2423

GOOD WILL INSTRUMENT CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS

WITH INDEPENDENT AUDITORS' REPORT

FOR THE YEARS ENDED

DECEMBER 31, 2023 AND 2022

Address: No.7-1, Jhongsing Road., Tucheng Dist., New Taipei City 236, Taiwan
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The reader is advised that these parent company only financial statements have been prepared originally in Chinese. In the event of a conflict between these financial statements and the original Chinese version or difference in interpretation between the two versions, the Chinese language financial statements shall prevail.

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Independent Auditors' Report Translated from Chinese

To Good Will Instrument Co., Ltd.

Opinion

We have audited the accompanying parent company only balance sheets of Good Will Instrument Co., Ltd. (the "Company") as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent company only financial statements, including the summary of material accounting policies (together "the parent company only financial statements").

In our opinion, based on our audits and the reports of the other auditors (please refer to the Other Matter – Making Reference to the Audits of Other Auditors section of our report), the parent company only financial statements referred to above present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

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

Key Audit Matters

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

Revenue recognition

For the year ended December 31, 2023, the Company recognized revenue in the amount of NT$2,044,098 thousand. Revenue is derived primarily from the manufacture and sale of various types of instruments, the provision of hardware and software, and installation services. Since some of these sales were exports and the terms of trade varied, it is necessary for the company to judge and determine the performance obligations and the timing of their satisfaction. Therefore, we considered this as a key audit matter.

Our audit procedures included, but not limited to, assessing the appropriateness of the accounting policy of revenue recognition; testing the effectiveness of internal controls over the sales process with respect to revenue recognition; selecting samples to perform test of details and reviewing the significant terms and conditions of orders or contracts to confirm the performance obligation and the appropriate timing of revenue recognition; selecting samples for certain period before and after the reporting date, tracing to relevant documentation to verify that revenue has been recorded in the correct accounting period.

We also evaluated the adequacy of disclosures of revenue. Please refer to Notes 4 and 6 of the parent company only financial statements.

Valuation of inventories

As of December 31, 2023, the Company's net inventories amounted to NT$456,985 thousand, representing 13% of the parent company only total assets. Considering the fact that the value of inventory depends on market demands and is affected by changes in technology, which may cause loss from slow-moving inventories and inventory price decline, while the assessment of inventory loss require significant management judgement, we therefore considered this as a key audit matter.

Our audit procedures included, but not limited to, obtaining an inventory allowance policy and evaluating the reasonableness of the loss provision ratio from slow-moving inventories based on the Company's operating conditions; testing the accuracy of inventories aging and recalculating the losses from slow-moving inventories; obtaining report of inventory price decline calculation, tracing to relevant documentation and recalculating the loss from price decline to ensure inventories appropriately valuated at lower of cost and net realizable value.

We also evaluated the adequacy of disclosures of inventories. Please refer to Notes 4, 5 and 6 to the parent company only financial statements.

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Other Matter – Making Reference to the Audits of Other Auditors

We did not audit the financial statements of certain subsidiaries, associates and joint ventures accounted for using the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the reports of the other auditors. These subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT$145,097 thousand and NT$639,814 thousand, representing 4% and 18% of total assets as of December 31, 2023 and 2022, respectively. The related shares of profit from the subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT$15,220 thousand and NT$70,530 thousand, representing 3% and 15% of the income before tax for the years ended December 31, 2023 and 2022, respectively, and the related shares of other comprehensive (loss) income of the subsidiaries, associates and joint ventures for using the equity method amounted to NT$(688) thousand and NT$18,532 thousand, representing 2% and 117% of the other comprehensive income for the years ended December 31, 2023 and 2022, respectively.

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 requirements of 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 ability to continue as a going concern of the Company, 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 audit committee, are responsible for overseeing the financial reporting process of the Company.

Auditors' Responsibilities for the Audit of the 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

As part of an audit in accordance with the Standards on Auditing of the Republic of China, we exercise professional judgment and 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 internal control of the Company.

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 ability to continue as a going concern of the Company. 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 auditors' 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 accompanying notes, 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 entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of 2023 parent company only financial statements 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.

Liu, Hui-Yuan

Yang, Chih-Huei

Ernst & Young, Taiwan

February 22, 2024

Notice to Readers

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

Accordingly, the accompanying parent company only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

English Translation of Financial Statements Originally Issued in Chinese

GOOD WILL INSTRUMENT CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

ASSETS	NOTE	As of December 31, 2023	%	2022	%
Current assets					
Cash and cash equivalents	4, 6(1)	$250,067	7	$294,544	8
Financial assets measured at amortized cost - current	4, 6(3), 8	2,908	-	27,418	1
Notes receivable, net	4, 6(4), 6(17)	9,240	-	12,391	1
Accounts receivable, net	4, 6(5), 6(17)	197,140	6	157,617	4
Accounts receivable - related parties, net	4, 6(5), 6(17), 7	320,274	9	374,816	10
Other receivables		257	-	116	-
Other receivables - related parties	7	53,224	2	25,864	1
Inventories, net	4, 6(6)	456,985	13	529,772	15
Prepayments		5,088	-	9,561	-
Other current assets		1,821	-	4,036	-
Total current assets		1,297,004	37	1,436,135	40
Non-current assets					
Financial assets at fair value through profit or loss - non-current	4, 6(2)	2,189	-	2,189	-
Investments accounted for using the equity method	4, 6(7)	1,559,735	45	1,549,362	43
Property, plant and equipment	4, 6(8), 7, 8	590,905	17	583,776	16
Right-of-use assets	4, 6(18)	8,788	-	-	-
Intangible assets	4, 6(10)	8,736	-	9,227	-
Deferred tax assets	4, 6(22)	41,022	1	35,109	1
Other non-current assets	4, 6(11)	6,327	-	3,407	-
Total non-current assets		2,217,702	63	2,183,070	60
Total assets		$3,514,706	100	$3,619,205	100

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese
GOOD WILL INSTRUMENT CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS (CONTINUED)
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

LIABILITIES AND EQUITY	NOTE	As of December 31,			
		2023	%	2022	%
Current liabilities					
Short-term loans	6(12)	$174,000	5	$380,000	10
Contract liabilities - current	6(16)	20,061	1	24,239	1
Accounts payable		93,145	2	153,612	4
Accounts payable - related parties	7	60,354	2	30,734	1
Other payables	6(13), 7	217,094	6	218,220	6
Current tax liabilities	4, 6(22)	70,778	2	54,832	2
Lease liabilities - current	4, 6(18)	3,842	-	-	-
Other current liabilities		4,216	-	5,166	-
Total current liabilities		643,490	18	866,803	24
Non-current liabilities					
Deferred tax liabilities	4, 6(22)	71,589	2	57,968	1
Lease liabilities - non-current	4, 6(18)	4,996	-	-	-
Net defined benefit liabilities	4, 6(14)	52,780	2	60,431	2
Guarantee deposits		192	-	192	-
Total non-current liabilities		129,557	4	118,591	3
Total liabilities		773,047	22	985,394	27
Equity	4, 6(15)				
Capital stock					
Common stock		1,450,472	41	1,450,472	40
Capital surplus		4,074	-	4,047	-
Retained earnings					
Legal reserve		435,735	12	392,366	11
Special reserve		118,398	3	104,288	3
Unappropriated retained earnings		881,851	26	801,036	22
Total retained earnings		1,435,984	41	1,297,690	36
Other equity		(148,745)	(4)	(118,398)	(3)
Total equity		2,741,785	78	2,633,811	73
Total liabilities and equity		$3,514,832	100	$3,619,205	100

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

GOOD WILL INSTRUMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars Except Earnings Per Share Information)

Item	Note	For the years ended December 31,			
		2023	%	2022	%
Operating revenues	4, 6(16), 7	$2,044,098	100	$2,021,388	100
Operating costs	6(6), 6(19), 7	(1,137,777)	(56)	(1,215,693)	(60)
Gross profit		906,321	44	805,695	40
Unrealized intercompany profit		(152,053)	(7)	(146,629)	(7)
Realized intercompany profit		146,629	7	92,179	5
Net gross profit		900,897	44	751,245	38
Operating expenses	6(19)				
Selling and marketing expenses		(165,956)	(8)	(165,335)	(8)
General and administrative expenses		(180,130)	(9)	(181,159)	(9)
Research and development expenses		(197,821)	(10)	(194,613)	(10)
Expected credit gains	6(17)	153	-	214	-
Total operating expenses		(543,754)	(27)	(540,893)	(27)
Operating income		357,143	17	210,352	11
Non-operating income and expenses					
Other income	4, 6(18), 6(20), 7	16,295	1	16,580	1
Other gains and losses	6(20)	(13,073)	(1)	33,588	2
Finance costs	6(20)	(4,536)	-	(3,176)	-
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	4, 6(7)	162,616	8	224,400	11
Total non-operating income and expenses		161,302	8	271,392	14
Income before tax		518,445	25	481,744	25
Income tax expense	4, 6(22)	(90,174)	(4)	(78,020)	(4)
Net income		428,271	21	403,724	21
Other comprehensive income (loss)	6(21)				
Items that will not be reclassified subsequently to profit or loss:					
Remeasurements of defined benefit plans		628	-	32,693	2
Share of other comprehensive (loss) of subsidiaries, associates and joint ventures for using the equity method ,which will not be reclassified subsequently to profit or loss		(13,174)	(1)	(38,586)	(2)
Remeasurements of defined benefit plans of subsidiaries, associates and joint ventures		(510)	-	3,810	-
Income tax related to items that will not be reclassified subsequently to profit or loss	6(22)	(126)	-	(6,539)	-
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive (loss) income of subsidiaries, associates and joint ventures for using the equity method, which may be reclassified subsequently to profit or loss		(21,467)	(1)	30,595	2
Income tax related to items that may be reclassified subsequently to profit or loss	6(22)	4,294	-	(6,119)	-
Total other comprehensive (loss) income, net of tax		(30,355)	(2)	15,854	2
Total comprehensive income		$397,916	19	$419,578	23
Earnings per share (NT$)	6(23)				
Earnings per share - basic					
Net income		$2.95		$2.78	
Earnings per share - diluted					
Net income		$2.93		$2.75	

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

GOOD WILL INSTRUMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings			Other component of equity		
Item	Common stock	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total equity
Balance as of January 1, 2022	$1,450,472	$4,047	$363,339	$93,211	$625,023	$(114,540)	$10,252	$2,431,804
Appropriations and distributions of 2021 retained earnings:								
Legal reserve			29,027		(29,027)			-
Special reserve				11,077	(11,077)			-
Cash dividends					(217,571)			(217,571)
Net income for the year ended December 31, 2022					403,724			403,724
Other comprehensive income for the year ended December 31, 2022					29,964	24,476	(38,586)	15,854
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	433,688	24,476	(38,586)	419,578
Balance as of December 31, 2022	$1,450,472	$4,047	$392,366	$104,288	$801,036	$(90,064)	$(28,334)	$2,633,811
Balance as of January 1, 2023	$1,450,472	$4,047	$392,366	$104,288	$801,036	$(90,064)	$(28,334)	$2,633,811
Appropriations and distributions of 2022 retained earnings:								
Legal reserve			43,369		(43,369)			-
Special reserve				14,110	(14,110)			-
Cash dividends					(290,095)			(290,095)
Other changes in capital surplus								
Other changes in the amount of capital surplus		27						27
Net income for the year ended December 31, 2023					428,271			428,271
Other comprehensive income for the year ended December 31, 2023					118	(17,173)	(13,174)	(30,229)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	428,389	(17,173)	(13,174)	398,042
Balance as of December 31, 2023	$1,450,472	$4,074	$435,735	$118,398	$881,851	$(107,237)	$(41,508)	$2,741,785

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

GOOD WILL INSTRUMENT CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Item	For the years ended December 31, 2023	2022
Cash flows from operating activities:		
Income before tax	$518,445	$481,744
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation	35,473	32,581
Amortization	3,564	2,589
Expected credit gains	(153)	(214)
Gains on financial assets at fair value through profit or loss	(372)	(276)
Interest expenses	4,536	3,176
Interest income	(1,286)	(972)
Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(162,616)	(224,400)
(Gains) losses on disposal of property, plant and equipment	(1,311)	20
Gain on disposal of investment property	-	(16,952)
Unrealized intercompany profit	5,424	54,450
Changes in operating assets and liabilities:		
Notes receivable	3,151	2,085
Accounts receivable	(39,370)	(21,901)
Accounts receivable - related parties	54,542	(131,596)
Other receivables	(141)	135
Other receivables - related parties	(27,360)	2,143
Inventories	72,787	(167,094)
Prepayments	4,473	(2,513)
Other current assets	2,215	(1,261)
Contract liabilities	(4,178)	8,117
Accounts payable	(60,467)	(18,271)
Accounts payable-related parties	29,620	21,694
Other payables	(930)	22,551
Other current liabilities	(950)	1,981
Net defined benefit liabilities	(7,023)	(6,315)
Cash inflow generated from operations	428,073	41,501
Income tax paid	(62,226)	(50,553)
Net cash provided by (used in) operating activities	365,847	(9,052)

Item	For the years ended December 31, 2023	2022
Cash flows from investing activities:		
Acquisition of financial assets measured at amortized cost	$-	$(24,278)
Proceeds from disposal of financial assets measured at amortized cost	24,510	-
Acquisition of investments accounted for using the equity method	-	(10,000)
Acquisition of property, plant and equipment	(39,835)	(25,134)
Proceeds from disposal of property, plant and equipment	1,334	14
Increase in refundable deposits	(2,920)	-
Decrease in refundable deposits	-	849
Acquisition of intangible assets	(3,073)	(8,587)
Proceeds from disposal of investment property	-	27,834
Interest received	1,286	972
Dividends received	112,040	105,769
Net cash provided by investing activities	93,342	67,439
Cash flows from financing activities:		
Increase in short-term loans	-	245,000
Decrease in short-term loans	(206,000)	-
Guarantee deposits paid	-	(324)
Payments of lease liabilities	(2,740)	-
Cash dividends paid	(290,095)	(217,571)
Interest paid	(4,732)	(3,001)
Other financing activities	27	-
Net cash (used in) provided by financing activities	(503,540)	24,104
Net (decrease) increase in cash and cash equivalents	(44,351)	82,491
Cash and cash equivalents at the beginning of the year	294,544	212,053
Cash and cash equivalents at the end of the year	$250,193	$294,544

The accompanying notes are an integral part of the parent company only financial statements.

