TSE: 2390

EVERSPRING INDUSTRY CO., LTD.

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

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INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
EVERSPRINGINDUSTRY CO., LTD

Opinion

We have audited the accompanying parent company only financial statements of EVERYSPRING INDUSTRY CO., LTD. (the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Emphasizing matters

As mentioned in notes 1 and 30 of the individual financial report, that EVERSPRING INDUSTRY CO., LTD. absorbed and merged its wholly-owned subsidiary UNIINN TECHNOLOGY. on December 1, 2023. The merger is under common control. The reorganization of the organization and the IFRS Q&A and related letter interpretations published by the Accounting Research and Development Foundation of the Republic of China. When preparing the comparative statement, it should be deemed to have been consolidated from the beginning and the financial statements for the comparative period shall be re-edited. The auditor did not revise the audit opinion for this reason.

Key Audit Matters

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

Key audit maters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of sales revenue

Based on the audit regulations over income preset recognition, there are significant audit risks. EVERSPRING INDUSTRY CO., LTD. is continuing actively to promote the sale of smart home safety control systems, smart lighting fixtures and smart sensors, etc., the authenticity of sales revenue has significant impact on the consolidated financial statements, therefore, these sales revenue are listed as key audit items.

In response to the above key audit items, we perform the main inspection procedures as follows:

1. To understand, evaluate and test the effectiveness of the design and implementation of the internal control system related to income recognition.

2. To obtain the sales revenue details of smart home safety control systems, smart lighting fixtures and smart sensors for the year 2023, and check the original orders, shipping orders, invoices and other related documents of the related transactions, and compare them with the entered amount, to check and confirm the authenticity of income.

Other Matters

In addition, the financial statements of Medigen Biotechnology Corporation were included in the open financial statements. The financial statements of the investee company Medigen Biotechnology Corporation were checked by the equity method in the Republic of China in 2023 and 2022 by other accountants. Therefore, the accountant indicated his opinion that the investments of these investee companies using the equity method and their investment gains and losses are recognized based on the audit reports of other accountants. The amount of investment in these investee companies accounted for using equity method as of December 31, 2023 and 2022 was NT$397,921 thousand and NT$459,123 thousand, respectively, which accounted for 15% and 16% of the total assets, respectively. The share of affiliated companies income accounted for using equity method recognized by these investee companies were losses of NT$57,027 thousand and NT$68,669 thousand, respectively, accounting for 85.12% and 7.9% of the net income loss before tax.

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

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

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

Those charged with governance (including members of the Audit Committee) are responsible for overseeing the Company’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Parent Company Only Financial Statements

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

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

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

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

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

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

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on this financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Ming-Chung Hsieh and Ke-Chang Wu.

DELOITTE & TOUCHE
TAIPEI, TAIWAN
Republic of China

Ming-Chung Hsieh	Ke-Chang Wu
FSAC Approval Number:No. Financial-Supervisory-Securities-Auditing-1000028068	FSAC Approval Number:No. Financial-Supervisory-Securities-Auditing-1000028068

March 13, 2024

EVERSPRING INDUSTRY CO., LTD.
Parent Company Only Balance Sheets
December 31, 2023 and 2022

(In Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (Re-edit)	
Code	Assets	Amount	%	Amount	%
	Current assets				
1100	Cash and cash equivalents（Note 6）	$ 259,771	10	$ 278,617	10
1110	Financial assets measured at fair value through profit or loss-current（Note 7 and 27）	495,433	18	524,078	18
1120	Financial assets measured at fair value through other comprehensive income-current（Note 8）	-	-	261	-
1150	Notes receivable（Note 10 and 21）	2,078	-	-	-
1170	Accounts receivable, net（Note 10 and 21）	41,351	2	21,335	1
1180	Accounts receivable net from related parties（Note 10, 21 and 27）	3,598	-	3,613	-
1200	Other receivables（Note 10）	879	-	132	-
1210	Other receivables-related parties（Note 10 and 27）	24	-	1,026	-
1220	Current income tax assets （Note 23）	-	-	6	-
130X	Inventories（Note 11）	11,638	-	7,147	-
1479	Other current assets（Note 15 and 27）	8,045	-	3,720	-
11XX	Total current assets	822,817	30	839,935	29
	Non-current assets				
1510	Financial assets measured at fair value through profit or loss-non-current（Note 7）	2,746	-	1,418	-
1517	Financial assets measured at fair value through other comprehensive income-non-current（Note 8）	81,986	3	63,061	2
1535	Financial assets at amortized cost-non-current（Note 9）	-	-	121,381	4
1550	Investments accounted for using equity method（Note 12）	1,433,237	52	1,471,618	51
1600	Property, plant and equipment（Note 13 and 28）	156,526	6	155,636	5
1760	Net investment property（Note 14 and 28）	218,722	8	223,796	8
1840	Deferred tax assets（Note 23）	22,858	1	22,840	1
1821	Other intangible assets	2,357	-	2,512	-
1920	Refundable deposits	2,617	-	76	-
1990	Other non-current assets（Note 15）	41	-	54	-
15XX	Total non-current assets	1,921,090	70	2,062,392	71
1XXX	Total assets	$ 2,743,907	100	$ 2,902,327	100
Code	Liabilities and Equity				
	Current liabilities				
2100	Short-term borrowings（Note 16 and 28）	$ 50,000	2	$ 100,000	3
2130	Contract liabilities-current（Note 21）	8,375	-	6,914	-
2170	Accounts payable（Note 17）	6,643	-	1,960	-
2180	Accounts payable-related parties（Note 27）	16,485	1	14,725	-
2219	Other payables（Note 18）	62,227	2	76,683	3
2220	Other payables-related parties（Note 27）	42	-	71	-
2230	Current income tax liabilities（Note 23）	13,504	1	-	-
2320	Long-term loans due within one year（Note 16 and 28）	12,415	-	16,599	1
2399	Other current liabilities	-	-	1,119	-
21XX	Total current liabilities	169,691	6	218,071	7
	Non-current liabilities				
2540	Long-term loans（Note 16 and 28）	-	-	12,409	1
2645	Guarantee deposits received（Note 18）	3,165	-	3,281	-
2570	Deferred tax liabilities（Note 23）	-	-	3	-
25XX	Total non-current liabilities	3,165	-	15,693	1
2XXX	Total liabilities	172,856	6	233,764	8
	Equity（Note 20）				
	Share capital				
3110	Common stock	1,926,194	70	1,926,194	66
3200	Capital surplus	581,418	21	587,070	20
	Retained earnings				
3310	Legal reserve	120,407	5	120,407	4
3320	Special reserve	45,041	2	45,041	2
3350	Unappropriated retained earnings	(74,965)	(3)	5,036	-
3300	Total retained earnings	90,483	4	170,484	6
	Other equity				
3410	Exchange differences on translation of foreign financial statements	(8,764)	-	(8,512)	-
3420	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	(18,280)	(1)	(6,673)	-
3400	Total other equity	(27,044)	(1)	(15,185)	-
3XXX	Total equity	2,571,051	94	2,668,563	92
	Total liabilities and equity	$ 2,743,907	100	$ 2,902,327	100

The accompanying notes are an integral part of the parent company only financial statements.
(Please refer to the audit report of the Deloitte & Touche on Mar 13, 2024)

Chairman: Chang Tse-Ling　　Manager: Lu Li-Zhu　　Accounting Supervisor: Li Hsiu-Ting

EVERSPRING INDUSTRY CO., LTD.
Parent Company Only Statements of Comprehensive Income
From January 1 to December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)
(Except Loss Per Share)

Code		2023 Amount	2023 %	2022 (Re-edit) Amount	2022 (Re-edit) %
	Operating income（Note 21 and 27）				
4100	Sales revenue	$ 174,598	88	$ 146,121	93
4800	Other operating income	24,423	12	10,710	7
4000	Total operating income	199,021	100	156,831	100
	Operating costs（Note 11, 22 and 27）				
5110	Cost of sales	137,476	69	123,253	79
5800	Other operating costs	16,853	8	4,002	2
5000	Total operating costs	154,329	77	127,255	81
5900	Operating gross profit	44,692	23	29,576	19
5910	Realized (Unrealized) profits of associate companies	523	-	(1,432)	(1)
5950	Operating gross profit, net	45,215	23	28,144	18
	Operating expenses（Note 22）				
6100	Marketing expenses	15,154	8	15,570	10
6200	Administrative expenses	35,600	18	40,458	26
6300	R&D expenses	49,895	25	38,003	24
6450	Reversal of expected credit impairment loss	6	-	(15)	-
6000	Total operating expenses	100,655	51	94,016	60
6900	Net operating losses	(55,440)	(28)	(65,872)	(42)
	Non-operating income and expenses				
7100	Interest income（Note 22）	2,451	2	1,449	1
7010	Other income（Note 22 and 27）	31,840	16	22,692	15
7020	Other gains and losses（Note 22）	(11,621)	(6)	(688,754)	(439)
7070	Share of subsidiaries income accounted for using equity method	($ 33,665)	(17)	($ 137,398)	(88)

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Code		2023 Amount	2023 %	2022 (Re-edit) Amount	2022 (Re-edit) %
7050	Financial costs（Note 22）	(563)	-	(847)	(1)
7000	Total non-operating income and expenses	(11,558)	(5)	(802,858)	(512)
7900	Profit (Loss) before tax	(66,998)	(33)	(868,730)	(554)
7950	Income tax expenses（Note 23）	(13,483)	(7)	3,069	2
8200	Net profit (loss) for the period	(80,481)	(40)	(865,661)	(552)
	Other comprehensive income, net of the year				
8310	Items that will not be reclassified to profit or loss				
8316	Unrealized gains or losses on equity investments measured at fair value through other comprehensive income	(12,791)	(6)	(11,640)	(8)
8330	Share of affiliates other comprehensive income accounted for using equity method	412	-	1,058	1
8360	Item that may be reclassified subsequently to profit or loss				
8361	Exchange differences on translation of foreign financial statements	(252)	-	3,191	2
8367	Unrealized gains or losses on Debt Investment measured at fair value through other comprehensive income	999	-	-	-
8370	Share of affiliates other comprehensive income accounted for using equity method	253	-	4,150	3
8300	Total other comprehensive income, net of tax	(11,379)	(6)	(3,241)	(2)
8500	Total comprehensive income	($ 91,860)	(46)	($ 868,902)	(554)
	Loss per share（Note 24）				
9750	Basic	($ 0.42)		($ 4.11)	

The accompanying notes are an integral part of the parent company only financial statements.
(Please refer to the audit report of the Deloitte & Touche on Mar 13, 2024)

Chairman: Chang Tse-Ling　　Manager: Lu Li-Zhu　　Accounting Supervisor: Li Hsiu-Ting

EVERSPRING INDUSTRY CO., LTD.
Parent Company Only Statements of Changes in Equity
From January 1 to December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code		Share capital		Retained earnings			Other equity		
		Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealized gains or losses on financial assets measured at fair value through other comprehensive income	Total equity
A1	Balance at January 1, 2022	$ 2,140,216	$ 532,497	$ -	$ 45,041	$ 1,204,068	($ 11,703)	$ 817	$ 3,910,936
	Appropriation and distribution of the 2021 earnings								
B1	Legal reserve	-	-	120,407	-	(120,407)	-	-	-
B5	Cash dividends	-	-	-	-	(214,022)	-	-	(214,022)
C7	Changes in affiliates accounted for using equity method	-	54,573	-	-	-	-	-	54,573
D1	Net income 2022	-	-	-	-	(865,661)	-	-	(865,661)
D3	Other comprehensive income, net of tax	-	-	-	-	1,058	3,191	(7,490)	(3,241)
D5	Total comprehensive income	-	-	-	-	(864,603)	3,191	(7,490)	(868,902)
E3	Cash capital reduction	(214,022)	-	-	-	-	-	-	(214,022)
Z1	Balance at December 31, 2022	1,926,194	587,070	120,407	45,041	5,036	(8,512)	(6,673)	2,668,563
C7	Changes in other capital surplus: Changes in affiliates accounted for using equity method	-	(5,652)	-	-	-	-	-	(5,652)
D1	Net loss	-	-	-	-	(80,481)	-	-	(80,481)
D3	Other comprehensive income, net of tax	-	-	-	-	412	(252)	(11,539)	(11,379)
D5	Total comprehensive income	-	-	-	-	(80,069)	(252)	(11,539)	(91,860)
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	68	-	(68)	-
Z1	Balance at December 31, 2023	$ 1,926,194	$ 581,418	$ 120,407	$ 45,041	($ 74,965)	($ 8,764)	($ 18,280)	$ 2,571,051

