidents), accounting for 1.39% of the Company's total number of employees. Among them, there were 3 work injury cases in the factory. Propaganda and prevention and announcements have been required. In 2023, there were no fire incidents at the Chimao headquarters and subordinate plants.	
(IV) Has the Company established an effective career competence training plan for its employees?	V		(IV) The company regards talent cultivation and development as a competitive advantage. It plans a comprehensive education and training system, career development blueprints for various positions, and development training courses to assist employees in enhancing their professional and managerial abilities and personal growth. Formulate the "Education and Training Management Measures", and introduce education and training courses every year, put	

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			forward training plans according to the needs of various departments, and continue to optimize the professional functions of employees. In 2023, in addition to training for new recruits, new executive courses, professional courses in various career areas, management courses, environmental safety and health, and other internal and external training courses, the company has also introduced an electronic learning management system to further provide training in line with the training quality system Process and digital learning function. The online digital courses include management, general education, marketing and other professional courses, and also provide learning resources such as online self-study courses and good reading books, so that employees can take courses and read information online. Employees are also free from the time and space required for online learning.	
(V) Has the Company followed the relevant laws, regulations, and international guidelines for issues such as customer health and safety, customer privacy, and marketing and labeling of its products and services and established related consumer or customer protection policies and grievance procedures?	V		(V) The Company focuses on leading manufacturers in the field of measurement and provides customers with innovative and quality services to meet their needs. Also, provide customers with satisfactory product quality, complete sales services, and conduct regular customer satisfaction surveys every year, regard customer satisfaction evaluation and survey results as an important basis for improving customer relationship development By turning customer feedback into the driving force for improving products and services, the ultimate goal is to exceed customer	

<table>
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<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td>(VI) Has the Company established the supplier management policies requesting suppliers to comply with laws and regulations related to environmental protection, occupational safety and health or labor rights and supervised their compliance?</td><td>V</td><td></td><td>expectations.
The Company complies with regulations and international standards in the marketing and labeling of products and services.
The Company upholds the highest principle of maintaining confidential information for business with customers. In addition to the Code of Business Conduct for Employees, all confidential information of the Company shall be kept by professional units in custody to ensure the safety of the property of customers.
(VI) The ESG Office establishes a sustainable supply chain taskforce which, on the basis of supply chain management, complies with the relevant domestic and foreign laws and regulations, solidifies the supply chain management structure, and sets forth the sustainable supply chain management policy accordingly, in order to fulfill the corporate social responsibility jointly.
The Company has established Supplier Management Procedure to clearly regulate and require suppliers to comply with relevant laws and regulations, implement supplier evaluations and review operations for high-risk suppliers, and replace those who fail to meet the standards. The Company has also established a "Supply Chain Code of Conduct," declaring that the supply chain shall abide by the Code of Conduct on issues such as labor, health and safety, and the environment.</td><td></td></tr>
<tr><td>V. Does the Company make reference to international reporting standards or guidelines to prepare sustainability</td><td>V</td><td></td><td>The Company prepares the report with reference to the requirements of the GRI Standards, which is validated and</td><td>No difference</td></tr>
</table>

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">State of implementation (Note 1)</th><th rowspan="2">Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td>or other reports that disclose non-financial information about the Company? Has the assurance or opinion from third-party certifying institutions been obtained for the aforementioned reports?</td><td></td><td></td><td>certified by BV via a third party.</td><td></td></tr>
<tr><td colspan="5">VI. Where the Company has stipulated its own Best Practices on sustainable development according to the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, please describe any gaps between the prescribed best practices and actual activities taken by the Company:
The corporation has stipulated “Sustainable Development Best Practice Principles” which provided various specifications on environmental management, community services, human rights, stakeholders’ rights, and participation in community services. These Best Practices may be perused on the corporation's website. For the status of sustainability operations of the corporation, please peruse the CSR reports compiled by the Company.</td></tr>
<tr><td colspan="5">VII. Any important information useful for understanding the state of sustainable development operations:
(I) The Company promotes sustainable development in a long-term manner. Every year, the Company reveals its sustainable development status and business philosophy through CSR reports, and reports the implementation of sustainable development to the public based on the concept and practice of transparency, openness, and corporate social sustainability.
(1) Environmental sustainability
Reducing the impact on the environment is a very important part of sustainable development. Our company is actively developing high-tech, low-pollution, low energy consumption products, such as the energy recovery battery pack testing system launched in recent years, which can save a lot of electrical energy consumed in the discharge process and recycle the electrical energy generated by the battery pack discharge to the power grid for reuse, solving the traditional equipment discharge energy waste and meeting the needs of environmental protection.
(2) Talent cultivation
The Company has been promoting and participating in various social welfare for a long time, investing in talent cultivation, and holding the "Chromote Precision Mechanics and Metrology Technology Paper Award" In addition to scholarships for current students, award-winning students can work for the company for two years after graduation.
(II) Activities to promote sustainable development in 2023
(1) In 2023, donations were made to the Taoyuan Police Association, Guishan Police Association, Xiaoshu Fraternity Association, Bo and Children Social Welfare Foundation, Pinwheel Foundation, Sports Administration of Ministry of Education, Taiwan sponsored the Joyful Learning Association of the R.O.C., Tzu Yue Social Welfare Foundation, Pinwheel Cultural and Educational Foundation and donated smart phones to eight schools including Changshan Elementary School and Canada Elementary School, Chimao Precision Machinery and NT$9,450,000 in total donations including: Measuring Technology Paper Award, Circum-ocean Initiative, and charity material donation.
(2) Promoted the concept of environmental protection to save energy and reduce carbon emissions by collecting used shoes and bags and delivered them to STEP30, the International Christian care association, so that the used shoes can be recycled and used again, as our response to jointly protect the environment any time any where
(3) Cooperate with BUYNEARBY CO., LTD to provide fruits for employees' lunch to help farmers in remote areas, and help produce and sell agricultural products.
(4) Continuing to care about the issue of environmental sustainability, organized one beach cleanups in</td></tr>
</table>

Evaluation Items	State of implementation (Note 1)			Gaps with the Sustainable Development Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
2023. (5) In response to this week's "1095 Return the Sea Action" by CommonWealth Magazine, 190 employees and their families participated in a beach cleanup at the Puhsin River Mouth Bridge coastline in Taoyuan, removing 780 kilograms of marine debris.				

Implementation of the Company's climate-related information

Item	The implementation status:
1. Describe the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management. 2. Describe how the identified climate risks and opportunities affect the business, strategy and finance of the Company (short-, medium-, and long-term). 3. Describe the financial impact of extreme climate events and transformation actions. 4. Describe how climate risk identification, assessment, and management processes are integrated into the overall risk management system. 5. If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors and main financial impacts used shall be explained. 6. If there is a transformation plan in response to the management of climate-related risks, describe the content of the plan, and the indicators and goals used to identify and manage physical risks and transformation risks. 7. If internal carbon pricing is used as a planning tool, the basis for setting the price shall be explained.	Governance: The Board of Directors is the highest governance body of the Company for the management of climate-related risks and opportunities. The Board of Directors is responsible for supervising and reviewing its strategic development and policy formulation, including risk identification and strategy formulation in all aspects of the Company, to ensure that the Company can mitigate future impacts and develop potential opportunities. Board members are fully aware of the importance and influence of climate change. When making major investment decisions, board members have taken climate change issues into account. For example, carbon management issues, how energy and resource use can respond to climate change risks, etc. We have fully understood and discussed. In addition, in order to pay attention to climate change issues, the Company's board of directors has assigned a director-level person in charge to take charge of climate change issues, supervise the company's climate change strategies and goals, management of climate change risks and opportunities, and the implementation of sustainability goals. Strategy: The Company's ESG working team assesses 17 climate change-related risks and 20 climate change opportunities risk (short/mid-term/long-term) are discussed and prioritized, and a risk matrix is prepared. Risks: In order to assess climate-related risks, the Company's ESG working team referred to the TCFD Guidelines, the global risk assessment report, the Taiwan Climate Change Research Report for 2050, and after taking into account the actual and 13 transition risks and 4 physical risks. In the future, the ESG team will conduct risk assessments on an annual basis, manage climate-related risks and opportunities identified so far, and report to the board of directors. The results will be disclosed in the corporate sustainability report. Indicators and goals: Based on the above strategies and risk management processes, the ESG team has identified the corresponding measures that require immediate action and the indicators to be tracked in the future as follows: Starting in 2023, we will implement a quantitative tracking management mechanism for each of the above indicators. In terms of greenhouse gas emissions, we have set net zero emissions by 2050 as our net zero goal.

8. If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the progress of each year should be explained; if carbon offsets or renewable energy certificates (RECs) were used to achieve the goals, it should be explained The source and quantity of carbon reduction credits or quantity of Renewable Energy Certificates (RECs) for which they are exchanged. 9. Greenhouse gas inventories, assurance status, and reduction targets, strategies, and concrete action plans (please fill in 1-1 and 1-2 separately)	The Company has passed the third-party verification of ISO14064-1 greenhouse gas emissions in 2021, and will continue to collect carbon emission related data in accordance with the established methods to ensure the accuracy of greenhouse gas emissions. Greenhouse gas emissions are regularly disclosed in sustainability reports and communicated with stakeholders. In light of the global wave of net zero emissions and the carbon border mechanisms in Europe and the US, the transition to net zero is no longer an environmental issue; it is an economic issue critical to the international competitiveness of companies. The industry continues to promote the deployment of green energy, and at the same time brings about business opportunities in smart cities, smart transportation, smart grids and energy storage. The Company has tested solutions in relevant green energy technology industries, and has won repeated recognition from international tier-one manufacturers; The Company not only saves customers' high electricity bills, but most importantly reduces carbon emissions, thereby driving and accelerating the industry's net zero transformation. In the future, the Company will also continue to develop low-carbon products that promote user efficiency in order to provide customers with more solutions. After the Company's "Climate-related Financial Disclosures" report was released for the first time this year, the Company will also systematically disclose the progress and results of response actions from setting management goals, formulating response strategies and actions.

1-1 The Company's Greenhouse Gas Inventory and Assurance in the Recent Two Years

(1) Greenhouse Gas Inventory Information

Describe the greenhouse gas emission volume (metric tons CO2e), intensity (metric tons CO2e/NTD million), and data coverage for the most recent two years.
2022: 10698.8143 CO2e 2023: 8899.5352 CO2e Scope of data: Chroma Manufacture A7 Plant, Huaya Plant, Hsinchu Branch, and Kaohsiung Branch.

(2) Greenhouse Gas Verification Information

Describe the status of assurance in the last 2 years up to the date of publication of the annual report, including the scope of assurance, institutions of assurance, criteria of assurance, and opinions of assurance.
The Company entrusted Taiwan Bureau Veritas to conduct the independent verification and assurance work. The scope of assurance covers the Company's plants and its branches as follows: Chroma ATE Inc. is located at No. 86, 88, 90, Wenmao Rd., Guishan Dist., Taoyuan City Huaya Plant: No. 68, Guishan District, Taoyuan City Hsinchu Branch: 6F, No. 5, Technology Rd., Science Park, Hsinchu City, Taiwan Kaohsiung Branch: No. 1, Neihuan E. Rd., Nanzi Dist., Kaohsiung City, Taiwan Verification opinion: According to the verification process and procedures conducted by Bureau Veritas, there is sufficient evidence to show that the greenhouse gas statement of Chroma ATE Inc. presents the greenhouse gas data and related information in a materially correct and fair manner. In accordance with the reasonable assurance level of the verification protocol prepared in accordance with ISO 14064-1:2018.

1-2 Greenhouse gas reduction goals, strategies and concrete action plans

Describe the greenhouse gas reduction base year and data, reduction goals, strategies, and concrete action plans and achievement of the reduction goals.
• Base year of carbon reduction: 7,993 tons for Scope 1 and 2 in 2019; and carbon intensity: 0.57 tons/million revenue. • Carbon reduction target: The reduction target of carbon intensity by 2025 is 40% of the base year, and that by 2030 is 60% of the base year. • By 2030, as a result of carbon reduction efforts, carbon credits, the purchase of green electricity, or other methods will be adopted as supplementary means to achieve net zero targets.

• Strategy: (1) During production and manufacturing, continue to expand the coverage of automated testing, significantly reducing the demand for testing personnel and effectively shortening testing hours. Additionally, the equipment burn-in process incorporates energy recovery measures and integrates a smart control system to collect energy-saving data from the burn-in room, thereby reducing energy loss during the burn-in period. (2) The testing equipment features a small volume with diverse characteristics. To meet the diverse demands during production, it is necessary to construct or adjust various production/testing equipment. By introducing shared modules and digital circuits, the number of production/testing equipment and the frequency of equipment adjustments can be reduced.

(VII) Compliance with ethical corporate management and measures implemented

Evaluation Items	State of implementation			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
I. Formulating ethical corporate management policies and programs				No difference
(1) Has the company established an integrity management policy approved by the board of directors, and explicitly stated this policy and its practices in regulations and external documents, along with a commitment from the board and senior management to actively implement the management policy?	V		(I) The Company has formulated its “Ethical Corporate Management Best Practice Principles”, “Enforcement Rules for the Code of Conduct for Ethical Corporate Management” and “Guidelines for the Adoption of Codes of Ethical Conduct”, and relevant policies and proposals have been approved by the Board. The internal rules and regulations include the "Employee Reward and Punishment Regulations" and "Supplier Management Regulations" to actively implement the ethical corporate management policy.	
(II) Has the Company established a risk assessment mechanism against unethical conduct, analyze and assess activities within its business scope which are at a higher risk of being involved in unethical conduct regularly, and establish prevention programs accordingly, which shall at least include the preventive measures specified in Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"?	V		(II) The Company has evaluated and prevented the risk of high dishonest behavior, and preventive measures cover at least the behaviors specified in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles of the Company.	

Evaluation Items	State of implementation			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
(III) Has the Company specified in its prevention programs the operating procedures, guidelines, punishments for violations, and a grievance system and implemented them and review the prevention programs regularly?	V		(III) In addition to communication to internal personnel of the Corporation regarding the importance of ethical conduct and prescribing various procedures for handling and forestalling unethical conducts within the " Enforcement Rules for the Code of Conduct for Ethical Corporate Management ", the Corporation also requires suppliers to sign a Supplier Commitment towards Business Integrity that clearly stipulate a prohibition against improper or unethical conduct during the process of business transaction. Meanwhile, the Company stipulated the Regulations for Employee Reward and Disciplinarian Actions as the basis for rewarding and penalizing employee conduct. The rewarding and penalizing of employee conduct, disciplinarian actions were taken against violations, and handling of personal appeals are implemented according to these Regulations.	
II. Implementing ethical corporate management (I) Has the Company evaluated the ethical records of its counterparty? Does the contract signed by the Company and its trading counterparty clearly provide terms on ethical conduct? (II) Has the Company set up a dedicated unit under the Board of Directors to promote ethical	 V V		 (I) To ensure that mutual trust and integrity form the basis of all business dealings, the Company's management regulations have provided that suppliers must sign a letter of commitment towards business integrity which clearly prohibited any improper or unethical conduct in business activities and immediate blacklisting of any violators. Standard purchasing/sales contracts of the Company also clearly stipulate terms for business integrity and prohibition of unethical dealings and conduct. (II) The Company designated the Auditing Office directly under the Board of Directors as the responsible owner for	No difference

<table>
<tr><th rowspan="2">Evaluation Items</th><th colspan="3">State of implementation</th><th rowspan="2">Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary and Explanation</th></tr>
<tr><td>corporate management and regularly (at least once every year) report to the Board of Directors the implementation of the ethical corporate management policies and prevention programs against unethical conduct?</td><td></td><td></td><td>revising, implementing, interpreting, providing counseling services, reporting, registering, and filing the contents of the Enforcement Rules for the Code of Conduct for Ethical Corporate Management, supervising the implementation of these rules, and providing regular reports to the Board of Directors. The implementation and audit of ethical corporate management in the most recent year has been reported to the Board of Directors on October 31, 2023.</td><td></td></tr>
<tr><td>(III) Has the Company established policies to prevent conflicts of interest, provided an appropriate channel for reporting such conflicts and implemented them?</td><td>V</td><td></td><td>(III) The Company has established the "Enforcement Rules for the Code of Conduct for Ethical Corporate Management", which clearly specifies the policy to prevent conflicts of interest. The official website of the Company displays an independent e-mail address and dedicated telephone line as channels for internal and external personnel of the Company to make whistleblower reports. Any report shall be immediately handled by the responsible unit.</td><td></td></tr>
<tr><td>(IV) Has the Company established effective accounting systems and internal control systems to implement ethical corporate management and had its internal audit unit, based on the results of an assessment of the risk of involvement in unethical conduct, devise relevant audit plans and audit the compliance with the prevention programs accordingly or entrusted a CPA to conduct the audit?</td><td>V</td><td></td><td>(IV) To implement ethical corporate management, the Corporation has established an effective accounting system and internal control system according to the constituent elements of the internal system, and the internal auditing unit shall conduct audits according to the annual audit plan.</td><td></td></tr>
<tr><td>(V) Does the Company regularly hold internal and external training related to ethical corporate management?</td><td>V</td><td></td><td>(V) New recruits are regularly taught with the Company's organizational, cultural, and internal workplace morality and ethics, emphasizing the importance of individual and work integrity, in the mean time, conducts internal</td><td></td></tr>
</table>

Evaluation Items	State of implementation			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
			awareness programs conveying the importance of integrity. The rules and guidelines regarding ethical conduct are posted on the Company's website and are available for review by employees at all times. In 2023, a total of 6 training sessions were held for new employees, with 169 new hires participating in the training activities. Each new employee shall conform to the “Employment and Non-Disclosure Agreement”, which already includes the integrity clause.	
III. Implementation of the Company’s whistleblowing system (1) Has the company established a specific reporting and reward system, created accessible reporting channels, and designated appropriate personnel specialized in handling cases against those reported? (II) Has the Company established the standard operating procedures for investigating reported misconduct, follow-up measures to be adopted after the investigation, and related confidentiality mechanisms?	V V		(I) The Company has established and announced an independent whistleblowing email address (audit@chroma.com.tw) and a dedicated telephone line (03-3279999 Ext. 88301), enabling whistleblowers to contact the head of the Company's Internal Audit Office regarding any discovered issues. (II) The Company has stipulated the principles for handling reports in the "Enforcement Rules for the Code of Conduct for Ethical Corporate Management." These principles outline the information that whistleblowers should provide, while also allowing for anonymous reporting in special circumstances. The handling personnel shall investigate the case being exposed by the whistle-blower, generate records, submit a report, file relevant documents, and ensure confidentiality of the identity of the whistle-blower and the content of the reported case. In addition, upon receiving specific information and evidence, the handling personnel shall, based on the nature of the reported case, set a handling deadline, report the nature of the case and the handling deadline to their superior, and promptly conduct an investigation. The investigation shall be conducted by telephone, in writing, or through an interview, as needed. The verification process and content shall be recorded in accordance with the "Internal Audit	No difference

Evaluation Items	State of implementation			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
(III) Has the Company set up protection for whistleblowers to prevent them from being subjected to inappropriate measures as a result of reporting such incidents?	V		Implementation Procedures" and kept on file for complete preservation. The transmission and access to files shall be limited to personnel involved in the investigation. Upon completion of the audit report, it shall be submitted to the Chairman for approval. (III) The Company has established the standard operating procedures for handling whistleblowing investigations and the relevant confidentiality mechanisms to maintain the confidentiality of whistleblowers' identities and the content of reported cases.	
IV. Enhancing information disclosure (I) Has the Company disclosed the contents of its best practices for ethical corporate management and the effectiveness of relevant activities upon its official website or Market Observation Post System (MOPS)?	V		The Corporation has established an electronic bulletin board, providing prompt announcements to relevant regulations and activities. Any regulations related to the corporate governance as well as compliance to ethical conduct shall also be disclosed upon the Company's official website.	No difference
V. If the Company has formulated its own principles of integrity operation based on "Code of Integrity Practice Rules for TWSE/TPEx Listed corporations", please state the difference between its principles and its operation: No difference.				
VI. Other important information helpful in understanding the company's operation of integrity management (such as the company's review and amendment of its established integrity management code): Implementation of the integrity management policy, execution status in 2023: ◎ Legal Compliance Promotion The management conducts internal promotions to employees from time to time, and corporate integrity and ethics courses are also held to convey the importance of corporate integrity and ethics to all employees. In 2023, 1,622 employees completed the online certification, and 14 completed the physical corporate integrity certification and ethics courses for a total of 1,636 employees. The relevant measures and guidelines on ethical behavior are posted on the Company's website for employees to review at any time. ◎ Regular inspection Through the self-inspection conducted by the Head Office and various units of the subsidiaries each year, the Company conducts the risk assessment on corruption with respect to the business activities at all business locations, in order to achieve the effective control. Meanwhile, the Company has stipulated the "Regulations for Employee Reward and Disciplinarian Actions" and "Code of Ethical Conduct" to include the ethical management practices into the employee performance appraisal and HR policy, and also set the definite and effective reward and punishment system. The Internal Audit Office conducts an audit independently each year, in order to ensure the whole mechanism's effective operation. The audit results in 2023 showed no corruption or anti-competition activity found, and the results were already reported to the Board of Directors. ◎ Whistleblowing system and protection of whistleblowers The "Corporate Governance Best Practice Principles", "Ethical Corporate Management Best Practice Principles", and "Enforcement Rules for the Code of Conduct for Ethical Corporate Management" provide				

Evaluation Items	State of implementation			Gaps with the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed corporations, and the cause of the said gaps
	Yes	No	Summary and Explanation	
a whistleblowing system to proactively prevent any unethical conduct and encourage insiders and external personnel to whistleblow on any unethical conduct or misconduct. Meanwhile, the Internal Audit Office is designated as the dedicated unit in charge of the whistleblowing cases to accept the reports on any colleagues involved in unethical conduct. The Stakeholder Section on the official website also provides an effective channel of communication with employees, shareholders, stakeholders, and outsiders, and discloses the direct email address of the head of the Internal Audit Office (audit@chroma.com.tw), as well as a dedicated phone line: 03-327-9999 Ext. 88301. The whistleblowing involving directors or senior management shall be reported to independent directors. Meanwhile, the whistleblower protection system is also in place to keep the whistleblower's identity and reported contents in confidence, and protect whistleblowers from any unfair treatment due to whistleblowing. In 2023, the Company received 0 whistleblowing cases. The Company engages in business activities in a fair and transparent manner, and evaluates the trading counterparts with care before engaging in business activities. When executing any business contract with a trading counterpart, the legal affairs unit will review the contractual terms and conditions to avoid trading with any person with a record of unethical conduct. The Company's suppliers shall execute the "Supplier Commitment" to undertake that if they violate any commitment toward ethics, they shall pay liquidated damages equivalent to the amount of the bribe or unjustified benefit as sought, and the Company is entitled to decide on revocation, termination, or rescission of the transaction between both parties at its sole discretion.				

(VIII) If the Company has established the corporate governance best practice principles and other relevant regulations, the means to search for these regulations shall be disclosed.

Refer to MOPS or the official website of the Corporation for details regarding the Corporate Governance Best Practice Principles formulated by the Corporation and specifications provided by these best practice principles with regard to protecting shareholders' rights and interests, enhancing the functions of the Board of Directors, respecting stakeholders' rights and interests, and enhancing information transparency.

(IX) Other important information to enhance the understanding of the implementation of corporate governance at the Company

The Company has stipulated "Insider Trading Prevention Management" as the basis of the Company's major news and information disclosure mechanism. It is also inspected irregularly to ensure compliance with statutory laws and regulations and is published on the Company's internal website for inquiries.

(X) Protective measures for the work environment and personal safety of employees

(1) Employee safety

- Conduct fire escape training, disaster prevention, and emergency response drills in accordance with the personnel fire organization structure, in collaboration with local fire authorities.
- Implement and execute an automatic inspection plan, regularly inspecting and maintaining high and low voltage electrical equipment, elevators, air conditioning, fire systems, drinking water, and water towers within the company to ensure personnel safety.
- Contract a professional cleaning company to perform building cleaning and disinfection operations.
- Entrust a qualified security company to manage access control and maintain security

operations.

(2) Employee insurance

- Follow the relevant laws and table of insurance ranges to provide employees with labor and health insurance.
- Purchase social insurance for personnel stationed overseas following local laws.
- Provide employees with regular life insurance, accidental injury insurance, accident and health insurance, hospitalization insurance, cancer healthcare insurance, and workplace accident insurance.

(3) Physical and mental health care for employees

- Entrust qualified medical institutions to regularly conduct health examinations and management for new employees, current employees, and workers involved in special operations, providing health check items that exceed regulatory requirements to establish and implement a comprehensive health management system. Provide on-site physician interviews and consultations, organize disease health education seminars, and strive to promote correct health knowledge to maintain employee health.
- Incorporate the Sexual Harassment Prevention Act into the employee work rules and establish a Sexual Harassment Prevention Committee, appointing a dedicated person to handle related matters.
- Set up a nursing room equipped with comprehensive nursing environments and facilities, providing female nursing employees with a high-quality nursing environment and ensuring their privacy during nursing.
- Conduct annual screenings for four major cancers and special health operation checks as measures to promote employee health care, enabling early detection and treatment of diseases.
- Each plant is equipped with AED automatic external defibrillators, first aid kits, and trained first aid personnel. Emergency first aid and AED training courses are also conducted. Furthermore, the branch offices have received Safe Workplace certifications, enhancing workplace safety.
- Establish an employee recreation center, equipped with facilities such as a swimming pool, gym, and dance studio for employee use.
- Periodically organize health promotion courses on emotional management, parenting, healthy eating, and healthcare.
- Annually conduct regular health promotion activities, promote healthy meals, offer diverse exercise guidance classes, health promotion lectures, and health screening events, providing measures for mental and physical relaxation, body management, weight control, disease prevention, and health promotion for colleagues.
- Provide occupational safety and health training for new employees upon hiring; for current employees, periodically conduct related safety and health education training courses.
- Establish an "Occupational Safety and Health Committee," hold regular meetings, make recommendations on issues, and ensure that employees work in a healthy and safe environment, implementing safety and health policies.
- To ensure the safety of workers and the plant, in addition to complying with government regulations and company operating standards through automatic and self-inspections, the Environmental and Safety Center staff also conducts routine safety audits and periodic spot checks on contractor safety.
- Actively promote a smoke-free workplace, designating smoking areas and enforcing a comprehensive smoking ban within the plant area boundaries.

(XI) Implementation of internal control system

1. The Statement on Internal Control System

CHROMA ATE INC
The Statement on Internal Control System

Date: February 26, 2024

The Statement of Internal Control System is issued based on the Company's 2023 self-assessment:

I. The Company acknowledges that the establishment, implementation, and maintenance of the internal control system are the responsibilities of the Company's Board of Directors and managerial officers, and have established such a system. The objectives of this system are to meet various goals including achieving operational benefits and efficiency (including profitability, performance, as well as asset and safety protection), and ensuring the reliability, timeliness, transparency, and regulatory compliance of reporting, thereby providing reasonable assurance.

II. An internal control system has inherent constraints. No matter how comprehensive its design may be, an effective internal control system is only capable of providing adequate assurance for achieving the abovementioned objectives. In addition, the effectiveness of an internal control system may change with the environment and under different situations. However, the Company's internal control system has been furnished with self-monitoring systems. The Company shall also initiate corrective actions for any verified defects.

III. The Corporation determines whether or not the design and implementation of its internal control system are effective according to the items for determining the effectiveness of internal control system as stated in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The internal control system is divided into 5 key components according to the process of management control to generate internal control system assessment items adopted by the Regulations, including: 1. control environment; 2. risk assessment; 3. control operations; 4. information and communications and; 5. monitoring operations. Each key component also includes several sub-items. Refer to the Regulations for more information on the abovementioned items.

IV. The Company has adopted the aforementioned internal control system assessment items to evaluate the effectiveness of its ICS design and implementation.

V. Based on the results of the previous assessments, the company believes that its internal control system as of December 31, 2023 (including oversight and management of subsidiaries), covering understanding the effectiveness and efficiency of operations, the reliability, timeliness, transparency, and compliance with relevant standards and regulations of reporting, is effectively designed and implemented. It can reasonably ensure the achievement of the aforementioned objectives.

VI. The Statement shall be a major content of the Corporation that the design and implementation shall be publicly disclosed. Where any of the disclosed content contains misrepresentations, non-disclosures, or other illegal acts, the Company shall be subject to legal responsibilities provided in Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This declaration has been approved by the company's board of directors on February 26, 2024. Among the nine directors present, none opposed, and the rest agreed with the content of this declaration, hereby stated.

CHROMA ATE INC

Chairman: Leo Huang signature

President: Leo Huang signature

2. Where CPAs are commissioned to audit the Corporation's internal control system, the audit report prepared by the CPAs shall be disclosed: None.

(XII) Penalties imposed on the Company and its internal staff, penalties imposed on its internal staff by the Company for violation of internal control regulations, major deficiencies and status of improvements made in the most recent year up to the publication date of this annual report: None.

(XIII) Major resolutions of the shareholders meeting and the Board of Directors in the most recent year up to the publication date of this annual report

1. Major resolutions of the Shareholders' Meeting and status of implementation

Date convened	2023 Annual Shareholders' Meeting
2023.06.09	1.Approve the annual business report and financial statements for year 2022. Status of implementation: The resolution was passed. 2.Approve the profit distribution proposal for year 2022. Status of implementation: The resolution was passed. The company's profit distribution proposal involves cash dividends, as resolved by the board of directors on February 23, 2023, to distribute a cash dividend of NT$3,403,176,296, authorizing the chairman to set the ex-dividend date. The company's ex-dividend trading date is July 7, 2023, and the distribution of cash dividends to shareholders was completed on July 31, 2023. (The dividend per share is NT$8.00061312). 3. Approve the amendment to the company's "Director Election Procedures." Implementation status: The resolution was approved and carried out according to the amended procedures. 4.Proposal of Board Director re-election. Elected list: Directors: Leo Huang, I-Shih Tseng, David Yang, David Huang, Shui-Yung Lin Independent directors: Tai-Jen George Chen, Jia-Ruey Duann, Steven Wu, Janice Chang And on June 27, 2023, the Ministry of Economic Affairs approved the change of registration. 5. Proposal to lift the restrictions on competitive activities for newly appointed directors and their representatives. Status of implementation: The resolution was passed.

2. Key resolutions of the Board of Directors

2023.2.23	1.Approved the annual rewards for directors and supervisors, and attendance fees for directors who attended Audit Committee meetings 2.Approval of 2023 compensation for members of the Audit Committee, and attendance fees for members who attended Audit Committee meetings 3. Approval of the Company's 2023 managers' raise. 4. Approval of the distribution of remuneration to employees in 2022. 5. Approval of the Company's 2022 business report and financial statements. 6. Approval of the Company's 2022 earnings distribution plan. 7. Approval of the Company's 2022 statement of internal control system. 8. Approve the endorsement and guarantee for a subsidiary. 9. Approval of capital loans to Chroma Japan Corp. 10. Approve the appointment of the certified public accountant and the assessment of independence and suitability. 11. Approval of that the Company's receivables overdue for more than 90 days are not of a fund loan nature. 12. Approval of the donation, NT$6 million, to the Chroma Cultural and Educational Foundation. 13. Approval of the Company's 2023 business plan. 14. Approve the amendment to the company's "Director Election Procedures." 15. Approve the amendments to the company's "Corporate Governance Practices

	Principle" and "Sustainable Development Best Practices Principles." 16. Approved the handling of director re-election and director candidacy (including those for independent directors). 17. Approve the removal of non-compete restrictions for newly appointed directors and their representatives. 18. Convening of the 2023 annual general meeting and collection of shareholders' proposals. 19. Approval of the subsidiary's GHG accounting and verification schedule planning. 20. Set the date for the reduction of capital due to the cancellation of new shares reserved for employee rights.
2023.04.27	1. Approve the Q1 2023 consolidated financial statements. 2. Approve the endorsement and guarantee for a subsidiary. 3. Approved the capital increase proposal for ADIVIC Technology Co., Ltd. 4. Approval of that the Company's receivables overdue for more than 90 days are not of a fund loan nature. 5. Approved the investment of NT$60 million in WK Technology Fund IX II Ltd.. 6. Approved the proposal for nominating candidates for directors and independent directors. 7. Set the date for the reduction of capital due to the cancellation of new shares reserved for employee rights. 8. Approval of line of credit extension between financial institutions and the Company. 9. Formulation of the Company's "Taxation policy" report.
2023.06.19	1. Chairman election of this term. 2. Appointment of members for the fifth term of the Compensation Committee of the company. 1. Set the date for the reduction of capital due to the cancellation of new shares reserved for employee rights.
2023.07.31	1. Approved the distribution of employee compensation for Managerial Officer for year 2022 by the company. 2.Approval of amendments to the "Regulations Governing the Evaluation of the Performance of the Board of Directors". 3. Approval of Q2 2023 consolidated financial statements. 4. Approved the endorsement and guarantee for Chroma Electronics (Suzhou) Co., Ltd. 5. Approval of capital loan for Chroma Systems Solutions, Inc. 6. Approval of that the Company's receivables overdue for more than 90 days are not of a fund loan nature. 7.Approved the proposal to purchase monitoring equipment from our subsidiary, Touch Cloud Inc. 8.Approval of amendments to the Company's "Procedures for Making of Endorsements/Guarantees". 9. Approved the proposal for investment in NanoSeeX Inc. 10. Approved the establishment of our company's "Regulations for Financial and Business Operations Among Related Parties."
2023.10.31	1. Approval of the 2024 internal audit plan. 2. Approval of amendments to the Company's "Internal Control System" and "Enforcement Rules for Internal Audit" 3. Approval of Q3 2023 consolidated financial statements. 4. Approval of endorsement and guarantee for MAS Automation Corp. 5. Approval of capital loan for Chroma Systems Solutions, Inc. 6. Approval of that the Company's receivables overdue for more than 90 days are not of a fund loan nature. 7.Approve the purchase of 100% equity in Chroma GmbH held by the subsidiary

	Chroma B.V. 8.Approve the amendment to the company's " Procedures for Making of Endorsements/Guarantees." 9. Approve the amendment to the company's "Corporate Governance Best Practice Principles." 10. Approval of the financial institution application for credit of line. 11.Approve the appointment of a director-level officer to be responsible for the company’s climate change issues.
2024.02.26	1. Approved the annual rewards for directors and supervisors, and attendance fees for directors who attended Audit Committee meetings 2.Approve the remuneration and meeting attendance fees for the members of the Audit Committee for the year 2024. 3. Approve the salary adjustments for senior managers of the company for the year 2024. 4. Approve the distribution of employee remuneration for the year 2023. 5. Approve the annual business report and financial statements for year 2023. 6. Approve the profit distribution for year 2023. 7. Approve the issuance of the company's internal control system statement for year 2023. 8. Approval of capital loans to Chroma Japan Corp. 9. Approve the endorsement and guarantee for a subsidiary. 10 Approve the assessment of independence and competence of the Company's CPAs 11. Approval of that the Company’s receivables overdue for more than 90 days are not of a fund loan nature. 12. Approval of the donation, NT$8 million, to the Chroma Cultural and Educational Foundation. 13. Approval of the Company's 2024 business plan. 14. Approved the proposal to purchase monitoring equipment from our subsidiary, Touch Cloud Inc. 15. Approved the cash capital increase of GAIUS AUTOMOTIVE INC.. 16. Approval of investment in ENTELIGENT INC. 17. Approve the convening of the 2024 Annual Shareholders' Meeting and the related matters concerning the acceptance of shareholder proposals.

(XIV) Dissenting Opinions or Qualified Opinions on Resolutions Passed by the Board of Directors Which are Made by Directors and are Documented or Issued through Written Statements, in the Most Recent Year Up to the Publication Date of This Annual Report: None

(XV) Any resignation or dismissal of the Company's chairperson of the Board, CEO, accounting manager, financial executive, internal audit manager, and research and development executive in the most recent year up to the publication date of this report: None.

V. Information on the CPAs' professional charge

(I) Amount of audit and non-audit fees paid to CPAs, accounting firm and its affiliated companies, and content of non-audit services

Information on the CPAs' professional fees

Amount unit: In thousands of NT$

Name of the accounting firm	Name of the CPA	Period of CPA audit	Audit fee	Non-audit fee	Total	Remark
Deloitte & Touche	Wen-Chin Lin Chien-Liang Liu	2023.01.01~ 2023.12.31	7,050	1,660	8,710	Non-audit fees are paid for TP, group master file reporting, English reporting, and consulting services on accounting standards for subsidiaries.

(II) Where the accounting firm was replaced, and the audit fees for the year when replacement was made was less than that in the previous fiscal year before replacement, the amount of audit fees paid before replacement and the reasons for paying such an amount shall be disclosed: None.

(III) Where the audit fees for the year were reduced by more than 10% compared to the previous year, the amount and percentage of decrease in audit fees, as well as the reason for such decrease shall be disclosed: None.

VI. Changes in independent Auditors: None.

VII. The Company's Chairman, president, or any managerial officer in charge of finance or accounting matters who has held a position at the accounting firm of its CPAs or at an affiliated company in the most recent year: None.

VIII. Shareholding transfer and equity pledge changes of directors or managerial officers holding more than ten percent (10%) of Company shares during the most recent year up to the publication date of this annual report

1. Transfer of shares and changes in equity pledge relating to the directors, managerial officers and primary shareholders:

Position title	Name	2023		Ended April 08, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Chairperson and General Manager	Leo Huang	0	(4,400,000)	0	0
Director and General Manager, Integrated System Solution BU	I-Shih Tseng	(56,000)	0	0	0
Director and General Manager of Test & Measurement BU	David Yang	(2,000)	0	0	0
Director	David Huang (Note 1)	8,000	0	0	0
Director	Shui-Yung Lin (Note 1)	0	0	0	0
Director	Tsun-I, Wang (Note 2)	0	0	-	-
Director	Chung-Ju Chang (Note 2)	0	0	-	-
Independent director	Tai-Jen George Chen	0	0	0	0
Independent director	Jia-Ruey Duann	0	0	0	0
Independent director	Steven Wu	0	0	0	0
Independent director	Janice Chang (Note 1)	0	0	0	0
President, Semiconductor Test Equipment BU	George Chang	8,000	0	0	0
Senior Vice President of Finance & Administration Center	Paul Ying	(27,000)	0	0	0
Senior Vice President of Manufacturing Center	Steven Liu	(20,000)	0	0	0
Senior Vice President, Operation Management Center	Benjamin Huang	8,000	0	0	0
Vice President, Marketing Division, Integrated System Solution BU	Herbert Tsai	6,000	0	0	0
Vice President, CEO Office	C.C. Fan (Note 3)	18,000	0	-	-
Vice President, Product Planning Division, Test & Measurement BU	Bobby Tseng	5,000	0	0	0
Vice President, Greater China Area Sales Department, Test & Measurement BU	Vincent Chen	(44,000)	0	0	0
Vice President, Technical Service Division, Test & Measurement BU	Tony Yang	5,000	0	0	0
Vice President, R&D Division, Test & Measurement BU	Vincent Wu	7,000	0	0	0
Vice President, R&D Division, Integrated System Solution BU	Lance Ouyang	(8,000)	0	(9,000)	0
Vice President, Marketing Division, Integrated System Solution BU	Jeff Lee	6,000	0	0	0
Vice President, Product Planning Division, Test & Measurement BU	Kenny Wang	4,000	0	0	0

Position title	Name	2023		Ended April 08, 2024	
		Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged	Increase (decrease) in the number of shares held	Increase (decrease) in the number of shares pledged
Vice President, Turnkey Solution Sales & Marketing Division, Test & Measurement BU	Cindy Tai	(4,000)	0	0	0
Vice President, Product Planning Division, Test & Measurement BU	Galen Chou	(2,000)	0	0	0
Vice President, Marketing Division, Intelligent Manufacturing System BU	Arno Wu	0	0	0	0
Vice President, Product Planning Office, Optical Inspection Solution BU	Alex Cheng	3,000	0	0	0
Vice President, Product Planning Office, Semiconductor Test Equipment BU	Eugene Lin	6,000	0	0	0
Corporate governance officer	Amy Huang	2,000	0	0	0

Note 1: He was newly elected as a Board Director in the annual general meeting on June 9, 2023. Therefore, changes in equity held are provided as of this date.

Note 2: He stepped down from the Board Director position after re-election in the annual general meeting on June 9, 2023. Therefore, changes in equity held are provided as of this date.

Note 3: Retired as of December 31, 2023, therefore, the shareholding changes up to that date are provided.

2. Where the counterparty for equity transfer is a related party: None.

3. Where the counterparty for equity transfer is a related party: None.

IX. Information on the ten largest shareholders who are related parties or each other's spouses and relatives within the second degree of kinship

Relationship information between the 10 largest shareholders

Name (Note)	Shares held by the person		Shares held by spouse or minor children		Shares held in the name of other persons		Title or name and relationships of the 10 largest shareholders where they are related parties, spouses, or relatives within the second degree of kinship.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	Relations	
Leo Huang	20,859,897	4.90%	9,294,362	2.19%	0	0	Shu-Chuan Chen	Spouse	
Citibank as custodian of Government of Singapore Investment Account	19,726,617	4.64%	0	0	0	0	None	None	
Chun-Sheng Chen	15,113,308	3.55%	11,074,646	2.60%	0	0	Yu-Mei Hsueh	Spouse	
Yu-Mei Hsueh	11,074,646	2.60%	15,113,308	3.55%	0	0	Chun-Sheng Chen	Spouse	
Citibank Taiwan commissioned to manage the investor account of Noregs Bank.	10,995,424	2.58%	0	0	0	0	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Schroder International Selection Fund - Asian Absolute Return	10,254,000	2.41%	0	0	0	0	None	None	
Shu-Chuan Chen	9,294,362	2.19%	20,859,897	4.90%	0	0	Leo Huang	Spouse	
Nan Shan Life Insurance Co., Ltd	8,889,000	2.09%	0	0	0	0	None	None	
Representative: Chong-yao Yin	0	0	Data cannot be obtained						
HSBC (Taiwan) Commercial Bank Co., Ltd. acts as the custodian for the special investment account of the Overlook Partners Fund Limited Partnership.	8,739,000	2.05%	0	0	0	0	None	None	
JPMorgan Chase Bank N.A., Taipei Branch in custody for Stichting Depositary APG Emerging Markets Equity Pool	8,334,000	1.96%	0	0	0	0	None	None	

Note: The 10 largest shareholders shall be listed. For corporate shareholders, the title of the corporate shareholder as well as the name of the representative shall be indicated.

X. Number of shares held by the Company, and the directors and managerial officers of the Company, and companies directly or indirectly controlled by the Company in a single company invested in, and the comprehensive shareholding percentage calculated on a consolidated basis.

Consolidated shareholding percentage

Unit: thousand shares/thousand units of foreign currency

Other corporations invested by the Corporation (Note 1)	Investments by the Company		Investments of Directors and managers and directly or indirectly controlled businesses		Total investments	
	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)	Number of shares	Shareholding ratio (%)
Neworld Electronics Limited	64,013	100.0	0	0	64,013	100.0
ADLINK Technology Inc.	14,267	6.6	16	0	14,283	6.6
Chroma Investment Co., Ltd.	14,000	100.0	0	0	14,000	100.0
DynaScan Technology Corp.	9,841	27.3	5,921	16.4	15,762	43.7
SENSATIONAL HOLDINGS LTD.	1,200	100.0	0	0	1,200	100.0
CHROMA ATE EUROPE B.V.	1	100.0	0	0	1	100.0
CHROMA ATE INC.	1,000	100.0	0	0	1,000	100.0
CHROMA SYSTEMS SOLUTIONS, INC. (Note 2)	120	25.0	240	50.0	360	75.0
CHEN HWA TECHNOLOGY INC.	3,085	100.0	0	0	3,085	100.0
CHI INCORPORATION LTD.	3,830	100.0	0	0	3,830	100.0
SAN EAGLE DEVELOPMENT CORP	2,050	100.0	0	0	2,050	100.0
Testar Electronic Corporation	20,160	67.2	5,064	16.9	25,224	84.1
MAS Automation Corp.	10,000	100.0	0	0	10,000	100.0
Deep Red Holding Co., Ltd	215	100.0	0	0	215	100.0
Chroma Japan Corp.	10	100.0	0	0	10	100.0
Chih Ho Shun Development Co., Ltd.	1,750	35.0	0	0	1,750	35.0
Adivic Technology Co., Ltd.	22,590	83.7	0	0	22,590	83.7
EVT Technology Co., Ltd.	9,412	85.6	55	0.5	94,67	86.1
QUANTEL PRIVATE LTD.	1,914	60.0	0	0	1,914	60.0
Innovative Nanotech Incorporated	14,214	67.2	700	3.3	14,914	70.5
Touch Cloud Inc.	11,046	83.1	0	0	11,046	83.1
Camtek Ltd.	7,817	17.4	0	0	7,817	17.4
Environmental Stress Systems, Inc.	1	100.0	0	0	1	100.0
Wei Kuang Mech. Eng. Inc.	0	0	4,475	100.0	4,475	100.0
Quantel Technologies India Private Ltd.	0	0	65	100.0	65	100.0
Quantel Global Vietnam Co., Ltd. (Note 3)	0	0	US$200	100.0	US$200	100.0
Quantel Global Sdn. Bhd.	0	0	600	100.0	600	100.0
Quantel Global Philippines Corporation	0	0	99	100.0	99	100.0
Quantel Global Company Limited	0	0	174	99.9	174	99.9
Chroma Germany GmbH	0	0	30	100.0	30	100.0
Sajet System Technology (Suzhou) Co., Ltd. (Note 3)	0	0	RMB$8,374	100.0	RMB$8,374	100.0
Chroma Electronics (Shenzhen) Co., Ltd. (Note 3)	0	0	HK$30,000	100.0	HK$30,000	100.0
Chroma ATE (Dongguan) Co, Ltd. (Note 3)	0	0	RMB41,000	100.0	RMB41,000	100.0
Chroma Electronics (Shanghai) Co., Ltd. (Note 3)	0	0	US$3,000	100.0	US$3,000	100.0
Chroma (Shanghai) Trading Co., Ltd. (Note 3)	0	0	US$2,700	100.0	US$2,700	100.0
Chroma ATE (Suzhou) Co., Ltd. (Note 3)	0	0	US$3,800	100.0	US$3,800	100.0
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd. (Note 3)	0	0	RMB$11,871	100.0	RMB$11,871	100.0
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd. (Note 3)	0	0	RMB$11,417	100.0	RMB$11,417	100.0

Note 1: The equity method was employed for the Company's investments.

Note 2: Consolidated shareholding percentage of the Company and its subsidiary Chroma ATE Inc. was 75%.

Note 3: These investee companies have yet to issue any share. Therefore, only the amount and percentage of capital contribution are indicated.