English Translation of Financial Statements Originally Issued in Chinese

GOOD WILL INSTRUMENT CO., LTD.

NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

1. History and organization

(1) Good Will Instrument Co., Ltd. (“the Company”) was incorporated in September 1975. The main activities of the Company are manufacturing and sale of general instrument, optical instruments and other optics and precision instrument.

(2) The Company was listed on the Taipei Exchange (“TPEx”) in March 1999 and was approved by the Financial Supervisory Commission’s Securities and Futures Bureau (formerly the Securities and Futures Commission) to be traded on the stock exchange market in September 2000. The Company’s registered office and the main business location is at No.7-1, Jhongsing Road., Tucheng Dist., New Taipei City 236, Taiwan.

2. Date and procedures of authorization of financial statements for issue

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized for issue by the Board of Directors on February 22, 2024.

3. Newly issued or revised standards and interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission (“FSC”) and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board (“IASB”) which are endorsed by FSC, and not yet adopted by the Company as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees' additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

C. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024. The standards and interpretations have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as of the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
b	IFRS 17 "Insurance Contracts"	January 1, 2023
c	Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

A. IFRS 10 "Consolidated Financial Statements" and IAS 28 "Investments in Associates and Joint Ventures" — Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors' interests in the associate or joint venture.

B. IFRS 17 "Insurance Contracts"

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard – IFRS 4 Insurance Contracts – from annual reporting periods beginning on or after January 1, 2023.

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The new or amended standards and interpretations have no material impact on the Company.

4. Summary of material accounting policies

(1) Statement of compliance

The parent company only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments.

The parent company only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent company only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.
B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.
C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

Each foreign operations of the Company determines its own functional currency and items included in the financial statements of each foreign operations are measured using that functional currency. The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. When there is a loss of control, significant influence, or joint control of a foreign operation but a portion of the interest is still retained, it is also treated as disposition.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle
B. The Company holds the asset primarily for the purpose of trading
C. The Company expects to realize the asset within twelve months after the reporting period
D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle
B. The Company holds the liability primarily for the purpose of trading
C. The liability is due to be settled within twelve months after the reporting period
D. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid time deposits (including ones that have maturity within 3 months) or investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: Recognition and Measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through profit or loss considering both factors below:

(a) the Company’s business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as note receivables, accounts receivables, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(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.

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial asset measured at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at financial asset measured at amortized cost.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.
(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.
(c) For accounts receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.
(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. <u>Derecognition of financial assets</u>

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired
(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred
(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest the Company assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or
B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant’s ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(9) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials – Purchase cost on a weighted average cost basis.

Finished goods and work in progress – Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(10) Investments accounted for using the equity method

The Company prepared parent company only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using equity method and, accordingly, made necessary adjustments. The Company accounted for its investments in subsidiaries using equity method and made necessary adjustments in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent company only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the financial statements for the period, and the total equity presented in the parent company only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. The Company made such adjustments by debiting or crediting accounts such as investments accounted for using equity method, share of profit (loss) of associates and joint ventures accounted for using equity method, or share of other comprehensive income of associates and joint ventures accounted for using equity method, considering the accounting method used for the investments in subsidiaries in the consolidated financial statements in accordance with IFRS 10 Consolidated Financial Statements and the differences of application of IFRS between different consolidated entities.

(11) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria are met. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5 ~ 60 years
Machinery and equipment	5 ~ 10 years
Molding equipment	5 years
Computer and communicating equipment	4 ~ 5 years
Research equipment	3 ~ 10 years
Transportation equipment	5 years
Office equipment	4 ~ 10 years
Other equipment	4 ~ 10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(12) Investment property

The Company's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal Company that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	5 ~ 60 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers properties to or from investment properties according to the actual use of the properties.

The Company transfers to or from investment properties when there is a change in use for these assets. Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(13) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and
B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximising the use of observable information.

<u>Company as a lessee</u>

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;
B. variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
C. amounts expected to be payable by the lessee under residual value guarantees;
D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and
E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortised cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;
B. any lease payments made at or before the commencement date, less any lease incentives received;
C. any initial direct costs incurred by the lessee; and
D. an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 “Impairment of Assets” to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset.

For a contract that contains lease components and non-lease components, The Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(14) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in profit or loss when the asset is derecognized.

Computer software

The cost of computer software is amortized on a straight-line basis over the estimated useful life (1 to 4 years).

A summary of the policies applied to the Company's intangible assets is as follows:

	Computer software
Useful lives	Finite
Amortization method used	Amortized on a straight- line basis over the estimated useful life
Internally generated or acquired	Acquired

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or companies of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follow:

Sale of goods

The Company manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. (The customer has the control of an asset refers to the ability to direct the use of, and obtain substantially all of the remaining benefits from, the asset). The main product of the Company is instrument and revenue is recognized based on the consideration stated in the contract.

The Company provides its customer with a warranty with the purchase of the products. The warranty provides assurance that the product will operate as expected by the customers. And the warranty is accounted in accordance with IAS 37.

The Company's sale of goods when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivables. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract.

The period the Company transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component is arised.

Rendering of services

The Company provides maintenance services for services rendered. These services are separately priced or negotiated and are recognized as revenue when the performance obligations are met.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(19) Post-employment benefits

All regular employees of the Company is entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee’s name in the specific bank account and hence, not associated with the Company. Therefore, fund assets are not included in the Company’s parent company only financial statements.

For the defined contribution plan, the Company and it will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest,are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and
B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(20) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the Shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
B. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
B. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities 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. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

5. Significant accounting judgements, estimates and assumptions

The preparation of the Company's parent company only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgement

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the parent company only financial statements:

A. Operating lease commitment－Company as the lessor

The Company has entered into commercial property leases on its investment property portfolio. The Company has determined, based on an evaluation of the terms and conditions of the arrangements, that it retains all the significant risks and rewards of ownership of these properties and accounts for the contracts as operating leases.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Valuation of inventories

Inventories are valued that is cost and net realizable value item by item. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale. The Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date and writes down the cost of inventories to the net realizable value. Such an evaluation of inventories is principally based on the demand for the products within the specified period in the future and historical sales experience of similar products. Therefore, and changes in market conditions might be material changes to the evaluation.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

C. Pension benefits

The cost of post-employment benefit and the present value of the pension obligation under defined benefit pension plans are determined using actuarial valuations. An actuarial valuation involves making various assumptions. These include the determination of the discount rate and changes of the future salary etc. Please refer to Note 6. (14) for more details.

D. Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Company establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective counties in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the responsible tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective group company's domicile.

Deferred tax assets are recognized for all carryforward of unused tax losses and unused tax credits and deductible temporary differences to the extent that it is probable that taxable profit will be available or there are sufficient taxable temporary differences against which the unused tax losses, unused tax credits or deductible temporary differences can be utilized. The amount of deferred tax assets determined to be recognized is based upon the likely timing and the level of future taxable profits and taxable temporary differences together with future tax planning strategies.

6. Contents of significant accounts

(1) Cash and cash equivalents

	As of December 31,	
	2023	2022
Cash on hand	$284	$392
Cash in banks	241,637	294,152
Cash in transit	8,146	-
Total	$250,067	$294,544

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

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

	As of December 31,	
	2023	2022
Financial assets mandatorily measured at fair value through profit or loss:		
Stocks	$2,189	$2,189
Current	$-	$-
Non-current	2,189	2,189
Total	$2,189	$2,189

Financial assets at fair value through profit or loss were not pledged.

(3) Financial assets measured at amortized cost

	As of December 31,	
	2023	2022
Time deposit	$-	$24,528
Time deposit were pledged	2,908	2,890
Total	$2,908	$27,418
Current	$2,908	$27,418
Non-current	-	-
Total	$2,908	$27,418

The Company classified certain financial assets as financial assets measured at amortized cost. Please refer to Note 6. (17) for more details on loss allowance and Note 8 for more details on financial assets measured at amortized cost under pledge. Please refer to Note 12 for more details on credit risk.

(4) Notes receivable

	As of December 31,	
	2023	2022
Notes receivable arising from operating activities	$9,240	$12,391
Less: loss allowance	-	-
Total	$9,240	$12,391

Notes receivables were not pledged.

The Company follows the requirement of IFRS 9 to assess the impairment. Please refer to Note 6. (17) for more details on loss allowance and Note 12 for details on credit risk.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(5) Accounts receivable and accounts receivable-related parties

	As of December 31, 2023	As of December 31, 2022
Accounts receivable	$196,514	$156,809
Accounts receivable from installment sales	947	1,339
Less: unrealized interest revenue – accounts receivable from installment sales	(77)	(134)
Subtotal (total carrying amount)	197,384	158,014
Less: loss allowance	244	397
Subtotal	197,140	157,617
Trade receivables from related parties	320,274	374,816
Less: loss allowance	-	-
Subtotal	320,274	374,816
Total	$517,414	$532,433

The expected recovery of the accounts receivable from installment sales is as follows:

	As of December 31, 2023	As of December 31, 2022
Not later than one year	$211	$392
Later than one year and not later than two years	46	370
Later than two years	690	577
Total	$947	$1,339

Accounts receivable were not pledged.

The payment term of accounts receivable is generally on 30-60 day terms. The total carrying amount as of December 31, 2023 and 2022 were NT$517,658 thousand and NT$532,830 thousand, respectively. Please refer to Note 6. (17) for more details on loss allowance of accounts receivable for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(6) Inventories

	As of December 31, 2023	As of December 31, 2022
Merchandise inventory	$31,403	$27,559
Raw materials	212,353	282,229
Work in progress	63,712	98,104
Finished goods	122,955	112,931
Goods in transit	26,562	8,949
Total	$456,985	$529,772

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

The cost of inventories recognized in expenses amounts to NT$1,137,777 thousand and NT$1,215,693 thousand for the years ended December 31, 2023 and 2022, respectively, including the write-down of inventories of NT$14,321 thousand in 2023 and NT$22,588 thousand in 2022.

No inventories were pledged.

(7) Investments accounted for using the equity method

	As of December 31,				
	2023		2022		
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)	Note
Investments in subsidiaries:					
Instek Electronic (Shanghai) Co., Ltd.	$96,618	100%	$111,635	100%	
Good Will Instrument (Sea) Sdn. Bhd.	11,432	100%	9,653	100%	
Instek America Corp.	133,665	100%	121,178	100%	
Instek (Samoa) Co., Ltd.	632,164	100%	609,666	100%	
Good Will Instrument Korea Co., Ltd.	77,139	100%	64,970	100%	
Texio Technology Corp.	88,931	100%	69,065	100%	
Good Will Instrument Euro B.V.	59,776	100%	46,765	100%	
Gw Instek India LLP	(638)	100%	(2,553)	100%	
Prodigit Electronics Co., Ltd.	450,930	100%	508,983	100%	
Subtotal	1,550,017		1,539,362		
Investments in associates:					
Coreslink Corp., Ltd.	9,718	25%	10,000	25%	
Subtotal	9,718		10,000		
Total	$1,559,735		$1,549,362		

A. Investments in subsidiaries:

The Company's share of income or loss of subsidiaries recognized under the equity method amounted to NT$162,616 thousand and NT$224,400 thousand for the years ended December 31, 2023 and 2022, respectively, and was recognized based on the audited financial statements of each investee company for the same periods.