The accompanying notes are an integral part of the parent company only financial statements.
(Please refer to the audit report of the Deloitte & Touche on Mar 13, 2024)

Chairman: Chang Tse-Ling   Manager: Lu Li-Zhu   Accounting Supervisor: Li Hsiu-Ting

EVERSPRING INDUSTRY CO., LTD.
Parent Company Only Statements of Cash Flows
From January 1 to December 31, 2023 and 2022
(In Thousands of New Taiwan Dollars)

Code		2023	2022 (Re-edit)
	Cash flows from operating activities		
A10000	Net profit (loss) before tax for the current period	($ 66,998)	($ 868,730)
A20010	Income and expense items that do not affect cash flows:		
A20100	Depreciation expenses	11,451	11,218
A20200	Amortization expenses	311	427
A20300	Reversal of expected credit impairment loss	6	(15)
A20400	Losses (Gains) on financial assets measured at fair value through profit or loss, net	4,325	729,168
A20900	Financial costs	563	847
A21200	Interest income	(2,451)	(1,449)
A21300	Dividend income	(3,179)	(2,577)
A22400	Share of subsidiaries and affiliates losses accounted for using equity method	33,665	137,398
A22700	Gains on disposal of investment property	-	(2,736)
A22800	Loss on disposal of intangible assets	-	273
A23100	Gains on disposal of investments	2,880	(31,386)
A23700	(Reversal of) Loss on inventory valuation and obsolescence	(528)	898
A23900	Unrealized (Realized) profits on intercompany sales	(523)	1,432
A30000	Net changes in operating assets and liabilities		
A31130	Notes receivable	(2,078)	615
A31150	Accounts receivable	(20,022)	1,942
A31160	Accounts receivable-related parties	15	(617)
A31180	Other receivables	(747)	235
A31190	Other receivables-related parties	1,002	(1,004)
A31200	Inventories	(3,890)	(423)
A31240	Other current assets	(4,325)	(1,900)
A32125	Contract liabilities	1,461	4,743
A32150	Accounts payable	4,683	1,537
A32160	Accounts payable-related parties	1,760	4,528
A32180	Other payables	(14,419)	(21,542)
A32190	Other payables-related parties	(29)	(13)
A32230	Other current liabilities	(1,119)	(359)

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Code		2023	2022 (Re-edit)
A33000	Cash used in operations	($ 58,186)	($ 37,490)
A33300	Interest paid	(600)	(851)
A33500	Income tax paid	6	(6,366)
AAAA	Net cash outflow from operating activities	(58,780)	(44,707)
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(31,672)	-
B00020	Disposal of financial assets measured at fair value through other comprehensive income	270	-
B00030	Repayment of shares from financial assets measured at fair value through other comprehensive income due to liquidation	946	-
B00050	Disposal of financial assets at amortized cost	121,381	6,432
B00100	Acquisition of financial assets measured at fair value through profit or loss	(34,524)	(632,032)
B00200	Disposal of financial assets measured at fair value through profit or loss	54,636	322,685
B02700	Acquisition of property, plant and equipment	(7,340)	(4,919)
B03800	Increase in refundable deposits	(2,541)	(1)
B04500	Acquisition of intangible assets	(156)	(243)
B05500	Disposal of investment property	-	4,910
B06800	Decrease in other non-current assets	13	1,836
B07500	Interests received	2,451	1,449
B07600	Dividends received	3,179	2,577
B07700	Dividends from subsidiaries, affiliates and joint ventures received	-	100,000
BBBB	Net cash inflow (outflow) from investing activities	106,643	(197,306)
	Cash flow from financing activities		
C00100	Increase in short-term borrowings	(50,000)	50,000
C01300	Repayment of long-term loans	(16,593)	(25,294)
C03100	Increase in guarantee deposits received	(116)	17
C04500	Cash dividends paid	-	(214,022)
C04700	Cash capital reduction	-	(214,022)
CCCC	Net cash outflow from financing activities	(66,709)	(403,321)
DDDD	Effect of exchange rate changes on cash and cash equivalents	-	(7,905)

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Code		2023	2022 (Re-edit)
EEEE	Net increase (decrease) in cash and cash equivalents	($ 18,846)	($ 653,239)
E00100	Cash and cash equivalents at the beginning of year	278,617	931,856
E00200	Cash and cash equivalents at the end of year	$ 259,771	$ 278,617

The accompanying notes are an integral part of the parent company only financial statements.
(Please refer to the audit report of the Deloitte & Touche on Mar 13, 2024)

Chairman: Chang Tse-Ling Manager: Lu Li-Zhu Accounting Supervisor: Li Hsiu-Ting

EVERSPRING INDUSTRY CO., LTD.
Notes to Parent Company Only Financial Statements
From January 1 to December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. Company History

Everspring Industry Co., Ltd. (the "Company" or "EVERSPRING"), a Republic of China (R.O.C.) corporation, was incorporated in New Taipei City on April, 1980. The Company started business in April of the same year. The main business is the manufacturing, reprocessing and trading of burglar alarm and other electronic products and parts.

On November 15, 1996, the Company's shares were traded on the ROC Over-the-Counter Securities Exchange [ROSE]. On June 15, 1999, the Group's shares were listed on the Taiwan Stock Exchange (TWSE).

To enhancing the business benefits and brand integration of EVERSPRING, the Company planned to reorganize of the group. On November 10, 2023, the Board of Directors (Everspring Industry Co., Ltd.) resolved business combination with UNIINN TECHNOLOGY The base date for the merger was December 1, 2023. EVERSPRING would be the surviving company while UNIINN TECHNOLOGY would be dissolved in the merger.

This parent company only financial statement is denominated in NT Dollar, the functional currency of the EVERSPRING.

2. The Authorization of Financial Statements

The accompanying parent company only financial statements were approved and authorized for issue by the Board of Directors on March 13, 2024.

3. Application of New and Revised International Financial Reporting Standards

(1) Initial application of the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretation Announcements (SIC) (hereinafter referred to as "IFRSs") recognized and issued into effect by the Financial Supervisory Commission (FSC)

Except as stated below, the initial application of the amendments to IFRSs recognized and issued into effect by the FSC did not have a significant impact on the Company's accounting policies.

1. Amendments to IAS 1 “Disclosure of Accounting Policies”

The amendments specify that the Company should refer to the definition of material to determine its material accounting policy information to be disclosed. Accounting policy information is material if it can reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements.

- Accounting policy information that relates to immaterial transactions, other events or conditions is immaterial and need not be disclosed;
- The Company may consider the accounting policy information as material because of the nature of the related transactions, other events or conditions, even if the amounts are immaterial; and
- Not all accounting policy information relating to material transactions, other events or conditions is itself material.

The amendments also illustrate that accounting policy information is likely to be considered as material to the financial statements if that information relates to material transactions, other events or conditions and:

(1) The Company changed its accounting policy during the reporting period and this change resulted in a material change to the information in the financial statements;

(2) The Company chose the accounting policy from options permitted by the standards;

(3) The accounting policy was developed in accordance with IAS 8 “Accounting Policies, Changes in Accounting Estimates and Errors” in the absence of an IFRS that specifically applies;

(4) The accounting policy relates to an area for which the Company is required to make significant judgements or assumptions in applying an accounting policy, and the Company discloses those judgements or assumptions; or

(5) The accounting is complex and users of the financial statements would otherwise not understand those material transactions, other events or conditions.

The disclosure of relevant accounting policies refer to note 4.

2. Amendments to IAS 8 “Definition of Accounting Estimates”

The company apply this amendment from January 1, 2023. The amendments define that accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. In applying accounting policies, the Company may be required to measure items at monetary amounts that cannot be observed directly and must instead be estimated. In such a case, the Company uses measurement techniques and inputs to develop accounting estimates to achieve the objective. The effects on an accounting estimate of a change in a measurement technique or a change in an input are changes in accounting estimates unless they result from the correction of prior period errors.

(2) The IFRSs endorsed by the FSC for application starting from 2024

New, Revised or Amended Standards and Interpretations	Effective Date Announced by IASB (Note 1)
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024(Note 2)
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS7 "Supplier financing"	January 1, 2024(Note 3)

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

Note 2: A seller-lessee applies the amendments retrospectively in accordance with IFRS 16 sale and leaseback transactions entered into after the date of initial application.

Note 3: First applies the amendments, partial disclosure requirements absolute.

As of the date the parent company only financial statements were authorized for issue, the Company has assessed that other standards and interpretations will not have significant impact on its financial position and financial performance.

(3) IFRSs New IFRSs issued but not yet endorsed and issued into effect by the FSC

New, Revised or Amended 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 Contract"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1, 2023
Amendments to AS21 "lack of convertibility"	January 1, 2025 (Note 2)

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

Note 2: Applies to annual periods beginning on/after January 1, 2025. The impact will be recognized in retained earnings on the first applies. The company uses non-functional currency, the impact amount will be adjusted to the exchange difference of foreign operating under equity on the first application date.

As of the date of the parent company only financial statements were authorized for issue, the Company is continuously assessing the possible impact that the application of the above standards and interpretations will have on its financial position and financial performance and will disclose the relevant impact when the assessment is completed.

4. <u>Summary of Significant Accounting Policies</u>

(1) Statement of compliance

The financial statements have been prepared in conformity with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (the "Accounting Standards Used in Preparation of the Parent Company Only Financial Statements").

(2) Basis of preparation

The financial statements have been prepared on the historical cost basis except for financial instruments that are measured at fair values.

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 the financial statements, the Company's investments in subsidiaries and associates are accounted for using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the financial statements, the differences of the accounting treatment between the individual basis and the consolidated basis are adjusted under the heading of investments accounted for using equity method, share of subsidiaries, associates and joint ventures profit or loss and share of subsidiaries, associates and joint ventures other comprehensive income in the parent company only financial statements.

(3) 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 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.

(4) Foreign currencies

In preparing the financial statements, transactions in currencies other than the Company'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 measured at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Exchange differences arising 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 cases, the exchange differences are also recognized directly in other comprehensive income.

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

For the purposes of presenting consolidated financial statements, the assets and liabilities of the Company's foreign operations (including of the subsidiaries and associates in other countries with currencies used different from the Company) are translated into New Taiwan dollars using exchange rates prevailing at the end of each reporting period. Income and expense items are translated at the average exchange rates for the period. Exchange differences arising are recognized in other comprehensive income.

On the disposal of a foreign operation (i.e. a disposal of the Company's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss.

In relation to a partial disposal of a subsidiary that does not result in the Company losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests of the subsidiary and are not recognized in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences recognized in other comprehensive income is reclassified to profit or loss.

(5) Inventories

Inventories consist of raw materials, supplies, finished goods and work-in-process and are stated at the lower of cost or net realizable value. Inventory write-downs are made by item, except where it may be appropriate to Company similar or related items. 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 weighted-average cost on the balance sheet date.

(6) Investments in subsidiaries

The investments in subsidiaries of the Company are accounted for using the equity method.

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

Under the equity method, investments in subsidiaries are initially recognized at cost and adjusted thereafter to recognize the Company’s share of the profit or loss and other comprehensive income of those subsidiaries. The Company also recognizes the changes in the Company’s share of the equity of subsidiaries.

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

When the Company’s share of losses of an associate equals or exceeds its interest in that associate (including carrying amount of investments in associates using equity method and other long-term interests of net investment in associates and joint ventures), the Company continues recognizing its share of further losses.

Any excess of the cost of an acquisition over the Company’s share of the net fair value of the identifiable assets and liabilities of a subsidiary at the date of acquisition is recognized as goodwill, which is included within the carrying amount of the investment and is not amortized. Any excess of the Company’s share of the net fair value of the identifiable assets and liabilities over the cost of the acquisition is recognized immediately in profit or loss. When the Company acquires a subsidiary that does not constitute a business, the Company appropriately allocates the cost of acquisition to the Company’s share of the amounts of the identifiable assets acquired (including intangible assets) and liabilities assumed, and the transaction does not give rise to goodwill nor gains.

