Stock Code: 2478

TA-I Technology Co., Ltd.
Parent Company Only Financial Statement

For the years ended December 31, 2023 and 2022
(including the Independent Auditor's Report)

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Parent Company Only Financial Statement
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Independent Auditor's Report

To Shareholders and the Board of Directors of TA-I Technology Co., Ltd.,

Audit Opinions

We have audited the parent company only statement of financial position as of December 31, 2023, and December 31, 2022, and the parent company only statement of comprehensive income, parent company only statement of changes in equity, parent company only statement of cash flows, and notes to the parent company only financial statement (including the summary of significant accounting policies) for the years then ended of TA-I Technology Co., Ltd..

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

Basis for Opinion

We were engaged to conduct our audits in accordance with the "Regulations Governing Auditing" and auditing standards. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the parent company only financial statements section of our report. The auditors of the firm, subject to the independence regulations, have maintained independence from the TA-I Technology Co., Ltd. in accordance with the Code of Ethics and perform other obligations of such Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of TA-I Technology Co., Ltd. for the year 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that the following matters are key audit matters:

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I. Income recognition

For the accounting policy of income recognition, please refer to Note 4.16 of the parent company only financial statement; for the breakdown of operating income, please refer to Note 6.25 of the parent company only financial statements.

The operating income of TA-I Technology Co., Ltd. is primarily from the production and sales of resistors, and the timing of income recognition is recognized based on the individual transaction conditions with the individual counterparties. As inappropriate timing of income recognition, failure in the reasonable estimation of sales return, and refund of discounts are material matters to income recognition and have effects on TA-I Technology Co., Ltd.'s financial performance, we have included income recognition as one of the most material matters to the audit of the parent company only financial statement of TA-I Technology Co., Ltd..

Relevant audit procedures performed by us include understanding the sales procedures of TA-I Technology Co., Ltd., testing internal control related to income recognition, examining the transaction conditions with material sales customers, executing income cut-off testing, verifying whether sales returns and discounts are appropriately accounted for, and verifying whether measurement and analytical procedures have been performed for the estimate of sales return and discount refund.

II. Inventory valuation

For the accounting policy of inventory valuation, please refer to Note 4.9 of the parent company only financial statement; for significant accounting assumptions and judgment, and major sources of estimation uncertainty, please refer to Note 5.2(2) of the parent company only financial statement; for the breakdown of inventories, please refer to Note 6.5 of the parent company only financial statement.

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As of December 31, 2023, the carrying amount of TA-I Technology Co., Ltd.'s inventory was NT$1,131,017 thousand, accounting for 11% of the total individual assets. TA-I Technology Co., Ltd. primarily engages in the manufacture and sales of resistors, and its production and sales policies are indirectly affected by the changes in the demand of end consumers. When there are damages, entire or partial obsolescence occurs to inventories or the selling price drops, the cost of such inventories may not be recovered. When the estimated cost of completion and the estimated cost required for sales increase, the cost of inventories may also not be recovered. The use and value of inventories are primarily based on the inventory management policy of the management and its estimation of the future sales of the products; however, there are uncertainties for such estimations; therefore, we include inventory valuation as one of the most material matters to the audit of the parent company only financial statement of TA-I Technology Co., Ltd.

The material deciding factor of inventory value is primarily the estimated value of the net realizable value, based on the most reliable evidence of the estimated realizable amount available at the time of estimation. For the matter, relevant audit procedures performed by us include examining and assessing whether the policy adopted by TA-I Technology Co., Ltd. to determine the net realizable value of inventories may reasonably reflect the estimated sales of inventories in the future, historical experiences and other particular circumstances, analyzing and testing the inventory age of inventories to identify whether allowances for inventory write-down has been reasonably provided for particular idle inventories based on historical experiences, and evaluating the level of impacts of events after the period on the verified scope of the circumstances at the end of the period, and the fluctuation of prices or costs that are directly related to the events after the period on the estimated net realizable value of inventories.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for necessary 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 statement, the responsibilities of the management include assessing TA-I Technology Co., Ltd.'s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate TA-I Technology Co., Ltd. or to cease operations or has no realistic alternative but to do so.

Those charged with governance, including the audit committee, are responsible for overseeing TA-I Technology Co., Ltd.'s financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statement

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. The term "reasonable assurance" refers to a high level of assurance. Nevertheless, the audit performed according to the auditing standards cannot guarantee the discovery of material misstatements in the parent company only financial statement. Misstatements can arise from fraud or error. Misstatements 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 the parent company only financial statements.

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

I. Identify and assess the risk of material misstatement of the parent company only financial statement due to fraud or error, design and adopt appropriate countermeasures for the risks assessed, and obtain sufficient and appropriate audit evidence in order to be used as the basis for the 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.

II. Obtain a necessary understanding of internal control concerning the inspection in order to design appropriate inspection procedures that are appropriate for the time being. The purpose, however, is not to effectively express opinions on the internal control of TA-I Technology Co., Ltd..

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

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IV. According to the audit evidence obtained, evaluate the appropriateness of the continuous operation accounting basis and whether events or circumstances possibly generating material concerns on the continuous operation ability of TA-I Technology Co., Ltd. have significant uncertainty and provide a conclusion thereto. In case where we consider that such events or circumstances have a material uncertainty, then relevant disclosure of the parent company only financial statements are required to be provided in our audit report to allow users of parent company only financial statements to be aware of such events or circumstances, or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. Nevertheless, future events or circumstances may cause TA-I Technology Co., Ltd. to have no ability for continuous operation.

V. Evaluate the overall presentation, structure and content of the parent company only financial statement (including relevant notes) and whether the parent company only financial statement represent the underlying transactions and events in a manner that achieves fair presentation.

VI. Obtain sufficient and appropriate audit evidence for the financial information of individual entities of TA-I Technology Co., Ltd. and provide opinions on the parent company only financial statement. We handle the guidance, supervision and execution of the audit on the Company and are responsible for preparing the opinion for the Company.

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 the governance units with statements that we have complied with relevant matters that may reasonably be thought to bear on our independence, and we have also communicated with the governance units on all relationships and other matters (including relevant protective measures) that may be considered to affect the independence of auditors.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of TA-I Technology Co., Ltd.'s 2023 parent company only financial statement and are. Therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Diwan & Company
Financial Supervisory Commission Approval Document No.:
Jin-Guan-Zheng-Shen-Zi No. 1070312218
Jin-Guan-Zheng-Shen-Zi No. 1100149341

Tina Tseng

Certified Public Accountant:
Jimmy Chang

March 13, 2024

TA-I Technology Co., Ltd.
Parent Company Only Statement of Financial Position
December 31, 2023 and December 31, 2022
(in NT$ thousand)

Assets		Note	2023.12.31		2022.12.31	
Code	Accounting items		Amount	%	Amount	%
11xx	Current assets					
1100	Cash and cash equivalents	IV and VI.1	$ 1,233,988	13	$ 945,465	10
1110	Financial assets at fair value through profit or loss - Current	IV and VI.2	1,348	-	1,018	-
1150	Net notes receivable	IV, V, VI.3 and VI.4	216	-	207	-
1170	Net accounts receivable	IV, V and VI.4	339,600	4	289,703	3
1180	Net accounts receivable - Related parties	IV, V and VII	717,076	7	704,016	8
1200	Other receivables	IV, V and VI.9	26,929	-	16,317	-
1210	Other receivables - Related parties	IV, V, VI.9 and VII	2,310	-	677	-
1220	Income tax assets for the period	IV and VI.30	22,219	-	-	-
130x	Inventories	IV, V and VI.5	1,131,017	11	1,224,791	13
1410	Prepayments		58,195	1	75,383	1
1476	Other financial assets - Current	IV, VI.6 and VIII	10,000	-	10,000	-
	Total current assets		3,542,898	36	3,267,577	35
15xx	Non-current assets					
1517	Financial assets at fair value through other comprehensive income					
	Assets - Non-current	IV and VI.7	-	-	-	-
1550	Investment accounted for using the equity method	IV, VI.8, VI.12 and VII	2,902,936	29	3,023,137	32
1600	Property, plant and equipment	IV, VI.9, VI.15, VI.29, VII, VIII, and IX	3,396,277	34	3,022,737	32
1755	Right-of-use assets	IV, VI.10 and VI.15	2,144	-	3,772	-
1780	Intangible assets	IV and VI.11	1,914	-	2,546	-
1840	Deferred income tax assets	IV, V and VI.30	45,908	1	40,174	-
1915	Prepayments for business facilities		35,854	-	27,587	-
1920	Refundable deposits		9,949	-	10,476	-
1960	Prepaid investment amounts	VI.8, VI.12 and IX	-	-	47,463	1
1975	Net-defined benefit assets - Non-current	IV, V and VI.16	6,291	-	7,321	-
1990	Other non-current assets	IV and V	1,140	-	1,919	-
	Total non-current assets		6,402,413	64	6,187,132	65
1xxx	Total assets		$ 9,945,311	100	$ 9,454,709	100

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao Chiang Managerial officer: Tsai-Pao Chiang Chief accountant: Chin-Hsien Lai

TA-I Technology Co., Ltd.
Parent Company Only Statement of Financial Position (Cont'd)
December 31, 2023 and December 31, 2022
(in NT$ thousand)

Liabilities and Equity		Note	2023.12.31		2022.12.31	
Code	Accounting items		Amount	%	Amount	%
21xx	Current liabilities					
2100	Short-term borrowings	IV, VI.13 and VI.32	$ 600,000	6	$ 400,000	4
2170	Accounts payable	IV	446,586	5	307,835	3
2200	Other payables	IV, VI.9, VI.26 and IX	502,659	5	513,524	6
2220	Other payables - Related parties	IV, VI.9 and VII	722,876	7	642,920	7
2230	Current tax liabilities	IV and VI.30	161,659	2	111,662	1
2280	Lease liabilities - Current	IV, VI.15 and VI.32	1,062	-	1,398	-
2322	Long-term borrowings due within one year	IV, VI.14, VI.32 and VIII	299,580	3	220,879	2
2399	Other current liabilities		15,549	-	11,039	-
	Total current liabilities		2,749,971	28	2,209,257	23
25xx	Non-current liabilities					
2540	Long-term borrowings	IV, VI.14, VI.32 and VIII	680,096	7	751,791	8
2580	Lease liabilities - Non-current	IV, VI.15 and VI.32	224	-	1,286	-
	Total non-current liabilities		680,320	7	753,077	8
2xxx	Total Liabilities		3,430,291	35	2,962,334	31
31xx	Equity					
3100	Share capital					
3110	Common share capital	IV, VI.17 and VI.23	1,447,313	15	1,447,313	15
3200	Capital surplus	IV, VI.18, VI.21 and VI.23	1,525,472	15	1,525,472	16
3300	Retained earnings					
3310	Legal reserve	VI.19 and VI.21	890,500	9	828,302	9
3320	Special reserve	VI.20 and VI.21	357,507	3	410,437	4
3350	Undistributed earnings	IV, VI.7 and VI.21	2,708,005	27	2,638,358	28
3400	Other equities					
3410	Exchange differences on translation of the financial statements of foreign operations	IV, VI.8 and VI.22	(298,277)	(3)	(242,007)	(2)
3420	Financial assets					
	Unrealized valuation losses of financial assets at fair value through other comprehensive income	IV, VI.7 and VI.22	(115,500)	(1)	(115,500)	(1)
3491	Unearned remuneration of employees	IV, VI.22 and VI.23	-	-	-	-
3500	Treasury stocks	IV, VI.23 and VI.24	-	-	-	-
3xxx	Total equity		6,515,020	65	6,492,375	69
	Total liabilities and equities		$ 9,945,311	100	$ 9,454,709	100

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao Chiang　　Managerial officer: Tsai-Pao Chiang　　Chief accountant: Chin-Hsien Lai

TA-I Technology Co., Ltd.
Parent Company Only Statements of Comprehensive Income
For the years ended December 31, 2023
and 2022
(in NT$ thousand, apart from earnings per share)

Code	Accounting items	Note	2023		2022	
			Amount	%	Amount	%
4000	Net operating income	IV, VI.25 and VII	$ 4,000,650	100	$ 4,220,131	100
5000	Operating costs	IV, VI.5, VI.15, VI.16, VI.26 and VII	(3,221,081)	(81)	(3,446,611)	(82)
5900	Gross profit		779,569	19	773,520	18
5910	Unrealized gains from sales	IV and VI.8	(93,965)	(2)	(88,381)	(2)
5920	Realized gains from sales	IV and VI.8	88,381	2	145,482	3
5950	Net profit		773,985	19	830,621	19
6000	Operating expenses	IV, VI.15, VI.16, VI.22, VI.23,				
6100	Selling expenses	VI.26 and VII	(62,722)	(1)	(79,395)	(2)
6200	Administrative expenses		(180,109)	(4)	(264,274)	(6)
6300	Research and development expenses		(69,072)	(2)	(55,165)	(1)
	Total operating expenses		(311,903)	(7)	(398,834)	(9)
6900	Operating profit		462,082	12	431,787	10
7000	Non-operating income and expense					
7100	Interest revenue	VI.27	25,315	1	4,807	-
7010	Other income	VI.27 and VII	16,952	-	22,721	-
7020	Other gains or losses	IV, VI.8, VI.15, VI.27, and VII	(2,907)	-	1,117	-
7050	Financial costs	IV, VI.9 and VI.27	(20,730)	(1)	(11,684)	-
7070	Share of gains from subsidiaries recognized by using the equity method	IV, VI.8 and VI.27	22,500	1	164,027	4
7270	Gain on reversal of impairment	IV, VI.9, VI.27 and VI.29	-	-	1,352	-
7230	Net gains from currency exchange	IV and VI.27	568	-	108,430	3
	Total non-operating incomes and expenses		41,698	1	290,770	7
7900	Net income		503,780	13	722,557	17
7950	Income tax expense	IV and VI.30	(133,845)	(3)	(99,094)	(2)
8200	Current period net profit		369,935	10	623,463	15
8300	Other comprehensive income	IV, VI.8, VI.16, VI.28 and VI.30				
8310	Items not reclassified subsequently to profit or loss:					
8311	Remeasurement of defined benefit programs		(1,946)	-	(1,851)	-
8349	Income taxes related to items that are not reclassified		389	-	371	-
	Total items that are not reclassified subsequently to profit or loss		(1,557)	-	(1,480)	-
8360	Items that may be reclassified subsequently to profit or loss:					
8381	Share of other comprehensive income of subsidiaries recognized by using the equity method - Exchange differences from the translation of financial statements of foreign operations		(56,270)	(2)	52,930	1
8399	Income taxes related to items that may be reclassified		-	-	-	-
	Total items that may be reclassified subsequently to profit or loss		(56,270)	(2)	52,930	1
	Other comprehensive income of the current year (net amount after-tax)		(57,827)	(2)	51,450	1
8500	Total comprehensive income in the current period		$ 312,108	8	$ 674,913	16
	Earnings per share (NT$)					
9750	Basic earnings per share (after tax)	IV and VI.31	$ 2.56		$ 4.31	
9850	Diluted earnings per share (after tax)	IV and VI.31	$ 2.54		$ 4.27	

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao Chiang Managerial officer: Tsai-Pao Chiang Chief accountant: Chin-Hsien Lai

TA-I Technology Co., Ltd.
Parent Company Only Statement of Changes in Equity
For the years ended December 31, 2023
and 2022
(in NT$ thousand)

Item	Share capital	Capital surplus	Retained earnings			Other items of equity			Treasury stocks	Total
			Legal reserve	Special reserve	Undistributed earnings	Exchange differences on translation of the financial statements of	Unrealized valuation losses from financial assets at FVOCI	Unearned remuneration of employees		
Balance on January 1, 2022	$ 1,447,376	$ 1,656,961	$ 735,642	$ 409,368	$ 2,544,298	$ (294,937)	$ (115,500)	$ (1,841)	$ (34,487)	$ 6,346,880
The 2021 earning appropriation and allocation: (Note 6.21)										
Provision of legal reserve	-	-	92,660	-	(92,660)	-	-	-	-	-
Provision of special reserve	-	-	-	1,069	(1,069)	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(434,194)	-	-	-	-	(434,194)
Distribution of cash dividends from capital reserve	-	(144,731)	-	-	-	-	-	-	-	(144,731)
Net profit in 2022	-	-	-	-	623,463	-	-	-	-	623,463
Other comprehensive income in 2022	-	-	-	-	(1,480)	52,930	-	-	-	51,450
Total comprehensive income in 2022	-	-	-	-	621,983	52,930	-	-	-	674,913
Transfer of treasury shares to employees	-	13,633	-	-	-	-	-	-	34,487	48,120
Restricted stock award	(63)	(391)	-	-	-	-	-	1,841	-	1,387
Balance on December 31, 2022	1,447,313	1,525,472	828,302	410,437	2,638,358	(242,007)	(115,500)	-	-	6,492,375
The 2022 earning appropriation and allocation: (Note 6.21)										
Provision of legal reserve	-	-	62,198	-	(62,198)	-	-	-	-	-
Reversal of special reserve	-	-	-	(52,930)	52,930	-	-	-	-	-
Shareholders' cash dividends	-	-	-	-	(289,463)	-	-	-	-	(289,463)
Net profit in 2023	-	-	-	-	369,935	-	-	-	-	369,935
Other comprehensive income in 2023	-	-	-	-	(1,557)	(56,270)	-	-	-	(57,827)
Total comprehensive income in 2023	-	-	-	-	368,378	(56,270)	-	-	-	312,108
Balance on December 31, 2023	$ 1,447,313	$ 1,525,472	$ 890,500	$ 357,507	$ 2,708,005	$ (298,277)	$ (115,500)	$ -	$ -	$ 6,515,020

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao Chiang   Managerial officer: Tsai-Pao Chiang   Chief accountant: Chin-Hsien Lai

TA-I Technology Co., Ltd.
Parent Company Only Statements of Cash Flows
For the years ended December 31, 2023
and 2022
(in NT$ thousand)

Item	2023	2022
Cash flows from operating activities:		
Income before income tax	$ 503,780	$ 722,557
Items of adjustment:		
Income/expenses items		
Depreciation expense	441,986	436,562
Amortizations	3,330	5,921
Net gains on disposal of property, plant and equipment	(1,087)	(1,453)
Net (gains) losses from financial assets at fair value through profit or loss	(330)	336
Share of gains from subsidiaries recognized by using the equity method	(22,500)	(164,027)
Disposal losses on investments	8,161	-
Interest expenses	20,730	11,684
Interest revenue	(25,315)	(4,807)
Dividend income	(23)	(29)
Cost of remuneration recognized for restricted stock award	-	1,387
Cost of remuneration recognized for transfer of treasury shares to employees	-	28,551
Reversal gain of impairment loss on non-financial assets	-	(1,352)
Unrealized gains from sales	93,965	88,381
Realized gains from sales	(88,381)	(145,482)
Unrealized currency exchange loss	32,748	3,367
Other gains or losses	(3,996)	-
Changes in assets/liabilities related to operating activities		
Financial assets mandatorily measured at fair value through profit or loss	-	6
Notes receivable	(9)	407
Accounts receivable	(61,350)	226,966
Accounts receivable - Related parties	(44,658)	283,434
Other receivables	(10,779)	29,059
Other receivables - Related parties	(1,027)	(3,234)
Inventories	93,774	120,326
Prepayments	17,188	17,633
Other current assets	-	2,433
Net-defined benefit assets	(916)	(891)
Accounts payable	151,186	(490,033)
Other payables	(4,021)	(280,884)
Other payables - Related parties	169,996	252,045
Other current liabilities	4,510	4,419
Cash flow from operating activities	1,276,962	1,143,282
Interest received	25,315	4,807
Dividends received	23	29
Interest paid	(19,651)	(11,378)
Income tax paid	(111,412)	(163,112)
Net cash inflow from operating activities	1,171,237	973,628

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TA-I Technology Co., Ltd.
Parent Company Only Statements of Cash Flows (Cont'd)
For the years ended December 31, 2023
and 2022
(in NT$ thousand)

(Cont'd)

Item	2023	2022
Cash flows from investing activities:		
Acquisition of investment accounted for using the equity method	$ (209,500)	$ -
Acquisition of property, plant and equipment	(795,310)	(434,607)
Disposal of property, plant and equipment	431	15,406
Acquisition of intangible assets	(1,919)	(436)
Increase in prepaid equipment amount	(31,388)	(17,268)
Decrease in refundable deposits	527	1,964
Decrease (increase) in prepaid investment amounts	40,914	(6,549)
Increase in other non-current assets	-	(527)
Dividends received	212,088	8,227
Net cash outflow from investment activities	(784,157)	(433,790)
Cash flows from financing activities:		
Increase in short-term borrowings	3,400,000	2,903,600
Decrease in short-term borrowings	(3,200,000)	(3,004,800)
Proceeds from long-term borrowings	700,000	500,000
Repayments of long-term borrowings	(692,994)	(400,000)
Repayment of principal and leases	(1,398)	(3,403)
Cash dividends paid	(289,463)	(578,925)
Acquisition of treasury shares by employees	-	19,569
Net cash outflow from financing activities	(83,855)	(563,959)
Effect of exchange rate changes on cash and cash equivalents	(14,702)	(3,569)
Increase (decrease) in cash and cash equivalents in the current period	288,523	(27,690)
Cash and cash equivalents at the beginning of the period	945,465	973,155
Cash and cash equivalents at the end of the period	$ 1,233,988	$ 945,465

(Please refer to the notes to parent company only financial statement)

Chairman: Tsai-Pao Chiang   Managerial officer: Tsai-Pao Chiang   Chief accountant: Chin-Hsien Lai

TA-I Technology Co., Ltd.
Notes to parent company only financial statements
As of December 31, 2023 and 2022 and for the years ended
December 31, 2023 and 2022
(in NT$ thousand, unless otherwise stated)

I. Company History

TA-I Technology Co., Ltd. (the "Company") was established on December 28, 1989, upon receiving approval, with its registration place and its major place of business located at 1F, No.26, Ln. 470, Sec. 2, Nanshan Rd., Shanbi Vil., Luzhu Dist., Taoyuan City. The Company primarily engages in the manufacture, processing, and trading of thick film chip resistors, thick film resistor networks, thick film integrated circuits, surface mount and assembly, and other electronic parts and components. The shares of the Company were listed on "Taipei Exchange (TPEx)" for trading in September 2009 and transferred to be listed on "Taiwan Stock Exchange (TWSE)" in September 2001.