Investments in subsidiaries was accounted for “Investments accounted for using the equity method” and necessary evaluation adjustments are made accordingly.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

B. Investments in associates

The Company's investments in Coreslink Corp., Ltd. is not materially to the Company. The aggregate carrying amount of the Company's interests in Coreslink Corp., Ltd. amounted to NT$9,718 thousand and NT$10,000 thousand as of December 31, 2023 and 2022 respectively. The aggregate financial information of the Company's share of Coreslink Corp., Ltd. is as follows:

	For the years ended December 31, 2023	2022
Profit or loss for the period from continuing operations	$(282)	$-
Other comprehensive income (loss)	-	-
Total comprehensive income (loss)	$(282)	$-

The associates had no contingent liabilities or capital commitments as of December 31, 2023, and 2022,also no investment accounted for using the equity method was pledged.

(8) Property, plant and equipment

Owner occupied property, plant and equipment

	Land	Buildings	Machinery and equipment	Molding equipment	Computer and communicating equipment	Research equipment	Transportation equipment	Office equipment	Other equipment	Total
Cost:										
As of January 1, 2023	$409,759	$208,081	$53,048	$54,273	$34,414	$137,098	$9,924	$13,455	$6,509	$926,561
Additions	-	4,816	2,268	2,673	5,227	23,993	-	491	367	39,835
Disposal	-	(831)	(1,485)	-	(2,589)	(2,271)	(3,965)	(412)	(223)	(11,776)
As of December 31, 2023	$409,759	$212,066	$53,831	$56,946	$37,052	$158,820	$5,959	$13,534	$6,653	$954,620
As of January 1, 2022	$409,759	$203,844	$52,219	$52,427	$32,771	$126,210	$9,924	$13,342	$6,485	$906,981
Additions	-	4,237	1,485	1,846	2,241	14,954	-	324	47	25,134
Disposal	-	-	(656)	-	(598)	(4,066)	-	(211)	(23)	(5,554)
As of December 31, 2022	$409,759	$208,081	$53,048	$54,273	$34,414	$137,098	$9,924	$13,455	$6,509	$926,561
Depreciation:										
As of January 1, 2023	$-	$96,859	$40,100	$49,795	$29,160	$100,447	$9,924	$11,604	$4,896	$342,785
Depreciation	-	7,853	3,461	2,247	2,812	15,110	-	733	467	32,683
Disposal	-	(831)	(1,482)	-	(2,589)	(2,251)	(3,965)	(412)	(223)	(11,753)
As of December 31, 2023	$-	$103,881	$42,079	$52,042	$29,383	$113,306	$5,959	$11,925	$5,140	$363,715
As of January 1, 2022	$-	$89,340	$36,925	$47,803	$26,805	$90,277	$9,478	$10,903	$4,317	$315,848
Depreciation	-	7,519	3,831	1,992	2,939	14,217	446	911	602	32,457
Disposal	-	-	(656)	-	(584)	(4,047)	-	(210)	(23)	(5,520)
As of December 31, 2022	$-	$96,859	$40,100	$49,795	$29,160	$100,447	$9,924	$11,604	$4,896	$342,785
Net carrying amount as at:										
December 31, 2023	$409,759	$108,185	$11,752	$4,904	$7,669	$45,514	$-	$1,609	$1,513	$590,905
December 31, 2022	$409,759	$111,222	$12,948	$4,478	$5,254	$36,651	$-	$1,851	$1,613	$583,776

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Please refer to Note 8 for more details on property, plant and equipment under pledge.

(9) Investment property

The Company's investment properties include owned investment properties. The Company's has entered into commercial property leases on its owned investment properties with term of 3 years.

	Land	Buildings	Total
Cost:			
As of January 1, 2022	$2,548	$15,175	$17,723
Additions	-	-	-
Disposal	(2,548)	(15,175)	(17,723)
As of December 31, 2022	$-	$-	$-
Depreciation:			
As of January 1, 2022	$-	$6,717	$6,717
Depreciation	-	124	124
Disposal	-	(6,841)	(6,841)
As of December 31, 2022	$-	$-	$-
Net carrying amount as at:			
December 31, 2022	$-	$-	$-

	For the years ended December 31,	
	2023	2022
Rental income from investment property	$-	$714
Less: Direct operating expenses from investment property generating rental income	-	(243)
Total	$-	$471

The Company sold the land and building in Zhongli, Taoyuan county in September 2022 with proceeds from the sale of NT$27,834 thousand and recognized a gain on disposal of investment property of NT$16,952 thousand.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(10) Intangible assets

	Computer software
Cost:	
As of January 1, 2023	$42,001
Addition	3,073
Disposal	(120)
As of December 31, 2023	$44,954
As of January 1, 2022	$33,414
Addition	8,587
Disposal	-
As of December 31, 2022	$42,001
Amortization	
As of January 1, 2023	$32,774
Amortization	3,564
Disposal	(120)
As of December 31, 2023	$36,218
As of January 1, 2022	$30,185
Amortization	2,589
Disposal	-
As of December 31, 2022	$32,774
Net carrying amount as at:	
December 31, 2023	$8,736
December 31, 2022	$9,227

Amortization expense of intangible assets were stated as follows:

	For the years ended December 31,	
	2023	2022
Operating costs	$341	$223
Selling and marketing expenses	235	148
General and administrative expenses	1,357	972
Research and development expenses	1,631	1,246
Total	$3,564	$2,589

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(11) Other non-current assets

	As of December 31,	
	2023	2022
Refundable deposits	$4,767	$1,847
Other financial assets - non-current	1,560	1,560
Total	$6,327	$3,407

(12) Short-term loans

		As of December 31,	
	Interest Rates (%)	2023	2022
Unsecured bank loans	1.39%~1.82%	$74,000	$230,000
Secured bank loans	1.53%~1.70%	100,000	150,000
Total		$174,000	$380,000

The Company's unused short-term lines of credits amounted to NT$1,287,660 thousand, and NT$1,081,660 thousand, as of December 31, 2023 and 2022, respectively.

(13) Other payable

	As of December 31,	
	2023	2022
Accrued expenses	$166,238	$167,120
Other payables	50,856	51,100
Total	$217,094	$218,220

(14) Post-employment benefits

Defined contribution plan

The Company adopt a defined contribution plan in accordance with the Labor Pension Act of the R.O.C. Under the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly wages to the employees' individual pension accounts. The Company have made monthly contributions of 6% of each individual employee's salaries or wages to employees' pension accounts.

Expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were NT$16,299 thousand and NT$15,714 thousand, respectively.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Defined benefits plan

The Company adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandation, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute NT$9,468 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The duration of the defined benefits plan obligation as of December 31, 2023 and 2022 were 2029and 2029, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	For the years ended December 31,	
	2023	2022
Current period service costs	$2,110	$2,369
Net interest on the net defined benefit liabilities (assets)	669	617
Total	$2,779	$2,986

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Changes in the defined benefit obligation and fair value of plan assets are as follows:

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Defined benefit obligation	$284,416	$302,690	$328,642
Plan assets at fair value	(231,636)	(242,259)	(229,203)
Net defined benefit liabilities	$52,780	$60,431	$99,439

Reconciliation of liability (asset) of the defined benefit plan is as follows:

	Defined benefit obligation	Fair value of plan assets	Benefit liability (asset)
As of January 1, 2022	$328,642	$(229,203)	$99,439
Current period service costs	2,369	-	2,369
Net interest expense (income)	2,065	(1,448)	617
Subtotal	4,434	(1,448)	2,986
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	(11,320)	-	(11,320)
Experience adjustments	(3,169)	-	(3,169)
Return on plan assets	-	(18,204)	(18,204)
Subtotal	(14,489)	(18,204)	(32,693)
Contributions by employer	-	(9,168)	(9,168)
Payments from the plan	(15,897)	15,764	(133)
As at December 31, 2022	302,690	(242,259)	60,431
Current period service costs	2,110	-	2,110
Net interest expense (income)	3,443	(2,774)	669
Subtotal	5,553	(2,774)	2,779
Remeasurements of the net defined benefit liability (asset):			
Actuarial gains and losses arising from changes in financial assumptions	728	-	728
Experience adjustments	927	-	927
Return on plan assets	-	(2,283)	(2,283)
Subtotal	1,655	(2,283)	(628)
Contributions by employer	-	(9,452)	(9,452)
Payments from the plan	(25,482)	25,132	(350)
As at December 31, 2023	$284,416	$(231,636)	$52,780

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

The following significant actuarial assumptions are used to determine the present value of the Company defined benefit obligation:

	As of December 31, 2023	As of December 31, 2022
Discount rate	1.16%	1.20%
Expected rate of salary increases	2.5%	2.5%

A sensitivity analysis for significant assumption as at December 31, 2023 and 2022 is, as shown below:

	Effect on the defined benefit obligation			
	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increase by 0.25%		$4,550		$5,146
Discount rate decrease by 0.25%	$4,550		$5,146	
Future salary increase by 0.5%	$8,817		$9,989	
Future salary decrease by 0.5%		$8,248		$9,383

The sensitivity analyses above are based on a change in a significant assumption (for example: change in discount rate or future salary), keeping all other assumptions constant. The sensitivity analyses may not be representative of an actual change in the defined benefit obligation as it is unlikely that changes in assumptions would occur in isolation of one another.

There was no change in the methods and assumptions used in preparing the sensitivity analyses compared to the previous period.

(15) Equity

A. Common stock

The Company's authorized capital were both NT$1,800,000 thousand as of December 31, 2023 and 2022. The Company's issued capital were both NT$1,450,472 thousand as of December 31, 2023 and 2022, each at a par value of NT$10. The Company has issued both 145,047 thousand common shares as of December 31, 2023 and 2022. Each share has one voting right and a right to receive dividends.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

B. Capital surplus

	As of December 31,	
	2023	2022
Additional paid-in capital	$4,051	$4,051
Treasury share transactions	(4)	(4)
Other-right of disgorgement (Note)	27	-
Total	$4,074	$4,047

According to the Company Act, the capital reserve shall not be used except for making good the deficit of the company. When a company incurs no loss, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

Note: In accordance with Article 157 of the Securities Exchange Act, the Company recognized the benefits obtained from the exercise of disgorgement right in December 2023 as capital reserve.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

According to the Company's Articles of Incorporation, current year's net profits if any, shall be distributed in the following order: offset prior years' operation losses (including adjustments to the retained earnings); set aside 10% of the remaining amount as legal reserve, unless where such legal reserve amounts to the total paid-in capital. then set aside or reverse special reserve as required by law or the competent authority. The remaining net profits, the remaining net profits, if any, together with the retained earnings at the beginning of year (including adjustments to the retained earnings), are considered accumulated distributable earnings to the shareholders where the Board of Directors shall be authorized by the Company's Articles of Incorporation to resolve on the distribution proposal and report to the most recent shareholders' meeting.

In order to maintain the return on investment of shareholders, the ratio of cash dividends and stock dividends distributed by the Company is determined based on the current year's profit and the Company's capital planning, as well as the interest of the shareholders. Accordingly, shall not be less than 10% of the total dividends.

The Articles of Incorporation to authorize the distributable dividends and bonuses in whole or in part are paid in cash after a resolution has been adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors; and in addition, there to a report of such distribution is submitted to the shareholders' meeting.

When the Company has no deficit, the Board of Directors is authorized to distribute in cash all or part of the legal reserve (for the part that exceeds 25% of paid-in capital) and capital surplus if it meets the requirements under the Company Act through a resolution adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors which shall be reported to the most recent shareholders meeting.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to "other net deductions from shareholders' equity for the current fiscal year, provided that if the company has already set aside special reserve in the first-time adoption of the IFRS, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders' equity. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

On March 31, 2021, the FSC issued Order No. Jin-Guan-Zheng-Fa-Zi-1090150022, which sets out the following provisions for compliance: On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. [For those companies do not have increased in retained earnings arising from the first-time adoption of the IFRS, please modify the wordings as appropriate.] For any subsequent use, disposal or reclassification of related assets, the special reserve in the amount equal to the reversal may be released for earnings distribution.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the Board of Directors' meeting and shareholders' meeting on February 22, 2024 and May 29, 2023, respectively, are as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$42,826	$43,369		
Special reserve	30,348	14,110		
Cash dividend of common stock (Note)	319,104	290,095	$2.2	$2.0
Total	$392,278	$347,574		

Note: The Board of Directors, as authorized by the Company's Articles of Incorporation, has specifically resolved to approve the cash distributions for 2023 and 2022 on February 22, 2024 and February 23, 2023, respectively.

Please refer to Note 6. (19) for details on employees' compensation and remuneration to directors.

(16) Operating revenues

	For the years ended December 31,	
	2023	2022
Revenue from contracts with customers		
Sale of goods	$2,029,989	$2,009,274
Revenue arising from rendering of services	14,109	12,114
Total	$2,044,098	$2,021,388

Analysis of revenue from contracts with customers during the years ended December 31, 2023 and 2022 are as follows:

A. Disaggregation of revenue

	For the years ended December 31,	
	2023	2022
Sale of goods	$2,029,989	$2,009,274
Rendering of services	14,109	12114
Total	$2,044,098	$2,021,388
Timing of revenue recognition:		
At a point in time	$2,044,098	$2,021,388

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

B. Contract balances

(a) Contract liabilities - current

	As of		
	December 31, 2023	December 31, 2022	January 1, 2022
Sale of goods	$20,061	$24,239	$16,122

The significant changes in the Company’s balances of contract liabilities for the years ended December 31, 2023 and 2022 are as follows:

	For the years ended December 31,	
	2023	2022
The opening balance transferred to revenue	$24,239	$16,122
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	20,061	24,239

C. Transaction price allocated to unsatisfied performance obligations

None.