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

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

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

(7) Investments in associates

An associate is an entity over which the Company has significant influence and which is neither a subsidiary nor an interest in a joint venture. The investments in associates of the Company are accounted for using the equity method.

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

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

When the Company subscribes for additional new shares of the associate, at a percentage different from its existing ownership percentage, the resulting carrying amount of the investment differs from the amount of the Company's proportionate interest in the associate. The Company records such a difference as an adjustment to investments with the corresponding amount charged or credited to capital surplus - changes in the Company's share of equity of associates. If the Company's ownership interest is reduced due to the additional subscription of the new shares of associate, the proportionate amount of the gains or losses previously recognized in other comprehensive income in relation to that associate is reclassified to profit or loss on the same basis as would be required if the investee had 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 by the equity method is insufficient, the shortage is debited to retained earnings.

When the Company's share of losses of an associate equals or exceeds its interest in that associate (including carrying amount of investments in associates using equity method and other long-term interests of net investment in associates and joint ventures), the Company discontinues recognizing its share of further losses. Additional losses and liabilities are recognized only to the extent that the Company has incurred legal obligations, or constructive obligations, or made payments on behalf of that associate.

The entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount with its carrying amount. Any impairment loss recognized is deducted from investment and carrying amount of investment is net of impairment loss. Any reversal of that impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

The Company discontinues the use of the equity method from the date on which it ceases to have significant influence over the associate. Any retained investment is measured at fair value at that date and the fair value is regarded as its fair value on initial recognition as a financial asset. The difference between the previous carrying amount of the associate attributable to the retained interest and its fair value is included in the determination of the gain or loss on disposal of the associate. The Company accounts for all amounts previously recognized in other comprehensive income in relation to that associate on the same basis as would be required if that associate had directly disposed of the related assets or liabilities. If an investment in the associate becomes an investment in a joint venture, or an investment in a joint venture becomes an investment in the associate, the Company will continue to use the equity method without re-evaluating the retained equity.

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

(8) Property, plant and equipment

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

Freehold land is not depreciated.

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

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

(9) Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation (including property under construction for such purposes). 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 and accumulated impairment loss. 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.

(10) Intangible assets

1. Intangible assets acquired separately

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

2. Derecognition of intangible assets

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

(11) Impairment of property, plant and equipment, right-of-use assets and intangible assets (excluding goodwill)

At the end of each reporting period, the Company reviews the carrying amounts of its property, plant and equipment, right-of-use assets and other intangible assets (excluding goodwill) to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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 contracts cost 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 or cash-generating unit in prior years. A reversal of an impairment loss is recognized in profit or loss.

(12) Financial instruments

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

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issuance of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) 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 fair value through profit or loss are recognized immediately in profit or loss.

1. Financial instruments

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

(1) Measurement categories

Financial assets are classified into the following categories: financial assets at fair value through profit or loss (“FVTPL”), financial assets at amortized cost and equity instruments at fair value through other comprehensive income (“FVTOCI”).

A. Financial assets at FVTPL

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

Financial assets at FVTPL are subsequently measured at fair value, and any dividends, interest earned and remeasurement gains or losses on such financial assets are recognized in gains on financial assets and liabilities at fair value through profit or loss. Fair value is determined in the manner described in Note 26.

B. Financial assets at amortized cost

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

a. The financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

a. Purchased or originated credit-impaired financial assets, for which interest income is calculated by applying the credit-adjusted effective interest rate to the amortized cost of such financial assets; and
b. Financial assets that are not credit-impaired on purchase or origination but have subsequently become credit-impaired, for which interest income is calculated by applying the effective interest rate to the amortized cost of such financial assets in subsequent reporting periods.

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

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

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

D. Investments in liabilities instruments at FVTOCI

Liabilities instruments that meet the following conditions are subsequently FVTOCI:

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

Investments in liabilities instruments at FVTOCI are subsequently measured at fair value, carrying amount include interest income, foreign currency exchange gains and losses, and impairment losses or reversal benefits that are recognized 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 be reclassified to disposal of the equity investments.

(2) Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on financial assets at amortized cost (including trade receivables). And investments lose in liabilities instruments at FVTOCI

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

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

The Company recognizes an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account, except for investments in debt instruments that are measured at FVTOCI, for which the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of such a financial asset.

(3) Derecognition of financial assets

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

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

2. Equity instruments

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

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

3. Financial liabilities

(1) Subsequent measurement

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

(2) 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.

(13) Revenue recognition

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

Sales are customers obtain control of the promised goods which is generally when the goods are delivered to the customers' specified locations.

Revenue from sale of goods is measured at the fair value of the consideration received or receivable.

(14) Leases

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

1. The Company as lessor

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

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

2. The Company as lessee

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

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

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

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments, in-substance fixed payments, variable lease payments which depend on an index or a rate, residual value guarantees, the exercise price of a purchase option if the Company is reasonably certain to exercise that option, and payments of penalties for terminating a lease if the lease term reflects such termination, less any lease incentives receivable. The lease payments are discounted using the interest rate implicit in a lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee’s incremental borrowing rate.

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

Variable lease payments that do not depend on an index or a rate are recognized as expenses in the periods in which they are incurred.

(15) 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 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 Company's defined benefit plan.

(16) Taxation

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

1. Current tax

According to the Income Tax Law, an additional tax on 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 and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

3. Current and deferred taxes for the year

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

5. Critical Accounting Judgements and Key Sources of Estimation and Uncertainty

In the application of the Company’s accounting policies, the Company’s management is required to make judgements, estimates and assumptions about 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 management of the Company continues to review these estimates and underlying assumptions. Revisions to accounting estimates are recognized in the period in which the estimates are revised if the revisions affect only that period or in the period of the revisions and future periods if the revisions affect both current and future periods.

6. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 364	$ 332
Checking accounts and cash in banks	259,407	278,285
	$ 259,771	$ 278,617

The market rate intervals of cash in banks at the end of the reporting period were as follows:

	December 31, 2023	December 31, 2022
Bank balance	0.001%～1.05%	0.001%～1.05%

7. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets-current		
Mandatorily measured at FVTPL		
Non-derivative financial assets		
－Domestic listed shares	$ 488,657	$ 496,803
－Foreign listed shares	6,432	26,931
－Foreign unlisted shares	344	344
	$ 495,433	$ 524,078
Financial assets-non-current		
Mandatorily measured at FVTPL		
Non-derivative financial assets		
－Mutual funds	$ 2,746	$ 1,418

(1) As December 31, 2023 and 2022, the Company acquired shares, amounting to $34,524 thousand and $632,032 thousand, which were current financial assets mandatorily measured at air value through profit or loss. In addition, the Company sold $57,516 thousand and $291,299 thousand of shares for the year 2023 and 2022, and investment gains of $54,636 thousand and $322,685 thousand was generated from the proceeds of disposals of ($2,880) thousand and $31,386 thousand.

(2) As December 31, 2023 and 2022, the gains (losses) on financial assets measured at fair value through profit or loss was $4,325 thousand and $729,168 thousand, respectively.

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

	December 31, 2023	December 31, 2022
Current		
Investment in equity instruments	$ -	$ 261
Non-current		
Investment in equity instruments	$ 49,315	$ 63,061
Investment in debt instruments	32,671	-
	$ 81,986	$ 63,061

(1) Investment in equity instruments

	December 31, 2023	December 31, 2022
Current		
Domestic investments		
Listed shares	$ -	$ 261
Non-current		
Domestic investments		
Unlisted shares	$ 16,520	$ 19,273
Foreign investments		
Foreign funds	32,795	43,788
	$ 49,315	$ 63,061

(2) Investment in debt instruments

	December 31, 2023	December 31, 2022
Non-current		
Foreign investments		
Foreign bonds		
	$ 32,671	$ -

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

9. Financial assets at amortized cost

	December 31, 2023	December 31, 2022
Non-current		
Domestic investments		
Restricted assets － offshore funds account (1)	$ -	$ 121,381

(1) The above restricted financial assets are holding by the Company in the consolidated financial statements in accordance with the Management, Utilization, and Taxation of Repatriated Offshore Funds Act ("the Act"). The use of these financial assets is restricted by the Act. Redemption in advance in 2023.

10. Notes receivable, accounts receivable and other receivables

	December 31, 2023	December 31, 2022
Notes receivable		
Total carrying amount at amortized cost	$ 2,078	$ -
Accounts receivable		
At amortized cost		
Total carrying amount — non-related parties	$ 41,357	$ 21,335
Total carrying amount — related parties	3,598	3,613
Less: Loss allowance	(6)	-
	$ 44,949	$ 24,948
Other receivables	$ 879	$ 132
Other receivables-related parties	$ 24	$ 1,026

The Company measures the loss allowance for trade receivables at an amount equal to lifetime ECLs. The expected credit losses on trade receivables are estimated using a provision matrix by reference to the past default experience with the respective debtors and an analysis of the debtors' current financial positions, industrial economic atmosphere, and consider the industrial prospect. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the loss allowance based on the past due status of receivables is not further distinguished according to different segments of the Company's customer base.

If there was any evidence shows that the counter-party is in serious financial difficulty and the Company cannot reasonably expect to recover the amount, such as the counterparty is under liquidation, the Company would directly write off the related accounts receivable but will continue the recovery activities, and the recovered amount will be recognized in profit or loss.

The following table details the loss allowance of note receivables, trade receivables and overdue receivables:

December 31, 2023

	Not past due	Less than 90 Days	91 to 180 Days	181 to 330 Days	More than 330 Days	Total
Expected credit loss rate	0%	0%~0.11%	0.1%~0.36%	2.51%~2.83%	5.55%~100%	
Total carrying amount	$ 44,168	$ 2,460	$ 173	$ 232	$ -	$ 47,033
Loss allowance(lifetime ECLs)	-	-	-	(6)	-	(6)
Amortized cost	$ 44,168	$ 2,460	$ 173	$ 226	$ -	$ 47,027

December 31, 2022

	Not past due	Less than 90 Days	91 to 180 Days	181 to 330 Days	More than 330 Days	Total
Expected credit loss rate	0%	0.21%~1.28%	2.05%~4.6%	5.36%~8.83%	9.53%~100.%	
Total carrying amount	$ 24,948	$ -	$ -	$ -	$ -	$ 24,948
Loss allowance(lifetime ECLs)	-	-	-	-	-	-
Amortized cost	$ 24,948	$ -	$ -	$ -	$ -	$ 24,948

The movements of the loss allowance of accounts receivable were as follows:

	2023	2022
Balance at January 1	$ -	$ 15
Reversal of impairment loss	6	(15)
Balance at December 31	$ 6	$ -

11. Inventories

	December 31, 2023	December 31, 2022
Finished goods	$ 3,036	$ 1,537
Raw materials and spare parts	2,118	2,044
	5,154	3,581
Overhead used in constructions	6,484	3,566
	$ 11,638	$ 7,147

The allowance for inventory valuation losses for the years ended December 31, 2023 and 2022 was $7,522 thousand and $8,050 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the year ended December 31, 2023 and 2022 included reversal of inventory write-downs of ($528) thousand and $898 thousand, respectively.

The cost of inventories recognized as cost of goods sold for the years ended December 31, 2023 and 2022 was $137,476 thousand and $123,253 thousand, respectively.

12. Investments accounted for using equity method

	December 31, 2023	December 31, 2022
Subsidiaries	$ 1,035,316	$ 1,012,495
Associates	397,921	459,123
	$ 1,433,237	$ 1,471,618

(1) Investments in subsidiaries

	December 31, 2023	December 31, 2022
Unlisted companies		
EVERSPRING INDUSTRY (S) PTE LTD. (“(S) EVERSPRING”)	$ 85,611	$ 74,506
EVERSPRING TECH USA, INC. (“USA EVERSPRING”)	4,845	4,930
Worldtrend Security Co. Ltd. (“Worldtrend Security”)	319,234	302,909
Tung Sheng Development Corporation (“Tung Sheng”)	625,626	630,150
	$ 1,035,316	$ 1,012,495

The following table shows the Company’s proportion of ownership and voting right of associates at the end of the reporting date:

	December 31, 2023	December 31, 2022
(S) EVERSPRING	100%	100%
USA EVERSPRING	94.55%	94.55%
Worldtrend Security	100%	100%
Tung Sheng	97%	97%

The company merged with UNIINN TECHNOLOGY CO., LTD in the fourth quarter of 2023, refer to Note 30.