II. Approval Date and Procedures of the Consolidated Financial Statements

The 2023 and 2022 parent company only financial statements of the Company were approved for publication by the Board of Directors (the "Board") of the Company on March 13, 2024.

III. Application of New Standards, Amendments and Interpretations

1. The standards and interpretations endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the "FSC") have been adopted

The International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) applicable in 2023 that were announced on the website of the Securities and Futures Bureau, FSC, became applicable to the Company on January 1, 2023, and they have no material effect on the Company's parent company only financial statements.

2. New/revised/amended standards and interpretations issued by the International Accounting Standards Board (the "IASB") and endorsed by the FSC for application in 2024

New, revised or amended standards and interpretations	Major content	Issued by the IASB and became effective for the annual period beginning on or after the following date
IAS 1 (amendment)	Classification of Liabilities as Current or Non-current	2024.01.01
IAS 1 (amendment)	Non-current Liabilities with Covenants	2024.01.01
IAS 7 and IFRS 7 (amendment)	Supplier Finance Arrangements	2024.01.01

(in NT$ thousand, unless otherwise stated)

IFRS 16 (amendment)	Lease Liability in A Sale and Leaseback	2024.01.01

The management of the Company considers that the abovementioned amendments to the standards will not have material effects on the consolidated financial statements of the Company.

3. New/revised/amended standards and interpretations issued by the IASB but not endorsed and issued into effect by the FSC

New, revised or amended standards and interpretations	Major content	Issued by the IASB and became effective for the annual period beginning on or after the following date
IFRS 10 and IAS 28 (amendment)	Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures	To be decided by IASB
IFRS 17	Insurance Contract	2023.01.01
IFRS 17 (amendment)	Amendments to IFRS 17	2023.01.01
IFRS 17 (amendment)	Initial Application of IFRS 17 and IFRS 9 - Comparison Information	2023.01.01
IAS 21 (amendment)	Lack of Exchangeability	January 1, 2025

The management of the Company is evaluating the potential effects of the new standards or amendments above and cannot reasonably estimate the effects on the parent company only financial statement of the Company.

IV. Summary of Significant Accounting Policies

A summary of the significant accounting policies adopted for the preparation of the parent company only financial statement is described as follows; except for otherwise stated, such accounting policies shall apply to all presentation periods.

1. Preparation and measurement basis of the financial statements

(1) Compliance statement

The parent company only financial statement were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers' (the

"Preparation Regulations").

(2) Measurement basis

A. According to the requirements under Article 21 of the Preparation Regulations, the profit or loss and other comprehensive income of the period in the parent company only financial report of the Company shall be the same as the profit or loss and other comprehensive income of attributable to shareholders of the parent company of the period in the financial statements prepared on the consolidated basis, and the shareholders' interest in the parent company only financial statement shall be the same as the interest attributable to the shareholders' of the parent company in the financial statements prepared on the consolidated basis. Therefore, investments in subsidiaries are presented as "investments accounted for using the equity method" in the parent company only financial statement, and necessary valuation adjustments were made.

B. Apart from financial instruments measured at fair value, the parent company only financial statement was prepared based on historical costs. Historical costs refer to cash, cash equivalents, or the fair value of other considerations for assets and refer to the amount received upon the assumption of obligations or the amount expected to be paid for the settlement of liabilities for liabilities.

(3) Functional and presentation currency

The Company adopts the currency of the major economic environment where its operation locates as the functional currency. The parent company only financial statement were presented in New Taiwan Dollars (NTD), which is the Company's functional currency. Unless otherwise stated, all financial information presented in NTD shall be in NT$ thousand.

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

(1) Current assets include cash and cash equivalent (excluding assets to be exchanged or used to settle liabilities within 12 months after the reporting period that are under restriction), assets primarily held for trading, assets expected to be realized within 12 months after the reporting period or expected to be realized during the normal business cycle, and assets sold or consumed; assets that are not current assets are non-current assets.

(2) Current liabilities include liabilities primarily held for trading, liabilities expected to be settled within 12 months after the reporting period or expected to be settled during the normal business cycle, and liabilities with a settlement deadline that cannot be

unconditionally deferred to at least 12 months after the reporting period (classification of liabilities with a term that may be settled by the issuance of equity instruments based on the option made by the trading counterparties); liabilities that are not current liabilities are non-current liabilities.

3. Transactions in foreign currencies and translation of foreign operations

(1) NTD is the functional currency of the Company and the presentation currency of the parent company only financial statement. The initial recognition of a transaction in foreign currencies of the Company is translated into the functional currency for recording based on the amount of the foreign currency at the current exchange rate between the functional currency and the foreign currency on the transaction date. On the reporting day, monetary items in foreign currencies are translated at the closing exchange rate; non-monetary items in foreign currencies measured at historical costs are not re-translations; non-monetary items in foreign currencies at fair value are translated at the exchange rate on the date determining the fair value. Exchange differences of monetary items are recognized as profit or loss during the period of occurrence; if gains or losses of non-monetary items are recognized as other comprehensive income, any components of exchange of such gains or losses are also recognized as other comprehensive income; if gains or losses of non-monetary items are recognized as profit or loss, any components of exchange of such gains or losses are also recognized as profit or loss.

(2) Assets and liabilities of foreign operations, including goodwill arising from acquisitions and adjustments to the fair value of the carrying amount of assets and liabilities due to acquisitions, are reported in their functional currencies. If not in the case of different functional currency and presentation currency under a highly-inflated economy, the financial performance and financial position shall be translated into the presentation currency according to the following procedures:

A. Each of the assets and liabilities presented in the Statement of Financial Position shall be translated at the closing exchange rate on the reporting day;
B. Each of the gains and losses resented in the statement of comprehensive income shall be translated at the average exchange rate of the period; however, if the exchange rate fluctuates intensively, adopts the exchange rate on the transaction date for translation;
C. All exchange differences arising from the translation shall be recognized as other comprehensive income.

If losing control over a subsidiary and losing material effects on associates when disposing of a foreign operation, the cumulative exchange differences of the foreign operation formerly recognized in other comprehensive income and accumulated under other equity are reclassified from equity to profit or loss upon the recognition of the disposal gains or losses. Without losing control, when partially disposing of a subsidiary that includes a foreign operation, the cumulative exchange differences of the foreign operation formerly recognized in other comprehensive income and accumulated under other equity are, proportionally, re-attributed to the non-controlling interest of the foreign operation. Without losing material effects, when partially disposing of an associate of a foreign operation, the cumulative exchange differences of the foreign operation formerly recognized in other comprehensive income and accumulated under other equity are reclassified to profit or loss based on the proportion.

For monetary items receivable or payable of a foreign operation, if there is no settlement plan and it is unlikely to be settled in the foreseeable future, such items shall be deemed as a part of the net investments in the foreign operation, and the exchange differences arising thereof are recognized as other comprehensive income.

4. Cash and cash equivalents

Refer to cash in hand, demand deposits, and short-term and high-liquidity time deposits or investments that can be converted to a fixed amount of cash at any time with minor risk of changes in value, and the holding purpose is to satisfy the short-term cash commitments instead of investments or other purposes.

5. Financial instruments

(1) When the Company is a party to the contract terms of a financial instrument, it is recognized as financial assets or financial liabilities in the Statement of Financial Position; in case of acquisitions or disposals of financial assets by way of regular transaction, the trade date accounting is adopted.

(2) If the initial recognition of financial assets or financial liabilities is at fair value instead of at FVTPL, the transaction costs for acquisition or issuance shall be added or deducted.

(3) The initial recognition of financial instruments issued by the Company, the components are classified as financial liabilities, financial assets, or equity instruments based on the substantial contract and the definition of financial liabilities, financial assets, or equity instruments.

(4) Financial assets and financial liabilities may only be offset when the Company possesses the legally enforceable rights and intends to deliver on a net amount basis or concurrently realize assets and settle liabilities, which shall be presented in a net amount in the Statement of Financial Position.

(5) Financial instruments of the Company are as follows:

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets mandatorily measured at fair value through profit or loss and designated as at fair value through profit or loss. Financial assets mandatorily measured at fair value through profit or loss include investments in equity instruments investments not designated by the Consolidated Company as being measured at FVOCI and investments in debt instruments not qualified for classification as being measured at amortized cost or FVOCI. Financial assets at fair value through profit or loss are measured at fair value. Gains or losses arising from remeasurement are recognized in gains and losses.

B. Financial assets at amortized cost

Refer to financial assets that concurrently fulfill the following two conditions and are not designated at fair value through profit or loss. Financial assets at amortized costs include cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, and overdue receivables:

(A) The Company holds such financial assets under the business model for the purpose of collecting the contractual cash flows.

(B) Where the contract terms of such financial assets generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

After the initial recognition, financial assets at amortized costs are measured at the amortized costs arrived by deducting the impairment losses from the total carrying amount determined by using the effective interest rate method. Except for recognizing impairment gains or losses through derecognition or amortization procedures, such gains or losses shall be recognized in profit or loss.

C. Financial assets at FVOCI

Refer to investments in debt instruments that concurrently fulfill the following two conditions and are not designated at fair value through profit or loss, or investments in equity instruments not held for trading with changes in fair value reported under other comprehensive income by making an irrevocable selection upon the initial recognition:

(A) The Company holds such financial assets under the business model for the purpose of collecting the contractual cash flows and disposal.
(B) Where the contract terms of such financial assets generated cash flow of specific date, and such cash flow is completely for the payment of the interest of principle and external circulating principle amount.

Subsequently, they are measured at fair value, and the changes in their value are recognized as other comprehensive income upon derecognition or before reclassification, except for impairment losses of investments in debt instruments, exchange gains or losses of monetary financial assets, and interests calculated by using the effective interest rate method. Upon derecognition, regarding the cumulative gains or losses formerly recognized in other comprehensive income, investments in debt instruments are reclassified from equity to profit or loss, and investments in equity instruments are transferred to retained earnings. In addition, dividends of investments in equity instruments are recognized when acquiring the rights to receive dividends.

D. Financial liabilities at amortized cost

Financial liabilities not measured at FVTPL are financial liabilities at amortized cost, including short-term borrowings, accounts payable, other payables, long-term borrowings, and lease liabilities. They are measured at amortized costs by using the effective interest rate method; however, short-term payables without interest accruing, if the discount effect is insignificant, are measured at the initial transaction amount.

6. Measure at fair value

(1) Fair value is the price collectible for the disposal of assets or required to be paid for the transfer of liabilities between market participants in orderly transactions. The structure of fair value considers the features of certain assets or liabilities, including the condition and location of such assets and restrictions on the disposal or use of such assets, and it is assumed that the transactions of asset disposal or liability transfer take place in the primary market of such assets or liabilities; if there is no primary market, the most favorable market for such assets or liabilities; the Company shall be able to enter the primary or the most favorable market for transactions; it is also assumed that the participants in such market set the pricing based on their best economic interest.

The measurement of the fair value of non-financial assets considers the ability of a market participant who uses an asset for its maximum and best use or disposes of the asset to another market participant who would use the asset for its maximum and best use to generate economic benefits.

(2) For fair value measured by using valuation techniques, the appropriate and available valuation technique with sufficient data under the circumstances is adopted, and the maximized relevant observable inputs and the minimized unobservable inputs are used.

7. Derecognition of financial assets and liabilities

(1) Financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired, or the financial assets have been transferred, and all the risks and rewards of ownership substantially were transferred, or neither transferred nor retained all the risks and rewards of the asset substantially, but has transferred control of the asset, and any rights and obligations arising from or retained from the transfer shall be separately recognized as assets or liabilities. Differences between the carrying amount of the derecognized portion of a financial asset at amortized costs and the consideration received are recognized as profit or loss on the derecognition date; the differences between the carrying amount of investments in equity at FVOCI and the sum of the consideration received plus the cumulative gains or losses recognized in other comprehensive income are recognized in retained earnings. Investments in debt instruments are recognized as profit or loss. For financial assets not entirely derecognized, the respective fair value of the part that continued to be recognized is used as the basis to allocate the respective carrying amount. If a financial asset transfer fails to fulfill the criteria for derecognition, the entire asset transferred shall continue to be recognized, and the consideration collected shall be recognized as financial liabilities.

(2) Financial liabilities

Financial liabilities or partial financial liabilities are derecognized upon the elimination of financial liabilities due to the performance, cancelation, or expiry of obligations set out in the contracts. If there is any exchange made between the current debtor and creditor for a debt instrument with significant variation terms, or if a material modification is made to the entire or partial terms of the existing financial liabilities, the Company derecognizes the existing financial liabilities and recognizes the new financial liabilities. For the carrying amount of financial liabilities or partial financial liabilities that are eliminated or transferred to another party, the differences between the consideration paid are recognized as profit or loss.

8. Asset impairment

(1) Impairment of financial assets

A. The Company recognizes the loss allowance for the expected credit losses (ECL) of financial assets at amortized costs (including cash and cash equivalents, notes receivable, accounts receivable, other receivables, other financial assets, and overdue receivables):

B. The Company measures the ECL of financial assets by using the reasonable and supporting information (available without undue cost or effort on the reporting day) related to an impartial probability-weighted amount that reflects decisions made after evaluating different possible results, time value of the money, and past events, current conditions, and future economic conditions. The simplified method applies to notes receivable, other receivables, and overdue receivables, and their loss allowance is measured based on the amount of lifetime ECL on the reporting day; for cash and cash equivalents and other financial assets, if the credit risk on the reporting day is low or the credit risk has not significantly increased since the initial recognition, loss allowance is measured based on the amount of 12-month ECL. If the credit risk of the abovementioned financial assets has significantly increased since initial recognition before the reporting day, loss allowance is measured at the amount of lifetime ECL.

C. The carrying amount of the abovementioned financial assets is reduced through loss allowance, and the provision and reversal amount of loss allowance is recognized in profit or loss.

(2) Impairment of non-financial assets

Regarding assets subject to IAS 36 “Asset Impairment," apart from goodwill, intangible assets with no fixed useful life, and intangible assets not available for use, an impairment test is performed for assets or when there are indications of possible impairment, and the Company also evaluate whether there is any indication of asset impairment on each reporting day. If there is any indication of impairment, the Company estimates the recoverable amount; the recoverable amount refers to the higher of fair value of an asset or a cash-generating unit less disposal cost and value-in-use. If the recoverable amount of an asset is lower than its carrying amount, the carrying amount is reduced to the recoverable amount, and the reduced part is the impairment loss, which is recognized in profit or loss. Subsequently, if there is any indication showing that the impairment loss (other than goodwill) of the asset recognized in the prior period during the evaluation on the reporting day no longer exists or is reduced, the Company re-estimate the recoverable amount of the asset; if the estimated recoverable amount of the asset increased, the impairment loss may be reversed; however, the carrying amount increased due to the reversal of the impairment loss shall not exceed the amount (net of amortization or depreciation) that would otherwise result had no impairment loss been recognized for the assets in prior years.

For cash-generating units with goodwill allocation, the impairment loss test is performed by comparing the carrying amount of the unit that includes goodwill and its recoverable amount. If the carrying amount of the unit exceeds its recoverable amount, the Company recognizes impairment losses. When recognizing impairment losses, the carrying amount of goodwill allocated to the unit shall first by deducted, and for the insufficient amount after the deduction, the carrying amount of assets shall be reduced based on the ratio of the carrying amount of other assets in the unit. Impairment loss of goodwill shall not be reversed in the subsequent period.

9. Inventories

Inventory costs include all acquisition costs, processing costs, and other costs that occurred to allow inventories to reach the current location and status; the weighted average cost formula is adopted for the calculation of costs to allocate inventory costs. Inventories are stated at the lower of cost or net realizable value at the end of the period. Except for inventories of the same category, the comparison of the lower of cost and net realizable value is made on an item-by-item basis. Net realized value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

10. Investment accounted for using the equity method

(1) Entities that the Company has control over are subsidiaries of the Company. The Company's investment in subsidiaries is valued using the equity method. In accordance with Article 21 of the standards of preparation, the "investment using the equity method" is expressed with necessary adjustments. The income attributable to the shareholders of the parent company in the current profit and loss and other comprehensive income in the financial statements prepared on the basis of consolidation are the same, and the shareholders' equity in the parent company only financial statement and the financial statements prepared on the basis of consolidation are the same.

(2) Under the equity method, investments are initially recognized at costs, and subsequently adjusted based on the changes in the share of net assets of subsidiaries that the Company is entitled to. If the share of losses from a subsidiary of the Company exceeds its interest in the subsidiary, the Company continues to recognize losses according to its shareholding. If the investment costs exceed the share of the net fair value of the identifiable assets and liabilities of the subsidiary that the Company is entitled to on the acquisition date, the differences and goodwill related to the subsidiary, including the carrying amount of the

investment in the subsidiary, may not be amortized; on the contrary, the Company shall re-evaluate and immediately recognize the gains.