Chapter 4 Capital Raising

I. Capital and shares

(I) Source of shares

Year and month	Issuing price	Authorized capital: Number of shares (In thousands of shares)	Authorized capital: Amount (NT$ thousand)	Paid-in capital: Number of shares (In thousands of shares)	Paid-in capital: Amount (NT$ thousand)	Remark: Source of capital	Remark: Equity contributions made in the form of assets other than cash	Remark: Others
1996.08	10	70,000	700,000	54,365	543,650	Recapitalization of retained earnings	None	Note 1
1997.08	10	100,000	1,000,000	79,300	793,000	Recapitalization of retained earnings: NT$149,350,000 Cash capital increase by NT$100,000,000	None	Note 2
1998.06	10	150,000	1,500,000	115,200	1,152,000	Recapitalization of retained earnings: NT$259,000,000 Cash capital increase by NT$100,000,000	None	Note 3
1999.05	10	200,000	2,000,000	152,160	1,521,600	Recapitalization of retained earnings: NT$312,000,000 Recapitalization of capital reserve: NT$57,600,000	None	Note 4
2000.06	10	250,000	2,500,000	201,300	2,013,000	Recapitalization of retained earnings: NT$415,320,000 Recapitalization of capital reserve: NT$76,080,000	None	Note 5
2001.01	10	250,000	2,500,000	208,358	2,083,588	Capital increase in connection with merger: NT$70,580,000	None	Note 6
2001.03	10	250,000	2,500,000	201,358	2,013,588	Treasury stock extinguished: NT$70,000,000	None	Note 7
2001.07	10	320,000	3,200,000	234,300	2,343,000	Recapitalization of retained earnings: NT$269,000,000 Recapitalization of capital surplus: NT$60,400,000	None	Note 8
2002.07	10	320,000	3,200,000	252,690	2,526,900	Recapitalization of retained earnings: NT$19,890,000 Recapitalization of capital reserve: NT$164,010,000	None	Note 9
2003.07	10	360,000	3,600,000	272,289	2,722,892	Recapitalization of retained earnings: NT$195,990,000	None	Note 10
2004.03	10	360,000	3,600,000	252,579	2,525,787	Treasury stock extinguished: NT$200,000,000 Stocks converted from stock warrants: NT$2,890,000	None	Note 11
2004.07	10	360,000	3,600,000	262,705	2,627,052	Recapitalization of capital reserve: NT$96,520,000 Stocks converted from stock options: NT$4,750,000	None	Note 12
2004.10	10	360,000	3,600,000	263,405	2,634,047	Stocks converted from stock warrants: NT$7,000,000	None	Note 13
2005.01	10	360,000	3,600,000	263,882	2,638,819	Stocks converted from stock warrants: NT$4,770,000	None	Note 13
2005.03	10	360,000	3,600,000	264,171	2,641,709	Stocks converted from stock warrants: NT$2,890,000	None	Note 13
2005.07	10	360,000	3,600,000	272,374	2,723,744	Recapitalization of retained earnings: NT$75,130,000 Stocks converted from stock options: NT$6,910,000	None	Note 14
2005.10	10	360,000	3,600,000	272,693	2,726,929	Stocks converted from stock options: NT$3,190,000	None	Note 15
2006.01	10	360,000	3,600,000	274,258	2,742,584	Stocks converted from stock options: NT$15,660,000	None	Note 15
2006.03	10	360,000	3,600,000	274,932	2,749,317	Stocks converted from stock options: NT$6,730,000	None	Note 15
2006.06	10	360,000	3,600,000	284,344	2,843,442	Recapitalization of retained earnings: NT$81,370,000 Stocks converted from stock options: NT$12,760,000	None	Note 16
2006.10	10	360,000	3,600,000	285,154	2,851,542	Stocks converted from stock options: NT$8,100,000	None	Note 15
2007.01	10	360,000	3,600,000	286,378	2,863,779	Stocks converted from stock options: NT$12,240,000	None	Note 15
2007.03	10	360,000	3,600,000	287,410	2,874,099	Stocks converted from stock warrants: NT$10,320,000	None	Note 15
2007.08	10	400,000	4,000,000	302,311	3,023,114	Recapitalization of retained earnings: NT$142,490,000 Stocks converted from stock warrants: NT$6,520,000	None	Note 17
2007.10	10	400,000	4,000,000	302,713	3,027,134	Stocks converted from stock options: NT$4,020,000	None	Note 15
2008.01	10	400,000	4,000,000	304,244	3,042,441	Stocks converted from stock options: NT$15,310,000	None	Note 15
2008.03	10	400,000	4,000,000	305,058	3,050,581	Stocks converted from stock options: NT$8,140,000	None	Note 15
2008.08	10	400,000	4,000,000	329,542	3,295,419	Recapitalization of retained earnings: NT$234,820,000 Stocks converted from stock options: NT$10,020,000	None	Note 18
2008.10	10	400,000	4,000,000	329,664	3,296,644	Stocks converted from stock options: NT$1,230,000	None	Note 15
2009.01	10	400,000	4,000,000	329,915	3,299,151	Stocks converted from stock options: NT$2,510,000	None	Note 15
2009.03	10	400,000	4,000,000	331,600	3,316,004	Stocks converted from stock warrants: NT$16,850,000	None	Note 15
2009.07	10	450,000	4,500,000	348,909	3,489,089	Recapitalization of retained earnings: NT$166,100,000 Stocks converted from stock options: NT$6,990,000	None	Note 19
2009.10	10	450,000	4,500,000	349,598	3,495,984	Stocks converted from stock warrants: NT$6,900,000	None	Note 15
2010.01	10	450,000	4,500,000	349,767	3,497,674	Stocks converted from stock options: NT$1,690,000	None	Note 15
2010.03	10	450,000	4,500,000	350,076	3,500,756	Stocks converted from stock warrants: NT$3,080,000	None	Note 15
2010.07	10	450,000	4,500,000	362,077	3,620,771	Recapitalization of retained earnings: NT$105,500,000 Stocks converted from stock options: NT$14,520,000	None	Note 20
2010.10	10	450,000	4,500,000	362,144	3,621,441	Stocks converted from stock warrants: NT$670,000	None	Note 15
2011.01	10	450,000	4,500,000	362,269	3,622,691	Stocks converted from stock warrants: NT$1,250,000	None	Note 15
2011.07	10	450,000	4,500,000	376,760	3,767,599	Recapitalization of retained earnings: NT$144,910,000	None	Note 21
2014.12	10	450,000	4,500,000	378,086	3,780,862	Stocks converted from convertible corporate bonds: NT$13,260,000	None	Note 22
2015.01	10	450,000	4,500,000	378,782	3,787,821	Stocks converted from convertible corporate bonds:	None	Note 22

Year and month	Issuing price	Authorized capital		Paid-in capital		Remark		
		Number of shares (In thousands of shares)	Amount (NT$ thousand)	Number of shares (In thousands of shares)	Amount (NT$ thousand)	Source of capital	Equity contributions made in the form of assets other than cash	Others
						NT$6,960,000		
2015.05	10	450,000	4,500,000	378,786	3,787,862	Stocks converted from convertible corporate bonds: NT$40,000	None	Note 22
2015.11	10	450,000	4,500,000	379,030	3,790,300	Stocks converted from stock warrants: NT$2,440,000	None	Note 23
2016.01	10	450,000	4,500,000	379,170	3,791,698	Stocks converted from stock options: NT$1,400,000	None	Note 23
2016.05	10	450,000	4,500,000	379,693	3,796,934	Stocks converted from convertible corporate bonds: NT$2,890,000 Stocks converted from stock options: NT$2,350,000	None	Notes 22~23
2016.07	10	450,000	4,500,000	383,373	3,833,732	Stocks converted from convertible corporate bonds: NT$4,620,000 Stocks converted from stock warrants: NT$1,180,000 New restricted employee shares: NT$31,000,000	None	Notes 22~24
2016.12	10	450,000	4,500,000	387,158	3,871,576	Stocks converted from convertible corporate bonds: NT$28,500,000 Stocks converted from stock warrants: NT$9,350,000	None	Notes 22~23
2017.01	10	450,000	4,500,000	389,887	3,898,872	Stocks converted from convertible corporate bonds: NT$23,820,000 Stocks converted from stock options: NT$3,470,000	None	Notes 22~23
2017.05	10	450,000	4,500,000	405,090	4,050,904	Stocks converted from convertible corporate bonds: NT$149,580,000 Stocks converted from stock warrants: NT$2,450,000	None	Notes 22~23
2017.06	10	450,000	4,500,000	405,275	4,052,754	New employee restricted stocks: NT$1,850,000	None	Note 24
2017.07	10	450,000	4,500,000	405,263	4,052,631	Write-off NT$120,000 of new employee restricted stock	None	Note 24
2017.08	10	450,000	4,500,000	408,051	4,080,513	Stocks converted from convertible corporate bonds: NT$27,220,000 Stocks converted from stock warrants: NT$670,000	None	Notes 22~23
2017.11	10	450,000	4,500,000	409,410	4,094,101	Stocks converted from convertible corporate bonds: NT$4,300,000 Stocks converted from stock warrants: NT$9,290,000	None	Notes 22~23
2018.01	10	450,000	4,500,000	411,894	4,118,942	Stocks converted from convertible corporate bonds: NT$20,420,000 Stocks converted from stock options: NT$4,430,000	None	Notes 22~23
2018.05	10	450,000	4,500,000	412,953	4,129,532	Stocks converted from convertible corporate bonds: NT$220,000 Stocks converted from stock warrants: NT$10,910,000 New employee restricted stocks extinguished: NT$540,000	None	Notes 22~25
2018.09	10	450,000	4,500,000	414,359	4,143,594	Stocks converted from convertible corporate bonds: NT$80,000 Stocks converted from stock options: NT$14,070,000 New restricted employee shares extinguished: NT$90,000	None	Notes 22~25
2018.11	10	450,000	4,500,000	416,443	4,164,431	Stocks converted from convertible corporate bonds: NT$14,940,000 Stocks converted from stock warrants: NT$6,100,000 New restricted employee shares extinguished: NT$210,000	None	Notes 22~25
2019.01	10	450,000	4,500,000	416,779	4,167,794	Stocks converted from convertible corporate bonds: NT$900,000 Stocks converted from stock warrants: NT$2,460,000	None	Notes 22~ 23, and 25
2019.03	10	450,000	4,500,000	416,717	4,167,174	New restricted employee shares extinguished: NT$620,000	None	Note 24
2019.05	10	450,000	4,500,000	417,394	4,173,942	Stocks converted from stock options: NT$ 6,770,000	None	Notes 23, 25
2019.07	10	500,000	5,000,000	417,382	4,173,823	Write-off NT$120,000 of new employee restricted stock	None	Note 24
2019.08	10	500,000	5,000,000	419,093	4,190,926	Stocks converted from stock options: NT$17,370,000 New employee restricted stocks extinguished: NT$270,000	None	Notes 23~25
2019.11	10	500,000	5,000,000	419,296	4,192,961	Stocks converted from stock warrants: NT$ 2,040,000	None	Note 25
2020.03	10	500,000	5,000,000	419,526	4,195,256	Stocks converted from stock options: NT$ 2,300,000	None	Note 25
2020.05	10	500,000	5,000,000	419,821	4,198,212	Stocks converted from stock warrants: NT$3,080,000 Write-off NT$120,000 of new employee restricted stock	None	Notes 24~25
2020.08	10	500,000	5,000,000	420,748	4,207,484	Stocks converted from stock warrants: NT$10,330,000 Write-off NT$1,060,000 of new employee restricted	None	Notes 24~25

Year and month	Issuing price	Authorized capital		Paid-in capital		Remark		
		Number of shares (In thousands of shares)	Amount (NT$ thousand)	Number of shares (In thousands of shares)	Amount (NT$ thousand)	Source of capital	Equity contributions made in the form of assets other than cash	Others
						stocks		
2020.11	10	500,000	5,000,000	421,094	4,210,944	Stocks converted from stock options: NT$3,520,000 Write-off NT$60,000 of new restricted shares for employee	None	Notes 24~25
2021.01	10	500,000	5,000,000	421,295	4,212,945	Stocks converted from stock options: NT$2,000,000	None	Note 25
2021.05	10	500,000	5,000,000	421,632	4,216,315	Stocks converted from stock options: NT$3,370,000	None	Note 25
2021.11	10	500,000	5,000,000	421,742	4,217,415	Stocks converted from stock options: NT$1,100,000	None	Note 25
2022.01	10	500,000	5,000,000	421,875	4,218,745	Stocks converted from stock options: NT$1,330,000	None	Note 25
2022.05	10	500,000	5,000,000	422,487	4,224,870	Stocks converted from stock options: NT$6,130,000	None	Note 25
2022.07	10	500,000	5,000,000	425,447	4,254,470	RSAs: NT$29.6 million	None	Note 26
2023.03	10	500,000	5,000,000	425,397	4,253,970	Write-off of RSAs by NT$500,000	None	Note 26
2023.05	10	500,000	5,000,000	425,367	4,253,670	Write-off of RSAs by NT$300,000	None	Note 26
2023.07	10	500,000	5,000,000	425,364	4,253,644	Write-off of RSAs by NT$30,000	None	Note 26

Note 1: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (85) Taiwan-Finance-Securities (I) 41514 on July 8, 1996.

Note 2: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (86) Taiwan-Finance-Securities (I) 45915 on June 25, 1997.

Note 3: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (87) Taiwan-Finance-Securities (I) 46094 on June 8 ,1998.

Note 4: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (88) Taiwan-Finance-Securities (I) 48548 on May 24, 1999.

Note 5: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (89) Taiwan-Finance-Securities (I) 49542 on June 8, 2000.

Note 6: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (89) Taiwan-Finance-Securities (I) 83405 on December 18, 2000.

Note 7: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (89) Taiwan-Finance-Securities (III) 102418 on December 22 ,2000.

Note 8: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. (90) Taiwan-Finance-Securities (I) 137773 on June 13, 2001.

Note 9: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. Taiwan-Finance-Securities (I) 0910132477 on June 14, 2002.

Note 10: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letter with Ref. No. Taiwan-Finance-Securities (I) 0920125022 on June 9, 2003.

Note 11: Approved by the Securities and Exchange Commission, Ministry of Finance as per the letters with Ref. No. Taiwan-Finance-Securities (III) 0920162383 on January 2, 2004 and (90) Taiwan-Finance-Securities (I) 143348 on July 16, 2001.

Note 12: Approved by the Securities and Exchange Commission, Ministry of Finance as per letters with Ref. No. (90) Taiwan-Finance-Securities (I) 143348 on July 16, 2001 and Taiwan-Finance-Securities (I) 0930128437 on June 28, 2004.

Note 13: Approved by the Securities and Exchange Commission, Ministry of Finance as per letters with Ref. No. (90) Taiwan-Finance-Securities (I) 143348 on July 16, 2001 and Taiwan-Finance-Securities (I) 0910132478 on June 14, 2002.

Note 14: Approved by the Financial Supervisory Commission, Executive Yuan as per the letter with Ref. No. Financial-Supervisory-Securities (1) 0940122455 on June 3, 2005.

Note 15: Approved by the Securities and Exchange Commission, Ministry of Finance as per letters with Ref. No. (90) No Taiwan-Finance-Securities (I) 143348 on July 16, 2001, Taiwan-Finance-Securities (I) 0910132478 on June 14, 2002, and Taiwan-Finance-Securities (I) 0920127281 on June 19, 2003.

Note 16: Approved by the Financial Supervisory Commission, Executive Yuan as per the letter with Ref. No. Financial-Supervisory-Securities (1) 0950122451 on June 2, 2006.

Note 17: Approved by the Financial Supervisory Commission, Executive Yuan as per letter with Ref. No. Financial-Supervisory-Securities (1) 0960030405 on June 14, 2007.

Note 18: Approved by the Financial Supervisory Commission, Executive Yuan as per the letter with Ref. No. Financial-Supervisory-Securities (1) 0970031743 on June 25, 2008.

Note 19: Approved by the Financial Supervisory Commission, Executive Yuan as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-0980027677 on June 5, 2009.

Note 20: Letter from Financial-Supervisory-Securities Corporate No. 0990029749 dated June 9, 2010.

Note 21: Approved by the Financial Supervisory Commission, Executive Yuan as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1000028222 dated June 20, 2011

Note 22: Approved by the Financial Supervisory Commission as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1030012130 dated April 17, 2014.

Note 23: Approved by the Financial Supervisory Commission as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1010042558 dated September 17, 2012.

Note 24: Approved by the Financial Supervisory Commission as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1050024281 dated June 27, 2016.

Note 25: Approved by the Financial Supervisory Commission as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1040036382 dated September 7, 2015.

Note 26: Approved by the Financial Supervisory Commission as per the letter with Ref. No. Financial-Supervisory-Securities-Corporate-1110346852 dated June 20, 2022.

Unit: Share - April 8, 2024

Type of shares	Authorized capital			Remark
	Outstanding shares (listed)	Unissued shares	Total	
Common shares	425,364,437	74,635,563	500,000,000	30,000,000 shares were reserved for employee purchase of stock options.

Information on the shelf registration system: None.

(II) Shareholder structure

April 8, 2024

Shareholder structure / Quantity	Government agencies	Financial institutions	Other legal persons	Individuals	Overseas institutions and individuals	Total
Number of people	4	51	85	9,653	637	10,430
Number of shares held	1,762,279	27,420,875	19,594,743	92,380,208	284,206,332	425,364,437
Shareholding percentage	0.41%	6.45%	4.61%	21.72%	66.81%	100.00%

(III) Distribution of equity ownership

1. Common shares

April 8, 2024

Shareholding range	Number of shareholders	Number of shares held	Shareholding ratio
1 to 999	5,026	805,755	0.19%
1,000 to 5,000	3,945	7,297,780	1.72%
5,001 to 10,000	425	3,219,288	0.76%
10,001 to 15,000	172	2,162,861	0.51%
15,001 to 20,000	112	2,040,741	0.48%
20,001 to 30,000	102	2,591,411	0.61%
30,001 to 40,000	73	2,578,581	0.61%
40,001 to 50,000	46	2,107,076	0.50%
50,001 to 100,000	131	9,313,073	2.19%
100,001 to 200,000	127	18,450,066	4.34%
200,001 to 400,000	91	26,218,457	6.16%
400,001 to 600,000	53	26,646,773	6.26%
600,001 to 800,000	25	17,950,850	4.22%
800,001 to 1,000,000	16	14,761,006	3.47%
> 1,000,001	86	289,220,719	67.99%
Total	10,430	425,364,437	100.00%

2. Preferred shares: None.

(IV) List of major shareholders

Name, number of shares held, and shareholding percentage of shareholders who hold more than 5% of the shares or the 10 largest shareholders:

April 8, 2024

Shares / Name of major shareholder	Number of shares held	Shareholding percentage
Leo Huang	20,859,897	4.90%
Citibank as custodian of Government of Singapore Investment Account	19,726,617	4.64%
Chun-Sheng Chen	15,113,308	3.55%
Yu-Mei Hsueh	11,074,646	2.60%
Citibank Taiwan commissioned to manage the investor account of Noregs Bank.	10,995,424	2.58%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Schroder International Selection Fund - Asian Absolute Return	10,254,000	2.41%
Shu-Chuan Chen	9,294,362	2.19%
Nan Shan Life Insurance Co., Ltd	8,889,000	2.09%
HSBC (Taiwan) Commercial Bank Co., Ltd. acts as the custodian for the special investment account of the Overlook Partners Fund Limited Partnership.	8,739,000	2.05%
JPMorgan Chase Bank N.A., Taipei Branch in custody for Stichting Depositary APG Emerging Markets Equity Pool	8,334,000	1.96%

(V) Prices, net asset value per share (NAVPS), earnings per share (EPS), and dividends per share (DPS), and related information of the 2 most recent years.

Item \ Year			2022	2023	Ended March 31, 2024
Market price per share	Highest		238.00	305.00	292.00
	Lowest		135.00	161.50	195.00
	Average		184.93	228.70	239.32
Net worth per share	Before distribution		50.41	51.82	-
	After distribution		42.38	45.19	-
Earnings per share (EPS)	Weighted average		420,517,667	420,975,158	-
	Earnings per share (EPS)		12.14	9.45	-
Dividend per share (DPS)	Cash dividend		8.00061312	6.6 (Note)	-
	Stock dividends	Stock dividends from earnings	-	-	-
		Dividends from capital reserve	-	-	-
	Cumulative unpaid dividends		-	-	-
Analysis of return on investment	Price to earnings ratio		15.23	24.20	-
	Price/dividend ratio		23.11	34.65	-
	Cash dividend yield ratio		4.33	2.89	-

Note: The 2023 earnings distribution proposal was approved by the Board of Directors on February 26, 2024. The total cash dividend was NT$2,807,405,285. If buyback of RSAs, if any, or other reasons, affect the number of outstanding shares and result in the change of payout ratio, the Chairman is authorized to deal with it with full power.

(VI) Dividend policy of the Corporation and its implementation

1. Dividend policy defined under the Company's Article of Incorporation

Where the annual accounting close indicates a surplus, the said surplus shall be first used to pay taxes and cumulated losses (dues), and shall then set aside 10% of the said surplus as legal reserve. Where such legal reserve amounts to the total authorized capital, this provision shall not apply. The corporation may review business requirements or refer to statutory regulations to set aside or reversed the surplus as special reserves. Any remaining surplus shall then be combined with the cumulated undistributed earnings of the previous year and the Board of Directors shall formulate a plan for distributing the earnings. The plan shall then be provided to the Board of Shareholders to resolve on the distribution of this sum. Share dividends and bonuses shall not be allotted if the Company has no surplus.

The Board is authorized to make a special resolution to distribute and report to the Shareholders' Meeting if the distribution of earnings as mentioned in the preceding paragraph shall be in the form of cash dividends.

When the Company has no loss, it may distribute new shares or cash out of the statutory surplus reserve and all or part of the capital reserve that meets the requirements of the Companies Act, to the extent of 25% of the excess of the statutory surplus reserve over the paid-in capital.

Subject to the provisions of the preceding paragraph, the Board of Directors shall be authorized, by special resolution, to distribute cash out of the statutory surplus reserve and the whole or part of the capital surplus which complies with the requirements of the Companies Act, and to report such distribution at the next shareholders' meeting.

Dividend payout shall be implemented according to the business condition of the Company and consider both future capital budgets and capital requirements of future development plans of the Company as well as the shareholders' interests. The Board of Directors shall formulate the category and sum of dividend payout which shall, by principle, be no less than 60% of the net income after tax (NIAT) of the year. The Company’s 2023 and 2022 payout ratios were approximately 71% and 67%, respectively.

Since the Company is still in the growing phase, capital requirements of future development plans of the Company shall be considered. Cash dividend distributed each year shall be no less than 20% of the total cash and stock dividends distributed for the year.

2. Dividend payout plans proposed during the most recent shareholder's meeting

According to Article 34-1 of the Company’s Articles of Association, the earning distribution proposal is based on cash dividends, and the Board of Directors is authorized to distribute by a special resolution and report to the shareholders meeting. The company's profit distribution proposal for the year 2023 was approved by the board of directors on February 26, 2024, to distribute a cash dividend of NT$2,807,405,285 to shareholders, at NT$6.6 per share. This distribution will be reported at the 2024 Annual Shareholders' Meeting, and the board has authorized the chairman to set the dividend record date; if the number of shares in circulation changes due to the buyback of shares reserved for employee rights or other reasons affecting the dividend rate, the chairman is authorized to handle it fully.

(VII) Impact of bonus shares proposed by the Shareholders' Meeting on the Corporation's business performance and earnings per share (EPS): Not applicable.

(VIII) Remuneration to employees and directors

1. Percentage or range of remuneration to employees and directors as stipulated in the Company's Articles of Incorporation.

If the Company records a profit, 5% to 20% of the said profit shall be set aside for employee rewards. The Board of Directors shall determine whether to issue rewards in the form of stocks or cash. Recipients of the said rewards shall include employees at the Company who satisfy specific criteria. The Company permits the Board of Directors to set aside no more than 1.5% of the aforementioned profit as directors' rewards. Proposals for the distribution of employee rewards as well as directors' rewards shall be submitted to the Shareholder’s Meeting.

2. Accounting treatment for the basis of estimating the amount of employee rewards and directors’ rewards, the basis of calculating the number of shares to be distributed as employee rewards, and for any discrepancy between the actual amount distributed and the estimated figures.

(1)According to the company's bylaws and based on past experience estimating possible amounts, the estimated amounts for employee remuneration and director remuneration for the year 2023 are NT$336,426,645 and NT$13,684,932, respectively, which represent 6.65% and 0.27% of pre-tax profits (before employee and director remuneration), in accordance with the percentages specified in the bylaws.

(2)The number of shares allocated for employee remuneration in stock distributions: 0.

(3)Accounting treatment for any discrepancy between the actual amount distributed and the estimated figures: Where the Board of Directors resolved to enact major changes to the sum issued before the approval and issuance of the financial report, the said change shall be adjusted as annual expenses listed for the year. Where changes were still made to the said sum after approval and issuance of the financial report, the changes shall be treated as changes to accounting estimates, and be adjusted and entered into account for the following year.

3. Status of compensation distribution as approved by the Board of Directors

(1)Where the value of the employee rewards as well as directors' rewards distributed in the form of cash or shares exhibit discrepancies with the recognized expenses and annual estimates, the sum, cause, and treatment of such discrepancies shall be disclosed:

On February 26, 2024, the Company’s Board of Directors approved a cash distribution of NT$336,426,645 for employee remuneration and NT$13,684,932 for director remuneration, which is the same as the estimated annual amount of recognized expenses.

(2)Sum of employees' compensation provided in distributed shares and its proportion of the net income after tax (NIAT) provided in the individual financial report and the total sum of employees' compensation: 0.

4. Actual distribution of remuneration to employees and directors in the previous year (including the number of shares, the amount distributed, and the stock price) and differences (if any) between the distributed amounts and the recognized amounts of remuneration to employees and directors, and such differences and the reason and treatment therefor shall be specified:

The company distributed NT$734,952,500 in cash remuneration to employees and NT$12,000,000 to directors for the fiscal year 111 (2022), with no difference between the actual distributed amounts and the recognized amounts.

(IX) Repurchase of the Company's own shares: None.

II. Corporate Bonds: None.

III. Preferred shares: None.

IV. Overseas depositary receipt: None.

V. Employee stock warrant: None.

VI. New restricted employee shares

(I) The status of handling restricted employee rights new shares.

March 31, 2024

Type of new restricted employee share	2022 RSAs
Date of effective registration and total number of shares	June 20, 2022: 30,000,000 shares
Issue date	July 1, 2022
Number of Restricted employee shares Issued	2,960,000 shares
Number of RSAs to be issued	0 shares
Issuing price	NT$40
Ratio of Restricted employee shares Issuedto Total Shares Issued (%)	0.6959%
Vesting conditions for new restricted employee shares	An employee must be employed for a period of one year after subscribing to the new restricted employee shares and at the maturation of every vesting period. The employee must also fulfill the overall financial performance of the Corporation and personal performance assessment indicators. The proportion of shares that may be issued according to the fulfillment of respective vesting conditions shall be distributed according to regulations for the issuance of new restricted employee shares. The following provides the proportion of shares to be issued for various vesting conditions: Expired for one year: 10% Expired for two years: 20% Expired for three years: 30% Expired for four years: 40%

Restrictions and privileges for receiving new restricted employee equities	1. An employee may not sell, pledge, transfer, provide as a gift to another party, set up, or use other means to dispose of the new restricted employee shares. 2. New restricted employee shares may partake in dividend payouts and cash capital increase subscriptions. Dividend payout that may be acquired is not subject to vesting period restrictions. Dividend payout to be issued shall be remitted from a trust account to a personal bank account of the employee on the date of issuance without any surcharge. 3. For an employee who has yet to meet the vesting conditions, attendance, proposal, speech, voting rights, and other matters related to shareholder equity in the Shareholders' Meeting shall be commissioned to a trusted custodian shall be commissioned to exercise matters related to attendance, proposal, speech, voting rights, as well as other matters related to shareholder equity in the Shareholders' Meeting on behalf of the employee.
Safekeeping of new restricted employee shares	1. Once issued, the RSAs shall be submitted to a trust for custody. Before meeting the vesting conditions, an employee may not, for any reason or by any means, ask the custodian to return the said shares. 2. When the RSAs are placed in a trust, the Company shall act on behalf of the employees with full power, and shall authorize the Chairman to negotiate with the trustee for (including but not limited to) negotiation, execution, amendment, renewal, cancellation, and termination of the trust contract, and the instruction on delivery, utilization, and disposal of the trust property.
Actions for handling allotments or subscription to new equities by employees who have yet to attain the prerequisite conditions	1. Before meeting the vesting conditions, the Company may buy back the RSAs that were issued at the price of the original issuance pursuant to laws, and extinguish the shares accordingly. 2. If the employee, before the vesting conditions are met, terminates or cancels the Company's agency in violation of Paragraph 8 of Article 5 of the Regulations, the Company buys back the shares from the employee at the original issue price, and then cancels the same. In any of the following circumstances, the RSAs which have not yet met the vesting conditions shall be handled in the following manners: 1. Voluntary resignation: The employee shall be deemed waiving the vested right since the date of resignation, if the RSAs have not yet acquired the vested right. The Company may buy back his/her shares which have not yet met the vesting conditions in the current year at the original issue price pursuant to laws, and then cancel the same. The same shall apply to an employee who takes leave without pay, or is dismissed. 2. Retirement: If an employee who subscribes for the RSAs pursuant to the Regulations applied for retirement subsequently, and fails to meet the vesting conditions referred to in Paragraph 3 of Article 5 of the Regulation on the effective date of retirement, the Company will buy back the shares subscribed to by the employee pursuant to the Regulations at the original issue price pursuant to laws, and then cancel the same, since the effective date of retirement.

	3. Disability or death due to occupational accidents: If any employee is unable to continue performing duty due to physical disability or death resulting from occupational accidents, the RSAs which have not yet been vested as subscribed to by the employee may be vested in the employee in whole as of the effective date of resignation or death. The heir of the deceased may apply for collection of the shares they are entitled to inherit or the disposed rights upon completion of the statutory procedures and presentation of related certificates. When the shares which have not yet been vested on the date of death shall be released is subject to the Company's notice and handled in the manner referred to in the Part of Succession in the Civil Code and "Regulations Governing the Administration of Shareholder Services of Public Companies". 4. Layoff: The vested rights shall be deemed expired from the date of the layoff, if the RSAs have not yet acquired the vested rights. The Company may buy back the shares which have not yet met the vesting conditions in the current year at the original issue price pursuant to laws, and then cancel the same. 5. Transfer: If an employee applies to transfer to an affiliated company or subsidiary, the Company may buy back his/her RSAs at the original issue price pursuant to laws, and then cancel the same. Notwithstanding, if the employee is transferred to an affiliated company or subsidiary of the Company to satisfy the Company's business needs per the Company's instruction, the RSAs allotted to him/her shall remain unaffected by the transfer, provided that the vesting conditions of performance shall also take into account the performance standards applied after transfer to the affiliated company or subsidiary. 6.If the employee violates the labor contract or work rules materially or applies with the Company in writing for voluntarily waiver of the RSAs, after being granted the RSAs, the Company shall be entitled to buy back his/her RSAs which have not yet met the vesting conditions at the original issue price, and then cancel the same.
Quantity of new restricted employee equities that have been recovered or repurchased	82,600 shares
Quantity of new restricted equities that were extinguished	285,400 shares
Quantity of new restricted equities not yet extinguished	2,592,000 shares
Proportion of RSAs remaining restricted as part of total shares issued (%)	0.6094%
Influence on shareholders' equity	The potential dilution of the Company's earnings per share was considered limited. Therefore, no significant impact was posed to the shareholders' equity.

(II) Name of managerial officers and top 10 employees with the highest number of new employee restricted stocks, and status of acquisition

March 31, 2024

<table>
<tr><th rowspan="2"></th><th rowspan="2">Position title (Note 1)</th><th rowspan="2">Name</th><th rowspan="2">New employee restricted stocks acquired (In thousands of shares)</th><th rowspan="2">Ratio of new employee restricted stocks to the total shares issued (Note 3)</th><th colspan="4">Restricted shares extinguished</th><th colspan="4">Restricted shares yet to be extinguished</th></tr>
<tr><th>Number of new employee restricted stocks (shares) (In thousands of shares)</th><th>Issuing price (NT$)</th><th>Amount of issuance (NT$ thousand)</th><th>Ratio of shares with restriction lifted to the total shares issued (Note 3)</th><th>Number of shares without restriction lifted (In thousands of shares)</th><th>Issuing price (NT$)</th><th>Amount of issuance (NT$ thousand)</th><th>Ratio of shares without restriction lifted to total shares issued (Note 3)</th></tr>
<tr><td rowspan="21">Managerial Officer</td><td>BU President</td><td>David Yang</td><td rowspan="21">1,290</td><td rowspan="21">0.3033%</td><td rowspan="21">123</td><td rowspan="21">40</td><td rowspan="21">4,920</td><td rowspan="21">0.0289%</td><td rowspan="21">1,116</td><td rowspan="21">40</td><td rowspan="21">44,640</td><td rowspan="21">0.2624%</td></tr>
<tr><td>BU President</td><td>I-Shih Tseng</td></tr>
<tr><td>BU President</td><td>George Chang</td></tr>
<tr><td>BU President</td><td>Joe Lin (Note 1)</td></tr>
<tr><td>Senior Vice President</td><td>Steven Liu</td></tr>
<tr><td>Senior Vice President</td><td>Paul Ying</td></tr>
<tr><td>Senior Vice President</td><td>Benjamin Huang</td></tr>
<tr><td>Vice President</td><td>Vincent Wu</td></tr>
<tr><td>Vice President</td><td>Vincent Chen</td></tr>
<tr><td>Vice President</td><td>Tony Yang</td></tr>
<tr><td>Vice President</td><td>Kenny Wang</td></tr>
<tr><td>Vice President</td><td>Bobby Tseng</td></tr>
<tr><td>Vice President</td><td>Cindy Tai</td></tr>
<tr><td>Vice President</td><td>Galen Chou</td></tr>
<tr><td>Vice President</td><td>Herbert Tsai</td></tr>
<tr><td>Vice President</td><td>Lance Ouyang</td></tr>
<tr><td>Vice President</td><td>Jeff Lee</td></tr>
<tr><td>Vice President</td><td>Arno Wu</td></tr>
<tr><td>Vice President</td><td>Eugene Lin</td></tr>
<tr><td>Vice President</td><td>Alex Cheng</td></tr>
<tr><td>Corporate governance officer</td><td>Amy Huang</td></tr>
<tr><td rowspan="15">Employee (Note2)</td><td>Employee</td><td>David Huang</td><td rowspan="15">710</td><td rowspan="15">0.1669%</td><td rowspan="15">70</td><td rowspan="15">40</td><td rowspan="15">2,800</td><td rowspan="15">0.0165%</td><td rowspan="15">639</td><td rowspan="15">40</td><td rowspan="15">25,560</td><td rowspan="15">0.1502%</td></tr>
<tr><td>Employee</td><td>Lawrence Wu</td></tr>
<tr><td>Employee</td><td>Ray chi</td></tr>
<tr><td>Employee</td><td>Bill Shiau</td></tr>
<tr><td>Employee</td><td>Jennifer Chien</td></tr>
<tr><td>Employee</td><td>Cf Huang</td></tr>
<tr><td>Employee</td><td>Kevin Weng</td></tr>
<tr><td>Employee</td><td>Addin Chang</td></tr>
<tr><td>Employee</td><td>k.k Hung</td></tr>
<tr><td>Employee</td><td>Andy Lu</td></tr>
<tr><td>Employee</td><td>Vincent Chen</td></tr>
<tr><td>Employee</td><td>Glen Yang</td></tr>
<tr><td>Employee</td><td>Elia Huang</td></tr>
<tr><td>Employee</td><td>Davidc Chen</td></tr>
<tr><td>Employee</td><td>Cming Chen</td></tr>
</table>

Note 1: Includes managerial officers and employees (special notes shall be provided to those who have resigned or deceased). Individual names and job positions shall be displayed. A summary sheet may be used to disclose the means of receiving an allocation or subscription. : Joe Lin retired on December 31, 2022.

Note 2: Refers to a non-managerial employee in the top-10 employees for new employee restricted stocks

Note 3: The total number of shares issued refers to the number of shares listed in the Ministry of Economic Affairs' change registration data. (On July 24, 2023, the number of shares listed in the Ministry of Economic Affairs' change registration data was 425,364,437 shares.)

VII. Issuance of new shares in connection with the merger or acquisition of other companies: None.

VIII. Implementation of capital utilization plan: None.

Chapter 5 Operation summary

I. Business content

(I) Scope of business

1. Major contents of the businesses engaged in

Chroma leads emerging technologies and realizes innovation with comprehensive solutions for precision measurement and "smart" automation to ensure the performance, quality and success of customers' products. Our focus on high-level testing aims to revolutionize the technology of the future and create a better world. Major market applications include electric vehicles, green energy batteries, semiconductors/ICs, photonics, LEDs, solar energy, flat panel displays, video and color, power electronics, passive components, electrical safety regulations, thermoelectric temperature control, automatic optical inspection, smart manufacturing systems, clean technology, and smart factory sectors. Chroma devotes a great deal of investment and resources in research and development every year in order to sustain its leading key technologies and highly integrated capabilities in the optical, mechanical, electronic, temperature control and software fields, to retain competitive advantages and achieve the company's goal of sustainable business operations. The Company's current product lines include: 1.test instrument equipment. 2. automatic equipment.

2. Proportion of various businesses

Consolidated revenue:

Unit: In thousands of NT$

Year / Product category	Year 2022		Year 2023	
	Amount	Proportion of revenue (%)	Amount	Proportion of revenue (%)
Test instrument equipment	20,269,180	91.85	17,787,091	95.24
Special materials (Note)	635,186	2.88	-	-
Automated equipment	829,479	3.76	658,131	3.52
Others	333,397	1.51	230,821	1.24
Total net operating revenue	22,067,242	100.00	18,676,043	100.00

Note: The Company has terminated the business for sale of special materials in 2022.

3. Current products of the Company

- Power electronics test solutions
    1. DC electrical load
    2. AC electrical load
    3. Regenerative AC load
    4. AC power source
    5. DC power source
    6. Digital power meter
    7. Switching power supply automated test system
    8. Battery simulator
    9. Soft panel ™

－Electric vehicle test solutions

1. Automated test system for power electronic components
2. EV charging and testing system
3. Battery simulator
4. Battery test system
5. Electric propulsion system
6. Fuel cell system testing solution
7. DC power source
8. Electronic load
9. Motor test
10. Automated transformer test system/automatic component analyzer

－Battery test and automation solution

1. Battery Pack/Battery Module ATS

2. Battery management system test system
3. Battery pack/battery module integration and simulation
4. Lithium battery cell testing and Battery Cell Formation System
5. Lithium battery cell reliability test
6. Lithium battery Cell Insulation test
7. Battery pack/battery module safety testing solutions
8. Electrical safety test solution
9. Automated optical inspection system

- Energy storage and power conversion system testing solutions
  1. Automatic test system for power conversion device
  2. Battery simulator
  3. Battery pack/battery module automated test system
  4. Power electronics testing equipment
  5. Electricity safety test
- Passive component test solutions
  1. LCR meter/auto transformer test system
  2. Electrolytic capacitor tester
  3. High-frequency AC tester
  4. Component test scanner
  5. Insulation tester
  6. Milliohm tester
  7. Passive component automated test system
- Electrical safety test solution
  1. Partial discharge tester
  2. Lead-acid battery cell tester
  3. Electrical safety test solution
  4. High potential tester/safety tester
  5. Ground bond tester
  6. Electrical safety test scanner
  7. Impulse winding tester
  8. Calibrator
  9. Automated test system
  10. Motor test solution
- Video and color test solutions
  1. Video signal image generator
  2. Color analyzer
  3. Automated test system
  4. PCBA image analyzer
  5. Signal module
- Flat panel display test solutions
  1. FPD Tester
  2. Signal module
  3. Burn-in Test Solution
  4. OLED test system
- LED & driver test solution
  1. LED total power test system
  2. ESD test system
  3. LED power source test solution
  4. Cooling chip controller
  5. Temperature recorder
- Photonics Test Solution
  1. Wafer-level testing
  2. Packaging level testing

－Automated optical inspection solutions
  1. Automated optical test system
  2. Solar cell AOI system

- Photovoltaic/inverter test & automation solutions
  1. Automated optical test system
  2. Thermoelectric cooling chip controller
  3. Thermal data logger

4. Hybrid PV Inverter Test Solution
5. Energy storage inverter testing solutions

- Semiconductor/IC test solutions
  1. SoC test system
  2. VLSI test system
  3. IC test handler
  4. Metrology system
- RF and wireless measurement and test solutions
  1. Wireless test solutions
  2. RF recorder/player
  3. GPS simulator
- PXI test & measurement solutions
  1. High-precision power measurement unit
  2. PXI SMU/power supply instrument
  3. PXI semiconductor/IC test system
- Smart manufacturing system solutions
  1. Intelligent manufacturing system
- Turnkey test & automation solution
  1. Production line automation assembly and testing
- Biomedical Instruments
  1. Molecular Diagnostic Instruments
- Other solutions
  1. Reliability test solution
  2. Universal test solution

4. New products under development
- AC/DC EVSE & EV Charging Test System
- Fuel Cell System Assembly Test Platform
- EV Key Components Partial Discharge Tester
- 4GHz RF Impedance Analyzer
- Next Generation In-Vehicle Infotainment Video Test Generator
- High-Performance Battery Cell Series Charge Formation System
- Energy Recycling High Current High Power Density DC Electronic Load
- 1U 3-Channel High Power Density DC Power Supply
- Next Generation Energy Recycling High Bandwidth AC Power Supply
- Next Generation Laboratory-level High-Precision & Ultra High Power Density Vehicle Power Battery Test System
- Next Generation High-Performance Motor Simulator
- Next Generation Dual-Axle High-Speed Dynamometer for Electric Vehicles
- Next Generation Power HIL Testbed for EV Key Components Testing

(II) Overview of industry

1. Current state and development of the industry

In 2023, the information and electronics industry inventory adjustment, the impact of international inflation and interest rate hikes, the stalemate in the Russo-Ukrainian War, the Israel-Hamas war, China's economic slowdown, the renewed US-China technology dispute, and the increasing impact of climate change affected the global economy. However, driven by generative AI, electric vehicles, and sustainable technologies, the overall industry can still maintain growth.

- Power electronics test solutions

Power supplies are one of the basic and core components of electronic devices, widely used in various electronic products such as computers, servers, monitors, data centers, and various industrial equipment.

In recent years, the electric vehicle-related automotive electronics, battery, and charging station industries have surged. Additionally, climate change issues have prompted measures for carbon reduction and green energy, driving demand for power converters in areas such as solar, wind power, and smart grids/energy storage. These products demand high-quality standards, needing to comply with relevant regulations regarding performance and safety. Thus, there is a need for testing equipment with higher power and more diverse functions. Our company's power electronics testing equipment is evolving towards higher power, bidirectional potential source recovery, and multipurpose usage, addressing complex and multitasking testing needs. The

Company continues to develop power converter automatic test systems for different industries, providing a powerful software platform with built-in test items for various DUTs, such as on-board chargers, EVSE, and Power Conditioning Systems (PCS) to maintain the competitive advantage of this product line. As the industry moves toward efficient automation of production, the Company's automated test system has developed functions such as data upload, self-diagnosis, sleep energy saving, etc., to realize the construction of smart factories in cooperation with customers' plans.

- Video and color test solutions

Today’s consumers are pursuing 8K and 16K resolutions and expect a smooth visual experience. Therefore, the display market continues to develop 16K QUHD (Quad Ultra High Definition), 8K UHD (Ultra High Definition) high-resolution, and high refresh rates. Chroma has launched the DisplayPort and USB-C dual-output display test module, equipped with DisplayPort 2.1 version, supporting single output port total bandwidth up to 80Gbps transmission, and resolution output up to 16K (15360 x 8460). The video and color testing solutions include traditional, modern and future standard signal output for various video, audio, signal, data, power supply and other standard signal output, analysis and testing, control application and other functions. The mainframe adopts modular design and the supported signals include HDMI, DisplayPort, USB -C, SDI, etc., the application spans across the film, medical, gaming, and automotive industries, meeting the needs of today's TVs and monitors for the development and testing of ultra-high-resolution, ultimate color images.

- Test solutions for passive components and regulatory testing

In 2023, the global economic downturn led to a weakening of the demand in the electronic end market. The standard passive component products will bear the brunt of the trend. However, due to the increasing electronization of electric vehicles and automotive systems, the market demand for passive components may still wait for the economy to recover. Therefore, we provide new automated testing technology for passive components and safety standard testing. Multiple testers are consolidated into one. To ensure power semiconductor components without continuous partial discharge under normal operating conditions is also the testing key to ensure long-term working quality.

- Semiconductor/IC test solutions

With the expansion of generative AI and the electric vehicle market in 2023, the demand for HPC, AI, and third-generation semiconductors (GaN/SiC) continues to grow. The semiconductor market is expanding significantly, with countries including semiconductor factories in their arms races, prompting manufacturers to compete in expanding their facilities, significantly increasing the demand for equipment. Higher precision and diversified functional modules can provide multiple testing programs and perform a large amount of parallel testing, increasing output per unit of time, which is a research and development trend for testing equipment manufacturers.

－Battery test and automation solution

In 2023, the significant increase in the market for electric vehicles and energy storage drove global. The industry continues to improve the battery life and expand the scale of the electric vehicle market. The battery industries is booming due to this push, but it also gives rise to the issue of battery safety. The Company recognizes the importance of batteries in green energy industry and provides test automation and turnkey solutions for the formation of battery cells. It also provides laboratories with higher precision and high current (>1200A) verification systems for battery cells, and a high voltage (>1500V) and high power (>1.5MW) performance verification scheme for battery packs and battery systems, ensuring the reliability and safety of customers’ products. As the electric vehicle market and the application of energy storage increase, the Company has cooperated with automation vendors to provide an end-of-line (EOL) battery system, providing an efficient and comprehensive verification solution, and expanding the market to Europe, the United States, India and other parts of the world.

2. Correlation with upstream, midstream, and downstream sections of the industry

A. Measurement instruments and equipment

These instruments and equipment belong to the test instrument sector in the information electronics industry. The Company primarily purchases parts and components from upstream suppliers, and assembles them to produce the test instrument and equipment, which are marketed and sold to customers under the

Company's brand name. The Corporation and its subsidiaries offer an extensive selection of solutions for product testing and validation purposes to customers from many fields such as video surveillance, passive components., LCD modules, LED, semiconductor, photovoltaics (PV), and electric vehicle industries. The following diagram describes the relationship between the upstream, midstream, and downstream sectors in this industry:

Upstream		Midstream		Downstream
Boxes and cases Printed circuit Boards (PCB) IC Other components	→	Assembly Testing Sales	→	Video surveillance, power supply, passive components., IC design, IC testing, LED, PV and solar power cells, and electric vehicles industries

B. Automated transportation and construction equipment

With the combination of metrology equipment, automation systems, and MES software capabilities to provide customers with turnkey automation solutions. The various main products of MAS, a subsidiary corporation, are photovoltaic (PV) automated production and system integration, TFT-LCD automated production and system integration, battery module ATS and cleanroom equipment planning and system integration.

3. Development trends and competition for various products

A. Development trends of various products

- Power electronics testing industry

The following describes the current product development trends for power supply test solutions in response to the aforementioned production, R&D, and quality requirements:

• Low voltage load characteristics and high current switching technology in response to the point-of-load converter power supply and fast switching properties.

• Input distortion simulations and electrical grid distortion simulations in response to regulatory requirements for testing of power supplies.

• Bi-directional transmission of electrical energy, which can be used as the input power and also as the load at the output end.

• DC power supplies covering high voltage and current levels are able to reduce the required number of DC power supplies with DC/DC converter input, thus reducing testing costs.

• When the power or battery is discharged, the high-efficiency electricity will be recycled to the grid for recycling and reuse.

• Network data capture functions enable manufacturers to establish real-time production capacity controls and perform quality statistical analysis.

- Video testing industry

The display industry, continuously innovating and upgrading specifications, is launching high-resolution, high-refresh-rate displays on the market. Coupled with the rapid growth of electric vehicles in recent years, this has accelerated the development of the automotive panel market. Display panels in new cars are used in different locations such as the center console, dashboard, rearview mirrors, windows, and door handles, each with varying sizes and resolutions. The diverse applications further drive the enhancement of video interfaces, and USB Type-C integrates video transmission, bidirectional power, and data transfer functions, offering portability and non-directionality. Our product development trend adopts a modular architecture design, allowing flexible combinations of different signal or power modules, with high flexibility, strong scalability, and support for various mainstream industry communication interfaces. It provides the display and panel industry with testing solutions for 16K ultra-high resolution (15360 x 8460) to meet the needs of current and future video industry applications.

- Passive components. testing

Passive components, in response to the evolution of electronic products towards being lighter, thinner, shorter, and smaller, as well as environmental sustainability, are moving towards higher efficiency, higher frequency, and higher precision in production, R&D, and quality. Therefore, the development trend for passive component testing equipment is as follows:

- High speed precision measuring, integrating equipment automation to improve production efficiency while reducing human mistakes to boost reliability. Comprehensive parameter measurement to reduce production equipment and labor hours, thereby reducing production costs.
- Providing complete testing solutions for high-frequency, high-density components, allowing users to quickly establish testing requirements and obtain comprehensive technical support.
- Providing network data capture functions so that manufacturers can establish real-time production capacity controls and perform quality statistical analysis.
- Use environmentally sustainable new materials and manufacturing technologies to pursue the global goal of "net-zero emissions by 2050."

- Electric vehicle/battery test equipment

The most important components of mobile devices and electric vehicles are battery modules. The reliability of battery modules is related to safety issues. Therefore, battery reliability testing is very important, and battery production is extremely energy-consuming. The equipment provides and highly efficient testing. The stability and safety of automated instrument products have become an important trend in the development of the instrument industry.

- Semiconductor/IC test solutions

As applications in 5G, smart manufacturing, automotive, HPC, and AI continue to increase, the semiconductor industry becomes increasingly important, especially the development of high-precision testing, which is a key issue for semiconductor advancement. The integration of testing instruments with automation has become a critical competitive factor in the instrument industry. To respond to these trends, our company and its subsidiaries have been actively integrating technologies across multiple fields such as electronics, electrical engineering, mechanics, software, information, and communications this year, providing comprehensive testing solutions for different semiconductor products in production and manufacturing processes, including semiconductor material nanoparticle monitoring, multimedia chip testing, PXIe testing platforms, and RF radio frequency chip testing solutions.

- Photonics Test Solution

Since Apple Inc. amazed the technology community by incorporating the facial recognition function into iPhone X, its key laser diode has become an important element for 3D sensing. This technology has recently been widely used, especially in face recognition, autonomous vehicles and existing fiber-optic communications. With the increase in demand for laser diodes, the quality and reliability of laser diodes become relatively important. Thus, the needs for various related test instruments are in the ascendant. The photonics test solution mainly includes the chip sector of the laser diode and the packaging sector of the optical communication active component.

B. Product competition

As the Company and its subsidiaries have been developing the instruments and automation industry for many years, there are high barriers to entry in terms of product technology, and each product technology can maintain its leading position. However, new products continue to be introduced and the Company has to maintain its competitiveness. It shall continue to expand its product base and technical product capability, collaborate with tier-one manufacturers, and improve its R&D technical skills and invest in companies with unique testing technology to support its product advantages. In addition, with rampant counterfeiting in the third region due to the relocation of industries in recent years, products of the Company and its subsidiaries also suffer from price competition involving counterfeit products. Hence, in order to maintain the competitive advantage of its products, the Company, and its subsidiaries invested a considerable amount of manpower to apply for patents and safeguard the brand value. As production processes become increasingly automated, integrated testers and automated equipment will provide instrumentation industries with high levels of competitive advantages.

(III) Technologies and recent R&D efforts

1. R&D expenses invested in the two most recent years

Unit: In thousands of NT$

Item\Year	2022	2023
R&D expenses	1,917,411	1,757,322
Net operating revenue	22,067,242	18,676,043
Proportion of R&D expenses to net operating revenue	9%	10%

2. Major R&D outcomes

◎ 2238 Video Pattern Generator
◎ 27015 FPD Tester
◎ 71803 2D Color Analyzer
◎ 71241 High-precision universal measuring probe
◎ 71242 Small size measuring probe
◎ 7945 Wafer Chip Inspection System
◎ 7980 2D/3D wafer measuring system
◎ 61509 Programmable AC Power Source
◎ 63000 Programmable DC Load
◎ 62000L Programmable DC Power Supply
◎ 66205 Digital Power Meter
◎ 61809/61812/61815Recyclable power grid simulation power supply
◎ 62000D Series Programmable Two-Way DC Power Supply
◎ 62000E Programmable DC Power Supply
◎ 63700 series energy recovery DC Electronic Load
◎ 63800R series energy recovery AC Electronic Load
◎ 1870D Inductor Test & Packing Machine
◎ 1871 Inductor Layer Short Automatic Test System
◎ 11210 Battery Cell Insulation Tester
◎ 11050 HF LCR meter
◎ 11090-030 Radio Frequency LCR Meter
◎ 19501-K Partial Discharge Tester
◎ 19311 Battery Cell Surge Tester
◎ 33010 PXIe PE Card
◎ 3680 Advanced SoC Test System
◎ 3650-S2 SoC/analog test system
◎ 3160-C Tri-Temp Quad-Site Handler
◎ 3660-C Tri-Temp System Board Handler
◎ 31000R series temperature control system
◎ 35806 RF IC Tester
◎ 35806S RF chip S-parameter enhanced tester
◎ 7940 Wafer Chip Inspection System
◎ 7925 TO-CAN Inspection System
◎ 7945 Wafer Chip Inspection System
◎ 52430P PXIe short pulse power measuring unit
◎ 58604 Laser Diode burn-in and reliability testing system
◎ 58605 High Power Laser Diode burn-in and reliability testing system
◎ 58620 Semiconductor laser characteristic testing system
◎ 58625 Photoelectric component module multi-functional testing system
◎ 58604 Laser Diode Burn-in and Reliability Test System
◎ 58606 Photodiode Burn-in and Reliability Testing System
◎ 7505-k006 Cylindrical Cell AOI System
◎ 7505-k007 Thin Film Thickness Automatic Optical Measurement System
◎ 3730-E Solar Cell Sorting System
◎ 3760 Solar Cell Automatic Inspection and Efficiency Grading System
◎ 17010H Battery Reliability Testing System
◎ 17011 Battery Charge and Discharge Test System
◎ 17020/17040/17040E Energy Recovery Battery Module Testing System
◎ 8000 Power Supply ATS
◎ 8000 Electric Vehicle Onboard Charger/DC-DC Converter Automatic Test System (ATS)

◎ 8610 Battery Pack Power Level Hardware-in-the-Loop Testing System
◎ 8620 Electric Vehicle Onboard Charger/DC-DC Converter Power Level Hardware-in-the-Loop Testing System
◎ 8630 Battery Management System Power Level Hardware-in-the-Loop Testing System
◎ 87001 16-Channel Battery Cell Simulator

3. Future R&D plans

The semiconductor industry's advanced manufacturing processes continue to advance, leading the development of the information and communications industries, with emerging technology application fields continuously expanding. The manufacture of semiconductors is crucial to the overall industry development. Several years ago, our company prioritized semiconductor equipment R&D as a crucial part of our development strategy, integrating optics, electronics, thermal, and automation software technologies to develop semiconductor testing equipment. Expanding our capabilities in advanced manufacturing processes will be our focus in the coming years. In recent years, the main development trends of the IT industry are toward 3D applications and 5G. The use of wireless communications to carry various devices has entered the era of electric vehicles, unmanned vehicles, and smart cities. While the use of various power sources has become increasingly important, the Company continues to develop towards high-power power supplies.