For the financial statements of USA EVERSPRING were not reviewed by auditor because their capital and revenue were not significant. The financial statements of other subsidiaries have been reviewed. The management agrees that there is no material impact for the above-mentioned subsidiaries whose financial statements were not review by auditors.

(2) Investments in associates

	December 31, 2023	December 31, 2022
Material associates		
Medigen Biotechnology Corporation (“Medigen Biotechnology”)	$ 397,921	$ 459,123

Material associates

Name of associate	% of ownership and voting rights held by the Company	
	December 31, 2023	December 31, 2022
Medigen Biotechnology Corporation	10.16%	10.16%

Refer to Table 4 “Information on Investees” for the nature of activities, principal place of business and country of incorporation of the associates.

Medigen Biotechnology is listed as an associated company because the Company has significant impact on it by holding majority of its shares taking two seats of directors.

Share of associates profit or loss and other comprehensive income accounted for using equity method was recognized based on the financial statements of each associate that have been audited by accountants for the same period.

Investments in associates at fair value (Level 1) with available quoted market price are summarized as follows:

Name of associate	December 31, 2023	December 31, 2022
Medigen Biotechnology Corporation	$ 634,737	$ 476,053

All the associates are accounted for using equity method.

The following financial information of each associated company was summarized based on the preparation basis of the IFRSs financial statements and was adjusted for adopting the equity method.

Medigen Biotechnology Corporation (parent company only financial statements)

	December 31, 2023	December 31, 2022
Current assets	$ 452,348	$ 492,541
Non-current assets	1,957,666	2,468,627
Current liabilities	(411,173)	(361,529)
Non-current liabilities	(407,198)	(405,610)
Equity	$ 1,591,643	$ 2,194,029
Proportion of the Company’s ownership	10.16%	10.16%
Equity attributable to the Company	$ 161,711	$ 222,913
Accumulated impairment loss	(40,426)	(40,426)
Goodwill	329,770	329,770
Other adjustments	(53,134)	(53,134)
Carrying amount	$ 397,921	$ 459,123

	2023	2022
Operating income	$ 9,993	$ 30,655
Net loss for the year	($ 561,296)	($ 675,874)
Other comprehensive income (loss)	6,407	16,919
Total comprehensive income for the year	($ 554,889)	($ 658,955)

13. Property, plant and equipment

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Total
Cost							
Balance at January 1, 2023	$ 99,019	$ 133,940	$ 105	$ 3,989	$ 3,600	$ 1,199	$ 241,852
Additions	-	4,973	108	-	-	2,259	7,340
Re-classify	-	-	-	(17)	-	(73)	(90)
Balance at December 31, 2023	$ 99,019	$ 138,913	$ 213	$ 3,972	$ 3,600	$ 3,385	$ 249,102
Accumulated depreciation							
Balance at January 1, 2023	$ -	$ 83,891	$ 52	$ 1,040	$ 900	$ 333	$ 86,216
Depreciation	-	4,749	35	466	720	407	6,377
Re-classify	-	-	-	(17)	-	-	(17)
Balance at December 31, 2023	$ -	$ 88,640	$ 87	$ 1,489	$ 1,620	$ 740	$ 92,576
December 31, 2023, net	$ 99,019	$ 50,273	$ 126	$ 2,483	$ 1,980	$ 2,645	$ 156,526
Cost							
Balance at January 1, 2022	$ 99,019	$ 131,477	$ 420	$ 2,760	$ 3,600	$ 644	$ 237,920
Additions	-	2,463	-	1,824	-	632	4,919
Disposals	-	-	(315)	(595)	-	(77)	(987)
Balance at December 31, 2022	$ 99,019	$ 133,940	$ 105	$ 3,989	$ 3,600	$ 1,199	$ 241,852
Accumulated depreciation							
Balance at January 1, 2022	$ -	$ 79,292	$ 341	$ 1,110	$ 180	$ 159	$ 81,082
Depreciation	-	4,599	26	525	720	251	6,121
Disposals	-	-	(315)	(595)	-	(77)	(987)
Balance at December 31, 2022	$ -	$ 83,891	$ 52	$ 1,040	$ 900	$ 333	$ 86,216
December 31, 2022, net	$ 99,019	$ 50,049	$ 53	$ 2,949	$ 2,700	$ 866	$ 155,636

The Company carries out a periodic review of the impairment assessment for the property, plant and equipment; after the review, the Company found no indication of impairment for the years ended December 31, 2023 and 2022.

The depreciated are calculated on a straight-line basis over the following estimated useful lives:

Buildings	
Main building of plant	5 to 50 years
Electrical power equipment	7 to 15 years
Engineering system	8 to 10 years
Machinery and equipment	3 years
Transportation equipment	5 years
Office equipment	3 to 5 years
Molding equipment	2 years
Other equipment	3 years

Property, plant and equipment pledged as collateral for bank borrowings are set out in Note 28.

14. Investment properties

	December 31, 2023	December 31, 2022
Completed investment properties	$ 218,722	$ 223,796

	Completed investment properties
Cost	
Balance at January 1, 2023	$ 330,836
Balance at December 31, 2023	$ 330,836
Accumulated depreciation and impairment	
Balance at January 1, 2023	$ 107,040
Depreciation	5,074
Balance at December 31, 2023	$ 112,114
Net at December 31, 2023	$ 218,722
Cost	
Balance at January 1, 2022	$ 334,563
Disposals	(3,727)
Balance at December 31, 2022	$ 330,836
Accumulated depreciation and impairment	
Balance at January 1, 2022	$ 103,496
Depreciation	5,097
Disposals	(1,553)
Balance at December 31, 2022	$ 107,040
Net at December 31, 2022	$ 223,796

The completed investment properties are depreciated under the straight-line method over their estimated useful lives of 45 to 50 years.

(1) The fair values of the investment properties which are land and plant at Guishan District, Taoyuan City and Tucheng District, New Taipei City of the Group on December 31, 2023 and 2022 were $583,009 thousand and $598,375 thousand, respectively. The fair value was not evaluated by independent qualified professional valuers. The valuation was arrived at by reference to the market evidence of transaction price for similar properties, and the fair value was measured by using Level 3 inputs. The fair value was made reference with market price of similar property because of no significant change of the property’s price in these regions during 2023 and 2022.

(2) The maturity analysis of lease payments receivable under operating leases of investment properties as of December 31, 2023 and 2022 is as follows:

	December 31, 2023	December 31, 2022
1st year	$ 10,908	$ 14,479
2nd year	7,427	4,357
3rd year	7,164	3,514
4th year	5,913	3,514
5th year and then after	1,000	3,514
	$ 32,412	$ 29,378

(2) All investment properties of the Company are its own equity. The investment properties pledged as collateral for bank borrowings are set out in Note 28.

15. Other assets

	December 31, 2023	December 31, 2022
Current		
Prepayments to suppliers	$ 3,847	$ -
Other prepaid expenses	3,991	3,720
Other	207	-
	$ 8,045	$ 3,720
Non-current		
Other	$ 41	$ 54

16. Borrowings

(1) Short-term borrowings

	December 31, 2023	December 31, 2022
Secured borrowings(Note 28)		
－Bank loans	$ 50,000	$ 100,000

The interest rates of bank loans were 2.1%-2.2% and 1.95%-2.2362%as of December 31, 2023 and 2022, respectively.

(2) Long-term loans

	Maturity	Significant covenant	Effective interest rate	December 31, 2023	December 31, 2022
Secured borrowings(Note 28)					
First Commercial Bank					
Collateralized borrowing	2019.12.20 - 2024.12.20	Long-term credit loan, principal repayment at maturity, from December 20, 2019 to December 20, 2024, interest is monthly basis.	2.2%	$ 12,415	$ 24,564
Bank of Taiwan					
Collateralized borrowing	2020.04.15 - 2023.04.15	Long-term credit loan, principal repayment at maturity, from April 15, 2020 to April 15, 2023, interest is monthly basis.	-	-	4,444
				12,415	29,008
Less: Long-term loans due within one year				(12,415)	(16,599)
Long-term bank loans				$ -	$ 12,409

Land and buildings as collateral are provided for funds borrowed from banks.

17. Notes and accounts payable

	December 31, 2023	December 31, 2022
Accounts payable		
Arising from operations	$ 6,643	$ 1,960

The repayment period of accounts receivables is 30-90 days and interest free. The financial risk management policy made by the Company is to ensure all the repayment with in the credit period.

18. Other liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Salaries payable	$ 4,152	$ 5,244
Vocation payable	2,253	1,952
Insurance payable	1,331	1,317
Pension payable	905	900
Bonus payable	4,212	3,273
Interest payable	18	55
Remuneration payable to employees and directors	40,602	59,477
Other	8,754	4,465
	$ 62,227	$ 76,683
Non-current		
Guarantee deposits received	$ 3,165	$ 3,281

19. Retirement benefits plan

Defined contribution plans

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

20. Equity

(1) Share capital

Common stock

	December 31, 2023	December 31, 2022
Number of shares authorized (in thousands)	380,000	380,000
Shares authorized	$ 3,800,000	$ 3,800,000
Number of shares issued and fully paid (in thousands)	192,619	192,619
Shares issued	$ 1,926,194	$ 1,926,194

Common stock issued with a par value of $10, carries one vote per share and the right to receive dividends.

The Company was approved by the resolution of the general shareholders' meeting on June 23, 2022 for conducting cash capital reduction and returning $214,022 thousand of shares payment. Total of 21,402 thousand shares were eliminated, a decrease in shares by 10%, and total paid-in capital was $1,926,194 thousand after the reduction. This capital reduction was declared effective by TWSE Order No. 1111803964 on August 18, 2022, and the amendment registration was authorized by MOEA Order No. 11101173260 on September 19, 2022. The cash capital reduction was on August 27, 2022 as the base date, and the issue date of new shares was on November 4, 2022 as the base date.

(2) Capital surplus

	December 31, 2023	December 31, 2022
May be used to offset a deficit, distributed as cash dividends, or transferred to share capital (Note)		
Conversion of bonds	$ 219,420	$ 219,420
Gain on disposal of assets	424	424
May be used to offset a deficit only		
Share of change in capital surplus of associates	361,574	367,226
	$ 581,418	$ 587,070

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

(3) Retained earnings and dividend policy

Under the Company's dividend policy as set forth in its Articles of Incorporation, where the Company made a profit in a fiscal year, the profit shall be first utilized for paying taxes, offsetting losses of previous years, setting aside as a legal reserve of 10% of the remaining profit, setting aside or reversing a special reserve in accordance with the laws and regulations, and then any remaining profit together with any undistributed retained earnings shall be used by the Company's board of directors as the basis for proposing a distribution plan, which should be resolved in the shareholders' meeting for the distribution of dividends and bonuses to shareholders. For the policies on the distribution of employees' compensation and remuneration of directors, refer to employees' compensation and remuneration of directors in Note 22(6).

The appropriation of earnings mentioned above shall be retained by the board of directors in accordance with the changing operating environment, operation and investment needs. When dividends are declared, cash dividends must be at least 20% of total dividends declared.

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

The company sets special reserves based on the net deductions from other equity accumulated in the previous period. If the undistributed earnings are insufficient, it should be calculated net profit and other items, as the undistributed earnings for the current period

The surplus appropriation for 2022 and loss offsetting for 2021 had been approved in the shareholders' meeting of the Company on June 27, 2023 and June 23, 2022, respectively.

The surplus appropriation for 2021 is as follows:

	Surplus appropriation	Dividends per share (NT dollars)
Legal reserve	$ 120,407	$ -
Cash dividends	214,022	1.00

The company net loss in 2022 with undistributed earnings.

The loss offsetting for 2023 is subject to the resolution of the shareholders' meeting to be held in June 2024.