(3) Changes in equity in the ownership of subsidiaries which has not resulted in the loss of control are accounted for as equity transaction. The difference between carrying amount invested and the fair value paid and payable or received and receivable is directly recognized as equity.

(4) When equity changes not related to profit or loss and other comprehensive income of a subsidiary occurred without affecting the shareholding in the subsidiary, the Company recognizes the changes in the share of the subsidiary's equity it is entitled to as "capital reserve" based on the shareholding.

(5) When the Company loses its control over a subsidiary, the Company recognizes the remaining investments in the former subsidiary based on the fair value on the date of the loss of control and the differences between the fair value of the remaining investments and any disposal considerations and the carrying amount of investments on the date of the loss of control are recognized as profit or loss of the period. For all amounts related to the subsidiary recognized in other comprehensive income, the basis of the accounting shall be the same as the basis to be complied with as if the Company had directly disposed of relevant assets or liabilities.

(6) Unrealized gains or losses of transactions between the Company and the subsidiary shall be written off within the scope of the equity of the subsidiary.

11. Property, plant and equipment

(1) Property, plant, and equipment are used in product production or service provision, leased to others, or held for the purpose of management; a cost model is adopted for the recognition and subsequent measurement, and they are presented at their costs less cumulative depreciation and cumulative impairment losses. Costs refer to the fair value of cash, cash equivalents, or other considerations paid at the time of acquisition or construction for the acquisition of assets and costs for disassembly, removal, and recovery of the location. When the useful lives of significant components of property, plant and equipment are different, they are deemed as separate items of property, plant and equipment for accounting.

(2) Property, plant, and equipment are depreciated using the straight-line method, except for land that is amortized over its useful lives as follows If the expected value is different from

the previous estimate, or there is a significant change in the expected consumption pattern of the future economic benefits contained in the asset. The depreciation method needs to be changed to reflect the changed pattern; the change will be calculated according to the accounting estimate Changes. If impairment losses of assets are recognized for property, plant and equipment, the depreciation expenses of assets in the future shall be adjusted through allocation based on the straight-ling method within the residual useful life based on the revised carrying amount of assets (less the residual value):

Buildings	15-55	years
Machinery and equipment	2-8	years
Research and development equipment	3-8	years
Office equipment	3-8	years
Other equipment	2-15	years

(3) Replacement and material inspection costs are recognized in the carrying amount of property, plant, and equipment items; daily repair costs are recognized as profit or loss upon occurrence. Borrowing costs for the acquisition, building, or production of qualifying assets are capitalized as a part of the costs of the assets.

(4) When disposing of or expecting that it is unable to generate future economic benefits through use or disposals, the carrying amount of property, plant, and equipment is derecognized; gains or losses arising from the derecognition are recognized as profit or loss, and such gains may not be classified as income.

12. Leases

The Company as lessee

Except for payments for short-term leases and low-value asset leases are recognized as expenses on a straight-line basis, the Group recognizes right-of-use assets and lease liabilities for all leases at the commencement date of the lease.

(1) The cost model is adopted for the initial recognition and subsequent measurement of right-of-use assets; the remeasurement amount is presented by cost less cumulative depreciation and cumulative impairment losses with adjustments made to lease liabilities. Right-of-use assets are depreciated using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

(2) For initial recognition of lease liabilities, the Company measures the current value of unpaid lease payments on the commencement date of the lease. If the interest rate implicit in a lease may be easily confirmed, the lease payment shall be discounted based on the interest rate; if the interest rate may not be easily confirmed, discount by using the incremental borrowing interest rate of the lessee. Subsequent measurements were made at amortized cost using the effective interest method. The remeasurement of lease liabilities is the adjustment made to right-of-use assets; however, if the carrying amount of the right-of-use assets is reduced to zero, the remaining remeasurement shall be recognized in profit or loss.

If there is any variable rent in the lease agreement that is not subject to indexes or rates, it shall be recognized as expenses during the period of occurrence.

13. Intangible assets

(1) Computer software

Refer to intangible assets acquired separately with limited useful lives; they are initially measured at costs and amortized throughout the useful life of three years on a straight-line basis. The Company examines the amortization period and amortization method of intangible assets with limited useful life on each reporting day; if the useful life of assets is different from the former estimation, the amortization shall change accordingly; if the expected consumption pattern of the future economic benefits of assets changes, the Company changes the amortization method to reflect the pattern after such changes; and such changes shall be accounted for as changes in accounting estimates. If impairment losses of assets are recognized for intangible assets with a limited useful life, the amortization expenses of assets in the future shall be adjusted through allocation based on the straight-ling method within the residual useful life based on the revised carrying amount of assets.

(2) When disposing of or expecting that it is unable to generate future economic benefits through use or disposals, the carrying amount of intangible assets are derecognized; gains or losses arising from the derecognition are recognized as profit or loss, and such gains may not be classified as income.

(3) Expenditures during the research stage are recognized as expenses upon occurrence; expenditures during the development stage are recognized as intangible assets when fulfilling the conditions specified; however, when not fulfilling the conditions specified, relevant expenditures will be entirely deemed as occurring during the research stage.

14. Equity instruments

Equity instruments refer to any contract that commends the remaining equity of the Company after reducing all liabilities from assets. Equity instruments issued by the Company are recognized for an amount after deducting the direct issuing cost from the proceeds collected.

15. Treasury shares

The considerations to be paid for the repurchase of shares by a subsidiary that the Company directly or indirectly held more than half of its total number of shares with voting rights or total capital are automatically deducted from the interest attributable to the Company until the shares are canceled or re-issued. If such ordinary shares are subsequently re-issued, the consideration collected is included in the equity attributable to the Company after deducting the costs of incremental transactions and relevant effects on income taxes.

16. Income recognition

Income is measured at the consideration that is expected to be acquired for the transfer of products or services. The Company recognizes income when the performance obligation is fulfilled upon the transfer of the control of products or services to customers. Major income items of the Company are described as follows:

Sales of products

The Company primarily engages in the manufacture and sales of chip resistors and recognizes income when the control of products is transferred to customers, which concurrently gives rise to the enforceable rights to considerations. Therefore, the Company generally recognizes income when the products are delivered and the legal ownership is transferred. If the discount or future refund may be reliably estimated, and the refund liabilities may be recognized based on prior experiences and other relevant factors, they are recognized as a reduction item of sales income upon sales recognition.

The Company recognizes accounts receivable when the control of products is transferred and when it possesses the rights to unconditionally collect the considerations. If the products are transferred to customers but with no right to unconditionally collect the considerations, the Company recognizes contract assets. Before transferring products to customers, if the Company is obliged to transfer products due to the collection of or the availability to collect considerations from customers, the Company recognizes contract liabilities.

If the time of payment agreed upon in a contract explicitly or implicitly provides material financial benefits to customers or the Company regarding the transaction of product transfer, the

Company will adjust the consideration amount committed to reflecting the time value of money. For a sales contract, if it is expected at the commencement of the contract that the time expected to transfer products to the customers between the time that customers pay for the products is less than one year, the Company will not adjust the consideration amount committed.

17. Borrowing Costs

Interests and other costs that occurred related to borrowing funds. Borrowing costs directly attributable to the acquisition, building, or producing qualifying assets (refer to assets that required a certain period to achieve the estimated use of selling status) are capitalized and presented as a part of the cost of such assets; other borrowing costs are recognized as expenses during the period of occurrence. For specific borrowings, before the occurrence of expenditures of qualifying assets, such borrowings are deemed as investment gains arising from temporary investments and are deducted from borrowing costs that actually occurred. When almost all necessary activities for the qualifying assets to achieve the estimated use or selling status are completed, cease the capitalization of borrowing costs. If the active development of qualifying assets is suspended for a relatively longer period, the capitalization of borrowing costs during the period shall be suspended.

18. Employee benefits

(1) Short-term employee benefits

Refer to employee benefits (excluding severance benefits) that are expected to be fully settled within 12 months from the end of the reporting period of the year in which employees provide relevant services; employee benefits are measured at non-discounted cash that is expected to be paid in exchange for employees' services and recognized as expenses and liabilities. Expected costs of profit sharing and bonus payment are the statutory or presumed payment obligations at present due to the fulfillment of past events; when the obligations can be reliably estimated, they are recognized as expenses and liabilities according to the abovementioned requirements.

(2) Retirement benefits

A. The retirement methods for employees of the Company apply to all employees formally employed; employees' retirement pension funds are fully deposited with the Supervisory Committee of Labor Retirement Reserve for management and deposited in the account for retirement pension funds. As the retirement pension above is deposited in the name of the Supervisory Committee of Labor Retirement Reserve, the Company is completely independent of such pension; therefore, it is not included in the parent company only financial statement above.

B. For the retirement benefit plan that is a defined contribution plan, the appropriation rate to employees' retirement pension borne by the Company shall not be less than 6% of the employees' salary each month, and the appropriated amount is recognized as expenses of the period.

C. For a retirement benefit plan that is a defined benefit plan, the Company makes appropriation by adopting the projected unit credit method based on the actuarial report on the annual reporting day; the remeasurements are presented under other comprehensive income upon the occurrence and immediately recognized in retained earnings.

19. Share-based payment

(1) For share-based payment with employees transacted via equity delivery, the fair value of the equity instrument measured on the offering date shall serve as the fair value of services obtained. If the equity instrument is immediately available with no requirements of providing services in a certain period, the services obtained are fully recognized on the offering date, and equity shall be increased accordingly. If the equity instrument is only available until completing the service for the vesting period, it is presumed that the Company will receive services provided by the counterparty as the consideration for the equity instrument in the vesting period in the future, which is recognized as remuneration expenses within the vesting period, and equity shall be increased accordingly. The recognition of remuneration expenses is based on the best estimates of the quantity of equity instruments vested during the vesting period. If subsequent information shows that the estimated quantity of equity instruments vested is different from the former estimate, the estimate shall be modified when necessary, allowing it to be equivalent to the quantity of equity instruments vested ultimately on the vesting day.

(2) The fair value of equity instruments is based on the market prices available on the measurement date and measured with reference to the terms and conditions for the offer of such equity instruments. If the market price is not available, appropriate valuation techniques shall be adopted to estimate the price of the equity instrument offered in the fair transaction with both parties having full comprehension and transaction intention on the measurement date to estimate the fair value of the equity instruments; furthermore, the abovementioned valuation techniques are consistent with the generally accepted valuation techniques used for the pricing of financial instruments and have included all factors and assumptions considered by the market participants having full comprehension and

transaction intention upon the determination of the price.

20. Income tax

(1) Income tax includes current and deferred income tax. Except for M&As and items directly recognized in equity or other comprehensive income, current income tax and deferred income tax expenses are recognized in profit or loss.

(2) Current income tax expenses are based on the tax rate enacted or substantially enacted on the reporting day, the estimated income tax payable or tax refund receivable calculated for the taxable income or losses of the year, and any adjustment to income tax payable or refundable in prior years.

(3) Deferred income tax expenses are calculated and recognized based on the provisional differences between the tax basis of assets and liabilities and the carrying amount for financial reporting.

(4) Deferred income tax assets and liabilities are measured at an applicable tax rate at the expected time for the reversal of the provisional differences and based on the tax rate enacted or substantially enacted on the reporting day. A legally enforceable right exists to set off current tax assets against current tax liabilities, and the deferred tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances of its income tax liabilities and assets on a net basis.

(5) When the unused taxation losses, income tax credit, and deductible provisional differences are likely to be available for use for future taxable income, they are recognized as deferred income tax assets and evaluated on each reporting day, and the amount is reduced when relevant income tax gains are not likely to be realized.

(6) For the additional profit-seeking enterprise income tax imposed on undistributed earnings of the year for the Company, the income tax expenses of undistributed earnings are recognized after the shareholders' meeting approves the proposal for earnings distribution in the following year based on the actual earnings allocation.

21. Government subsidies

(1) A government grant is recognized only when there is reasonable assurance that the Company will comply with any conditions attached to the grant, and the grant will be

received.

(2) Government subsidies related to assets are recognized in profit or loss systematically during the period in which the costs of relevant assets that are intended for the subsidy are recognized as expenses by the Company. If the subsidies are for expenses that occurred earlier or compensation for losses, they are recognized in profit or loss during the period in which the subsidies are available for collection.

(3) The presentation method of government subsidies is as follows: if unrealized (i.e., gains from deferred government subsidies), recognized as liabilities in the parent company only Statement of Financial Position; if realized, recognized as the reduction of relevant expenses or other gains in the parent company only Statement of Financial Position.

22. Earnings per share

The Company presents the basic and diluted earnings per share of the ordinary equity holders of the Company of the period. Basic earnings per share are calculated by dividing the profit or loss of the ordinary equity holders of the Company by the weighted average number of issued ordinary shares of the period; diluted earnings per share are calculated by dividing the profit or loss of ordinary equity holders of the Company based on the effects of dilutive potential ordinary shares by the effects of all dilutive potential ordinary shares with adjustments to the weighted average number of issued shares of the period.

(V) Significant Accounting Assumptions and Judgment, and Major Sources of Estimation Uncertainty

When preparing the parent company only financial statement, the management of the Company is required to make judgments, estimations, and assumptions that may affect the reporting amount of gains, expenses, assets, and liabilities. The uncertainties of such material assumptions and estimates may result in future material adjustments to the carrying amount of assets and liabilities, even if the actual results may be different from the estimate.

1. Any judgment that has material effects on the amount recognized in the parent company only financial statement adopted by the management during the course of accounting policy adoption:

None.

2. Information on other main sources of uncertainties of the assumptions and estimates made for the future on the reporting day that may result in material adjustments to the carrying amount of assets and liabilities in the following fiscal year is described as follows:

(1) Employee benefit - Measurement of defined benefit obligations

As described in Note 6.16 of the parent company only financial statement, the measurement of defined benefit obligations and expenses uses actuarial assumptions, including demographic statistics and financial assumptions of the future characteristics of employees who are qualified for the benefits. Any change in the actuarial assumption may generate actuarial gains or losses and affect the amount of net-defined benefit assets.

The carrying amount of the net-defined benefit assets of the Company on December 31, 2023, was NT$6,291 thousand. If the discount rate and expected salary increase rate adopted by the actuarial assumption of the Company increase/decrease by 0.25%, the carrying amount of the net-defined benefit assets would increase by NT$611 thousand or decrease by NT$624 thousand and decrease by NT$507 thousand or increase by NT$499 thousand, respectively.

The abovementioned is the analysis of changes in a single assumption with other assumptions remaining unchanged; however, the effects of changes in the actual actuarial assumptions are connected. Methods used in sensitivity analysis are consistent with the measurement of net-defined benefit assets, and the methods and assumptions used are equivalent to that of the preceding period.

(2) Inventory valuation

As described in Note 4.9 of the parent company only financial statement, inventories are stated at the lower of cost or net realizable value at the end of the period. Except for inventories of the same category, the comparison of the lower of cost and net realizable value is made on an item-by-item basis. Net realized value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. Such estimates are evaluated by the Company based on the current market conditions and the historical sales experiences of similar products; changes in market conditions may materially affect the results of such estimates.

The carrying amount of inventories of the Company on December 31, 2023 was NT$1,131,017 thousand, with the deduction of allowances for inventory write-down of NT$75,446 thousand.

(3) Realizability of deferred tax assets

As described in Note 4.20 of the parent company only financial statement, deferred tax assets are recognized when it is likely to have sufficient taxable income in the future available for the deduction of provisional differences. The evaluation of the realizability of deferred income tax assets involves material accounting judgment and estimate of the management, including the expected future income growth and profit margin, income tax credits available, tax planning, and other assumptions. Any changes in the global economic environment, industrial environment, and changes in laws and regulations may trigger material adjustments to deferred income tax assets.

(in NT$ thousand, unless otherwise stated)

The Company recognized deferred tax assets of NT$45,908 thousand on December 31, 2023; for the descriptions of deferred tax assets not recognized, please refer to Note 6.30 of the parent company only financial statement.

(4) Impairment of amounts receivable

As described in Notes 4.8, 6.3, and 6.4 of the parent company only financial statement, the loss allowance of amounts receivable is measured at the amount of lifetime ECL on the reporting day by adopting the simplified method. Amounts receivable are classified based on the shared risk characteristics of the customer's ability to pay all amounts due according to the contract terms, considering reasonable and supportive information (available without undue cost or effort on the reporting day) related to past events, current status, and future economic status, and the ECL is estimated based on the estimated default rate and ECL rate. Any changes in the estimation of the abovementioned classification of amounts receivable, default rate and ECL rate of the Company's management or changes in estimates resulting from the economic status will affect the estimated amount of the loss allowance for amounts receivable.

The Company recorded net amounts receivable of NT$1,086,131 thousand (including net notes receivable, net accounts receivable (including those from related parties), other receivables (including those from related parties) and overdue receivables) on December 31, 2023, with the deduction of estimated loss allowances of NT$3,668 thousand.

VI. Summary of Significant Accounting Items

1. Cash and cash equivalents

	2023.12.31	2022.12.31
Cash and petty cash	$130	$80
Checks and demand deposits	450,115	441,160
Time deposits	783,743	504,225
Total	$1,233,988	$945,465

(1) The abovementioned time deposits are time deposits that can be converted to a fixed amount of cash at any time with a minor risk of changes in value.

(2) The abovementioned bank deposits are not provided for security or pledge.

(in NT$ thousand, unless otherwise stated)

2. Financial assets at fair value through profit or loss - Current

	2023.12.31	2022.12.31
Financial assets mandatorily measured at fair value through profit or loss - Stocks of listed companies	$1,348	$1,018

(1) The abovementioned financial assets at fair value through profit or loss were not provided for security or pledge.

(2) Regarding the disclosure of information on market risks and credit risks of financial assets at fair value through profit or loss of the Company, please refer to Notes 12.2(3)A and B of the parent company only financial statement.

3. Net notes receivable

	2023.12.31	2022.12.31
Notes receivable	$216	$207
Less: Allowance for bad debts	-	-
Net amount	$216	$207

4. Net accounts receivable

	2023.12.31	2022.12.31
Accounts receivable	$341,909	$292,276
Less: Allowance for bad debts	(2,309)	(2,573)
Net amount	$339,600	$289,703

(1) The loss allowances for notes receivable, accounts receivable, other receivable, and overdue receivables of the Company are measured at the amount of lifetime ECL by adopting the simplified method. Notes receivable, accounts receivable, other receivable, and overdue receivables are classified based on the shared risk characteristics of the customer's ability to pay all amounts due according to the contract terms, considering reasonable and supportive information (available without undue cost or effort on the reporting day) related to past events, current status, and future economic status, and the ECL is estimated based on the estimated default rate and ECL rate.

(in NT$ thousand, unless otherwise stated)

(2) The increase/decrease in the loss allowances for notes receivable, accounts receivable, other receivable, and overdue receivables of the Company is as follows:

	2023	2022
Balance at the beginning of the period	$3,932	$9,332
Provision of account of allowance for impairment of notes receivable, accounts receivable, other receivable, and overdue receivables	-	-
Reversal of account of allowance for impairment of notes receivable, accounts receivable, other receivable, and overdue receivables	-	-
Write-off of other receivables that are not recoverable	(264)	(5,400)
Ending balance	$3,668	$3,932

(3) Regarding the disclosure of information on credit risks of notes receivable, accounts receivable, other receivable, and overdue receivables of the Company, please refer to Note 12.2(3)B of the parent company only financial statement.