Therefore, the Company's research and development plan has also evolved with various industries, promoting related automation equipment of Industry 4.0 and the development and integration of Turnkey Solution products, and the establishment of Industry 4.0 smart manufacturing related solutions. In response to the trend of IoT, electric vehicle-related equipment and test equipment, battery test equipment, wireless communication test equipment, as well as test equipment that meets VR and AR requirements are developed. The Company and its subsidiaries are also committed to the R&D of products related to clean technology, with the aim of developing relevant automated 5G test equipment.

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

1. Short-term development plans

(1) Actively grasp the testing and automation solutions required by the generative AI, electric vehicles and green energy markets

2023 is the inaugural year for generative AI and marks a global emphasis on ESG issues. Our company is actively capturing the demand for testing and automation solutions related to AI, AIoT, and sustainable technologies.

(2) Accelerate the development of Test Turnkey Solutions needed for advanced front-end and back-end semiconductor processes.

The investment in advanced semiconductor process equipment is getting bigger and bigger, and many equipment vendors are coveting a place, but the barrier to entry is very high, so the development of equipment in the semiconductor field has been an important plan for the Company's product development. In light of the diverse and extensive field of potential applications that we expect to see from the emergence of HPC and 5G technologies, aggressive development of relevant equipment for these sectors has been a key developmental target for Chroma over the last few years.

(3) Strive to increase world-class customers in 1st Tier

The 1st Tier customers are the pioneers of the industry technology, so we break through technical bottlenecks to meet the test quality of customers, in order to promote the company's technology upgrade and expand the product market.

2. Long-term development plans

In 2023, our company updated the Chroma brand strategy, redefining the brand vision to "Empowering future technologies for a better world" and the mission to "Enable quality innovation at every step with reliable solutions." Chroma firmly believes that truth is at the heart of measurement. Through deep collaboration with our clients and the use of advanced solutions, we assist in the development of innovative technology products, ensuring their performance, quality, and success, thereby earning trust. This allows the technology industry to flourish, enjoy the conveniences brought by technology, benefit society, and create a better world.

(1) Marketing plans

With the rise of specialized international division of labor, the manufacturing base of the information industry is continuously expanding outward. To provide optimal service quality to our clients, our company and its subsidiaries are actively expanding their marketing networks and strengthening operational bases in Europe and America, not only through overseas subsidiaries but also by increasing the establishment of overseas agents and distributors. With Taiwanese companies heading to Southeast Asia for investment purposes in recent years, the Company has also formulated plans to set up sales and marketing locations in Southeast Asia through its subsidiary in Singapore. Besides, the parent company provides support to various activities, in hopes of increasing revenue in this region to sell to the whole world under its own brand name.

(2) Human resource plans

Our company and its subsidiaries have long aimed to develop niche products, belonging to a technology-intensive industry. Therefore, we continuously need to nurture professional talent and strengthen employee education and training. We are committed to establishing a knowledge management platform and learning database to achieve resource sharing, allowing employees to quickly enter professional technical fields, effectively enhancing the quality of human resources, and shortening the learning time.

We conduct performance appraisals and conduct employee interviews on a regular basis to help employees find suitable development directions in their careers and life. At the same time, we are actively and steadily developing the human resource pool. The Company also hosted the "Chroma Precision Machinery and Measurement Technology Paper Award" to encourage young students to participate in R&D and creative applications in the precision measuring field. At the same time, we hold career counseling and talent recruitment carnivals to promote exchanges between industry and academia and to introduce emerging technology talents.

(3) Product development plans

Innovation is the DNA of the Company. Innovative technology provides customers with higher added value and services to meet their needs. It is the Company's product development strategy and is aligned with the development of the industry. In the future, in addition to investing in the development of testing products related to the semiconductor, HPC, and 5G communication industries, aiming for high precision and high power, we will also engage in modular instruments, systematic integration, and diverse automated custom products. As labor costs rise and the aging population increases, smart networks, industrial automation, and medical care become increasingly important. Therefore, our long-term product development plan will invest in research and development of testing equipment for smart network systems, develop industrial smart devices, and medical automation testing equipment. We will also actively pursue upstream and downstream integration and mergers and acquisitions strategies to lay the groundwork for the development of related product lines.

II. Market, production, and sales summary

(I) Market analysis

1. Main product sales by region

Unit: In thousands of NT$

Area	2022 Amount	2022 % of net operating revenue	2023 Amount	2023 % of net operating revenue
Domestic sales	$ 2,935,668	13%	$ 2,338,661	13%
Export sales	19,131,574	87%	16,337,382	87%
Total	$22,067,242	100%	$18,676,043	100%

2. State of the market

In 2023, the global economy was affected by continued low demand in the end markets, adjustments in the inventory of the information electronics industry, international inflationary interest rate hikes, regional wars, the economic slowdown in China, and the resurgence of US-China technology disputes, all of which slowed economic growth. However, driven by generative AI, electric vehicles, and sustainable technologies, the overall industry still managed to maintain growth.

3. State and growth of market supply and demand

In 2024, research institutions predict a slowdown in economic growth, with the main growth drivers coming from Asia, although China's recovery remains weak. Global inflation is showing signs of slowing, but the impacts of geopolitical tensions and the US-China trade war continue, while net-zero transitions and ESG issues are gaining attention. However, the markets for HPC, AI, electric vehicles, and energy storage are gradually expanding, creating more demand opportunities for equipment manufacturers. Developing and manufacturing the equipment needed for these future industries is a crucial focus of current R&D investments.

4. Competitive niches, and positive and negative factors to the development outlook, and responsive measures

(A) Competitive niches and positive factors:

The Company has long invested in the research and development of critical technologies and products with unparalleled reliability. In the early stage, the Company cooperated with the world’s first-tier manufacturers to gain trust and experience so that the Company can keep abreast of industry trends and timely introduce new measurement equipment in response to the mass production requirements in the market. The Corporation accumulated a variety of key technologies over the years and developed a number of technologically advanced products, allowing the Corporation and its subsidiaries to stay ahead of the test market. Competitive niches of the Company and its subsidiaries include effective control over sales channels and acquisition of the latest information about the industry. The business group has ample resources in the sectors of testing, automation, and factory management systems to provide customers with Turnkey Solutions required, providing the Company and its subsidiaries with various advantages to maintain market competitiveness.

(B) Negative factors:

Instrument products are typically produced in small amounts and wide varieties, making mass production difficult. Production processes are often complicated and difficult to manage. Other unfavorable factors include the complexity of test instruments, and a diverse range of material types required and there is a crisis of shortage of parts and components, so it is impossible to deliver to customers immediately, which results in high warehousing costs.

(C) Response strategies:

Since products are offered in many models and required in small quantities, the Corporation and its subsidiaries adopted modular designs during product research and development (R&D) phases. Differences in specifications were concentrated in a single module during the production process. Shared characteristics and designs were adopted into general modules in order to improve production volume for general modules while reducing the materials required for the unique parts. Besides, in order to strengthen production and inventory management, the IMS BU and the Information Center at the Corporation and its subsidiaries have also built a complete information management system according to the nature of industries to which they belong, intending to enhance management efficiency.

(II) Major uses and production process of primary products

1. Major uses of the primary products

- Power electronics test solutions

Power Electronics Test Solution, in addition to being used in the information, communications, and aerospace industries, are also applied to the actively developing electric vehicle, charging pile, energy storage, and fuel cell industries in recent years. Chroma ATE utilizes its expertise in power supply testing to introduce customized testing solutions for these sectors.

Our company offers a range of testing instruments including programmable AC Power Source, programmable DC power supplies, DC electronic loads, AC electronic loads, and digital power meters, covering the necessary specifications testing and dynamic simulation for both power input and output ends. We also provide dedicated graphical operation software, Softpanel, and NI Labview drivers, enabling easy application by users and integrating potential source recovery technology into our products, helping customers save energy and reduce carbon emissions towards net-zero transformation goals.

The Corporation and its subsidiaries independently developed an automated test system which would include a software platform that comes with powerful inbuilt functions and general tests which can then be integrated with the desired hardware instrument to independently edit the test items and to acquire and analyze vast amounts of test data. Analysis results could then be used as a basis for R&D or quality assurance (QA) to make changes to the product or improvements to factory processes. Currently, in addition to applications in PC/Server/Telecom power supplies, adapters, and chargers, our products are also used in backlight inverters, LED drivers, and even UPS, PV inverters, electric vehicle chargers, drivers, and charging piles. Also, the Company and its subsidiaries have a global technical applications support team, and can provide customized plans for automation systems as well as production of testing jigs.

- Video and color test solutions

LCD modules are provided with different signal transforming panels. Once assembled, the final product could be adapted to different signal outputs in various products. These complex outputs and input interfaces require a video pattern generator which would provide various international standard signal test screens for testing purposes to analyze the performance of the display in processing video signals. Precision would be a key requirement since the output signals of the video pattern generator would be the standard source.

Color analyzers employ advanced digital signal processors and photoelectric conversion technology and combined them with precision optical components and circuit design to accurately measure the energy, calibrated color, brightness, and white balance of the light projected by the display to meet international standards and specifications.

For large-scale monitors and projectors, the optical color analysis probe could be used to achieve simultaneous measurements of multiple points. This can then be integrated with the video pattern generator as well as a software operation interface for video signal analysis. All programmed tests could be carried out quickly using single button operations, making it the most competitive video and color test solution available.

- Test solutions for passive components and regulatory testing

Passive component testing equipment, besides testing basic passive components (capacitors, inductors, and resistors), can also test combinations of these components (various winding components, communication and power filters, etc.) or components with similar properties (switches, connectors, wires, metal materials, dielectric materials, magnetic materials, and semiconductor components). Tests could be used to analyze the properties of the tested objects and provide design optimization for integrated applications such as automated production inspection, incoming/outgoing inspection, QA verification, and R&D analysis in order to satisfy the customer’s requirements for cost reduction and achieving better efficiency.

Electrical regulatory test equipment is widely employed in various types of electronic components, electrical products, or health care products. Major tests include AC/DC withstanding voltage and insulation resistance testing for electronic components as well as ground bond and leakage current tests for electrical products or medical electronics. Beyond confirming whether products comply with safety standards like the US UL, European CE, and German TUV, the primary goal is to ensure user safety and long-term reliability of the product. If the product's distribution is to be internationalized, compliance with safety standards must be addressed.

Products that have been tested include multi-functional calibrators, resistors, and capacitor meters. In addition to single-unit operations, these solutions can also be connected and used with other testers for R&D, design verification, and QA testing purposes. These test solutions were capable of fulfilling basic testing requirements of different units.

- Flat panel display test solutions

LCD module testing solutions at the assembly stage can first use Shorting-bar signals to detect various defects in the panel and perform laser repair. Once in the module process, based on different panel sizes and signal interfaces (eDP/MIPI/V-by-One/LVDS), flat panel displays equipped with programmable power supplies, paired with user-friendly software interfaces, enable customers to complete various signal point tests, voltage, current tests, and determinations of testing results. By using software and hardware applications together to analyze image highlights, defects, color, resolution, etc., combined with an automated conveyor belt production line design, a system-controlled approach provides integrated network management functionality for data analysis.

- Semiconductor/IC test solutions

The Corporation has established a strong foundation in the field of semiconductor wafer testing for many years, and thus has a large number of product lines. Equipment required from the R&D to mass production stages such as large-scale automated test equipment (ATE), IC sorter, and PXI/PXIe miniaturization test platform are all complete. Corresponding products provide customers with the most suitable choice. Semiconductor solutions cover different wafer test applications such as: consumer wafers (microprocessors, audio chips, peripherals for computers/mobile devices, etc.), power management chips (linear regulators, DC converters, AC converters, LEDs Drivers, etc.), RF chips (wireless networks, Bluetooth, mobile communications, etc.), and specific areas of testing (image sensors, radio frequency identification, etc.). Handlers used in backend production of ICs could also work with different IC packaging types and sort out defective products from conforming ones. After IC packaging and testing, automated system function testers could be used to rapidly screen the completed IC packages, replacing simulated test environments with actual usage environments for product testing to provide low cost and high coverage tests that will greatly improve the quality of the delivered product.

- Energy storage and power conversion system testing solutions

The Company provides professional measuring instruments and solutions in the field of photovoltaic energy storage to systematically achieve energy storage and power consumption of energy storage inverters, photovoltaic inverters, photovoltaic optimizers, battery modules, and electrical safety testing. Conversion device performance verification. In addition to being suitable for R&D, project verification and regulatory testing, it is also suitable for mass production testing. Our company also invests annually in researching new fields to ensure its technology remains at the forefront, particularly in the core areas of power electronics and optics. We strive to provide innovative testing applications for various market trends, and the precision, reliability, and uniqueness of our products have been key to Chroma's widespread customer support over the past forty years.

—Battery test and automation solution

Our company's Battery Test & Automation Solution cover a variety of products, featuring dynamic charging and discharging, and an energy recovery battery module testing system that simulates real-world current applications. The battery discharge energy recovery saves electricity, is environmentally friendly, produces low thermal energy, saving on electricity and air conditioning costs, thus reducing production costs. The applicable industry scope includes electric vehicle manufacturers, energy storage system vendors, and battery module plants, which are suitable for battery management system testing, battery pack endurance testing, product shipment inspection, design verification research, and battery pack production line capacity learning and DC internal group testing and other purposes.

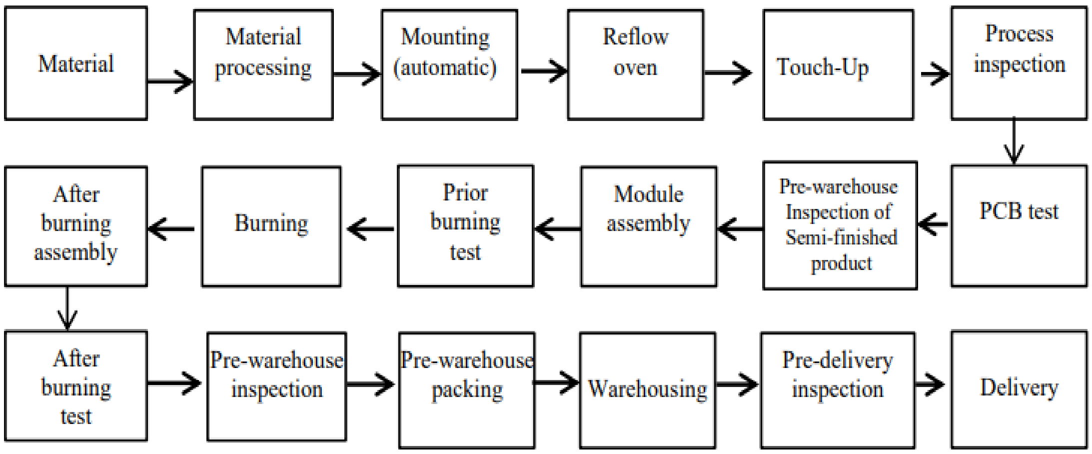
- Photonics Test Solution

The photonics test solution mainly includes the chip sector of the laser diode and the packaging sector of the optical communication active component. Chroma's superior power electronics and optical measurement technology, coupled with the integration of institutions and temperature control, the optical components can be burned at different ambient temperatures burned and tested. The semiconductor laser characteristic detection system is designed specifically for laser diodes, and the all-in-one design concept is used for automatic detection. It can be used for simultaneous testing of different test items; it can be used together with high-capacity vehicle designs. A large number of chips are used to perform various tests. In addition, AOI can increase the speed and reliability of automated inspections. The design of a highly stable temperature control platform enables the R&D engineers to accurately understand the relationship between laser semiconductor characteristics and temperature.

- Smart manufacturing system solutions

Primarily centered around the Manufacturing Execution System (MES), from incoming materials to shipping, it smartly collects and computes to effectively gather and analyze information on people, machines, materials, methods, and the environment on-site. This achieves production history traceability, real-time alerts, optimized production processes, and prediction of potential issues. It also includes equipment maintenance management systems, warehouse management systems, and operational dashboard among other factory-related applications, steering the factory comprehensively towards intelligent production to enhance production efficiency.

2. Production process



(III) Supply of primary raw materials

The Company and its subsidiaries manufacture a large variety of product types in small quantities. A large quantity of raw materials would be required, with primary materials include: programmable logic gate array IC, converter IC, memory, relays, structural materials, and PCB. The following describes the state of material supply:

Primary raw material category	Main supplier	State of supply
FPGA IC	Macnica Galaxy Inc, Weikeng Industrial Co., LTD., and ANSTEK	The Company maintains more than three suppliers, acting as agents for the products of world-renowned manufacturers, for long-term cooperation. Both quality and supply are stable.
Power converter IC	ANSTEK, Morrihan, Texas Instruments	The Company maintains more than three suppliers, acting as agents for the products of world-renowned manufacturers, for long-term cooperation. Both quality and supply are stable.
Memory IC	Weikeng Industrial Co., Transcend, and ARROW ELECTRONICS TAIWAN LTD.	The Company maintains more than three suppliers, acting as agents for the products of world-renowned manufacturers, for long-term cooperation. Both quality and supply are stable.
Relay	SumChip Technology Co., Ltd., IC-HI TECHNOLOGY CO., LTD., BRIGHT TOWARD INDUSTIAL CO., LTD.	The Company maintains more than three suppliers, acting as agents for the products of world-renowned manufacturers, for long-term cooperation. Both quality and supply are stable.
Mechanical Component	Chyuan Jyh Industry Co., Ltd., CHIA CHERNE INDUSTRY CO., LTD., GAO JING JHUN METAL CO. LTD.	It is supplied by more than three suppliers, and its manufacturing quality and supply are very stable. The company maintains a good long-term cooperation relationship.
Circuit board	Shin Puu, SPEED CIRCUITS CO., LTD., TAI MOON ELECTRONICS CO., LTD.	It is supplied by more than three suppliers, and its manufacturing quality and supply are very stable. The company maintains a good long-term cooperation relationship.

Given the large variety of raw materials and components needed by the Company and its subsidiaries to manufacture precision instruments, all local and overseas purchases were handled by a single purchasing unit. Where possible, 2 or more suppliers were selected to ensure supplier replaceability, acquire competitive pricing, distribute purchasing risks, achieve reasonable cost reductions, and provide better services. The purchasing unit shall regularly review quotations offered by the supplier. QC and purchasing personnel shall conduct audits at the supplier end to ensure the stability of product quality while assessing the production capability of the supplier.

(VI)List of suppliers and customers accounting for 10 percent or more of the Company's total purchases (sales) of goods in either of the two most recent years, amount and percentage of total purchases (sales) of goods, and reason for changes in these figures.

1. List of suppliers accounting for 10 percent or more of the Corporation's total purchases of goods in either of the two most recent years

Information on major suppliers in the two most recent years

Unit: In thousands of NT$

Item	2022				2023			
	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net purchases of goods for the entire year (%)	Relationship with the issuer
1	Changzhou Jingce New Energy Co., Ltd.	1,255,329	13.34	None	Others	6,529,815	100.00	-
2	Others	8,151,448	86.66	-				
	Net purchase	9,406,777	100.00		Net purchas	6,529,815	100.00	

Explanation for any changes:

The total purchase amount in 2023 decreased by 31% compared with that in 2022, mainly due to the decrease in revenue in 2023 and the decrease in inventory of affiliated companies. There was no supplier accounting for more than 10% of the total purchase in 2023; the supplier of 2022 - Jingchow New Energy Co., Ltd., the Company's purchase accounted for more than 10% of the total purchase. The increase in purchase amount was mainly due to the increase in the amount of 2022 sales projects.

2. List of customers accounting for 10 percent or more of the Corporation's total sales of goods in either of the two most recent years

Information on major customers for the two most recent years

Unit: In thousands of NT$

	2022				2023			
Item	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer	Name	Amount	Proportion to net sales of goods for the entire year (%)	Relationship with the issuer
1	TOA Optronics Corporation	3,700,137	16.77	None	Others	18,676,043	100.00	-
2	Others	18,367,105	83.23	-				-
	Net sales	22,067,242	100.00		Net sale	18,676,043	100.00	

Explanation of Increase/Decrease: The primary reason is the substantial increase in market demand for new energy vehicles in Mainland China in 2022, leading to customers expanding their production lines and thus increasing the demand for testing equipment.

(V) Production volume in the most recent two years

Unit: Unit, Set, In thousands of NT$

Year / Production Volume and value / Primary product	2022			2023		
	Production capacity (Note)	Production volume	Production value	Production capacity (Note)	Production volume	Production value
Test instrument equipment	-	180,545	5,541,388	-	68,757	4,846,678
Automated equipment	-	244	2,016,261	-	147	1,158,746
Others	-	-	-	-	35	3,665
Total	-	180,789	7,557,649	-	68,939	6,009,089

Note: The Company and its subsidiaries adopted a production model of producing many product types for limited quantities instead of mass production using automated production lines. No single product has an exclusive product line. Hence, general assessments for capacity utilization rates cannot be used for such production models. Production processes were based upon the processes required and the work hours provided by the testers. Machinery and equipment were then used to assemble a flexible manufacturing work station. Production volume and capacity for various products shall be sequenced according to the product market or purchase order requirements. Expected production volume was used to flexibly adjust production capacity in order to achieve maximum benefits using limited economic resources. Hence, all primary products listed above were capable of maintaining stable capacity utilization rate. Products that proved to be competitive in the market could also utilize the most flexible production plan to achieve optimal capacity utilization rate.

(VI) Sales volume in the two most recent years

Unit: KM, M, feet, g, units, sets, thousand NT$

Year / Sales Volume and Value / Primary product	2022				2023			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Test instrument equipment	46,569	1,888,737	898,369	18,380,443	59,415	2,061,407	462,289	15,725,684
Special materials	769,268,284	599,901	36	35,285	-	-	-	-
Automatic equipment	97	292,186	147	537,293	70	187,144	77	470,987
Others	-	154,844	-	178,553	-	90,110	-	140,711
Total	769,314,950	2,935,668	898,552	19,131,574	59,485	2,338,661	462,366	16,337,382

III. Employee information in the two most recent years up to the publication date of this annual report

Year		2022	2023	Ended February 29, 2024
Number of employees	Administration and sales staff	1,506	1,547	1,543
	Production staff	971	1,005	980
	R&D personnel	903	914	919
	Total	3,380	3,466	3,442
Average age		38.00	38.64	38.83
Average work tenure		7.47	7.79	7.97
Proportion for the distribution of academic backgrounds	Doctor	0.90%	0.90%	0.90%
	Master	20.01%	20.64%	20.85%
	University or college	71.21%	69.91%	69.60%
	Senior high school	6.78%	7.31%	7.40%
	Below high school	1.10%	1.24%	1.25%

IV. Environmental protection expenditure

(I) Total losses and fines from environmental pollution from the most recent year up to the publication date of this annual report: None.

For the fiscal year 2023 and up until the publication date of the annual report, there have been no incidents of environmental pollution resulting in fines from regulatory authorities.

(II) Future response strategies

1. Compliance with Laws: Obtain, identify, follow, and comply with regulations and other requirements that are applicable to the environmental impacts of Chroma products, activities, and services, and communicate this information to employees.
2. Continuous Improvement: Promote environmental policies aimed at pollution prevention. For operations and activities related to significant environmental considerations, establish monitoring and measurement methods for control, and assess the effectiveness of the environmental management system as a basis for performance evaluation to achieve continuous improvement.
3. Reducing Impact: To effectively control environmental impacts, provide appropriate protective facilities and equipment, or establish operational standards for related activities to prevent hazards from hazardous substances, wastewater, and waste management.
4. Consultation and Communication: To enhance interaction with employees, the public, suppliers, and stakeholders, establish channels for communicating environmental policies and related information, and provide appropriate responses.

V. Labor relations

(I) Various employee welfare measures, continuing education and training, retirement systems, and their implementation, as well as various labor-management agreements and measures for safeguarding employee rights and interests.

1. Employee welfare measures

Our company has established an Employee Welfare Committee to coordinate the use of employee welfare funds, organize employee group travel, activity competitions, diverse employee club activities, and holiday gifts, as well as providing subsidies for employee weddings, funerals, celebrations, and travel. The company's welfare system takes into consideration comprehensive care for employees' food, clothing, housing, transportation, education, and recreation, including setting up employee cafeterias, dormitories, and recreational centers, providing a variety of leisure and entertainment facilities for employee use. Provide medical, health facilities, and services, with parking spaces available for employee use. Besides the statutory employee labor and health insurance, maternity subsidies, and childcare leave, we also provide comprehensive group insurance for all colleagues, as well as employee vacation policies superior to the Labor Standards Act, including a paid birthday leave and five days of full-paid sick leave annually.

2. Continuing education and training

To promote the employees' competence, knowledge, and management skills required of their duties, the Company stipulated the Education and Training Management Regulations. The Company's business objectives and results of departmental surveys were compiled to formulate the annual training plan. Newly hired staff were provided with work orientation training. On-job training, specialization training, or professional external training were provided every now and then for employees to train professional and talented personnel, improve business performance, and achieve effective utilization of human resources.

2023 training implementation was as follows:

Number of employees trained	Training costs
336 participants in external trainings, 9,285 in internal trainings, totaling 9,621	NT$3,202 thousand

The content of education and training is based on the overall business strategy, job requirements, and multiple considerations and designs from the perspective of employees, including professional, management, and general education courses, etc, and are implemented per employees' personal development plans, such as communication skills, innovation ability, leadership ability, projectability, sales ability, etc, to provide employees with a complete training plan.

3. Retirement system

Following the Labor Standards Act, the Company has formulated the “Labor Retirement Rules” and made the 4% monthly contributions for the retirement reserve funds to the Trust Department of Bank of Taiwan. Since the implementation of the Labor Pension Act, 6% of the gross proceeds of labor pension shall be allocated to the individual account of labor pension monthly to be in line with the new system. For those who voluntarily contribute pension funds, the voluntary contribution shall be withheld from their monthly salary and deposited to the individual pension account set up by the Bureau of Labor Insurance from July 1, 2005

The provisions applicable to employee retirement are as follows:

(1) Voluntary retirement:

An employee may voluntarily apply for retirement in any of the following situations:

a. Those who have served for more than 15 years and are over 55 years old.

b. Having served for more than 25 years.

c. Aged 60 or above and having completed at least 10 years of service.

(2) Forced retirement:

Unless any one of the following circumstances is met, the Company shall not force an employee to retire:

a. Having reached the age of 65

b. Those with mental disorders or physical disabilities that prevent them from working.

The Company may request the central competent authority to adjust the age prescribed above if the specific job entails risk, requires substantial physical strength, or otherwise. However, the age criteria must be no less than 55.

(3) Pension standards:

a. For service years before and after the application of the Labor Standards Act, and for those who choose to continue applying the "Labor Standards Act" pension provisions or retain their service years under the Labor Pension Act before its application, pension benefits are calculated according to Articles 84-2 and 55 of the Labor Standards Act.

b. For employees with the service years mentioned in the previous item who are mandatorily retired under Article 54, Paragraph 1, Item 2 of the Labor Standards Act, and whose mental incapacity or physical disability is due to the performance of their duties, an additional 20% is added to their pension according to Article 55, Paragraph 1, Item 2 of the Labor Standards Act.

c. For service years applicable under the Labor Pension Act, the method of pension collection and calculation is handled in accordance with Articles 23 to 28 of the Labor Pension Act.

(4) Pension benefits:

Pensions under the Labor Standards Act are payable within 30 days from the date of employee retirement.

4. Employee-employer agreement

The Company and its subsidiaries place great importance on employee welfare and established a harmonious employee-employer relationship. In addition to complying with Labour Standards Act and relevant laws, welfare measures considered superior to statutory regulations were also enacted. Additionally, to promote the efficiency for internal communication and encourage fellow employees to propose various recommendations. In addition to regular internal communication meetings between various units, communication channels for employee relations were also established. Any employee inquiry or recommendations could be communicated using Employee Communication Helpline, Employee Communication Email, were offered to prevent any possible employee-employer disputes.

5. Measures for safeguarding employees' rights

To safeguard the employees' rights and improve the living standards of fellow employees, additional labor-management communication channels have been established. The Company has also established the Employee Welfare Committee to plan the allocation, payment, preservation, and utilization of the employee welfare fund and to provide laws specified by relevant laws. Protection of employees' rights and implementation of welfare systems shall comply with the relevant laws and regulations.

(II) Any loss suffered due to labor disputes, estimated loss for current or future incidents that may occur, and response measures from the most recent year up to the publication date of this annual report, and reasons why a reasonable estimate cannot be made: None.

VI. Cyber security management

(I) Description of the information security risk management framework, information security policies, specific management plans, and resources invested in information security management:

1. Information Security Risk Management Framework

Our company officially established the Information Security Management Office in February 2023, coordinating the promotion of information security policies and resource allocation to plan, monitor, and execute information security management operations. The Information Security Management Office consists of the information security audit team, the information security management team, the information security emergency response team, and the information security management contact persons from various business units.

The Information Security Management Office is responsible for promoting the information security management system and executing various information security management operations. It convenes an information security meeting once per month to analyze and verify its information security environment and threats. It convenes the management review meeting at least once per year to review the status of issues reviewed in the past regularly, and discuss the internal and external issues related to the information security management system to practice them in the management system.

To protect customer and core business-related information assets, and to meet customer and regulatory information security requirements, our company obtained ISO27001 Information Security Management System certification in January 2022, with the certificate valid from January 1, 2022, to January 1, 2025.

2. Information Security Policy

To protect the security of our important information assets (including software and hardware facilities, operation information systems, R&D results, intellectual property, etc.) and customer data, we have established the following information security management policies.

◎To ensure the confidentiality of the Company's business-related information assets and to protect the Company's confidential information and customer assets.

◎To ensure the integrity of the Company's business-related information assets and to improve administrative efficiency and data accuracy.

◎To ensure the availability of information assets related to the Company's business and to enhance business continuity and information security responses.

◎To cooperate with the promotion of policies and laws of customers and authorities, and to improve policy compliance and protection requirements.

◎To effectively manage organizational information risks to achieve business continuity goals.

◎Information security indicators: According to the nature of the business, management indicators are formulated in terms of confidentiality, integrity, availability, and customer policy compliance, and approved by the head of the operation management center, and the management of quantitative indicators is used to implement this policy.

3. Specific management plan and resources invested in cyber security management

(1) To protect research and development assets and ensure data security, the information security management office is responsible for formulating information security policies and management operations and reporting information security implementation to the management supervisor every month.

(2) The Information Security Management Office plans a high-availability remote backup mechanism based on the risk level of the information system architecture to ensure that important information system services are not interrupted and uses a backup mechanism to store important data in remote locations.

(3) The Information Security Management Office constantly follows the latest security threats. Every year, the Office analyzes organizational context and risk management, carries out design planning, and increases appropriate software and hardware equipment resources based on risk level, in order to improve response measures such as operating procedures.

Our company has assessed and decided not to insure against cybersecurity risks, but has implemented the following concrete information security management measures:

- Network Security: Advanced detection technologies are used for network monitoring to block malicious network attacks and collect cybersecurity threat intelligence. Appropriate isolation of the company's internal network is maintained to ensure access control and data security, and to prevent the spread of computer viruses.
- Device security: Improve the endpoint anti-virus and scanning mechanism to prevent ransomware viruses and malware.
- Email Management: Strengthen the email system to detect malicious software, Trojan attachments, and phishing emails.
- Internet Behavior Management: Monitor employee internet usage to block high-risk malicious websites and malicious link or file downloads.
- Application Security: Establish security checks, assessment standards, and improvement goals for application development processes. Strengthen application security control mechanisms and patch potential vulnerabilities.
- Facility Disaster Management: Continuously monitor the environment of the server rooms, conduct various simulated tests, and emergency response drills to ensure the normal operation of the facilities and information systems in the server rooms, to prevent unexpected disasters or risks due to human error, thereby reducing the impact of abnormal disasters on communication equipment and

servers.

- Information security incident management: Monitor and compile information security protection operation records from time to time, collect and analyze intelligence about information security, and establish the information security incident reporting and response procedures.

Each year, our company completes an inventory of information assets and risk assessments, operational impact analyses, and internal information security audits according to the ISO27001 framework. In October 2023, an Information Security Management Review Meeting was held to review the handling status of past management review resolutions, internal and external information security-related issues, risk assessment, and the current status and planning of risk improvement for the 2024 information security management plan. The Information Security Management Office reports annually to the board of directors on the cybersecurity management plan and operational status, with the most recent report dated October 31, 2023.

2023 Execution Report:

- Conducted one data center infrastructure functionality restoration drill, including communication infrastructure equipment.
- Executed an annual business continuity drill plan, covering eight major items, including backup functionalities or system backup restoration mechanisms for critical operational information systems.
- Completed 36 backup data restoration verifications to ensure the availability of backup data.
- Performed one internal and external system vulnerability scan and three social engineering drills.
- The IT department conducted seven information security training sessions (totaling 13 hours). Two IT colleagues obtained ISO27001 Lead Auditor certification; general staff information security awareness training was held once (2 hours), and an information security awareness test was conducted once.
- Information security policy advocacy is conducted on a monthly basis to enhance employees' responsiveness and vigilance against information security risks.
- Strengthen the password strength of user accounts by changing every 90 days to 10 codes in length and adopting the principle of complex passwords to enhance account security.
- Internal network security: A firewall has been adopted to isolate the Company's internal network to maintain access control and data security.

(II) Any loss suffered due major cyber security incidents from the most recent year up to the publication date of this annual report, possible impact, countermeasures and reasons why a reasonable estimate cannot be made if it cannot be reasonably estimated:

Review the implementation of information security across all units, with no incidents that compromised the company's information security in the most recent fiscal year up to the date of publication of the annual report.

VII. Important contracts

Nature of contract	Party involved	Starting and final date of the contract	Major contents	Restrictive terms
Overseas Investment and loan contracts	The Export–Import Bank of the Republic of China	June 17, 2019~June 17, 2026	Investment in the shares of Camtek Ltd., Israel	None
Joint construction contract	Fuyu Construction Co., Ltd.	2019.9.25 ~ the date of completion and acceptance of the project.	The Company provided two pieces of land with No. 61 and No. 61-1 in Lejie Section, Guishan District, Taoyuan, covering an area of 15,608.13 square meters (approximately 4,721.46 pings). It cooperated with Fuyu Construction for a residential building. The distribution ratio of joint construction is 47% for the Company and 53% for Fuyu Construction.	None
Property lease contract	ADLINK Technology Inc.	April 1, 2021~March 31, 2026	After the Company sold the old plant in Huaya Park and handover to ADLINK, we rented 4,004 pings from ADLINK. The monthly rent is NT$2,902,900. The lease term is 5 years.	None
Construction Procurement Contract	Best Giving Construction Corporation	December 28, 2022, to the project acceptance date.	The Company’s 2nd-phase factory and office premises construction contract was awarded to Best Giving Construction Corporation. The total contract amount is NT$2,042,250,000 (after tax), and the construction period is estimated as 1135 calendar days.	None

Chapter 6 Financial summary

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

I. Condensed consolidated balance sheet and statement of comprehensive income

Unit: In thousands of NT$

Item \ Year		Financial information of the 5 most recent years				
		2019	2020	2021	2022	2023
Current assets		12,612,242	13,527,839	14,542,591	17,768,376	15,772,153
Property, plant, and equipment		3,221,431	3,156,634	6,096,436	7,018,188	7,169,684
Intangible assets		268,601	283,580	323,108	311,131	258,050
Other assets		9,334,798	11,160,830	8,583,982	8,731,125	10,281,661
Total assets		25,437,072	28,128,883	29,546,117	33,828,820	33,481,548
Current liabilities	Before distribution	7,474,187	8,424,952	7,879,488	9,284,067	8,418,805
	After distribution	8,739,187	10,322,127	10,849,488	12,687,243	11,226,210
Non-current liabilities		3,177,425	3,315,238	2,719,171	2,672,072	2,545,858
Total liabilities	Before distribution	10,651,612	11,740,190	10,598,659	11,956,139	10,964,663
	After distribution	11,916,612	13,637,365	13,568,659	15,359,315	13,772,068
Equity attributable to shareholders of the parent company		14,488,761	16,063,223	18,513,911	21,360,708	21,955,876
Capital stock		4,192,961	4,212,945	4,218,745	4,253,970	4,253,644
Capital surplus		3,629,471	4,036,875	4,087,223	4,502,473	4,544,870
Retained earnings	Before distribution	6,875,970	7,929,190	10,166,996	12,295,670	12,839,342
	After distribution	5,610,970	6,032,015	7,196,996	8,892,494	10,031,937
Other equity		(187,651)	(82,101)	74,633	339,463	348,888
Treasury stock		(35,714)	(33,686)	(33,686)	(30,868)	(30,868)
Non-controlling-interest		296,699	325,470	433,547	511,973	561,009
Total equity	Before distribution	14,785,460	16,388,693	18,947,458	21,872,681	22,516,885
	After distribution	13,520,460	14,491,518	15,977,458	18,469,505	19,709,480

Item \ Year	Financial information of the 5 most recent years				
	2019	2020	2021	2022	2023
Operating income	13,909,634	15,532,543	17,584,023	22,067,242	18,676,043
Operating margin (Note 1)	6,580,690	7,544,220	8,450,153	11,357,155	10,756,986
Operating profit and loss	2,059,459	2,797,401	3,074,993	5,039,256	4,672,837
Non-operating income and expenses	279,147	231,606	2,208,853	1,402,212	493,246
Profit before income tax	2,338,606	3,029,007	5,283,846	6,441,468	5,166,083
Net income of continuing operations during this period	1,889,476	2,380,957	4,305,315	5,221,558	4,095,674
Loss of discontinued operations	—	—	—	—	—
Net profit (loss) for the period	1,889,476	2,380,957	4,305,315	5,221,558	4,095,674
Other comprehensive income of the current period (net after tax)	(249,805)	78,137	106,234	489,772	(100,241)
Total comprehensive income for the period	1,639,671	2,459,094	4,411,549	5,711,330	3,995,433
Net profit attributable to shareholders of the parent company	1,854,481	2,323,776	4,179,232	5,105,824	3,979,247
Net profit attributable to uncontrolled equity	34,995	57,181	126,083	115,734	116,427
Total comprehensive income attributable to shareholders of the parent company	1,608,601	2,412,798	4,294,625	5,563,563	3,877,351
Total comprehensive income or loss attributable to uncontrolled equity	31,070	46,296	116,924	147,767	118,082
Earnings per share (NT$)	4.48	5.56	9.96	12.14	9.45

Note 1: It is presented based on the net realized operating gross profit after deducting the unrealized operating gross profit.

Note 2. On February 26, 2024, the Board of Directors proposed the earnings distribution plan and cash dividend for the shareholders for 2023 of NT$2,807,405,285.

2. Individual balance sheet and comprehensive income or loss sheet - International Financial Reporting Standards

Unit: In thousands of NT$

Item \ Year		Financial information of the 5 most recent years				
		2019	2020	2021	2022	2023
Current assets		6,544,302	6,852,858	7,471,189	10,034,843	9,055,350
Property, plant, and equipment		2,406,545	2,352,493	5,325,381	6,172,221	5,908,919
Intangible assets		94,424	113,588	149,251	133,978	131,055
Other assets		12,757,869	15,087,123	12,422,739	12,891,835	14,634,043
Total assets		21,803,140	24,406,062	25,368,560	29,232,877	29,729,367
Current liabilities	Before distribution	4,347,102	5,286,457	4,511,048	5,619,320	5,534,346
	After distribution	5,612,102	7,183,632	7,481,048	9,022,496	8,341,751
Non-current liabilities		2,967,277	3,056,382	2,343,601	2,252,849	2,239,145
Total liabilities	Before distribution	7,314,379	8,342,839	6,854,649	7,872,169	7,773,491
	After distribution	8,579,379	10,240,014	9,824,649	11,275,345	10,580,896
Equity attributable to shareholders of the parent company		14,488,761	16,063,223	18,513,911	21,360,708	21,955,876
Capital stock		4,192,961	4,212,945	4,218,745	4,253,970	4,253,644
Capital surplus		3,629,471	4,036,875	4,087,223	4,502,473	4,544,870
Retained earnings	Before distribution	6,875,970	7,929,190	10,166,996	12,295,670	12,839,342
	After distribution	5,610,970	6,032,015	7,196,996	8,892,494	10,031,937
Other equity		(187,651)	(82,101)	74,633	339,463	348,888
Treasury stock		(35,714)	(33,686)	(33,686)	(30,868)	(30,868)
Non-controlling-interest		—	—	—	—	—
Total equity	Before distribution	14,488,761	16,063,223	18,513,911	21,360,708	21,955,876
	After distribution	13,223,761	14,166,048	15,543,911	17,957,532	19,148,471

Item \ Year	Financial information of the 5 most recent years				
	2019	2020	2021	2022	2023
Operating income	8,111,033	9,180,240	10,308,453	13,461,024	12,529,774
Operating margin (Note 1)	4,092,554	4,866,948	5,418,461	6,992,935	6,812,260
Operating profit and loss	1,690,390	2,260,437	2,446,302	3,341,036	3,502,967
Non-operating income and expenses	459,985	534,543	2,499,108	2,559,337	1,204,284
Profit before income tax	2,150,375	2,794,980	4,945,410	5,900,373	4,707,251
Net income of continuing operations during this period	1,854,481	2,323,776	4,179,232	5,105,824	3,979,247
Loss of discontinued operations	—	—	—	—	—
Net profit of this period	1,854,481	2,323,776	4,179,232	5,105,824	3,979,247
Other comprehensive income or loss (net value after tax) in this period	(245,880)	89,022	115,393	457,739	(101,896)
Total comprehensive income for the period	1,608,601	2,412,798	4,294,625	5,563,563	3,877,351
Net profit attributable to shareholders of the parent company	1,854,481	2,323,776	4,179,232	5,105,824	3,979,247
Net profit attributable to uncontrolled equity	—	—	—	—	—
Total comprehensive income attributable to shareholders of the parent company	1,608,601	2,412,798	4,294,625	5,563,563	3,877,351
Total comprehensive income or loss attributable to uncontrolled equity	—	—	—	—	—
Earnings per share (NT$)	4.48	5.56	9.96	12.14	9.45

Note 1: It is presented as the realized operating gross profit after deducting the unrealized interests of subsidiaries and associates.
Note 2. On February 26, 2024, the Board of Directors proposed the earnings distribution plan and cash dividend for the shareholders for 2023 of NT$2,807,405,285.

3. Names of CPA and audit opinion for the past five years

(1) Name of the attesting CPAs for the 5 most recent years and audit opinions

Year	Accounting firm	Name of the CPA	Audit opinions
2019	Deloitte & Touche	Cheng-Ming Lee, Wen-Chi Kuo	Unqualified opinion
2020	Deloitte & Touche	Cheng-Ming Lee, Wen-Chi Kuo	Unqualified opinion
2021	Deloitte & Touche	Wen-Chin Lin, Chien-Liang Liu	Unqualified opinion
2022	Deloitte & Touche	Wen-Chin Lin, Chien-Liang Liu	Unqualified opinion
2023	Deloitte & Touche	Wen-Chin Lin, Chien-Liang Liu	Paragraph of unqualified opinion plus other matters

(2) Accounting firms, former and successor CPAs, and reasons for the replacement for any replacement of CPAs in the 5 most recent years

①Reasons for replacing the CPAs in 2021

a. Names of former and successor CPAs:
Predecessors: CPA Cheng-Ming Lee and CPA Wen-Chi Kuo
Successors: CPA Wen-Chin Lin and CPA Chien-Liang Liu

b. Reason for change: To meet the needs of internal adjustment of Deloitte Taiwan

c. Date of occurrence of the fact: April 28, 2021

d. Any disagreement relating to accounting principles or auditing items between the former and successor CPAs: None.

II. Financial analysis in the five most recent years

1.Consolidated financial analysis - International Financial and Accounting Reporting Standards

Item analyzed (Note 2) / Year		Financial analysis for the five most recent years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Liability to asset ratio	41.87	41.74	35.87	35.34	32.75
	Long-term capital to property, plant, and equipment ratio	557.61	624.21	355.40	349.73	349.57
Solvency (%)	Current ratio	168.74	160.57	186.87	191.39	187.34
	Quick ratio (%)	129.77	122.28	133.86	137.28	128.32
	Interest coverage ratio	44.29	52.50	119.11	117.97	86.16
Operating ability	Receivables turnover ratio (times)	2.80	3.17	3.49	4.13	3.26
	Average collection days	130	115	105	88	112
	Inventory turnover rate (times)	2.59	2.51	2.38	2.28	1.56
	Payables turnover ratio (times)	2.82	3.00	3.18	3.57	2.85
	Average sales days	141	145	153	160	234
	Property, plant, and equipment turnover ratio (times)	4.21	4.87	3.80	3.37	2.63
	Total asset turnover ratio (times)	0.57	0.58	0.61	0.70	0.55
Profitability	Return on assets (%)	7.80	8.85	14.62	16.25	11.97
	Return on equity (%)	12.83	15.21	24.17	25.61	18.37
	Ratio of net income before tax to paid-in capital (%)	55.77	71.90	125.25	151.42	121.45
	Profit margin (%)	13.33	14.96	23.77	23.14	21.31
	Earnings per share (NT$)	4.48	5.56	9.96	12.14	9.45
Cash flow	Cash flow ratio (%)	18.26	32.19	32.89	57.05	40.49
	Allowable cash flow ratio (%)	68.13	65.50	62.77	69.15	76.49
	Cash reinvestment ratio (%)	(Note 1)	9.09	3.39	9.70	(Note 1)
Degree of leverages	Degree of operating leverage (DOL)	1.22	1.16	1.19	1.14	1.16
	Degree of financial leverage (DFL)	1.03	1.02	1.01	1.01	1.01

Please explain the reasons for changes in various financial ratios in the last two years. (analysis is not required if the change is within 20%).

The following describes the reason for changes to financial ratios that exceed 20% in the two most recent years:

1. Decreased interest protection multiples: mainly due to the decrease in net income before income tax and interest expenses in 2023 and the increase in interest expenses.
2. Receivables turnover decreased and average collection days increased: mainly due to the decrease in sales revenue in 2023 compared to the previous period.
3. Inventory turnover decreased and average inventory turnover days increased: It is mainly due to the decrease in revenue in 2023 and the relative decrease in cost of sales.
4. Accounts payable turnover decreased: This was mainly due to a reduction in the cost of goods sold in 2023.
5. Total asset turnover decreased: This was primarily due to a decrease in sales revenue in 2023.
6. Return on assets, return on equity, and the ratio of pre-tax profit to paid-in capital decreased: The main reasons are a decline in revenue and reduced profits for 2023, whereas in 2022, there was a benefit from the sale of ADLink stocks, which resulted in lower rates of return on assets, equity, and pre-tax profit to paid-in capital compared to the previous year.
7. Earnings per share decreased: mainly due to the decrease of net income after tax in 2023.
8. Cash flow ratio decreased: This was mainly due to a decrease in pre-tax net profit and a decrease in net cash flow from operating activities in 2023.

Note 1: Net cash flow from operating activities - since cash dividends are negative, the relevant ratio does not apply.

Note 2: The following lists the formulas used for performing the financial analysis:

1. Capital structure
   (1) Liability to asset ratio = Total liabilities/total assets
   (2) Proportion of long-term capital in property, plant, and equipment = (Total equities + non-current liabilities)/(Total net value of property, plant, and equipment).
2. Solvency
   (1) Current ratio = Current assets/Current liabilities.
   (2) Quick ratio = (Current asset - inventories)/Current liabilities
   (3) Interest coverage ratio = Earnings before interests and taxes (EBIT)/Interest expenses over this period.
3. Operating ability
   (1) Receivable (including accounts receivable and notes receivable from business operations) turnover rate = net sales / balance of average accounts receivable for various periods (including accounts receivable and notes receivable from business operations).
   (2) Average collection days = 365/Receivables turnover ratio.
   (3) Inventory turnover rate = Cost of sales / Average inventory value
   (4) Payable turnover rate (including bills payable resulting from accounts payable and business operations) = Cost of goods sold/Average accounts payable in various periods (including bills payable resulting from accounts payable and business operations).
   (5) Average sales days = 365/Inventory turnover ratio.
   (6) Property, plant, and equipment (PP&E) turnover ratio = Net sales / Average value of PP&E
   (7) Total inventory turnover rate = Net sales / Average total asset value.
4. Profitability
   (1) Return on assets ＝ [Net income after taxes + Interest expense (1– Tax rate)]/Average total assets.
   (2) Return on equity = Net income after taxes/Average total equity.
   (3) Net profit rate = Gain (loss) after tax / Net sales
   (4) Earnings per share = (Net profit (loss) attributable to the owners of the parent company – Preferred dividends) / Weighted average number of shares outstanding.
5. Cash flow
   (1) Cash flow ratio = Net cash flow of business activities / Current liabilities.
   (2) Net cash flow adequacy ratio = Net cash flow from operating activities for the five most recent years/(Capital expenditure + Inventory increase + Cash dividend) for the most recent five years.
   (3) Cash reinvestment ratio = (Net cash flow from operating activities – Cash dividend)/Gross value of PP&E + Long-term investments + Other non-current assets + Working capital).
6. Degree of leverages
   (1) Operating leverage = (Net operating revenue - Change in operating costs and operating expenses)/Operating income.
   (2) Degree of financial leverage = Operating income/(Operating income - Interest expenses).