D. Assets recognized from costs to fulfil a contract

None.

(17) Expected credit losses (gains)

	For the years ended December 31,	
	2023	2022
Operating expenses – Expected credit losses/(gains)		
Accounts receivable	$(153)	$(214)

Please refer to Note 12 for more details on credit risk.

The credit risk for the Company’s financial assets measured at amortized cost are assessed as low (the same as the assessment result in the beginning of the period). Therefore, the loss allowance is measured at an amount of NT$0 thousand equal to 12-month expected credit losses (loss ratio of 0 %).

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

The Company measures the loss allowance of its accounts receivables (including note receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The assessment of the Company's loss allowance is as follow:

The Company considers the grouping of receivables by counterparties' credit rating, by geographical region and by industry sector and its loss allowance is measured by using a provision matrix, details are as follow:

As of December 31, 2023

	Not yet due	Overdue					
	(Note)	<=60 days	61-90 days	91-180 days	181-360 days	>=361 days	Total
Gross carrying amount	$464,520	$55,500	$4,443	$2,435	$-	$-	$526,898
Loss rate	-%	-%	-%	10%	-%	-%	
Lifetime expected credit losses	-	-	-	(244)	-	-	(244)
Carrying amount	$464,520	$55,500	$4,443	$2,191	$-	$-	$526,654

As of December 31, 2022

	Not yet due	Overdue					
	(Note)	<=60 days	61-90 days	91-180 days	181-360 days	>=361 days	Total
Gross carrying amount	$473,197	$66,796	$2,321	$2,789	$-	$118	$545,221
Loss rate	-%	-%	-%	10%	-%	100%	
Lifetime expected credit losses	-	-	-	(279)	-	(118)	(397)
Carrying amount	$473,197	$66,796	$2,321	$2,510	$-	$-	$544,824

Note: The Company's notes receivables are not overdue.

The movement in the provision for impairment of notes receivable, accounts receivable and accounts receivable from installment sales during the years ended December 31, 2023 and 2022 is as follows:

	Notes receivable	Accounts receivable	Accounts receivable from installment sales	Total
Bal. as of January 1, 2023	$-	$397	$-	$397
Addition (reversal) for the current period	-	(153)	-	(153)
Write off	-	-	-	-
Bal. as of December 31, 2023	$-	$244	$-	$244
Bal. as of January 1,2022	$93	$540	$-	$633
Addition (reversal) for the current period	(93)	(121)	-	(214)
Write off	-	(22)	-	(22)
Bal. as of December 31, 2022	$-	$397	$-	$397

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(18) Leases

A. Company as a lessee

The Company has signed commercial lease agreements for transportation equipment, with an average term of three years and no renewal right. There are no restrictions placed upon in parent the Company by entering into these leases.

The Company's leases effect on the financial position, financial performance and cash flows are as follow:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	As of December 31,	
	2023	2022
Transportation equipment	$8,788	$-

ii. Lease liabilities

	As of December 31,	
	2023	2022
Current	$3,842	$-
Non-current	4,996	-
Lease liabilities	$8,838	$-

During the 2023, the Company's additions to right-of-use assets amounting to NT$11,578 thousand.

(b) Amounts recognized in the statement of profit or loss

Depreciation charge for right-of-use assets

	For the years ended December 31,	
	2023	2022
Transportation equipment	$2,790	$-

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(c) Income and costs relating to leasing activities

	For the years ended December 31,	
	2023	2022
The expenses relating to short-term leases	$447	$-

(d) Cash outflow relating to leasing activities

During the 2023, The Company's total cash outflows for leases amounting to NT$3,306 thousand

B. Company as a lessor

Please refer to Note 6. (9) for details on the Company's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	For the years ended December 31,	
	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$-	$714

(19) Summary statement of employee benefits, depreciation and amortization expenses by function were as follows:

By function / By feature	For the years ended December 31,					
	2023			2022		
	Operating costs	Operating expenses	Total	Operating costs	Operating expenses	Total
Employee benefits expense						
Salaries	$83,657	$333,177	$416,834	$83,748	$336,685	$420,433
Labor and health insurance	9,041	27,519	36,560	8,617	26,222	34,839
Pension	4,342	14,736	19,078	4,246	14,454	18,700
Directors' remuneration	-	43,482	43,482	-	37,960	37,960
Other employee benefits expense	3,536	7,799	11,335	3,504	7,748	11,252
Depreciation	13,928	21,545	35,473	13,690	18,891	32,581
Amortization	341	3,223	3,564	223	2,366	2,589

As of December 31, 2023 and 2022, the Company had 399 and 397 employees, including 3 non-employee directors as of December 31, 2023 and 2022, respectively.

The average employee benefit expense for the year ended December 31, 2023 was $1,222 thousand and was $1,232 thousand for the year ended December 31, 2022.

The average employee salary expense was $1,053 thousand for the year ended December 31, 2023 and was $1,067 thousand for the year ended December 31, 2022. The average employee salary expense adjustment for the year ended December 31, 2023 decreased by 1.3%.

The remuneration policies of the Company's directors, officers and employees are as follows:

The Company has established a compensation policy for directors and employees in its Articles of Incorporation, and a remuneration committee to evaluate and supervise the remuneration system of directors and managers of the Company. In addition to considering the Company's operating performance, future risks, development strategies and industry trends, the Company also considers the individual's contribution to the Company's performance and provides reasonable compensation.

The Company has established a comprehensive employee benefit system in compliance with laws and regulations to provide employees with good remuneration and benefit conditions. Employee compensation includes monthly salaries, bonuses, and the compensation based on annual profitability and bylaws. The Company conducts performance appraisals for all employees on a regular basis every year to understand the performance of employees for promotion, training and development, and payout.

According to the Articles of Incorporation on the employees and directors' compensation, 3%-15% of profit of the current year is distributable as employees' compensation and no higher than 2% of profit of the current year is distributable as remuneration to directors. However, the company's accumulated losses shall have been covered. The Company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, have the profit distributable as employees' compensation in the form of shares or in cash; and in addition, there to a report of such distribution is submitted to the shareholders' meeting. Information on the Board of Directors' resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Based on the profit for the year ended December 31, 2023, the Company estimated the amounts of the employees' compensation and remuneration to directors for the range of multipliers specified in the Articles of Incorporation. Employees' compensation and remuneration to directors for the year ended December 31, 2023 amount to NT$37,000 thousand and NT$11,186 thousand, respectively, recognized as salary expenses. A resolution was passed at a Board of Directors meeting held on February 22, 2024 to distribute NT$37,000 thousand and NT$11,186 thousand in cash as employees' compensation and remuneration to directors of 2023, respectively. The differences between the estimated amount and the actual amount determined by the Board of Directors were recognized in profit or loss of the subsequent year.

A resolution was passed at a Board of Directors meeting held on February 23, 2023 to distribute NT$37,230 thousand and NT$10,637 thousand in cash as employees' compensation and remuneration to directors of 2022, respectively. The difference NT$ (2,336) thousand dollars and NT$ 86 thousand dollars compared to the employee compensation and directors' remuneration of 39,566 thousand dollars and 10,551 thousand dollars respectively, which was accounted for as expenses in the financial statements of 2022, was mainly due to changes in estimates, which has been recognized as profit or loss of 2023.

(20) Non-operating income and expenses

A. Other income

	For the years ended December 31,	
	2023	2022
Rental income	$3,718	$4,629
Interest income		
Financial assets measured at amortized cost	1,286	972
Others	11,291	10,979
Total	$16,295	$16,580

C. Other gains and losses

	For the years ended December 31,	
	2023	2022
Foreign exchange gains (losses), net	$(14,756)	$16,380
Gain (loss) on disposal of property, plant and equipment	1,311	(20)
Gain on disposal of investment property	-	16,952
Gain on financial assets at fair value through profit or loss (Note)	372	276
Total	$(13,073)	$33,588

Note: Balance was arising from financial assets mandatorily measured at fair value through profit or loss, including dividend income.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

C. Finance costs

	For the years ended December 31, 2023	For the years ended December 31, 2022
Interest on borrowings from bank	$4,417	$3,176
Interest on lease liabilities	119	-
Total	$4,536	$3,176

(21) Components of other comprehensive (loss) income

For the year ended December 31, 2023:

	Arising during the period	Reclassification adjustments during the period	Other comprehensive (loss) income, before tax	Income tax relating to components of other comprehensive (loss) income	Other comprehensive (loss) income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$628	$-	$628	$(126)	$502
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(13,684)	-	(13,684)	-	(13,684)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(21,467)	-	(21,467)	4,294	(17,173)
Total	$(34,523)	$-	$(34,523)	$4,168	$(30,355)

For the year ended December 31, 2022:

	Arising during the period	Reclassification adjustments during the period	Other Total comprehensive income	Income tax relating to components of other comprehensive (loss) income	Other comprehensive (loss) income, net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$32,693	$-	$32,693	$(6,539)	$26,154
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(34,776)	-	(34,776)	-	(34,776)
To be reclassified to profit or loss in subsequent periods:					
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	30,595	-	30,595	(6,119)	24,476
Total	$28,512	$-	$28,512	$(12,658)	$15,854

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(22) Income tax

The major components of income tax expense (income) for the years ended December 31, 2023 and 2022 are as follows:

Income tax expense (income) recognized in profit or loss

	For the years ended December 31,	
	2023	2022
Current income tax expense (income):		
Current income tax charge	$66,761	$54,832
Current income tax paid	8,432	7,311
Adjustments in respect of current income tax of prior periods	3,105	3,490
Deferred tax expense (income):		
Deferred tax expense (income) relating to origination and reversal of temporary differences	11,876	12,387
Total income tax expense	$90,174	$78,020

Income tax relating to components of other comprehensive income

	For the years ended December 31,	
	2023	2022
Deferred tax expense (income):		
Remeasurements of defined benefit plans	$126	$6,539
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(4,294)	6,119
Income tax relating to components of other comprehensive income (loss)	$(4,168)	$12,658

Reconciliation between tax expense and the product of accounting profit multiplied by applicable tax rates is as follows:

	For the years ended December 31,	
	2023	2022
Accounting profit before tax from continuing operations	$518,445	$481,744
Tax at the domestic rates applicable to profits in the country concerned	$103,689	$96,349
Tax effect of revenues exempt from taxation	(74)	(11,051)
Tax effect of expenses not deductible for tax purposes	1,975	10,892
Corporate income surtax on undistributed retained earnings	2,397	209
Adjustments in respect of current income tax of prior periods	3,105	3,490
Other income tax effects adjusted in accordance with the Tax Act	(13,469)	(12,829)
Others	(7,449)	(9,040)
Total income tax expense recognized in profit or loss	$90,174	$78,020

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Deferred tax assets (liabilities) relate to the following:

For the year ended December 31, 2023

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income (loss)	Exchange differences	Ending balance as of December 31, 2023
Temporary differences					
Net defined benefit liability, non-current	$12,086	$(1,404)	$(126)	$-	$10,556
Unrealized loss due to market price decline of inventories	11,197	(445)	-	-	10,752
Investments accounted for using the equity method	(56,823)	(14,320)	-	-	(71,143)
Employee benefits	2,757	877	-	-	3,634
Unrealized loss on foreign exchange	192	2,717	-	-	2,909
Unrealized gain on foreign exchange	(1,145)	699	-	-	(446)
Unrealized allowance for other receivables	3	-	-	-	3
Valuations of financial assets at fair value through profit or loss	400	-	-	-	400
Exchange differences resulting from translating the financial statements of foreign operations	8,474	-	4,294	-	12,768
Deferred tax income/ (expense)		$(11,876)	$4,168	$-	
Net deferred tax assets/(liabilities)	$(22,859)				$(30,567)
Reflected in balance sheet as follows:					
Deferred tax assets	$35,109				$41,022
Deferred tax liabilities	$(57,968)				$(71,589)

For the years ended December 31, 2022

	Beginning balance as of January 1, 2022	Deferred tax income (expense) recognized in profit or loss	Deferred tax income (expense) recognized in other comprehensive income (loss)	Exchange differences	Ending balance as of December 31, 2022
Temporary differences					
Net defined benefit liability, non-current	$19,888	$(1,263)	$(6,539)	$-	$12,086
Unrealized loss due to market price decline of inventories	7,469	3,728	-	-	11,197
Investments accounted for using the equity method	(44,652)	(12,171)	-	-	(56,823)
Employee benefits	2,757	-	-	-	2,757
Unrealized loss on foreign exchange	1,833	(1,641)	-	-	192
Unrealized gain on foreign exchange	(105)	(1,040)	-	-	(1,145)
Unrealized allowance for other receivables	3	-	-	-	3
Valuations of financial assets at fair value through profit or loss	400	-	-	-	400
Exchange differences resulting from translating the financial statements of foreign operations	14,593	-	(6,119)	-	8,474
Deferred tax income/ (expense)		$(12,387)	$(12,658)	$-	
Net deferred tax assets/(liabilities)	$2,186				$(22,859)
Reflected in balance sheet as follows:					
Deferred tax assets	$46,943				$35,109
Deferred tax liabilities	$(44,757)				$(57,968)

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, deferred tax assets have not been recognized amounting to NT$742 thousand and NT$742 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company was approved up to year of 2019 and 2021.