5. Inventories

	Cost	Inventory falling price reserves	Carrying amount
2023.12.31			
Raw materials	$509,506	$(28,115)	$481,391
Supplies	34,904	(306)	34,598
Work in process	584,637	(46,767)	537,870
Finished goods	51,287	(258)	51,029
Product inventory	79	-	79
Inventories in transit	26,050	-	26,050
Total	$1,206,463	$(75,446)	$1,131,017
2022.12.31			
Raw materials	$516,074	$(20,900)	$495,174
Supplies	27,654	(681)	26,973
Work in process	666,413	(53,912)	612,501
Finished goods	72,152	(1,453)	70,699

(in NT$ thousand, unless otherwise stated)

Product inventory	189	-	189
Inventories in transit	19,255	-	19,255
Total	$1,301,737	$(76,946)	$1,224,791

(1) The breakdown of the cost of sales related to inventories is as follows:

	2023	2022
Inventories transferred to cost of sales	$3,328,026	$3,500,180
Cost of inventories write-down to net realizable value	-	18,000
Rebound of net realizable value of inventories	(1,500)	-
Income from sales of scraps and wastes	(105,445)	(71,569)
Total operating costs	$3,221,081	$3,446,611

(2) In 2023, partial factors that resulted in the decrease in the net realizable value of inventories to lower than costs formerly were eliminated, causing the rebound of the net realizable value of inventories recognized, and a decrease of NT$1,500 thousand in cost of sales was recorded.

(3) The abovementioned inventories are not provided for security or pledge.

6. Other financial assets - Current

	2023.12.31	2022.12.31
Restricted time deposits	$10,000	$10,000

For the provision of other financial assets for security or pledge, please refer to Note 8 of the parent company only financial statement.

7. Financial assets at FVOCI - Non-current

	2023.12.31	2022.12.31
Equity instruments		
Acquisition costs:		
Shares of companies not listed on TWSE (TPEx)		
Nanching Opotech Corp.	$115,500	$115,500

(in NT$ thousand, unless otherwise stated)

Valuation adjustment:		
Shares of companies not listed on TWSE (TPEx)	(115,500)	(115,500)
Total	$-	$-

(1) Investments in equity instruments measured at FVOCI are not held for trading; therefore, the Company opts to designate it as measured at FVOCI.

(2) The dividend income recognized due to investments in equity instruments measured at FVOCI in 2023 and 2022 was nil.

(3) There were no cumulative gains or losses transferred within equity in 2023 and 2022.

(4) The abovementioned financial assets at FVOCI are not provided for security or pledge.

8. Investment accounted for using the equity method

(1) Investments accounted for using the equity method of the Company are set out as follows:

Company Name	2023.12.31	Equity held (%)	2022.12.31	Equity held (%)
TA-I Holdings (Samoa) Co., Ltd.	$969,811	100	$1,208,541	100
TA-I International (BVI) Co., Ltd.	363,817	100	407,635	100
Xiangtai Enterprise Co., Ltd.	1,085,094	99	1,060,201	99
TAI OHM Electronics (M) Sdn. Bhd.	130,345	49	130,120	49
TA-I United Co., Ltd.	-	100	77,597	100
Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	99,509	100	106,517	100
JHAN SIN Sensor Co., Ltd.	42,431	100	32,526	100
Hai Duong TA-I Technology Co., Ltd.	211,929	100	-	-
Total	$2,902,936		$3,023,137	

(in NT$ thousand, unless otherwise stated)

(2) Increase/decrease in the investments accounted for using the equity method of the Company are set out as follows:

	2023	2022
Balance at the beginning of the period	$3,023,137	$2,756,284
Additional investments during the period	209,500	-
Inward transfer of prepaid investments	6,549	-
Disposal of investment during the period	(77,667)	-
Distribution of cash dividends by subsidiaries	(212,088)	(8,227)
Share of (losses) gains entitled to during the period	22,500	164,027
Net changes in unrealized losses (gains) from sales	(5,584)	57,101
Net changes in unrealized gains from disposals of property, plant and equipment	1,022	1,022
Exchange differences on translation of the financial statements of foreign operations	(64,433)	52,930
Ending balance	$2,902,936	$3,023,137

(3) The gains or losses of subsidiaries recognized using the equity method in 2023 and 2022 were calculated based on the subsidiaries' financial statements of the same period that were audited and certified by CPAs.

(4) To reinforce our long-term competitive advantages and improve our competitive strength, the Board resolved to invest in the establishment of a subsidiary in Vietnam - Hai Duong TA-I Technology Co., Ltd. on June 9, 2022, and the incorporation registration was completed on April 16, 2023; the estimated total investment amount is US$7,000 thousand.

(5) The Company has obtained the cancellation certificate of TA-I United Co., Ltd.. Therefore, the Company derecognized all amounts related to the investment recognized in the carrying amount and other comprehensive income and recognized losses on the disposal of investment of NT$8,161 thousand, which was accounted for under non-operating income and expenses - other gains and losses.

(6) Except for TA-I United Co., Ltd., which was canceled and no longer included in the

(in NT$ thousand, unless otherwise stated)

consolidated financial statements, all the remaining subsidiaries have been included in the consolidated financial statements for the preparation of 2023 and 2022.

(7) The investments accounted for using the equity method were not provided for security or pledge

9. Property, plant and equipment

(1) The increase/decrease in property, plant and equipment of the Company is as follows:

	2023							
	Land	Houses and buildings	Machinery and equipment	Research and development equipment	Office equipment	Other equipment	Construction in progress and equipment ready for inspection	Total
Initial costs:								
Balance at the beginning of the period	$608,046	$1,500,058	$3,132,471	$279,582	$33,308	$251,409	$178,626	$5,983,500
Additions during the period	-	6,976	42,021	676	2,394	44,696	687,661	784,424
Disposed of during the period	-	-	(4,351)	(2,803)	(135)	(94,954)	-	(102,243)
Reclassification	718,951	1,602	86,790	345	750	6,538	(788,153)	26,823
Ending balance	1,326,997	1,508,636	3,256,931	277,800	36,317	207,689	78,134	6,692,504
Accumulated depreciation:								
Balance at the beginning of the period	-	301,952	2,207,672	256,115	26,221	165,808	-	2,957,768
Depreciation during the period	-	37,419	308,130	11,872	2,604	76,972	-	436,997
Disposed of during the period	-	-	(3,641)	(2,803)	(135)	(94,954)	-	(101,533)
Ending balance	-	339,371	2,512,161	265,184	28,690	147,826	-	3,293,232
Accumulated impairment loss:								
Balance at the beginning of the period	-	-	2,360	108	-	527	-	2,995
Impairment during the period	-	-	-	-	-	-	-	-
Disposed of during the period	-	-	-	-	-	-	-	-
Reversal	-	-	-	-	-	-	-	-
Ending balance	-	-	2,360	108	-	527	-	2,995
Carrying amount at the end of the period	$1,326,997	$1,169,265	$742,410	$12,508	$7,627	$59,336	$78,134	$3,396,277

(in NT$ thousand, unless otherwise stated)

	2022							
	Land	Houses and buildings	Machinery and equipment	Research and development equipment	Office equipment	Other equipment	Construction in progress and equipment ready for inspection	Total
Initial costs:								
Balance at the beginning of the period	$569,717	$1,486,000	$3,040,597	$503,541	$27,630	$223,465	$287,455	$6,138,405
Additions during the period	-	5,807	61,308	1,057	3,519	52,856	217,635	342,182
Disposed of during the period	-	-	(261,393)	(226,436)	(847)	(25,340)	-	(514,016)
Reclassification	38,329	8,251	291,959	1,420	3,006	428	(326,464)	16,929
Ending balance	608,046	1,500,058	3,132,471	279,582	33,308	251,409	178,626	5,983,500
Accumulated depreciation:								
Balance at the beginning of the period	-	264,956	2,109,953	460,452	24,396	113,527	-	2,973,284
Depreciation during the period	-	36,996	301,495	14,234	2,622	77,621	-	432,968
Disposed of during the period	-	-	(203,776)	(218,571)	(797)	(25,340)	-	(448,484)
Ending balance	-	301,952	2,207,672	256,115	26,221	165,808	-	2,957,768
Accumulated impairment loss:								
Balance at the beginning of the period	-	-	61,216	8,086	50	527	-	69,879
Impairment during the period	-	-	-	-	-	-	-	-
Disposed of during the period	-	-	(57,617)	(7,865)	(50)	-	-	(65,532)
Reversal	-	-	(1,239)	(113)	-	-	-	(1,352)
Ending balance	-	-	2,360	108	-	527	-	2,995
Carrying amount at the end of the period	$608,046	$1,198,106	$922,439	$23,359	$7,087	$85,074	$178,626	$3,022,737

(2) In 2023 and 2022, borrowing costs that are assumed for the expenditures of the assets are capitalized as the costs of the equipment during the construction period of the equipment. Information related to the capitalization of borrowing costs is as follows:

	2023	2022
Amount of capitalized borrowing costs	$2,643	$2,816
Capitalization rate of the amount of borrowing costs	1.4416%~1.6707%	0.8206%~1.1387%

(3) For the expansion of plants, the Board resolved to purchase land on August 9, 2022, and the land sale and purchase contracts were entered into with non-related parties in December 2022 and November 2023, respectively. The total consideration of the contracts was

(in NT$ thousand, unless otherwise stated)

NT$314,247 thousand and NT$400,878 thousand (the consideration agreed in the initial land lease contracts less the total rental paid of NT$3,702 thousand during the leasing period). Please refer to Note 6.15(2) of the parent company only financial statements for the land transaction in November 2023.

(4) For the impairment of property, plant and equipment of the Company, please refer to Note 6.29 of the parent company only financial statement.

(5) For the provision of property, plant, and equipment for security or pledge, please refer to Note 8 of the parent company only financial statement.

(6) Acquisition of property, plant and equipment set out in the parent company only statement of cash flows:

	2023	2022
Additions of property, plant and equipment during the period set out in Note 6.9(1) of the parent company only financial statement	$784,424	$342,182
Add: Equipment payments payable at the beginning of the period (including those to related parties)	61,791	154,216
Add: Rental expenses that may be deducted from the property consideration	3,702	-
Less: Equipment payments payable at the end of the period	(54,607)	(61,791)
Cash outflows for acquisitions of property, plant and equipment	$795,310	$434,607

(7) Disposal of property, plant and equipment set out in the parent company only statement of cash flows:

	2023	2022
Proceeds from disposal of property, plant and equipment	$775	$431
Add: Equipment payments receivable for disposals at the beginning of the period (including those from related parties)	431	12,316
Add: Write-off of amounts payable to related parties at the beginning of the period	-	3,090
Less: Equipment payments receivable for disposals at the end of the	(775)	(431)

(in NT$ thousand, unless otherwise stated)

period (including those from related parties)		
Cash inflows from disposals of property, plant and equipment	$431	$15,406

10. Right-of-use assets

(1) The increase/decrease in the right-of-use assets of the Company is as follows:

	2023		
	Land	Transportation Equipment	Total
Initial costs:			
Balance at the beginning of the period	$2,917	$3,407	$6,324
Additions during the period	44,362	-	44,362
Expire/transfer during the period	-	(1,166)	(1,166)
Termination of transfer during the period	(44,362)	-	(44,362)
Ending balance	2,917	2,241	5,158
Accumulated depreciation:			
Balance at the beginning of the period	1,361	1,191	2,552
Depreciation during the period	3,707	1,282	4,989
Expire/transfer during the period	-	(1,166)	(1,166)
Termination of transfer during the period	(3,361)	-	(3,361)
Ending balance	1,707	1,307	3,014
Carrying amount at the end of the period	$1,210	$934	$2,144

(in NT$ thousand, unless otherwise stated)

	2022		
	Land	Transportation Equipment	Total
Initial costs:			
Balance at the beginning of the period	$2,880	$10,786	$13,666
Additions during the period	37	2,241	2,278
Expire/transfer during the period	-	(9,620)	(9,620)
Ending balance	2,917	3,407	6,324
Accumulated depreciation:			
Balance at the beginning of the period	1,015	7,563	8,578
Depreciation during the period	346	3,248	3,594
Expire/transfer during the period	-	(9,620)	(9,620)
Ending balance	1,361	1,191	2,552
Carrying amount at the end of the period	$1,556	$2,216	$3,772

(2) In 2023 and 2022, the Company had not sublet its right-of-use assets.

(3) In 2023 and 2022, there was no impairment of right-of-use assets.

(4) The Company terminated the land lease contracts signed in November 2023 and December 2022 and reclassified the right-of-use asset. Please refer to Note 6.15(2) to the parent company only financial statements.

(5) The abovementioned right-if-use assets were not provided for security or pledge.

11. Intangible assets

(1) The increase/decrease in intangible assets - computer software is as follows:

	2023.12.31	2022.12.31
Initial costs:		
Balance at the beginning of the period	$8,330	$10,624
Additions during the period	1,919	436
Decrease during the period - Derecognition upon expiry	(7,094)	(2,730)
Ending balance	3,155	8,330
Cumulative amortization:		

Balance at the beginning of the period	5,784	4,330
Amortization during the period	2,551	4,184
Decrease during the period - Derecognition upon expiry	(7,094)	(2,730)
Ending balance	1,241	5,784
Carrying amount at the end of the period	$1,914	$2,546

(2) In 2023 and 2022, there was no impairment of intangible assets.

12. Prepaid investment amounts

(1) To invest in the establishment of the subsidiary in Vietnam (Bac Ninh), before the completion of the establishment registration of the subsidiary, the Company entered into a drafted contract for the lease of lands and infrastructure on behalf of it, in the Company's name, and agreed that the subsidiary would enter into the formal contract for the lease of lands and infrastructure after it has completed the establishment registration. In addition, the Company remitted investment amounts of US$750 thousand (equivalent to NT$20,988 thousand) and US$720 thousand (equivalent to NT$19,926 thousand), totaling US$1,470 thousand (equivalent to NT$40,914 thousand), on February 3 and June 1, 2021, respectively, for the partial payment of the abovementioned contract and other relevant expenditures. Subsequently, due to the delay in the progress of acquiring land in Bac Ninh Province, the Company resolved to cancel the aforementioned investment in the subsidiary in Vietnam (Bac Ninh) and signed a liquidation agreement with the land lessor on April 28, 2023 to terminate the initial drafted contract for the lease of lands and infrastructure. The contract payments paid by the lessor to the Company and compensation for the expenses that occurred during the course of the investment totaled VND34,687,500 thousand, which was divided into three installments, and payments shall be made according to the amount agreed for each installment. As of December 31, 2023, the Company has received VND 34,687,500 thousand (equivalent to NT$40,914 thousand) in full.

(2) To invest in the establishment of the subsidiary in Vietnam - Hai Duong TA-I Technology Co., Ltd., before the completion of the establishment registration of the subsidiary, the Company entered into a drafted contract for the lease of lands and infrastructure on behalf of it, in the Company's name, and agreed that the subsidiary would enter into the formal contract for the lease of lands and infrastructure after it has completed the establishment registration. The Company has remitted partial payments of the abovementioned contract and other relevant expenditures in the amount of US$220 thousand (equivalent to

(in NT$ thousand, unless otherwise stated)

NT$6,549 thousand) on June 16, 2022. The incorporation registration of the subsidiary was completed in April 2023 subsequently. The Company has remitted the remaining investment amounts of NT$209,500 thousand and transferred the prepaid investments of NT$6,549 thousand under investments accounted for using the equity method.

13. Short-term borrowings

	2023.12.31	2022.12.31
Credit loans	$600,000	$400,000

(1) Information on the interest rate on borrowings of short-term borrowings of the Company is as follows:

Nature of borrowing	2023.12.31	2022.12.31
Credit loans	1.75%~1.84%	1.4993%~1.6488%

(2) The Company has not provided any collateral for the abovementioned borrowings.

(in NT$ thousand, unless otherwise stated)

14. Long-term borrowings

Creditor	Nature of borrowing	Contract period	Amount	Repayment method
2023.12.31				
E.Sun Commercial Bank	Secured borrowings	2020/02/26 ~ 2025/02/15	$44,258	(Note 1)
E.Sun Commercial Bank	Credit loans	2022/08/03 ~ 2025/08/03	100,000	(Note 2)
E.Sun Commercial Bank	Secured borrowings	2023/01/18 ~ 2030/01/18	93,889	(Note 3)
E.Sun Commercial Bank	Secured borrowings	2023/11/21 ~ 2030/11/21	99,444	(Note 4)
E.Sun Commercial Bank	Secured borrowings	2023/12/07 ~ 2030/12/06	100,000	(Note 5)
Taipei Fubon Bank	Credit loans	2020/02/03 ~ 2025/02/03	54,167	(Note 6)
Taipei Fubon Bank	Credit loans	2020/04/06 ~ 2025/02/03	54,167	(Note 6)
Taipei Fubon Bank	Credit loans	2020/10/05 ~ 2025/02/03	65,000	(Note 6)
Taipei Fubon Bank	Secured borrowings	2020/08/27 ~ 2027/02/03	43,317	(Note 7)
Taipei Fubon Bank	Secured borrowings	2020/08/27 ~ 2027/02/03	25,990	(Note 7)
Taipei Fubon Bank	Secured borrowings	2023/11/21 ~ 2030/11/21	99,444	(Note 8)
Taipei Fubon Bank	Secured borrowings	2023/12/07 ~ 2030/11/21	100,000	(Note 9)
Yuanta Commercial Bank	Credit loans	2023/09/23 ~ 2026/09/23	100,000	(Note 10)
Total			979,676	
Less: Long-term borrowings due within one year			(299,580)	
Long-term borrowings due after one year			$680,096	

(in NT$ thousand, unless otherwise stated)

2022.12.31

E.Sun Commercial Bank	Secured borrowings	2020/02/26 ~ 2025/02/15	$75,870	(Note 1)
E.Sun Commercial Bank	Credit loans	2022/08/03 ~ 2025/08/03	100,000	(Note 2)
Taipei Fubon Bank	Credit loans	2020/02/03 ~ 2025/02/03	100,000	(Note 6)
Taipei Fubon Bank	Credit loans	2020/04/06 ~ 2025/02/03	100,000	(Note 6)
Taipei Fubon Bank	Secured borrowings	2020/08/27 ~ 2027/02/03	48,000	(Note 7)
Taipei Fubon Bank	Secured borrowings	2020/08/27 ~ 2027/02/03	28,800	(Note 7)
Taipei Fubon Bank	Credit loans	2020/10/05 ~ 2025/02/03	120,000	(Note 6)
JihSun International Commercial Bank	Credit loans	2022/11/25 ~ 2024/11/25	200,000	(Note 11)
Yuanta Commercial Bank	Credit loans	2022/09/14 ~ 2025/09/14	200,000	(Note 12)
Total			972,670	
Less: Long-term borrowings due within one year			(220,879)	
Long-term borrowings due after one year			$751,791	

Note 1: Borrowings from E.Sun Commercial Bank are investment project financing loans for repatriated Taiwanese enterprises; March 15, 2023 is the first principal repayment date; subsequently, there are a total of 24 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 2: For borrowings from E.Sun Commercial Bank, September 3, 2024 is the first principal repayment date; subsequently, there are a total of 12 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 3: For borrowings from E.Sun Commercial Bank, February 18, 2023 is the first principal repayment date; subsequently, there are a total of 180 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 4: For borrowings from E.Sun Commercial Bank, December 21, 2023 is the first principal repayment date; subsequently, there are a total of 180 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 5: For borrowings from E.Sun Commercial Bank, January 7, 2024 is the first principal repayment date; subsequently, there are a total of 180 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 6: Borrowings from Taipei Fubon Bank are investment project financing loans for repatriated Taiwanese enterprises; February 15, 2023, is the first principal repayment date; subsequently, there are a total of 24 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 7: Borrowings from Taipei Fubon Bank are investment project financing loans for repatriated Taiwanese enterprises; February 15, 2023, is the first principal repayment date; subsequently, there are a total of 48 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 8: For borrowings from Taipei Fubon Bank, December 21, 2023 is the first principal repayment date; subsequently, there are a total of 180 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 9: For borrowings from Taipei Fubon Bank, January 7, 2024 is the first principal repayment date; subsequently, there are a total of 180 installments with one month as one installment period for average repayment of principal and interest payment per month.