(4) Other equity

1. Exchange differences on translation of foreign financial statements

	2023	2022
Balance at January 1		
Recognized for the period	($ 8,512)	($ 11,703)
Exchange differences arising on translation of foreign operations net assets	(252)	3,191
Balance at December 31	($ 8,764)	($ 8,512)

2. Unrealized gains or losses on financial assets measured at fair value through other comprehensive income

	2023	2022
Balance at January 1	($ 6,673)	$ 817
Recognized for the period		
Unrealized gain and loss		
Equity instruments	(12,791)	(11,640)
Debt instruments	999	-
Share of investments in associates accounted for using equity method	253	4,150
Cumulative gains or losses on disposal of equity instruments		
Transfer to retained earnings	(68)	-
Balance at December 31	($ 18,280)	($ 6,673)

21. Revenue

	2023	2022
Revenue from contracts with customers		
Sales revenue	$ 174,598	$ 146,121
Other operating income	24,423	10,710
	$ 199,021	$ 156,831

	December 31, 2023	December 31, 2022
Notes receivable and accounts receivable(Note 10 and 27)	$ 47,027	$ 24,948
Contract liabilities-current		
Sales of goods	$ 8,375	$ 6,914

22. Net profit (loss) for the year

Net profit (loss) for the current year includes the following items:

(1) Interest income

	2023	2022
Bank balance	$ 2,451	$ 1,449

(2) Other income

	2023	2022
Dividend income	$ 3,179	$ 2,577
Rent income	18,705	18,617
Other	9,956	1,498
	$ 31,840	$ 22,692

(3) Other gains and losses

	2023	2022
Gains on disposal of investments	($ 2,880)	$ 31,386
Loss on disposal of intangible assets	-	(273)
Gains on disposal of Investment properties	-	2,736
Gains (Losses) on financial assets mandatorily measured at fair value through profit or loss	(4,325)	(729,168)
Net foreign currency exchange gains (losses)	2,231	13,233
Depreciation of investment properties	(5,074)	(5,097)
Other	(1,573)	(1,571)
	($ 11,621)	($ 688,754)

(4) Financial costs

	2023	2022
Interest on bank loans	($ 563)	($ 847)

(5) Depreciation and amortization

	2023	2022
Property, plant and equipment	$ 6,377	$ 6,121
Investment properties	5,074	5,097
Other intangible assets	311	427
Total	$ 11,762	$ 11,645

（To be continued on the next page）

(Continued from the previous page)

	2023	2022
Depreciation by function		
Operating costs	$ 407	$ 251
Operating expenses	5,970	5,870
Other gains and losses	5,074	5,097
Total	$ 11,451	$ 11,218
Amortization by function		
Operating expenses	$ 311	$ 427

(6) Employee benefits expense

	2023	2022
Retirement benefits		
Defined contribution plans(Note 19)	$ 2,985	$ 3,115
Other employee benefits	62,841	67,190
Total employee benefits expense	$ 65,826	$ 70,305
By function		
Operating costs	$ 5,294	$ 4,390
Operating expenses	60,532	65,915
Total	$ 65,826	$ 70,305

The Company uses 3.75% to 12% and no more than 3% of the profits before tax for the current year to contribute the remuneration to employees and directors, respectively.

The Company has losses before tax in 2023 and 2022, remuneration to employees and directors and supervisors is not estimated.

If there are any amount changes after the date of publication of the annual parent company only financial statements, it will be treated as the changes in accounting estimates and adjusted to account in the next year.

The relevant information regarding the employees and directors and supervisors remuneration resolved by the Company's board of directors, please go to the "Market Observation Post System" of Taiwan Stock Exchange for inquiries.

23. Income taxes

(1) Income tax recognized in profit or loss

The main components of income tax expenses are as follows:

	2023	2022
Current tax		
Current generated	$ 13,504	$ 23
Preliminary adjustment	-	(2,251)
Deferred tax		
Current generated	(21)	(841)
Income tax expenses (benefits) recognized in profit or loss	$ 13,483	($ 3,069)

Reconciliation of accounting income and current income tax expenses is as follows:

	2023	2022
Net profit (loss) before tax	($ 66,998)	($ 868,730)
Income tax expenses (benefits) of profit (loss) before tax calculated at the statutory tax rate	($ 13,399)	($ 173,746)
Income not recognized in tax	(42)	(746)
Non-deductible expenses on tax	865	122,210
Securities trading income	576	(6,277)
Losses (Gains) on equity investments	6,733	27,590
Preliminary ncome tax high and underestimate	-	(2,251)
Unrecognized deductible temporary differences	5,246	30,151
Pay an overseas tax special accounts	13,504	-
Income tax expenses (benefits) recognized in profit and loss	$ 13,483	($ 3,069)

(2) Current tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Income tax receivable	$ -	$ 6
Current income tax liabilities		
Income tax payable	$ 13,504	$ -

(3) Deferred tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2023

Deferred tax assets	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Unrealized exchange profits and losses	$ 153	$ 122	$ 275
Unrealized gross profit	509	(104)	405
Investment profits and losses accounted for using equity method	21,464	-	21,464
Unrealized exchange profits and losses	714	-	714
	$ 22,840	$ 18	$ 22,858

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Unrealized exchange profits and losses	$ -	$ -	$ -
Allowance for doubtful debts	3	(3)	-
	$ 3	($ 3)	$ -

2022

Deferred tax assets	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Unrealized exchange profits and losses	$ -	$ 153	$ 153
Unrealized gross profit	223	286	509
Investment profits and losses accounted for using equity method	21,464	-	21,464
Unrealized compensation losses	714	-	714
	$ 22,401	$ 439	$ 22,840

Deferred tax liabilities	Beginning balance	Recognized in profit or loss	Ending balance
Temporary differences			
Unrealized exchange profits and losses	$ 405	($ 405)	$ -
Allowance for doubtful debts	-	3	3
	$ 405	($ 402)	$ 3

(4) The carryforward of unused tax losses

As of December 31, 2023, the information of the unutilized business losses for which no deferred tax assets were recognized is as follows:

Unutilized creditable amount	Expiry date
$ 81,896	2027
112,079	2028
73,623	2029
26,907	2030
$294,505	

(5) Income tax examination

The Company's settlement and declaration of the profit-seeking enterprise income tax in 2021 and previous years has been verified by the tax collection agency.

24. Earnings (Loss) per share

Unit: NTD per Share

	2023	2022
Basic earnings (loss) per share	($ 0.42)	($ 4.11)

Used to calculate the Company's earnings per share and the weighted average number of ordinary shares are as follows:

Net profit (loss) for the year

	2023	2022
Net profit (loss) for the year	($ 80,481)	($ 865,661)

Shares

Unit: In Thousands of Shares

	2023	2022
The weighted average number of ordinary shares used to calculate the basic earnings per share	192,619	210,611

25. Capital Risk Management

The Company conducts capital management to ensure that the companies in the group can be under the premise of continuous operation and maximize shareholder compensation by optimizing the balance of debt and equity.

The capital structure of the Company is composed of the net debts (i.e. borrowings minus cash and cash equivalents) and the equity (i.e. capital stock, capital surplus, retained earnings and other equity items).

The Company does not have to comply with other external capital requirements.

26. Financial Instrument

(1) Fair value information – financial instruments not measured at fair value

The management of the Company believes that the carrying amount of financial assets and financial liabilities that are not measured by fair value approaches their fair value.

(2) Fair value information – financial instruments measured at fair value

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed shares	$ 488,657	$ -	$ -	$ 488,657
Foreign listed shares	6,432	-	-	6,432
Foreign unlisted shares	-	-	344	344
Mutual funds	-	-	2,746	2,746
Total	$ 495,089	$ -	$ 3,090	$ 498,179
Financial assets measured at fair value through other comprehensive income				
Domestic unlisted shares	$ -	$ -	$ 16,520	$ 16,520
Foreign mutual funds	-	-	32,795	32,795
Foreign bonds	32,671	-	-	32,671
Total	$ 32,671	$ -	$ 49,315	$ 81,986

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Domestic listed shares	$ 496,803	$ -	$ -	$ 496,803
Foreign listed shares	26,931	-	-	26,931
Foreign unlisted shares	-	-	344	344
Mutual funds	-	-	1,418	1,418
Total	$ 523,734	$ -	$ 1,762	$ 525,496
Financial assets measured at fair value through other comprehensive income				
Domestic listed shares	$ 261	$ -	$ -	$ 261
Domestic unlisted shares	-	-	19,273	19,273
Foreign mutual funds	-	-	43,788	43,788
Total	$ 261	$ -	$ 63,061	$ 63,322

In 2023 and 2022, there were no transfers of fair value measurement between Level 1 and Level 2.

2. Reconciliation of financial instruments measured by Level 3 fair value

2023

	Measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Equity instrument	Equity instrument
Balance at January 1	$ 1,762	$ 63,061
Recognized in profit or loss (other gains and losses)	1,328	-
Recognized in other comprehensive income (Unrealized gains or losses on financial assets measured at fair value through other comprehensive income)	-	(12,800)
Capital reduction and refund of shares	-	(946)
Balance at December 31	$ 3,090	$ 49,315

2022

	Measured at fair value through profit or loss	Financial assets at fair value through other comprehensive income
	Equity instrument	Equity instrument
Balance at January 1	$ 23,341	$ 72,406
Recognized in profit or loss (other gains and losses)	(21,579)	-
Recognized in other comprehensive income (unrealized gains or losses on financial assets measured at fair value through other comprehensive income)	-	(9,345)
Balance at December 31	$ 1,762	$ 63,061

3. Valuation technique and input value for Level 3 fair value measurement

The fair value estimation of financial assets measured at fair value through other comprehensive income is based on the analysis of the investee's financial status and operating results, with reference to companies with similar businesses, their stock quotes in active markets, and the value multiplier implied by such prices and related transaction information. Considering the difference between the evaluation target and the comparable target, use an appropriate multiplier to estimate the value of the evaluation target.

(3) Categories of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss	$ 498,179	$ 525,496
Financial assets at fair value through other comprehensive income	81,986	63,322
Financial assets at amortized cost(Note 1)	307,701	426,104
Financial liabilities		
At amortized cost(Note 2)	147,812	222,447

Note 1: The balance includes the financial assets measured at amortized cost such as cash and cash equivalents, notes receivable, notes receivable-related parties, accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties and the time deposits of the original due date over 3 months, etc.

Note 2: The balance includes the financial liabilities measured at amortized cost such as short-term loans, notes payable, accounts payable, other payables, other payables-related parties, long-term loans due date within one year and long-term loans, etc.

(4) Objectives and policies of financial risk management

The main financial instruments of the Company include equity investment, note receivable, notes receivable-related parties, accounts receivable, accounts receivable-related parties, other receivables, other receivables-related parties, notes payable, accounts payable, accounts payable-related parties, other payables and loans. The Company's financial management department provides services for various business units, overall plans and coordinates access to operate domestic and international financial market, and supervises and manages financial risks related to the Company's operations by analyzing internal risk reports based on the degree and breadth of risk. These risks include market risks (including exchange rate risk and interest rate risk), credit risk and liquidity risk.

The financial management department reports quarterly to the Board of Directors of the Company. The Board of Directors is responsible for overseeing risks and implementing the policies to reduce risks.

1. Market risk

The operating activities of the Company make the Company bear the main financial risks that are the risk of changes in foreign currency exchange rates (see below (1)) and the risk of changes in interest rates (see below (2)).

The Company’s risks related to market risks of financial instruments and their management and measurement methods have not changed.

(1) Currency risk

Several subsidiaries of the Company are engaged in sales and purchase transactions denominated in foreign currencies. As a result, the Company has the risk of exchange rate changes.

The carrying amounts of monetary assets and monetary liabilities of the Company that are not denominated in functional currencies at the balance sheet date are detailed in Note 31.

Sensitivity analysis

The Company is mainly affected by fluctuations in the exchange rate of the U.S. dollar.