(22) Earnings per share

Basic earnings per share amounts are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share amounts are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	For the years ended December 31,	
	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$428,271	$403,724
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,047	145,047
Basic earnings per share (NT$)	$2.95	$2.78
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousand NT$)	$428,271	$403,724
Profit attributable to ordinary equity holders of the Company after dilution (in thousand NT$)	$428,271	$403,724
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,047	145,047
Effect of dilution:		
Employee compensation－stock (in thousands)	1,181	1,604
Weighted average number of ordinary shares outstanding after dilution (in thousands)	146,228	146,651
Diluted earnings per share (NT$)	$2.93	$2.75

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

7. Related party transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Good Will Instrument (Sea) Sdn. Bhd.	Subsidiary
Instek America Corp.	Subsidiary
Texio Technology Corp.	Subsidiary
Good Will Instrument Korea Co., Ltd.	Subsidiary
Instek (Samoa) Co., Ltd.	Subsidiary
Good Will Instrument Euro B.V	Subsidiary
Gw Instek India LLP	Subsidiary
Instek Electronic (Shanghai) Co., Ltd.	Subsidiary
Prodigit Electronics Co., Ltd.	Subsidiary
Good Will Instrument (Suzhou) Co., Ltd.	Subsidiary of Instek (Samoa) Co., Ltd.
Meicon Electronic Ind. Co., Ltd. (“Meicon”)	The Chairman of Meicon is the second degree of consanguinity of the Chairman of the Company
G & H Electronics Co., Ltd. (“G & H”)	The Chairman of G & H is the second degree of consanguinity of the General Manager of the Company
Coreslink Corp., Ltd.	Associate

Significant transactions with related parties

(1) Sales

	For the years ended December 31,	
	2023	2022
Subsidiaries		
Good Will Instrument (Suzhou) Co., Ltd.	$480,406	$546,509
Texio Technology Corp.	223,657	223,841
Good Will Instrument Euro B.V.	192,466	163,795
Instek America Corp.	168,873	183,598
Gw Instek India LLP	54,251	35,267
Good Will Instrument Korea Co., Ltd.	52,756	92,611
Other	24,724	31,277
Subtotal	1,197,133	1,276,898
Other related parties	47	27
Associate	71	-
Total	$1,197,251	$1,276,925

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for sales to related parties was 60 days after sales, which were not significantly different from those of sales to third parties. The outstanding balance at December 31, 2023 and 2022 was unsecured, non-interest bearing and must be settled in cash The receivables from the related parties were not guaranteed.

(2) Purchases

	For the years ended December 31,	
	2023	2022
Subsidiaries		
Good Will Instrument (Suzhou) Co., Ltd.	$251,994	$323,155
Texio Technology Corp.	182,118	123,728
Other	30,996	34,014
Subtotal	465,108	480,897
Other related parties	10,821	7,578
Total	$475,929	$488,475

The purchase price from the related parties was based on approximate 10% markup of its cost. The purchases from the G & H Electronics Co., Ltd. are comparable with third party suppliers, no comparable information from third party suppliers is available for the others. The payment terms from the related party suppliers are comparable with third party suppliers and are between 1-2 months.

(3) Rental income

	For the years ended December 31,	
	2023	2022
Prodigit Electronics Co., Ltd.	$1,035	$1,035

(4) Accounts receivable - related parties

	As of December 31,	
	2023	2022
Subsidiaries		
Texio Technology Corp.	$148,631	$158,936
Good Will Instrument (Suzhou) Co., Ltd.	83,663	136,386
Gw Instek India LLP	31,966	29,369
Good Will Instrument Euro B.V.	24,626	23,129
Good Will Instrument Korea Co. Ltd	20,858	989
Instek America Corp.	8,071	21,488
Prodigit Electronics Co., Ltd.	2,459	4,519
Subtotal	320,274	374,816
Less: loss allowance	-	-
Net	$320,274	$374,816

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(5) Other receivables - related parties

	As of December 31,	
	2023	2022
Subsidiaries		
Good Will Instrument (Suzhou) Co., Ltd.	$560	$668
Instek Electronic (Shanghai) Co., Ltd.	494	446
Texio Technology Corp.	445	492
Gw Instek India LLP	89	1,052
Good Will Instrument Euro B.V.	77	148
Prodigit Electronics Co., Ltd.	32	1
Instek America Corp.	7	17
Total	$1,704	$2,824

(6) Other receivables - related parties (Financing)

For the year ended December 31, 2023：

Other receivables - related parties

	For the year ended December 31, 2023			
	Maximum balance	Ending balance	Interest rates (%)	Interest expense
Subsidiaries				
Texio Technology Corp.	$21,520	$21,520	0.26%	$53
Prodigit Electronics Co., Ltd.	30,000	30,000	1.5%	19
	$51,520	$51,520		$72

For the years ended December 31, 2022：

Other receivables - related parties

	For the year ended December 31, 2022			
	Maximum balance	Ending balance	Interest rates (%)	Interest expense
Subsidiaries				
Texio Technology Corp.	$23,040	$23,040	0.24%	$53

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(7) Accounts payable - related parties

	As of December 31, 2023	As of December 31, 2022
Subsidiaries		
Texio Technology Corp.	$49,488	$14,753
Prodigit Electronics Co., Ltd.	7,973	11,515
Subtotal	57,461	26,268
Other related parties	2,893	4,466
Total	$60,354	$30,734

(8) Other payables - related parties

	As of December 31, 2023	As of December 31, 2022
Subsidiaries		
Gw Instek India LLP	$303	$-
Good Will Instrument Korea Co. Ltd	36	-
Prodigit Electronics Co., Ltd.	33	51
Good Will Instrument (Suzhou) Co., Ltd.	24	180
Total	$396	$231

(9) Acquisition of property, plant and equipment

	For the years ended December 31, 2023	For the years ended December 31, 2022
Texio Technology Corp.	$1,382	$760
Good Will Instrument (Suzhou) Co., Ltd.	271	-
Prodigit Electronics Co., Ltd.	-	664
Total	$1,653	$1,424

(10) As of December 31, 2023 and 2022, the Company had the following endorsement and guarantee for the borrowings of its subsidiaries Texio Technology Corp. with financial institutions.

	Name of Bank	Guarantee amount
As of December 31, 2023	Sumitomo Mitsui Banking Corporation	JPY 330,000
	Mizuho Bank	JPY 150,000
As of December 31, 2022	Sumitomo Mitsui Banking Corporation	JPY 330,000
	Mizuho Bank	JPY 150,000

The Company had endorsement and guarantee, please refer to Attachment 2.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(11) As of December 31, 2023 and 2022, the Company had the following endorsement and guarantee for leasing of its subsidiary Good Will Instrument Euro B.V. with financial institutions.

	Name of Bank	Guarantee amount
As of December 31, 2023	Mega Bank	EUR 186
As of December 31, 2022	Mega Bank	EUR 11

The Company had endorsement and guarantee, please refer to Attachment 2.

(12) Key management personnel compensation

	For the years ended December 31,	
	2023	2022
Short-term employee benefits	$37,696	$28,689
Post-employment benefits	378	368
Total	$38,074	$29,057

8. Assets pledged as security

The following table lists assets of the Company pledged as security:

Items	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Property, plant and equipment - land and buildings	$502,080	$504,615	Short-term loans
Financial assets measured at amortized cost - current	2,908	2,890	Guarantees
Total	$504,988	$507,505	

9. Significant contingencies and unrecognized contractual commitments

(1) As of December 31, 2023, the Company's guarantee notes issued for operating and financing were NT$1,526,660 thousand.

(2) The Company provided endorsement and guarantee for its subsidiary, Texio Technology Corp., at the amount of JPY480,000 thousand to the lending bank. Please refer to Attachment 2.

(3) The Company provided endorsement and guarantee for its subsidiary, Good Will Instrument Euro B.V., at the amount of EUR 186 thousand to the lending bank. Please refer to Attachment 2.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

10. Losses due to major disasters

None.

11. Significant subsequent events

None.

12. Other

(1) Categories of financial instruments

Financial assets

	As of December 31, 2023	As of December 31, 2022
Financial assets at fair value through profit or loss		
Mandatorily measured at fair value through profit or loss	$2,189	$2,189
Financial assets measured at amortized cost		
Cash and cash equivalents (exclude cash on hand)	249,783	294,152
Financial assets measured at amortized cost	2,908	27,418
Notes receivable	9,240	12,391
Accounts receivable	517,414	532,433
Other receivables	53,481	25,980
Refundable deposits	4,767	1,847
Subtotal	837,593	894,221
Total	$839,782	$896,410

Financial liabilities

	As of December 31, 2023	As of December 31, 2022
Financial liabilities at amortized cost:		
Short-term loans	$174,000	$380,000
Accounts payable	93,145	153,612
Accounts payable-related parties	60,354	30,734
Other payables	217,094	218,220
Guarantee deposits	192	192
Lease liabilities	8,838	-
Total	$553,623	$782,758

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take into account the interdependencies between risk variables.

<u>Foreign currency risk</u>

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for US dollars and JPY. The information of the sensitivity analysis is as follows:

A. When NTD strengthens/weakens against foreign currency USD by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by NT$3,605 thousand and NT$4,628 thousand, respectively.

B. When NTD strengthens/weakens against foreign currency JPY by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by NT$1,318 thousand and NT$1,407 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to decrease/increase by NT$171 thousand and NT$377 thousand, respectively.

Equity price risk

The fair value of the Company's unlisted equity securities are susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's unlisted equity securities are classified under financial assets measured at fair value through profit or loss. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

Please refer to Note 12. (8) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivables) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

As of December 31, 2023 and 2022, the top ten accounts receivables from counter parties represented 76% and 79% of the total accounts receivables of the Company, respectively. The credit concentration risk of accounts receivables was insignificant.

Credit risk from balances with banks and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for accounts receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates. The details of the assessment for the credit risk of the Company are described as follows:

Level of credit risk	Indicator	Loss rate	Measurement method for expected credit losses	Total carrying amount as of December 31, 2023	2022
Low credit risk	Counter parties with good credit rating	0%	12-month expected credit losses	$2,908	$27,418
Simplified approach (Note)	(Note)	0~100%	Lifetime expected credit losses	526,898	545,221

Note: By using simplified approach (loss allowance is measured at lifetime expected credit losses), including notes and accounts receivable.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest.

Non-derivative financial liabilities

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
2023.12.31					
Short-term loans	$174,664	$-	$-	$-	$174,664
Accounts payable	93,145	-	-	-	93,145
Accounts payable-related parties	60,354	-	-	-	60,354
Other payables	217,094	-	-	-	217,094
Guarantee deposits	192	-	-	-	192
Lease liabilities	3,955	5,052	-	-	9,007

	Less than 1 year	2 to 3 years	4 to 5 years	> 5 years	Total
2022.12.31					
Short-term loans	$381,377	$-	$-	$-	$381,377
Accounts payable	153,612	-	-	-	153,612
Accounts payable-related parties	30,734	-	-	-	30,734
Other payables	218,220	-	-	-	218,220
Guarantee deposits	192	-	-	-	192

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term loans	Long-term borrowings	Guarantee deposits	Lease liabilities	Total liabilities from financing activities
As of January 1, 2023	$380,000	$-	$192	$-	$380,192
Cash flows	(206,000)	-	-	(2,859)	(208,859)
Non-cash changes	-	-	-	11,697	11,697
As of December 31, 2022	$174,000	$-	$192	$8,838	$183,030

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term loans	Long-term borrowings	Guarantee deposits	Total liabilities from financing activities
As of January 1, 2022	$135,000	$-	$516	$135,516
Cash flows	245,000	-	(324)	244,676
Non-cash changes	-	-	-	-
As of December 31, 2022	$380,000	$-	$192	$380,192

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, accounts receivables, accounts payable and other current liabilities approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds and futures etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations (including private placement of listed equity securities, unquoted public company and private company equity securities) are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information (for example, inputs such as discount for lack of marketability, P/E ratio of similar entities and Price-Book ratio of similar entities).

B. Fair value of financial instruments measured at amortized cost

The carrying amount of the Company’s financial assets and liabilities measured at amortized cost approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12. (8) for fair value measurement hierarchy for financial instruments of the Company.