Note 10: For borrowings from Yuanta Commercial Bank, December 23, 2024 is the first principal repayment date; subsequently, there are a total of eight installments with three months as one installment period for average repayment of principal and interest payment per month.

Note 11: For borrowings from JihSun International Commercial Bank, February 25, 2024 is the first principal repayment date; subsequently, there are a total of four installments with three months as one installment period for average repayment of principal and interest payment per month; the Company completed the repayment in advance on May 8, 2023.

Note 12: For borrowings from Yuanta Commercial Bank, December 14, 2023, is the first principal repayment date; subsequently, there are a total of eight installments with three months as one installment period for average repayment of principal and interest payment per month; the Company completed the repayment in advance on September 23, 2023.

(in NT$ thousand, unless otherwise stated)

(1) As of December 31, 2023, and 2022, the interest rates on borrowings of the abovementioned borrowings are 1.1998%~1.9490% and 1.0677%~1.7751%, respectively.

(2) For collateral provided by the Company for long-term borrowings, please refer to Note 8 of the parent company only financial statement.

15. Lease Liabilities

	Discount rate	Amount
2023.12.31		
Lease liabilities		
Land	1.2811%	$344
Transportation Equipment	1.4038%	942
Total		1,286
Less: Lease liabilities due within one year		(1,062)
Lease liabilities due after one year		$224

	Discount rate	Amount
2022.12.31		
Lease liabilities		
Land	1.2811%	$463
Transportation Equipment	1.1800%~1.4038%	2,221
Total		2,684
Less: Lease liabilities due within one year		(1,398)
Lease liabilities due after one year		$1,286

(1) The Company rented a national base for use as a parking lot by way of a lease in November 2016, and the lease is accounted for under the right-of-use assets starting from January 1, 2019; the period of lease is ten years, and the lease payment shall be made every six months.

(2) The Company entered into a land lease contract in December 2022 and commenced renting the land for establishing its plant (including production lines) and corporate premises from January 2023; the period of lease is 11 years, and the lease payment shall be made every month. Before or upon the expiry of the lease contract, if the lessor intends to sell the leasing target, the Company is entitled to the preemptive right for purchase. The Company entered into a land sale and purchase contract with the lessor in November 2023. The total consideration of the contract was NT$400,878 thousand (after deducting the total rental paid by the Company during the leasing period of NT$3,702 thousand according to the agreement). Both parties also terminated the initial land lease contract, and the lease

(in NT$ thousand, unless otherwise stated)

liabilities of NT$41,295 thousand and the carrying amount of the right-of-use assets of NT$41,001 thousand recognized were derecognized. Gains arising from the derecognition were NT$294 thousand and are accounted for under non-operating income and expenses - other gains and losses.

(3) The Company rented transportation equipment by way of a lease in November 2019, June 2020, and November 2022, respectively; the period of leave is three years, and the lease payment shall be made each month.

(4) Information on other leases is as follows:

	2023	2022
Expenses relating to short-term leases	$905	$1,963
Expenses relating to leases of low-value asset leases	$149	$263
Variable lease payment expenses not included in the measurement of lease liabilities	$-	$-
Total cash outflows from leases	$2,452	$5,629
Interest expenses on lease liabilities	$663	$29

For dormitories, parking lots, and other equipment that qualify as short-term leases and low-value asset leases, the Company selected to apply the recognition exemption to not recognize relevant right-of-use assets and lease liabilities for such leases.

(5) The Company has not provided any collateral for the abovementioned lease liabilities.

16. Retirement benefits

(1) Defined benefit plans

A. The Company has established retirement methods that are based on the seniority of employees and the expected wages before retirement and appropriated retirement pension reserve based on a certain ratio of the total salary paid each month to the account with the Supervisory Committee of Labor Retirement Reserve for storage and expense according to the requirements of the "Labor Standards Act." The Company is completely independent of such pension; therefore, it is not included in the parent company only financial statement.

B. The cumulative amount of remeasurement of net-defined benefit programs recognized in other comprehensive income is as follows:

	2023	2022
Amount at the beginning of the period	$(6,782)	$(4,931)
Remeasurement of net-defined benefit programs	(1,946)	(1,851)
Amount at the end of the period	$(8,728)	$(6,782)

(in NT$ thousand, unless otherwise stated)

C. The reconciliation of the current value of defined benefit obligations and fair value of plan assets are as follows:

	2023.12.31	2022.12.31
Present value of defined benefit obligations	$(54,100)	$(50,928)
Fair value of plan assets	60,391	58,249
Net-defined benefit assets	$6,291	$7,321

D. Changes in the current value of defined benefit obligations are as follows:

	2023	2022
Carrying amount at the beginning of the period	$50,928	$52,083
Service costs for the period	60	51
Interest expenses	598	331
Actuarial losses (gains) arising from the net remeasurement of the defined benefit plan due to changes in financial assumptions	553	(1,627)
Actuarial losses arising from adjustments based on experiences	1,961	8,232
Benefits paid	-	(8,142)
Carrying amount at the end of the period	$54,100	$50,928

E. Changes in the fair value of plan assets are as follows:

	2023	2022
Carrying amount at the beginning of the period	$58,249	$60,364
Interest revenue	699	389
Remeasurement of net defined benefit programs Actuarial gains of return on plan assets	568	4,754
Amount appropriated by the employer	875	884
Benefits paid	-	(8,142)
Carrying amount at the end of the period	$60,391	$58,249

(A) According to the requirements of "Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund," the income and expenditure, preservation and use of plan assets of the Company shall be arranged by Bank of Taiwan as engaged by the competent authority and the Ministry of Finance; other financial institutions may be engaged for the preservation and use. The scope of utilization of the fund includes depositing in domestic and foreign financial institutions, investments in domestic and foreign equity securities listed on TWSE or TPEx, or privately placed, investments in domestic and foreign debt securities, investments in domestic securities investment trust funds through public offering or private placement, beneficiary certificates of futures trust funds, beneficiary certificates of joint trust funds or assembled trust products, investments in beneficiary certificates, fund shares, or investment units issued or managed by foreign fund management institutions, investments in domestic and foreign properties and their securitized products, investments in domestic and foreign prompt goods, engaging in domestic and foreign derivative transactions, engaging in securities lending; the minimum gains allocated in the final account each year shall not be lower than the gains calculated based on the two-year time deposit interest rate of local banks. Data on the use of labor retirement fund asset utilization includes the fund appropriation rate and yield provided by the Bank of Taiwan and information on the fund asset allocation announced on the website of the Bureau of Labor Funds, Ministry of Labor, Executive Yuan; please refer to the website of the Bureau of Labor Funds, Ministry of Labor, Executive Yuan.

(in NT$ thousand, unless otherwise stated)

(B) As of December 31, 2023, and 2022, the balance of the retirement pension reserve of the Company deposited in the account with the Bank of Taiwan was NT$60,391 thousand and NT$58,249 thousand, respectively.

(C) As of December 31, 2023, the defined benefit plan of the Company expects to appropriate NT$824 thousand in 2024.

F. Retirement pension expenses that are recognized as profit or loss and the accounting are as follows:

	2023	2022
Service cost	$60	$51
Interest expenses	598	331
Interest revenue	(699)	(389)
Total	$(41)	$(7)
Operating costs	$(25)	$(4)
Selling expenses	(5)	(1)
Administrative expenses	(11)	(2)
Total	$(41)	$(7)

(in NT$ thousand, unless otherwise stated)

G. The main actuarial assumptions used for the current value of defined benefit obligation are as follows:

	2023.12.31	2022.12.31
Discount rate	1.28%	1.30%
Expected salary increase rate	2.25%	2.00%

For the sensitivity analysis of effects arising from changes that may reasonably and potentially occur to actuarial assumptions of the Company on the amount of net-defined benefit assets, please refer to Note 5.2(1) of the parent company only financial statement.

H. Information on the maturity profile of defined benefit obligations is as follows:

	2023.12.31	2022.12.31
Weighted average duration	2 years	3 years

Maturity analysis of future benefit payment		
Within 1 year	$43,105	$38,263
2-5 years	10,686	11,593
Over 6 years	309	1,072
Current value of benefits payments	$54,100	$50,928

(2) Defined contribution plan

A. After the implementation of the "Labor Pension Act" in July 2005, the Company adopted the defined contribution plan. After the implementation, an employee may opt to apply the requirement pension requirements under the "Labor Standards Act" or apply the retirement pension system of the Labor Pension Act and retain the work seniority before the application of the Labor Pension Act. For employees subject to the Labor Pension Act, the retirement pension contribution rate borne by the Company shall not be lower than 6% of the monthly salaries of employees, and the retirement pension contributed on a monthly basis shall be deposited in the individual labor retirement pension account set up by the Labor Insurance Bureau. After the Company has made monthly contributions, we no longer assume the statutory and presumed obligations for additional contributions.

B. Retirement pension expenses that are recognized due to the adoption of the defined contribution plan are as follows:

	2023	2022
Operating costs	$14,126	$13,037
Selling expenses	567	553
Administrative expenses	2,012	1,962
Research and development expenses	1,382	1,132
Total	$18,087	$16,684

17. Share capital

	Authorized capital (thousand shares)	Issued ordinary shares with a par value of NT$10 per share	
		Shares (Thousands)	Share capital
Balance on January 1, 2022	380,000	144,737	$1,447,376
Cancelation of restricted stock awards		(6)	(63)
Balance on December 31, 2022	380,000	144,731	$1,447,313
Balance on January 1, 2023	380,000	144,731	$1,447,313
Balance on December 31, 2023	380,000	144,731	$1,447,313

(1) As of December 31, 2023, and 2022, the authorized capital of the Company includes 20,000 thousand shares retained for the issuance of employee stock options.

(2) The ordinary shares issued by the Company, the relevant rights, preemptive rights, and restrictions are as follows:

A. A shareholder is entitled to one vote for each share held.

B. The distribution of dividends and bonuses is subject to the shareholding of shareholders.

C. After the liquidation, the remaining properties are distributed according to the shareholding of shareholders.

(3) As employees who received the restricted stock awards resigned and the vesting conditions

(in NT$ thousand, unless otherwise stated)

were not fulfilled in 2022 Q1, the Company has retrieved 4 thousand shares and 2 thousand shares, respectively, with a par value of NT$10 per share, according to the issuance method free of charge; subsequently, the Board has resolved to perform a cancelation on March 7, 2022, and set March 29, 2022, as the base date for the capital reduction; the abovementioned proposal of capital reduction had been approved and archived by the competent authority, and the alteration registration procedures for the capital reduction have been completed.

18. Capital reserve

	2023.12.31	2022.12.31
Premium of ordinary shares	$1,089,668	$1,089,668
Premium from the conversion of convertible bonds	245,722	245,722
Treasury stock transactions	185,909	185,909
Invalid options	4,173	4,173
Total	$1,525,472	$1,525,472

(1) According to the requirements of the Company Act, the capital reserve shall remain unused apart from compensating the Company's losses; however, if the Company has no loss, it may distribute share or cash dividends based on the initial shareholding of shareholders from the entire or partial premium from issuing shares at a price exceeding the par value and income received. Furthermore, the Company may only compensate capital losses by using capital reserve when the surplus reserve is insufficient for such compensation.

(2) The annual shareholders' meeting resolved to distribute cash dividends in the amount of NT$144,731 thousand to shareholders from the premium of income from the issuance of shares at a price higher than the par value on June 9, 2022; please refer to Note 6.21(3) of the parent company only financial statement.

19. Statutory surplus reserve

According to the requirements of the Company Act, when distributing earnings after paying all taxes, the Company shall appropriate 10% as the statutory surplus reserve and continue to appropriate until the total amount reaches the total share capital of the Company; the statutory surplus reserve may be used in compensating losses of the Company, and if the Company has no loss, it may distribute 25% of the part of the statutory surplus reserve that exceeds the paid-in capital as share or cash dividends to shareholders according to their initial shareholding.

20. Special surplus reserve

The Company appropriates and reverses special surplus reserve according to the requirements under Order Jin-Guan-Zheng-Fa-Zi No. 1010012865, Order Jin-Guan-Zheng-Fa-Zi No. 1010047490, and "Q&A for the Appropriation of Special Surplus Reserve after the Adoption of IFRSs." Subsequently, for any reversal of the balance of deduction items of other equity, the Company distributes earnings for the reversal part. In addition, the FSC issued Order Jin-Guan-Zheng-Fa-Zi No. 1090150022 on March 31, 2021; after the issuance of the Order, the initial Order Jin-Guan-Zheng-Fa-Zi No. 1010012865 and Order Jin-Guan-Zheng-Fa-Zi No. 1010047490 were abolished on December 31, 2021, and March 31, 2021, respectively; the Company will comply with relevant orders subsequently.

21. Earning distribution and dividend policy

(1) According to the requirements of the Articles of Association, if the Company records any earnings from the final account of the year, it shall pay taxes according to the law and compensate cumulative losses, and then, appropriate 10% as the statutory surplus reserve; however, when the amount of statutory surplus reserve reaches the paid-in capital of the Company, the appropriation is exempted; for the remaining balance, the Company shall appropriate or reserve special surplus reserve according to the requirements of laws and regulations; if there are still balances, combine them with the cumulative undistributed earnings, the Board shall formulate a proposal for earning distribution and submit it to the shareholders' meeting for the resolution of distributing shareholders' bonuses.

(2) The dividend policy of the Company is as follows: The Company is in the stage of stable growth and adopts the residual dividend approach for its dividend policy; in response to the current and future development plans, taking into account the investment environment, capital requirements, domestic and foreign competition status, with equivalent consideration given to shareholders' interest and other factors, the Company determines its earning distribution; the distribution method of earnings is as follows:

The Board formulates the proposal for earning distribution based on earnings available for distribution and submits it to the shareholders for the resolution of distribution. The Company may distribute shareholders' bonuses by way of cash or shares, and the cash dividend shall be no less than 10% of the total earning distribution.

(in NT$ thousand, unless otherwise stated)

(3) The abovementioned proposal for earning distribution and the proposal for cash dividend to shareholders from capital reserve resolved at the annual shareholders' meeting of the Company is as follows:

	2022	2021
Legal reserve	$62,198	$92,660
Provision (reversal) of special surplus eserve	(52,930)	1,069
Shareholders' bonuses		
Cash	$289,463	$434,194
Cash dividend per share	NT$2.00	NT$3.00
Share (par value of NT$10 per hare)	-Share	-Share
Dividends per share	-NT$	-NT$
Distribution of capital reserve to hareholders		
Cash	$-	$144,731
Cash dividend per share	-NT$	NT$1.00

22. <u>Other equity (net after tax)</u>

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

	2023	2022
Balance at the beginning of the period	$(242,007)	$(294,937)
Occurred during the period	(64,433)	52,930
Reclassified to gains (losses) during the period	8,163	-
Ending balance	$(298,277)	$(242,007)

(2) Unrealized valuation losses from financial assets at FVOCI:

	2023	2022
Balance at the beginning of the period	$(115,500)	$(115,500)
Occurred during the period	-	-
Transferred to retained earnings during the period	-	-
Ending balance	$(115,500)	$(115,500)

(in NT$ thousand, unless otherwise stated)

(3) Unearned remuneration of employees:

	2023	2022
Balance at the beginning of the period	$-	$(1,841)
Issuance of restricted stock awards	-	-
Cost of remuneration recognized for the issuance of restricted stock awards	-	1,820
Retrieval and cancelation of restricted stock awards free of charge	-	21
Ending balance	$-	$-

23. Share-based payment – Employee’s reward

(1) Transfer of treasury shares to employees

On March 7, 2022, the Board resolved to transfer 802 thousand treasury shares to employees at the average repurchase price of NT$24.40, and the estimated fair value per share was NT$35.6 by adopting the Black-Scholes model on the granting date; the costs of remuneration in the amount of NT$28,551 thousand were recognized in 2022, respectively. The transfer of treasury shares to employees mentioned above was fully made on March 18, 2022.

The information on the assumptions related to the abovementioned transfer of treasury shares to employees is set out as follows:

	Transfer of treasury shares to employees in 2022
Performance price per share (NT$)	$24.40
Stock price per share on the granting date (NT$)	$60.00
Expected dividend yield	5.00%
Expected price volatility	15.00%
Risk-free interest rate	0.266%
Expected life	-

(2) Restricted stock award

On June 8, 2017, the annual shareholders’ meeting resolved to issue restricted stock awards in the amount of 2,000,000 ordinary shares, with a par value of NT$10 per share for granting to employees. The proposal had been declared to the competent authority within one year from the date resolved by the annual shareholders’ meeting; the Board is authorized to issue such shares in a lump sum or in batches within one year from the date of service of the notice of declaration approval and effectiveness from the competent authority, and the Chairman is authorized to set the actual issuance date. The declaration of the abovementioned restricted stock award was approved by the competent authority and became effective on April 11, 2018, and the Board had resolved on February 20, 2019, that February 21, 2019, shall be the base date for the capital increase and the full issuance; the alteration registration procedures for the capital increase had been completed.

(in NT$ thousand, unless otherwise stated)

The restricted rights of employees after receiving the stock award but before fulfilling the vesting conditions are as follows:

A. After receiving the stock award but before fulfilling the vesting conditions are as follows, apart from succession, employees may not sell, pledge, transfer, grant to others, create rights, or dispose of the restricted stock award in other means. Once an employee fulfills the vesting conditions, the Company will appropriate the shares from the trust account to the individual depository account of the employee according to the agreements in the trust custodianship contract.
B. The attendance, proposal, speech, voting, and election rights of shareholders' meetings shall be executed according to the trust custodianship contract.
C. Except for the requirements of the trust contract in B above other rights of employees after receiving the stock award but before fulfilling the vesting conditions, including but not limited to dividends, bonuses, entitlement to capital reserve, options for a capital increase in cash, are equivalent to the issued ordinary shares of the Company. After the distribution date of the stock grant and dividend distribution, the Company will make an appropriation to employees' individual accounts from the trust account, and the stock grant and dividend distribution will no longer be restricted by the vesting period.

If an employee violates the labor contract, retention commitment, competition rules, working rules, or requirements of the Company, it shall be deemed as a failure in fulfilling the vesting conditions; the Company shall retrieve the shares not vested from the employee for cancelation free of charge.

As of December 31, 2022, information related to the issued restricted stock award is set out as follows:

Granting date	Number of issued shares (share)	Price of share subscription	Fair value per unit	Number of restricted shares
2019.02.20	2,000,000	$-	$56.50	-

(in NT$ thousand, unless otherwise stated)

Note: The Company performed the refund of capital for the capital decrease on the base date of the capital decrease, August 7, 2019. The Company reduced 500 thousand shares under the restricted stock award based on the ratio of capital decrease.

For the retrieval and cancelation free of charge based on the issuance methods due to the resignation of employees who received the restricted stock award and the failure in fulfilling the vesting conditions in 2022, please refer to Notes 6.17(3) of the parent company only financial statement.