The following table details the sensitivity analysis of the Company when the exchange rate of the New Taiwan Dollar (functional currency) to each relevant foreign currency increases and decreases by 1%. 1% is the sensitivity rate used when reporting exchange rate risks to the key management within the Company, and also represents the management's evaluation of the reasonably possible range of changes in foreign currency exchange rates. The sensitivity analysis only includes monetary items in foreign currencies in circulation and forward foreign exchange contracts designated as cash flow hedging. The positive numbers in the following table indicate the amount of increase in net profit or equity before tax when the New Taiwan Dollar depreciates by 1% relative to each relevant currency; when the New Taiwan Dollar appreciates by 1% relative to each relevant foreign currency, its impact on net profit or equity before tax will be a negative number of the same amount.

	Impact of U.S. Dollars	
	2023	2022
Profits or losses	$ 467 (i)	$ 609 (i)

	Impact of RMB	
	2023	2022
Profits or losses	$ 296 (i)	$ 28 (i)

	Impact of Hong Kong Dollars	
	2023	2022
Profits or losses	$ 2 (i)	$ 52 (i)

(i) Mainly derived from the USD, RMB and HKD-denominated monetary items of the Company that are still in circulation on the balance sheet date and have not conducted cash flow hedging.

(2) Interest rate risk

Due to the entities in the Company borrow funds at fixed and floating interest rates at the same time, interest rate risk is incurred. The Company manages interest rate risk by maintaining an appropriate combination of fixed and floating interest rates.

The carrying amount of the Company's financial assets and financial liabilities subject to interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
With fair value interest rate risk		
－Financial assets	$ -	$ -
－Financial liabilities	12,415	29,008
With cash flow interest rate risk		
－Financial assets	259,407	399,661
－Financial liabilities	50,000	100,000

Sensitivity analysis

The sensitivity analysis below is determined based on the interest rate risk of derivative and non-derivative instruments on the balance sheet date. For floating-rate liabilities, the analysis method is based on the assumption that the amount of liabilities outstanding on the balance sheet date is in circulation during the reporting period. The rate of change used when reporting interest rates to the key management within the Company is an increase or decrease of 0.25%, which also represents management's evaluation of the reasonably possible range of changes in interest rates.

If the interest rate increases/decreases by 0.25% and all other variables remain unchanged, the Company's net loss before tax for 2023 and 2022 will increase/ decrease by $524 thousand and $749 thousand, mainly due to the part of risk of interest rate changes caused by bank deposits and bank borrowings of the Company's floating interest rate calculation.

(3) Other price risks

The Company incurs the equity price risk due to the listed (OTC) equity securities investment. The equity price risk of the Company is mainly concentrated on the equity instruments of the ROC Stock Exchange. The equity price risk of the Company is still under the control of the management.

Sensitivity analysis

The sensitivity analysis below is based on the equity price risk on the balance sheet date.

If the equity price increases/decreases by 1%, the 2023 profits (losses) before tax will increase/decrease by $4,982 thousand due to the changes in the fair value of financial assets measured at fair value through profit or loss. The 2023 other comprehensive income before tax will increase/decrease by $820 thousand due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

If the equity price increases/decreases by 1%, the 2022 profits (losses) before tax will increase/decrease by $5,255 thousand due to the changes in the fair value of financial assets measured at fair value through profit or loss. The 2022 other comprehensive income before tax will increase/decrease by $633 thousand due to changes in the fair value of financial assets measured at fair value through other comprehensive income.

2. Credit Risk

Credit risk refers to the risk that the counterparty of the transaction defaults on contractual obligations and causes financial losses to the Company in the consolidates financial statements. As of the balance sheet date, the maximum credit risk of the Company that may cause financial losses due to the counterparty's failure to perform obligations is mainly derived from the carrying amount of financial assets recognized in the consolidated balance sheet.

3. Liquidity Risk

The Company manages and maintains sufficient cash and cash equivalents to support the group's operations and reduce the impact of cash flow fluctuations. The management of the Company supervises the use status of the bank’s financing lines and ensures compliance with the terms of the loan contract.

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

The remaining contract maturity analysis of non-derivative financial liabilities is based on the earliest date that the Company may be required to repay, and is compiled based on the undiscounted cash flows of the financial liabilities (including principal and estimated interest).

Therefore, the bank loans that the Company can be required to repay immediately are within the earliest period in the table below, regardless of the probability of the bank immediately executing the right; the maturity analysis of other non-derivative financial liabilities is compiled in accordance with the agreed repayment date.

For interest cash flows paid at floating interest rates, the undiscounted interest amount is derived from the yield curve on the balance sheet date.

December 31, 2023

	Pay on demand or less than 1 month	1 to 3 months	3 months to 1 Year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Floating interest rate instruments	$ 50,012	$ -	$ -	$ -	$ -
Fixed interest rate instruments	-	-	12,564	-	-
	$ 50,012	$ -	$ 12,564	$ -	$ -

December 31, 2022

	Pay on demand or less than 1 month	1 to 3 months	3 months to 1 Year	1 to 5 years	More than 5 years
Non-derivative financial liabilities					
Floating interest rate instruments	$ 100,101	$ -	$ -	$ -	$ -
Fixed interest rate instruments	-	-	17,014	12,549	-
	$ 100,101	$ -	$ 17,014	$ 12,549	$ -

The amount of floating interest rate instruments for the above-mentioned non-derivative financial assets and liabilities will be changed due to the difference between the floating interest rate and the interest rate estimated on the balance sheet date.

(2) Financing line

	December 31, 2023	December 31, 2022
Guaranteed bank overdraft line		
－Used amount	$ 62,415	$ 129,008
－Unused amount	287,585	220,992
	$ 350,000	$ 350,000

27. Related-party Transactions

The transactions between the Company and related parties are as follows:

(1) Name and relations of related parties

Name of related parties	Relations with the Company
Worldtrend Security Co. Ltd. (“Worldtrend Security”)	Subsidiary
Worldtrend Building Management and Maintenance Co., Ltd. (“Worldtrend Building”)	Second-tier subsidiary
Tung Sheng Development Corporation (“Tung Sheng”)	Subsidiary
EVERSPRING TECH USA, INC. (“USA EVERSPRING”)	Subsidiary
EVERSPRING INDUSTRY (S) PTE LTD. (“(S) EVERSPRING”)	Subsidiary
Dongguan Found Chain IOT CO., LTD. (“DONGGUAN FOUND CHAIN”)	Second-tier subsidiary
Medigen Vaccine Biologics Corporation (“Medigen Biotech Co.”)	Other associates
Tong Chuang Construction and Development Co., Ltd. (“Tong Chuang Co.”)	Other associates

(2) Operating income

Account item	Category/name of related parties	2023	2022
Sales revenue	Second-tier subsidiary DONGGUAN FOUND CHAIN	$ 5,011	$ 378
	Subsidiary	1,748	1,424
	Worldtrend Security	-	1,639
	USA EVERSPRING	-	257
	Other	$ 6,759	$ 3,698
Other operating income	Subsidiary	$ 3,342	$ 3,990
	Other associates		
	Tong Chuang Co.	1,204	1,720
	Other	17	31
		$ 4,563	$ 5,741

The sales prices of the Company's products sold to related parties in 2023 and 2022 are calculated based on the Company's product cost plus. The terms of collection are within 60-360 days after the end of the month, which is the same as that of general domestic customers.

There are no major differences between the sales prices and payment transaction conditions from the general manufacturers.

(3) Purchases

Category/name of related parties	2023	2022
Second-tier subsidiary DONGGUAN FOUND CHAIN	$ 132,686	$ 97,647

The Company purchases goods from related parties in 2023 and 2022, some payment methods adopt the method of offsetting creditor's rights and debts, and some are payment within 30 days after the month end.

(4) Accounts receivable from the related parties

Account item	Category/name of related parties	December 31, 2023	December 31, 2022
Accounts receivable	Second-tier subsidiary		
	DONGGUAN FOUND CHAIN	$ 1,493	$ 3,518
	Subsidiaries		
	Worldtrend Security	1,365	-
	Other	740	95
		$ 3,598	$ 3,613

(To be continued on the next page)
(Continued from the previous page)

Account item	Category/name of related parties	December 31, 2023	December 31, 2022
Other receivables	Subsidiaries		
	Tung Sheng	$ -	$ 1,000
	Other	24	26
		$ 24	$ 1,026

No guarantee is received for the outstanding accounts receivable from related parties. No allowance for losses is provided for the accounts receivable from related parties in 2023 and 2022.

(5) Accounts payable to related parties (excluding borrowings from related parties)

Account item	Category/name of related parties	December 31, 2023	December 31, 2022
Accounts payable	Subsidiaries		
	DONGGUAN FOUND CHAIN	$ 16,485	$ 14,725
Other payables	Subsidiaries		
	Worldtrend Security	$ 42	$ 71

(6) Prepayments

Category/name of related parties	December 31, 2023	December 31, 2022
Subsidiaries		
Worldtrend Security	$ 8	$ 126

(7) Acquisition of financial assets and long-term investments accounted for using equity method

2022

Category of related parties	Name of related party	Account item	Way of acquisition(Note)	Number of shares traded	Transaction item	Price paid
Other associates						
	Medigen Biotech Co.	Financial assets measured at fair value through profit or loss	Cash capital increase	1,000 thousand shares	Stock	$220,000

(8) Rent income

Account item	Category/name of related parties	2023	2022
Rent income	Subsidiaries		
	Worldtrend Security	$ 1,658	$ 1,606

The lease contract between the Company and its subsidiaries is to negotiate the rents with reference to the market conditions, and the rent collection is equivalent to that of non-related parties, and the rent income is calculated on a monthly basis.

(9) Reward for key management

The total remuneration for directors and other key management in 2023 and 2022 is as follows:

	2023	2022
Short-term employee benefits	$ 12,054	$ 11,103

The remuneration of directors and other key management is determined by the remuneration committee in accordance with individual performance and market trends.

28. Pledged Assets

The following assets (accounting for property, plant and equipment, and investment property) have been provided as collateral for bank's borrowings:

	December 31, 2023	December 31, 2022
Land	$ 164,901	$ 164,901
Buildings	115,745	117,930
	$ 280,646	$ 282,831

29. Significant Contingent Liabilities and Unrecognized Commitments

As of December 31, 2023 and 2022, the Company issued guaranteed bills payable for bank loans is $120,000 thousand and $120,000 thousand, respectively.

30. Others

(1) On November 10, 2023, the board of directors of EVERSPRING INDUSTRY CO., LTD. passed the resolution to merge UNINN TECHNOLOGY to improve the Company's operating efficiency and the integration of the group's brand, and in the same resolution of the board of directors that the base date of the merger was December 1, 2023. Due to UNINN TECHNOLOGY is a 100%-owned subsidiary of Everspring Company, in accordance with the regulations of the Questions and Answers "Doubts about Handling Business Mergers under Joint Control of IFRS3" issued by the Accounting Research and Development Foundation, since IFRS3 "Business Mergers" does not have express provisions for business mergers under joint control, the relevant interpretation letters issued by our country should still apply.

The essence of Everspring Company's merging of UNINN TECHNOLOGY is the organizational reorganization. According to the relevant interpretation letter issued by the Accounting Research and Development Foundation, when EVERSPRING INDUSTRY CO., LTD. acquired the equity of UNINN TECHNOLOGY for merger, it shall account for the book value of all assets and liabilities in UNINN TECHNOLOGY and prepare the consolidated balance sheet accordingly. When preparing the comparative financial statements, it should be deemed to have been consolidated from the beginning and re-edited the comparative period financial statements.

The financial performance of UNINN TECHNOLOGY from January 1 to December 31, 2023 has been included in the individual comprehensive income statement of EVERSPRING INDUSTRY CO., LTD. from January 1 to December 31, 2023, and it has been retrospectively reorganized into the Everspring Company's individual financial statements from January 1 to December 31, 2022.