Note 3: The formula listed above for calculating EPS shall take special reminders of the following matters during calculations:
1. Calculation is made based upon the weighted average of common shares and not the number of issued shares at the end of the year.
2. Where cash capital increase or transaction of treasury stock is involved, weighted average number of shares shall be calculated by taking into consideration circulation period.
3. Where recapitalization of retained earnings or recapitalization of Capital surplus is involved, retrospective adjustment shall be made according to the proportion of recapitalization when calculating annual and semiannual earnings per share. There is no need to consider the period of issuance for the said recapitalization.
4. If the preferred share cannot be converted into cumulative preferred shares, then the dividend of the year (whether it has been issued or not) shall be deducted from net income after tax (NIAT), or included as a net loss after tax. If the preferred share is non-cumulative, dividends for the preferred share shall be deducted from any NIAT resulting from this period. No readjustments would be required for losses.

Note 4: The following items shall be taken note of during cash flow analysis:
1. Net cash flow of business activities shall refer to the amount of net cash inflow for business activities indicated in the cash flow statement.
2. Capital expenditure shall refer to cash outflow for annual capital investments.
3. Inventory increase is only included in the calculation when the ending balance is greater than the beginning balance. Inventory decrease at the end of the year shall be calculated as zero.
4. Cash dividends include those for common shares as well as preferred shares.
5. Gross amount of property, plant, and equipment refers to the total amount of property, plant, and equipment before deduction of accumulated depreciation.

Note 5: The issuer shall categorize operating costs and operating expenses as fixed and variable based on the nature of these items. Where estimates or subjective judgments must be made, care must be taken to ensure their validity and consistency.

Note 6: Where the share of the Corporation has no par value or its par value is not NT$10 per share, the abovementioned ratio of income before tax to paid-in capital shall be replaced with the ratio of income before tax to equity attributable to the owner of the parent company listed in the balance sheet.

2. Parent company-only financial analysis

Item analyzed	Year	Financial analysis for the five most recent years				
		2019	2020	2021	2022	2023
Financial Structure (%)	Liability to asset ratio	33.55	34.18	27.02	26.93	26.15
	Long-term capital to property, plant, and equipment ratio	725.36	812.74	391.66	382.58	409.47
Solvency (%)	Current ratio	150.54	129.63	165.62	178.58	163.62
	Quick ratio (%)	100.28	84.28	97.54	116.77	101.26
	Interest coverage ratio	61.27	81.22	220.72	200.05	121.62
Operating ability	Receivables turnover ratio (times)	2.69	2.87	3.60	4.38	3.32
	Average collection days	136	127	101	83	110
	Inventory turnover rate (times)	1.82	1.79	1.63	1.78	1.54
	Payables turnover ratio (times)	3.54	3.83	3.76	4.06	3.67
	Average sales days	201	204	224	205	237
	Property, plant, and equipment turnover ratio (times)	3.31	3.86	2.69	2.34	2.07
	Total asset turnover ratio (times)	0.39	0.40	0.41	0.49	0.43
Profitability	Return on assets (%)	9.16	10.18	16.86	18.79	13.60
	Return on equity (%)	12.83	15.21	24.17	25.61	18.37
	Ratio of net income before tax to paid-in capital (%)	51.29	66.34	117.22	138.70	110.66
	Profit margin (%)	22.86	25.31	40.54	37.93	31.76
	Earnings per share (NT$)	4.48	5.56	9.96	12.14	9.45
Cash flow	Cash flow ratio (%)	35.36	38.75	45.01	63.90	40.26
	Allowable cash flow ratio (%)	59.71	57.38	52.29	64.33	63.52
	Cash reinvestment ratio (%)	(Note)	5.44	0.73	2.81	(Note)
Degree of leverages	Degree of operating leverage (DOL)	1.16	1.08	1.19	1.24	1.19
	Degree of financial leverage (DFL)	1.02	1.02	1.01	1.01	1.01

Please explain the reasons for changes in various financial ratios in the last two years. (analysis is not required if the change is within 20%).

The following describes the reason for changes to financial ratios that exceed 20% in the two most recent years:

1. Decreased interest protection multiples: mainly due to the decrease in net income before income tax and interest expenses in 2023 and the increase in interest expenses.
2. Accounts receivable turnover decreased, average collection days increased: Mainly due to a decrease in revenue and an increase in receivables in 2023.
3. Return on assets, return on equity, and the ratio of pre-tax profit to paid-in capital decreased: The main reasons are a decline in revenue and reduced profits in 2023, and because of the benefits from the sale of ADLink stocks in 2022, resulting in lower rates of return on assets, equity, and pre-tax profit to paid-in capital compared to the previous period.
4. Earnings per share decreased: mainly due to the decrease of net income after tax in 2023.
5. Cash flow ratio decreased: Mainly due to a decrease in net cash inflows from operating activities.

Note: Net cash flow from operating activities - since cash dividends are negative, the relevant ratio does not apply.

III. Audit Committee's audit report on financial statements in the most recent year

CHROMA ATE INC
Audit Committee’s Audit Report

The Board of Directors has prepared the Company’s 2023 Business Report, Financial Statements (consolidated and parent company-only financial statements included), and proposal for allocation of earnings. The CPAs, Wen-Chin Lin, Chien-Liang Liu of Deloitte & Touche audited the Financial Statements and have issued an audit report relating to the Financial Statements. The list of all books opened was reviewed by the Audit Committee and it was considered that there were no discrepancies. The 14-4th Article of the Securities Exchange Act and Article 219 of the Corporation Law were submitted for verification.

Yours sincerely

CHROMA ATE INC

2024 Annual Shareholders' Meeting

Audit committee convener: Steven Wu

February 27, 2024

IV. Financial statements in the most recent year: Please refer to Page 115~185 of this report.

V. The Company's parent company-only financial statements audited and attested by the CPA in the most recent year: Please refer to Page 186~247 of this report.

VI. Any financial difficulties experienced by the Company and its affiliated companies during the most recent year up to the publication date of this annual report as well as the impact of the said difficulties on the financial condition of the Company: None.

Chapter 7 Review, analysis, and risks of financial position and performance

I. Financial condition

Comparative analysis of financial conditions

Units: Thousand NT$; %

Item \ Year	December 31, 2023	December 31, 2022	Difference	
			Amount	%
Current assets	15,772,153	17,768,376	(1,996,223)	(11)
Property, plant, and equipment	7,169,684	7,018,188	151,496	2
Investment property	2,478,333	2,478,333	-	-
Intangible assets	258,050	311,131	(53,081)	(17)
Other assets	7,803,328	6,252,792	1,550,536	25
Total assets	33,481,548	33,828,820	(347,272)	(1)
Current liabilities	8,418,805	9,284,067	(865,262)	(9)
Non-current liabilities	2,545,858	2,672,072	(126,214)	(5)
Total liabilities	10,964,663	11,956,139	(991,476)	(8)
Capital stock	4,253,644	4,253,970	(326)	-
Capital surplus	4,544,870	4,502,473	42,397	1
Retained earnings	12,839,342	12,295,670	543,672	4
Other equity	348,888	339,463	9,425	3
Treasury stock	(30,868)	(30,868)	-	-
Non-controlling-interest	561,009	511,973	49,036	10
Total stockholders' equity	22,516,885	21,872,681	644,204	3

1. Major reasons and impact of any material change to the Corporation's assets, liabilities, or equity in the two most recent years: (analysis of changes whose percentage exceeds 20%, and whose amount reaches NT$10 million shall be provided)
   (1) Increase of other assets: mainly due to the increase in prepayment for equipment, accounts receivable and investment under the equity method in 2023.
2. Future response plan: These changes were considered part of normal business operations, and would not lead to severe negative impacts upon the overall financial operations of the Company and its subsidiaries.

II. Financial performance

Financial performance analysis

Units: Thousand NT$; %

Year / Item	Year 2023	Year 2022	Amount of changes	Proportion of changes (%)
Operating income	18,676,043	22,067,242	(3,391,199)	(15)
Operating gross profit (note)	10,756,986	11,357,155	(600,169)	(5)
Net operating profit	4,672,837	5,039,256	(366,419)	(7)
Non-operating income and expenses	493,246	1,402,212	(908,966)	(65)
Profit before income tax	5,166,083	6,441,468	(1,275,385)	(20)
Net profit of this period	4,095,674	5,221,558	(1,125,884)	(22)
Other comprehensive income (loss) for the year	(100,241)	489,772	(590,013)	(120)
Total comprehensive income for the period	3,995,433	5,711,330	(1,715,897)	(30)
Net profit attributable to shareholders of the parent company	3,979,247	5,105,824	(1,126,577)	(22)
Total comprehensive income attributable to shareholders of the parent company	3,877,351	5,563,563	(1,686,212)	(30)

1. Major reasons and impact of any material change to the Company’s operating revenue, operating profit, and earnings before tax (EBT) in the two most recent years: (analysis of changes whose percentage exceeds 20%, and whose amount reaches NT$10 million shall be provided)
   (1) Non-operating income and expenses decreased: This was primarily due to gains from the disposal of Adlink stocks and foreign currency exchange gains in 2022, which significantly increased non-operating income in the previous period.
   (2) Pre-tax net profit, net profit for the period, total comprehensive income for the period, net profit attributable to the parent company's shareholders, and total comprehensive income attributable to the parent company's shareholders decreased: Mainly due to a reduction in operating income and a decrease in non-operating income and expenses in 2023.
   (3) Other comprehensive income for the period decreased: Mainly due to a decrease in the share of other comprehensive income of associates and joint ventures accounted for using the equity method and a decrease in the translation differences from the financial statements of foreign operations.
2. Expected sales volume and relevant data, possible impact on the Company’s financial operations, and response plans:

Looking ahead to 2024, the market demand remains uncertain due to impacts from regional wars, inflation, and concerns over an oversupply of electric vehicles. However, semiconductor industry inventory levels have returned to normal, especially with the surge in demand for AI/HPC, and the economy is expected to gradually recover quarter by quarter. In response to this trend, our company will accelerate the development of Test/Measurement Solutions required for the advanced front-end/back-end semiconductor processes, strive to increase 1st Tier global customers, improve manufacturing efficiency, product quality, and customer satisfaction, hoping to capitalize on the economic recovery opportunities and continue generating revenue and profits.

Note: It is presented on the basis of realized net operating gross profi

III. Cash flow

Cash liquidity analysis

(I) Analysis and explanations of changes in cash flow in the most recent year

Unit: In thousands of NT$

Opening cash balance	Net cash inflow resulting from business activities throughout the year	Total net cash inflow (outflow) from investing and financing activities in the year (Note)	Cash surplus (shortfall)	Remedial measures for cash inadequacy	
				Investment plan	Financing plan
5,941,512	3,408,410	(5,217,661)	4,132,261	—	—

Note: Including net cash outflows from investing activities of NT$1,394,078 thousand and net cash outflows from financing activities of NT$3,832,470 thousand, and the impact of currency exchange rate changes of NT$8,887 thousand.

1. Analysis of changes in cash flow in the most recent year:
   (1) Operating Activities: Net cash inflows from operating activities in 2023 amounted to NT$3,408,410 thousand, mainly from operational profits.
   (2) Investing Activities: Net cash outflows from investing activities in 2023 amounted to NT$1,394,078 thousand, primarily due to an increase in advance payments for equipment and cash outflows for the acquisition of property, plant, and equipment.
   (3) Financing Activities: Net cash outflows from financing activities in 2023 amounted to NT$3,832,470 thousand, mainly due to cash outflows for the payment of cash dividends.
2. Remedial measures and liquidity analysis for cash inadequacy: Not applicable.

(II) Analysis of cash liquidity for the following year

Unit: In thousands of NT$

Opening cash balance	Expected net cash inflow resulting from business activities throughout the year	Expected total net cash inflow (outflow) from investment and capitalization activities throughout the year	Expected sum of cash surplus (inadequacy)	Remedial measures for expected cash inadequacy	
				Investment plan	Financing plan
4,132,261	3,901,022	(3,643,384)	4,389,899	—	—

1. Analysis of changes to cash flow in the most recent year
   (1) Operating activities: It mainly refers to cash inflow generated by business profits.
   (2) Investing activities: Cash outflow from the payment for the second phase of new construction and equity investment.
   (3) Financing activities: mainly the cash outflow of expected cash dividends and the cash inflow of bank borrowings.
2. Remedial measures and liquidity analysis for expected cash shortfall: Not applicable.

IV. Impact of material expenditures on the Corporation's finances and operations in the most recent year

In response to the lease expiration of the Hua Ya plant in March 2026, and the need to relocate the 4,500ping area of the Hua Ya plant, as well as future growth demands, the company decided on October 31, 2022, during a board meeting, to commission the construction of Plant A7 Phase II. The land area used is 13,489 square meters, with completion expected by December 2025.

V. Investment policies in other companies, the main reasons for profit/losses, improvement plan, and investment plans for the upcoming year

(I) Investment Policy: Investments are made in line with the company's operational needs and future development strategies.

(II) Profits from investments accounted for using the equity method in 2023 amounted to NT$1,209,407 thousand. The company's investments using the equity method are intended for long-term strategic purposes.

(III) Investment plans for the next year: Focus on increasing capital in existing ventures and investing in companies with unique technologies to ensure a lead in key technologies, maintaining the company's competitive edge and growth.

VI. Risk analysis and assessment of the most recent year up to the publication date of this annual report

(I) Changes to interest rates, currency exchange fluctuations, and inflation and how these may impact the Corporation penetrate loss as well as future response measures

1. Changes to interest rates and the resulting impact on the Corporation's gain or loss as well as future response measures

(1) Changes to interest rates and impact on the gain or loss of the Corporation and its subsidiaries

Unit: In thousands of NT$

Item/Year	2022	2023
Interest expense	55,068	60,664
Net operating revenue	22,067,242	18,676,043
Operating profit	5,039,256	4,672,837
Interest expense/Operating revenue (%)	0.25	0.32
Interest expense/Operating profit (%)	1.09	1.30

The company and its subsidiaries' interest expenses for 2022 and 2023 were NT$55,068 thousand and NT$60,664 thousand, respectively, with the interest expenses as a percentage of operating income being 1.09% and 1.30%, respectively. These changes are significantly correlated with the profit and loss variations of the company and its subsidiaries.

(2) Future countermeasures

The Corporation and its subsidiaries have been carrying out capital planning based on the principle of stability and conservativeness, and focus primarily on safety and liquidity. Finance personnel of the Group maintains close contact with its financial institutions, pays attention to the trends and changes in market interest rates at all times, negotiates interest rates with various banks, and actively reduces the cost of working capital to reduce the impact of interest rate fluctuations on the Company's profitability.

2. Currency exchange fluctuations and the resulting impact on the Corporation's gain or loss as well as future response measures

(1) Currency exchange fluctuations and the resulting impact on the gain or loss of the Company and its subsidiaries

Unit: In thousands of NT$

Item/Year	2022	2023
Net profit (loss) on exchange	263,216	(57,769)
Net operating revenue	22,067,242	18,676,043
Operating profit	5,039,256	4,672,837
Profit before income tax	6,441,468	5,166,083
Ratio of net profit (loss) on exchange net to operating revenue (%)	1.19	(0.31)
Ratio of net profit (loss) on exchange to operating profit (%)	5.22	(1.24)
Ratio of net profit (loss) on exchange to earnings before tax (EBT) (%)	4.09	(1.12)

The Company and its subsidiaries have accounts receivable and accounts payable denominated in USD, therefore, changes in USD exchange rates are correlated with changes in foreign exchange gains and losses of the Company and its subsidiaries. Foreign currency exchange gains (losses) for 2022 and 2023 were NT$263,216 thousand and (NT$57,769) thousand, respectively. The exchange losses as a percentage of pre-tax net profit were 4.09% and (1.12%) respectively.

(2) Future countermeasures

In response to the risk of exchange rate changes, the Company and its subsidiaries directly offset foreign currency payables and foreign currency short-term bank borrowings arising from purchases of increased foreign currency receivables directly through U.S. dollar transactions to achieve the effect of natural hedging; also, financial units and financial institutions maintain close contact, collect exchange rate information daily, grasp exchange rate trends and changes, and adjust foreign currency positions promptly to reduce the impact of exchange rate fluctuations on the Company's profit and loss.

3. Inflation and its impact on this Corporation's gain or loss as well as future response measures

(1) Inflation and its impact on the gain or loss of the Company and its subsidiaries

The Company and its subsidiaries have not been affected by inflation severe enough to result in a major impact on the gains or losses to the Company and its subsidiaries during the period of the most recent year to the publication date of this report.

(2) Future countermeasures

The Company and its subsidiaries are minimally affected by inflation, but will continue to monitor changes in the prices of upstream and downstream products to reduce its impact on their gains or losses as a result of cost changes.

(II) Policies on high risk, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives trading, main reasons for the profits or losses generated thereby, and future response measures to be undertaken.

1. Main reasons for engaging in high risk, highly leveraged investments and future response measures

(1) Main reasons for engaging in high risk, highly leveraged investments

The Company and its subsidiaries have not engaged in any high risk, highly leveraged investment from the most recent year to the publication date of this report.

(2) Future countermeasures

The Corporation and its subsidiaries are focused upon specialized businesses and adopt a conservative and stable financial operation by principle. No capital is applied for high risk, highly leveraged investments.

2. Loans to other parties, endorsements, and guarantees

(1) Reasons for providing loans to other parties, endorsements, and guarantees

The company and its subsidiaries adhere to the principle of conducting loan and endorsement guarantees with businesses or related enterprises that have business transactions, and the interest rates on these loans are higher than the rates on short-term loans from financial institutions obtained by the company and its subsidiaries.

(2) Future countermeasures

The Company has stipulated Provision of Financial Loans to Other Parties as well as Endorsement and Guarantee Operations Procedure and refer to the relevant provisions to provide relevant public disclosures.

3. Policies on derivatives trading, major reasons for profits or losses as well as future response measures

(1) Policies when engaging in derivatives trading and major reasons for profits or losses

All derivatives trading engaged by the Corporation and its subsidiaries include hedging of foreign exchange risks generated by the assets or liabilities. No derivatives trading have been implemented in the most recent fiscal year up to the publication date of this annual report.

(2) Future countermeasures

This Corporation and its subsidiaries shall adopt a conservative business principle and seek stable growth, and shall continue to assess impacts to profits or losses resulting from exchange rate fluctuations. To manage transaction risks, the Corporation and its subsidiaries shall refer to regulations prescribed in the Procedure for Handling Derivatives Trading, and activate foreign exchange risk avoidance tools and avoid improper and high risk transactions.

(III) Future R&D plans and expected R&D investments

R&D plan	Current progress	Expected completion time	Additional investments required	Remark
AC/DC EVSE & EV Charging Test System	Design planning phase	2025/Q2	NT$18 million	
Fuel Cell System Assembly Test Platform	Concept planning phase	2024/Q4	NT$12.5 million	
EV Key Components Partial Discharge Tester	Design verification phase	2024/Q3	NT$20 million	

R&D plan	Current progress	Expected completion time	Additional investments required	Remark
4GHz RF Impedance Analyzer	Design verification phase	2025/Q4	NT$30 million	
Next Generation In-Vehicle Infotainment Video Test Generator	Concept planning phase	2024/Q3	NT$12 million	
High-Performance Battery Cell Series Charge Formation System	Design verification phase	2024/Q4	NT$15 million	
Energy Recycling High Current High Power Density DC Electronic Load	Design verification phase	2024/Q2	NT$5 million	
1U 3-Channel High Power Density DC Power Supply	Design verification phase	2024/Q2	NT$10 million	
Next Generation Energy Recycling High Bandwidth AC Power Supply	Design planning phase	2025/Q2	NT$20 million	
Next Generation Laboratory-level High-Precision & Ultra High Power Density Vehicle Power Battery Test System	Concept planning phase	2024/Q4	NT$25 million	
Next Generation High-Performance Motor Simulator	Concept planning phase	2024/Q4	NT$15 million	
Next Generation Dual-Axle High-Speed Dynamometer for Electric Vehicles	Design verification phase	2024/Q4	NT$30 million	
Next Generation Power HIL Testbed for EV Key Components Testing	Design verification phase	2024/Q4	NT$20 million	

(IV) Changes to local and overseas policies and laws that impact the Corporation's financial operations, and response measures

The Company and its subsidiaries constantly monitor changes in domestic and foreign policies and laws. In the most recent year and as of the printing date of the annual report, the consolidated Company has not been affected by important domestic and foreign policies and legal changes that have affected the financial business.

(V) Changes to technology (including cyber security risks) and industry that impact the Company's financial operations and response measures

Given the complicated information architecture and application systems, in order to prevent and protect possible vulnerabilities and attacks, and avoid the damage caused by such attacks, the Company will practice the related information security management policy and also continue implementing related enhanced protection technology in the annual plan, in response to the changes in the cyber security risk. For the industry-related technological changes, the Company will respond to technological changes in the industry by developing testing solutions in the areas of High Performance Computing (HPC) chips, 5G, AIoT, biometric 3D sensors, electric vehicles, green technology, and the AR/VR headset metaverse to seize business opportunities and align with the market pulse to meet future growth and market demands. In order to keep pace with the changes in the product market and the needs of customers, we continue to develop new technologies and effectively use our capital to align with the trend of product development, so as to enhance the ability of advanced technology to maintain the competitiveness of the Company and control the impact on the Company's finance and operations

(VI) Changes to corporate image that impact the Corporation's risk management, and response measures

The Company and its subsidiaries enjoy good business images and would not be subject to changes that negatively affect their corporate images.

(VII) Expected benefits and possible risks of mergers and response measures

In order to adjust the organizational structure, the Board of Directors resolved on October 31, 2023 to purchase 100% of the shares of Chroma Germany GmbH from Chroma ATE Europe BV, a 100%-owned subsidiary. Chroma Germany GmbH adjusted its 100% direct shareholding by the Company, this transaction has no impact on the financial business, shareholders' equity of the consolidated company.

(VIII) Expected benefits and possible risks of expanding factory buildings and response risks

Factory building expansions allow the Company and its subsidiaries to increase its productivity, gain the ability to receive more purchase orders, improve revenue and profitability, and increase market share. Factory building expansion undertaken by the Company and its subsidiaries have been carefully reviewed to ensure that customers' requirements are met while achieving optimal use of corporate capital.

(IX) Risks resulting from the consolidation of purchasing or sales operations and response measures

1. Purchasing risks

The company and its subsidiaries had no suppliers accounting for more than 10% of the total purchase amount in the year 2023. The amount of purchases made from various suppliers by the Corporation and its subsidiaries may increase or decrease in response to changes in profitability of relevant products. Given the large variety of raw materials and components needed by the Corporation and its subsidiaries to produce their products, all local and overseas purchases are handled by a single purchasing unit. Where possible, two or more suppliers are selected to ensure supplier replaceability, acquire competitive pricing, spread purchasing risks, achieve reasonable cost reductions, and provide better services. Also, The Corporation and its subsidiaries have established positive partnerships with external suppliers to eliminate any concerns of material shortage. Material preparation for automated conveying and engineering equipment of The Company and its subsidiaries would only be initiated after receiving a purchase order to establish inventory levels for raw materials. Positive relationships have been established with upstream suppliers to reduce purchasing risks. The Company and its subsidiaries have been cooperating with major suppliers for a long period of time and there is a good understanding of cooperation between the two parties, and no significant abnormalities are found.

2. Sales risks

The company and its subsidiaries had no customers accounting for more than 10% of the total sales amount in the year 2023. The Corporation and its subsidiaries offer a large variety of product categories. Product sales were mainly based upon the state of the industry, customer requirements, as well as changes to marketing strategies adopted by The Corporation and its subsidiaries. Hence, The Corporation and its subsidiaries are actively developing new customers to achieve business stability and growth. Currently, most customers were listed corporations or renowned corporations in Taiwan and other countries.

(X) Impacts, risks, and response measures resulting from major equity transfer or replacement of directors, supervisors, or shareholders holding more than 10% of the Company's shares

During the year 2023 and up until the date of publication of the annual report, the company and its subsidiaries did not experience any substantial transfers or changes in the shareholdings of directors, supervisors, or major shareholders holding more than 10% of the shares.

(XI) Impact, risk, and response measures related to any change in governance rights in the Company

The Corporation and its subsidiaries did not undertake any major change to its governance team and did not undertake any major change to business strategies or guidelines. Hence, The Corporation and its subsidiaries did not experience any changes in their governance rights.

(XII) Litigation or non-litigation matters should include significant confirmed judgments or ongoing cases involving the company, its directors, supervisors, general manager, actual responsible person, major shareholders holding more than 10% of the shares, and subsidiary companies. If the outcomes could significantly affect shareholder rights or the price of securities, it is necessary to disclose the disputed facts, the amount in question, the start date of the litigation, the main parties involved in the litigation, and the status up to the date of publication of the annual report.

MAS Automation Corp., (MAS), a subsidiary of the Company, entered into an equipment sale and purchase agreement with Linco Technology Co., Ltd., (Linco) in 2017 to manufacture a set of equipment entrusted by MAS. Still, Linco did not deliver a large number of critical parts and refused to cooperate during the installation. MAS, therefore, claimed a default payment of NT$2,503,659 thousand (approximately US$83,455 thousand) against Linco for the delay. However, Linco company claimed that Mas Company was in arrears of the contract and breached its commitments. On October 30, 2019, Linco company filed a counterclaim using the same litigation procedure, claiming that MAS Company should compensate NT$255,640 thousand (approximately US$8,240 thousand) and interest.

The aforementioned case was adjudicated by the Taoyuan District Court on May 30, 2023. The court ruled against MAS Company, but Linco Company's countersuit also failed, thus there was no significant impact on MAS Company. Both parties have appealed to the second-instance High Court. As of the date of publication of the consolidated financial statements for the year 2023, the case is still under review, and the outcome of the judgment cannot yet be estimated.

(XIII) Other material risks and response measures:

1. Organizational context and risk management

(1) Risk management organization

The highest executives of the business units and central units are responsible for driving the analysis of organizational situations and stakeholder needs and expectations within their units, identifying and assessing risks, and managing and communicating about the organizational situations and stakeholder needs and expectations.

(2) Information Security Risk Management and Response Measures (On-going Operation Risk Management and Response Measures)

To protect research and development assets and ensure data security, the information security management office is responsible for formulating information security policies and management operations and reporting information security implementation to the management supervisor every month.

The Information Security Management Office plans a high-availability remote backup mechanism based on the risk level of the information system architecture to ensure that important information system services are not interrupted and uses a backup mechanism to store important data in remote locations. The Information Security Management Office constantly follows the latest security threats. Every year, the Office analyzes organizational context and risk management, carries out design planning, and increases appropriate software and hardware equipment resources based on risk level, in order to improve response measures such as operating procedures.

With regard to abnormal disasters that may happen to equipment and host machines in machine rooms, the Corporation monitors the environment of machine rooms regularly, and conducts various simulation tests and emergency drills in machine rooms in order to ensure the normal operation of various facilities and information systems in machine rooms, to prevent the risks of various disasters or human errors without warning.

VII. Other important matters: None.

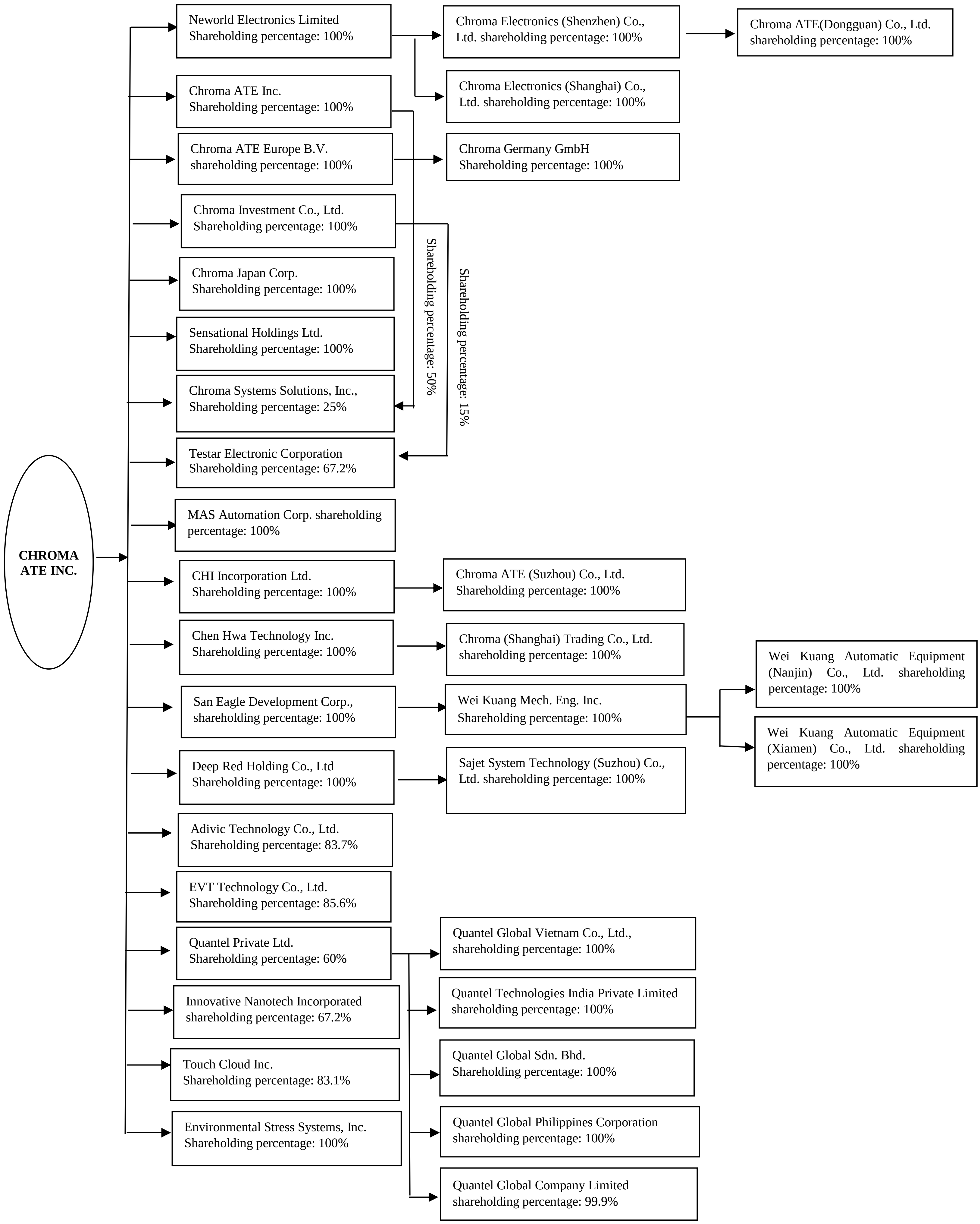
Chapter 8 Special Notes

I. Information on affiliated companies

(I) Consolidated Business Report

As of December 31, 2023

1.Affiliated companies' organizational chart



2. Basic information of various related corporation

December 31, 2023 (Unit: In thousands of NT$ or foreign currency)

Name of enterprise	Date established	Address	Paid-in capital	Primary business or products
Neworld Electronics Limited	1994.02.17	Unit 606, 6F, Shui Hing Centre, No.13, Sheung Yuet Rd., Kowloon Bay, Kowloon, H.K.	HK$ 64,013	Sales and service of electronic measurement instruments, etc.
Chroma Electronics (Shenzhen) Co., Ltd.	1998.03.10	8F, No.4, Nanyou Tian An Industrial Estate, Shenzhen, China	HK$30,000	Sales of computerized automation and peripheral equipment as well as electronic measurement instruments
Chroma Electronics (Shanghai) Co., Ltd.	2000.11.10	3F Building 40, No.333, Qin Jiang Rd., Shanghai, China	US$3,000	Sales of computerized automation and peripheral equipment as well as electronic measurement instruments
Chroma ATE Inc.	1993.02.18	7 Chrysler Irvine CA92618	US$1,000	Sales and service of electronic measurement instruments, etc.
Chroma ATE Europe B.V.	1999.09.17	Morsestraat 32,6716 AH Ede, The Netherlands	EUR$45	Sales and service of electronic measurement instruments, etc.
Chroma Germany GmbH	2017.09.04	Südtiroler Str. 9 86165 Augsburg Germany	EUR$30	Sales and service of electronic measurement instruments, etc.
Chroma Investment Co., Ltd.	1997.01.14	15F, No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan	NT$140,000	General Investment
Testar Electronic Corporation	2007.03.09	3F, No. 68, Huaya 1st Road, Guishan District, Taoyuan City	NT$300,000	LED test
Sensational Holdings Ltd.	1997.07.11	Citco Buildings P.O. Box 662, Road Town, Tortola, British Virgin Island	US$1,200	General Investment
Chroma Systems Solutions, Inc.	2001.04.01	19772 Pauling, Foothill Ranch, CA 92610	US$5	Sales and service of electronic measurement instruments, etc.
CHI Incorporation Ltd.	1998.04.03	P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	US$3,830	Inductance, capacitance, and resistance testing and component trading
Chroma ATE (Suzhou) Co., Ltd.	2006.03.15	Building 7, No.855, Zhujiang Rd., Suzhou New District, Jiang Su, China	US$3,800	Sales of computerized automation and peripheral equipment as well as electronic measurement instruments
Chen Hwa Technology Inc.	1998.04.03	P.O. Box 957 Offshore Incorporations Centre, Road Town, Tortola, British Virgin Islands	US$3,085	Inductance, capacitance, and resistance testing and component trading
Chroma (Shanghai) Trading Co., Ltd.	2004.01.05	Rm 1102B, Building 1, No.18, Tai Gu Rd., Waigaoqiao Free Trade Zone, Shanghai	US$2,700	International trade, intermediary trade, simple processing for trade purposes, and trade inquiry services.
San Eagle Development Corp.	2006.07.04	Drake Chambers, Road Town, Tortola, British Virgin Islands	US$2,050	General Investment
Wei Kuang Mech. Eng. Inc.	2002.01.10	608 St. James Court, St. Denis Street Port Louis, Mauritius	US$4,475	General Investment
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	2005.06.30	128# Keyuan Road, Jiangning District, Nanjing City, China	RMB$11,871	Assembly, sales, and after-sales service of electronic production equipment system and transport system
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	2007.02.01	Unit 101 & 102, No. 20, Jinhui Road, Houxi, Jimei District, Xiamen	RMB$11,417	Assembly, sales, and after-sales service of electronic production equipment system and transport system
MAS Automation Corp.	1975.11.26	No.6, Lane 17, Niupu S Rd., Hsinchu City, Taiwan	NT$100,000	Design, manufacturing,

Name of enterprise	Date established	Address	Paid-in capital	Primary business or products
				installment, and testing of automated conveyor systems
Chroma Japan Corp.	2008.05.30	888 Nippa-cho, Kouhoku-ku, Yokohama-shi, Kanagawa, 223-0057 Japan	JPY$99,500	Sales and service of electronic measurement instruments, etc.
Deep Red Holding Co., Ltd.	2004.04.29	2F, Felix House,24 Dr. Joseph Riviere Street, Port Louis, Republic of Mauritius	US$215	General Investment
Sajet System Technology (Suzhou) Co., Ltd.	2004.08.24	503-1,4th Floor Genway LOHASTOWN,88 Building，999 Xinghu Road,SIP Suzhou	RMB$8,374	R&D and design of computer network safety systems and data management systems
Adivic Technology Co., Ltd.	2009.04.07	9F, No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan	NT$270,000	Sale and research RF device
EVT Technology Co., Ltd.	1999.08.19	6F, No. 88, Wenmao Rd., Guishan Dist., Taoyuan City, Taiwan	NT$110,000	Manufacturing of vehicles the Company parts
Quantel Private Ltd.	1989.02.15	25 Kallang Ave #05-02 Singapore 339416	SG$3,190	Sales of testing and measurement instruments, etc.
Quantel Global Vietnam Co., Ltd.	2017.01.03	Floor 4th, CIC Tower lane 219 Trung Kinh, Yen Hoa, Cau Giay, Hanoi	VND4,526,506	Sales of testing and measurement instruments, etc.
Quantel Technologies India Private Ltd.	2016.10.05	326, 3rd Floor MGF Metropolis Sector-28 MG Road gurgaon-122002 India	INR6,500	Sales of testing and measurement instruments, etc.
Quantel Global Sdn. Bhd.	2016.07.20	Unit 802, 8th Flr, Blk A Damansara Intan, No. 1 Jalan SS20/27, 47400, Petaling Jaya, Selangor, Malaysia	MYR600	Sales of testing and measurement instruments, etc.
Quantel Global Philippines Corporation	2017.07.24	Unit 2401-2402 The Orient Square Building, F. Ortigas Jr Rd. Ortigas Centre, Pasig City Manila Philippines 1605	PHP9,910	Sales of testing and measurement instruments, etc.
Quantel Global Company Limited	2016.10.12	5th Flr, 2170 Bangkok Tower, New Petchburi Road, Bangkapi, Huaykwang, Bangkok 10310	THB15,116	Sales of testing and measurement instruments, etc.
Innovative Nanotech Incorporated	2017.08.09	5F, No. 6-2, Du Sing Rd, East District, Hsinchu City, Taiwan	NT$211,640	Nanoparticles monitoring equipment
Touch Cloud Inc.	2016.02.03	7F-2, No.142, Section 4, Zhongxiao East Road, Da’an District, Taipei City, Taiwan 106	NT$132,995	Cloud platform development and IoT system integration
Environmental Stress Systems, Inc.	1989.08.23	20071 Soulsbyville Road, Soulsbyville, CA 95372	USD10	Sale of temperature control platform systems
Chroma ATE (Dongguan) Co., Ltd.	2022.10.10	Unit 2, Building 18, No. 77, Shilong Road, Guancheng Street, Dongguan City, Guangdong Province	RMB41,000	Sales of computerized automation and peripheral equipment as well as electronic measurement instruments

3. Information of shareholders with corporate governance power while working in the Corporation: None.
4. Overall business scope of every related corporation

Overall business scope of every related corporation of the Corporation primarily focuses on specialized manufacturing services for measurement instruments. There is also a small number of related corporations that focus on investments in this scope of business. In general, specialization of work amongst related corporations focuses on mutual support in technology, production capacity, sales, and services to maximize synergy so that the Corporation can keep providing the best manufacturing services for professional measurement instruments to customers throughout the world and ensure the Corporation’s leadership in the global market.

5. Directors, supervisors, CEO, and general managers of Chroma ATE Inc. and affiliated companies

December 31, 2023

Name of enterprise	Position title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
Neworld Electronics Limited	Director	Chroma (representatives: Leo Huang and Ming Chang)	64,012,815 shares	100%
Chroma Electronics (Shenzhen) Co., Ltd.	Director Director Director President	Neworld (Representative: Leo Huang) Vincent Chen Emma Chen Leo Huang	(Note 1) - - -	100% - - -
Chroma Electronics (Shanghai) Co., Ltd.	Director Director Director Supervisor President	Neworld (Representative: Leo Huang) Paul Ying Vincent Chen Amy Huang Paul Ying	(Note 1) - - - -	100% - - - -
Chroma ATE Inc.	Director Director Director	I-Shih Tseng Cheng Ying Yi-Shen Wang	Chroma holds 1,000,000 shares	100%
Chroma ATE Europe B.V.	Director	Chroma (representatives: David Yang, Paul Ying, and I-Shih Tseng)	1,000 shares	100%
Chroma Germany GmbH	Director	Chroma BV (representative: Cheng Ying)	(Chroma BV holds 30,000 shares)	100%
Chroma Investment Co., Ltd.	Director Supervisor	Chroma (representative: Leo Huang, Paul Ying, Ming Chang) Chroma (representative: Amy Huang)	14,000,000 shares	100%
Testar Electronic Corporation	Director Supervisor President	Chroma (representatives: Leo Huang, I-Shih Tseng, Paul Ying) Amy Huang Chih-Ming Chen	20,159,600 shares 1,000 shares 36,000 shares	67.2% - 0.1%
Sensational Holdings	Director	Chroma (representative: Leo Huang)	1,200,000 shares	100%
Chroma Systems Solutions, Inc.	Director Director Director	Fred Joseph Sabatine Cheng Ying Tai-Wei Yang	120,000 shares Chroma holds 120,000 shares CHROMA USA holds 240,000 shares	25% 25% 50%
CHI Incorporation Ltd.	Director	Leo Huang	(Chroma holds 3,830,000 shares)	100%
Chroma ATE (Suzhou) Co., Ltd.	Director Director Director Supervisor President	CHI (representative: Leo Huang) Paul Ying Emma Chen Qin Wang Leo Huang	(Note 1) - - - -	100% - - - -
Chen Hwa Technology	Director	Leo Huang	(Chroma holds 3,085,000 shares)	100%
Chroma (Shanghai) Trading Co., Ltd.	Director	Chen Hwa (representative: Leo Huang)	(Note 1)	100%
San Eagle Development Corp.	Director	Chroma (representative: Leo Huang)	2,050,000 shares	100%
Wei Kuang Mech. Eng.	Director	San Eagle (representative: Leo Huang)	4,475,000 shares	100%
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	Director Director Director	Wei Kuang (representative: Leo Huang) Cf Huang Amy Huang	(Note 1) - -	100% - -
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Director Director Director	Wei Kuang (representative: Leo Huang) Cf Huang Amy Huang	(Note 1) - -	100% - -
MAS Automation Corp.	Director Supervisor President	Chroma (representative: Leo Huang, Cf Huang, I-Shih Tseng) Chroma (representative: Amy Huang) Cf Huang	10,000,000 shares -	100% -
Chroma Japan Corp.	Director	Leo Huang	(Chroma holds 9,975 shares)	100%
Deep Red Holding Co., Ltd	Director	Leo Huang	(Chroma holds 215,000 shares)	100%
Sajet System Technology	Director	Deep Red Holding (representative: Arno Wu)	(Note 1)	100%

Name of enterprise	Position title	Name or representative	Shares held	
			Number of shares	Shareholding percentage
(Suzhou) Co., Ltd.	Director	Emma Chen	-	-
	Director	Paul Ying	-	-
	Supervisor	Amy Huang	-	-
	President	Arno Wu	-	-
Adivic Technology Co., Ltd.	Director	Chroma (representative: I-Shih Tseng, Leo Huang)	22,590,000 shares	83.7%
	Director	AIT group (representative: Michael Sheu)	4,410,000 shares-	16.3%
	Supervisor	Amy Huang	-	-
EVT Technology Co., Ltd.	Director	Leo Huang	54,023 shares	0.5%
	Director	Joey Chang	1,339 shares	-
	Director	Tsun-I Wang	34,838 shares	0.3%
	Supervisor	Chroma (representative: Paul Ying)	9,412,412 shares	85.6%
	President	Leo Huang	54,023 shares	0.5%
Quantel Private Ltd.	Director	Chroma (representative: Leo Huang, Paul Ying)	1,914,000 shares	60%
	Director	Yip Hin Lay	1,276,000 shares	40%
Quantel Global Vietnam Co., Ltd.	Director	Yip Hin Lay	Quantel Private holds 100%	100%
	Director	Phan Sy Dung		
Quantel Technologies India Private Ltd.	Director	Yip Hin Lay	Quantel Private holds 64,999 shares	100%
	Director	Vijay Devaraj		
	Director	Ms. Mitra Gulgulia		
Quantel Global Sdn. Bhd.	Director	Yip Hin Lay	Quantel Private holds 600,000 shares	100%
	Director	Teoh Ching Tatt		
Quantel Global Philippines Corporation	Director	Yip Hin Lay	Quantel Private holds 99,095 shares	100%
	Director	Yeo Hwee Peng		
	Director	Johann Joel Castro Ruiz		
Quantel Global Company Limited	Director	Yip Hin Lay	Quantel Private holds 173,657 shares	99.9%
	Director	Yeo Hwee Peng		
	Director	Pruet Latdatyaphon		
Innovative Nanotech Incorporated	Director	Chroma (representative: Leo Huang, I-Shih Tseng)	14,214,000 shares	67.2%
	Director	Research Industry (representative: Bruce Han)	1,000,000 shares	4.7%
	Supervisor	Amy Huang	100,000 shares	0.5%
	President	Bo-Ren Wu	100,000 shares	0.5%
Touch Cloud Inc.	Director	Chroma (representative: Leo Huang)	11,045,667 shares	83.1%
	Director	Leadtek Technology (Representative: Kun-Shan Lu)	869,019 shares	6.5%
	Director	Cheng-Xun Li	919,814 shares	6.9%
	supervisor	Amy Huang	-	-
Environmental Stress Systems, Inc.	Director	I-Shih Tseng	(Chroma holds 1,000 shares)	100%
	Director	Cheng Ying		
	Director	Yi-Shen Wang		
Chroma ATE (Dongguan) Co., Ltd.	Director	Leo Huang	(Note 1)	100%
	supervisor	Emma Chen		

Note 1: Limited liability Corporation

6. Business operating conditions of Chroma ATE Ltd. and its related corporation

December 31, 2023 (Unit: NTD thousand)

Name of enterprise	Paid-in capital	Total assets	Total liabilities	Net worth	Operating revenue for the period	Operating profit for the period	Profit and loss (after tax)	Earnings per share (NT$) (after tax)
Neworld Electronics Limited	251,506	2,874,040	744,961	2,129,079	3,577,230	38,747	264,990	4.14
Chroma Electronics (Shenzhen) Co., Ltd.	117,870	1,672,223	369,448	1,302,775	2,308,764	184,215	156,224	Not applicable
Chroma ATE (Dongguan) Co., Ltd.	177,407	243,801	56,755	187,046	62,623	10,257	9,848	Not applicable
Chroma Electronics (Shanghai) Co., Ltd.	92,115	546,350	159,488	386,862	725,695	66,552	62,466	Not applicable
Chroma ATE Inc.	30,705	1,954,245	1,288,358	665,887	1,798,167	(71,565)	136,560	136.56
Environmental Stress Systems, Inc.	307	23,698	19,664	4,034	41,663	(11,083)	(9,671)	Not applicable
Chroma Systems Solutions, Inc.	147	1,713,332	748,356	964,976	2,049,729	541,335	411,407	Not applicable
Chroma Investment Co., Ltd.	140,000	550,450	2,564	547,886	0	(160)	(44,932)	(3.21)
Chroma ATE Europe B.V.	1,542	511,833	243,209	268,624	632,421	15,314	33,219	Not applicable
Chroma Germany GmbH	1,019	313,070	284,505	28,565	370,341	12,571	13,214	Not applicable
Chroma (Shanghai) Trading Co., Ltd.	82,904	75,670	1,034	74,636	2,470	(4,042)	187	Not applicable
Chroma ATE (Suzhou) Co., Ltd.	116,679	2,313,629	1,672,105	641,524	2,780,990	176,709	145,336	Not applicable
MAS Automation Corp.	100,000	798,059	592,125	205,934	564,708	62,743	64,521	6.45
Wei Kuang Automatic Equipment (Nanjin) Co., Ltd.	51,366	917,196	347,844	569,352	627,190	93,645	69,226	Not applicable
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	49,401	526,644	71,491	455,153	368,981	15,440	23,807	Not applicable
Sajet System Technology (Suzhou) Co., Ltd.	36,234	157,054	17,963	139,091	65,037	(10,317)	(4,832)	Not applicable
Testar Electronic Corporation	300,000	318,571	74,271	244,300	219,956	(27,009)	(25,062)	(0.84)
Chroma Japan Corp.	21,592	486,974	621,894	(134,920)	563,826	10,277	5,396	Not applicable
Sensational Holdings Ltd.	36,846	58,474	485	57,989	0	(773)	2,819	2.35
Chen Hwa Technology Inc.	94,725	209,550	24	209,526	0	(147)	23,031	7.47
CHI Incorporation Ltd.	117,600	641,538	0	641,538	0	(10)	145,327	37.94
San Eagle Development Corp.	62,945	1,038,407	25	1,038,382	0	(119)	86,642	42.26
Wei Kuang Mech. Eng. Inc.	137,405	1,031,401	25	1,031,376	0	(125)	86,660	19.37
Deep Red Holding Co., Ltd	6,602	155,865	24	155,841	0	(243)	(4,329)	(20.13)
Adivic Technology Co.	270,000	143,734	29,699	114,035	20,297	(54,379)	(54,370)	(2.01)
EVT Technology Co., Ltd.	110,000	21,659	2,961	18,698	802	(8,961)	(8,879)	(0.81)
Quantel Private Ltd. (Note 1)	74,295	877,624	404,981	472,643	1,156,381	119,751	115,797	36.30
Innovative Nanotech Incorporated	211,640	263,598	82,774	180,824	48,663	(46,963)	(42,582)	(2.01)
Touch Cloud Inc.	132,995	31,717	2,323	29,394	10,062	(13,607)	(13,260)	(1.00)

Note 1: Expressed per the consolidated financial statement.

Note 2: The following lists the exchange rates for the statement of assets and liabilities:
USD: NTD= 30.705, HKD: NTD= 3.929, EUR: NTD=33.980, RMB: NTD=4.327, JPY: NTD=0.217, SGD: NTD=23.290
The following lists the exchange rates for the profit and loss statement:
USD: NTD=1:31.155, HKD: NTD=1:3.980, EUR: NTD=1:33.700, RMB: NTD=1:4.396, JPY: NTD=1:0.222, SGD: NTD=1:23.200

(II) Consolidated financial statements of affiliated companies

For year 2023 (from January 1, 2023, to December 31, 2023), according to the 'Consolidated Business Report, Consolidated Financial Statements, and Related Reports Preparation Standards for Affiliated Enterprises,' the companies required to be included in the consolidated financial statements of affiliated enterprises are the same as those required to be included in the consolidated financial statements of parent and subsidiary companies under IFRS 10. Since the relevant information required for the consolidated financial statements of affiliated enterprises has already been disclosed in the aforementioned consolidated financial statements of parent and subsidiary companies, there is no need to prepare separate consolidated financial statements for affiliated enterprises.