The Company recognized the costs of remuneration of NT$1,387 thousand (including a reversal of NT$433 thousand and a recognition of NT$1,820 thousand) for its restricted stock award plan in 2022; as of December 31, 2022, the accounted capital reserve - restricted stock award and other equity - unearned remuneration of employees were nil.

24. Treasury shares

(1) As resolved by the Board, the Company implemented the treasury share system and repurchased its shares from TWSE; as of December 31, 2023 and 2022, the increase/decrease is as follows:

	Balance at the beginning of the period		Increase during the period		Decrease during the period		Ending balance	
Reason for retrieval	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount
2023	None.							
2022								
Transfer to employees	802 thousand shares	$34,487	-	$-	802 thousand shares	$34,487	-	$-

(2) According to the requirements of the Securities and Exchange Act, the ratio of issued shares repurchased by the Company shall not exceed 10% of the number of total issued shares, and the total amount of shares purchased shall not exceed the amount of retained earnings, plus the premium of the issued shares, and the realized capital reserve. If the date on which the Board made the resolution is used as the calculation basis, the Company complies with the requirements of the Securities and Exchange Act.

(in NT$ thousand, unless otherwise stated)

(3) According to the Company Act and the Securities and Exchange Act, treasury shares held by the Company shall not be pledged or be entitled to the distribution of dividends, voting rights, and other rights. In addition, the repurchased shares shall be transferred to employees within five years from the completion date of the acquisition; shares that are not transferred past due are deemed as unissued shares, and the alteration registration of capital shall be performed. Furthermore, if the purpose of repurchasing shares of the Company from TWSE is to maintain the Company's credibility and shareholders' interest, the alteration registration of capital shall be performed within six months from the date of repurchase.

(4) For information related to the transfer of treasury shares to employees, please refer to Note 6.23(1) of the parent company only financial statement.

25. Net operating income

	2023	2022
Sales revenue	$3,580,187	$3,854,824
Other operating income	428,423	380,343
Total	4,008,610	4,235,167
Less: Sales return and discount	(7,960)	(15,036)
Net operating income	$4,000,650	$4,220,131

(1) Major product/service line

	2023	2022
Income from chip resistors	$3,572,227	$3,839,788
Others	428,423	380,343
Total	$4,000,650	$4,220,131

(2) Major regional market

Location of customer	2023	2022
Taiwan	$799,960	$936,352
Asia (regions other than Taiwan)	3,113,693	3,137,338
America	10,601	14,086
Others	76,396	132,355
Total	$4,000,650	$4,220,131

(in NT$ thousand, unless otherwise stated)

(3) Timing of revenue recognition

Location of customer	2023	2022
Product transfer at a certain timing	$4,000,650	$4,220,131

26. Operating costs and expenses

A summary table of employee benefit expenses, depreciation, and amortization by function is set out as follows:

By function / By nature	2023			2022		
	Operating costs	Operating expenses	Total	operating costs	Operating expenses	Total
Employee benefit expense						
Salary expense (Note 1)	$520,473	$131,873	$652,346	$564,704	$183,816	$748,520
Labor and health insurance expense	45,800	10,949	56,749	44,553	10,320	54,873
Pension costs	14,101	3,945	18,046	13,033	3,644	16,677
Remuneration of Directors (Note 1)	-	14,181	14,181	-	17,551	17,551
Other employee benefit expenses	29,904	4,109	34,013	27,113	3,197	30,310
Depreciation expense	409,043	32,943	441,986	411,775	24,787	436,562
Amortization expense	673	2,657	3,330	1,082	4,839	5,921

Note 1: (1) According to the requirements of the Articles of Incorporation, if the Company records profit for the year, it shall appropriate 6% to 10% as remuneration of employees, and the Board shall resolve to distribute in shares or cash; the target of distribution include employees, who fulfill certain conditions, of controlling or subordinated companies; based on the profit above, the Board may resolve to appropriate no more than 3% as remuneration of Directors. Proposals for the remuneration of employees and remuneration of Directors shall be reported to the

shareholders' meeting. However, when the Company has cumulative losses, it shall preserve the compensation amount in advance, and then, appropriate remuneration of employees and remuneration of Directors based on the ratio in the preceding paragraph.

(2) The estimated amount of remuneration of employees and Directors payable was NT$37,800 thousand and NT$9,450 thousand, respectively, in 2023, and the estimated amount of remuneration of employees and Directors payable was NT$53,100 thousand and NT$13,275 thousand, respectively, in 2022, respectively; the estimation basis of remuneration of employees and Directors is based on 6.86% and 1.71% as well as 6.73% and1.68%% of the net profit before tax (excluding effects of remuneration of employees and Directors) in 2023 and 2022, respectively. The estimated remuneration of employees and Directors is recognized as operating costs or operating expenses of the period. However, if there are changes in the amount resolved for distribution by the Board, it shall be accounted for as changes in accounting estimates, and adjustments will be made to profit or loss in the following year.

(3) On March 13, 2024, the Board approved the resolution to distribute the 2023 remuneration of employees and remuneration of Directors for NT$37,800 thousand and NT$9,450 thousand, respectively, which had no difference with the remuneration of employees and Directors estimated in 2023 financial statements of the Company. On March 15, 2023, the Board approved the resolution to distribute the 2022 remuneration of employees and remuneration of Directors for NT$53,100 thousand and NT$13,275 thousand, respectively, which was reported to the annual shareholders' meeting on June 7, 2023, and had no difference with the remuneration of employees and Directors estimated in the 2022 financial statements of the Company.

(4) For information related to the remuneration of employees and remuneration of Directors approved by the Board of the Company, please visit the Market Observation Post System (MOPS) for inquiries.

Note 2: (1) The average number of employees of the Company at the end of each month in 2023 and 2022 was 803 and 901, respectively; the number of Directors who are not concurrently employees was 7.

(2) The average employee benefit expenses of the Company in 2023 and 2022 were NT$956 thousand and NT$951 thousand, respectively.

(in NT$ thousand, unless otherwise stated)

(3) The average employee salary expenses of the Company in 2023 and 2022 were NT$820 thousand and NT$837 thousand, respectively, representing a decrease of 2.03% in 2023 from 2022.

(4) Remuneration policy of Directors, managerial officers, and employees of the Company:
According to the requirements under the "Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange," the Company proposed to the Remuneration Committee for the discussion of the remuneration policy. The remuneration policy for managerial officers is determined with reference to their individual experiences, performance, contributions to the Company, future potentials, and the operating performance of the Company; the remuneration policy for employees and Directors is subject to the requirements under the Articles of Incorporation during the years in which the Company record earnings. The remuneration of employees includes basic salaries, allowances, job allowances, overtime payments, and other bonuses. The basic salary is approved based on the academic background and experiences, professional skills, and the value of the position, taking the salary standards within the industry into account; the distribution of salaries is determined subject to the annual business earnings of the Company and the achievement of department and individual objectives.

27. Non-operating income and expense

(1) Interest income

	2023	2022
Interest from bank deposits	$25,315	$4,807

(2) Other income

	2023	2022
Dividend income	$23	$29
Other income - Others	16,929	22,692
Total	$16,952	$22,721

(3) Other gains and losses

	2023	2022
Net gains from disposals of property, plant and equipment	$1,087	$1,453
Disposal losses on investments	(8,161)	-
Gain on lease modification (including lease price offsetting the land	3,996	-

(in NT$ thousand, unless otherwise stated)

consideration)		
Net (gains) losses from financial assets at fair value through profit or loss	330	(336)
Other losses	(159)	-
Total	$(2,907)	$1,117

(4) Financial costs

	2023	2022
Interest on bank borrowings	$(22,710)	$(14,471)
Interest on lease liabilities	(663)	(29)
Subtotal	(23,373)	(14,500)
Less: Amount of capitalized borrowing costs (Note)	2,643	2,816
Total	$(20,730)	$(11,684)

Note: Please refer to Note 6.9(2) of the parent company only financial statement.

(5) Share of gains or losses from subsidiaries recognized by using the equity method

Please refer to Note 6.8(2) of the parent company only financial statement.

(6) Gain on impairment reversal

Please refer to Note 6.29 of the parent company only financial statement.

(7) Net gains (losses) from currency exchange

	2023	2022
Realized net exchange gains	$33,316	$111,797
Unrealized net exchange losses	(32,748)	(3,367)
Total	$568	$108,430

(in NT$ thousand, unless otherwise stated)

28. Other comprehensive income

Components of other comprehensive income	Recognized during the period	Reclassification and adjustment of the period	Other comprehensive income	Income tax gains	Amount after tax
2023					
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit programs	$(1,946)	$-	$(1,946)	$389	$(1,557)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries recognized by using the equity method - Exchange differences from the translation of financial statements of foreign operations	(64,433)	8,163	(56,270)	-	(56,270)
Total	$(66,379)	$8,163	$(58,216)	$389	$(57,827)

Components of other comprehensive income	Recognized during the period	Reclassification and adjustment of the period	Other comprehensive income	Income tax gains	Amount after tax
2022					
Items not reclassified subsequently to profit or loss:					
Remeasurement of defined benefit programs	$(1,851)	$-	$(1,851)	$371	$(1,480)
Items that may be reclassified subsequently to profit or loss:					
Share of other comprehensive income of subsidiaries recognized by using the equity method - Exchange differences from the translation of financial statements of foreign operations	52,930	-	52,930	-	52,930
Total	$51,079	$-	$51,079	$371	$51,450

(in NT$ thousand, unless otherwise stated)

29. Impairment of non-financial assets

(1) The Company makes arrangements for assets specified according to IAS 36 "Asset Impairment"; as of December 31, 2023 and 2022, the breakdown of cumulative impairment balances is as follows:

Accounting item	2023.12.31	2022.12.31
Property, plant and equipment		
Machinery and equipment	$2,360	$2,360
Research and development equipment	108	108
Other equipment	527	527
Total	$2,995	$2,995

(2) In 2018 Q4, as evaluated, the future product competitiveness of LED thermal ceramic substrate products is unfavorable, the Company determined to cease the operation, causing the inability of relevant equipment initially exclusively available for the production of LED thermal ceramic substrate products to generate significant recoverable amount; therefore, the Group fully recognized the carrying amount of the abovementioned equipment of NT$96,681 thousand as impairment losses. As the Company has disposed of partial machinery equipment with asset impairment recognized in 2023 and 2022, the cumulative impairment in the amount of nil and NT$47,488 thousand, respectively, provided initially was written off.

(3) In 2020 Q3, as evaluated, partial machinery equipment and R&D equipment were unable to generate a significant recoverable amount; therefore, the Company fully recognized the carrying amount of the abovementioned equipment of NT$20,665 thousand as impairment losses. Subsequently, as the Company has disposed of partial machinery equipment with asset impairment recognized in 2023 and 2022, the cumulative impairment in the amount of nil and NT$18,044 thousand, respectively, provided initially was written off.

(4) As the Company transferred partial machinery equipment with asset impairment recognized in 2023 and 2022 for self-use, the abovementioned cumulative impairment provided in the amount of nil and NT$1,352 thousand, respectively, provided was reversed and accounted for under non-operating income and expenses - Gain on impairment reversal.

30. Income tax

(1) The filing of the profit-seeking enterprise income tax of the Company before 2021 (inclusive) was approved and archived by the taxation authority.

(2) Major components of tax expense:

(in NT$ thousand, unless otherwise stated)

A. Income tax expense recognized in profit or loss

	2023	2022
Income tax expenses of the period		
Income tax expenses to be borne for the	$161,656	$112,114
Adjustments to current income that of prior years recognized in the period	(22,466)	(9,528)
Deferred income tax gains		
The initial generation of provisional differences and the reversal of	(5,345)	(3,492)
Income tax expense	$133,845	$99,094

B. Income tax related to components of other comprehensive income

	2023	2022
The initial generation of provisional differences and the reversal of relevant deferred income tax gains	$389	$371

C. The Company had not income tax related to direct debit or credit equity in 2023 and 2022.

(3) Relationship between income tax expenses and accounting profit:

	2023	2022
Accounting profit		
Net profit before tax of continuing operations	$503,780	$722,557
Tax calculated based on the applicable tax rate of the Company	$100,756	$144,511
Additional business profit-seeking enterprise income tax on undistributed earnings	5,513	7,819
Items of adjustment		
Effects of gains adjustable and expenses not deductible for tax filing on income tax	50,042	(43,708)
Effects of provisional differences on income tax	5,345	3,492
Income tax expenses to be borne for the period	161,656	112,114
Adjustments to current income that of prior years recognized in the period	(22,466)	(9,528)
Income tax expenses of the period	139,190	102,586

(in NT$ thousand, unless otherwise stated)

Deferred income tax gains	(5,345)	(3,492)
Income tax expense	$133,845	$99,094

(4) Deferred income tax assets and liabilities are analyzed as follows:

	Balance at the beginning of the period	Defined benefit costs recognized in profit or loss	Recognized in other comprehensive income	Ending balance
2023				
Deferred income tax assets				
Unrealized inventory write-down	$15,389	$(300)	$-	$15,089
Unrealized exchange losses	673	5,876	-	6,549
Financial and taxation differences for the appropriation of retirement pension expenses	1,116	(181)	389	1,324
Unrealized severance pays	5,700	-	-	5,700
Impairment losses of financial assets	17,213	-	-	17,213
Impairment losses of property, plant, and equipment	83	(50)	-	33
Total	$40,174	$5,345	$389	$45,908
2022				
Deferred income tax assets				
Unrealized inventory write-down	$11,789	$3,600	$-	$15,389
Unrealized exchange losses	-	673	-	673
Financial and taxation differences for the appropriation of retirement pension expenses	936	(191)	371	1,116
Unrealized severance pays	5,700	-	-	5,700
Impairment losses of financial assets	17,213	-	-	17,213
Impairment losses of property, plant, and equipment	3,515	(3,432)	-	83
Total	$39,153	$650	$371	$40,174
Deferred income tax liabilities				
Unrealized currency exchange gains	$2,842	$(2,842)	$-	$-

(in NT$ thousand, unless otherwise stated)

(5) Unrecognized deferred tax assets:

	2023.12.31	2022.12.31
Unrealized impairment losses of financial	$23,100	$23,100

(6) Unrecognized deferred income tax liabilities related to subsidiaries we invested:

The Company has not recognized relevant deferred income tax liabilities for income tax payable that may arise from the repatriation of undistributed earnings of partial foreign subsidiaries. The Company has determined not to allocate partial undistributed earnings of such subsidiaries in the foreseeable future. As of December 31, 2023, and 2022, taxable provisional differences not recognized as deferred income tax liabilities were NT$272,525 thousand and NT$288,432 thousand, respectively.

31. Earnings per share

(1) Basic earnings per share

Basic earnings per share are calculated by dividing the profit or loss of the ordinary equity holders of the Company by the weighted average number of issued shares of the period; the calculation is as follows:

	2023	2022
Net profits of ordinary equity holders of the Company	$369,935	$623,463
Number of issued shares at the beginning of the period excluding treasury shares)	144,731,339 shares	143,375,539 shares
Transfer of treasury shares to employees (Note)	-	659,178
Restricted stock award during the vested period (Note)	-	455,178
Weighted average number of shares	144,731,339 shares	144,489,895 shares
Basic earnings per share (after tax) (NT$)	$2.56	$4.31

Note: Calculated based on the outstanding period of the transfer or vesting.

(2) Diluted earnings per share

Diluted earnings per share are calculated by dividing the profit or loss of ordinary equity holders of the Company based on the effects of dilutive potential ordinary shares by the effects of all dilutive potential ordinary shares with adjustments to the weighted average number of issued shares of the period; the calculation is as follows:

(in NT$ thousand, unless otherwise stated)

	2023	2022
Net profits of ordinary equity holders of the Company	$369,935	$623,463
Add: Effects of potential ordinary shares	-	-
Adjusted net profits of ordinary equity holders of the Company	$369,935	$623,463

	2023	2022
Weighted average number of shares	144,731,339 shares	144,489,895 shares
Add: Effects of potential ordinary shares		
Assumption of the issuance of incremental shares for remuneration of employees	1,015,424	1,499,700
Weighted average number of shares after adjustments	145,746,763 shares	145,989,595 shares
Diluted earnings per share (after tax) (NT$)	$2.54	$4.27

32. Reconciliation of liabilities from financing activities

			Non-cash changes			
Accounting items	Balance at the beginning of the period	Cash flow	Additions during the period	Decrease during the period	Others	Ending balance
2023						
Short-term borrowings	$400,000	$200,000	$-	$-	$-	$600,000
Long-term borrowings (including those due within one year)	972,670	7,006	-	-	-	979,676
Lease liabilities (including current and non-current)	2,684	(1,398)	44,362	(41,295)	(3,067)	1,286
Total	$1,375,354	$205,608	$44,362	$(41,295)	$(3,067)	$1,580,962

(in NT$ thousand, unless otherwise stated)

2022						
Short-term borrowings	$501,200	$(101,200)	$-	$-	$-	$400,000
Long-term borrowings (including those due within one year)	872,670	100,000	-	-	-	972,670
Lease liabilities (including current and non-current)	3,809	(3,403)	2,278	-	-	2,684
Total	$1,377,679	$(4,603)	$2,278	$-	$-	$1,375,354

VII. Related-party transactions

1. Name and relationship of related party

Related Party Name	Relationship with the Company
TA-I Holdings (Samoa) Co., Ltd. (TA-I Samoa)	Subsidiary of the Company
Xiangtai Enterprise Co., Ltd. (Xiangtai)	Subsidiary of the Company
TA-I International (BVI) Co., Ltd. (TA-I International (BVI))	Subsidiary of the Company
TAI OHM Electronics (M) Sdn. Bhd. (TAI OHM Electronics)	Subsidiary of the Company
TA-I United Co., Ltd. (TA-I United)	Subsidiary of the Company
JHAN SIN Sensor Co., Ltd. (JHAN SIN)	Subsidiary of the Company
Dongguan Changping Sima Xiangtai Resistor Co., Ltd. (Xiangtai Resistor)	Subsidiary of the Company
Hai Duong TA-I Technology Co., Ltd. (Hai Duong TA-I)	Subsidiary of the Company
TA-I Technology Electronics (Dongguan) Co., Ltd. (TA-I Dongguan)	Subsidiary indirectly held by the Company
TA-I Technology (Suzhou) Electronics Co., Ltd. (TA-I Suzhou)	Subsidiary indirectly held by the Company
TAI Electronic Co., Ltd. (TAI Electronic)	Partial Directors of the Company are the directors of the company
Dongguan TAI Electronic Co., Ltd. (Dongguan TAI)	Partial Directors of the Company are the directors of the company
Indonesia TAI Electronic Co., Ltd. (Indonesia TAI Plant)	Substantial related party

2. Material transactions with related parties

(in NT$ thousand, unless otherwise stated)

(1) Purchases

Related Party Category/Name	2023	2022
Subsidiary		
TA-I Dongguan	$238,007	$235,018
TA-I Samoa	7,191	11,083
Xiangtai	2,313	4,660
Total	$247,511	$250,761

The Company makes purchases from the abovementioned subsidiaries, and the purchasing prices are determined based on product categories, referential costs, market price, market competition, and other factors. The payment period for subsidiaries is settled by the following month with a grace period of 180 days, and for general suppliers is settled by month with a grace period of 30 to 120 days.