(8) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date, the amount includes the contractual interest

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly

Level 3 – Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

As of December31,2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$-	$-	$2,189	$2,189

As of December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$-	$-	$2,189	$2,189

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	Assets
	Measured at fair value through profit or loss
	Stocks
Beginning balances as of January 1, 2023	$2,189
Amount recognized in net income (presented in "Other gains and losses")	-
Ending balances as of December 31, 2023	$2,189

	Assets
	Measured at fair value through profit or loss
	Stocks
Beginning balances as of January 1, 2022	$2,189
Amount recognized in net income (presented in "Other gains and losses")	-
Ending balances as of December 31, 2022	$2,189

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

As of December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Measured at fair value through profit or loss					
Stocks	Market approach	P/E ratio of similar entities	-	The higher the P/E ratio of similar entities, the higher the fair value of the stocks	1% increase (decrease) in the P/E ratio of similar entities would result in increase (decrease) in in parent The Company's profit or loss by NT$22 thousand

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

As of December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Measured at fair value through profit or loss					
Stocks	Market approach	P/E ratio of similar entities	-	The higher the P/E ratio of similar entities, the higher the fair value of the stocks	1% increase (decrease) in the P/E ratio of similar entities would result in increase (decrease) in in parent The Company's profit or loss by NT$22 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's finance department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The Department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

None.

(9) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

Unit: thousands of foreign currency

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$12,313	30.66	$377,504
JPY	844,573	0.2152	181,752
Non-monetary items:			
USD	5,053	30.66	155,009
RMB	22,469	4.30	96,618

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

	As of December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial liabilities			
Monetary items:			
USD	$553	30.66	$16,960
JPY	231,660	0.2152	49,853

	As of December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$15,153	30.66	$464,606
JPY	693,042	0.2304	159,677
Non-monetary items:			
USD	4,699	30.66	144,078
RMB	25,487	4.38	111,635
Financial liabilities			
Monetary items:			
USD	$60	30.66	$1,854
JPY	82,206	0.2304	18,944

Since there were various functional currencies used within the subsidiaries of the Company, the Company was unable to disclose foreign exchange gains (losses) towards each foreign currency with significant impact. The realized and unrealized foreign exchange gains (losses) was NT$(14,756) thousand and NT$16,380 thousand for the years ended December 31, 2023 and 2022, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(10) Capital management

The primary objective of the Company’s capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Additional disclosures

(1) Information at significant transactions

A. Financial provided to others: Please refer to Attachment 1.
B. Endorsement/guarantee provided to others: Please refer to Attachment 2.
C. Securities held at the end of the period: Please refer to Attachment 3.
D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
G. Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 5.
I. Financial instruments and derivative transactions: None.

(2) Information on investees

A. Of the investee company directly or indirectly has significant influence or control over, their investee companies' information (not including investees in Mainland China): refer to Attachment 6.

B. For those who directly or indirectly pose significant influence or control over the investee company, please disclose the following:

(a) Financing provided to others: None.
(b) Endorsement/guarantee provided to others: None.
(c) Securities held at the end of the period: Please refer to Attachment 3.
(d) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
(e) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
(f) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20 percent of the capital stock: None.
(g) Related party transactions for purchases and sales amounts exceeding the lower of NT$100 million or 20 percent of the capital stock: Please refer to Attachment 4.
(h) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20 percent of capital stock: Please refer to Attachment 5.
(i) Financial instruments and derivative transactions: None.

(Expressed in thousands of New Taiwan Dollars unless otherwise specified)

(3) Information on investments in mainland China

A. Investee Company name, main businesses and products, total amount of paid-in capital, method of investment, accumulated inflow and outflow of investments from Taiwan, net income (loss) of investee company, percentage of ownership, investment income or loss, carrying amount of investments cumulated, inward remittance of earnings and limit on investment in Mainland China: Please refer to Attachment 7.

B. Directly or indirectly significant transactions through other regions with the investees in Mainland China, including price, payment terms, unrealized gain or loss, and other events with significant effects on the operating results and financial condition are disclosed as follows:

(a) Accumulated amount and percentage of purchase and related payables at the end of the period:

Cost of triangular trade

	Purchases for the year ended December 31, 2023		Accounts payable as of December 31, 2023		Purchases for the year ended December 31, 2022		Accounts payable as of December 31, 2022	
	Amount	% (Note 1)	Amount	% (Note 2)	Amount	% (Note 1)	Amount	% (Note 2)
Good Will Instrument (Suzhou) Co., Ltd.	$251,994	22	$-	-	$323,155	26	$-	-

Note 1： Percentage of net purchases.
Note 2： Percentage of total notes payable, notes payable - related parties, accounts payable and accounts payable - related parties.

(b) Accumulated amount and percentage of sales and related receivables at the end of the period:

	Sales for the year ended December 31, 2023		Accounts as of December 31, 2023		Sales for the year ended December 31, 2022		Accounts as of December 31, 2022	
	Amount	% (Note 1)	Amount	% (Note 2)	Amount	% (Note 1)	Amount	% (Note 2)
Good Will Instrument (Suzhou) Co., Ltd.	$480,406	24	$83,663	16	$546,509	27	$136,386	25

Note 1： Percentage of net sales.
Note 2： Percentage of total notes receivable, notes receivable - related parties, accounts receivable and accounts receivable - related parties.

(c) Amount of property transaction and related gain or loss: None.
(d) Endorsement/guarantee provided to others at the end of the period: None.
(e) Financing provided to others at the end of the period: None.
(f) Other significant transactions, such as service provided or received: None.

(4) Information on major shareholders: Please refer to Attachment 8.

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 1: Financing provided to others (Unit: thousands of NTD/ foreign currency)

No. (Note1)	Lender	Counter-party	Financial Statement Account (Note 2)	Related Party	Maximum Balance for the Period (Note 3)	Ending balance (Note 8)	Actual amount provided	Interest Rate	Nature of Financing (Note 4)	Amount of sale to (purchase from) counter-party (Note 5)	Reason for Financing (Note 6)	Loss allowance	Collateral Item	Collateral Value	Limited of financing amount for individual counter-party (Note 9)	Limit of total financing amount (Note 9)	Note
0	Good Will Instrument Co., Ltd.	Texio Technology Corp.	Other receivables	Y	21,520 (JPY100,000)	21,520 (JPY100,000)	21,520 (JPY100,000)	0.26%	Short-term financing	-	Need for operating	-	-	-	$274,166	$1,096,664	
0	Good Will Instrument Co., Ltd.	Prodigit Electronics Co., Ltd.	Other receivables	Y	30,000	30,000	30,000	1.50%	Short-term financing	-	Need for operating	-	-	-	$274,166	$1,096,664	

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: If the economic substance of transactions are financing to others, regardless of which component they are recognized as in the financial statements, certain transactions are included herein.

Note 3: Maximum balance of the Company and its subsidiaries' financing to others for the year ended December 31, 2023.

Note 4: The nature of the financing should be classified as a business transactions or as necessary for short-term financing.

Note 5: Total amount of the financing is disclosed herein if the financing was related to business transactions. The amount shall refer to the transaction amount between the lending entity and the borrower within the most recent year.

Note 6: The reasons and counterparties of the financing are addressed herein as the financing associated with short-term capital needs, for example: refund liability, equipment purchase, operation needs, etc.

Note 7： The process of providing finance to others, the limits to individual counterparties and the total financing limit for the company should be noted, as well as the computations.

Note 8： If a listed company brings the financing proposal to the board of directors according to Paragraph 1, Article 1 of the Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the resolution amount of the board in the balance to disclose the risk, even if the funds are not appropriated yet. With the return of the funds afterward, the company should disclose the amount returned to reflect the adjusted risk. If a listed company authorizes the chairman of the board of directors to appropriate or use certain limits of the funds several times in the period of a year according to Paragraph 2, Article 14 of Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees by Public Companies, the company still needs to disclose the amount approved by the board.

Note 9： The lending limit for individual targets is limited to 10% of the net worth of the lending company, and the total lending limit is limited to 40% of the net worth of the lending company.

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 2: Endorsement/guarantee provided to others (Unit: thousands of NTD/ foreign currency)

No. (Note 1)	Endorser/ Guarantor	Receiving party Company Name	Receiving party Relationship (Note 2)	Limits of Endorsement /Guarantee Amount for Receiving Party(Note 4)	Maximum Balance for the Period	Ending Balance	Actual amount provided	Amount of Collateral Guarantee/ Endorsement	Percentage of Accumulated Guarantee Amount to Net Assets Value from the Latest Financial Statement	Limit of total Endorsement/ Guarantee Amount (Note 3)	Endorsement/ Guarantee Provided by Parent Company	Endorsement/ Guarantee Provided by Subsidiaries	Endorsement or Guarantee for Entities in China.
0	Good Will Instrument Co., Ltd.	Texio Technology Corp.	2	$548,332	$103,296 (JPY480,000)	$103,296 (JPY480,000)	$12,912 (JPY60,000)	-	4%	$1,096,664	Y	N	N
0	Good Will Instrument Co., Ltd.	Good Will Instrument Euro B.V	2	548,332	6,283 (EUR 186)	6,283 (EUR 186)	-	-	-%	1,096,664	Y	N	N

Note 1: The Company and its subsidiaries are coded as follows:

1. The Company is coded "0".
2. The subsidiaries are coded starting from "1" in numerical order.

Note 2: Endorsees are disclosed as one of the following:

1. A company with which it does business.
2. A company in which the public company directly and indirectly holds more than 50% of the voting shares.
3. A company that directly and indirectly holds more than 50% of the voting shares in the public company.
4. A company in which the public company holds, directly or indirectly, 90% or more of the voting shares.
5. A company that fulfills its contractual obligations by providing mutual endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
6. A company that all capital contributing shareholders make endorsements/ guarantees for their jointly invested company in proportion to their shareholding percentages.
7. Companies in the same industry provide among themselves joint and several security for a performance guarantee of a sales contract for pre-construction homes pursuant to the Consumer Protection Act for each other.

Note 3: The aggregate amount of the cumulative guarantee obligations on external endorsements is limited to 40% of the Company's net worth for the period. If a contingent loss is recognized in the financial statements, the amount recognized should be noted.

Note 4: The endorsement and guarantee limit for a single enterprise shall not exceed 20% of the net worth of the current period, except for those subsidiaries in which the Company directly owns more than 90% of the common shares.

Note 5: The Company bears the responsibility of endorsements or guarantees as long as the ceilings on the amount of guarantees or endorsements are approved by banks. Other occurrences related to endorsement or guarantee shall be included in the balance.

Note 6: Fill in the actual amount drawn from the balance.

Note 7: Fill in "Y" if it belongs to "Parent Company Endorsement or Guarantee for the Subsidiaries", "Subsidiaries Endorsement or Guarantee for the Parent Company", or "Endorsement or Guarantee for Entities in China".

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 3: Securities held at the end of the period

(Unit: thousands of NTD/ foreign currency)

Holding Company	Type and Name of Securities (Note 1)	Relationship (Note 2)	Financial Statement Account	As of December 31, 2023				Remark (Note 4)
				Units/Shares	Carrying Amount (Note 3)	Percentage of Ownership	Fair Value	
Good Will Instrument Co., Ltd.	Securities－ Microtest Corporation	-	Financial assets at fair value through profit or loss - non-current	119,850	$1,287	1%	$1,287	
	Securities－ Finestar Technologies Inc.	-	〃	148,750	902	9%	902	
	Securities－ Yotascope Technologies Co., Ltd.	-	〃	200,000	-	5%	-	
					$2,189			
Good Will Instrument (Suzhou) Co., Ltd.	Industrial and Commercial Bank of China Financial Products － Tianlibao Net Value Financial Product TLB1801	-	Financial assets at fair value through profit or loss - current		$68,800		68,800	
Good Will Instrument (Suzhou) Co., Ltd.	Securities－ Denkei Technology R&D (Shanghai) Co., Ltd.	-	Financial assets at fair value through other comprehensive income - non-current	8,397,650	$51,998	19.76%	51,998	
Texio Technology Corp.	Securities－ Nihon Denkei Co., Ltd.	-	Financial assets at fair value through other comprehensive income - current	78,006.858 (Note 5)	$31,439		31,439	

Note 1: The securities herein shall refer to stocks, bonds, beneficiary certificates and other marketable securities derived from the above items in the scope of IFRS 9-Financial Instruments.

Note 2: Securities issued by non-related parties are not required to fill in this column.

Note 3: For items measured at fair value, the carrying value is the balance of the book value adjusted by fair value valuation deducting accumulated impairment. For items not measured at fair value, the carrying value is the book value balance of the historical cost or amortized cost after deducting accumulated impairment.

Note 4: Securities with restrictions because of being provided for security, as pledge or under other covenants should state the number of shares or dollar amount provided for security or pledge and the restriction terms.

Note 5: Among which, 37,656.858 units were invested through stock ownership association of Nihon Denkei.