Previous Impact of Assets, Liabilities and Equity items

	Amount Before Restatement	Retrospective Adjustment	Amount After Restatement
December 31, 2022			
Cash and Cash Equivalents	$ 228,780	$ 49,837	$ 278,617
Financial Assets Measured at Fair Value Through Profit and Loss	447,666	76,412	524,078
Current Income Tax Assets	-	6	6
Financial Assets Measured at Fair Value Through Comprehensive Income and Loss – Non current	19,273	43,788	63,061
Investment Using the Equity Method	1,637,813	(166,195)	1,471,618
Property, plant and equipment	154,691	945	155,636
Asset Impact	$2,488,223	$ 4,793	$2,493,016
Other Payables	$ 71,895	$ 4,788	$ 76,683
Contract Liabilities	6,909	5	6,914
Liabilities Impact	$ 78,804	$ 4,793	$ 83,597

Previous Impact of Comprehensive Income and Loss Items

	Amount Before Restatement	Retrospective Adjustment	Amount After Restatement
2022			
Operating Revenues	$ 155,885	$ 946	$ 156,831
Operating Costs	(128,245)	(442)	(128,687)
Operating Expenses	(93,606)	(410)	(94,016)
Non-operating Income and Expenses	(800,513)	(2,345)	(802,858)
Income Tax Interest	818	2,251	3,069
Net Profit for the Year	($ 865,661)	$ -	($ 865,661)

31. Information on the Significant Impact ff Foreign Currency Assets and Liabilities

The following information is summarized and expressed in foreign currencies other than the Company’s functional currencies. The disclosed exchange rates refer to the exchange rates of these foreign currencies into functional currencies. The foreign currency assets and liabilities with significant impact are as follows:

December 31, 2023

Financial assets	Foreign currency	Exchange rate	Carrying amount
Monetary item	$ 2,074	30.705 (USD: TWD)	$ 63,684
USD	6,839	4.327 (CNY: TWD)	29,594
RMB	38	33.98 (EUR: TWD)	1,287
EUR	42	3.929 (HKD: TWD)	164
HKD			
Non-monetary item	89	30.705 (USD: TWD)	2,746
USD	1,637	3.929 (HKD: TWD	6,432
HKD			
Financial liabilities			
Monetary item	554	30.705 (USD: TWD)	17,019
USD			

December 31, 2022

Financial assets	Foreign currency	Exchange rate	Carrying amount
Monetary item			
USD	$ 2,525	30.71 (USD: TWD)	$ 77,542
RMB	638	4.408 (CNY: TWD)	2,812
EUR	65	32.72 (EUR: TWD)	2,127
HKD	1,331	3.938 (HKD: TWD)	5,241
Non-monetary item			
USD	46	30.71 (USD: TWD)	1,418
HKD	6,839	3.938 (HKD: TWD	26,931
Financial liabilities			
Monetary item			
USD	542	30.71 (USD: TWD)	16,645

The net foreign currency exchange losses of the Company in 2023 and 2022 are $2,231 thousand and $13,233 thousand, respectively. Due to the various types of functional currencies of the Company, it is impossible to disclose the exchange profits and losses according to the foreign currencies of each significant impact.

32. Supplementary Disclosures

(1) Information on Significant Transactions and (2) Information on Reinvestment Business:

1. Lending funds to others(Table 1)
2. Providing endorsements or guarantees(None)

3. Holding of securities at the end of the period (excluding investments in subsidiaries and associates)(Table 2)
4. Aggregate purchases or sales of the same securities reaching NT$300 million or 20 percent of paid-in capital or more(None)
5. Acquisition of real estate reaching NT$300 million or 20 percent of paid-in capital or more(None)
6. Disposal of real estate reaching NT$300 million or 20 percent of paid-in capital or more(None)
7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more(Table 3)
8. Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more(None)
9. Trading in derivative instruments(None)
10. Investee information(Table 4)

(3) Information on Investments in Mainland China:

1. If the issuer directly or indirectly exercises significant influence or control over, or has a joint venture interest in, an investee company in Mainland China, it shall disclose information on the investee company, showing the name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in Mainland China.(Table 5)

2. Any of the following significant transactions with investee companies in Mainland China, either directly or indirectly through a third area, and their prices, payment terms, and unrealized gains or losses:(Table 6)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of the resultant gains or losses.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
   (5) The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds.
   (6) Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services.

(4) Major Shareholders Information: the names, numbers of shares held, and shareholding percentages of shareholders who hold 5 percent or more of the insurance enterprise’s equity(Table 7)

EVERSPRING INDUSTRY CO., LTD.
Lending funds to others
For the year ended December 31, 2023

Table 1 (In Thousands of New Taiwan Dollars)

No.	Creditor	Borrower	General ledger account (Note 2)	Maximum Outstanding balance during the year ended December 31, 2022	Balance at December 31, 2022 (Note 8)	Actual amount drawn down	Interest rate range %	Nature of loan (Note 3)	Amount of transactions With the borrower (Note 4)	Reason for short-term financing (Note 5)	Loss Allowance	Collateral		Limit on loans granted to a single party (Note 6 and 7)	Ceiling on total loans granted (Note 6 and 7)
												Item	Value		
0	EVERSPRING	Tung Sheng	Other receivables-related parties	$ 90,000	$ 90,000	$ -	-	2	$ -	Operating needs	$ -	-	$	$ 514,210	$ 1,028,420
0	EVERSPRING	DONGGUAN FOUND CHAIN	Other receivables-related parties	60,000	60,000	-	-	2	-	Operating needs	-	-		514,210	1,028,420

Note 1: The numbers filled in for the loans provided by the Company or subsidiaries are as follows:
(1) The Company is ‘0’
(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: In case of fund loan and nature, accounts receivable from related enterprises, accounts receivable from related parties, shareholder transactions, prepayments, interim payments, etc., shall be filled in the table.

Note 3: The companies with number ‘1’ are related to business transaction; and the companies with number ‘2’ are related to short-term financing.

Note 4: If the loan and nature of funds is ‘1’, the amount of business transaction shall be filled in.

Note 5: If the loan and nature of the funds is ‘2’, the reasons for the necessary funds and the use of the funds to be lent shall be specified, such as repayment of loans, purchase of equipment, business turnover, etc.

Note 6:
(1) The total loans to others of the Company shall not exceed twenty percent of the net value, and the total amount shall not exceed forty percent of the Company’s net value.
(2) The Company’s business and individual loans shall not exceed the total business transactions between the two parties in the previous two years. Business transaction amount means the amount of purchase or sales between both parties, whichever is higher. In addition, the amount of goods sold includes the part of goods purchased on behalf of others.

Note 7: The Company, directly and indirectly, holds one hundred percent of the voting shares of foreign companies, due to the need for short-term financing funds to engage in capital loans, the amount of which is not subject to the “loan and forty percent of net corporate value” limit, and its financing period does not apply to one year or one business cycle.

Note 8: Public Companies follow item 1 Article 14 of “Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies”. Each financing provided need to be approved by board of directors and announce the amount, risk even the Financing Company doesn’t borrow money to the counter party. It needs to announce the amount after repay. It needs to announce the highest lending limit for announcement application amount even the board of directors approved the loan can borrow several times during one year or roll over.

EVERSPRING INDUSTRY CO., LTD.
Holding of securities at the end of the period
December 31, 2023

Table 2 (In Thousands of New Taiwan Dollars)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023				Remark
				Number of shares (in thousands)	Carrying amount	Ownership (%)	Fair value	
EVERSPRING	Stock							
	Medigen Biotech Co.	—	Financial assets measured at fair value through profit or loss-current	5,955	$ 417,447	1.81	$ 417,447	@70.10
	U-GEN Biotechnology	—	〃	698	344	0.38	344	@0.49
	NANKANG Rubber Tire	—	〃	350	14,700	0.04	14,700	@42
	VisEra Technologies Company Limited	—	〃	15	4,148	-	4,148	@276.5
	CyberTAN Technology, lnc.	—	〃	700	15,365	0.22	15,365	@21.95
	Taihan Precision Technoligy Co., Ltd.	—	〃	314	6,657	0.4	6,657	@21.2
	TaiMed Biologics			370	30,340	0.15	30,340	@82
	Clover Biopharmaceuticals, Ltd.-B	—	〃	2,641	6,432	0.2	6,432	@2.44
					$ 495,433		$ 495,433	
	Fund							
	ARCH VENTURE FUND	—	Financial assets measured at fair value through profit or loss-non-current	-	$ 2,746	-	$ 2,746	
	Stock							
	Eleceram Technology Co., Ltd.	—	Financial assets measured at fair value through other comprehensive income-current	1,652	$ 16,520	13.77	$ 16,520	@10
	Fund							
	Translink Capital	—		-	32,795	-	32,795	
	Bond							
	Intel Corporate Bonds	—		300	10,024	-	10,024	
	MetLife Corporate Bonds			300	9,614	-	9,614	
	Abbott Corporate Bonds			200	6,684	-	6,684	
	TSMC Global Corporate Bonds			200	6,349	-	6,349	
					$ 81,986		$ 81,986	

Note: The Company has disclosed the relevant information of the reinvestment business in the consolidated financial statements. Please refer to the 2023consolidated financial statements prepared by the Company for details.

EVERSPRING INDUSTRY CO., LTD.

Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more

December 31, 2023

Table 3

(In Thousands of New Taiwan Dollars)

Company	Transaction Parties	Relation	Situation of transaction				Terms of transaction and difference situation or reason comparison with general transactions		Notes and accounts receivable (payable)			Remark
			Purchase (Sales)	Amount	%	Credit period	Unit price	Credit period	Balance		%	
EVERSPRING	DONGGUAN FOUND CHAIN	Second-tier subsidiary	Purchase	$ 132,686	88	30 days after the next month	Measured at the cost of related parties	No difference from general suppliers	Accounts payable	$ 16,485	71	

EVERSPRING INDUSTRY CO., LTD.
Investee information
For the year ended December 31, 2023

Table 4 (In Thousands of New Taiwan Dollars/Foreign Currency)

Investor	Investee	Location	Main business activities	Initial investment amount		Shares held as at December 31, 2022			Net profit (loss) of the investee for the year ended at December 31, 2023	Investment income (loss) recognized by the Company for the year ended December 31, 2023	Remark
				Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares (in thousands)	Ownership (%)	Carrying amount			
EVERSPRING	(S) EVERSPRING	10 Anson ROAD,#13-05 International Plaza Singapore 079903	Investment holding	$ 156,075	$ 156,075	4,000	100	$ 85,611	$ 11,662	$ 11,662	Subsidiary
	USA EVERSPRING	850 S. Rancho Drive #2321 Las Vegas, Nevada 89016, U.S.A.	Trading of burglar alarms, lighting control equipment and accessories of burglar alarms	129,225	129,225	260	94.55	4,845	(90)	(85)	〃
	Worldtrend Security	2F., No. 50, Sec. 1, Zhonghua Rd., Tucheng Dist., New Taipei City, Taiwan (R.O.C.)	Trading of preservation equipment and design of preservation system	284,346	284,346	21,264	100	319,234	16,625	16,625	〃
	Tung Sheng	10F., No. 198, Sec. 3, Civic Blvd., Da’an Dist., Taipei City, Taiwan (R.O.C.)	Housing and buildings, industrial plants, particular professional areas, new towns, new community development, leasing, real estate	645,686	645,686	64,569	97	625,626	(4,990)	(4,840)	〃
	Medigen Biotechnology	14F., F building, No. 3, Park St., Nangang Dist., Taipei City, Taiwan (R.O.C.)	Wholesale and retail of medical equipment of Chinese and Western medicine in biopharmaceutical research and development business	606,711	606,711	14,168	10.16	397,921	(561,296)	(57,027)	Investee evaluated for using equity method
								$1,433,237		($ 33,665)	

Note 1: The Company has disclosed the relevant information of the reinvestment business in the consolidated financial statements. Please refer to the 2023 consolidated financial statements prepared by the Company for details.
Note 2: The Company merged with UNINN Technology on December 1, 2023

EVERSPRING INDUSTRY CO., LTD.
Information on Investments in Mainland China
For the year ended December 31, 2023

Table 5 (In Thousands of New Taiwan Dollars/Foreign Currency)

1. Name, principal business activities, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, profit or loss for the period and recognized investment gain or loss, carrying amount of the investment at the end of the period, repatriated investment gains, and limit on the amount of investment in Mainland China:

Investee in Mainland China	Main business activities	Paid-in capital	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2022		Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income (loss) of investee as of December 31, 2023	Ownership held by the Company (direct or indirect) %	Investment income (loss) recognized by the Company for the year ended December 31, 2023 Note 2(2) 2	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023
					Outward	Inward						
DONGGUAN FOUND CHAIN	R&D, manufacture and trade of intelligent security equipment	RMB 19,999	Note 1(2)	USD 2,129 (NT$ 60,647)	$ -	$ -	USD 2,129 (NT$ 60,647)	RMB$ 2,315 NT$ 10,130	100	RMB$ 2,315 NT$ 10,130	RMB$ 17,829 NT$ 77,146	$ -

2. Ceiling on investments in Mainland China:

Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2022	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 3)
USD 2,129 (NT$ 60,647)	USD 2,129 (NT$ 60,647)	NT$ 1,542,798

Note 1: Investment methods are classified into the following four categories:
(1) Invest in mainland companies through third-area remittance.
(2) Reinvest in mainland companies through third region investment to establish companies.
(3) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.
(4) Others.