(III) Affiliation report

According to Article 369-12 of the Company Act, separate affiliation reports were not required for subsidiaries of The Company that have not been publicly listed.

II. Private placement of securities in the most recent year up to the publication date of this annual report: None.

III. Holding or disposition of the Company's shares by subsidiaries in the most recent year up to the publication date of this annual report

Unit: Thousand NT$; shares; %

Name of subsidiary	Paid-in capital	Source of capital	Shareholding of the Company	Date of acquisition or disposal	Quantity and value of shares acquired	Quantity and value of shares disposed of	Investment gain (loss)	Number and amount of shares held as of the publication date of the annual report (Note)	Status of pledge	Value of endorsements and guarantees provided to subsidiaries by the Corporation	Loans provided to subsidiaries by the Company
Chroma Investment Co., Ltd.	NT$140,000 thousand	Own capital	100%	Year 2023	0	0	0	1,654,579 shares NT$418,608 thousand	None	0	0
				In the current year up till the publication date of this report	0	0	0		None	0	0

Note: The holding amount is calculated based on the closing price of NT$253 on April 8, 2024.

IV. Other supplementary matters: None.

V. Any event that results in substantial impact upon shareholders' equity or prices of the Corporation's securities as prescribed by Article 36, Paragraph 3, Subparagraph 2 of the Securities and Exchange Act that have occurred in the most recent year up to the publication date of this annual report: None.

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

The entities 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 Standards 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,

CHROMA ATE INC.

LEO HUANG
Chairman

February 26, 2024

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chroma ATE Inc.

Opinion

We have audited the accompanying consolidated financial statements of Chroma ATE Inc. (the "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 the notes to the consolidated financial statements, including material accounting policy information (collectively referred to as the "consolidated financial statements").

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), 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 (FSC) 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 based on our audits and the report of other auditors.

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.

Key audit matter of the consolidated financial statements for the year ended December 31, 2023 is stated as follows:

Occurrence of Sales Revenue from Specific Customers

The Group mainly sells test instruments and other products. In 2023, the revenue from specific customers had changed significantly as compared with last year. Considering that there may be greater risks of fraud in revenue recognition and that the management could be under pressure to meet expected financial goals, we identified the occurrence of sales revenue from specific customers as a key audit matter.

The main audit procedures we performed for the aforementioned matter are as follows:

1. We obtained an understanding of and tested the processes of internal controls related to the sales cycle and evaluated the effectiveness of design and implementation.

2. We obtained sales details, selected samples and performed test of details, and we verified the documents such as sales order, delivery orders and invoices and confirmed the occurrence of sales revenue.

3. We obtained samples of sales details and tested for any significant difference in customers and the amount of the receivables, or whether they are still within the credit period, to confirm the occurrence of sales revenue.

Other Matter

The financial statements of some investees included in the financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statement for investees, is based solely on the reports of other auditors. As of December 31, 2023, the carrying amounts of investments accounted for using the equity method were NT$3,795,310 thousand, representing 11% of the total assets. For the years ended December 31, 2023, the related shares of profit or loss of associates were NT$376,649 thousand, representing 7% of the profit before income tax.

We have also audited the parent company only financial statements of Chroma ATE Inc. as of and for the years ended December 31, 2023 and 2022 on which we have issued an unmodified opinion with the other matter section and an unmodified opinion, respectively.

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 IFRS, IAS, IFRIC and SIC endorsed and issued into effect by the FSC 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 statements 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 Wen-Chin Lin and Chien-Liang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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.

CHROMA ATE INC. 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)	$ 4,132,261	12	$ 5,941,512	18
Financial assets at fair value through profit or loss (Note 7)	331,348	1	394,823	1
Financial assets at fair value through other comprehensive income (Note 8)	74,506	-	-	-
Financial assets at amortized cost (Notes 9 and 31)	256,079	1	348,304	1
Contract assets (Note 22)	543,318	2	1,084,012	3
Notes receivable (Note 10)	297,335	1	315,547	1
Trade receivables (Notes 5 and 10)	5,040,498	15	4,382,943	13
Trade receivables - related parties (Notes 10 and 30)	7,143	-	64,746	-
Inventories (Notes 5 and 11)	4,675,370	14	4,752,967	14
Prepayments	294,167	1	270,143	1
Other current assets	120,128	-	213,379	1
Total current assets	15,772,153	47	17,768,376	53
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	4,205	-	4,513	-
Financial assets at fair value through other comprehensive income (Note 8)	1,240,888	4	1,204,438	4
Financial assets at amortized cost (Notes 9 and 31)	141,988	1	205,541	1
Investments accounted for using the equity method (Note 13)	4,265,058	13	3,860,769	11
Property, plant and equipment (Notes 14, 30 and 31)	7,169,684	21	7,018,188	21
Right-of-use assets (Notes 15 and 30)	308,608	1	359,887	1
Investment properties (Note 16)	2,478,333	7	2,478,333	7
Goodwill (Notes 17 and 27)	189,400	1	231,589	1
Intangible assets (Note 27)	68,650	-	79,542	-
Deferred tax assets (Note 24)	424,568	1	355,298	1
Prepayments for equipment	1,273,532	4	149,860	-
Refundable deposits	24,122	-	24,779	-
Prepayments for investment	33,120	-	-	-
Other non-current assets (Note 20)	87,239	-	87,707	-
Total non-current assets	17,709,395	53	16,060,444	47
TOTAL	$ 33,481,548	100	$ 33,828,820	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Notes 18 and 31)	$ 2,131,550	6	$ 1,819,080	5
Contract liabilities (Note 22)	1,190,461	4	1,656,656	5
Notes payable	26,701	-	39,113	-
Notes payable - related parties (Note 30)	771	-	2,559	-
Trade payables	2,587,268	8	2,890,681	8
Trade payables - related parties (Note 30)	3,242	-	5,399	-
Other payables (Note 19)	1,788,036	5	1,645,259	5
Current tax liabilities	456,913	1	697,668	2
Lease liabilities (Notes 15 and 30)	145,813	1	134,237	-
Current portion of long-term borrowings (Notes 18 and 31)	4,244	-	205,260	1
Other current liabilities	83,806	-	188,155	1
Total current liabilities	8,418,805	25	9,284,067	27
NON-CURRENT LIABILITIES				
Long-term borrowings (Notes 18 and 31)	989,835	3	1,164,625	3
Deferred tax liabilities (Note 24)	1,185,641	4	1,025,287	3
Lease liabilities (Notes 15 and 30)	191,552	1	258,447	1
Net defined benefit liabilities (Note 20)	153,235	-	155,619	1
Guarantee deposits received	20,834	-	60,923	-
Other non-current liabilities	4,761	-	7,171	-
Total non-current liabilities	2,545,858	8	2,672,072	8
Total liabilities	10,964,663	33	11,956,139	35
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 21)				
Ordinary share capital	4,253,644	13	4,253,970	13
Capital surplus	4,544,870	13	4,502,473	13
Retained earnings				
Legal reserve	3,747,675	11	3,237,808	10
Special reserve	86,888	-	86,888	-
Unappropriated earnings	9,004,779	27	8,970,974	26
Total retained earnings	12,839,342	38	12,295,670	36
Other equity	348,888	1	339,463	1
Treasury shares	(30,868)	-	(30,868)	-
Total equity attributable to owners of the Corporation	21,955,876	65	21,360,708	63
NON-CONTROLLING INTERESTS	561,009	2	511,973	2
Total equity	22,516,885	67	21,872,681	65
TOTAL	$ 33,481,548	100	$ 33,828,820	100

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

CHROMA ATE INC. 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**	**%**
NET OPERATING REVENUE (Notes 22 and 30)	$ 18,676,043	100	$ 22,067,242	100
OPERATING COSTS (Notes 11, 23 and 30)	7,918,828	42	10,710,148	48
GROSS PROFIT	10,757,215	58	11,357,094	52
(UNREALIZED) REALIZED GAIN ON TRANSACTIONS WITH ASSOCIATES AND JOINT VENTURES	(229)	-	61	-
REALIZED GROSS PROFIT	10,756,986	58	11,357,155	52
OPERATING EXPENSES (Notes 23 and 30)				
Selling and marketing expenses	2,944,801	16	2,947,968	13
General and administrative expenses	1,368,412	7	1,445,580	7
Research and development expenses	1,757,322	10	1,917,411	9
Expected credit impairment losses	13,614	-	6,940	-
Total operating expenses	6,084,149	33	6,317,899	29
PROFIT FROM OPERATIONS	4,672,837	25	5,039,256	23
NON-OPERATING INCOME AND EXPENSES				
Finance costs	(60,664)	-	(55,068)	-
Share of profit of associates and joint ventures accounted for using the equity method (Note 13)	437,570	2	493,445	2
Interest income	85,256	-	35,643	-
Dividend income	59,108	-	55,705	-
Other income	137,205	1	128,186	1
Gain on disposal of property, plant and equipment	1,317	-	94,952	-
Gain on disposal of investment	7,627	-	396,685	2
Gain on lease modification	148	-	702	-
Other expenses	(36,314)	-	(8,026)	-
Foreign exchange (loss) gain	(57,769)	-	263,216	1
(Loss) gain on financial assets at fair value through profit or loss	(36,109)	-	8,509	-
Impairment loss (Note 17)	(44,129)	-	(11,737)	-
Total non-operating income and expenses	493,246	3	1,402,212	6
PROFIT BEFORE INCOME TAX	5,166,083	28	6,441,468	29
INCOME TAX EXPENSE (Note 24)	1,070,409	6	1,219,910	5
NET PROFIT FOR THE YEAR	4,095,674	22	5,221,558	24

(Continued)

CHROMA ATE INC. 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)				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 20)	$ (19,803)	-	$ (8,432)	-
Unrealized gain or loss on investments in equity investments designated as at fair value through other comprehensive income	(34,128)	(1)	(51,766)	-
Share of the other comprehensive income (loss) of associates and joint ventures accounted for using the equity method	(42)	-	4,351	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(41,924)	-	222,069	1
Share of the other comprehensive (loss) income of associates and joint ventures accounted for using the equity method	(4,344)	-	323,550	1
Total other comprehensive income	(100,241)	(1)	489,772	2
TOTAL COMPREHENSIVE INCOME	$ 3,995,433	21	$ 5,711,330	26
NET PROFIT ATTRIBUTABLE TO:				
Owners of the Corporation	$ 3,979,247	21	$ 5,105,824	23
Non-controlling interests	116,427	1	115,734	1
	$ 4,095,674	22	$ 5,221,558	24
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO:				
Owners of the Corporation	$ 3,877,351	21	$ 5,563,563	25
Non-controlling interests	118,082	-	147,767	1
	$ 3,995,433	21	$ 5,711,330	26
EARNINGS PER SHARE (NT$; Note 25)				
Basic	$ 9.45		$ 12.14	
Diluted	$ 9.37		$ 12.00	

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

CHROMA ATE INC. 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 Corporation												Non-controlling Interests	Total Equity
			Retained Earnings				Other Equity							
	Ordinary Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value through Other Comprehensive Income	Unearned Employee Benefit	Total	Treasury Shares	Total		
BALANCE AT JANUARY 1, 2022	$ 4,218,745	$ 4,087,223	$ 2,824,310	$ 86,888	$ 7,255,798	$ 10,166,996	$ (604,041)	$ 678,674	$ -	$ 74,633	$ (33,686)	$ 18,513,911	$ 433,547	$ 18,947,458
Appropriation of the 2021 earnings														
Legal reserve	-	-	413,498	-	(413,498)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$7 per share	-	-	-	-	(2,970,000)	(2,970,000)	-	-	-	-	-	(2,970,000)	-	(2,970,000)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	53,511	-	-	-	-	-	-	-	-	-	53,511	-	53,511
Net profit for the year ended December 31, 2022	-	-	-	-	5,105,824	5,105,824	-	-	-	-	-	5,105,824	115,734	5,221,558
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(6,455)	(6,455)	513,692	(49,498)	-	464,194	-	457,739	32,033	489,772
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,099,369	5,099,369	513,692	(49,498)	-	464,194	-	5,563,563	147,767	5,711,330
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	22,345	-	-	-	-	-	-	-	-	2,818	25,163	-	25,163
Adjustments of capital surplus for the Corporation's cash dividends received by subsidiaries	-	11,551	-	-	-	-	-	-	-	-	-	11,551	-	11,551
Disposal of investments accounted for using the equity method	-	(22,860)	-	-	-	-	-	-	-	-	-	(22,860)	-	(22,860)
Exercise of employee share options	6,125	28,971	-	-	-	-	-	-	-	-	-	35,096	-	35,096
Issuance of employee restricted shares	29,100	340,498	-	-	-	-	-	-	(253,198)	(253,198)	-	116,400	-	116,400
Share-based payment transaction	-	(18,766)	-	-	-	-	-	-	53,139	53,139	-	34,373	-	34,373
Share-based payment transaction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	7	7
Cash dividends distributed by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	(69,348)	(69,348)
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(695)	(695)	-	695	-	695	-	-	-	-
BALANCE AT DECEMBER 31, 2022	4,253,970	4,502,473	3,237,808	86,888	8,970,974	12,295,670	(90,349)	629,871	(200,059)	339,463	(30,868)	21,360,708	511,973	21,872,681
Appropriation of the 2022 earnings														
Legal reserve	-	-	509,867	-	(509,867)	-	-	-	-	-	-	-	-	-
Cash dividends - NT$8 per share	-	-	-	-	(3,403,176)	(3,403,176)	-	-	-	-	-	(3,403,176)	-	(3,403,176)
Change in capital surplus from investments in associates and joint ventures accounted for using the equity method	-	29,389	-	-	-	-	-	-	-	-	-	29,389	-	29,389
Net profit for the year ended December 31, 2023	-	-	-	-	3,979,247	3,979,247	-	-	-	-	-	3,979,247	116,427	4,095,674
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(20,252)	(20,252)	(47,140)	(34,504)	-	(81,644)	-	(101,896)	1,655	(100,241)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,958,995	3,958,995	(47,140)	(34,504)	-	(81,644)	-	3,877,351	118,082	3,995,433
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	13,238	-	-	-	-	-	-	-	-	-	13,238	-	13,238
Disposal of investments accounted for using the equity method	-	(556)	-	-	-	-	-	-	-	-	-	(556)	-	(556)
Changes in ownership interests in subsidiaries	-	-	-	-	(12,137)	(12,137)	-	-	-	-	-	(12,137)	12,137	-
Share-based payment transaction	(326)	326	-	-	-	-	-	-	91,059	91,059	-	91,059	-	91,059
Share-based payment transaction by subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	1	1
Cash dividends distributed by subsidiaries	-	-	-	-	-	-	-	-	-	-	-	-	(81,184)	(81,184)
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(10)	(10)	-	10	-	10	-	-	-	-
BALANCE AT DECEMBER 31, 2023	$ 4,253,644	$ 4,544,870	$ 3,747,675	$ 86,888	$ 9,004,779	$ 12,839,342	$ (137,489)	$ 595,377	$ (109,000)	$ 348,888	$ (30,868)	$ 21,955,876	$ 561,009	$ 22,516,885

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

CHROMA ATE INC. 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		
Income before income tax	$ 5,166,083	$ 6,441,468
Adjustments for:		
Depreciation expenses	722,446	654,433
Amortization expenses	24,148	29,267
Expected credit loss recognized on trade receivables	13,614	6,940
Loss (gain) on financial assets at fair value through profit or loss	36,109	(8,509)
Finance costs	60,664	55,068
Interest income	(85,256)	(35,643)
Dividend income	(59,108)	(55,705)
Compensation costs of share-based payment	91,060	61,152
Share of profit of associates and joint ventures accounted for using the equity method	(437,570)	(493,445)
Gain on disposal of property, plant and equipment	(1,317)	(94,952)
Loss from liquidation of subsidiary	-	17,883
Gain on disposal of investments accounted for using the equity method	(7,627)	(414,568)
Write-downs (reversal) of inventories	36,296	(12,925)
Impairment loss	44,129	11,737
Unrealized (realized) gain on transactions with associates	229	(61)
Net loss (gain) on foreign currency exchange	13,487	(34,865)
Gain on lease modification	(148)	(702)
Net changes in operating assets and liabilities		
Contract assets	547,339	(304,465)
Notes receivable	18,212	(116,694)
Trade receivables	(654,175)	21,391
Inventories	(48,989)	(960,170)
Prepayments	(12,921)	14,647
Other current assets	94,003	83,372
Contract liabilities	(466,195)	909,710
Notes payable	(14,200)	7,170
Trade payables	(303,339)	(169,601)
Other payables	14,615	280,900
Other current liabilities	(104,349)	109,828
Net defined benefit liabilities	(22,187)	(27,702)
Cash generated from operations	4,665,053	5,974,959
Income tax paid	(1,256,643)	(678,258)
Net cash generated from operating activities	3,408,410	5,296,701
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire financial assets at fair value through other comprehensive income	(133,247)	(89,033)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,151	585
Increase in financial assets at amortized cost	(245,517)	(363,780)

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CHROMA ATE INC. AND SUBSIDIARIES

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

	2023	2022
Decrease in financial assets at amortized cost	$ 394,063	$ 1,187,759
Payments to acquire financial assets at fair value through profit or loss	(569,134)	(777,879)
Proceeds from disposal of financial assets at fair value through profit or loss	596,755	906,419
Net cash inflow on disposal of investments accounted for using the equity method	11,115	608,622
Increase in prepayments for investments	(33,120)	-
Net cash inflow on acquisition of subsidiaries	-	5,147
Payments for property, plant and equipment	(545,924)	(119,990)
Proceeds from disposal of property, plant and equipment	11,069	21,537
Decrease (increase) in refundable deposits	657	(4,511)
Payments to acquire intangible assets	(15,557)	(6,675)
Decrease (increase) in other non-current assets	457	(2,050)
Increase in prepayments for equipment	(1,074,808)	(569,370)
Interest received	84,504	34,963
Dividends received	114,458	69,870
Net cash (used in) generated from investing activities	(1,394,078)	901,614
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	8,912,700	6,927,471
Decrease in short-term borrowings	(8,599,360)	(7,021,286)
Proceeds from long-term borrowings	885,000	216
Repayments of long-term borrowings	(1,262,231)	(312,629)
(Decrease) increase in guarantee deposits	(40,089)	17,589
Repayment of the principal portion of lease liabilities	(171,161)	(131,666)
Decrease in other non-current liabilities	(2,410)	(2,550)
Cash dividends paid	(3,403,176)	(2,970,000)
Exercise of employee share options	-	35,096
Interest paid	(70,559)	(60,369)
Cash dividends distributed to non-controlling interests	(81,184)	(69,348)
Proceeds from issuance of employee restricted shares	-	116,400
Net cash used in financing activities	(3,832,470)	(3,471,076)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	8,887	126,115
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,809,251)	2,853,354
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	5,941,512	3,088,158
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 4,132,261	$ 5,941,512

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

CHROMA ATE INC. AND SUBSIDIARIES

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

1. GENERAL INFORMATION

Chroma ATE Inc. (the “Corporation”) was incorporated in the Republic of China (ROC) in November 1984. The Corporation mainly designs, assembles, calibrates, manufactures, sells, repairs and maintains software/hardware for computers and peripherals, computerized automatic test systems, electronic test instruments, signal generators, power supplies, telecom power supplies, etc. as well as serves as an agent to sell these products. The Corporation’s shares have been listed on the Taiwan Stock Exchange since December 21, 1996.

The consolidated financial statements are presented in the Corporation’s functional currency, the New Taiwan dollar (NT$).

2. APPROVAL OF CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved by the Corporation’s board of directors on February 26, 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 the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Group’s accounting policies.

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 “Leases Liability in a Sale and Leaseback”	January 1, 2024 (Note 2)
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”	January 1, 2024 (Note 3)

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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 that are measured at fair value and net defined benefit liabilities which are measured at the present value of the defined benefit obligation less the fair value of plan assets.

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

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

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

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

c. Classification of current and noncurrent 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 are 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 Group 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

The consolidated financial statements incorporate the financial statements of the Corporation and the entities controlled by the Corporation (its subsidiaries). Income and expenses of subsidiaries acquired or disposed of during the period are included in the consolidated statement of profit or loss and other comprehensive income from the effective dates of acquisitions up to the effective dates of disposals, as appropriate. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with those used by 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 Corporation and to the non-controlling interests.

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 Group's interests 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 Corporation.

Refer to Note 12 and Tables 7 and 8 for the detailed information of subsidiaries, including the percentage of ownership and main business.

e. Foreign currencies

In preparing the financial statements of each individual entity in the Group, transactions in currencies other than the Corporation'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 items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

Non-monetary items 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 the Corporation’s foreign operations (including subsidiaries, associates and joint ventures in other countries) that are prepared using functional currencies which are different from the currency of the Corporation 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; 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 Corporation and non-controlling interests as appropriate).

On the disposal of a foreign operation (i.e., a disposal of the Corporation’s entire interest in a foreign operation,), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Corporation are reclassified to profit or loss.

f. Inventories

Inventories consist of raw materials, work-in-process, semi-finished goods, finished goods and inventory in transit, which are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and make timely adjustments to ensure that they approximate to weighted-average cost.

g. Investments in associates and joint ventures

The Group uses the equity method to account for its investments in associates and joint ventures. Under the equity method, investment is initially recognized at cost and adjusted thereafter to recognize the Group’s share of the profit or loss and other comprehensive income of the associate and joint venture. The Group also recognizes the changes in the Group’s share of the equity of associates and joint ventures attributable to the Group.

An associate is an entity over which the Group has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Group and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the Group subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Group’s proportionate interest in the associate and joint venture. The Group records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Group’s ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

When a group entity transacts with its associate, profits and losses resulting from the transactions with the associate are recognized in the Corporation’s financial statements only to the extent that interests in the associate and the joint venture are not related to the Corporation.

h. Property, plant and equipment

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

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

Except for freehold land which is not depreciated, the depreciation of property, plant and equipment is recognized using the straight-line method. Each significant part is depreciated separately. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect 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 rentals and/or for capital appreciation. Investment properties include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

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.

k. Financial instruments

Financial assets and financial liabilities are recognized when an entity in the Group 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.

For those financial assets which are measured at fair value, its fair value is determined in the manner described in Note 29.

1) Financial assets

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

a) Financial assets at FVTPL

The Group's financial assets mandatorily classified as at FVTPL are investments in equity instruments which are not designated as at FVTOCI, it was measured at fair value, and any dividends or 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.

b) Financial assets at amortized cost

If the financial assets, which are invested by the Group, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and 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, are subsequently measured at amortized cost.

Subsequent to initial recognition, financial assets 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. On derecognition, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

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

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

c) Investments in debt instruments at FVTOCI

Debt instruments that meet the following conditions are subsequently measured at FVTOCI:

i. The debt instrument is held within a business model whose objective is achieved by both the collecting of contractual cash flows and the selling of such financial assets; and

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

Investments in debt instruments at FVTOCI are subsequently measured at fair value. Changes in the carrying amounts of these debt instruments relating to changes in foreign currency exchange rates, interest income calculated using the effective interest method and impairment losses or reversals are recognized in profit or loss. Other changes in the carrying amount of these debt instruments are recognized in other comprehensive income and will be reclassified to profit or loss when the investment is disposed of.

d) Investments in equity instruments at FVTOCI

On initial recognition, the Group 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 Group’s right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Equity instruments

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

Repurchase of the Group’s own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Group’s own equity instruments.

3) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. When derecognition of financial liabilities, the difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

l. Assessment of assets impairment

1) Property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of the above assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 or assets related to contract costs 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 or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

2) Investments accounted for using the equity method

The entire carrying amount of an investment in associates (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

3) Goodwill

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.

4) Financial assets and contract assets

The Group assesses the impairment loss of financial assets at amortized cost (including trade receivables) and contract assets by expected credit losses on each balance sheet date.

The Group always recognizes lifetime expected credit losses (ECLs) for trade receivables and contract assets. For all other financial instruments, the Group recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on a financial instrument has not increased significantly, the Group 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.

For internal credit risk management purposes, the Group considers the following situations as indication that a financial asset is in default:

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

b) Financial asset is more than 120 days past due unless the Group has reasonable and corroborative information to support a more lagged default criterion.

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.

m. Revenue recognition

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

1) Revenue from the sale of goods

Revenue from sale of goods comes from sales of test instruments and other products. Revenue is recognized when the goods are delivered to the customer’s specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods are delivered to the customer.

The Group does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

2) Revenue from the rendering of services

Revenue from the rendering of services comes from wafer level test and development of cloud platform. The Group acquires enforceable right to payment for services rendered in accordance with customer contracts only upon completion of the services; thus, the Group recognizes revenue from rendering of services upon completion of the contract.

3) Construction contract revenue

For construction contracts to build customized production line, the Group recognizes revenue over time. The Group measures the progress on the basis of costs incurred relative to the total expected costs as there is a direct relationship between the costs incurred and the progress of satisfying the performance obligations. Contract assets are recognized during the construction and are reclassified to trade receivables at the point at which the customer is invoiced. If the milestone payments exceed the revenue recognized to date, then the Group recognizes contract liabilities for the difference. Certain payment retained by the customer as specified in the contract is intended to ensure that the Group adequately completes all of its contractual obligations. Such retention receivables are recognized as contract assets until the Group satisfies its performance obligations.

n. Leases

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

1) The Group as lessor

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.

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 applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms. Right-of-use assets and lease liabilities are presented on a separate line in the balance sheets.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation 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. 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 Group uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or others, 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.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Group recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

o. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

Payments to defined contribution retirement benefit plans are recognized as expenses when employees have rendered service 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 liability are recognized as employee benefits expense in the period 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 liability represents the actual deficit in the Group's defined benefit plan.

p. Share-based payment arrangements

Employee share options and restricted shares for employees granted to employee and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value at the grant date of the employee share options and restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Group's best estimate of the number of the shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are 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 should be returned once the employee resigns, they 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 employee share options and restricted shares for employees expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options and capital surplus - restricted shares for employees.

q. Taxation

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

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 of unappropriated earnings is provided for as income tax 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, associates and interests in joint venture, 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 based on 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.

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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period or in the period of the revision and future periods if the revisions affect both current and future periods.

a. Estimated impairment of trade receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Group uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group’s past defaults experience and current financial position 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 10. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and the historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH AND CASH EQUIVALENTS

	December 31	
	2023	2022
Cash on hand	$ 3,620	$ 3,883
Checking accounts and demand deposits	2,752,683	4,719,129
Cash equivalents - time deposits	1,375,958	1,218,500
	$ 4,132,261	$ 5,941,512

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Mandatorily classified as at FVTPL - current		
Domestic listed shares	$ 5,205	$ 4,083
Domestic unlisted shares	75,400	117,952
Open-end beneficiary certificates	250,743	272,788
	$ 331,348	$ 394,823
Mandatorily classified as at FVTPL - non-current		
Open-end beneficiary certificates	$ 4,205	$ 4,513

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Investments in debt instruments - current		
Foreign government bonds	$ 74,506	$ -
Investments in equity instruments - non-current		
Domestic listed ordinary shares and emerging market ordinary shares	$ 963,936	$ 835,800
Domestic unlisted ordinary shares	145,201	227,944
Foreign unlisted ordinary shares	131,751	140,694
	$ 1,240,888	$ 1,204,438

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Refer to Table 3 for the detailed information. 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 MEASURED AT AMORTIZED COST

	December 31	
	2023	2022
Current		
Time deposits with original maturities of more than 3 months	$ 256,077	$ 196,179
Pledged deposits (Note 31)	2	152,125
	$ 256,079	$ 348,304
Non-current		
Time deposits with original maturities of more than 3 months	$ 136,330	$ 194,505
Pledged deposits (Note 31)	5,658	7,060
Restricted accounts	-	3,976
	$ 141,988	$ 205,541

10. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
Gross carrying amount at amortized cost - unrelated parties	$ 5,991,662	$ 5,384,753
Less: Allowance for impairment loss	(653,829)	(686,263)
	5,337,833	4,698,490
Gross carrying amount at amortized cost - related parties	7,143	64,746
	$ 5,344,976	$ 4,763,236

The average credit period for sales of goods is 60 to 120 days. Before accepting any new customer, the Group uses the bank's credit investigation or external credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Management will review the credit limit and rating of customers as needed.

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 by reference to the past default experience and the financial position, in which the debtors operate. As the Group's historical credit loss experience does not show other factors that matter significantly, the expected credit loss rate is based on the past due status of trade receivables.

The Group writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the 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 aging schedule of notes receivable and trade receivables based on the past due days was as follows:

	December 31	
	2023	2022
Not past due	$ 3,355,927	$ 3,182,547
Past due 1-60 days	1,142,053	992,411
Past due 61-180 days	706,637	336,716
Past due 181-365 days	116,423	182,590
Past due over 365 days	670,622	690,489
	$ 5,991,662	$ 5,384,753

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	$ 686,263	$ 713,034
Add: Net remeasurement of loss allowance	13,614	6,940
Less: Amounts written off	(44,630)	(36,581)
Foreign exchange gains and losses	(1,418)	2,870
Balance at December 31	$ 653,829	$ 686,263

11. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 1,200,771	$ 1,219,721
Semi-finished products	576,425	562,994
Work in process	1,178,859	1,248,002
Raw materials	1,607,928	1,676,336
Inventory in transit	111,387	45,914
	$ 4,675,370	$ 4,752,967

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $6,531,307 thousand and $8,478,748 thousand, respectively. The cost of goods sold included the inventory write-downs of $36,296 thousand and the reversal of inventory write-downs of $12,925 thousand, respectively.

12. SUBSIDIARIES

Subsidiaries included in the consolidated financial statements:

			Percentage of Ownership as of December 31		
Investor	**Investee**	**Business**	**2023**	**2022**	**Remark**
The Corporation	Neworld Electronics Limited	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	
	Chroma New Material Corp.	Processing and sale of gold wire	-	-	Note 1

(Continued)

Investor	Investee	Business	Percentage of Ownership as of December 31 2023	2022	Remark
	Mas Automation Corp.	Design, manufacturing, installment and testing of automated factory conveyor systems	100.0	100.0	
	Chroma ATE Inc.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	
	Chroma Systems Solutions, Inc.	Sale and maintenance of electronic test instruments, etc.	25.0	25.0	Note 2
	Chroma ATE Europe B.V.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	
	Chroma Japan Corp.	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	
	CHI Incorporation Ltd.	Test of inductance, capacitance and resistance equipment and sale of parts	100.0	100.0	
	Chen Hwa Technology Inc.	Test of inductance, capacitance and resistance equipment and sale of parts	100.0	100.0	
	San Eagle Development Corp.	Investment	100.0	100.0	
	Sensational Holdings Ltd.	Investment	100.0	100.0	
	Deep Red Holding Co., Ltd.	Investment	100.0	100.0	
	Testar Electronics Corporation	Testing of LED	67.2	67.2	
	Adivic Technology Co., Ltd.	Sale and research of RF device	83.7	74.1	Note 3
	Chroma Investment Co., Ltd.	Investment	100.0	100.0	
	Quantel Private Ltd.	Sale and maintenance of test instruments, etc.	60.0	60.0	
	EVT Technology Co., Ltd.	Manufacturing of motorcycles and its parts	85.6	85.6	
	Innovative Nanotech Incorporated	Monitoring instruments of nanoparticles	67.2	67.2	
	Touch Cloud Inc.	Development of cloud platform and internet of things systems	83.1	83.1	
	Environmental Stress Systems, Inc.	Sale of thermal platform systems	100.0	100.0	Note 4
Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	100.0	100.0	
	Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	100.0	100.0	
Chroma ATE Inc.	Chroma Systems Solutions, Inc.	Sale and maintenance of electronic test instruments, etc.	50.0	50.0	Note 2
Chen Hwa Technology Inc.	Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, simple commercial processing, commercial consulting services, etc.	100.0	100.0	
CHI Incorporation Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	100.0	100.0	
San Eagle Development Corp.	Wei Kuang Mech. Eng. Inc.	Investment	100.0	100.0	
Wei Kuang Mech. Eng. Inc.	Mou Kuan Technologies (Nanjing) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and rendering after-sales services	-	-	Note 5
	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	100.0	100.0	
	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	100.0	100.0	
Deep Red Holdings Co., Ltd.	Saject System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	100.0	100.0	
Adivic Technology Co., Ltd.	Adivic Holding Corporation	Sale and research of RF device	-	-	Note 6
Quantel Private Ltd.	Quantel Technologies India Private Ltd.	Sale and maintenance of test instruments, etc.	100.0	100.0	
	Quantel Global Vietnam Co., Ltd.	Sale and maintenance of test instruments, etc.	100.0	100.0	
	Quantel Global Sdn. Bhd.	Sale and maintenance of test instruments, etc.	100.0	100.0	
	Quantel Global Philippines Corporation	Sale and maintenance of test instruments, etc.	100.0	100.0	
	Quantel Global Company Limited	Sale and maintenance of test instruments, etc.	99.9	99.9	
Chroma ATE Europe B.V.	Chroma Germany GmbH	Sale and maintenance of electronic test instruments, etc.	100.0	100.0	
Chroma Investment Co., Ltd.	Testar Electronics Corporation	Testing of LED	15.0	15.0	
Chroma Electronics (Shenzhen) Co., Ltd.	Chroma ATE (Dongguan) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	100.0	-	Note 7

(Concluded)

Note 1: The Corporation's subsidiary, Chroma New Material Corp, was liquidated in December 2022.

Note 2: The Corporation and the Corporation's subsidiary, Chroma ATE Inc., jointly held 75% equity interest in Chroma Systems Solutions, Inc.

Note 3: For operational needs, the Corporation's subsidiary, Adivic Technology Co., Ltd., increased its working capital by $100,000 thousand in May 2023. The Corporation's equity interest in Adivic Technology Co. increased from 74.1% to 83.7% after the cash injection.

Note 4: Considering the future strategy of products and the improvement of product competitiveness, the Corporation acquired a subsidiary, Environmental Stress Systems, Inc., which engaged in the sale of thermal platform systems in January 2022.

Note 5: The Corporation's subsidiary, Mou Kuan Technologies (Nanjing) Co., Ltd., was liquidated in January 2022.

Note 6: The Corporation's subsidiary, Adivic Holding Corporation, was liquidated in December 2022.

Note 7: Considering the future strategy of products and the improvement of product competitiveness, the Corporation's subsidiary set up Chroma ATE (Dongguan) Co., Ltd. which engages in the sale of computerized automatic test systems, peripherals and electronic test instruments in January 2023.

13. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in associates	$ 4,251,293	$ 3,845,861
Investments in joint ventures	13,765	14,908
	$ 4,265,058	$ 3,860,769

a. Investments in associates

	December 31			
	2023		2022	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Adlink Technology Inc.	$ 229,346	6.6	$ 244,736	6.6
Dynascan Technology Corp.	226,637	27.3	204,120	27.3
Camtek Ltd.	3,795,310	17.4	3,397,005	17.6
	$ 4,251,293		$ 3,845,861	

	For the Year Ended December 31	
	2023	2022
The Group's share of:		
Net profit	$ 438,713	$ 494,540
Other comprehensive income (loss)	(4,386)	327,902
Total comprehensive income (loss) for the year	$ 434,327	$ 822,442

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follows:

	December 31	
Name of Associate	2023	2022
Adlink Technology Inc.	$ 883,143	$ 775,648
Camtek Ltd.	$ 16,653,593	$ 5,272,016

The Group is able to exercise significant influence over Adlink Technology Inc. although the percentage of shares held is less than 20%. Therefore, the Group accounted for Adlink Technology Inc. as an associate.

Although the Group’s equity interest in Camtek Ltd. is less than 20%, after assessing the Corporation’s number of seats in the board of directors of Camtek Ltd., it still has a significant influence; therefore, Camtek Ltd. is accounted for as an associate.

Refer to Table 7, for the nature of activities, principal place of business and country of incorporation of the associates.

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income from consolidated subsidiaries are audited by other auditors in the financial statements of Camtek Ltd. Additionally, the financial statements of Adlink Technology Inc. are recognized based on the financial statements prepared by the company. However, the Corporation's management believes that the financial statements of the aforementioned investee companies have not yet been audited by auditors, and thus are unlikely to have a significant impact.

b. Investments in joint ventures

	December 31			
	2023		2022	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Chih Ho Shun Development Co., Ltd.	$ 13,765	35.0	$ 14,908	35.0

Aggregate information of joint ventures that are not individually material:

	For the Year Ended December 31	
	2023	2022
The Group’s share of:		
Net loss	$ (1,143)	$ (1,095)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	$ (1,143)	$ (1,095)

For the investment and development plan, “The Action Plan for Developing Land Surrounding the MRT Airport Station to Improve Civilians’ Life,” the board of directors resolved to invest jointly with Dynapack International Corporation and Heran Co., Ltd. to set up Chih Ho Shun Development Co., Ltd. (“Chih Ho Shun”) in February 2012. The Corporation invested for a 35% entity interest in Chih Ho Shun but did not have control over this investee.

Refer to Table 7, for the nature of activities, principal place of business and country of incorporation of the joint ventures.

The investments in joint ventures accounted for using the equity method and the share of profit or loss and other comprehensive income of the investment for the years ended December 31, 2023 and 2022 was based on the joint ventures’ financial statements which have been audited.

14. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Office Equipment	Total
Cost					
Balance, January 1, 2022	$ 780,992	$ 5,033,362	$ 816,526	$ 1,740,862	$ 8,371,742
Additions	-	7,139	54,956	57,895	119,990
Disposals	-	(2,145)	(121,406)	(75,169)	(198,720)
Reclassification	968,440	137,609	80,769	74,910	1,261,728
Exchange differences	5,079	27,977	11,002	13,705	57,763
Acquisitions through business combinations	-	1,685	9,253	2,448	13,386
Balance, December 31, 2022	$ 1,754,511	$ 5,205,627	$ 851,100	$ 1,814,651	$ 9,625,889
Accumulated depreciation					
Balance, January 1, 2022	$ -	$ 608,150	$ 647,433	$ 1,019,723	$ 2,275,306
Depreciation	-	248,911	76,189	204,421	529,521
Disposals	-	(2,015)	(120,086)	(60,762)	(182,863)
Reclassification	-	-	(1,184)	(49,081)	(50,265)
Exchange differences	-	7,490	7,317	8,763	23,570
Acquisitions through business combinations	-	1,628	8,658	2,146	12,432
Balance, December 31, 2022	$ -	$ 864,164	$ 618,327	$ 1,125,210	$ 2,607,701
Carrying value at December 31, 2022	$ 1,754,511	$ 4,341,463	$ 232,773	$ 689,441	$ 7,018,188
Cost					
Balance, January 1, 2023	$ 1,754,511	$ 5,205,627	$ 851,100	$ 1,814,651	$ 9,625,889
Additions	-	439,278	48,113	58,533	545,924
Disposals	-	(653)	(26,706)	(60,271)	(87,630)
Reclassification	-	40,161	22,300	115,853	178,314
Exchange differences	(856)	(12,485)	(851)	(7,530)	(21,722)
Balance, December 31, 2023	$ 1,753,655	$ 5,671,928	$ 893,956	$ 1,921,236	$ 10,240,775
Accumulated depreciation					
Balance, January 1, 2023	$ -	$ 864,164	$ 618,327	$ 1,125,210	$ 2,607,701
Depreciation	-	247,139	95,897	215,514	558,550
Disposals	-	(585)	(26,145)	(49,809)	(76,539)
Reclassification	-	139	178	(11,200)	(10,883)
Exchange differences	-	(2,227)	(544)	(4,967)	(7,738)
Balance, December 31, 2023	$ -	$ 1,108,630	$ 687,713	$ 1,274,748	$ 3,071,091
Carrying value at December 31, 2023	$ 1,753,655	$ 4,563,298	$ 206,243	$ 646,488	$ 7,169,684

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	
Primary buildings	1-51 years
Mechanical and electrical equipment	1-10 years
Office equipment	1-10 years

Refer to Note 31 for property, plant and equipment that have been pledged to secure borrowings of the Group.

15. LEASE ARRANGEMENTS

The Group's important lease projects include lease land from other companies and government department for the use of the plants, warehouses and parking spaces, etc. The lease terms are from 2 to 10 years. The Group does not have bargain purchase options to acquire lease items at the end of lease terms.

For the years ended December 31, 2023 and 2022, the right-of-use assets increased by $102,726 thousand and $151,415 thousand, respectively. The depreciation expense of the right-of-use assets were $163,896 thousand and $124,911 thousand, and the total cash outflow for leases was $289,253 thousand and $230,524 thousand, respectively. Refer to the consolidated balance sheets for the balance of right-of-use assets and lease liabilities.

16. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Land	$ 2,478,333	$ 2,478,333

The Group acquired the land ownership certificates of the investment and development plan, "The Action Plan of Developing Land Surrounding the Airport MRT Station to Improve Civilian's Life" in the third quarter of 2018, part of the land was co-constructed with Fu Yu Construction to build a joint building project, and part of it has not yet been decided, both of the above land were classified as investment properties.

The determination of fair value was performed by independent qualified professional valuers, The significant unobservable inputs used include discount rates and the fair value as appraised.

	December 31	
	2023	2022
Fair value	$ 10,558,298	$ 9,450,053

In the third quarter of 2019, the Group entered into a joint building contract with Fu Yu Construction Co., Ltd. (Fu Yu Construction) to jointly build a building located at Project No. 61-0 and Project No. 61-1 projects, Lejie section, Guishan District, Taoyuan City. The construction project adopts a joint construction collaboration. The Group provided the land, and Fu Yu Construction provided funds to construct. The area will be distributed to the Group and Fu Yu Construction for 47% and 53%, respectively. According to the joint building contract, Fu Yu Construction should pay $20,000 thousand (recognized as guarantee deposit received) and two guaranteed notes with a denomination of $120,000 thousand to the Group when signing the contract.An additional $20,000 thousand guarantee deposit should be paid within five business days after the building construction registration is approved and within five business days after the approval of the underground bottom plate inspection. The joint building project started in the fourth quarter of 2020. According to the progress of the construction project, the Group returned to Fu Yu Construction two guaranteed notes with a denomination of $120,000 thousand and a guarantee deposit of $40,000 thousand in December 2023.

17. GOODWILL

	For the Year Ended December 31	
	2023	2022
Cost		
Balance, beginning of the year	$ 231,589	$ 225,695
Additional amounts recognized from business combinations that occurred during the year (Note 27)	-	41,250
Derecognized on disposal of a subsidiary	-	(28,986)
Impairment loss	(41,250)	(11,737)
Net effect of exchange differences	(939)	5,367
Balance, end of the year	$ 189,400	$ 231,589

For assessing goodwill for impairment at the end of reporting period, the Group took value in use as basis for calculating the recoverable amount of goodwill. The Group used the cash flows of a five-year financial forecast as the basis for calculating value in use to reflect the specific risk of cash-generating units.

The amount of derecognition on disposal of a subsidiary generated from the liquidation of Mou Kuan Technologies (Nanjing) Co., Ltd.

18. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Secured bank loans (Note 31)	$ 32,550	$ 212,580
Unsecured bank loans	2,099,000	1,606,500
	$ 2,131,550	$ 1,819,080

As of December 31, 2023 and 2022, the interest rate on the bank loans was 1.57%-2.03% and 1.08%-2.05% per annum, respectively.

b. Long-term borrowings

	December 31	
	2023	2022
Secured bank loans (1) (Note 31)	$ 109,079	$ 219,885
Unsecured bank loans (2)	885,000	1,150,000
	994,079	1,369,885
Less: Current portions	4,244	205,260
Long-term borrowings	$ 989,835	$ 1,164,625

1) Secured by the Group’s financial assets at amortized cost and property, plant and equipment. The final repayment period of those bank loans will be due in April 2025 to June 2031. As of December 31, 2023 and 2022, the effective interest rates on the bank loans were 2.25%-3.50% and 2.25%-7.25% per annum, respectively.

2) The purpose of the bank loans was general operation, with an original maturity date of June 2026. However, it was paid off in advance in December 2023 and a new loan agreement was signed. The final maturity date will be December 2028. As of December 31, 2023 and 2022, the interest rates on bank loans were 1.22%-2.10% and 1.64%-1.85% per annum, respectively.

19. OTHER PAYABLES

	December 31	
	2023	2022
Salaries and bonuses	$ 663,235	$ 628,862
Compensation of employees	550,353	788,598
Remuneration of directors	13,685	13,000
Others	560,763	214,799
	$ 1,788,036	$ 1,645,259

20. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

The Corporation and its subsidiaries in the ROC 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.

Employees of the Group's subsidiaries in the foreign are under the retirement benefit plans operated by their respective local governments. Subsidiaries have to contribute amounts at certain percentages of salaries to the retirement benefit plans to fund the benefits. The only obligation of the Group with respect to the retirement benefit plan is to make the specified contributions.

b. Defined benefit plans

The defined benefit plans adopted by the Corporation and its subsidiaries, Adivic Technology Co., Ltd. in accordance with the Labor Standard Law is operated by the government of the ROC. Pension benefits are calculated on the basis of length of service and average monthly salaries of the 6 months before retirement. The Corporation and its subsidiaries mentioned above contribute amount equal to 4% 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 year, the Corporation and its subsidiaries assess 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 Corporation and its subsidiaries are 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.

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

	December 31	
	2023	2022
Present value of defined benefit obligation	$ 597,604	$ 568,088
Fair value of plan assets	(448,780)	(413,959)
	148,824	154,129
Net defined benefit assets (recognized in other non-current assets)	4,411	1,490
Net defined benefit liabilities	$ 153,235	$ 155,619

Movements in net defined benefit liabilities were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 538,051	$(364,082)	$ 173,969
Current service cost	3,304	-	3,304
Net interest expense (income)	2,642	(1,898)	744
Recognized in profit or loss	5,946	(1,898)	4,048
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(28,232)	(28,232)
Actuarial loss			
Changes in financial assumptions	5,266	-	5,266
Experience adjustments	31,398	-	31,398
Recognized in other comprehensive income	36,664	(28,232)	8,432
Contributions from employer	-	(30,588)	(30,588)
Benefits paid	(10,841)	10,841	-
Liabilities extinguished on settlement	(1,732)	-	(1,732)
Balance at December 31, 2022	568,088	(413,959)	154,129
Current service cost	3,093	-	3,093
Net interest expense (income)	7,713	(5,884)	1,829
Recognized in profit or loss	10,806	(5,884)	4,922
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,967)	(2,967)
Actuarial loss			
Changes in financial assumptions	7,128	-	7,128
Experience adjustments	15,642	-	15,642
Recognized in other comprehensive income	22,770	(2,967)	19,803
Contributions from employer	-	(30,030)	(30,030)
Benefits paid	(4,060)	4,060	-
Balance at December 31, 2023	$ 597,604	$(448,780)	$ 148,824

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 were as follows:

	December 31	
	2023	**2022**
Discount rate(s)	1.00%-1.25%	1.13%-1.38%
Expected rate(s) of salary increase	2.50%-3.50%	2.50%-3.50%

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	$(14,134)	$(14,129)
0.25% decrease	$ 14,632	$ 14,648
Expected rate(s) of salary increase		
0.25% increase	$ 14,086	$ 14,119
0.25% decrease	$(13,684)	$(13,695)

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

	December 31	
	2023	**2022**
Expected contributions to the plan for the next year	$ 30,030	$ 30,154
Average duration of the defined benefit obligation	7.5-10.0 years	7.3-10.6 years

21. EQUITY

a. Ordinary share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	425,364	425,397
Shares issued	$ 4,253,644	$ 4,253,970

The authorized shares include 30,000 thousand shares allocated for the exercise of employee share options. The change in the Corporation's share capital is mainly due to the cancellation of employee restricted shares.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Additional paid-in capital	$ 3,536,183	$ 3,504,911
Treasury share transactions	265,451	252,213
Consolidation excess	146,976	146,976
May be used to offset a deficit only		
Share of changes in capital surplus of associates or joint ventures	400,780	371,947
May not be used for any purpose		
Employee restricted shares	195,480	226,426
	$ 4,544,870	$ 4,502,473

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

c. Retained earnings and dividend policy

Under the dividend policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the abovementioned distribution of earnings, the board of directors was authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on distribution of employees' compensation and remuneration to directors, refer to d. employees' compensation and remuneration of directors in Note 23 (c).

Taking into account future capital expenditure requirements and its cash position, the total of cash dividends paid in any given year may not be less than 20% of total dividends distributed in that year. The final amount, type and percentage of the cash dividends and stock dividends are subject to actual earnings and capital requirements of the Corporation in a particular year.

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

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021, which have been approved in the annual shareholders' meeting on June 9, 2023 and June 9, 2022, respectively, were as follows:

	Appropriation of Earnings		**Dividend Per Share (NT$)**	
	For Fiscal Year 2022	**For Fiscal Year 2021**	**For Fiscal Year 2022**	**For Fiscal Year 2021**
Legal reserve	$ 509,867	$ 413,498		
Cash dividends	3,403,176	2,970,000	$ 8.0	$ 7.0

The appropriations of earnings for 2023 had been proposed by the Corporation's board of directors on February 26, 2024. The appropriations and dividends per share were as follows:

	Appropriation of Earnings	**Dividends Per Share (NT$)**
Legal reserve	$ 394,685	
Cash dividends	2,807,405	$ 6.6

The aforementioned cash dividends had been resolved by the Corporation's board of directors, and the rest is subject to the resolution of the shareholders in their meeting to be held on June 6, 2024.

d. Special reserves

If a special reserve appropriated on the first-time adoption of IFRS Accounting Standards relates to exchange differences on translation of the financial statements of foreign operations (including the subsidiaries of the Corporation), special reserve of $86,888 thousand will be reversed on a proportionate basis according to the Corporation's disposal of foreign operations; on the Corporation'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. Treasury shares

The Corporation's shares held by its subsidiary, Chroma Investment Co., Ltd., at the end of the reporting periods were as follows:

	December 31	
	2023	2022
Number of shares held (in thousands of shares)	1,655	1,655
Carrying amount	$ 30,868	$ 30,868
Market price	$ 352,425	$ 299,479

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

22. REVENUE

	For the Year Ended December 31	
	2023	2022
Revenue from contracts with customers		
Revenue from sale of goods	$ 17,787,091	$ 20,904,366
Construction contract revenue	658,131	829,479
Other revenue	230,821	333,397
	$ 18,676,043	$ 22,067,242

a. Contract balances

	December 31	
	2023	2022
Contract assets - construction contract	$ 543,318	$ 1,084,012
Contract liabilities - sale of goods	$ 1,135,883	$ 1,651,972
Contract liabilities - construction contract	54,578	4,684
	$ 1,190,461	$ 1,656,656

The changes in the balance of contract liabilities primarily result from the timing difference between the Group's satisfaction of performance obligations and the respective customer's payment.

b. Disaggregation of revenue

Refer to Note 35 for the information on disaggregation of revenue.

23. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 256,680	$ 230,330
Operating expenses	465,766	424,103
	$ 722,446	$ 654,433
An analysis of amortization by function		
Operating costs	$ 3,261	$ 6,004
Operating expenses	20,887	23,263
	$ 24,148	$ 29,267

b. Employee benefits expense

	For the Year Ended December 31	
	2023	2022
Short-term benefits	$ 4,639,783	$ 4,848,244
Share-based payments (Note 26)	91,060	61,152
Post-employment benefits		
Defined contribution plans	112,079	103,491
Defined benefit plans (Note 20)	4,922	4,048
Other employee benefits	94,576	90,543
	$ 4,942,420	$ 5,107,478
An analysis of employee benefits expense by function		
Operating costs	$ 749,092	$ 784,834
Operating expenses	4,193,328	4,322,644
	$ 4,942,420	$ 5,107,478

c. Compensation of employees and remuneration of directors

According to the Company's Articles, the Corporation accrues compensation of employees and remuneration of directors at the rates of 5%-20% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which were approved by the Corporation's board of directors on February 26, 2024 and February 23, 2023, respectively, are as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	Rate %	Amount	Rate %
Compensation of employees	$ 336,427	6.65	$ 734,953	11.06
Remuneration of directors	13,685	0.27	12,000	0.18

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

There is no difference between the actual amounts of the compensation of employee 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 employee and remuneration of directors resolved by the Corporation's board of directors is available at the Market Observation Post System website of the Taiwan Stock Exchange.

24. INCOME TAXES

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

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 1,053,841	$ 1,048,909
Income tax on unappropriated earnings	19,022	37,816
Adjustments for prior years	(93,259)	(120,194)
	979,604	966,531
Deferred tax		
In respect of the current year	90,805	253,379
Income tax expense recognized in profit or loss	$ 1,070,409	$ 1,219,910

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

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 5,166,083	$ 6,441,468
Income tax expense calculated at the statutory rate	$ 1,303,367	$ 1,617,223
Adjustment items in determining taxable income		
Tax-exempt income	(6,079)	(141,502)
Others	(39,617)	(41,459)
Income tax on unappropriated earnings	19,022	37,816
Difference on basic tax payable	-	1,329
Unrecognized deductible differences		
Loss carryforward	28,767	5,530
Deductible temporary differences	81	-
Investment credits	(142,302)	(140,169)
Adjustments for prior years' tax	(93,259)	(120,194)
Others	429	1,336
Income tax expense recognized in profit or loss	$ 1,070,409	$ 1,219,910

b. Deferred tax assets and liabilities

For the year ended December 31, 2023

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences and Other	Closing Balance
Unrealized intercompany gain	$ 193,110	$ 39,341	$ -	$ 232,451
Loss carry forwards	27,017	10,502	(156)	37,363
Inventory reserve	59,905	3,901	(41)	63,765
Allowance for impaired receivables	31,337	351	-	31,688
Tax credit	37,045	(730)	4	36,319
Unrealized exchange loss	1,839	14,603	(45)	16,397
Others	5,045	1,568	(28)	6,585
	$ 355,298	$ 69,536	$ (266)	$ 424,568

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Differences and Other	Closing Balance
Unappropriated earnings of foreign subsidiaries	$ 943,272	$ 155,075	$ -	$ 1,098,347
Goodwill	52,857	651	(1)	53,507
Others	29,158	4,615	14	33,787
	$ 1,025,287	$ 160,341	$ 13	$ 1,185,641

For the year ended December 31, 2022

Deferred Tax Assets	Opening Balance	Recognized in Profit or Loss	Exchange Differences and Other	Closing Balance
Unrealized intercompany gain	$ 128,582	$ 64,528	$ -	$ 193,110
Loss carry forwards	69,916	(47,864)	4,965	27,017
Inventory reserve	60,267	(367)	5	59,905
Allowance for impaired receivables	32,711	(1,402)	28	31,337
Tax credit	32,507	950	3,588	37,045
Unrealized exchange loss	8,897	(7,062)	4	1,839
Gain on disposal of assets	3,853	(3,853)	-	-
Others	8,605	(3,768)	208	5,045
	$ 345,338	$ 1,162	$ 8,798	$ 355,298

Deferred Tax Liabilities	Opening Balance	Recognized in Profit or Loss	Exchange Differences and Other	Closing Balance
Unappropriated earnings of foreign subsidiaries	$ 701,238	$ 242,034	$ -	$ 943,272
Goodwill	48,827	2,606	1,424	52,857
Others	17,357	9,901	1,900	29,158
	$ 767,422	$ 254,541	$ 3,324	$ 1,025,287

c. Information on unused loss carryforwards of subsidiaries

As of December 31, 2023, investment tax credits comprised:

	December 31	
	2023	2022
Unrecognized as deferred tax assets		
Due in 2039	$ 751,453	$ 654,907
Recognized as deferred tax assets		
Due in 2043	166,100	131,141
	$ 917,553	$ 786,048

d. Income tax assessments

The Corporation and the domestic subsidiaries' income tax returns through 2021 have been assessed by the tax authorities.

25. EARNINGS PER SHARE

The earnings and weighted average number of ordinary shares outstanding used in the 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 and diluted earnings per share	$ 3,979,247	$ 5,105,824

Shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	420,975	420,518
Effect of potentially dilutive ordinary shares		
Compensation of employees	2,127	4,264
Employee share options	-	61
Employee restricted shares	1,675	617
Weighted average number of ordinary shares used in the computation of diluted earnings per share	424,777	425,460

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

26. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan of the Corporation

Information on employee share options of the Corporation were as follows:

	For the Year Ended December 31, 2022	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**
Balance at January 1	658	$ 57.3
Options exercised	(613)	57.3
Options forfeited	(45)	57.3
Balance at December 31	-	-
Options exercisable, end of the year	-	

The compensation cost recognized was $8,006 thousand for the year ended December 31, 2022.

b. Employee share option plan of subsidiaries

Adivic Technology Co., Ltd. granted its employees share options of 1,360 thousand units on March 12, 2014, with each option eligible to subscribe for one common share of Adivic Technology Co., Ltd. when exercised. The options are valid for 8 years and exercisable at certain percentages subsequent to the second year of the grant date.

	For the Year Ended December 31, 2022	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**
Balance at January 1	625	$ 10.0
Options forfeited	(625)	10.0
Balance at December 31	-	-
Options exercisable, end of the year	-	

The qualified employees of Touch Cloud Inc. were granted 470 thousand units of share options in April 2020, each option entitled the holders to subscribe for one common share of Touch Cloud Inc. upon exercised. The options granted are valid for 5 years and exercisable at certain percentages from the second anniversary of the grant date. The exercise price is $10 per share according to the terms of the employee stock option plan.

	For the Year Ended December 31			
	2023		2022	
	Number of Options (In Thousands)	Weighted-Average Exercise Price (NT$)	Number of Options (In Thousands)	Weighted-Average Exercise Price (NT$)
Balance at January 1	320	$ 10.0	338	$ 10.0
Options forfeited	(35)	10.0	(18)	10.0
Balance at December 31	285	10.0	320	10.0
Options exercisable, end of the year	200		128	

Compensation costs recognized were $1 thousand and $7 thousand for the years ended December 31, 2023 and 2022, respectively.

c. Restricted shares for employees

In the shareholders' meeting on June 9, 2022, the shareholders approved a Restricted Share Unit Plan ("RSU" Plan) for employees with a total amount of $30,000 thousand, consisting of 3,000 thousand shares with issuance price of $40 dollars per share. It can be issued at one time or several times depending on the circumstances. The RSU Plan was approved under Rule No. 1110346852 issued by the FSC on June 20, 2022. The Group issued 2,960 thousand shares on July 1, 2022, the subscription date. The details of RSU Plan are as follows:

1) Employees who are granted RSUs, upon meeting the Corporation's financial performance and personal performance indicators, are eligible to be vested 10, 20, 30 and 40 percent of the RSUs granted after 1, 2, 3 and 4 years of tenure after the subscription date, respectively.

2) The restrictions on the rights of the employees who are granted RSUs but have not met the vesting conditions are as follows:

    a) The employees are not eligible to sell, pledge, transfer, donate or to dispose any RSUs in any form.

    b) The employees holding RSUs are entitled to receive dividends and similar purchasing rights to ordinary shares during capital increase. Dividends from RSUs are not restricted during the vesting period and are appropriated to the employees' personal account from trust account after the dividend distribution date.

    c) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.

    d) The RSUs should be delivered to trust custodians upon grant date. The employees cannot request for return in any manner before vesting conditions are met.

e) Restrictions on employee rights during delivery of new shares to the Trust, the Corporation shall act as the exclusive agent of the employees and authorize the chairman of the board (including but not limited) in negotiating, signing, amending, extending, cancelling and terminating the Trust Deed and the delivery, use and disposal instructions of the Trust Property with the Stock Trust.

3) If an employee fails to meet the vesting conditions, the Corporation will recall or buy back and cancel the restricted shares at issued price. If an employee voluntarily resigns, retires, disabled or decease due to occupational hazards, dismissed, be transferred to another post, violates labor contracts or working protocols substantially or abandons restricted shares, related guidelines of RSU Plan will be followed accordingly.

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	2,910	-
Shares issue	-	2,960
Shares vested	(285)	-
Shares canceled	(33)	(50)
Balance at December 31	2,592	2,910

Compensations costs recognized were $91,059 thousand and $53,139 thousand for the years ended December 31, 2023 and 2022, respectively.

27. BUSINESS COMBINATIONS

a. Subsidiaries acquired

The Group obtained 100% equity interest of Environmental Stress Systems, Inc. (ESS) in January 2022 and acquired control over it; the subsidiary is included in the consolidated financial statements since the date the Group acquired control over it.

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

	Environmental Stress Systems, Inc.
Current assets	
Cash and cash equivalents	$ 5,147
Trade receivables	10,007
Inventory	5,094
Non-current assets	
Property, plant and equipment, net (Note 14)	954
Current liabilities	
Account payable	(4,749)
Other payables	(3,089)
Current tax liability	(4,117)
Other current liabilities	(311)
	$ 8,936

c. Intangible assets recognized on acquisitions

	Environmental Stress Systems, Inc.
Consideration transferred	$ 54,985
Less: Fair value of identifiable net assets acquired	(8,936)
Intangible assets recognized on acquisitions	$ 46,049
Goodwill (Note 17)	$ 41,250
Production facilities (included in intangible assets)	4,799
	$ 46,049

d. Net cash inflow (outflow) on the acquisition of subsidiaries

	Environmental Stress Systems, Inc.
Consideration paid in cash	$ (54,985)
Less: Cash and cash equivalent balances acquired	5,147
Cash outflow on the merger	(49,838)
Plus: Prepaid investment at beginning	54,985
Net cash inflow	$ 5,147

28. CAPITAL MANAGEMENT

The Group manages its capital to ensure that entities in the Group will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Group's capital management aims to maintain the sufficiency of financial resources and the soundness of operating strategies to meet the needs for operating capital, capital expenditure, R&D expenses, debt handling, dividend disbursement, etc.

29. FINANCIAL INSTRUMENTS

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

Management believes the carrying amounts of financial assets and financial liabilities not measured at fair value recognized in the consolidated financial statements approximates their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at FVTPL				
Domestic listed equity securities	$ 5,205	$ -	$ -	$ 5,205
Domestic unlisted equity securities	-	-	75,400	75,400
Open-end beneficiary certificates	250,743	-	4,205	254,948
	$ 255,948	$ -	$ 79,605	$ 335,553
Financial assets at FVTOCI				
Investments in equity instruments				
Domestic listed ordinary shares and emerging markets shares	$ 378,403	$ -	$ 585,533	$ 963,936
Domestic unlisted equity securities	-	-	145,201	145,201
Foreign unlisted equity securities	-	-	131,751	131,751
	$ 378,403	$ -	$ 862,485	$ 1,240,888
Investment in debt instruments				
Foreign government bonds	$ 74,506	$ -	$ -	$ 74,506
December 31, 2022				
Financial assets at FVTPL				
Domestic listed equity securities	$ 4,083	$ -	$ -	$ 4,083
Domestic unlisted equity securities	-	-	117,952	117,952
Open-end beneficiary certificates	272,788	-	4,513	277,301
	$ 276,871	$ -	$ 122,465	$ 399,336
Financial assets at FVTOCI				
Domestic listed ordinary shares and emerging markets shares	$ 395,455	$ -	$ 440,345	$ 835,800
Domestic unlisted equity securities	-	-	227,944	227,944
Foreign unlisted equity securities	-	-	140,694	140,694
	$ 395,455	$ -	$ 808,983	$ 1,204,438

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

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL Open-end Beneficiary Certificates	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2023	$ 122,465	$ 808,983	$ 931,448
Purchase	-	81,990	81,990
Reduction of capital cash return	-	(10,151)	(10,151)
Recognized in profit or loss (included in valuation gains and losses)	(42,860)	-	(42,860)
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	(18,337)	(18,337)
Balance at December 31, 2023	$ 79,605	$ 862,485	$ 942,090

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL Open-end Beneficiary Certificates	Financial Assets at FVTOCI Equity Instruments	Total
Balance at January 1, 2022	$ 58,017	$ 655,712	$ 713,729
Purchase	42,120	89,033	131,153
Reduction of capital cash return		(585)	(585)
Recognized in profit or loss (included in valuation gains and losses)	22,328	-	22,328
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	64,823	64,823
Balance at December 31, 2022	$ 122,465	$ 808,983	$ 931,448

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

The fair values of unlisted and domestic emerging market equity securities and open-end beneficiary certificates are determined by using the asset approach and the market approach. Asset approach evaluates the total market value of individual asset and liability of the evaluated target, taking into account the risk factors (lack of marketability, etc.) to estimate the fair value. Market approach refers to the transaction prices in active market of the listed companies engaging in similar business, related price multiplier, transaction and information implied by the transaction price, to arrive at the fair value.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at FVTPL		
Mandatorily at FVTPL	$ 335,553	$ 399,336
Financial assets at amortized cost (1)	9,989,061	11,386,937
Financial assets at FVTOCI		
Equity instruments	1,240,888	1,204,438
Debt instruments	74,506	-
Financial liabilities		
Financial liabilities at amortized cost (2)	7,552,481	7,832,899

1) The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, financial assets measured at amortized cost, notes receivable, trade receivables, other receivables (classified as other current assets) and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term loans, notes payable, trade payables, other payables, long-term loans (including current portion of long-term borrowings) and guarantee deposits received.

d. Financial risk management objectives and policies

The Group's major financial instruments consist of equity and debt investments, cash and cash equivalents, receivables, long-term and short-term borrowings and trade payables. The Group's financial risk management pertains to financial risks relating to the operations of the Group, including currency risk, interest rate risk, credit risk and liquidity risk. The Group seeks to identify, evaluate and hedge against market uncertainties to lower the effect of market changes on the Group's financial performance.

The Group manages foreign exchange risk through setting up of foreign currency deposit bank accounts and through the use of foreign currency directly received from sale to pay for purchases in foreign currency to reduce the impact of foreign exchange fluctuation and to achieve a natural hedge effect. The Group actively observes the exchange rate information to fully control the foreign currency hedge.

1) Market risk

The Group's activities expose it primarily to the financial risks of changes in exchange rates (see Item (a) below), interest rates (see Item (b) below) and price (see Item (c) below).

There has been no change to the Group's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities (including those eliminated on consolidation) at the end of the reporting period are set out in Note 33.

Sensitivity analysis

The Group was mainly exposed to USD and RMB.

Had the NTD strengthened by 5% against the relevant currency, the pre-tax profit would have decreased by $200,811 thousand and $238,242 thousand for the years ended December 31, 2023 and 2022, respectively. The 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency - denominated monetary items and their translation at period-end is adjusted for a 5% change in foreign-currency rates.

b) Interest rate risk

The Group is exposed to interest rate risk because entities in the Group borrow funds both at fixed and floated interest rates. The Group evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied.

The carrying amounts of the financial assets and 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	$ 1,774,025	$ 1,772,345
Financial liabilities	2,280,444	1,096,849
Cash flow interest rate risk		
Financial assets	2,382,441	4,314,602
Financial liabilities	1,182,550	2,484,800

Sensitivity analysis

The sensitivity analysis below has been determined on the basis of the exposure to interest rates for non-derivative instruments at balance sheet dates. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the balance sheet dates was outstanding for the whole year. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates 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 increase by $5,999 thousand and increase by $9,149 thousand, respectively, which was mainly attributable to the Group's exposure to interest rates on its variable rate deposits and bank loans.

c) Price risk

The Group is exposed to equity price risks mainly arising from the followings:

i. Investments in financial assets at FVTOCI (mainly investment in domestic and foreign stocks), which are held for strategic rather than trading purposes. The Group does not actively trade these investments.

ii. Financial assets at FVTPL (mainly investment in domestic and foreign open-ended beneficiary certificates and listed stocks in Taiwan).

The Group manages risk through holding various investment portfolios and having each equity investment to get prior approval from the Group's management.

Sensitivity analysis

The sensitivity analysis below was determined based on the exposure to price risks at the end of the reporting period.

If equity prices had been 5% higher, the pre-tax profit for the years ended December 31, 2023 and 2022 would have increased by $16,778 thousand and $19,967 thousand, respectively, as a result of the changes in fair values of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased by $65,770 thousand and $60,222 thousand, respectively, as a result of the changes in fair values of financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amount of trade receivables from operating activities; and

b) The amount of bank deposits, fixed income and other financial instruments from investing activities.

The Group adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables involve a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables, including the evaluation of internal credits, historical transaction records, present economic circumstances, etc. which affect the customers' payment ability.

The credit risk of the Group's trade receivables is mainly concentrated on specific customers in mainland China. The Group had properly assessed the expected credit loss of relevant trade receivables. As of December 31, 2023 and 2022, the above trade receivables both accounted for 10% and 12% of the total trade receivables.

The credit risk of bank deposits, fixed-income financial instruments and other financial instruments are evaluated, managed and controlled by the Group's financial department. The Group's exposure to credit risk was limited because the Group adopted a policy of only dealing with creditworthy counterparties.

3) Liquidity risk

The Group manages liquidity risk by managing and maintaining sufficient cash and cash equivalents to supply the Group's demand and mitigate the effects of fluctuations in cash flow. The Group continuously monitors the use of credit lines and conformity to loan terms.

The Group relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Group's available unutilized bank loan facilities were $6,772,820 thousand and $4,802,820 thousand, respectively.

Liquidity and interest risk tables for non-derivative financial liabilities

The following tables detail 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.

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.

	December 31, 2023		
	Within 1 Year	1-5 Years	More Than 5 Years
Non-derivative financial liabilities			
Non-interest bearing	$ 4,406,018	$ -	$ -
Fixed interest rate instruments	1,843,696	31,052	98,203
Floating interest rate instruments	346,147	884,788	-
Lease liabilities	151,834	191,691	4,222
	$ 6,747,695	$ 1,107,531	$ 102,425

	December 31, 2022		
	Within 1 Year	1-5 Years	More Than 5 Years
Non-derivative financial liabilities			
Non-interest bearing	$ 4,583,011	$ -	$ -
Fixed interest rate instruments	502,851	161,324	105,177
Floating interest rate instruments	1,566,376	966,820	-
Lease liabilities	143,614	262,068	7,502
	$ 6,795,852	$ 1,390,212	$ 112,679

After considering the financial position of the Group, management does not expect the banks will execute their rights of requiring the Group to repay the bank loans immediately. In addition, management believes the operating funds of the Corporation and subsidiaries are sufficient to meet cash flow demand; thus, liquidity risk is not considered significant.

The Group’s operating funds are sufficient to meet its cash flow demand, as a result, the Group does not use its overdraft limit.

30. TRANSACTIONS WITH RELATED PARTIES

a. Related parties and relationships

In addition to the related parties and its subsidiaries disclosed in Note 13, the other related parties are as follows:

Related Party	Relationship with the Group
Mou Kuan Industry Co., Ltd.	Other related party
Taiwan Advanced Nanotech Inc.	Other related party
CycleBond Healthcare Consulting Inc.	Other related party’s subsidiary
Tian Zheng International Precision Machinery Co., Ltd.	Other related party
Tian Zheng International Precision Machinery Co., Ltd. (Dongguan)	Other related party’s subsidiary
Omnitek Technology Co., Ltd.	Other related party’s subsidiary
Master Machinery Technology Co., Ltd.	Other related party’s subsidiary
Tian Zheng Holding Co., Ltd.	Other related party’s subsidiary
Prance Systems Technology Corporation	Other related party
TFBS Bioscience, Inc.	Other related party
Chroma Foundation	Other related party
Quantel Co., Ltd.	Other related party
Quantel Electronics (India) Private Limited	Other related party
PT Quantel	Other related party
Quantel Sdn. Bhd.	Other related party
Quantel Philippines Inc.	Other related party

Balances and transactions between the Corporation and its subsidiaries, which are related parties of the Corporation, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and its related parties are disclosed below.

The related-party transactions were conducted under normal terms unless specified otherwise.

b. Sales

Related Party Category/Name	For the Year Ended December 31 2023	2022
Associates	$ 28,999	$ 35,691
Other related parties	15,126	56,267
	$ 44,125	$ 91,958

c. Purchases

Related Party Category/Name	For the Year Ended December 31 2023	2022
Associates	$ 12,947	$ 15,074
Other related parties	12,660	28,646
	$ 25,607	$ 43,720

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

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Trade receivables - related parties	Associates	$ 6,823	$ 8,717
	Other related parties	320	56,029
		$ 7,143	$ 64,746

Outstanding trade receivables from related parties are unsecured.

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Notes payable - related parties	Other related parties	$ 771	$ 2,559
Trade payables - related parties	Associates	$ 2,093	$ 2,974
	Other related parties	1,149	2,425
		$ 3,242	$ 5,399

f. Acquisition of property, plant and equipment

Related Party Category/Name	Purchase Price For the Year Ended December 31 2023	Purchase Price For the Year Ended December 31 2022
Associates	$ 532	$ 4,509

g. Lease arrangements

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Lease liabilities	Associates		
	Adlink Technology Inc.	$ 99,341	$ 142,891
	Other related parties	12,191	23,657
		$ 111,532	$ 166,548

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Depreciation expense	Associates	$ 35,265	$ 35,265
	Other related parties	11,481	11,481
		$ 46,746	$ 46,746

h. Others

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	2022
Administration expense	Associates	$ 22,660	$ 20,187
	Other related parties	9,622	8,722
		$ 32,282	$ 28,909

i. Compensation of key management personnel

	For the Year Ended December 31 2023	2022
Short-term employee benefits	$ 160,810	$ 176,341
Post-employment benefits	3,093	3,033
Share-based payments	40,607	22,261
	$ 204,510	$ 201,635

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

31. ASSETS PLEDGED AS COLLATERAL OR FOR SECURITY

The assets pledged as collaterals for bank loans, product warranties and court deposit guarantees were as follows:

	December 31 2023	2022
Property, plant and equipment, net	$ 116,292	$ 198,189
Pledged deposits (classified as financial assets measured at amortized cost)	5,660	159,185
	$ 121,952	$ 357,374

32. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNIZED COMMITMENTS

Chroma’s subsidiary, MAS Automation Corporation (“MAS”), entered into an equipment purchase agreement (the “Agreement”) with LINCO Technology Co., Ltd. (“LINCO”) in 2017, in which MAS entrusted LINCO to manufacture automation equipment. However, LINCO failed to deliver a considerable number of important parts of the equipment to MAS; furthermore, LINCO rejected its obligation to perform installation services under the Agreement. Hence, MAS claimed a delay penalty of $2,503,659 thousand (around US$83,455 thousand) against LINCO.

On the other hand, LINCO alleged that MAS breached its payment obligation under the Agreement and raised a counterclaim against MAS in the Taiwan Taoyuan District Court on October 30, 2019, claiming the payment of $255,640 thousand (around US$8,240 thousand) along with the interest.

The abovementioned case was pronounced by the Taoyuan District Court on May 30, 2023, and MAS lost the lawsuit. However, LINCO also lost the counterclaim, therefore there was no significant impact on MAS. Both parties have appealed for a second trial to the High Court. As of December 31, 2023, the lawsuit has not yet been settled and the outcome of the judgment cannot be reliably estimated.

33. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 95,568	30.705 (USD:NTD)	$ 2,934,429
USD	22,456	7.815 (USD:HKD)	689,526
USD	8,728	1.138 (USD:SGD)	267,991
USD	4,020	7.096 (USD:RMB)	123,430
RMB	209,390	4.327 (RMB:NTD)	906,029
RMB	111,663	1.101 (RMB:HKD)	483,167
			$ 5,404,572
Non-monetary items			
Investments accounted for using the equity method			
USD	81,863	30.705 (USD:NTD)	$ 2,513,605
Financial liabilities			
Monetary items			
USD	16,215	30.705 (USD:NTD)	$ 497,892
USD	10,292	7.815 (USD:HKD)	316,007
USD	3,974	1.318 (USD:SGD)	122,029
USD	3,550	34.041 (USD:THB)	108,999
RMB	79,367	1.101 (RMB:HKD)	343,420
			$ 1,388,347

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 104,606	30.710 (USD:NTD)	$ 3,212,456
USD	16,472	7.798 (USD:HKD)	505,869
USD	8,290	6.967 (USD:RMB)	254,601
RMB	262,110	4.408 (RMB:NTD)	1,155,380
RMB	109,134	1.119 (RMB:HKD)	481,065
RMB	39,843	0.144 (RMB:USD)	175,628
			$ 5,784,999
Non-monetary items			
Investments accounted for using the equity method			
USD	110,616	30.710 (USD:NTD)	$ 3,397,005
Financial liabilities			
Monetary items			
USD	15,100	30.710 (USD:NTD)	$ 463,715
USD	8,873	7.798 (USD:HKD)	272,489
RMB	64,417	1.119 (RMB:HKD)	283,950
			$ 1,020,154

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange (losses) gains were $(57,769) thousand and $263,216 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 of the entities in the Group.

34. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1.

2) Endorsements/guarantees provided: Table 2.

3) Marketable securities held (excluding investment in subsidiaries, associates and joint ventures): Table 3.

4) Marketable securities acquired and 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.

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

9) Trading in derivative instruments: None.

10) Others: Intercompany relationships and significant intercompany transactions: Table 6.

11) Information on investees: Table 7.

b. 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.

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 4.

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 4.

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 period and the purposes: Table 2.

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

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 receiving of services: Table 4.

c. 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: None.

35. SEGMENT INFORMATION

Information reported to the Group's chief operating decision maker for the purpose of resource allocation and assessment of segment performance focuses on types of products delivered or services provided. The Group's reportable segments are as follows:

a. Special materials department.

b. Test instrument department.

c. Automatic equipment department.

d. Other

1) Segment revenues and results

	Special Materials Department	Test Instrument Department	Automatic Equipment Department	Other	Elimination	Total
For the year ended December 31, 2023						
Revenue from external customers	$ -	$ 17,787,091	$ 658,131	$ 230,821	$ -	$ 18,676,043
Inter-segment revenue	-	10,946,980	902,749	-	(11,849,729)	-
Consolidated revenue	$ -	$ 28,734,071	$ 1,560,880	$ 230,821	$ (11,849,729)	$ 18,676,043
Segment income	$ -	$ 4,479,541	$ 171,828	$ (50,351)	$ 71,819	$ 4,672,837
Non-operating income and expenses						493,246
Profit before tax						$ 5,166,083
For the year ended December 31, 2022						
Revenue from external customers	$ 635,186	$ 20,269,180	$ 829,479	$ 333,397	$ -	$ 22,067,242
Inter-segment revenue	-	11,763,765	2,034,037	25	(13,797,827)	-
Consolidated revenue	$ 635,186	$ 32,032,945	$ 2,863,516	$ 333,422	$ (13,797,827)	$ 22,067,242
Segment income	$ 44,354	$ 4,498,092	$ 420,020	$ 29,927	$ 46,863	$ 5,039,256
Non-operating income and expenses						1,402,212
Profit before tax						$ 6,441,468

The sales between segments are based on fair value.

The above revenues were generated through transactions with external customers and among segments. The inter-segment revenues for the years ended December 31, 2023 and 2022 had been adjusted and eliminated from the consolidated financial statements.

Segment profit represents the profit before tax earned by each segment without allocation of central administration costs, and remuneration of directors, non-operating revenue and expenses. This was the measure reported to the Group's chief operating decision maker to allocate resources to each segment and evaluate its performance.

2) Segment assets and liabilities

The assets and liabilities of the Group have not been provided to the operating decision maker; hence, the valuation amounts of assets and liabilities are not disclosed.

3) Geographical information

The Group’s primary operating areas are Taiwan, Republic of China, America, and others.

The Group’s revenue from external customers by location of operations and information about its non-current assets by geographical location are detailed below.

	Revenue from External Customers For the Year Ended December 31		Non-current Assets December 31	
	2023	2022	2023	2022
Taiwan	$ 4,826,964	$ 5,166,873	$ 9,815,713	$ 9,062,374
China	7,575,138	9,665,802	431,230	341,293
America	3,732,299	5,072,458	900,754	506,303
Others (Note)	2,541,642	2,162,109	451,871	519,915
	$ 18,676,043	$ 22,067,242	$ 11,599,568	$ 10,429,885

Note: Including all area amount of non-significant subsidiaries.

Non-current assets exclude non-current assets classified as financial instruments, investments accounted for using the equity method, and deferred tax assets.

4) Information about major customers

Included in revenue of $18,676,043 thousand and $22,067,242 thousand in 2023 and 2022, respectively, is revenue of approximately $1,525,931 thousand and $3,700,137 thousand which arose from sales to the Group’s largest customer.

TABLE 1

CHROMA ATE INC. AND SUBSIDIARIES

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 6)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Corporation	Chroma Japan Corp.	Other receivables	Y	$ 177,082	$ 177,082	$ 122,014	1.42%	a	$ 348,120	-	$ -	-	$ -	$ 2,195,588 (Note 1)	$ 4,391,175 (Note 2)
		Chroma Systems Solutions, Inc.	Other receivables	Y	75,605	31,083	31,083	5.75%	a	995,391	-	-	-	-	2,195,588 (Note 1)	4,391,175 (Note 2)
1	Wei Kuang Mech. Eng. Inc.	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Other receivables	Y	129,882	-	-	-	b	-	Purchase material, working capital turnover	-	-	-	515,888 (Note 3)	722,243 (Note 4)

Note 1: Based on 10% of the net value of the Corporation.

Note 2: Based on 20% of the net value of the Corporation.

Note 3: Based on 50% of the net value of Wei Kuang Mech. Eng. Inc.

Note 4: Based on 70% of the net value of Wei Kuang Mech. Eng. Inc.

Note 5: The amounts listed in the table were translated into the New Taiwan dollars at the exchange rate of US$1=NT$30.705, JPY1=NT$0.217 and RMB1=NT$4.327 as of December 31, 2023.

Note 6: Financing provided:

a. For transactions.
b. For short-term financing.

TABLE 2

CHROMA ATE INC. AND SUBSIDIARIES

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement /Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement /Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement /Guarantee to Net Equity in Latest Financial Statements	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										
0	The Corporation	Chroma ATE Inc.	Subsidiary	$ 3,293,381	$ 245,640	$ 122,820	$ -	$ -	0.56%	$ 6,586,763	Y	-	-
		Chroma Japan Corp.	Subsidiary	3,293,381	43,400	43,400	32,550	-	0.20%	6,586,763	Y	-	-
		Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	3,293,381	1,549,066	865,400	222,969	-	3.94%	6,586,763	Y	-	Y
		Chroma ATE Europe B.V.	Subsidiary	3,293,381	50,970	50,970	-	-	0.23%	6,586,763	Y	-	-
		Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	3,293,381	43,270	43,270	9,087	-	0.20%	6,586,763	Y	-	Y
		Saject System Technology (Suzhou) Co., Ltd.	Subsidiary	3,293,381	21,635	21,635	-	-	0.10%	6,586,763	Y	-	Y
		Mas Automation Corp.	Subsidiary	3,293,381	300,000	100,000	-	-	0.46%	6,586,763	Y	-	-

Note 1: According to Regulation of the "Procedures for Endorsement/Guarantee and lending of Funds", the Corporation limits the endorsement/guarantee amount on each entity to within 15% of the net value of the Corporation.

Note 2: According to Regulation of the "Procedures for Endorsement/Guarantee and Lending of Funds", the Corporation limits the endorsement/guarantee amount within the 30% of the net value of the Corporation.

Note 3: The amounts listed in columns were translated into the New Taiwan dollars at the exchange rate of US$1=NT$30.705, JPY1=NT$0.217, RMB1=NT$4.327, EUR1=NT$33.980, as of December 31, 2023.

CHROMA ATE INC. AND SUBSIDIARIES

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	Fund							
	WI Harper INC Fund VII LP	-	Financial assets at fair value through profit or loss - non-current	-	$ 4,205	-	$ 4,205	-
	Shares							
	DynaColor, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	6,050	211,459	6.0	211,459	-
	Chunghwa Telecom Co., Ltd.	-	〃	412	49,486	-	49,486	-
	China Communications Media Group Co., Ltd.	-	〃	10	46	-	46	-
	Tian Zheng International Precision Machinery Co., Ltd.	-	〃	2,681	117,412	7.3	117,412	-
	Twoway Catv Service Inc.	-	〃	3,561	98,806	4.4	98,806	-
	Taiwan Advanced Nanotech Inc.	-	〃	3,475	256,502	11.4	256,502	-
	TFBS Bioscience Inc.		〃	2,675	171,929	7.7	171,929	-
	WK Technology Fund IX Ltd.	-	〃	3,599	57,475	4.6	57,475	-
	WK Technology Fund IX II Ltd.	-	〃	6,000	60,000	5.3	60,000	-
	Gaius Automotive Inc.	-	〃	1,486	27,726	2.0	27,726	-
	Enteligent Inc.	-	〃	875	29,015	6.9	29,015	-
Chroma Systems Solutions Inc.	Fund							
	Franklin California Tax Free Income FD Inc.	-	Financial assets at fair value through profit or loss - current	455	96,731	-	96,731	-
	Fidelity Government Money Market		〃	-	35,926	-	35,926	-
	Debt							
	United States Department of The Treasury		Financial assets at fair value through other comprehensive income - current	-	74,506	-	74,506	-
Chroma Investment Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	499	6,134	-	6,134	-
	Taishin 1699 Money Market Fund		〃	1,081	15,074	-	15,074	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
	<u>Shares</u>							
	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	85	$ 5,205	-	$ 5,205	-
	Hephas Energy Co., Ltd.	-	〃	1,889	75,400	6.8	75,400	-
	Chroma ATE Inc.	The Corporation	Financial assets at fair value through other comprehensive income - non-current	1,655	352,425	0.4	352,425	-
	Taiwan Advanced Nanotech Inc.	-	〃	790	58,296	2.6	58,296	-
	Cosmactive Broadband Networks Co., Ltd.	-	〃	4	-	0.6	-	-
	Prance Systems Technology Corporation	-	〃	111	-	5.1	-	-
Chen Hwa Technology Inc.	<u>Shares</u>							
	Hangzhou New Material Chroma Co., Ltd.	-	〃	-	102,736	19.0	102,736	-
EVT Technology Co., Ltd.	<u>Fund</u>							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	420	5,420	-	5,420	-
Testar Electronics Corporation	<u>Fund</u>							
	Mega Diamond Money Market Fund	-	〃	7,090	91,458	-	91,458	-

Note: The fair value of open-end beneficiary certificates and listed market securities was calculated based on the net asset value and closing price as of balance sheet date.

(Concluded)

TABLE 4

CHROMA ATE INC. AND SUBSIDIARIES

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	Neworld Electronics Limited	Subsidiary	(Sale)	$(3,207,826)	(26)	Note	$ -	-	$ 654,274	16	-
	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(199,313)	(2)	Note	-	-	13,219	-	-
	Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	(Sale)	(331,424)	(3)	Note	-	-	18,052	-	-
	Chroma ATE Inc.	Subsidiary	(Sale)	(1,135,216)	(9)	Note	-	-	676,091	17	-
	Chroma Systems Solutions, Inc.	Subsidiary	(Sale)	(995,391)	(8)	Net 90 days after delivery	-	-	223,629	6	-
	Chroma ATE Europe B.V.	Subsidiary	(Sale)	(440,814)	(4)	Note	-	-	143,069	4	-
	Chroma Germany GmbH	Subsidiary	(Sale)	(165,769)	(1)	Note	-	-	146,679	4	-
	Chroma Japan Corp.	Subsidiary	(Sale)	(348,120)	(3)	Note	-	-	395,390	10	-
	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	(Sale)	(687,544)	(5)	Note	-	-	369,159	9	-
	Quantel Private Ltd.	Subsidiary	(Sale)	(555,903)	(4)	Net 90 days after delivery	-	-	133,598	3	-
Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(1,273,213)	(36)	Net 90 days after declaration	-	-	273,803	26	-
	Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	(Sale)	(227,094)	(6)	Net 90 days after declaration	-	-	23,923	2	-
	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(313,515)	(9)	Net 90 days after declaration	-	-	122,316	12	-
Mas Automation Corp.	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Same parent company	(Sale)	(101,515)	(18)	Net 90 days after declaration	-	-	-	-	-
Chroma ATE Europe B.V.	Chroma Germany GmbH	Subsidiary	(Sale)	(194,692)	(30)	Net 90 days after declaration	-	-	91,731	59	-
Quantel Private Ltd.	Quantel Global Company Limited	Subsidiary	(Sale)	(131,829)	(15)	Net 90 days after declaration	-	-	109,089	38	-
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(555,226)	(89)	Net 90 days after declaration	-	-	500,721	98	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(138,377)	(38)	Net 90 days after declaration	-	-	130,029	85	-

Note: The actual credit period is longer than other customers, the recovery of receivables depends on the related parties' financial position.

TABLE 5

CHROMA ATE INC. AND SUBSIDIARIES

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

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
						Amount	Action Taken		
The Corporation	Neworld Electronics Limited	Subsidiary	Trade receivables	$ 654,274	5.37	$ -	-	$ 355,738	$ -
	Chroma ATE Inc.	Subsidiary	Trade receivables	676,091	3.36	-	-	1,699	-
	Chroma Systems Solutions, Inc.	Subsidiary	Trade receivables	223,629	4.26	-	-	75,205	-
	Chroma ATE Europe B.V.	Subsidiary	Trade receivables	143,069	3.36	-	-	-	-
	Chroma Germany GmbH	Subsidiary	Trade receivables	146,679	1.84	-	-	18	-
	Chroma Japan Corp.	Subsidiary	Trade receivables	395,390	0.96	-	-	-	-
	Chroma Japan Corp.	Subsidiary	Other receivables - financing provided	122,014	-	-	-	59,349	-
	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	Trade receivables	369,159	1.30	-	-	72,811	-
	Quantel Private Ltd.	Subsidiary	Trade receivables	133,598	4.58	-	-	53,433	-
Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	Trade receivables	273,803	3.89	-	-	152,929	-
	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	122,316	3.19	-	-	37,652	-
Quantel Private Ltd.	Quantel Global Company Limited	Subsidiary	Trade receivables	109,089	2.42	-	-	2,411	-
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	500,721	1.20	467,024	Strengthen collection	33,697	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	130,029	1.34	-	-	130,029	-

Note: As of January 31, 2024.

TABLE 6

CHROMA ATE INC. AND SUBSIDIARIES

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

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Transaction Details			Percentage to Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
0	The Corporation	Neworld Electronics Limited	a	Operating revenue	$ 3,207,826	Note 2	17
		Neworld Electronics Limited	a	Trade receivables	654,274	Based on regular terms	2
		Chroma Electronics (Shenzhen) Co, Ltd.	a	Operating revenue	199,313	Note 2	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	331,424	Note 2	2
		Chroma ATE Inc.	a	Operating revenue	1,135,216	Note 2	6
		Chroma ATE Inc.	a	Trade receivables	676,091	Based on regular terms	2
		Chroma Systems Solutions, Inc.	a	Operating revenue	995,391	Note 2	5
		Chroma Systems Solutions, Inc.	a	Trade receivables	223,629	Based on regular terms	1
		Chroma ATE Europe B.V.	a	Operating revenue	440,814	Note 2	2
		Chroma ATE Europe B.V.	a	Trade receivables	143,069	Based on regular terms	-
		Chroma Germany GmbH	a	Operating revenue	165,769	Note 2	1
		Chroma Germany GmbH	a	Trade receivables	146,679	Based on regular terms	-
		Chroma Japan Corp.	a	Operating revenue	348,120	Note 2	2
		Chroma Japan Corp.	a	Trade receivables	395,390	Based on regular terms	1
		Chroma Japan Corp.	a	Other receivables - financing provided	122,014	Based on regular terms	-
		Chroma ATE (Suzhou) Co., Ltd.	a	Operating revenue	687,544	Note 2	4
		Chroma ATE (Suzhou) Co., Ltd.	a	Trade receivables	369,159	Based on regular terms	1
		Quantel Private Ltd.	a	Operating revenue	555,903	Note 2	3
		Quantel Private Ltd.	a	Trade receivables	133,598	Based on regular terms	-
1	Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co, Ltd.	a	Operating revenue	1,273,213	Based on regular terms	7
		Chroma Electronics (Shenzhen) Co, Ltd.	a	Trade receivables	273,803	Based on regular terms	1
		Chroma Electronics (Shanghai) Co., Ltd.	a	Operating revenue	227,094	Based on regular terms	1
		Chroma ATE (Suzhou) Co., Ltd.	b	Operating revenue	313,515	Based on regular terms	2
		Chroma ATE (Suzhou) Co., Ltd.	b	Trade receivables	122,316	Based on regular terms	-
2	Mas Automation Corp.	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	b	Operating revenue	101,515	Based on regular terms	1
3	Chroma ATE Europe B.V.	Chroma Germany GmbH	a	Operating revenue	194,692	Based on regular terms	1
4	Quantel Private Ltd.	Quantel Global Company Limited	a	Operating revenue	131,829	Based on regular terms	1
		Quantel Global Company Limited	a	Trade receivables	109,089	Based on regular terms	-
5	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	b	Operating revenue	555,226	Based on regular terms	3
		Chroma ATE (Suzhou) Co., Ltd.	b	Trade receivables	500,721	Based on regular terms	1

(Continued)

No.	Company Name	Counterparty	Flow of Transactions (Note 1)	Transaction Details			Percentage to Consolidated Total Operating Revenues or Total Assets
				Account	Amount	Transaction Terms	
6	Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	b	Operating revenue	$ 138,377	Based on regular terms	1
		Chroma ATE (Suzhou) Co., Ltd.	b	Trade receivables	130,029	Based on regular terms	-

Note 1: a. From parent to subsidiary.
b. Between subsidiaries.

Note 2: The prices were determined after taking the selling and post-sale service expenses into consideration.

Note 3: The collection periods of about 12 months were longer than those for third parties.

(Concluded)

TABLE 7

CHROMA ATE INC. AND SUBSIDIARIES

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
The Corporation	Neworld Electronics Limited	Hong Kong	Sale and maintenance of electronic test instruments, etc.	$ 271,873	$ 271,873	64,012,815	100.0	$ 1,860,628	$ 264,990	$ 264,990	Subsidiary
	Mas Automation Corp.	Hsinchu, Taiwan	Design, manufacturing, installment and testing of automated factory conveyor systems	533,000	533,000	10,000,000	100.0	205,875	64,521	64,521	Subsidiary
	Chroma ATE Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,895	29,895	1,000,000	100.0	593,509	136,560	136,588	Subsidiary
	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,628	29,628	120,000	25.0	(40,890)	411,407	102,851	Subsidiary
	Chroma ATE Europe B.V.	The Netherlands	Sale and maintenance of electronic test instruments, etc.	54,026	54,026	1,000	100.0	47,468	33,219	33,241	Subsidiary
	Chroma Japan Corp.	Japan	Sale and maintenance of electronic test instruments, etc.	201,750	201,750	9,975	100.0	(160,701)	5,396	5,394	Subsidiary
	CHI Incorporation Ltd.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	122,884	122,884	3,830,000	100.0	434,059	145,327	145,327	Subsidiary
	Chen Hwa Technology Inc.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	98,217	98,217	3,085,000	100.0	209,526	23,031	23,031	Subsidiary
	San Eagle Development Corp.	British Virgin Islands	Investment	186,514	186,514	2,050,000	100.0	955,149	86,642	87,000	Subsidiary
	Sensational Holdings Ltd.	British Virgin Islands	Investment	38,301	38,301	1,200,000	100.0	57,989	2,819	2,819	Subsidiary
	Deep Red Holding Co., Ltd.	Mauritius	Investment	12,217	12,217	215,000	100.0	155,841	(4,329)	(4,329)	Subsidiary
	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED	247,096	247,096	20,159,600	67.2	137,914	(25,062)	(16,841)	Subsidiary
	Adivic Technology Co., Ltd.	Taoyuan, Taiwan	Sale and research of RF device	373,800	273,800	22,590,000	83.7	78,506	(54,370)	(39,427)	Subsidiary
	Chroma Investment Co., Ltd.	Taoyuan, Taiwan	Investment	80,000	80,000	14,000,000	100.0	195,460	(44,932)	(44,932)	Subsidiary
	Quantel Private Ltd.	Singapore	Sale and maintenance of test instruments, etc.	112,328	112,328	1,914,000	60.0	267,620	115,797	69,478	Subsidiary
	EVT Technology Co., Ltd.	Taoyuan, Taiwan	Manufacturing of motorcycles and its parts	117,311	117,311	9,412,412	85.6	15,999	(8,879)	(7,601)	Subsidiary
	Innovative Nanotech Incorporated	Hsinchu, Taiwan	Monitoring instruments of nanoparticles	142,140	142,140	14,214,000	67.2	118,485	(42,582)	(28,623)	Subsidiary
	Touch Cloud Inc.	Taipei, Taiwan	Development of cloud platform and Internet of Things systems	110,457	110,457	11,045,667	83.1	24,386	(13,260)	(11,019)	Subsidiary
	Environmental Stress Systems, Inc.	USA	Sale of thermal platform systems	54,985	54,985	1,000	100.0	4,034	(9,671)	(10,631)	Subsidiary
	Adlink Technology Inc.	Taoyuan, Taiwan	Manufacturing, processing and retailing of software/hardware of computers and peripherals	94,782	95,778	14,267,253	6.6	229,346	307,312	20,175	Associate
	DynaScan Technology Corp.	Taoyuan, Taiwan	Research and manufacture of LED generators	238,746	238,746	9,841,112	27.3	226,637	153,453	41,889	Associate
	Camtek Ltd.	Israel	Automatic optical inspection equipment	2,342,340	2,342,340	7,817,440	17.4	3,795,310	2,369,369	376,649	Associate
	Chih Ho Shun Development Co., Ltd.	Taoyuan, Taiwan	Construction and development of residence, buildings and specialized field; construction and investment of public works	17,500	17,500	1,750,000	35.0	13,765	(3,264)	(1,143)	Joint venture
Chroma ATE Inc.	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	64	64	240,000	50.0	482,488	411,407	NA	Subsidiary
Chroma ATE Europe B.V.	Chroma Germany GmbH	Germany	Sale and maintenance of electronic test instruments, etc.	1,073	1,073	30,000	100.0	28,565	13,214	NA	Subsidiary
San Eagle Development Corp.	Wei Kuang Mech. Eng. Inc.	Mauritius	Investment	185,686	185,686	4,475,000	100.0	1,031,376	86,660	NA	Subsidiary
Quantel Private Ltd.	Quantel Technologies India Private Ltd.	India	Sale and maintenance of test instruments, etc.	3,056	3,056	64,999	100.0	6,397	601	NA	Subsidiary
	Quantel Global Vietnam Co., Ltd.	Vietnam	Sale and maintenance of test instruments, etc.	6,219	6,219	-	100.0	13,341	(963)	NA	Subsidiary
	Quantel Global Sdn. Bhd.	Malaysia	Sale and maintenance of test instruments, etc.	4,199	4,199	600,000	100.0	25,112	9,230	NA	Subsidiary
	Quantel Global Philippines Corporation	Philippines	Sale and maintenance of test instruments, etc.	610	610	99,095	100.0	8,950	(882)	NA	Subsidiary
	Quantel Global Company Limited	Thailand	Sale and maintenance of test instruments, etc.	13,138	13,138	173,657	99.9	23,885	10,874	NA	Subsidiary
Chroma Investment Co., Ltd.	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED	11,250	11,250	4,500,000	15.0	36,645	(25,062)	NA	Subsidiary

Note: For amounts that were translated from foreign currencies, the amount of the original investment was translated into New Taiwan dollars at the historical exchange rate, while the amount of net income (loss) of the investee and investment gain (loss) were translated into New Taiwan dollars at the average exchange rate for the year ended December 31, 2023. Other amounts were translated into New Taiwan dollars at the spot exchange rate on December 31, 2023.