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 4: Related party transactions for purchases and sales amounts reaching NT$100 million or 20 percent of the paid-in capital or more (Unit: thousands of NTD/ foreign currency)

Purchaser (Seller)	Counter-party	Relationship	Transaction Details				Details of Different from Non-arm's Length Transactions (Note 1)		Notes and Accounts Receivable (Payable)		Remark (Note 2)
			Purchases (Sales)	Amount	Percentage of Total Purchases (sales)	Credit Term	Unit Price	Credit Term	Balance	Percentage of Total Receivable (Payable)	
Good Will Instrument Co., Ltd.	Texio Technology Corp.	Parent-Subsidiary	(Sales)	$(223,657)	(11)%	Similar to general trading terms	-	-	$148,631	28%	
Texio Technology Corp.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	Purchases	223,657	52%	Similar to general trading terms	-	-	(148,631)	(69)%	
Good Will Instrument Co., Ltd.	Good Will Instrument (Suzhou) Co., Ltd.	Parent-Sub-Subsidiary	(Sales)	(480,406)	(24)%	Similar to general trading terms	-	-	83,663	16%	
Good Will Instrument (Suzhou) Co., Ltd.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	Purchases	480,406	62%	Similar to general trading terms	-	-	(83,663)	(43)%	
Good Will Instrument Co., Ltd.	Instek America Corp.	Parent-Subsidiary	(Sales)	(168,873)	(8)%	Similar to general trading terms	-	-	8,071	2%	
Instek America Corp.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	Purchases	168,873	100%	Similar to general trading terms	-	-	(8,071)	(45)%	
Good Will Instrument Co., Ltd.	Good Will Instrument Euro B.V.	Parent-Subsidiary	(Sales)	(192,465)	(9)%	Similar to general trading terms	-	-	24,626	5%	
Good Will Instrument Euro B.V.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	Purchases	192,465	100%	Similar to general trading terms	-	-	(24,626)	(100)%	
Good Will Instrument (Suzhou) Co., Ltd.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	(Sales)	(252,265)	(21)%	Similar to general trading terms	-	-	-	-	
Good Will Instrument Co., Ltd.	Good Will Instrument (Suzhou) Co., Ltd.	Parent-Subsidiary	Purchases	252,265	28%	Similar to general trading terms	-	-	-	-	
Texio Technology Corp.	Good Will Instrument Co., Ltd.	Subsidiary-Parent	(Sales)	(183,500)	(32)%	Similar to general trading terms	-	-	49,488	9%	
Good Will Instrument Co., Ltd.	Texio Technology Corp.	Parent-Subsidiary	Purchases	183,500	9%	Similar to general trading terms	-	-	(49,488)	(5)%	
Good Will Instrument (Suzhou) Co., Ltd.	Instek Electronic (Shanghai) Co., Ltd.	Affiliated company	(Sales)	(161,246)	(13)%	Similar to general trading terms	-	-	19,001	6%	
Instek Electronic (Shanghai) Co., Ltd.	Good Will Instrument (Suzhou) Co., Ltd.	Affiliated company	Purchases	161,246	100%	Similar to general trading terms	-	-	(19,001)	(100)%	

Note 1: If the related parties' trading terms are different from the general trading terms, the differences and reasons for such differences should be stated in the "Unit price" and "Terms" columns.

Note 2: Transactions with advance receipts and prepayments should state the reasons, the terms of agreements, the amount and the difference from general transactions in the Remark column.

Note 3: The amount of paid-in capital refers to the parent company's paid-in capital.

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 5: Receivables from related parties with amounts reaching NT$100 million or 20 percent of paid-in capital or more (Unit: thousands of NTD/ foreign currency)

Company	Counter-party	Relationship	Ending Balance (Note 1)		Turnover	Overdue Receivables		Amount Received in Subsequent Period	Loss Allowance
						Amount	Collection		
Good Will Instrument Co., Ltd.	Texio Technology Corp.	Parent-Subsidiary	Accounts receivable	$ 148,631	1.45	$-	-	$-	-

Note 1: Fill in information such as related parties accounts receivables, notes receivable, other receivables, etc.

Note 2: Paid-in Capital shall refer to the paid-in capital of parent company. If the issuer's stock is not denominated or the denomination is not NT$10, the transaction amount of 20% of the paid-up capital shall be calculated as 10% of the equity of the parent company on the balance sheet.

Good Will Instrument CO., LTD.
Notes to parent company only financial statements (continued)

Attachment 6: Names, locations and related information of investees over which the company exercises significant influence (not including information on investments in Mainland China) (Unit: thousands of NTD/ foreign currency)

Investor Company	Investee Company (Note 1,2)	Location	Main Businesses and products	Initial Investment		Ending Balance			Net Income (Losses) of Investee Company (Note 2(2))	Share of Profits (Losses) Recognized (Note 2(3),3)
				Ending Balance	Beginning Balance	Number of Shares	Percentage of Ownership	Carrying Amount		
Good Will Instrument Co., Ltd.	Good Will Instrument (Sea) Sdn. Bhd.	Malaysia	Agent of the company to sale instrument and render repair business in Malaysia	$9,320	$9,320	1,000,000	100%	$11,432	$1,079	$1,502
	Instek America Corp.	America	Agent of the ompany to sale and render repair business in North America	24,400	24,400	750,000	100%	133,665	11,080	13,718
	Instek (Samoa) Co., Ltd.	Samoa	Holding company investing Good Will Instrument (Suzhou) Co., Ltd.	285,830 (USD8,820)	285,830 (USD8,820)	10,000,000	100%	632,164	81,144	84,429
	Good Will Instrument Korea Co., Ltd	Korea	Agent of the company to sale instrument and render repair business in Korea	14,888 (USD455)	14,888 (USD455)	52,750	100%	77,139	12,427	13,057
	Texio Technology Corp.	Japan	Agent of the company to sale instrument and render repair business in Japan	34,200 (JPY90,000)	34,200 (JPY90,000)	1,800	100%	88,931	18,018	21,650
	Good Will Instrument Euro B.V.	Netherlands	Agent of the company to sale instrument and render repair business in Europe	17,446 (EUR500)	17,446 (EUR500)	500,000	100%	59,776	23,778	25,250
	Gw Instek India LLP	India	Agent of the company to sale instrument and render repair business in India	6,384 (INR14,000)	6,384 (INR14,000)	14,000,000	100%	(638)	1,032	4,670
	Prodigit Electronics Co., Ltd.	Taiwan	Design, manufacture, sales and testing services for instrument equipment	444,960	444,960	14,400,000	100%	450,930	15,270	(4,168)
	Coreslink Corp., Ltd.	Taiwan	Data storage media manufacturing and information software services	10,000	10,000	2,500,000	25%	9,718	(606)	(282)

Note 1: A listed company which has a foreign holding company that uses the consolidated financial statements as the master financial report according to its local regulations may disclose information regarding foreign investees only to the extent of the holding company.

Note 2: Fill in information following the instruction below for matters not applied in Note 1 indicated above:

(1) The columns of "Investee Company", "Location", "Main Businesses and products", "Initial Investment" and "Ending Balance" should fill in information of the reinvestment of the listed company, reinvestment of every direct or indirect reinvestment of the investee, and disclose the relationship of the investees with the Company in the Remark column.(Such as subsidiary or sub-subsidiary)

(2) The column of "Net Income (Losses) of Investee Company" should fill in the current profit or loss of the investees.

(3) The column of "Share of Profits (Losses) recognized" only require profit / loss of the direct investees and all investees accounted for under the equity method. When filling in the above items, make sure the profit / loss of direct investee subsidiaries include the profit or loss of their reinvestments that are required to be recognized.

Note 3: It includes unrealized intercompany profit from current period.

GOOD WILL INSTRUMENT CO., LTD.

Notes to parent company only financial statements (continued)

Attachment 7: Information on investments in Mainland China (Unit: thousands of NTD/ foreign currency)

Investee Company	Main Business and Products	Total Amount of Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Investment Flows		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Loss) of Investee Company	Percentage of Ownership	Profit or Loss on Investment (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Inward Remittance of Earnings as of December 31, 2023
					Outflow	Inflow						
Instek Electronic (Shanghai) Co., Ltd.	Agent of the company to sale instrument and render repair business in China	$61,320 (USD2,000)	(i)	$61,320 (USD2,000)	$-	$-	$61,320 (USD2,000)	$2,789	100%	$2,789 (ii).c	$96,618	$141,404 (USD4,612)
Good Will Instrument (Suzhou) Co., Ltd.	Design, manufacture, sales and testing services for instrument equipment	306,600 (USD10,000) (Note 5)	(ii)	270,421 (USD8,820)	-	-	270,421 (USD8,820)	90,160	100%	90,160 (ii).c	687,560	196,500 (USD6,409)

Accumulated Investment in Mainland China as of December 31, 2023 (Note 6)	Investment Amount Authorized by Investment Commission, Ministry of Economic Affairs (Note 7)	Limit on Investment Amount to Mainland China (Note 4)
$331,741 (USD10,820)	$367,920 (USD12,000)	$1,644,995

Note 1: The methods for engaging in investment in Mainland China include the following:

(i) Direct investment in Mainland China companies.

(ii) Investment in Mainland China companies through a company invested and established in a third region

(iii) Other methods

Note 2: In the column of profit or loss on investment:

(i) The investment still in preparation and not generating profit or loss yet should be noted.

(ii) The gain or loss on investment were determined based on the following:

a. The financial report was audited and certified by an international accounting firm in cooperation with an R.O.C. accounting firm

b. The financial statements certificated by the CPA of the parent company in Taiwan

c. Others

Note 3: The amount of this attachment is expressed in New Taiwan Dollars.

Note 4: According to Item 3 of the "Principles for Examination of Investment or Technical Cooperation in Mainland China" amended by Order No. 10804600980 issued by the Ministry of Economic Affairs on March 12, 2019, the cumulative amount of investment in Mainland China shall not exceed 60% of the net assets or consolidated net assets , whichever is higher.

Note 5: The investment amount approved by the Investment Commission of the Ministry of Economic Affairs is $284,900 (USD10,000), in which the amount of USD1,180 represented capital increase out of earnings from the investment in Mainland China is excluded from the Company's limit.

Note 6: Yalisi Inspection & Testing (Suzhou) Co., Ltd. remitted investment from Taiwan to Mainland China amounting to JPY79,604 as of the end of the period, and the cancellation of registration was completed on May 24, 2021, and obtained a cancellation letter from the Investment Commission, Ministry of Economic Affairs in 2023.

Note 7: Yalisi Inspection & Testing (Suzhou) Co., Ltd. was approved to invest USD1,600 by the Investment Commission of the Ministry of Economic Affairs, and the cancellation of registration was completed on May 24, 2021, and obtained a cancellation letter from the Investment Commission, Ministry of Economic Affairs in 2023.

Attachment 8: Information on major shareholders (Unit: share)

Shares / Major shareholders	Total shares owned	Ownership percentage	Remark
TingHao Co., Ltd.	27,560,000	19.00%	
Famiter Co., Ltd.	27,560,000	19.00%	
Jiayang Investment Co., Ltd.	11,754,458	8.10%	

Note: If a company applies for this table, it should state the following in the notes to this attachment.

(1) The information on major shareholders in this table is based on the last business day of each quarterly period, and is calculated on the basis of shareholders holding at least 5% of the Company's common shares and preferred shares that have been delivered without physical registration (including treasury shares). The number of shares recorded in the Company's financial statements and the actual number of shares delivered without physical registration may differ from the basis of calculation.

(2) The above information is revealed by the trustee of the trust account opened by the trustee for the shareholders who have delivered their shares to the trust. As for the shareholder's shareholding of more than 10% of the shares in accordance with the Securities and Exchange Act, the shareholding of the shareholder includes his or her own shares plus the shares delivered to the trust and has the right to decide on the use of the trust property, etc. Please refer to the Market Observation Post System for the information on insider shareholding reporting.

GOOD WILL INSTRUMENT CO., LTD.

THE CONTENT OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

For the year ended December 31, 2023

Good Will Instrument Co., Ltd.

1. Statement of Cash and Cash Equivalents

As of December 31, 2023

(In Thousands of NTD/Foreign Currency)

Item	Description	Amount	Note	
Cash on hand				
	New Taiwan Dollar	$100		
	Foreign Currency	184		
	Subtotal	284		
Cash in banks				
Demand deposits				
Maga Bank-Bannan	#027-09-01566-6	47,826	Cash and Cash	
	Other accounts with amounts	1,955	Equivalents were	
	less than NT$2,000 thousand		not pledged.	
Foreign currency deposits			Foreign currency	
Maga Bank-Bannan	#1666-8	122,032	USD	3,980
	#1666-8	25,036	EUR	741
	#1666-8	31,031	JPY	144,196
Fubon Bank-Banqiao	#721180020569	12,838	USD	419
	Other accounts with amounts	919		
	less than NT$2,000 thousand		Foreign currency	
			exchange rate	
			USD	30.66
			EUR	33.78
			JPY	0.215
	Subtotal	241,637		
Cash in transit			Foreign currency	
	Foreign Currency	8,146	USD	266
			Foreign currency	
			exchange rate	
			USD	30.66
	Subtotal	8,146		
	Total	$250,067		

Good Will Instrument Co., Ltd.