Note 2: In the column of investment profit and loss recognized in the current period:
(1) If there is no investment profit or loss in preparation, it shall be stated.
(2) The recognition basis of investment profit and loss is divided into the following three types, which shall be Noted:
1. Financial statements audited and certified by an international accounting firm in partnership with the ROC accounting firm
2. Financial statements audited and certified by the Taiwan parent company licensed public accountant
3. Others.

Note 3: Sixty percent of net worth or consolidated net worth, whichever is higher.

EVERSPRING INDUSTRY CO., LTD.

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

For the year ended December 31, 2023

Table 6 (Expressed in Thousands of NTD, except specified otherwise)

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

Company	Investee in Mainland China	Transaction type	Purchases (Sales)		Pricing	Terms of transaction		Notes and accounts receivable (payable)		Unrealized gains and losses	Remark
			Amount	%		Payment terms	Comparison with general transactions	Amount	%		
EVERSPRING	DONGGUAN FOUND CHAIN	Purchase	$ 132,686	88	Measured at the cost of related parties	30 days open account	No difference from general suppliers	Accounts payable $ 16,485	71	$ -	—
		Sales	$ 5,011	3	Measured at the cost of related parties	30 days open account	No difference from general suppliers	Accounts receivable $ 1,493	3		

2. The amount of property transactions and the amount of the resultant gains or losses: None.
3. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
4. The highest balance, the end of period balance, the interest rate range, and total current period interest with respect to financing of funds: None.
5. Other transactions that have a material effect on the profit or loss for the period or on the financial position, such as the rendering or receiving of services: None.

EVERSPRING INDUSTRY CO., LTD. AND SUBSIDIARIES
Major Shareholders Information
December 31, 2023

Table 7

Name of major shareholders	Shares	
	Number of shares	Ownership (%)
Chang Tse Ling	29,205,442	15.16
Huang Tzu Liang	14,818,173	7.69
Kao Yun Hwa	12,098,622	6.28

Note 1: The major shareholders' information was derived from the data that the Company issued common shares (including treasury shares) and preference shares in dematerialized form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository and Clearing Corporation. The share capital which was recorded in the financial statements may differ from the actual number of shares issued in dematerialized form because of a different calculation basis.

Note 2: If the above-mentioned data contains shares which were held in trust by the shareholders, the data disclosed is the settlor's separate account for the fund set by the trustee. As for the shareholder who reports share equity as an insider whose shareholding ratio is greater than 10% in accordance with Securities and Exchange Act, the shares include the self-owned shares and shares held in trust, and at the same time, the shareholder has the power to decide how to allocate the trust assets. The information on the reported share equity of insider is provided in the "Market Observation Post System".

§Table of Major Accounting Items§

EVERSPRING INDUSTRY CO., LTD.
Statement of cash and cash equivalents
December 31, 2023

Statement 1

(Expressed in thousands of NTD; in thousands of foreign currencies, unless less than one thousand, expressed in a full amount

Item	Description	Amount
Petty cash and cash on hand		$ 364
Checking deposits		-
Cash in banks－NTD		232,387
－USD	USD814 thousand @30.705	24,982
－HKD	HKD32 thousand @3.929	128
－GBP	GBP 171 @39.15	7
－EUR	EUR 35 thousand @33.98	1,198
－RMB	RMB 163 thousand @4.327	704
－AUD	AUD 57 @20.98	1
		259,407
		$ 259,771

EVERSPRING INDUSTRY CO., LTD.
Statement of accounts receivable
December 31, 2023

Statement 2 (In Thousands of New Taiwan Dollars)

Item	Amount
TIMEGUARD LTD.	$ 17,952
ABUS Security Center GMBH&CO. KG	9,420
Hehua Construction Co., Ltd.	4,216
PERRY ELECTRIC SRL	1,860
Motorola Solutions Inc	2,186
Other(Note)	5,723
	41,357
Less: Allowance for doubtful accounts	(6)
	$ 41,351

Note: The balance of each customer is less than 5% of the account amount.

EVERSPRING INDUSTRY CO., LTD.
Statement of inventories
December 31, 2023

Statement 3 (In Thousands of New Taiwan Dollars)

		Amount (Note)	
Item	Description	Cost	Net realizable value
Raw materials and spare parts		$ 2,118	$ 2,118
Finished goods		3,036	3,036
Overhead used in constructions		6,484	6,484
		$ 11,638	$ 11,638

Note: When comparing cost with net realizable value, the classification comparison method is adopted. Net realizable value means the balance of the estimated interest price under normal circumstances after deducting the costs and selling expenses that need to be invested to the completion.

EVERSPRING INDUSTRY CO., LTD.
Statement of changes in investments accounted for using equity method
For the year ended December 31, 2023

Statement 4

(In Thousands of New Taiwan Dollars / Shares)

	Balance, January 1, 2022		Additions		Disposals			Balance, December 31, 2023			Market value or net assets value		
Name	Shares	Amount	Shares	Amount	Shares	Amount	Collateral using equity method	Shares (In thousands)	%	Amount	Unit price	Total amount	Collateral
(S) EVERSPRING(Note 1)	4,000	$ 74,506	-	$ -	-	$ -	$ 11,105	4,000	100	$ 85,611		$ -	None
USA EVERSPRING(Note 2)	260	4,930	-	-	-	-	(85)	260	94.5	4,845		-	〃
Worldtrend Security Co. Ltd.(Note 3)	21,264	302,909	-	-	-	-	16,325	21,264	100	319,234		-	〃
Tung Sheng Development Corporation(Note 4)	64,569	630,150	-	-	-	-	(4,524)	64,569	97	625,626		-	〃
Medigen Biotechnology Corporation (Note 5)	14,168	459,123	-	-	-	-	(61,202)	14,168	10.16	397,921	44.8	-	〃
		$ 1,471,618		$ -		$ -	($ 38,381)			$ 1,433,237			

Note 1: Including investment gains of $11,662 thousand accounted for using equity method, a decrease of $1,080 thousand in exchange differences on translation of foreign financial statements, an increase of $523 thousand in unrealized gains on investment adjusted by the downstream transaction for the current period.

Note 2: Including investment losses of $85 thousand accounted for using equity method.

Note 3: Including investment gains of $16,625 thousand accounted for using equity method, an increase of $121 thousand in exchange differences on translation of foreign financial statements, a decrease of $1 thousand in unrealized gains and losses of financial assets, a decrease of $827 thousand in capital surplus-long-term investments, and an increase of $407 thousand in actuarial gains and losses of defined benefits for the current period.

Note 4: Including investment losses of $4,840 thousand accounted for using equity method, an increase of $316 thousand in unrealized gains and losses of financial assets,

Note 5: Including investment losses of $57,027 thousand accounted for using equity method, a increase of $707 thousand in exchange differences on translation of foreign financial statements, an decrease of $62 thousand in unrealized gains and losses of financial assets, an decrease of $4,825 thousand in capital surplus-long-term investments, and an increase of $5 thousand in actuarial gains and losses of defined benefits for the current period.

EVERSPRING INDUSTRY CO., LTD.
Statement of operating costs
For the year ended December 31, 2023

Statement 5 (In Thousands of New Taiwan Dollars)

Item	Amount
Cost of goods sold	
Direct raw material	
Add: raw materials, beginning of year	$ 2,044
Purchases in the current period	373
Less: raw materials, end of year	(2,118)
raw materials sold	(299)
Raw materials consumed	-
Manufacturing overheads	4,759
Manufacturing costs	4,759
Add: supplies purchased	-
Cost of finished goods	4,759
Add: cost of raw materials sold	299
Cost of products sold	5,058
Cost of goods sold for purchased goods	
Add: goods, beginning of year	1,537
current purchase	149,985
Less: goods, end of year	(3,036)
other consumption of goods	(16,068)
Cost of goods sold for purchased goods	132,418
Other operating costs	16,853
Total cost of goods sold	$ 154,329

EVERSPRING INDUSTRY CO., LTD.
Statement of production overheads
For the year ended December 31, 2023

Statement 6 (In Thousands of New Taiwan Dollars)

Item	Amount
Salaries and wages	$ 3,389
Employee insurance expenses	423
Other(Note)	947
	$ 4,759

Note: Amount of each item is less than 5% of the account amount.

EVERSPRING INDUSTRY CO., LTD.
Statement of operating expenses
For the year ended December 31, 2023

Statement 7 (In Thousands of New Taiwan Dollars)

Item	Description	Amount
Marketing expenses		
Salaries and wages		$ 8,715
Traveling expenses		1,495
Insurance expenses		1,390
Sampling expenses		938
Other expenses(Note)		2,616
		15,154
General and administrative expenses		
Salaries and wages		15,024
Remuneration to directors		1,574
Insurance expenses		1,932
Depreciation		5,923
Services expense		3,046
Other expenses(Note)		8,101
		35,600
R&D expenses		
Salaries and wages		24,780
Insurance expenses		2,754
Technical service expenses		13,696
Sample expenses		3,394
Other expenses(Note)		5,271
		49,895
Reversal of expected credit impairment loss		6
Total operating expenses		$ 100,655

Note: Amount of each item is less than 5% of the account amount.

EVERSPRING INDUSTRY CO., LTD.
Statement of labor, depreciation and amortization by function
For the year ended December 31, 2023

Statement 8 (In Thousands of New Taiwan Dollars)

	2023			2022		
Item	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Salary and wages	$ 4,320	$ 48,519	$ 52,839	$ 3,606	$ 52,952	$ 56,558
	534	5,502	6,036	426	5,967	6,393
Labor and health insurance	246	2,739	2,985	207	2,908	3,115
Remuneration to directors	-	1,574	1,574	-	1,782	1,782
Other employee benefits	194	2,198	2,392	151	2,306	2,457
Depreciation	407	5,970	6,377	251	5,870	6,121
Amortization	-	311	311	-	427	427
	$ 5,701	$ 66,813	$ 72,514	$ 4,641	$ 72,212	$ 76,853

1. As of December 31, 2023 and 2022, the Company had 73 employees for both years, including 7 non-employee directors for both years.
2. A company whose stock is listed for over-the-counter securities exchange shall additionally disclose the following information:
   (1) Average employee benefit expense in 2023 was $974 thousand and in 2022 was $1,038 thousand.
   (2) Average employee salaries in 2023 were $801 thousand and in 2022 were $856 thousand.
   (3) Adjustments of average employee salaries were decreased by 7%.
3. The Company has set up an audit committee to replace the supervisor, so there is no supervisor remuneration.
4. The remuneration policies of the directors, managers, and employees of the company are as follows:

   Directors

   Emoluments: Based on the degree of participation and contribution value to the company's operation, the expenses shall be determined by the board of directors according to the average level of the industry.

   Remuneration: When the company is profitable, it shall be paid according to the provision ratio of the Articles of Association (not more than 3%).

   Attendance fee: It shall be paid according to the number of times that he attends the functional committees such as the board of directors, the Remuneration Committee, and the audit committee in person.

   Managers

   Remuneration to be paid to the Company manager shall be determined by the Remuneration Committee based on his position, contribution, and the Company's operating performance for the year and submitted to the board for resolution.

   Employees

   To maintain the competitiveness of the overall remuneration, the Company conducts annual salary surveys to measure the salary level of the market and considers the Company's operating performance and future development to formulate a reward plan. The Company implements the performance-oriented policy and provides differentiated rewards based on individual performance to reward the contribution of colleagues.

   Note: "Remuneration to directors" means the emoluments, retirement pensions, directors' remuneration, and business execution fees received by all directors, excluding salaries, health insurance, pension, and other welfare expenses received for concurrent employment.