CHROMA ATE INC. AND SUBSIDIARIES

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

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 3)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 3)	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Notes 4 and 5)	Carrying Amount as of December 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outward	Inward						
Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	$ 117,870 (HK$ 30,000)	b. Subsidiary of Neworld Electronics Limited	$ 132,178 (HK$ 1,200 US$ 3,853)	$ -	$ -	$ 132,178 (HK$ 1,200 US$ 3,853)	$ 156,224	100	$ 156,224	$ 1,149,110	$ 159,544 (RMB 36,858)
Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	92,115 (US$ 3,000)	b. Subsidiary of Neworld Electronics Limited	101,993 (US$ 3,000)	-	-	101,993 (US$ 3,000)	62,466	100	62,466	325,419	47,801 (RMB 10,852)
Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, commercial simple processing and commercial consulting service and etc.	82,904 (US$ 2,700)	b. Subsidiary of Chen Hwa Technology Inc.	84,988 (US$ 2,700)	-	-	84,988 (US$ 2,700)	187	100	187	74,636	-
Hangzhou New Material Chroma Co., Ltd.	Production and sale of semiconductor connecting materials	46,058 (US$ 1,500)	b. Subsidiary of Chen Hwa Technology Inc.	9,091 (US$ 285)	-	-	9,091 (US$ 285)	60,868	19	-	102,737	34,048 (US$ 1,075)
Chroma ATE (Suzhou) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	116,679 (US$ 3,800)	b. Subsidiary of CHI Incorporation Ltd.	121,115 (US$ 3,800)	-	-	121,115 (US$ 3,800)	145,336	100	145,336	641,524	28,932 (US$ 943)
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	51,366 (RMB 11,871)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	43,751 (US$ 1,338)	-	-	43,751 (US$ 1,338)	69,226	100	69,226	569,351	154,664 (US$ 4,779)
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	49,401 (RMB 11,417)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	49,935 (US$ 1,500)	-	-	49,935 (US$ 1,500)	23,807	100	23,807	455,153	140,684 (US$ 4,347)
Mou Kuan Technologies (Nanjing) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and renders related after-sales services	(Note 8)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	92,000 (US$ 2,836)	-	92,000 (US$ 2,836)	-	-	-	-	-	47,504 (US$ 1,552)
Sajet System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	36,234 (RMB 8,374)	b. Subsidiary of Deep Red Holding Co., Ltd.	(Note 7)	-	-	(Note 7)	(4,832)	100	(4,832)	139,091	-
Chroma ATE (Dongguan) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	177,407 (RMB 41,000)	c. Chroma Electronics (Shenzhen) Co., Ltd.	-	-	-	-	9,848	100	9,848	177,359	-

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$543,051 (HK$1,200, US$16,476)	$633,060 (HK$1,400, US$19,240)	$13,173,526 (Note 6)

(Continued)

Note 1: Methods of investment have following type:

a. Direct investment in mainland China.
b. Indirect investment in mainland China through an existing company in a third region.
c. Other.

Note 2: The amounts of paid-in capital and carrying value as of balance sheet date were translated into the New Taiwan dollars at the rates of HK$1=NT$3.929, US$1=NT$30.705, RMB1=NT$4.327 prevailing on December 31, 2023.

Note 3: The amounts of accumulated outflow of investment from Taiwan as of January 1, 2023 and December 31, 2023 were translated into the New Taiwan dollar on the original outflow day.

Note 4: Based on audited financial statements.

Note 5: Investment income (loss) was translated into the New Taiwan dollar at the average rate of HK$1=NT$3.980, US$1=NT$31.155, RMB1=NT$4.396 for the year ended December 31, 2023.

Note 6: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of the net equity or consolidated net equity.

Note 7: The investment in Sajet Technology Inc. (liquidated on September 15, 2008) was authorized by the Investment Commission in 2004.

Note 8: Liquidated in 2022, the settlement payment amount of US$605 thousand is remitted to Taiwan in December 2023.

(Concluded)

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
Chroma ATE Inc.

Opinion

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

In our opinion, based on our audits and the report of other auditors (refer to the Other Matter paragraph), the accompanying financial statements present fairly, in all material respects, the financial position of the Corporation as of December 31, 2023 and 2022, and its financial performance and its cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Corporation 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 based on our audits and the report of other auditors.

Key Audit Matters

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

Key audit matter of the financial statements for the year ended December 31, 2023 is described as follows:

Investments Accounted for Using the Equity Method - Occurrence of Sales Revenue of Some Subsidiaries

The Corporation's subsidiaries mainly sell test instruments and other products. In 2023, the revenue from specific customers had changed significantly as compared with last year. Considering that there may be greater risks of fraud in revenue recognition and the management could be under pressure to meet expected financial goals, we identified the occurrence of sales revenue from specific customers as a key audit matter.

The main audit procedures we performed for the aforementioned matter are as follows:

1. We obtained an understanding of and tested the processes of internal controls related to the sales cycle and evaluated the effectiveness of design and implementation.

2. We obtained sales details, selected samples and performed test of details, and we verified the documents such as sales order, delivery orders and invoices and confirmed the occurrence of sales revenue.

3. We obtained samples of sales details and tested for any significant difference in customers and the amount of the receivables, or whether they are still within the credit period, to confirm the occurrence of sales revenue.

Other Matter

The financial statements of some investees included in the financial statements were audited by other auditors. Our opinion, insofar as it relates to the amounts included in the accompanying financial statement for investees, is based solely on the reports of other auditors. As of December 31, 2023, the carrying amounts of investments accounted for using the equity method were NT$3,795,310 thousand, representing 13% of the total assets. For the years ended December 31, 2023, the related shares of profit or loss of associates were NT$376,649 thousand, representing 8% of the profit before income tax.

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

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

In preparing the financial statements, management is responsible for assessing the Corporation'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 Corporation 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 Corporation's financial reporting process.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 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 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 Corporation'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 Corporation'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 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 Corporation to cease to continue as a going concern.

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

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

We also provide those charged with governance with statements 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 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 Wen-Chin Lin and Chien-Liang Liu.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 26, 2024

Notice to Readers

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

For the convenience of readers, the independent auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. 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 financial statements shall prevail.

CHROMA ATE INC.

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)	$ 1,308,296	4	$ 2,928,946	10
Notes receivable (Note 9)	9,263	-	7,621	-
Trade receivables (Notes 5 and 9)	1,237,989	4	1,193,642	4
Trade receivables - related parties (Notes 9 and 27)	2,794,258	9	2,196,021	7
Other receivables - related parties (Note 27)	199,950	1	193,764	1
Inventories (Notes 5 and 10)	3,247,863	11	3,370,295	12
Prepayments	203,673	1	102,895	-
Other current assets	54,058	-	41,659	-
Total current assets	9,055,350	30	10,034,843	34
NON-CURRENT ASSETS				
Financial assets at fair value through profit or loss (Note 7)	4,205	-	4,513	-
Financial assets at fair value through other comprehensive income (Note 8)	1,079,856	4	1,020,905	4
Investments accounted for using the equity method (Note 11)	9,425,915	32	8,893,937	31
Property, plant and equipment (Note 12)	5,908,919	20	6,172,221	21
Right-of-use assets (Note 13)	95,124	-	115,834	-
Investment properties (Note 14)	2,478,333	9	2,478,333	9
Goodwill (Note 15)	94,424	-	94,424	-
Intangible assets	36,631	-	39,554	-
Deferred tax assets (Note 22)	306,200	1	251,055	1
Prepayments for equipment	1,171,462	4	116,605	-
Refundable deposits	10,375	-	10,653	-
Prepayments for investments	62,573	-	-	-
Total non-current assets	20,674,017	70	19,198,034	66
TOTAL	$ 29,729,367	100	$ 29,232,877	100
LIABILITIES AND EQUITY				
CURRENT LIABILITIES				
Short-term borrowings (Note 16)	$ 2,000,000	7	$ 1,300,000	4
Contract liabilities (Note 20)	190,532	1	158,868	1
Trade payables	1,498,816	5	1,478,714	5
Trade payables - related parties (Note 27)	16,339	-	16,013	-
Other payables (Note 17)	1,394,603	5	1,462,903	5
Current tax liabilities (Note 22)	333,006	1	515,344	2
Lease liabilities (Note 13)	48,261	-	45,402	-
Current portion of long-term borrowings (Note 16)	-	-	200,000	1
Other current liabilities (Note 27)	52,789	-	442,076	1
Total current liabilities	5,534,346	19	5,619,320	19
NON-CURRENT LIABILITIES				
Long-term borrowings (Note 16)	850,000	3	950,000	3
Deferred tax liabilities (Note 22)	1,148,250	4	987,512	4
Lease liabilities (Note 13)	67,035	-	98,891	-
Net defined benefit liabilities (Note 18)	153,235	-	155,619	1
Guarantee deposits received	20,625	-	60,827	-
Total non-current liabilities	2,239,145	7	2,252,849	8
Total liabilities	7,773,491	26	7,872,169	27
EQUITY ATTRIBUTABLE TO OWNERS OF THE CORPORATION (Note 19)				
Ordinary share capital	4,253,644	15	4,253,970	15
Capital surplus	4,544,870	15	4,502,473	15
Retained earnings				
Legal reserve	3,747,675	13	3,237,808	11
Special reserve	86,888	-	86,888	-
Unappropriated earnings	9,004,779	30	8,970,974	31
Total retained earnings	12,839,342	43	12,295,670	42
Other equity	348,888	1	339,463	1
Treasury shares	(30,868)	-	(30,868)	-
Total equity	21,955,876	74	21,360,708	73
TOTAL	$ 29,729,367	100	$ 29,232,877	100

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

CHROMA ATE INC.

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 (Notes 20 and 27)				
Sales	$ 12,535,645	100	$ 13,464,963	100
Less: Sales returns	(1,877)	-	(1,719)	-
Sales allowances	(3,994)	-	(2,220)	-
Net operating revenue	12,529,774	100	13,461,024	100
OPERATING COSTS (Notes 10, 21 and 27)	5,520,808	44	6,145,451	46
GROSS PROFIT	7,008,966	56	7,315,573	54
UNREALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	(196,706)	(2)	(322,638)	(2)
REALIZED GAIN ON TRANSACTIONS WITH SUBSIDIARIES AND ASSOCIATES	6,812,260	54	6,992,935	52
OPERATING EXPENSES (Notes 21 and 27)				
Selling and marketing expenses	1,015,211	8	1,157,272	9
General and administrative expenses	745,399	6	848,010	6
Research and development expenses	1,541,683	12	1,638,617	12
Expected credit loss	7,000	-	8,000	-
Total operating expenses	3,309,293	26	3,651,899	27
PROFIT FROM OPERATIONS	3,502,967	28	3,341,036	25
NON-OPERATING INCOME AND EXPENSES				
Finance costs (Note 21)	(39,026)	-	(29,643)	-
Share of profit of subsidiaries, associates and joint ventures (Note 11)	1,209,407	10	1,728,947	13
Interest income (Note 27)	31,426	-	8,990	-
Rental income	14,402	-	14,379	-
Dividend income	30,313	-	48,957	-
Other income	45,422	-	32,191	-
Gain on disposal of property, plant and equipment	1,339	-	89,132	1
Gain on disposal of investment	7,627	-	415,679	3
Foreign exchange (loss) gain	(52,577)	-	263,422	2
Other expenses	(850)	-	(859)	-
Gain (loss) on financial assets at fair value through profit or loss	930	-	(121)	-
Impairment loss	(44,129)	-	(11,737)	-
Total non-operating income and expenses	1,204,284	10	2,559,337	19

(Continued)

CHROMA ATE INC.

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

	2023		2022	
	Amount	**%**	**Amount**	**%**
PROFIT BEFORE INCOME TAX	$ 4,707,251	38	$ 5,900,373	44
INCOME TAX EXPENSE (Note 22)	728,004	6	794,549	6
NET PROFIT FOR THE YEAR	3,979,247	32	5,105,824	38
OTHER COMPREHENSIVE (LOSS) INCOME				
Items that will not be reclassified subsequently to profit or loss:				
Remeasurement of defined benefit plans (Note 18)	(22,675)	(1)	(8,841)	-
Unrealized gain or loss on investments in equity investments designated as at fair value through other comprehensive income	(12,888)	-	(133,562)	(1)
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(19,193)	-	86,450	-
Items that may be reclassified subsequently to profit or loss:				
Exchange differences on translating the financial statements of foreign operations	(42,796)	-	190,142	2
Share of the other comprehensive income (loss) of subsidiaries, associates and joint ventures accounted for using the equity method	(4,344)	-	323,550	2
Total other comprehensive (loss) income	(101,896)	(1)	457,739	3
TOTAL COMPREHENSIVE INCOME	$ 3,877,351	31	$ 5,563,563	41
EARNINGS PER SHARE (NT$; Note 23)				
Basic	$ 9.45		$ 12.14	
Diluted	$ 9.37		$ 12.00	

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

CHROMA ATE INC.

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

			Retained Earnings				Other Equity					
	Ordinary Share Capital	Capital Surplus	Legal Reserve	Special Reserve	Unappropriated Earnings	Total	Exchange Differences on Translating the Financial Statements of Foreign Operations	Unrealized Gain (Loss) on Financial Assets at Fair Value Through Other Comprehensive Income	Unearned Employee Benefit	Total	Treasury Shares	Total Equity
BALANCE AT JANUARY 1, 2022	$ 4,218,745	$ 4,087,223	$ 2,824,310	$ 86,888	$ 7,255,798	$ 10,166,996	$ (604,041)	$ 678,674	$ -	$ 74,633	$ (33,686)	$ 18,513,911
Appropriation of the 2021 earnings												
Legal reserve	-	-	413,498	-	(413,498)	-	-	-	-	-	-	-
Cash dividends - NT$7 per share	-	-	-	-	(2,970,000)	(2,970,000)	-	-	-	-	-	(2,970,000)
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for using the equity method	-	53,511	-	-	-	-	-	-	-	-	-	53,511
Net profit for the year ended December 31, 2022	-	-	-	-	5,105,824	5,105,824	-	-	-	-	-	5,105,824
Other comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	(6,455)	(6,455)	513,692	(49,498)	-	464,194	-	457,739
Total comprehensive income (loss) for the year ended December 31, 2022	-	-	-	-	5,099,369	5,099,369	513,692	(49,498)	-	464,194	-	5,563,563
Stocks of the parent company disposed of by the subsidiary and recognized as treasury shares transaction	-	22,345	-	-	-	-	-	-	-	-	2,818	25,163
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	11,551	-	-	-	-	-	-	-	-	-	11,551
Disposal of investments accounted for using the equity method	-	(22,860)	-	-	-	-	-	-	-	-	-	(22,860)
Exercise of employee share options	6,125	28,971	-	-	-	-	-	-	-	-	-	35,096
Issuance of employee restricted shares	29,100	340,498	-	-	-	-	-	-	(253,198)	(253,198)	-	116,400
Share-based payment transaction	-	(18,766)	-	-	-	-	-	-	53,139	53,139	-	34,373
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(695)	(695)	-	695	-	695	-	-
BALANCE AT DECEMBER 31, 2022	4,253,970	4,502,473	3,237,808	86,888	8,970,974	12,295,670	(90,349)	629,871	(200,059)	339,463	(30,868)	21,360,708
Appropriation of the 2022 earnings												
Legal reserve	-	-	509,867	-	(509,867)	-	-	-	-	-	-	-
Cash dividends - NT$ 8 per share	-	-	-	-	(3,403,176)	(3,403,176)	-	-	-	-	-	(3,403,176)
Change in capital surplus from investments in subsidiaries, associates and joint ventures accounted for using the equity method	-	29,389	-	-	-	-	-	-	-	-	-	29,389
Net profit for the year ended December 31, 2023	-	-	-	-	3,979,247	3,979,247	-	-	-	-	-	3,979,247
Other comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	(20,252)	(20,252)	(47,140)	(34,504)	-	(81,644)	-	(101,896)
Total comprehensive income (loss) for the year ended December 31, 2023	-	-	-	-	3,958,995	3,958,995	(47,140)	(34,504)	-	(81,644)	-	3,877,351
Adjustment of capital surplus for the Corporation's cash dividends received by subsidiaries	-	13,238	-	-	-	-	-	-	-	-	-	13,238
Disposal of investments accounted for using the equity method	-	(556)	-	-	-	-	-	-	-	-	-	(556)
Changes in ownership interests in subsidiaries	-	-	-	-	(12,137)	(12,137)	-	-	-	-	-	(12,137)
Share-based payment transaction	(326)	326	-	-	-	-	-	-	91,059	91,059	-	91,059
Unrealized gain or loss transferred to retained earnings from disposal of equity instruments designated at fair value through other comprehensive income and investments accounted for using the equity method	-	-	-	-	(10)	(10)	-	10	-	10	-	-
BALANCE AT DECEMBER 31, 2023	$ 4,253,644	$ 4,544,870	$ 3,747,675	$ 86,888	$ 9,004,779	$ 12,839,342	$ (137,489)	$ 595,377	$ (109,000)	$ 348,888	$ (30,868)	$ 21,955,876

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

CHROMA ATE INC.

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

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	$ 4,707,251	$ 5,900,373
Adjustments for:		
Depreciation expenses	464,058	446,460
Amortization expenses	17,311	19,683
Expected credit loss recognized on trade receivables	7,000	8,000
(Gain) loss on financial assets at fair value through profit or loss	(930)	121
Finance costs	39,026	29,643
Interest income	(31,426)	(8,990)
Dividend income	(30,313)	(48,957)
Compensation costs of share-based payments	91,059	61,145
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(1,209,407)	(1,728,947)
Gain on disposal of property, plant and equipment	(1,339)	(89,132)
Gain on disposal of investments accounted for using the equity method	(7,627)	(415,679)
Write-downs (reversal) of inventories	17,000	(19,384)
Impairment loss	44,129	11,737
Unrealized gain on transactions with subsidiaries and associates	196,706	322,638
Net loss (gain) on foreign currency exchange	32,202	(184,956)
Net changes in operating assets and liabilities		
Notes receivable	(1,642)	(2,474)
Trade receivables	(690,193)	(610,387)
Inventories	50,463	(444,403)
Prepayments	(115,639)	7,749
Other current assets	34,894	11,804
Contract liabilities	31,664	107,835
Trade payables	22,659	(80,494)
Other payables	(219,865)	328,938
Other current liabilities	(389,287)	417,161
Net defined benefit liabilities	(25,059)	(26,380)
Cash generated from operations	3,032,695	4,013,104
Income tax paid	(804,749)	(422,455)
Net cash generated from operating activities	2,227,946	3,590,649
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments to acquire financial assets at fair value through other comprehensive income	(60,000)	(89,033)
Proceeds from capital reduction of financial assets at fair value through other comprehensive income	10,151	585
Decrease in financial assets at amortized cost	-	279,778
Payments to acquire financial assets at fair value through profit or loss	(500,000)	(300,000)

(Continued)

CHROMA ATE INC.

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

	2023	2022
Proceeds from disposal of financial assets at fair value through profit or loss	$ 501,238	$ 300,159
Net cash inflow on disposal of investments accounted for using the equity method	11,115	608,622
Increase in prepayments for investments	(62,573)	-
Net cash inflow on disposal of subsidiaries	-	459,119
Decrease (increase) in refundable deposits	278	(275)
(Increase) decrease in other receivables - related parties	(13,449)	236,895
Payments to acquire intangible assets	(13,744)	(4,360)
Increase in prepayments for equipment	(1,016,158)	(537,846)
Interest received	30,967	8,549
Dividends received	481,506	388,581
NNet cash (used in) generated from investing activities	(630,669)	1,350,774
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in short-term borrowings	8,020,000	4,607,471
Decrease in short-term borrowings	(7,320,000)	(4,507,471)
Increase in long-term borrowings	850,000	-
Repayments of long-term borrowings	(1,150,000)	(300,000)
(Decrease) increase in guarantee deposits	(40,202)	17,580
Repayment of the principal portion of lease liabilities	(48,816)	(47,400)
Dividends paid by cash	(3,403,176)	(2,970,000)
Exercise of employee share options	-	35,096
Acquisition of additional interests in subsidiaries	(100,000)	-
Interest paid	(38,926)	(28,365)
Proceeds from issuance of employee restricted shares	-	116,400
Net cash used in financing activities	(3,231,120)	(3,076,689)
EFFECTS OF EXCHANGE RATE CHANGES ON THE BALANCE OF CASH HELD IN FOREIGN CURRENCIES	13,193	70,054
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(1,620,650)	1,934,788
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	2,928,946	994,158
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	$ 1,308,296	$ 2,928,946

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

CHROMA ATE INC.

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

1. GENERAL INFORMATION

Chroma ATE Inc. (the "Corporation") was incorporated in the Republic of China ("ROC") in November 1984. The Corporation mainly designs, assembles, calibrates, manufactures, sells, repairs and maintains software/hardware for computers and peripherals, computerized automatic test systems, electronic test instruments, signal generators, power supplies, telecom power supplies, etc. as well as serves as an agent to sell these products. The Corporation's shares have been listed on the Taiwan Stock Exchange since December 21, 1996.

The financial statements are presented in the Corporation's functional currency, the New Taiwan dollar (NT$).

2. APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved by the Corporation's board of directors on February 26, 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 the IFRS Accounting Standards endorsed and issued into effect by the FSC did not have material impact on the Corporation's accounting policies.

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 "Leases Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

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

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

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

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

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

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

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

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

As of the date the financial statements were authorized for issue, the Corporation is continuously assessing the possible impacts that the application of other standards and interpretations will have on the Corporation's financial position and financial performance, and will disclose the relevant impacts when the assessment is completed.

4. SUMMARY OF MATERIAL ACCOUNTING POLICY INFORMATION
5.

a. Statement of compliance

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

b. Basis of preparation

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

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

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

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

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

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

a. 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 Corporation does not have an unconditional right to defer settlement for at least 12 months after the reporting period.

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

d. Foreign currencies

In preparing the Corporation's financial statements, transactions in currencies other than the Corporation'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 items denominated in foreign currencies that are measured at fair value are retranslated at the rates prevailing at the date when the fair value is determined. Exchange differences arising from the retranslation of non-monetary items are included in profit or loss for the period except for exchange differences arising from the retranslation of non-monetary items in respect of which gains and losses are recognized directly in other comprehensive income, in which case, the exchange differences are also recognized directly in other comprehensive income.

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

e. Inventories

Inventories consist of raw materials, work-in-process, semi-finished good, finished goods, which are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to group similar or related items. The net realizable value is the estimated selling price of inventories less all estimated costs of completion and costs necessary to make the sale. Inventories are recorded at standard cost and make timely adjustments to ensure that they approximate to weighted-average cost.

f. Investments accounted for using the equity method

Investments in subsidiaries, associates and joint ventures are accounted for by equity method.

Under the equity method, investment in a subsidiary, associates and joint ventures are initially recognized at cost and adjusted thereafter to recognize the Corporation's share of the profit or loss and other comprehensive income of the subsidiary, associates and joint ventures. The Corporation recognizes the changes in the Corporation’s share of equity of subsidiaries, associates and joint ventures.

1) Investment in subsidiaries

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

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

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

Any excess of the cost of acquisition over the Group’s share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

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

Profits and losses resulting from downstream transactions are eliminated in full in the Corporation’s financial statement. Profits and losses resulting from upstream transactions and transactions between subsidiaries are recognized in the Corporation’s financial statements only to the extent of interests in the subsidiaries that are not related to the Corporation.

2) Investments in associates and joint ventures

An associate is an entity over which the Corporation has significant influence and which is neither a subsidiary nor an interest in a joint venture. A joint venture is a joint arrangement whereby the Corporation and other parties that have joint control of the arrangement have rights to the net assets of the arrangement.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of an associate and a joint venture at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized.

When the Corporation subscribes for additional new shares of an associate and a joint venture at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Corporation's proportionate interest in the associate and joint venture. The Corporation records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in capital surplus from investments in associates and joint ventures accounted for using the equity method. If the Corporation's ownership interest is reduced due to its additional subscription of the new shares of the associate and joint venture, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate and joint venture is reclassified to profit or loss on the same basis as would be required had the investee directly disposed of the related assets or liabilities. When the adjustment should be debited to capital surplus, but the capital surplus recognized from investments accounted for using the equity method is insufficient, the shortage is debited to retained earnings.

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

g. Property, plant and equipment

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

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

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

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

h. Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties include properties under construction that meet the definition of investment properties. Investment properties also include land held for a currently undetermined future use.

Investment properties are initially measured at cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at cost less accumulated depreciation. Depreciation is recognized using the straight-line method.

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.

i. 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 Corporation'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.

j. Financial instruments

Financial assets and financial liabilities are recognized when the Corporation 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.

For those financial assets which are measured at fair value, its fair value is determined in the manner described in Note 26.

1) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from the asset expires or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

The Corporation's financial assets are classified into the following categories:

a) Financial assets at FVTPL

The Corporation's financial assets mandatorily classified as at FVTPL are investments in equity instruments which are not designated as at FVTOCI, it was measured at fair value, and any dividends or 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.

b) Financial assets at amortized cost

If the financial assets, which are invested by the Corporation, are held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and 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, are subsequently measured at amortized cost.

Subsequent to initial recognition, financial assets 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. On derecognition, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

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

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

c) Investments in equity instruments at FVTOCI

On initial recognition, the Corporation 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 Corporation's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment.

2) Equity instruments

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

Repurchase of the Corporation's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Corporation's own equity instruments.

3) Financial liabilities

Financial liabilities are measured at amortized cost using the effective interest method. On derecognition of financial liabilities, the difference between the carrying amount of a financial liability derecognized and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

k. Assessment of asset impairment

1) Property, plant and equipment, right-of-use asset, investment properties and intangible assets

At the end of each reporting period, the Corporation reviews the carrying amounts of the above assets, to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Corporation estimates the recoverable amount of the cash-generating unit to which the asset belongs.

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 or assets related to contract costs 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 or assets related to contract costs in prior years. A reversal of an impairment loss is recognized in profit or loss.

2) Investments accounted for using the equity method

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

The entire carrying amount of an investment in associates (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is not allocated to any asset, including goodwill, that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

3) Goodwill

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.

4) Financial assets

The Corporation assesses the impairment loss of financial assets at amortized cost (including trade receivables) by expected credit losses on each balance sheet date.

The Corporation always recognizes lifetime expected credit losses (ECLs) for trade receivables. For all other financial instruments, the Corporation recognizes lifetime ECLs when there has been a significant increase in credit risk since initial recognition. If the credit risk on a financial instrument has not increased significantly, the Corporation 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.

For internal credit risk management purposes, the Corporation considers the following situations as indication that a financial asset is in default:

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

b) Financial asset is more than 120 days past due unless the Corporation has reasonable and corroborative information to support a more lagged default criterion.

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.

l. Revenue recognition

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

Revenue from sale of goods comes from sales of test instruments. Revenue is recognized when the goods are delivered to the customer's specific location or the goods are shipped because it is the time when the customer has full discretion over the manner of distribution and bears the risks of obsolescence. Trade receivables are recognized concurrently. The transaction price received is recognized as a contract liability until the goods are delivered to the customer.

The Corporation does not recognize revenue on materials delivered to subcontractors because this delivery does not involve a transfer of control.

m. Leases

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

1) The Corporation as lessor

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.

2) The Corporation as lessee

The Corporation 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 applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms. Right-of-use assets and lease liabilities are presented on a separate line in the balance sheets.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities. Right-of-use assets are subsequently measured at cost less accumulated depreciation 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. 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 Corporation uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term or others, the Corporation remeasures the lease liabilities with a corresponding adjustment to the right-of-use-assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss.

For sale and leaseback transactions, if the transfer of an asset satisfies the requirements of IFRS 15 to be accounted for as a sale, the Corporation recognizes only the amount of any gain or loss which relates to the rights transferred to the buyer-lessor, and adjusts the off-market terms to measure the sale proceeds at fair value. If the transfer does not satisfy the requirements of IFRS 15 to be accounted for as a sale, it is accounted for as a financing transaction.

n. Employee benefits

1) Short-term employee benefits

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

2) Retirement benefits

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

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

Net defined benefit liability represents the actual deficit in the Group’s defined benefit plan.

o. Share-based payment arrangements

Employee share options and restricted shares for employees that are granted to employees and others providing similar services are measured at the fair value of the equity instruments at the grant date. The fair value at the grant date of the employee share options and restricted shares for employees is expensed on a straight-line basis over the vesting period, based on the Corporation's best estimate of the number of shares or options that are expected to ultimately vest, with a corresponding increase in capital surplus - employee share options and other equity - unearned employee benefits. The expense is recognized in full at the grant date if the grants are 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 should be returned once the employee resigns, they 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 Corporation revises its estimate of the number of employee share options and restricted shares for employees expected to vest. The impact of the revision of the original estimates is recognized in profit or loss such that the cumulative expenses reflect the revised estimate, with a corresponding adjustment to capital surplus - employee share options and capital surplus - restricted shares for employees.

p. Taxation

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

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, associates and interests in joint arrangements, except where the Corporation 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 based on the manner in which the Corporation expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

5. MATERIAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Corporation'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.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revision affects only that period, or in the period of the revision and future periods if the revisions affect both current and future periods.

a. Estimated impairment of trade receivables

The provision for impairment of trade receivables is based on assumptions about risk of default and expected loss rates. The Corporation uses judgment in making these assumptions and in selecting the inputs to the impairment calculation, based on the Group's past defaults experience and current financial position, 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 9. Where the actual future cash flows are less than expected, a material impairment loss may arise.

b. Write-down of inventories

The net realizable value of inventories is the estimated selling price in the ordinary course of business less the estimated costs of completion and disposal. The estimation of net realizable value is based on current market conditions and the historical experience with product sales of a similar nature. Changes in market conditions may have a material impact on the estimation of net realizable value.

6. CASH

	December 31	
	2023	2022
Cash on hand	$ 2,347	$ 2,448
Checking accounts and demand deposits	682,638	1,840,900
Cash equivalents - time deposits	623,311	1,085,598
	$ 1,308,296	$ 2,928,946

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31	
	2023	2022
Financial assets mandatorily at FVTPL - non-current		
Open-end beneficiary certificates	$ 4,205	$ 4,513

8. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	December 31	
	2023	2022
Investments in equity instruments - non-current		
Domestic listed ordinary shares and emerging market shares	$ 905,640	$ 763,361
Domestic unlisted ordinary shares	145,201	227,944
Foreign unlisted ordinary shares	29,015	29,600
	$ 1,079,856	$ 1,020,905

These investments in equity instruments are not held for trading. Instead, they are held for medium to long-term strategic purposes. Refer to Table 3 for the detailed information. 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 Corporation's strategy of holding these investments for long-term purposes.

9. NOTES RECEIVABLE AND TRADE RECEIVABLES

	December 31	
	2023	2022
Gross carrying amount at amortized cost - unrelated parties	$ 1,307,729	$ 1,254,740
Less: Allowance for impairment loss	(60,477)	(53,477)
	1,247,252	1,201,263
Gross carrying amount at amortized cost - related parties	2,794,258	2,196,021
	$ 4,041,510	$ 3,397,284

The average credit period for sales of goods is 60 to 120 days from the date. Before accepting any new customer, the Corporation uses the bank's credit investigation or external credit scoring system to assess the potential customer's credit quality and define credit limits by customer. Management will review the credit limit and rating of customers as needed.

The Corporation measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated by reference to past default experience and current financial position in which the debtors operate. As the Corporation's historical credit loss experience does not show other factors that matter significantly, the expected credit loss rate is based on past due status of trade receivables.

The Corporation writes off a trade receivable when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery. For trade receivables that have been written off, the Corporation 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 aging schedule of notes receivable and trade receivables based on the past due days was as follows:

	December 31	
	2023	2022
Not past due	$ 883,961	$ 928,011
Past due 1-60 days	193,246	141,722
Past due 61-180 days	137,024	97,913
Past due 181-365 days	16,259	10,430
Past due over 365 days	77,239	76,664
	$ 1,307,729	$ 1,254,740

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	$ 53,477	$ 45,477
Add: Impairment loss	7,000	8,000
Balance at December 31	$ 60,477	$ 53,477

10. INVENTORIES

	December 31	
	2023	2022
Finished goods	$ 401,866	$ 409,624
Semi-finished products	503,176	531,792
Work in process	1,068,945	1,026,662
Raw materials	1,273,876	1,402,217
	$ 3,247,863	$ 3,370,295

The cost of goods sold for the years ended December 31, 2023 and 2022 included the write-downs of $17,000 thousand and the reversals of inventory write-downs of $19,384 thousand, respectively.

11. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

	December 31	
	2023	2022
Investments in subsidiaries	$ 5,160,857	$ 5,033,168
Investments in associates	4,251,293	3,845,861
Investments in joint venture	13,765	14,908
	$ 9,425,915	$ 8,893,937

a. Investments in subsidiaries

	December 31			
	2023		2022	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Unlisted company				
Neworld Electronics Limited	$ 1,860,628	100.0	$ 1,548,322	100.0
Chroma New Material Corp.	-	-	-	-
Mas Automation Corp.	205,875	100.0	141,413	100.0
Chroma ATE Inc.	593,509	100.0	482,094	100.0
Chroma Systems Solutions, Inc.	(40,890)	25.0	19,675	25.0
Chroma ATE Europe B.V.	47,468	100.0	135,031	100.0
Chroma Japan Corp.	(160,701)	100.0	(166,436)	100.0
CHI Incorporation Ltd.	434,059	100.0	285,539	100.0
Chen Hwa Technology Inc.	209,526	100.0	197,222	100.0
San Eagle Development Corp.	955,149	100.0	1,208,965	100.0
Sensational Holdings Ltd.	57,989	100.0	55,220	100.0
Deep Red Holding Co., Ltd.	155,841	100.0	163,195	100.0
Testar Electronics Corporation	137,914	67.2	143,647	67.2
Adivic Technology Co., Ltd.	78,506	83.7	27,662	74.1
Chroma Investment Co., Ltd.	195,460	100.0	251,298	100.0
Quantel Private Ltd.	267,620	60.0	259,323	60.0
EVT Technology Co., Ltd.	15,999	85.6	23,588	85.6
Innovative Nanotech Incorporated	118,485	67.2	163,349	67.2
Touch Cloud Inc.	24,386	83.1	35,405	83.1
Environmental Stress Systems, Inc.	4,034	100.0	58,656	100.0
	$ 5,160,857		$ 5,033,168	

The Corporation’s subsidiary, Chroma New Material Corp., was liquidated in December 2022.

The Corporation’s subsidiary, Chroma ATE Inc., jointly held 75% equity interest in Chroma Systems Solutions, Inc.

For operational needs, the Corporation’s subsidiary, Adivic Technology Co., Ltd., increased its working capital by $100,000 thousand in May 2023. The Corporation’s equity interest in Adivic Technology Co. increased from 74.1% to 83.7% after the cash injection.

Considering the future strategy of products and the improvement of product competitiveness, the Corporation acquired a subsidiary, Environmental Stress Systems, Inc., which engaged in the sale of thermal platform systems in January 2022.

The Corporation’s subsidiary, Mou Kuan Technologies (Nanjing) Co., Ltd., was liquidated in January 2022.

The Corporation’s subsidiary, Adivic Holding Corporation, was liquidated in December 2022.

Considering the future strategy of products and the improvement of product competitiveness, the Corporation’s subsidiary set up Chroma ATE (Dongguan) Co., Ltd. which engages in the sale of computerized automatic test systems, peripherals and electronic test instruments in January 2023.

Refer to Tables 6 and 7 for the detail of the subsidiaries indirectly held by the Corporation.

Refer to Table 6 “Information on Investees” for the Corporations’ share of profit of subsidiaries under equity method.

The investments accounted for using the equity method and the share of profit or loss and other comprehensive income of those investments for the years ended December 31, 2023 and 2022 were calculated based on the financial statements which have been audited.

b. Investments in associates

	December 31			
	2023		2022	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Adlink Technology Inc.	$ 229,346	6.6	$ 244,736	6.6
Dynascan Technology Corp.	226,637	27.3	204,120	27.3
Camtek Ltd.	3,795,310	17.4	3,397,005	17.6
	$ 4,251,293		$ 3,845,861	

	For the Year Ended December 31	
	2023	2022
The Corporation’s share of:		
Net profit	$ 438,713	$ 494,540
Other comprehensive income (loss)	(4,386)	327,902
Total comprehensive income (loss) for the year	$ 434,327	$ 822,442

Fair values (Level 1) of investments in associates with available published price quotations are summarized as follow:

	December 31	
Name of Associate	2023	2022
Adlink Technology Inc.	$ 883,143	$ 775,648
Camtek Ltd.	$ 16,653,593	$ 5,272,016

The Corporation is able to exercise significant influence over Adlink Technology Inc. although the percentage of shares held is less than 20%. Therefore, the Corporation accounted for Adlink Technology Inc. as an associate.

Although the Corporation’s equity interest in Camtek Ltd. is less than 20%, after assessing the Corporation’s number of seats in the board of directors of Camtek Ltd., it still has a significant influence; therefore, Camtek Ltd. is accounted for as an associate.

Refer to Table 6 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

Investments accounted for using the equity method and the Group's share of profit or loss and other comprehensive income from consolidated subsidiaries are audited by other auditors in the financial statements of Camtek Ltd. Additionally, the financial statements of Adlink Technology Inc. are recognized based on the financial statements prepared by the company. However, the Corporation's management believes that the financial statements of the aforementioned investee companies have not yet been audited by auditors, and thus are unlikely to have a significant impact.

c. Investments in joint ventures

	December 31			
	2023		2022	
	Amount	Percentage of Equity Interest (%)	Amount	Percentage of Equity Interest (%)
Chih Ho Shun Development Co., Ltd.	$ 13,765	35.0	$ 14,908	35.0

Aggregate information of joint ventures that are not individually material:

	For the Year Ended December 31	
	2023	2022
The Corporation's share of:		
Net loss	$ (1,143)	$ (1,095)
Other comprehensive income (loss)	-	-
Total comprehensive income (loss) for the year	$ (1,143)	$ (1,095)

For the investment and development plan, "The Action Plan for Developing Land Surrounding the MRT Airport Station to Improve Civilians' Life," the board of directors resolved to invest jointly with Dynapack International Corporation and Heran Co., Ltd. to set up Chih Ho Shun Development Co., Ltd. ("Chih Ho Shun") in February, 2012. The Corporation invested for a 35% entity interest in Chih Ho Shun but did not have control over this investee.

Refer to Table 6 "Information on Investees" for the nature of activities, principal place of business and country of incorporation of joint ventures.

The investments in joint ventures accounted for using the equity method and the share of profit or loss and other comprehensive income of the investment for the years ended December 31, 2023 and 2022 were based on the joint ventures' financial statements which have been audited.

12. PROPERTY, PLANT AND EQUIPMENT

	Land	Buildings	Machinery	Miscellaneous Equipment	Total
Cost					
Balance, January 1, 2022	$ 716,353	$ 4,478,401	$ 240,705	$ 1,105,731	$ 6,541,190
Disposals	-	-	(8,943)	(14,965)	(23,908)
Reclassification	968,440	137,524	63,239	39,961	1,209,164
Balance, December 31, 2022	$ 1,684,793	$ 4,615,925	$ 295,001	$ 1,130,727	$ 7,726,446
Accumulated depreciation					
Balance, January 1, 2022	$ -	$ 428,758	$ 163,945	$ 623,106	$ 1,215,809
Depreciation	-	227,959	42,209	136,927	407,095
Disposals	-	-	(8,943)	(14,532)	(23,475)
Reclassification	-	-	(42)	(45,162)	(45,204)
Balance, December 31, 2022	$ -	$ 656,717	$ 197,169	$ 700,339	$ 1,554,225
Carrying amount at December 31, 2022	$ 1,684,793	$ 3,959,208	$ 97,832	$ 430,388	$ 6,172,221

(Continued)

	Land	Buildings	Machinery	Miscellaneous Equipment	Total
Cost					
Balance, January 1, 2023	$ 1,684,793	$ 4,615,925	$ 295,001	$ 1,130,727	$ 7,726,446
Disposals	-	(133)	(748)	(17,203)	(18,084)
Reclassification	-	39,392	21,030	89,080	149,502
Balance, December 31, 2023	$ 1,684,793	$ 4,655,184	$ 315,283	$ 1,202,604	$ 7,857,864
Accumulated depreciation					
Balance, January 1, 2023	$ -	$ 656,717	$ 197,169	$ 700,339	$ 1,554,225
Depreciation	-	226,506	52,859	144,164	423,529
Disposals	-	(133)	(748)	(17,203)	(18,084)
Reclassification	-	-	178	(10,903)	(10,725)
Balance, December 31, 2023	$ -	$ 883,090	$ 249,458	$ 816,397	$ 1,948,945
Carrying amount at December 31, 2023	$ 1,684,793	$ 3,772,094	$ 65,825	$ 386,207	$ 5,908,919

(Concluded)

The above items of property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings	1-51 years
Machinery	1-10 years
Office equipment	1-9 years

13. LEASE ARRANGEMENTS

The Corporation's important lease projects include leasing land from other companies and government departments for the use of plants, warehouses, parking spaces, etc. The lease terms are from 2 to 10 years. The Corporation does not have bargain purchase options to acquire lease items at the end of lease terms.

The right-of-use assets increases $19,819 thousand and $5,960 thousand, the depreciation expense was $40,529 thousand and $39,365 thousand, and the total cash out flow in lease was $85,142 thousand and $64,606 thousand for the years ended December 31, 2023 and 2022, respectively. Refer to the balance sheets for the right-of-use assets and lease liabilities.

14. INVESTMENT PROPERTIES

	December 31	
	2023	2022
Land	$ 2,478,333	$ 2,478,333

The Corporation acquired the land ownership certificates of the investment and development plan, "The Action Plan of Developing Land Surrounding the Airport MRT Station to Improve Civilian's Life" in the third quarter of 2018, part of the land was co-constructed with Fu Yu Construction to build a joint building project, and part of it has not yet been decided, both of the above land were classified as investment properties.

The determination of fair value was performed by independent qualified professional values, and the fair value was measured by using Level 3 inputs. The valuation was arrived at by reference to market evidence of transaction prices for similar properties. The significant unobservable inputs used include discount rates and the fair value as appraised.

	December 31	
	2023	2022
Fair value	$ 10,558,298	$ 9,450,053

In the third quarter of 2019, the Corporation entered into a joint building contract with Fu Yu Construction Co., Ltd. (Fu Yu Construction) to jointly build a building located at Project No 61-0 and Project No 61-1 projects, Lejie section, Guishan District, Taoyuan City. The construction project adopts a joint construction collaboration. The Corporation provided the land, and Fu Yu Construction provided funds to construct. The area will be distributed to the Corporation and Fu Yu Construction for 47% and 53%, respectively. According to the joint building contract, Fu Yu Construction should pay $20,000 thousand (recognized as guarantee deposit received) and two guaranteed notes with a denomination of $120,000 thousand to the Corporation when signing the contract. An additional $20,000 thousand guarantee deposit should be paid within five business days after the building construction registration is approved and within five business days after the approval of the underground bottom plate inspection. The joint building project started in the fourth quarter of 2020. According to the progress of the construction project, the Corporation returned to Fu Yu Construction two guaranteed notes with a denomination of $120,000 thousand and guarantee deposit of $40,000 thousand in December 2023.

15. GOODWILL

To reorganize the organization structure, save operating costs and improve the operating efficiency, the Corporation's board of directors resolved to acquire Silver Town Electronic Co., Ltd. in February 2008. The goodwill was from the premium acquisition. There was no change for the years end December 31, 2023 and 2022.

The Corporation assessed goodwill there is no signs of impairment. Therefore, the Corporation did not recognize any impairment loss on goodwill for the years ended December 31, 2023 and 2022.

16. BORROWINGS

a. Short-term borrowings

	December 31	
	2023	2022
Unsecured bank loans	$ 2,000,000	$ 1,300,000
Interest rate (%)	1.57%-1.70%	1.25%-1.60%

b. Long-term borrowings

	December 31	
	2023	2022
Unsecured bank loans	$ 850,000	$ 1,150,000
Less: Current portions	-	200,000
	$ 850,000	$ 950,000

The purpose of the bank loans was general operation, with an original maturity date of June 2026. However, it was paid off in advance in December 2023, and a new loan agreement was signed. The final maturity date will be December 2028. As of December 31, 2023 and 2022, the interest rates on bank loans were 1.22% and 1.64%-1.85% per annum, respectively.

17. OTHER PAYABLES

	December 31	
	2023	**2022**
Salaries and bonus	$ 453,285	$ 419,188
Compensation of employee	550,353	783,598
Remuneration of directors	13,685	12,000
Others	377,280	248,117
	$ 1,394,603	$ 1,462,903

18. RETIREMENT BENEFIT PLANS

a. Defined contribution plans

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

b. Defined benefit plans

The defined benefit plan adopted by the Corporation in accordance with the Labor Standards Act is operated by the government. Pension benefits are calculated on the basis of length of service and average monthly salaries of the 6 months before retirement. The Corporation contributes amount equal to 4% 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 year, the Corporation assesses the balances 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 Corporation 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 Corporation has no right to influence the investment policy and strategy.

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

	December 31	
	2023	**2022**
Present value of defined benefit obligation	$ 594,597	$ 562,343
Fair value of plan assets	(441,362)	(406,724)
Net defined benefit liabilities	$ 153,235	$ 155,619

Movements in net defined benefit liability were as follows:

	Present Value of the Defined Benefit Obligation	Fair Value of the Plan Assets	Net Defined Benefit Liabilities
Balance at January 1, 2022	$ 530,677	$(357,519)	$ 173,158
Current service cost	3,304	-	3,304
Net interest expense (income)	2,612	(1,863)	749
Recognized in profit or loss	5,916	(1,863)	4,053
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(27,749)	(27,749)
Actuarial loss			
Changes in financial assumptions	5,379	-	5,379
Experience adjustments	31,211	-	31,211
Recognized in other comprehensive income	36,590	(27,749)	8,841
Contributions from employer	-	(30,433)	(30,433)
Benefits paid	(10,840)	10,840	-
Balance at December 31, 2022	562,343	(406,724)	155,619
Current service cost	3,093	-	3,093
Net interest expense (income)	7,641	(5,793)	1,848
Recognized in profit or loss	10,734	(5,793)	4,941
Remeasurement			
Return on plan assets (excluding amounts included in net interest)	-	(2,905)	(2,905)
Actuarial loss			
Changes in financial assumptions	7,100	-	7,100
Experience adjustments	18,480	-	18,480
Recognized in other comprehensive income	25,580	(2,905)	22,675
Contributions from employer	-	(30,000)	(30,000)
Benefits paid	(4,060)	4,060	-
Balance at December 31, 2023	$ 594,597	$(441,362)	$ 153,235

Through the defined benefit plans under the Labor Standards Act, the Corporation 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 were as follows:

	December 31	
	2023	2022
Discount rate(s)	1.00%-1.25%	1.13%-1.38%
Expected rate(s) of salary increase	2.50%-3.50%	2.50%-3.50%

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	$(14,078)	$(14,025)
0.25% decrease	$ 14,574	$ 14,541
Expected rate(s) of salary increase		
0.25% increase	$ 14,030	$ 14,016
0.25% decrease	$(13,629)	$(13,594)

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

	December 31	
	2023	2022
Expected contributions to the plan for the next year	$ 30,000	$ 30,000
Average duration of the defined benefit obligation	10.0 years	10.6 years

19. EQUITY

a. Ordinary share capital

	December 31	
	2023	2022
Number of shares authorized (in thousands)	500,000	500,000
Shares authorized	$ 5,000,000	$ 5,000,000
Number of shares issued and fully paid (in thousands)	425,364	425,397
Shares issued	$ 4,253,644	$ 4,253,970

The authorized shares include 30,000 thousand shares allocated for the exercise of employee share options. The change in the Corporation’s share capital is mainly due to the cancellation of employee restricted shares.

b. Capital surplus

	December 31	
	2023	2022
May be used to offset a deficit, distributed as cash dividends or transferred to share capital (Note)		
Additional paid-in capital	$ 3,536,183	$ 3,504,911
Treasury share transactions	265,451	252,213
Consolidation excess	146,976	146,976
May be used to offset a deficit only		
Share of changes in capital surplus of associates or joint ventures	400,780	371,947
May not be used for any purpose		
Employee restricted shares	195,480	226,426
	$ 4,544,870	$ 4,502,473

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

c. Retained earnings and dividends policy

Under the dividends policy as set forth in the Corporation's Articles of Incorporation (the "Articles"), where the Corporation made profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as legal reserve 10% of the remaining profit, setting aside or reversing special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Corporation's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for distribution of dividends and bonus to shareholders. For the abovementioned distribution of earnings, the board of directors was authorized to adopt a special resolution to distribute dividends and bonuses in cash and a report of such distribution should be submitted in the shareholders' meeting. For the policies on distribution of employees' compensation of employees and remuneration to directors, refer to d. employees' compensation of employees and remuneration of directors in Note 21 (c).

Taking into account future capital expenditure requirements and its cash position, the total of cash dividends paid in any given year may not be less than 20% of total dividends distributed in that year. The final amount, type and percentage of the cash dividends and share dividends are subject to actual earnings and capital requirements of the Corporation in a particular year.

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

When a special reserve is appropriated for cumulative net debit balance reserves from prior period, the special reserve is only appropriated from the prior unappropriated earnings.

The appropriations of earnings for 2022 and 2021, which have been approved in the annual shareholders' meetings on June 9, 2023 and on June 9, 2022, respectively, were as follows:

	Appropriation of Earnings		Dividends Per Share (NT$)	
	For Fiscal Year 2022	For Fiscal Year 2021	For Fiscal Year 2022	For Fiscal Year 2021
Legal reserve	$ 509,867	$ 413,498		
Cash dividends	3,403,176	2,970,000	$ 8.0	$ 7.0

The appropriations of earnings for 2023 had been proposed by the Corporation's board of directors on February 26, 2024, were as follows:

	Appropriation of Earnings	Dividends Per Share (NT$)
Legal reserve	$ 394,685	
Cash dividends	2,807,405	$ 6.6

The aforementioned cash dividends had been resolved by the Corporation's board of directors, and the rest is subject to the resolution of the shareholders in their meeting to be held on June 6, 2024.

d. Special reserves

If a special reserve appropriated on the first-time adoption of IFRSs relates to exchange differences on translation of the financial statements of foreign operations (including the subsidiaries of the Corporation), special reserve of $86,888 thousand will be reversed on a proportionate basis according to the Corporation's disposal of foreign operations; on the Corporation'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. Treasury shares

The Corporation's shares held by its subsidiary, Chroma Investment Co., Ltd., at the end of the reporting periods were as follows:

	December 31	
	2023	2022
Number of shares held (in thousands of shares)	1,655	1,655
Carrying amount	$ 30,868	$ 30,868
Market price	$ 352,425	$ 299,479

Under the Securities and Exchange Act, the Corporation shall neither pledge treasury shares nor exercise shareholders' rights on these shares, such as the rights to dividends and to vote. The subsidiaries holding treasury shares, however, retain shareholders' rights, except the rights to participate in any share issuance for cash and to vote.

20. REVENUE

Contract revenue of the Corporation comes from sale of goods.

a. Contract balances

	December 31	
	2023	2022
Contract liabilities - sale of goods	$ 190,532	$ 158,868

The changes in the balance of contract liabilities primarily result from the timing difference between the Corporation's performance and respective customer's payment.

b. Disaggregation of revenue

Refer to Table 7 for the information on disaggregation of revenue.