2. Statement of Financial Assets Measured at Amortized Cost - Current

As of December 31, 2023

(In Thousands of NTD/Foreign Currency)

Item	Description	Units	Par Value	Amount	Interest Rate	Book Value	Accumulated Impairment	Collateral	Note
Time deposit (NTD)	Mega Bank	1	$1,343	$1,343	1.57%	$1,343	$ -	Refer to Note 8	
Time deposit (NTD)	Mega Bank	1	1,564	1,565	1.57%	1,565	-	Refer to Note 8	
	Subtotal					2,908			
	Total					$2,908			

Good Will Instrument Co., Ltd.

3. Statement of Notes Receivable

As of December 31, 2023

(In Thousands of NTD)

Client name	Description	Amount	Note
Guo Ce Electrical Co., Ltd.	Payment for goods	$1,267	
Intelligent System Corp.	"	681	
Jekao Telecom Enterprises Co., Ltd.	"	639	
Xi Lin Co., Ltd.	"	637	
Jing An Technology Company Limited	"	625	
Hua Heng Technology Co., Ltd.	"	576	
Tsai Shen-Chuan Co., Ltd.	"	557	
Song Chuan Precision Co., Ltd.	"	517	
Other	The amount of individual item in others does not exceed 5% of the account balance	3,741	
Subtotal		9,240	
Less: loss allowance		-	
Net Amount		$9,240	

Good Will Instrument Co., Ltd.

4. Statement of Accounts Receivable

As of December 31, 2023

(In Thousands of NTD)

Client name	Description	Amount	Note
Accounts receivable for third party			
Apple Inc	Payment for goods	$52,817	
RS	〃	13,566	
Other	The amount of individual item in others does not exceed 5% of the account balance	130,131	
Subtotal		196,514	
Less: loss allowance		(244)	
Net Amount		196,270	
Accounts receivable from installment sales			
Yaohua Electronics Industrial Co.	Payment for goods	947	
Less: Unrealized Interest Income		(77)	
Net Amount		870	
Total		$197,140	
Accounts receivable from related parties			
Texio Technology Corp.	Payment for goods	$148,631	
Good Will Instrument (Suzhou) Co., Ltd.	〃	83,663	
GW Instek India LLP	〃	31,966	
Good Will Instrument Euro B.V.	〃	24,626	
Good Will Instrument Korea Co.Ltd	〃	20,858	
Other	The amount of individual item in others does not exceed 5% of the account balance	10,530	
Total		$320,274	

Good Will Instrument Co., Ltd.

5. Statement of Other Receivables

As of December 31, 2023

(In Thousands of NTD)

Client name	Description	Amount	Note
Texio Technology Corp.	related parties	$21,965	The amount of individual item in others does not exceed 5% of the account balance
Prodigit Electronics Co., Ltd.	related parties	30,032	
Other	related parties	1,227	
Total		$53,224	
Other		$257	
Less: loss allowance		-	
Total		$257	

Good Will Instrument Co., Ltd.

6. Statement of Inventories

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount		Note
		Cost	Net realizable value	
Merchandise inventory		$31,403	$31,403	1.No inventories were pledged. 2.Inventories are valued at lower of cost and net realizable value item by item.
Finished goods		127,804	122,955	
Work in progress		63,712	63,712	
Raw materials		261,269	212,353	
Goods in transit		26,562	26,562	
Total		510,750	$456,985	
Less: Allowance to reduce inventory to market		(53,765)		
Net Amount		$456,985		

Good Will Instrument Co., Ltd.

7. Statement of Prepayments

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Prepayment		$161	
Prepaid expenses			
Prepaid insurance		543	
Other		4,384	
Subtotal		4,927	
Total		$5,088	

Good Will Instrument Co., Ltd.

8. Statement of Other Current Assets

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Temporary payments		$1,054	
Payment on behalf of others		767	
Total		$1,821	

Good Will Instrument Co., Ltd.

9. Statement of Changes in Financial Assets at Fair Value Through Profit or Loss - Non - Current

For The Year Ended December 31, 2023

(In Thousands of NTD)

Name of securities	As of January 1, 2023		Addition		Disposals		As of December 31, 2023		Collateral	Note
	Shares	Book Value	Shares	Amount	Shares	Amount	Shares	Book Value		
Microtest Corporation	119,850	$1,287	-	$-	-	$-	119,850	$1,287	No	Impairment loss of NT$1,636 thousand was recognized
Finestar Technologies Inc.	148,750	902	-	-	-	-	148,750	902	No	Impairment loss of NT$2,073 thousand was recognized
Yotascope Technologies Co., Ltd.	200,000	-	-	-	-	-	200,000	-	No	Impairment loss of NT$2,000 thousand was recognized
Total		$2,189		$-		$-		$2,189		

Good Will Instrument Co., Ltd.

10. Statement of Changes in Investments Accounted for Using the Equity Method

For The Year Ended December 31, 2023

(In Thousands of NTD)

Name of securities	As of January 1, 2023		Addition		Decrease		As of December 31, 2023			Fair value/Net Assets Value		Collateral	Note
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	%	Amount	Per (dollar)	Total		
Instek Electronic (Shanghai) Co., Ltd.	-	$111,635		$2,789 Note 1		($1,399) Note 2 (16,407) Note 5	-	100%	$96,618		$96,618	No	
Good Will Instrument (Sea) Sdn. Bhd.	1,000,000	9,653		1,502 Note 1 815 Note 3		(538) Note 2	1,000,000	100%	11,432		12,856	No	
Instek America Corp.	750,000	121,178		13,718 Note 1		(150) Note 2 (1,081) Note 3	750,000	100%	133,665		155,009	No	
Instek (Samoa) Co., Ltd.	10,000,000	609,666		84,429 Note 1 2,623 Note 3		(13,372) Note 2 (33,754) Note 5 (17,428) Note 4	10,000,000	100%	632,164		668,122	No	
Good Will Instrument Korea Co., Ltd.	52,750	64,970		13,057 Note 1 9,926 Note 3		(1,568) Note 2 (9,246) Note 5	52,750	100%	77,139		84,949	No	
Texio Technology Corp.	1,800	69,065		21,651 Note 1 4,254 Note 4		(6,039) Note 2	1,800	100%	88,931		102,369	No	
Good Will Instrument Euro B.V.	500,000	46,765		25,250 Note 1 2,773 Note 2		(15,012) Note 3	500,000	100%	59,776		93,000	No	
Gw Instek India LLP	14,000,000	(2,553)		4,670 Note 1		(60) Note 2 (2,695) Note 3	14,000,000	100%	(638)		7,856	No	
Prodigit Electronics Co., Ltd.	14,400,000	508,983				(4,168) Note 1 (1,114) Note 2 (52,261) Note 5 (510) Note 6	14,400,000	100%	450,930		234,416	No	
Coreslink Corp., Ltd.	2,500,000	10,000				(282) Note 1	2,500,000	25%	9,718		2,524	No	
Total		$1,549,362		$187,457		$(177,084)			$1,559,735		$1,457,719		

Note 1: Investment income (loss) recognized accounted for using the equity method

Note 2: Recognition of exchange differences resulting from translating the financial statements of foreign operations

Note 3: Realized (Unrealized) gross profit on sales

Note 4: Unrealized gain or loss on financial assets at fair value through other comprehensive income or loss

Note 5: Cash dividends paid

Note 6: Remeasurements of defined benefit plans

Note 7: Acquisition in 2023

Good Will Instrument Co., Ltd.

11. Statement of Other Non Current Assets

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Refundable deposits	Security deposit	$4,767	
Other financial assets - non - current	Golf member card	1,560	
Total		$6,327	

Good Will Instrument Co., Ltd.

12. Statement of Short-term loans

As of December 31, 2023

(In Thousands of NTD)

Type	Description	Ending balance	Contract Period	Interest Rates (%)	Lines of credits	Collateral	Note
Short-term debt	Fubon Bank	$74,000	2023/11/28-2024/2/26	1.7450%	$200,000	No	
Short-term secured loan	Mega Bank	100,000	2023/12/28-2024/3/27	1.7000%	150,000	Property, plant and equipment - land and buildings	
		$174,000			$350,000		

Good Will Instrument Co., Ltd.

13. Statement of Contract lLiabilities - Current

As of December 31, 2023

(In Thousands of NTD)

Client name	Description	Amount	Note
SGS Taiwan Limited	Payment for goods	$7,150	
Quanta Computer Inc.	"	4,479	
Tektronix, Inc.	"	1,668	
Inventec Corp.	"	1,200	
Okuwa Technology Co., Ltd.	"	1,150	
Other	The amount of individual item in others does not exceed 5% of the account balance	4,414	
Total		$20,061	

Good Will Instrument Co., Ltd.

14.Statement of Accounts Payable

As of December 31, 2023

(In Thousands of NTD)

Client name	Description	Amount	Note
Third party			
Vivotek Inc.		$9,771	
Microtest Corporation		6,337	
Te Yen Precision Industry Corp.		5,881	
Arrow Electronics Taiwan Ltd.		5,729	
Wt Microelectronics Co., Ltd.		5,303	
Other	The amount of individual item in others does not exceed 5% of the account balance	60,124	
Total		$93,145	
Related parties			
Texio Technology Corp.		$49,488	
Prodigit Electronics Co., Ltd.		7,973	
Other		2,893	
Total		$60,354	

Good Will Instrument Co., Ltd.

15.Statement of Other Payables

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Accrued expenses			
Bonus payable		$85,613	
Salaries payable		28,947	
Unused vacation payable		18,170	
Labor and health insurance payable		5,496	
Professional service Payable		5,463	
Pension payable (Defined contribution plan)		4,389	
Other		18,159	
		166,237	
Other payables			
Accrued remuneration to directors and the employee's compensation		48,186	
Other payables – other		880	
Business tax payable		1,395	
Good Will Instrument (Suzhou) Co., Ltd.	Related parties	24	
Prodigit Electronics Co., Ltd.	Related parties	33	
Good Will Instrument Korea Co.Ltd	Related parties	36	
Gw Instek India LLP	Related parties	303	
		50,857	
Total		$217,094	

Good Will Instrument Co., Ltd.

16.Statement of Current Tax Liabilities

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Current tax liabilities	Estimated income tax for 2023	$70,778	

Good Will Instrument Co., Ltd.

17. Statement Of Other Current Liabilities

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Receipts under custody		$797	
Temporary receipts		3,419	
Total		$4,216	

Good Will Instrument Co., Ltd.

18. Statement Of Guarantee Deposit

As of December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Guarantee deposits		$192	

Good Will Instrument Co., Ltd.

19.Statement of Operating Revenues

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Quantity	Amount	Note
Sales Revenue			
Instrument	80,587 units	$1,791,685	
Video Surveillance	15,911 units	138,787	
Materials	6,710,319 units	99,517	
Subtotal		2,029,989	
Rendering of services		14,109	
Net Operating revenues		$2,044,098	

Good Will Instrument Co., Ltd.

20. Statement of Operating Costs

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Amount		Note
	Subtotal	Total	
Cost of goods sold for self-made produced products			
Direct Material			
Beginning of year	$332,896		
Goods in transit, beginning of year, Raw Material	2,236		
Add: Raw material purchased	366,594		
Less: Raw martial, end of year	(261,269)		
Less: Goods in transit, end of year, Raw Material	(1,912)		
Less: Other	(16,401)		
Direct Labor	45,448		
Factory overheads	78,853		
Manufacturing Costs	546,445		
Add: Work in Progress, beginning of year	98,104		
Less: Raw martial, end of year	(63,712)		
Add: Other	66,664		
Cost of finished goods	647,501		
Add: Finished Goods, beginning of year	118,251		
Add: Finish goods purchased	221,040		
Less: Finished Goods, end of year	(127,804)		
Less: Other	(68,404)	$790,584	
Cost of goods sold of Merchandise			
Merchandise, Beginning of year	27,559		
Goods in transit, beginning of year, Merchandise	6,713		
Add: Merchandise purchased	322,684		
Less: Merchandise, end of year	(31,403)		
Less: Goods in transit, end of year, Merchandise	(24,650)		
Add: Other	19,619	320,522	
Total cost of goods sold		1,111,106	
Other operating costs		6,549	
Maintenance costs - repairs		6,402	
Loss from physical taking		(601)	
Loss for inventory write-down and obsolescence		14,321	
Total operating costs		$1,137,777	

Good Will Instrument Co., Ltd.

21. Statement of Factory Overheads

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Indirect labor		$42,551	
Depreciation		13,928	
Insurance		9,041	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance	13,333	
Total		$78,853	

Good Will Instrument Co., Ltd.

22. Statement of Selling and Marketing Expenses

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Salaries		$123,858	
Insurance		10,843	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance	31,255	
Total		$165,956	

Good Will Instrument Co., Ltd.

23. Statement of General and Administrative Expenses

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Salaries		$118,641	
Miscellaneous		13,176	
Depreciation		9,912	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance	38,401	
Total		$180,130	

Good Will Instrument Co., Ltd.

24. Statement of Research and Development Expenses

For The Year Ended December 31, 2023

(In Thousands of NTD)

Item	Description	Amount	Note
Salaries		$148,147	
Insurance		12,656	
Depreciation		10,592	
Other expenses	The amount of individual item in others does not exceed 5% of the account balance	26,426	
Total		$197,821	