(2) Sales

Related Party Category/Name	2023	2022
Subsidiary		
TA-I Samoa	$1,194,495	$1,074,688
TA-I Dongguan	1,072,471	1,136,028
Xiangtai	342,540	448,437
TAI OHM Electronics	58,876	78,985
Other related parties		
Dongguan TAI	93	155
Indonesia TAI Plant	19,814	21,868
TAI Electronic	10,711	7,241
Total	$2,699,000	$2,767,402

The Company makes sales to the abovementioned subsidiaries and other related parties, and the selling price is equivalent to that of general customers. The collection condition for subsidiaries and other related parties is settled by the following month with a grace period of 150 to 180 days, and the collection period for general customers is settled by month with a grace period of 30 to 120 days.

(in NT$ thousand, unless otherwise stated)

(3) Property transaction

A. The acquisitions of property, plant and equipment from subsidiaries are as follows:

Related Party	Item	2023	2022
Subsidiary			
TA-I Dongguan	Machinery and equipment	$-	$494

B. The disposals of property, plant and equipment to subsidiaries are as follows:

Related Party	Item	2023	2022
Subsidiary			
TAI OHM Electronics	Machinery and equipment	$775	-

In 2023 and 2022, the Company recorded net disposal gains of NT$65 and nil due to disposals of property, plant and equipment to the abovementioned subsidiaries. As of December 31, 2023 and 2022, the balance of unrealized internal gains arising from disposals of property, plant and equipment to subsidiaries was NT$1,478 thousand and NT$2,500 thousand, respectively, which was accounted for under investments by using the equity method.

(4) Processing fees

Related Party Category/Name	2023	2022
Subsidiary		
JHAN SIN	$87,640	$109,683
Other related parties		
Indonesia TAI Plant	2,233	3,019
Total	$89,873	$112,702

(5) Commissions expenses

Related Party Category/Name	2023	2022
Other related parties		
Indonesia TAI Plant	$969	$1,090

(6) Other income

Related Party Category/Name	2023	2022
Subsidiary		
Xiangtai	$6,228	$5,973
JHAN SIN	1,080	1,080
Total	$7,308	$7,053

(in NT$ thousand, unless otherwise stated)

(7) Creditor's rights and liabilities arising from the abovementioned transactions

Related Party Category/Name	2023.12.31	2022.12.31
Accounts receivable - Related parties		
Subsidiary		
TA-I Dongguan	$421,544	$512,044
TA-I Samoa	247,848	143,097
TAI OHM Electronics	30,066	37,075
Other related parties		
Indonesia TAI Plant	9,864	8,224
TAI Electronic	7,661	3,576
Dongguan TAI	93	-
Total	$717,076	$704,016
Other receivables - Related parties		
Subsidiary		
TA-I Dongguan	$1,312	$151
TAI OHM Electronics	998	526
Total	$2,310	$677
Other payables - Related parties		
Subsidiary		
Xiangtai (Note)	$688,998	$542,555
TA-I United	-	76,685
JHAN SIN	20,907	7,599
TA-I International (BVI) (Note)	12,971	16,081
Total	$722,876	$642,920

Note: Primarily the collection of payments.

There was no security or guarantee provided for the creditor's rights and liabilities between the Company and related parties; also, it is not required to provide loss allowance for the creditor's rights of the Company against related parties, as evaluated.

(8) Information on the total remuneration of the chief management

The information related to the total remuneration paid by the Company to Directors, President, Vice Presidents, and other chief management is summarized as follows:

Item	2023	2022
Short-term benefits	$35,765	$49,668
Pensions	135	124
Total	$35,900	$49,792

For the remuneration of the chief management, the Remuneration Committee of the Company refers to the general standards within the industry and takes into account the time invested by the individual, duties assumed, the achievement of personal objectives, the performance of other concurrent positions, remuneration offered to equivalent positions by the Company in recent years, as well as the achievement of the short-term and long-term business objectives of the Company, and financial position of the Company to evaluate the rationale of the connectivity of the individual performance to the Company's business performance and future risks.

(in NT$ thousand, unless otherwise stated)

VIII. Pledged Assets

In the assets of the Company as of December 31, 2023 and 2022, those provided to financial institutes or governmental agencies as collateral for financing, application for financing limits or cargo import guarantee are as follows:

Accounting item	2023.12.31	2022.12.31	Mortgage institution	Content of secured liabilities
Other financial assets - Current				
Restricted time deposits	$10,000	$10,000	Keelung Customs, Customs Administration, Taiwan	Cargo import guarantee
Property, plant and equipment				
Land	513,108	513,108	Taipei Fubon Bank and E.Sun Commercial Bank	Long-term borrowings
Buildings	1,169,265	1,198,106	Taipei Fubon Bank and E.Sun Commercial Bank	Long-term borrowings
Machinery and equipment	49,647	74,711	Taipei Fubon Bank and E.Sun Commercial Bank	Long-term borrowings
Other equipment	611	936	Taipei Fubon Bank	Long-term borrowings
Total	$1,742,631	$1,796,861		

IX. Significant Contingent Liabilities and Unrecognized Commitments

As of December 31, 2023, the Company has the following material contingent liabilities and contractual commitments that are not listed in the abovementioned parent company only financial statement:

As of December 31, 2023, the Company has entered into a contract for the acquisition of property, plant and equipment in the amount of NT$117,773 thousand; the outstanding amount (excluding other payables accounted for) is NT$49,495 thousand.

X. Losses Due to Major Disasters

None.

XI. Significant Events After the Period

None.

XII. Others

1. Capital management

(1) The target of capital management of the Company is to ensure the ability to continue as a going concern to continue to provide shareholders' return and benefits for other stakeholders and maintain the optimized capital structure in order to minimize capital costs; also, we determine the pricing of our products or services based on the corresponding level of frisks to provide abundant shareholders' return.

(2) The Company sets its capital amount based on the risk ratio and manages the capital structure, and makes appropriate adjustments based on the changes in economic status and the risk characteristics of target assets. To maintain or adjust our capital structure, the Company may adjust the dividend paid to shareholders, return capital to shareholders through capital reductions, issue new shares, or dispose of assets to settle liabilities.

2. Financial risk management

(1) Major financial instruments of the Company include cash and cash equivalents, financial assets at fair value through profit or loss, other financial assets, short-term borrowings, long-term borrowings, lease liabilities, and amounts receivable generated from operating activities, and the Company reconciles its demand for working capital via such financial instruments; therefore, the operation of the Company is exposed to multiple financial risks; such risks include market risk (including currency risk, interest rate risk, and other price risks), credit risk, and liquidity risk. The purpose of the overall financial risk management of the Company is to minimize the potential adverse effects of financial risks that the Company is exposed to due to changes in the financial market.

(2) The Financial Management Department of the Company is responsible for the identification, evaluation, and avoidance of financial risks through close contact with business departments of the Company, the coordination and negotiation to enter the international financial market for operations, and the management of financial risks of the Company related to operations by analyzing the level of exposure; the Department is monitored and managed by the Board of the Company.

(3) Major risks of the Company's financial instruments are described as follows:

A. Market risk

The major market risk of the Company is currency risk arising from sales or imports denominated in non-functional currencies and other operating activities and interest rate risk or price risks arising from financial instrument transactions.

(A) Currency risk

The Company carries out evaluation and analysis of the overall currency risk and has utilized forward exchange contracts for risk management regarding the recognized assets and liabilities and the exposure of future business transactions to significant currency risks within the scope permitted by the policy.

Information on financial assets and liabilities not denominated in the functional currency with significant exposure to currency volatility on the reporting date and the sensitivity analysis is as follows; the sensitivity analysis is the effects on net profit before tax or equity of the appreciation of NTD by 5% against relevant currencies on the reporting date regarding financial assets and liabilities denominated in the non-functional currency of the Company, and the reverse effects on net profit before tax or equity of the depreciation of NTD by 5% against relevant currencies:

				Sensitivity analysis		
	Foreign currency (thousand)	Exchange rate	Carrying amount	Changes	Increase/ decrease in net profit before tax	Increase/decrease in equity
2023.12.31						
Financial assets						
Monetary items						
USD	$67,853	30.735	$2,085,465	5%	$104,273	$-
Japanese yen	62,579	0.2173	13,598	5%	680	-
HKD	1,622	3.9339	6,379	5%	319	-
RMB	173	4.3338	749	5%	37	-
Non-monetary items:	None.					
Financial liabilities						
Monetary items						
USD	$33,487	30.735	$1,029,228	5%	$51,461	$-
Japanese yen	26,038	0.2173	5,658	5%	283	-
HKD	68	3.9339	267	5%	13	-
Non-monetary items:	None.					

(Cont'd)

(Cont'd)

	Foreign currency (thousand)	Exchange rate	Carrying amount	Sensitivity analysis: Changes	Sensitivity analysis: Increase/ decrease in net profit before tax	Sensitivity analysis: Increase/decrease in equity
2022.12.31						
Financial assets						
Monetary items						
USD	$55,564	30.708	$1,706,266	5%	$85,313	$-
Japanese yen	73,830	0.2324	17,158	5%	858	-
HKD	1,613	3.9384	6,357	5%	318	-
RMB	173	4.4175	763	5%	38	-
Non-monetary items:	None.					
Financial liabilities						
Monetary items						
USD	$27,291	30.708	$838,037	5%	$41,902	$-
Japanese yen	28,476	0.2324	6,618	5%	331	-
HKD	181	3.9384	714	5%	36	-
Non-monetary items:	None.					

Information of the exchange rate for the amount of exchange gains or loss (including those realized and unrealized) of monetary items of the Company converted into the functional currency and converted into the presentation currency of the parent company only financial statement is as follows:

Functional currency	2023: Foreign exchange gain	2023: Average exchange rate	2022: Foreign exchange gain	2022: Average exchange rate
NTD	$568	-	$108,430	-

(B) Interest rate risk

The interest rate risk of the Company includes the fair value interest rate risk of financial instruments with fixed interest rates and the cash flow interest rate risk of financial instruments with floating interest rates. Financial instruments with fixed interest rates are time deposits, partial bank borrowings, and lease liabilities of the Company; financial instruments with floating interest rates are demand deposits and partial bank borrowings. The Company carries out the evaluation and analysis for interest rate risk on a dynamic basis to control the level of exposure of interest rate risk through maintaining an appropriate profile of fixed and floating interest rates; the Company expects no significant interest rate risk.

(in NT$ thousand, unless otherwise stated)

a. Financial assets and liabilities of fixed and floating interest rate of the Company

	2023.12.31	2022.12.31
Fixed interest rate		
Financial assets	$793,743	$514,225
Financial liabilities	(601,286)	(102,684)
Net amount	$192,457	$411,541
Floating interest rate		
Financial assets	$450,105	$441,160
Financial liabilities	(979,676)	(1,272,670)
Net amount	$(529,569)	$(831,510)

b. Sensitivity analysis

Financial assets of floating interest rate held by the Company are demand deposits; the Company expects no significant cash flow interest rate risk. In addition, if the borrowing interest rate of the financial liabilities of floating interest rate of the Company in the market increases by 0.5% on the reporting date, and assuming such liabilities are held for one fiscal year, with all other factors remaining unchanged, net profit before tax of the Company in 2023 and 2022 would reduce by NT$4,898 thousand and NT$6,363 thousand, respectively.

(C) Other price risks

The Company held financial assets in 2023 and 2022 at fair value through profit or loss (equity securities); therefore, the Company is exposed to equity price risk. The Company manages the price risks of equity securities by holding investment portfolios with different risks.

Sensitivity analysis

The amount of equity securities under financial assets at fair value through profit or loss held by the Company on December 31, 2023 and 2022 was NT$1,348 thousand and NT$1,018 thousand; it is expected to have no significant effect on the equity price risk of the Company.

B. Credit risk

(A) Credit risks of the Company are primarily the potential effects of non-performance of counterparties or other parties of transactions on financial assets, and the effects include the concentration level of credit risk, crucial factors, contract amount, and other receivables of financial assets of the Group. To mitigate credit risks, counterparties for transactions of bank deposits, financial assets at fair value through profit or loss, and other financial assets are renowned domestic and foreign financial or securities institutions with a low level of credit risk. As for amounts receivable, the Company continues to evaluate the financial positions, historical experiences, and other factors of counterparties and modifies the transaction limit and transaction method in due course for individual customers to improve the quality of loans to customers of the Company.

(B) The Company carried out evaluation and analysis for the expiry or impairment of financial assets on the reporting date; the exposure amount of the Company's credit risk is as follows:

	2023.12.31	2022.12.31
Exposure amount of credit risk		
Loss allowance - measured at 12-month ECL	$-	$-
Loss allowance - measured at lifetime ECL		
Notes receivable, accounts receivable, other receivable, and overdue receivables	3,668	3,932
Total	$3,668	$3,932

(in NT$ thousand, unless otherwise stated)

(C) The ECL of notes receivable and accounts receivable (including those from related parties) on December 31, 2023, and 2022 is analyzed as follows:

	Total carrying amount of notes receivable and accounts receivable	Preparation matrix (loss rate)	Allowance for bad debts (lifetime ECLs)
2023.12.31			
Not Past Due	$1,058,369	0.21%	$2,237
Overdue for less than 30 days	831	8.54%	71
Overdue for 31 to 90 days	1	100%	1
Overdue for 91 to 180 days	-	100%	-
Overdue for over 180 days	-	100%	-
Total	$1,059,201		$2,309
2022.12.31			
Not Past Due	$996,069	0.25%	$2,471
Overdue for less than 30 days	370	11.35%	42
Overdue for 31 to 90 days	1	100%	1
Overdue for 91 to 180 days	59	100%	59
Overdue for over 180 days	-	100%	-
Total	$996,499		$2,573

(D) Level of credit risk concentration of accounts receivable is analyzed as follows:

	2023.12.31	2022.12.31
Ratio of accounts receivable of	86.56%	87.22%

C. Liquidity risk

The Company manages liquidity risk by monitoring and maintaining a level of cash and cash equivalents deemed adequate to perform all contractual obligations of our operation and mitigate the effects of fluctuations in cash flows. Bank facilities are material liquidity sources of the Company. The management ensures the re-acquisition of bank facilities through capital structure management, monitoring the usage of bank facilities, compliance with terms of borrowing contracts, and in turn, mitigating liquidity risks. Share investments of the Company accounted for under financial assets at FVOCI are exposed to liquidity risks as there is no active market.

(in NT$ thousand, unless otherwise stated)

(A) Utilizable limits of bank facilities

	2023.12.31	2022.12.31
Short-term borrowings	$950,000	$1,350,000
Long-term borrowings	595,330	1,095,330
Total utilizable limits	$1,545,330	$2,445,330

(B) Maturity analysis of undiscounted non-derivative financial liabilities

	Less than one year	Over one year but less than two years	Over two years but less than five years	Over five years	Total
2023.12.31					
Non-derivative financial liabilities					
Short-term borrowings	$601,195	$-	$-	$-	$601,195
Accounts payable	446,586	-	-	-	446,586
Other payables	502,659	-	-	-	502,659
Other payables - Related parties	722,876	-	-	-	722,876
Lease liabilities	1,071	124	103	-	1,298
Long-term borrowings	301,936	196,812	170,677	383,922	1,053,347
Total	$2,576,323	$196,936	$170,780	$383,922	$3,327,961
2022.12.31					
Non-derivative financial liabilities					
Short-term borrowings	$400,997	$-	$-	$-	$400,997
Accounts payable	307,835	-	-	-	307,835
Other payables	513,524	-	-	-	513,524
Other payables - Related parties	642,920	-	-	-	642,920
Lease liabilities	1,426	1,071	227	-	2,724
Long-term borrowings	222,462	562,440	208,714	-	993,616
Total	$2,089,164	$563,511	$208,941	$-	$2,861,616

(4) Fair value of financial instruments

The carrying amount of the Company's financial instruments is a reasonable equivalent to their fair value.

A. Methods adopted for the fair value of financial instruments and assumptions adopted when using valuation techniques

(A) For short-term financial instruments, their carrying amount on the Statement of Financial Position is used to estimate the fair value as the expiry of such financial instruments is near, and the current value of future cash flows discounted at the market interest rate is equivalent to the carrying amount; therefore, the carrying amount shall be the reasonable basis for the fair value estimation. The method applies to cash and cash equivalents, net notes receivable, net accounts receivable (including those from related parties), other receivables (including those from related parties), short-term borrowings, and accounts payables (including those to related parties).

(B) If financial assets at fair value through profit or loss have an open quote in an active market, the market price shall be the fair value.

(C) For other financial assets, its carrying amount is used to estimate their fair value as the current value of future cash flows discounted at the market interest rate is equivalent to the carrying amount; therefore, the carrying amount shall be the reasonable basis for the fair value estimation.

(D) Financial assets at FVOCI are investments in equity instruments with no open quote in an active market held by the Group. The income method or asset method is adopted to estimate their fair value, and the fair value is also estimated based on other relevant information.

(E) Flexible interest rates are adopted for long-term borrowings of the Company, and the carrying amount on the Statement of Financial Position is used to estimate their fair value, which is adjusted with reference to the circumstances in the market; therefore, the borrowing interest rate of the Company shall be equivalent to the market interest rate.

(F) Lease liabilities are discounted at the incremental borrowing interest rate of lessees of the Company based on the outstanding lease payment on the commencement date of leases and subsequently measured at amortized costs using the effective interest rate method; the carrying amount is the reasonable equivalent to the fair value.

B. Level of fair value measurement

All assets and liabilities measured or disclosed at fair value are categorized to their fair value hierarchy based on the lowest level of input of significance on the overall fair value measurement. Inputs of each level are as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities available on the measurement date.

Level 2: Inputs directly or indirectly observable of assets and liabilities; however, excluding those included in the quoted price in Level 1.

Level 3: Unobservable inputs of assets or liabilities.

Assets and liabilities initially measured at fair value based on a repetitive basis and recognized in the Statement of Financial Position are re-evaluated for classification at the end of each reporting period to determine whether any transfer between the fair value hierarchy has occurred.

(A) Level of financial instruments measured at fair value and recognized in the Statement of Financial Position

The Company has no assets or liabilities not measured at fair value on a repetitive basis; the information on the fair value level of assets or liabilities measured at fair value on a repetitive basis is as follows:

	Level 1	Level 2	Level 3	Total
2023.12.31				
ASSETS				
Financial assets at fair value through profit or loss - Equity securities	$1,348	$-	$-	$1,348
Financial assets at FVOCI - Equity securities	-	-	-	-
2022.12.31				
ASSETS				
Financial assets at fair value through profit or loss - Equity securities	$1,018	$-	$-	$1,018

Financial assets at FVOCI - Equity securities	-	-	-	-

(B) There was no significant transfer between level 1 and level 2 of the fair value hierarchy in 2023 and 2022.

(C) Reconciliation of level 3 fair value measurements on financial instruments:

a. Financial assets at fair value through profit or loss: None.

b. Financial assets at FVOCI: None.

(D) Valuation techniques and assumptions adopted for measuring the fair value of financial assets:

a. For financial assets with standard terms and conditions that are traded in an active market, their fair value shall be subject to the market quotations, respectively.

b. Other valuation techniques to determine the fair value of financial instruments (i.e., cash flow discount analysis).

(E) Quantitative information on fair value measurement of significant unobservable inputs (level 3):

The significant unobservable input of shares of companies not listed on TWSE (TPEx) is primarily liquidity discount; however, the possible changes of liquidity discount have not resulted in material potential financial effects; therefore, the quantitative information is not disclosed.

(F) Valuation procedures for fair value measurement of significant unobservable inputs (level 3):

The Accounting Department of the Company is responsible for fair value verification. It allows the valuation to approximate the market status through independent data sources, confirms that the data sources are independent, reliable, consistent with other sources, and represent the executable price, and carries out analysis for the value of assets and liabilities that shall be remeasured or re-evaluated based on the accounting policies of the Company to ensure the valuation results are reasonable.