21. ADDITIONAL INFORMATION ON EXPENSES

a. Depreciation and amortization

	For the Year Ended December 31	
	2023	2022
An analysis of depreciation by function		
Operating costs	$ 179,805	$ 156,039
Operating expenses	284,253	290,421
	$ 464,058	$ 446,460
An analysis of amortization by function		
Operating costs	$ 131	$ 170
Operating expenses	17,180	19,513
	$ 17,311	$ 19,683

b. Employee benefits expense

	For the Year Ended December 31					
	2023			2022		
	Operating Costs	Operating Expenses	Total	Operating Costs	Operating Expenses	Total
Short-term benefits						
Salary expenses	$ 412,187	$ 1,808,846	$ 2,221,033	$ 418,957	$ 2,178,513	$ 2,597,470
Insurance expenses	47,558	146,481	194,039	43,457	129,010	172,467
Remuneration of directors	-	14,285	14,285	-	12,720	12,720
	459,745	1,969,612	2,429,357	462,414	2,320,243	2,782,657
Share-based payments	-	91,059	91,059	-	61,145	61,145
Post-employment benefits						
Defined contribution plans	12,966	72,198	85,164	12,393	66,417	78,810
Defined benefit plans	744	4,197	4,941	642	3,411	4,053
	13,710	76,395	90,105	13,035	69,828	82,863
Other employee benefits	26,276	28,986	55,262	24,983	28,708	53,691
Total employee benefits expense	$ 499,731	$ 2,166,052	$ 2,665,783	$ 500,432	$ 2,479,924	$ 2,980,356

1) As of December 31, 2023 and 2022, the Corporation’s average number of employees were 1,990 and 1,922 employees, respectively, among which 5 directors not concurrently holding positions in the Corporation in both years. The basis of the above calculations was the same as the basis used in the calculation of employee benefits expense.

2) As of December 31, 2023 and 2022, the average employee benefit expenses were $1,336 thousand and $1,548 thousand, respectively; average salary expenses were $1,119 thousand and $1,355 thousand, respectively. The change in average salary expense was (17.42)%.

3) The Corporation set up an audit committee in accordance with Article 14-4 of Securities and Exchange Act and did not set up supervisory duties.

4) The Corporation’s compensation policy is determined by considering the operating performance and future development of the current year and the remuneration of directors and managers and employees are as follows:

   Directors

   The remuneration paid by the Corporation comprises bonus for directors. When the board of directors is held, the Corporation will also pay the directors’ attendance.

   According to Article 34 of the Corporation’s Articles of Incorporation, bonus distributed to directors shall not be greater than 1.5% of the Corporation's net profit before income tax, employees’ compensation, and remuneration of directors.

   The fixed amount of directors’ remuneration for 2023 and 2022 were $13,685 thousand and $12,000 thousand which accounts for 0.27% and 0.18% of the net profit before tax for each year, respectively. The director attendance expenses for 2023 and 2022 were $600 thousand and $720 thousand, respectively.

   Managers

   The Corporation has established the “Regulations Governing Compensation for Senior Executives”, which stipulates that when a manager is appointed, he/she shall be paid a fixed monthly salary based on the pay standards for similar positions in the industry. Any proposal to change employee bonus shall be made according to the Corporation's operational performance for the current year and by taking into individual performance appraisal. Such proposal shall first be submitted to the Remuneration Committee for review before it is delivered to the Board of Directors for resolution.

   Staff

   The Corporation’s remuneration policy takes into account the salary levels of benchmark companies in the market, and provide differentiated and competitive salaries for employees based on the achievement of performance indicators to reflect the ability of employees and to measure salary and bonus levels. The salary composition includes salaries, bonuses and employee remuneration, benefits, etc.; benefits are superior to the legal provisions as prerequisites are designed to improve talent attraction, motivation, and retention effects.

c. Compensation of employees and remuneration of directors

According to the Article of Incorporation of the Corporation, the Corporation accrues compensation of employees and remuneration of directors at the rates of 5%-20% and no higher than 1.5%, respectively, of net profit before income tax, compensation of employees, and remuneration of directors. The compensation of employees and remuneration of directors for the years ended December 31, 2023 and 2022, which have been approved by the Corporation's board of directors on February 26, 2024 and February 23, 2023, respectively, were as follows:

	For the Year Ended December 31			
	2023		2022	
	Amount	Rate (%)	Amount	Rate (%)
Compensation of employees	$ 336,427	6.65	$ 734,953	11.06
Remuneration of directors	13,685	0.27	12,000	0.18

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

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

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

22. INCOME TAXES

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

	For the Year Ended December 31	
	2023	2022
Current tax		
In respect of the current year	$ 689,984	$ 672,415
Income tax on unappropriated earnings	16,577	37,574
Adjustments for prior years	(84,150)	(116,541)
	622,411	593,448
Deferred tax		
In respect of the current year	105,593	201,101
Income tax expense recognized in profit or loss	$ 728,004	$ 794,549

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

	For the Year Ended December 31	
	2023	2022
Profit before tax	$ 4,707,251	$ 5,900,373
Income tax expense calculated at the statutory rate	$ 941,450	$ 1,180,074
Adjustment items in determining taxable income		
Tax-exempt income	(8,108)	(108,910)
Other	4,537	(57,593)
Unrecognized investment credits	(142,302)	(140,172)
Income tax on unappropriated earnings	16,577	37,574
Adjustments for prior years	(84,150)	(116,541)
Other	-	117
Income tax expense recognized in profit or loss	$ 728,004	$ 794,549

b. Deferred tax assets and liabilities

For the year ended December 31, 2023

	Opening Balance	Recognized in Profit or Loss	Closing Balance
Deferred tax assets			
Temporary differences			
Unrealized intercompany gain	$ 193,110	$ 39,341	$ 232,451
Inventory reserve	52,781	3,400	56,181
Unrealized exchange loss	278	12,239	12,517
Gain on disposal of assets	-	-	-
Allowance for impaired receivables	3,794	97	3,891
Others	1,092	68	1,160
	$ 251,055	$ 55,145	$ 306,200
Deferred tax liabilities			
Temporary differences			
Unappropriated earnings of subsidiaries	$ 943,272	$ 155,075	$ 1,098,347
Goodwill	38,432	651	39,083
Net defined benefit liability	5,808	5,012	10,820
	$ 987,512	$ 160,738	$ 1,148,250

For the year ended December 31, 2022

Deferred tax assets	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unrealized intercompany gain	$ 128,582	$ 64,528	$ 193,110
Inventory reserve	56,658	(3,877)	52,781
Unrealized exchange loss	8,576	(8,298)	278
Gain on disposal of assets	3,853	(3,853)	-
Allowance for impaired receivables	3,698	96	3,794
Others	873	219	1,092
	$ 202,240	$ 48,815	$ 251,055

Deferred tax liabilities	Opening Balance	Recognized in Profit or Loss	Closing Balance
Temporary differences			
Unappropriated earnings of subsidiaries	$ 701,238	$ 242,034	$ 943,272
Goodwill	35,826	2,606	38,432
Net defined benefit liability	532	5,276	5,808
	$ 737,596	$ 249,916	$ 987,512

c. Income tax assessments

The Corporation's tax returns through 2021 had been assessed by the tax authorities.

23. EARNINGS PER SHARE

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

Net Profit for the Year

	For the Year Ended December 31	
	2023	2022
Earnings used in the computation of basic and diluted earnings per share	$ 3,979,247	$ 5,105,824

Shares

(In Thousands of Shares)

	For the Year Ended December 31	
	2023	2022
Weighted average number of ordinary shares used in the computation of basic earnings per share	420,975	420,518
Effect of potentially dilutive ordinary shares:		
Compensation of employees	2,127	4,264
Employee share options	-	61
Employee restricted shares	1,675	617
Weighted average number of ordinary shares used in the computation of diluted earnings per share	424,777	425,460

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

24. SHARE-BASED PAYMENT ARRANGEMENTS

a. Employee share option plan

Information on employee share options is as follows:

	For the Year Ended December 31, 2022	
	Number of Options (In Thousands)	**Weighted-average Exercise Price (NT$)**
Balance at January 1	658	$ 57.3
Options exercised	(613)	57.3
Options forfeited	(45)	57.3
Balance at December 31	-	-
Options exercisable, end of the year	-	

Compensation costs recognized was $8,006 thousand for the year ended December 31, 2022.

b. Restricted shares for employees

In the shareholders' meeting on June 9, 2022, the shareholders approved a Restricted Share Unit Plan ("RSU" Plan) for employees with a total amount of $30,000 thousand, consisting of 3,000 thousand shares with issuance price of $40 dollars per share. It can be issued at one time or several times depending on the circumstances. The RSU Plan was approved under Rule No. 1110346852 issued by the FSC on June 20, 2022. The Group issued 2,960 thousand shares on July 1, 2022, the subscription date. The details of RSU Plan are as follows:

1) Employees who are granted RSUs, upon meeting the Corporation's financial performance and personal performance indicators, are eligible to be vested 10, 20, 30 and 40 percent of the RSUs granted after 1, 2, 3 and 4 years of tenure after the subscription date, respectively.

2) The restrictions on the rights of the employees who are granted RSUs but have not met the vesting conditions are as follows:

    a) The employees are not eligible to sell, pledge, transfer, donate or to dispose any RSUs in any form.

    b) The employees holding RSUs are entitled to receive dividends and similar purchasing rights to ordinary shares during capital increase. Dividends from RSUs are not restricted during the vesting period, and are appropriated to the employees' personal account from trust account after the dividend distribution date.

    c) Before the restricted shares are vested to the employees, the right of attendance, proposal, speech, voting and other rights of shareholders are acted by the custodian.

d) The RSUs should be delivered to trust custodians upon grant date. The employees cannot request for return in any manner before vesting conditions are met.

e) Restrictions on employee rights during delivery of new shares to the Trust, the Corporation shall act as the exclusive agent of the employees and authorize the chairman of the board (including but not limited) in negotiating, signing, amending, extending, cancelling and terminating the Trust Deed and the delivery, use and disposal instructions of the Trust Property with the Stock Trust.

3) If an employee fails to meet the vesting conditions, the Corporation will recall or buy back and cancel the restricted shares at issued price. If an employee voluntarily resigns, retires, disabled or decease due to occupational hazards, dismissed, be transferred to another post, violates labor contracts or working protocols substantially or abandons restricted shares, related guidelines of RSU Plan will be followed accordingly.

Information relating to outstanding employee restricted shares is as follows:

	For the Year Ended December 31	
	2023	**2022**
Balance at January 1	2,910	-
Shares issued	-	2,960
Shares vested	(285)	-
Shares canceled	(33)	(50)
Balance at December 31	2,592	2,910

Compensation costs of share-based payment arising from the RSU Plan were $91,059 thousand and $53,139 thousand for the years ended December 31, 2023 and 2022, respectively.

25. CAPITAL MANAGEMENT

The Corporation manages its capital to ensure that it will be able to continue as going concerns while maximizing the return to shareholders through the optimization of the debt and equity balance. The Corporation’s capital management aims to maintain the sufficiency of financial resources and the soundness of operating strategies to meet the needs for operating capital, capital expenditure, R&D expenses, debt handling, dividend disbursement, etc.

26. FINANCIAL INSTRUMENTS

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

Management believes the carrying amount of financial assets and financial liabilities not measured at fair value recognized in the financial statements approximates their fair values.

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

1) Fair value hierarchy

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Financial assets at FVTPL				
Opened beneficiary certificates	$ -	$ -	$ 4,205	$ 4,205
Financial assets at FVTOCI				
Domestic listed ordinary shares and emerging markets shares	$ 378,403	$ -	$ 527,237	$ 905,640
Domestic unlisted equity securities	-	-	145,201	145,201
Foreign unlisted equity securities	-	-	29,015	29,015
	$ 378,403	$ -	$ 701,453	$ 1,079,856
December 31, 2022				
Financial assets at FVTPL				
Opened beneficiary certificates	$ -	$ -	$ 4,513	$ 4,513
Financial assets at FVTOCI				
Domestic listed ordinary shares and emerging markets shares	$ 395,455	$ -	$ 367,906	$ 763,361
Domestic unlisted equity securities	-	-	227,944	227,944
Foreign unlisted equity securities	-	-	29,600	29,600
	$ 395,455	$ -	$ 625,450	$ 1,020,905

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

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

For the year ended December 31, 2023

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Open-end Beneficiary Certificates	Equity Instruments	
Balance at January 1, 2023	$ 4,513	$ 625,450	$ 629,963
Purchases	-	81,990	81,990
Reduction of capital cash return	-	(10,151)	(10,151)
Recognized in profit or loss (included in valuation gains and losses)	(308)	-	(308)
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	4,164	4,164
Balance at December 31, 2023	$ 4,205	$ 701,453	$ 705,658

For the year ended December 31, 2022

Financial Assets	Financial Assets at FVTPL	Financial Assets at FVTOCI	Total
	Open-end Beneficiary Certificates	Equity Instruments	
Balance at January 1, 2022	$ 4,793	$ 554,839	$ 559,632
Purchases	-	89,033	89,033
Reduction of capital cash return	-	(585)	(585)
Recognized in profit or loss (included in valuation gains and losses)	(280)	-	(280)
Recognized in other comprehensive income (included in unrealized gain on financial assets at FVTOCI)	-	(17,837)	(17,837)
Balance at December 31, 2022	$ 4,513	$ 625,450	$ 629,963

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

The fair values of unlisted and domestic emerging market equity securities and open-end beneficiary certificates are determined by using the asset approach and the market approach. Asset approach evaluates the total market value of individual asset and liability of the evaluated target, taking into account the risk factors (lack of marketability, etc.) to estimate the fair value. Market approach refers to the transaction prices in active market of the listed companies engaging in similar business, related price multiplier, transaction and information implied by the transaction price, to arrive at the fair value.

c. Categories of financial instruments

	December 31	
	2023	2022
Financial assets		
Financial assets at FVTPL		
Mandatorily at FVTPL	$ 4,205	$ 4,513
Financial assets at amortized cost (1)	5,609,522	6,542,812
Financial assets at FVTOCI		
Equity instruments	1,079,856	1,020,905
Financial liabilities		
Financial liabilities at amortized cost (2)	5,780,383	5,468,457

1) The balances include financial assets at amortized cost, which comprise cash and cash equivalents, notes receivable, trade receivables, other receivables (classified as other receivable - related parties and other current assets) and refundable deposits.

2) The balances included financial liabilities measured at amortized cost, which comprise short-term loans, trade payables, other payables, long-term loans (including current portion of long-term borrowings) and guarantee deposits received.

d. Financial risk management objectives and policies

The Corporation's major financial instruments consist of equity investments, cash and cash equivalents, receivables, long-term and short-term borrowings, and trade payables. The Corporation's financial risk management pertains to financial risks relating to the operations of the Corporation, including currency risk, interest rate risk, credit risk and liquidity risk. The Corporation seeks to identify, evaluate and hedge against market uncertainties to lower the effect of market changes on the Corporation's financial performance.

The Corporation manages foreign exchange risk through setting up of foreign currency deposit bank accounts and through the use of foreign currency directly received from sale to pay for purchases in foreign currency to reduce the impact of foreign exchange fluctuation and to achieve a natural hedge effect. The Corporation actively observes the exchange rate information to fully control the foreign currency hedge.

1) Market risk

The Corporation's activities expose it primarily to the financial risks of changes in exchange rates (see item (a) below), interest rates (see item (b) below) and price (see item (c) below).

There has been no change to the Corporation's exposure to market risks or the manner in which these risks are managed and measured.

a) Foreign currency risk

The carrying amounts of the Corporation's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are set out in Note 28.

Sensitivity analysis

The Corporation was mainly exposed to USD and RMB.

The 5% sensitivity rate is used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency-denominated monetary items and their translation at period-end is adjusted for a 5% change in foreign-currency rates. Had the NTD strengthened by 5% against the relevant currency, the pre-tax profit would have decreased by $146,800 thousand and $183,159 thousand for the years ended December 31, 2023 and 2022, respectively.

b) Interest rate risk

The Corporation is exposed to interest rate risk because it borrows funds both at fixed and floated interest rates. The Corporation evaluates hedging activities regularly to align with interest rate views and defined risk appetite and ensures that the most cost-effective hedging strategies are applied. The carrying amounts of the financial assets and 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	$ 623,311	$ 1,085,598
Financial liabilities	1,815,296	144,293
Cash flow interest rate risk		
Financial assets	682,638	1,840,900
Financial liabilities	1,150,000	2,450,000

Sensitivity analysis

The sensitivity analysis below was determined on the basis of the exposure to interest rates for non-derivative instruments at balance sheet dates. For floating rate liabilities, the analysis was prepared assuming the amount of the liability outstanding at the balance sheet dates was outstanding for the whole year. A 50-basis point increase or decrease was used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

If interest rates had been 50 basis points higher and all other variables were held constant, the Corporation's pre-tax profit for the years ended December 31, 2023 and 2022 would have decreased by $2,337 thousand and $3,046 thousand, respectively, which was mainly attributable to the Corporation's exposure to interest rates on its variable rate deposits and bank loans.

c) Price risk

The Corporation is exposed to equity price risks mainly arising from the following:

i. Investments in financial assets at FVTOCI (mainly investments in domestic and foreign stocks), which are held for strategic rather than trading purposes. The Group does not actively trade these investments.

ii. Financial assets at FVTPL (mainly investments in domestic and foreign open-end beneficiary certificates and listed stocks in Taiwan).

The Corporation manages risk through holding various investment portfolios and having each equity investment get prior approval from the Group's management.

Sensitivity analysis

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

If marketing prices of fund and common stock equity had been 5% higher, the pre-tax profit for the years ended December 31, 2023 and 2022 would have increased by $210 thousand and $226 thousand, respectively, as a result of the changes in fair values of financial assets at FVTPL, and the pre-tax other comprehensive income for the years ended December 31, 2023 and 2022 would have increased by $53,993 thousand and $51,045 thousand, respectively, as a result of the changes in fair values of financial assets at FVTOCI.

2) Credit risk

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

a) The carrying amount of trade receivables from operating activities; and

b) The amount of bank deposits, fixed income and other financial instruments from investing activities.

The Corporation adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

Trade receivables involve a large number of customers, spread across diverse industries and geographical areas. Ongoing credit evaluation is performed on the financial condition of trade receivables, including the evaluation of internal credits, historical transaction records, present economic circumstances, etc. which affect the customers' payment ability.

The credit risk of bank deposits, fixed-income financial instruments and other financial instruments are evaluated, managed and controlled by the Corporation's financial department. The Corporation's exposure to credit risk was limited because the Corporation adopted a policy of only dealing with creditworthy counterparties.

3) Liquidity risk

The Corporation manages liquidity risk by managing and maintaining sufficient cash and cash equivalents to supply the Corporation's demand and mitigate the effects of fluctuations in cash flow. The Corporation continuously monitors the use of credit lines and conformity to loan terms.

The Corporation relies on bank borrowings as a significant source of liquidity. As of December 31, 2023 and 2022, the Corporation's available unutilized bank loan facilities were $6,100,000 thousand and $4,400,000 thousand, respectively.

Liquidity and interest risk tables for non-derivative financial liabilities

The following tables detail the Corporation'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 Corporation can be required to pay. 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.

	December 31, 2023		
	Within 1 Year	**1-5 Years**	**More Than 5 Years**
Non-interest bearing	$ 2,909,758	$ -	$ -
Fixed interest rate instruments	1,700,554	-	-
Floating interest rate instruments	313,223	884,788	-
Lease liabilities	49,171	66,454	1,306
	$ 4,972,706	$ 951,242	$ 1,306

	December 31, 2022		
	Within 1 Year	**1-5 Years**	**More Than 5 Years**
Non-interest bearing	$ 2,957,630	$ -	$ -
Floating interest rate instruments	1,531,176	966,820	-
Lease liabilities	46,449	97,009	3,047
	$ 4,535,255	$ 1,063,829	$ 3,047

After considering the financial position of the Corporation, management does not expect the banks will execute their rights of requiring the Corporation to repay the bank loans immediately. In addition, management believes the operating funds of the Corporation are sufficient to meet cash flow demand; thus, liquidity risk is not considered significant.

The Corporation's operating funds are sufficient to meet its cash flow demand, as a result, the Corporation does not use its overdraft limit.

27. TRANSACTIONS WITH RELATED PARTIES

a. Related parties and relationships

In addition to the related parties and its subsidiaries disclosed in Note 11, the other related parties are as follows:

Related Party	Relationship with the Group
Mou Kuan Industry Co., Ltd.	Other related party
Taiwan Advanced Nanotech Inc.	Other related party
CycleBond Healthcare Consulting Inc.	Other related party's subsidiary
Tian Zheng International Precision Machinery Co., Ltd.	Other related party

(Continued)

Related Party	Relationship with the Group
Tian Zheng International Precision Machinery Co., Ltd. (Dongguan)	Other related party's subsidiary
Omnitek Technology Co., Ltd.	Other related party's subsidiary
Master Machinery Technology Co., Ltd.	Other related party's subsidiary
Tian Zheng Holding Co., Ltd.	Other related party's subsidiary
Prance Systems Technology Corporation	Other related party
TFBS Bioscience, Inc.	Other related party
Chroma Foundation	Other related party
Quantel Co., Ltd.	Other related party
Quantel Electronics (India) Private Limited	Other related party
PT Quantel	Other related party
Quantel Sdn. Bhd.	Other related party
Quantel Philippines Inc.	Other related party

(Concluded)

The related-party transactions were conducted under normal terms unless specified otherwise.

The related-party transactions were as follows:

b. Sales

Related Party Category/Name	For the Year Ended December 31 2023	2022
Subsidiaries		
Neworld Electronics Limited	$ 3,207,826	$ 2,851,056
Chroma ATE Inc.	1,135,216	2,603,148
Others	3,766,814	3,822,495
Associates	28,913	35,691
Other related parties	562	974
	$ 8,139,331	$ 9,313,364

To raise market share and expand its market in the America, Europe and mainland China, the Corporation set up Chroma ATE Inc., Chroma ATE Europe B.V. and Neworld Electronics Limited. The selling prices for Chroma ATE Inc., Chroma Systems Solutions, Inc., Chroma ATE Europe B.V., Neworld Electronics Limited, Chroma ATE (Suzhou) Co., Ltd., and Chroma Electronics (Shenzhen) Co., Ltd. were determined after taking the selling and post-sale service expenses into consideration.

c. Purchases

Related Party Category/Name	For the Year Ended December 31 2023	2022
Subsidiaries	$ 72,080	$ 203,093
Associates	10,577	12,596
Other related parties	1,357	2,414
	$ 84,014	$ 218,103

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

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Trade receivables	Subsidiaries		
	Chroma ATE Inc.	$ 676,091	$ -
	Neworld Electronics Limited	654,274	539,791
	Chroma Japan Corp.	395,390	329,807
	Chroma ATE (Suzhou) Co., Ltd.	369,159	692,629
	Others	692,201	623,214
Trade receivables	Associates	6,823	8,717
	Other related parties	320	1,863
		$ 2,794,258	$ 2,196,021

e. Payables to related parties (excluding loans from related parties)

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Trade payables	Subsidiaries	$ 13,607	$ 11,759
	Associates	1,644	2,787
	Other related parties	1,088	1,467
		$ 16,339	$ 16,013

f. Acquisitions of property, plant and equipment

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Subsidiaries	$ 3,683	$ 2,031
Associates	532	4,509
	$ 4,215	$ 6,540

g. Lease arrangements

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Lease liabilities	Associates		
	Adlink Technology Inc.	$ 77,655	$ 111,725

Line Item	Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Depreciation expense	Associates		
	Adlink Technology Inc.	$ 25,759	$ 25,759

h. Loans to related parties

Loans and interest receivables

Line Item	Related Party Category/Name	December 31 2023	December 31 2022
Other receivable - related party	Subsidiaries		
	Chroma Japan Corp.	$ 122,014	$ 118,146
	Chroma Systems Solutions, Inc.	31,083	75,617
		$ 153,097	$ 193,763

Refer to Table 1 for other information related to financing provided to others.

i. Endorsement guarantees provided

Refer to Table 2 for other information related to endorsement guarantees provided.

j. Others

1) Commission expense

Related Party Category/Name	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Subsidiaries		
Quantel Private Ltd.	$ 44,446	$ 32,547
Chroma ATE (Suzhou) Co., Ltd.	15,210	13,065
Chroma ATE (Shanghai) Co., Ltd.	8,150	29,237
Others	6,563	1,928
	$ 74,369	$ 76,777

Commission expense refers to the disbursements made for business introduction activities.

2) Other receivables - dividend receivable

Related Party Category/Name	December 31 2023	December 31 2022
Subsidiaries		
Chroma Systems Solutions, Inc.	$ 46,853	$ -

3) Prepayments

Related Party Category/Name	December 31 2023	December 31 2022
Subsidiaries		
Mas Automation Corp.	$ 54,800	$ -

4) Other current liabilities - temporary credits

Related Party Category/Name	December 31 2023	December 31 2022
Subsidiaries		
Chroma USA	$ -	$ 397,387

k. Compensation of key management personnel

	For the Year Ended December 31 2023	For the Year Ended December 31 2022
Short-term employee benefits	$ 159,093	$ 169,463
Post-employment benefits	3,093	3,033
Share-based payment transaction	40,608	22,261
	$ 202,794	$ 194,757

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

28. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

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

December 31, 2023

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 87,026	30.705 (USD:NTD)	$ 2,672,133
RMB	175,054	4.327 (RMB:NTD)	757,459
			$ 3,429,592
Non-monetary items			
Investments accounted for using the equity method			
USD	180,037	30.705 (USD:NTD)	$ 5,528,046
HKD	541,888	3.929 (HKD:NTD)	2,129,079
			$ 7,657,125
Financial liabilities			
Monetary items			
USD	16,075	30.705 (USD:NTD)	$ 493,583

December 31, 2022

	Foreign Currency	Exchange Rate	Carrying Amount
Financial assets			
Monetary items			
USD	$ 99,391	30.710 (USD:NTD)	$ 3,052,298
RMB	242,224	4.408 (RMB:NTD)	1,067,723
			$ 4,120,021
Non-monetary items			
Investments accounted for using the equity method			
USD	206,584	30.710 (USD:NTD)	$ 6,319,644
HKD	481,642	3.938 (HKD:NTD)	1,896,708
			$ 8,216,352
Financial liabilities			
Monetary items			
USD	$ 14,876	30.710 (USD:NTD)	$ 456,842

For the years ended December 31, 2023 and 2022, (realized and unrealized) net foreign exchange (losses) gains were $(52,577) thousand and $263,422 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.

29. SEPARATELY DISCLOSED ITEMS

a. Information about significant transactions and investees:

1) Financing provided to others: Table 1

2) Endorsements/guarantees provided: Table 2

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

4) Marketable securities acquired and 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

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

9) Trading in derivative instruments: None.

10) Information on investees: Table 6

b. 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 7

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

a) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 4

b) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 4

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 period and the purposes: Table 2

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

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 receiving of services: Table 4

c. 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: None.

CHROMA ATE INC.

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

No.	Lender	Borrower	Financial Statement Account	Related Parties	Highest Balance for the Period	Ending Balance	Actual Borrowing Amount	Interest Rate	Nature of Financing (Note 6)	Business Transaction Amounts	Reasons for Short-term Financing	Allowance for Impairment Loss	Collateral		Financing Limit for Each Borrower	Aggregate Financing Limit
													Item	Value		
0	The Corporation	Chroma Japan Corp.	Other receivables	Y	$ 177,082	$ 177,082	$ 122,014	1.42%	a	$ 348,120	-	$ -	-	$ -	$ 2,195,588 (Note 1)	$ 4,391,175 (Note 2)
		Chroma Systems Solutions, Inc.	Other receivables	Y	75,605	31,083	31,083	5.75%	a	995,391	-	-	-	-	2,195,588 (Note 1)	4,391,175 (Note 2)
1	Wei Kuang Mech. Eng. Inc.	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Other receivables	Y	129,882	-	-	-	b	-	Purchase material, working capital turnover	-	-	-	515,888 (Note 3)	722,243 (Note 4)

Note 1: Based on 10% of the net value of the Corporation.

Note 2: Based on 20% of the net value of the Corporation.

Note 3: Based on 50% of the net value of Wei Kuang Mech. Eng. Inc.

Note 4: Based on 70% of the net value of Wei Kuang Mech. Eng. Inc.

Note 5: The amounts listed in the table were translated into the New Taiwan dollars at the exchange rate of US$1=NT$30.705, JPY1=NT$0.217 and RMB1=NT$4.327 as of December 31, 2023.

Note 6: Financing provided:

a. For transactions.
b. For short-term financing.

CHROMA ATE INC.

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

No.	Endorser/ Guarantor	Endorsee/Guarantee		Limits on Endorsement /Guarantee Given on Behalf of Each Party (Note 1)	Maximum Amount Endorsed/ Guaranteed During the Period	Outstanding Endorsement /Guarantee at the End of the Period	Actual Borrowing Amount	Amount Endorsed/ Guaranteed by Collateral	Ratio of Accumulated Endorsement /Guarantee to Net Equity in Latest Financial Statements	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										
0	The Corporation	Chroma ATE Inc.	Subsidiary	$ 3,293,381	$ 245,640	$ 122,820	$ -	$ -	0.56%	$ 6,586,763	Y	-	-
		Chroma Japan Corp.	Subsidiary	3,293,381	43,400	43,400	32,550	-	0.20%	6,586,763	Y	-	-
		Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	3,293,381	1,549,066	865,400	222,969	-	3.94%	6,586,763	Y	-	Y
		Chroma ATE Europe B.V.	Subsidiary	3,293,381	50,970	50,970	-	-	0.23%	6,586,763	Y	-	-
		Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	3,293,381	43,270	43,270	9,087	-	0.20%	6,586,763	Y	-	Y
		Saject System Technology (Suzhou) Co., Ltd.	Subsidiary	3,293,381	21,635	21,635	-	-	0.10%	6,586,763	Y	-	Y
		Mas Automation Corp.	Subsidiary	3,293,381	300,000	100,000	-	-	0.46%	6,586,763	Y	-	-

Note 1: According to Regulation of the “Procedures for Endorsement/Guarantee and lending of Funds”, the Corporation limits the endorsement/guarantee amount on each entity to within 15% of the net value of the Corporation.

Note 2: According to Regulation of the “Procedures for Endorsement/Guarantee and Lending of Funds”, the Corporation limits the endorsement/guarantee amount within the 30% of the net value of the Corporation.

Note 3: The amounts listed in columns were translated into the New Taiwan dollars at the exchange rate of US$1=NT$30.705, JPY1=NT$0.217, RMB1=NT$4.327, EUR1=NT$33.980, as of December 31, 2023.

CHROMA ATE INC.

MARKETABLE SECURITIES HELD (EXCLUDING INVESTMENT IN SUBSIDIARIES, ASSOCIATES AND JOINTLY CONTROLLED ENTITIES)
DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
The Corporation	Fund							
	WI Harper INC Fund VII LP	-	Financial assets at fair value through profit or loss - non-current	-	$ 4,205	-	$ 4,205	-
	Shares							
	DynaColor, Inc.	-	Financial assets at fair value through other comprehensive income - non-current	6,050	211,459	6.0	211,459	-
	Chunghwa Telecom Co., Ltd.	-	〃	412	49,486	-	49,486	-
	China Communications Media Group Co., Ltd.	-	〃	10	46	-	46	-
	Tian Zheng International Precision Machinery Co., Ltd.	-	〃	2,681	117,412	7.3	117,412	-
	Twoway Catv Service Inc.	-	〃	3,561	98,806	4.4	98,806	-
	Taiwan Advanced Nanotech Inc.	-	〃	3,475	256,502	11.4	256,502	-
	TFBS Bioscience Inc.		〃	2,675	171,929	7.7	171,929	-
	WK Technology Fund IX Ltd.	-	〃	3,599	57,475	4.6	57,475	-
	WK Technology Fund IX II Ltd.	-	〃	6,000	60,000	5.3	60,000	-
	Gaius Automotive Inc.	-	〃	1,486	27,726	2.0	27,726	-
	Enteligent Inc.	-	〃	875	29,015	6.9	29,015	-
Chroma Systems Solutions Inc.	Fund							
	Franklin California Tax Free Income FD Inc.	-	Financial assets at fair value through profit or loss - current	455	96,731	-	96,731	-
	Fidelity Government Money Market		〃	-	35,926	-	35,926	-
	Debt							
	United States Department of The Treasury		Financial assets at fair value through other comprehensive income - current	-	74,506	-	74,506	-
Chroma Investment Co., Ltd.	Fund							
	Hua Nan Kirin Money Market Fund	-	Financial assets at fair value through profit or loss - current	499	6,134	-	6,134	-
	Taishin 1699 Money Market Fund		〃	1,081	15,074	-	15,074	-
	Shares							
	Greatek Electronics Inc.	-	Financial assets at fair value through profit or loss - current	85	5,205	-	5,205	-
	Hephas Energy Co., Ltd.	-	〃	1,889	75,400	6.8	75,400	-
	Chroma ATE Inc.	The Corporation	Financial assets at fair value through other comprehensive income - non-current	1,655	352,425	0.4	352,425	-

(Continued)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Shares/Units (In Thousands)	Carrying Amount	Percentage of Ownership	Fair Value	
	Taiwan Advanced Nanotech Inc.	-	〃	790	$ 58,296	2.6	$ 58,296	-
	Cosmactive Broadband Networks Co., Ltd.	-	〃	4	-	0.6	-	-
	Prance Systems Technology Corporation	-	〃	111	-	5.1	-	-
Chen Hwa Technology Inc.	Shares							
	Hangzhou New Material Chroma Co., Ltd.	-	〃	-	102,736	19.0	102,736	-
EVT Technology Co., Ltd.	Fund							
	Mega Diamond Money Market Fund	-	Financial assets at fair value through profit or loss - current	420	5,420	-	5,420	-
Testar Electronics Corporation	Fund							
	Mega Diamond Money Market Fund	-	〃	7,090	91,458	-	91,458	-

Note: The fair value of open-end beneficiary certificates and listed market securities was calculated based on the net asset value and closing price as of balance sheet date.

(Concluded)

CHROMA ATE INC.

TOTAL PURCHASE FROM OR SALE TO RELATED PARTIES AMOUNTING TO AT LEAST $100 MILLION OR 20% OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars)

Company Name	Related Party	Relationship	Transaction Details				Abnormal Transaction		Notes/Accounts Receivable (Payable)		Note
			Purchase (Sale)	Amount	% to Total	Payment Terms	Unit Price	Payment Terms	Ending Balance	% to Total	
The Corporation	Neworld Electronics Limited	Subsidiary	(Sale)	$(3,207,826)	(26)	Note	-	-	$ 654,274	16	-
	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(199,313)	(2)	Note	-	-	13,219	-	-
	Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	(Sale)	(331,424)	(3)	Note	-	-	18,052	-	-
	Chroma ATE Inc.	Subsidiary	(Sale)	(1,135,216)	(9)	Note	-	-	676,091	17	-
	Chroma Systems Solutions, Inc.	Subsidiary	(Sale)	(995,391)	(8)	Net 90 days after delivery	-	-	223,629	6	-
	Chroma ATE Europe B.V.	Subsidiary	(Sale)	(440,814)	(4)	Note	-	-	143,069	4	-
	Chroma Germany GmbH	Subsidiary	(Sale)	(165,769)	(1)	Note	-	-	146,679	4	-
	Chroma Japan Corp.	Subsidiary	(Sale)	(348,120)	(3)	Note	-	-	395,390	10	-
	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	(Sale)	(687,544)	(5)	Note	-	-	369,159	9	-
	Quantel Private Ltd.	Subsidiary	(Sale)	(555,903)	(4)	Net 90 days after delivery	-	-	133,598	3	
Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	(Sale)	(1,273,213)	(36)	Net 90 days after declaration	-	-	273,803	26	-
	Chroma Electronics (Shanghai) Co., Ltd.	Subsidiary	(Sale)	(227,094)	(6)	Net 90 days after declaration	-	-	23,923	2	-
	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(313,515)	(9)	Net 90 days after declaration	-	-	122,316	12	-
Mas Automation Corp.	Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Same parent company	(Sale)	(101,515)	(18)	Net 90 days after declaration	-	-	-	-	-
Chroma ATE Europe B.V.	Chroma Germany GmbH	Subsidiary	(Sale)	(194,692)	(30)	Net 90 days after declaration	-	-	91,731	59	
Quantel Private Ltd.	Quantel Global Company Limited	Subsidiary	(Sale)	(131,829)	(15)	Net 90 days after declaration	-	-	109,089	38	
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(555,226)	(89)	Net 90 days after declaration	-	-	500,721	98	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	(Sale)	(138,377)	(38)	Net 90 days after declaration	-	-	130,029	85	-

Note: The actual credit period is longer than other customers, the recovery of receivables depends on the related parties' financial position.

CHROMA ATE INC.

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

Company Name	Related Party	Relationship	Ending Balance		Turnover Rate	Overdue		Amount Received in Subsequent Period (Note)	Allowance for Impairment Loss
						Amount	Action Taken		
The Corporation	Neworld Electronics Limited	Subsidiary	Trade receivables	$ 654,274	5.37	$ -	-	$ 355,738	$ -
	Chroma ATE Inc.	Subsidiary	Trade receivables	676,091	3.36	-	-	1,699	-
	Chroma Systems Solutions, Inc.	Subsidiary	Trade receivables	223,629	4.26	-	-	75,205	-
	Chroma ATE Europe B.V.	Subsidiary	Trade receivables	143,069	3.36	-	-	-	-
	Chroma Germany GmbH	Subsidiary	Trade receivables	146,679	1.84	-	-	18	-
	Chroma Japan Corp.	Subsidiary	Trade receivables	395,390	0.96	-	-	-	-
	Chroma Japan Corp.	Subsidiary	Other receivables - financing provided	122,014	-	-	-	59,349	-
	Chroma ATE (Suzhou) Co., Ltd.	Subsidiary	Trade receivables	369,159	1.30	-	-	72,811	-
	Quantel Private Ltd.	Subsidiary	Trade receivables	133,598	4.58	-	-	53,433	-
Neworld Electronics Limited	Chroma Electronics (Shenzhen) Co., Ltd.	Subsidiary	Trade receivables	273,803	3.89	-	-	152,929	-
	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	122,316	3.19	-	-	37,652	-
Quantel Private Ltd.	Quantel Global Company Limited	Subsidiary	Trade receivables	109,089	2.42	-	-	2,411	-
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	500,721	1.20	467,024	Strengthen collection	33,697	-
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Chroma ATE (Suzhou) Co., Ltd.	Same parent company	Trade receivables	130,029	1.34	-	-	130,029	-

Note: As of January 31, 2024.

CHROMA ATE INC.

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

Investor	Investee	Location	Main Businesses and Products	Investment Amount		Balance as of December 31, 2023			Net Income (Loss) of the Investee	Investment Gain (Loss)	Note
				December 31, 2023	December 31, 2022	Shares	Percentage of Ownership	Carrying Amount			
The Corporation	Neworld Electronics Limited	Hong Kong	Sale and maintenance of electronic test instruments, etc.	$ 271,873	$ 271,873	64,012,815	100.0	$ 1,860,628	$ 264,990	$ 264,990	Subsidiary
	Mas Automation Corp.	Hsinchu, Taiwan	Design, manufacturing, installment and testing of automated factory conveyor systems	533,000	533,000	10,000,000	100.0	205,875	64,521	64,521	Subsidiary
	Chroma ATE Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,895	29,895	1,000,000	100.0	593,509	136,560	136,588	Subsidiary
	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	29,628	29,628	120,000	25.0	(40,890)	411,407	102,851	Subsidiary
	Chroma ATE Europe B.V.	The Netherlands	Sale and maintenance of electronic test instruments, etc.	54,026	54,026	1,000	100.0	47,468	33,219	33,241	Subsidiary
	Chroma Japan Corp.	Japan	Sale and maintenance of electronic test instruments, etc.	201,750	201,750	9,975	100.0	(160,701)	5,396	5,394	Subsidiary
	CHI Incorporation Ltd.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	122,884	122,884	3,830,000	100.0	434,059	145,327	145,327	Subsidiary
	Chen Hwa Technology Inc.	British Virgin Islands	Test of inductance, capacitance and resistance, and sale of parts	98,217	98,217	3,085,000	100.0	209,526	23,031	23,031	Subsidiary
	San Eagle Development Corp.	British Virgin Islands	Investment	186,514	186,514	2,050,000	100.0	955,149	86,642	87,000	Subsidiary
	Sensational Holdings Ltd.	British Virgin Islands	Investment	38,301	38,301	1,200,000	100.0	57,989	2,819	2,819	Subsidiary
	Deep Red Holding Co., Ltd.	Mauritius	Investment	12,217	12,217	215,000	100.0	155,841	(4,329)	(4,329)	Subsidiary
	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED	247,096	247,096	20,159,600	67.2	137,914	(25,062)	(16,841)	Subsidiary
	Adivic Technology Co., Ltd.	Taoyuan, Taiwan	Sale and research of RF device	373,800	273,800	22,590,000	83.7	78,506	(54,370)	(39,427)	Subsidiary
	Chroma Investment Co., Ltd.	Taoyuan, Taiwan	Investment	80,000	80,000	14,000,000	100.0	195,460	(44,932)	(44,932)	Subsidiary
	Quantel Private Ltd.	Singapore	Sale and maintenance of test instruments, etc.	112,328	112,328	1,914,000	60.0	267,620	115,797	69,478	Subsidiary
	EVT Technology Co., Ltd.	Taoyuan, Taiwan	Manufacturing of motorcycles and its parts	117,311	117,311	9,412,412	85.6	15,999	(8,879)	(7,601)	Subsidiary
	Innovative Nanotech Incorporated	Hsinchu, Taiwan	Monitoring instruments of nanoparticles	142,140	142,140	14,214,000	67.2	118,485	(42,582)	(28,623)	Subsidiary
	Touch Cloud Inc.	Taipei, Taiwan	Development of cloud platform and Internet of Things systems	110,457	110,457	11,045,667	83.1	24,386	(13,260)	(11,019)	Subsidiary
	Environmental Stress Systems, Inc.	USA	Sale of thermal platform systems	54,985	54,985	1,000	100.0	4,034	(9,671)	(10,631)	Subsidiary
	Adlink Technology Inc.	Taoyuan, Taiwan	Manufacturing, processing and retailing of software/hardware of computers and peripherals	94,782	95,778	14,267,253	6.6	229,346	307,312	20,175	Associate
	DynaScan Technology Corp.	Taoyuan, Taiwan	Research and manufacture of LED generators	238,746	238,746	9,841,112	27.3	226,637	153,453	41,889	Associate
	Camtek Ltd.	Israel	Automatic optical inspection equipment	2,342,340	2,342,340	7,817,440	17.4	3,795,310	2,369,369	376,649	Associate
	Chih Ho Shun Development Co., Ltd.	Taoyuan, Taiwan	Construction and development of residence, buildings and specialized field; construction and investment of public works	17,500	17,500	1,750,000	35.0	13,765	(3,264)	(1,143)	Joint venture
Chroma ATE Inc.	Chroma Systems Solutions, Inc.	USA	Sale and maintenance of electronic test instruments, etc.	64	64	240,000	50.0	482,488	411,407	NA	Subsidiary
Chroma ATE Europe B.V.	Chroma Germany GmbH	Germany	Sale and maintenance of electronic test instruments, etc.	1,073	1,073	30,000	100.0	28,565	13,214	NA	Subsidiary
San Eagle Development Corp.	Wei Kuang Mech. Eng. Inc.	Mauritius	Investment	185,686	185,686	4,475,000	100.0	1,031,376	86,660	NA	Subsidiary
Quantel Private Ltd.	Quantel Technologies India Private Ltd.	India	Sale and maintenance of test instruments, etc.	3,056	3,056	64,999	100.0	6,397	601	NA	Subsidiary
	Quantel Global Vietnam Co., Ltd.	Vietnam	Sale and maintenance of test instruments, etc.	6,219	6,219	-	100.0	13,341	(963)	NA	Subsidiary
	Quantel Global Sdn. Bhd.	Malaysia	Sale and maintenance of test instruments, etc.	4,199	4,199	600,000	100.0	25,112	9,230	NA	Subsidiary
	Quantel Global Philippines Corporation	Philippines	Sale and maintenance of test instruments, etc.	610	610	99,095	100.0	8,950	(882)	NA	Subsidiary
	Quantel Global Company Limited	Thailand	Sale and maintenance of test instruments, etc.	13,138	13,138	173,657	99.9	23,885	10,874	NA	Subsidiary
Chroma Investment Co., Ltd.	Testar Electronics Corporation	Taoyuan, Taiwan	Testing of LED	11,250	11,250	4,500,000	15.0	36,645	(25,062)	NA	Subsidiary

Note: For amounts that were translated from foreign currencies, the amount of the original investment was translated into New Taiwan dollars at the historical exchange rate, while the amount of net income (loss) of the investee and investment gain (loss) were translated into New Taiwan dollars at the average exchange rate for the year ended December 31, 2023. Other amounts were translated into New Taiwan dollars at the spot exchange rate on December 31, 2023.

CHROMA ATE INC.

INFORMATION ON INVESTMENTS IN MAINLAND CHINA
FOR THE YEAR ENDED DECEMBER 31, 2023
(In Thousands of New Taiwan Dollars or Foreign Currency)

Investee Company	Main Businesses and Products	Paid-in Capital (Note 2)	Method of Investment (Note 1)	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023 (Note 3)	Remittance of Funds		Accumulated Outward Remittance for Investment from Taiwan as of December 31, 2023 (Note 3)	Net Income (Loss) of the Investee	Percentage of Ownership in Investment	Investment Gain (Loss) (Notes 4 and 5)	Carrying Amount as of December 31, 2023 (Note 2)	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outward	Inward						
Chroma Electronics (Shenzhen) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	$ 117,870 (HK$ 30,000)	b. Subsidiary of Neworld Electronics Limited	$ 132,178 (HK$ 1,200 US$ 3,853)	$ -	$ -	$ 132,178 (HK$ 1,200 US$ 3,853)	$ 156,224	100	$ 156,224	$ 1,149,110	$ 159,544 (RMB 36,858)
Chroma Electronics (Shanghai) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	92,115 (US$ 3,000)	b. Subsidiary of Neworld Electronics Limited	101,993 (US$ 3,000)	-	-	101,993 (US$ 3,000)	62,466	100	62,466	325,419	47,801 (RMB 10,852)
Chroma (Shanghai) Trading Co., Ltd.	International and transit trading, commercial simple processing and commercial consulting service and etc.	82,904 (US$ 2,700)	b. Subsidiary of Chen Hwa Technology Inc.	84,988 (US$ 2,700)	-	-	84,988 (US$ 2,700)	187	100	187	74,636	-
Hangzhou New Material Chroma Co., Ltd.	Production and sale of semiconductor connecting materials	46,058 (US$ 1,500)	b. Subsidiary of Chen Hwa Technology Inc.	9,091 (US$ 285)	-	-	9,091 (US$ 285)	60,868	19	-	102,737	34,048 (US$ 1,075)
Chroma ATE (Suzhou) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	116,679 (US$ 3,800)	b. Subsidiary of CHI Incorporation Ltd.	121,115 (US$ 3,800)	-	-	121,115 (US$ 3,800)	145,336	100	145,336	641,524	28,932 (US$ 943)
Wei Kuang Automatic Equipment (Nanjing) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	51,366 (RMB 11,871)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	43,751 (US$ 1,338)	-	-	43,751 (US$ 1,338)	69,226	100	69,226	569,351	154,664 (US$ 4,779)
Wei Kuang Automatic Equipment (Xiamen) Co., Ltd.	Sale and maintenance of electronic equipment and factory conveyor systems	49,401 (RMB 11,417)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	49,935 (US$ 1,500)	-	-	49,935 (US$ 1,500)	23,807	100	23,807	455,153	140,684 (US$ 4,347)
Mou Kuan Technologies (Nanjing) Co., Ltd.	Assembly, sale and maintenance of factory conveyors and related systems and renders related after-sales services	(Note 8)	b. Subsidiary of Wei Kuang Mech. Eng. Inc.	92,000 (US$ 2,836)	-	92,000 (US$ 2,836)	-	-	-	-	-	47,504 (US$ 1,552)
Sajet System Technology (Suzhou) Co., Ltd.	Research, development and design of computer network security systems and information management	36,234 (RMB 8,374)	b. Subsidiary of Deep Red Holding Co., Ltd.	(Note 7)	-	-	(Note 7)	(4,832)	100	(4,832)	139,091	-
Chroma ATE (Dongguan) Co., Ltd.	Sale of computerized automatic test systems, peripherals and electronic test instruments	177,407 (RMB 41,000)	c. Chroma Electronics (Shenzhen) Co., Ltd.	-	-	-	-	9,848	100	9,848	177,359	-

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investment Stipulated by Investment Commission, MOEA
$543,051 (HK$1,200, US$16,476)	$633,060 (HK$1,400, US$19,240)	$13,173,526 (Note 6)

(Continued)

Note 1: Methods of investment have following type:

a. Direct investment in mainland China.
b. Indirect investment in mainland China through an existing company in a third region.
c. Other.

Note 2: The amounts of paid-in capital and carrying value as of balance sheet date were translated into the New Taiwan dollars at the rates of HK$1=NT$3.929, US$1=NT$30.705, RMB1=NT$4.327 prevailing on December 31, 2023.

Note 3: The amounts of accumulated outflow of investment from Taiwan as of January 1, 2023 and December 31, 2023 were translated into the New Taiwan dollar on the original outflow day.

Note 4: Based on audited financial statements.

Note 5: Investment income (loss) was translated into the New Taiwan dollar at the average rate of HK$1=NT$3.980, US$1=NT$31.155, RMB1=NT$4.396 for the year ended December 31, 2023.

Note 6: The upper limit on investment was calculated in accordance with the regulations of the Investment Commission of the Ministry of Economic Affairs for 60% of the net equity or consolidated net equity.

Note 7: The investment in Sajet Technology Inc. (liquidated on September 15, 2008) was authorized by the Investment Commission in 2004.

Note 8: Liquidated in 2022, the settlement payment amount of US$605 thousand is remitted to Taiwan in December 2023.

(Concluded)

Chroma ATE Inc.

Chairman Leo Huang

Empowering future technologies for a better world

At Chroma, we are the driving force behind the development of emerging technology industries.
By delivering the most advanced solutions, we empower innovators to create a better world.
At Chroma, we advance excellence.

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