XIII. Other Disclosures

1. Information on significant transactions

The supplemented disclosures of information on the Company and its subsidiaries in 2023 are as follows:

(1) Loans to others: Please refer to Schedule 1 for details.
(2) Endorsements/guarantees for others: None.
(3) Securities held at the end of the period (excluding investees, associates, and equity of joint venture): Please refer to Schedule 2 for details.
(4) Cumulative securities acquired and disposed of with an amount reaching NT$300 million or 20% of the paid-in capital or above: None.
(5) Acquisition of property with an amount reaching NT$300 million or 20% of the paid-in capital or above: For details, please refer to Schedule 3.
(6) Disposal of property with an amount reaching NT$300 million or 20% of the paid-in capital or above: None.
(7) Purchases or sales with related parties with an amount reaching NT$100 million or 20% of the paid-in capital or above: For details, please refer to Schedule 4.
(8) Amounts receivable from related parties with an amount reaching NT$100 million or 20% of the paid-in capital or above: For details, please refer to Schedule 5.
(9) Derivative transaction: None.
(10) Business relationships and significant transactions between the parent and the subsidiaries, and amount: For details, please refer to Schedule 6.

2. Information on investees

The supplemented disclosures of information related to material effects, control, or equity of joint venture directly or indirectly on investees not in the Mainland area in 2023: For details, please refer to Schedule 7.

3. Information on Investment in Mainland China

(1) Name of investees in the Mainland China, primary scope of business, paid-in capital, method of investment, inward and outward remittance of funds, shareholding, investment gain or loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the Mainland area: For details, please refer to Schedule 8.

(2) Material transactions with investees in the Mainland China during the period:

A. The amount and percentage of purchases and the balance and ratio at the end of the period of the relevant amounts payable: For details, please refer to Note 7, Schedules 4 and 6 in the parent company only financial statements.

B. The amount and percentage of sales at the end of the period: For details, please refer to Note 7, Schedules 4, 5 and 6 in the parent company only financial statements.

C: The amount of property transactions and the amount of the resultant gains or losses: None.

D. Balance at the end of the period and the purpose of the endorsement/guarantee provided in notes or collateral provided: None.

E. The highest balance, balance at the end of the period, the interest rate range, and total interest of the period with respect to the financing of funds: For details, please refer to Schedule 1.

F. Other transactions that significantly impacted profit or loss or financial position of the period: For details, please refer to Note 7 and Schedule 6 in the parent company only financial statements.

4. Information on major shareholders

Name, number of shares held, and shareholding of shareholders who hold 5% or more of the equity of the Company: For details, please refer to Schedule 9.

XIV. Information on Departments

The Company has disclosed its segment information in the consolidated financial statements; therefore, no disclosure is required in the parent company only financial statements according to the requirements.

Schedule 1: Loans to Others

Unit: NT$ thousand

No. (Note 1)	Lender	Borrower	Transaction items	Is the borrower a related party?	Highest amount for the period	Balance at the end of the period (2023.12.31) (Note 3)	Amount actually drawn (Note 5)	Interest rate range	Type of financing	Business Transaction Amounts	Reason for short-term financing requirements	Amount of loss allowance provided	Collateral		Loan limits with individual counterparty (Note 4)	Total loan limits (Note 4)
													Name	Value		
0	TA-I Technology Co., Ltd.	TAI OHM Electronics (M) Sdn. Bhc	Other receivables - Related parties	Yes	$ 3,412	$ 3,412	$ -	-	Note 2	$ 78,985	-	$ -	-	$ -	$ 78,985	$ 434,194
		TA-I International (BVI) Co., Ltd.	Other receivables - Related parties	Yes	100,340	100,340	-	-	Note 2	487,016	-	-	-	-	434,194	434,194
		TA-I Technology Electronics (Dongguan) Co., Ltd.	Other receivables - Related parties	Yes	60,000	60,000	-	-	Note 2	1,136,028	-	-	-	-	434,194	434,194
		TA-I Holdings (Samoa) Co., Ltd.	Other receivables - Related parties	Yes	110,600	110,600	-	-	Note 2	1,074,688	-	-	-	-	434,194	434,194

Note 1: The information on business transactions between the parent company and subsidiaries shall be specified in the No. column; and the numbering method is as follows:

(1) For the parent company, please specify 0.

(2) For subsidiaries, please starts from 1 for numbering in sequence by using Arabic numerals.

Note 2: For business transactions, if accounts receivable from related parties of the Company have passed the normal credit period for over a certain, transfer it to other receivables - related parties and make disclosures in the notes to parent company only financial statement.

Note 3: The amount of loan limit approved as the resolution by the Board.

Note 4: Total loans to others shall not exceed the lower of the Company’s paid-in capital or 30% of its net worth. For a company or firm with business transactions with the Company, the individual loan amount shall not exceed the amount of business transactions. Amount of business transactions refers to the higher of its purchases or sales. However, total loans to others due to short-term financing requirements between companies or firms shall not exceed the lower of the Company’s paid-in capital or 20% of its net worth, and the individual loan amount shall not exceed the lower of the Company’s paid-in capital or 10% of its net worth.

Note 5: The balance utilized and outstanding at the end of the period.

Schedule 2: Securities held at the end of the period (excluding investees, associates, and equity of joint venture)

Unit: NT$ thousand/MYR

Holding company name	Category of securities	Name of securities	Relationship with the issuers	Accounting item	At the end of the period (2023.12.31)				Remarks
					Shares/ Units	Carrying amount	Shareholding percentage (%)	Fair value	
TA-I Technology Co., Ltd.	Stock	Nanching Opotech Corp.	None	Financial assets at FVOCI - Non-current	2,352,388	$ -	14.90	$ -	
TA-I Technology Co., Ltd.	Stock	YAGEO Corporation	None	Financial assets at fair value through profit or loss - Current	2,258	1,348	-	1,348	
TAI OHM Electronics (M) Sdn.	Stock	Capri Holdings Limited(CPRI)	None	Financial assets at fair value through profit or loss - Current	2,816	4,349 (RM 649,374)	-	4,349	
	Fund	PSTBF	None	Financial assets at fair value through profit or loss - Current	2,336,817	17,176 (RM 2,564,423)	-	17,176	
	Fund	PSSF	None	Financial assets at fair value through profit or loss - Current	2,288,492	4,604 (RM 687,463)	-	4,604	
	Fund	PAVGEF	None	Financial assets at fair value through profit or loss - Current	1,264,383	2,264 (RM 338,096)	-	2,264	
	Fund	PGRBF	None	Financial assets at fair value through profit or loss - Current	2,261,448	5,224 (RM 779,974)	-	5,224	
	Fund	PRSF	None	Financial assets at fair value through profit or loss - Current	1,310,459	4,991 (RM 745,127)	-	4,991	
	Fund	PITGF	None	Financial assets at fair value through profit or loss - Current	660,947	1,450 (RM 216,526)	-	1,450	
	Fund	PINDOSF	None	Financial assets at fair value through profit or loss - Current	1,134,360	2,003 (RM 299,131)	-	2,003	

Schedule 3: Acquisition of property with an amount reaching NT$300 million or 20% of the paid-in capital or above

Unit: NT$ thousand

Property acquirer	Property	Date of occurrence (Note 1)	Transaction amount		Consideration payment status		Related Party	Relationship	If the counterparty is a related party, please specify the data on the previous transfer				Basis for price determination	Acquisition purpose and status of use	Other agreements
									Owner	Relationship with the issuer	Transfer date	Amount			
TA-I Technology Co., Ltd.	Land	111.12.15	$314,247		$314,247	(Note 2)	Natural	Non-related party	-	-	-	$-	Valuation report	For plant construction	None
TA-I Technology Co., Ltd.	Land	112.11.22	404,580	(Note 3)	404,580	(Note 3)	Corporatio	Non-related party	-	-	-	-	Valuation report	For plant construction	None

Note 1: Date of occurrence refers to the contract-signing date of the transaction

Note 2: Include the consideration paid in 2022 of NT$94,274 thousand.

Note 3: Please refer to Note 6.9(3) and Note 6.15(2) of the parent company only financial statements.

Schedule 4: Purchases or sales with related parties with an amount reaching NT$100 million or 20% of the paid-in capital or above

Unit: NT$ thousand/US$/RMB

			Transaction Details				The status and reasons of the transaction terms different from common transactions		Notes and accounts receivable (payable)		
Company of purchases (sales)	Counterparty	Relationship	Purchase (sales)	Amount	As a percentage of total purchases (sales)	Payment Terms	Unit Price	Payment Terms	Balance	As a percentage of total notes and accounts receivable (payable)	Remarks
TA-I Technology Co., Ltd.	TA-I Holdings (Samoa) Co., Ltd.	Subsidiary of the Company	(Sales)	$ 1,194,495	29.86%	(Note 1)	-	(Note 2)	$ 247,848	23.40%	
	Xiangtai Enterprise Co., Ltd.	Subsidiary of the Company	(Sales)	342,540	8.56%	(Note 1)	-	(Note 2)	-	-	
	TA-I Technology Electronics (Dongguan) Co., Ltd.	Subsidiary indirectly held by the Company	(Sales)	1,072,471	26.81%	(Note 1)	-	(Note 2)	421,544	39.80%	
		Subsidiary indirectly held by the Company	(Purchase)	238,007	14.60%	(Note 1)	-	(Note 2)	-	-	
TA-I Holdings (Samoa) Co., Ltd.	TA-I Technology (Suzhou) Electronics Co., Ltd.	TA-I Holdings (Samoa) Co., Ltd. is an investee evaluated by using the equity method	(Sales)	1,197,471 (USD 38,432,574)	99.06%	180 T/T	-	(Note 2)	252,161 (USD 8,204,374)	99.23%	
TA-I Technology Electronics (Dongguan) Co., Ltd.	TA-I Technology (Suzhou) Electronics Co., Ltd.	Affiliate	(Sales)	256,930 (RMB 58,405,157)	18.43%	60 T/T	-	(Note 2)	5,885 (RMB 1,357,845)	1.50%	

Note 1: The collection condition is settled by the following month with a grace period of 150 to 180 days, and the payment condition is settled by the following month with a grace period of 180 days, and the collection/payment method of offsetting the net creditor’s rights and liabilities that expired on the collection/payment date.

Note 2: The collection condition for general customers is settled by month with a grace period of 30 to 150 days, and the payment condition for general suppliers is settled by month with a grace period of 30-120 days.

Schedule 5: Amounts receivable from related parties with an amount reaching NT$100 million or 20% of the paid-in capital or above

Unit: NT$ thousand/US$

Company Name	Counterparty	Relationship	Balance of amounts receivable from related parties: Notes receivable	Balance of amounts receivable from related parties: Accounts receivable	Balance of amounts receivable from related parties: Other receivables	Balance of amounts receivable from related parties: Total	Turnover Rate	Overdue: Amount	Overdue: Actions Taken	Recovery of amounts receivable from related parties after the period	Amount of loss allowance provided
TA-I Technology Co., Ltd.	TA-I Technology Electronics (Dongguan) Co., Ltd.	Subsidiary indirectly held by t	$ -	$ 421,544	$ 1,312	$ 422,856	2.30	$ -	-	$ 87,713	$ -
TA-I Technology Co., Ltd.	TA-I Holdings (Samoa) Co., Ltd.	Subsidiary of the Company	-	247,848	-	247,848	6.11	-	-	85,660	-
Xiangtai Enterprise Co., Ltd.	TA-I Technology Co., Ltd.	Subsidiary of the Company	-	-	688,998	688,998	-	-	-	-	-
TA-I Holdings (Samoa) Co., Ltd.	TA-I Technology (Suzhou) Electronics Co., Ltd.	TA-I Holdings (Samoa) Co., Ltd. is an investee evaluated by using the equity method	-	252,161 (USD 8,204,374)	495 (USD 16,116)	252,656 (USD 8,220,490)	5.77	-	-	86,099	-

Schedule 6: Business relationships and significant transactions between the parent and the subsidiaries

Unit: NT$ thousand

No. (Note 1)	Name	Transaction party	Relationship with counterparty (Note 2)	Transaction status: Item	Transaction status: Amount	Transaction status: Transaction condition	Transaction status: As a percentage of total consolidated operating income or total assets (%)(Note 3)
2023							
0	TA-I Technology Co., Ltd.	TA-I Holdings (Samoa) Co., Ltd.	1	Sales revenue	$ 1,194,495	Note 4	26.00%
			1	Cost of sales	7,191	Note 5	0.16%
			1	Accounts receivable - Related parties	247,848	Note 4	2.60%
0	TA-I Technology Co., Ltd.	Xiangtai Enterprise Co., Ltd.	1	Sales revenue	342,540	Note 4	7.45%
			1	Cost of sales	2,313	Note 5	0.05%
			1	Other income	6,228	Note 4	0.14%
			1	Other payables - Related parties	688,998	Note 5	7.23%
0	TA-I Technology Co., Ltd.	TA-I International (BVI) Co., Ltd.	1	Other payables - Related parties	12,971	Note 5	0.14%
0	TA-I Technology Co., Ltd.	TA-I Technology Electronics (Dongguan) Co., Ltd.	1	Sales revenue	1,072,471	Note 4	23.34%
			1	Cost of sales	238,007	Note 5	5.18%
			1	Accounts receivable - Related parties	421,544	Note 4	4.42%
			1	Other receivables - Related parties	1,312	Note 6	0.01%
0	TA-I Technology Co., Ltd.	JHAN SIN Sensor Co., Ltd.	1	Cost of sales (processing fees)	87,640	Note 8	1.91%
			1	Other income	1,080	Note 8	0.02%
			1	Other payables - Related parties	20,907	Note 8	0.22%
0	TA-I Technology Co., Ltd.	TAI OHM Electronics (M) Sdn. Bhd.	1	Sales revenue	58,876	Note 4	1.28%
			1	Accounts receivable - Related parties	30,066	Note 4	0.32%
			1	Other receivables - Related parties	998	Note 4	0.01%
			1	Property plant, and equipment	775	Note 7	0.01%

(Cont’d)

(Cont'd)

Schedule 6: Business relationships and significant transactions between the parent and the subsidiaries

Unit: NT$ thousand

				Transaction status			
No. (Note 1)	Name	Transaction party	Relationship with counterparty (Note 2)	Item	Amount	Transaction condition	As a percentage of total consolidated operating income or total assets (%)(Note 3)
2023							
1	TA-I Holdings (Samoa) Co., Ltd.	TA-I Technology (Suzhou) Electronics Co., Ltd.	3	Sales revenue	$ 1,197,471	Note 6	26.06%
			3	Cost of sales	11,306	Note 6	0.25%
			3	Accounts receivable - Related parties	252,161	Note 6	2.65%
			3	Other receivables - Related parties	495	Note 6	0.01%
			3	Accounts receivable - Related parties	1,966	Note 6	0.02%
			3	Other payables - Related parties	37,630	Note 6	0.39%
1	TA-I Holdings (Samoa) Co., Ltd.	Xiangtai Enterprise Co., Ltd.	3	Other payables - Related parties	2,555	Note 6	0.03%
2	TA-I Technology (Suzhou) Electronics Co., Ltd.	Xiangtai Enterprise Co., Ltd.	3	Other payables - Related parties	47,603	Note 6	0.50%
3	Xiangtai Enterprise Co., Ltd.	Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	3	Cost of sales (processing fees)	52,759	Note 6	1.15%
			3	Other payables - Related parties	9,274	Note 6	0.10%
4	TA-I Technology Electronics (Dongguan) Co., Ltd.	Xiangtai Enterprise Co., Ltd.	3	Other income	2,011	Note 6	0.04%
4	TA-I Technology Electronics (Dongguan) Co., Ltd.	TA-I Technology (Suzhou) Electronics Co., Ltd.	3	Sales revenue	256,930	Note 9	5.59%

Note 1: The information on business transactions between the parent company and subsidiaries shall be specified in the No. column; and the numbering method is as follows:
(1) For the parent company, please specify 0.
(2) For subsidiaries, please starts from 1 for numbering in sequence by using Arabic numerals.

Note 2: There are three types of relationships with counterparties; please specify the category (if the transaction is the same transaction between the parent company and a subsidiary or between subsidiaries, repetitive disclosure is not required. For example, for a transaction between the parent company and a subsidiary, if the parent company had made disclosures, the subsidiary is not required to make repetitive disclosers; for a transaction between subsidiaries, if a subsidiary had made disclosures, the subsidiary is not required to make repetitive disclosers):
(1) Parent company to subsidiary.
(2) Subsidiary to parent company.
(3) Subsidiary to subsidiary.

Note 3: For the calculation of the ratio of the transaction amount to the total consolidated operating income or total assets, the ratio of balance at the end of the period to total consolidated assets shall be adopted for assets or liabilities, and the ratio of the interim cumulative amount to total consolidated operating income shall be adopted for profit or loss.

Note 4: Subject to the contract; the collection condition is settled by the following month with a grace period of 150 to 180 days, and the collection/payment method of offsetting the net creditor's rights and liabilities that expired on the collection/payment date.

Note 5: Subject to the contract; the payment condition is settled by the following month with a grace period of 180 days, and the collection/payment method of offsetting the net creditor's rights and liabilities that expired on the collection/payment date.

Note 6: Subject to the contract; the collection (payment) condition is 180 days T/T.

Note 7: Subject to the contract.

Note 8: Subject to the contract; the collection (payment) condition is 90 days T/T.

Note 9: Subject to the contract; the collection (payment) condition is 60 days T/T.

Schedule 7: Name of investee, location,… and other relevant information (excluding investees in the Mainland China)

Unit: NT$ thousand/US$ thousand/HK$ thousand

Investor	Investee	Location	Main business	Initial investment amount (Note 1) End of the period	Initial investment amount (Note 1) End of last year	Held at the end of the period (2023.12.31) Number of shares	Held at the end of the period (2023.12.31) Percentage (%)	Held at the end of the period (2023.12.31) Carrying amount	(Losses) gains on investees of the period	Investment (losses) gains recognized during the period	Remarks
TA-I Technology Co., Ltd.	Xiangtai Enterprise Co., Ltd.	Hong Kong	Manufacturing and trading of thick film chip resistors, thick firm resistor networks, thick film integrated circuits, and other electronic parts	$ 16,522 (HK$4,200 thousand)	$ 16,522 (HK$4,200 thousand)	4,199,999	99.99	$ 1,085,094	$ 54,668	$ 56,336 (Note 3)	(Note 2)
	TA-I Holdings (Samoa) Co., Ltd.	Samoan Islands	General investments	875,302 (US$28,479 thousand)	875,302 (US$28,479 thousand)	35,478,827	100.00	969,811	(16,407)	(4,683) (Note 4)	(Note 2)
	TA-I International (BVI) Co., Ltd.	British Virgin Isl	General investments	182,043 (US$5,923 thousand)	182,043 (US$5,923 thousand)	5,922,942	100.00	363,817	(39,621)	(44,203) (Note 5)	(Note 2)
	TAI OHM Electronics (M) Sdn. Bhd.	Malaysia	Manufacturing and processing of electronic parts and components	204,347	204,347	1,286,741	49.00	130,345	8,212	4,007 (Note 6)	(Note 2)
	TA-I United Co., Ltd.	Samoan Islands	General investments	(Note 7)	92,205 (US$3,000 thousand)	-	-	-	1,563	1,563	(Note 2)
	JHAN SIN Sensor Co., Ltd.	Taiwan	Manufacturing and processing of electronic parts and components	30,000	30,000	-	100.00	42,431	11,476	11,476	(Note 2)
	Hai Duong TA-I Technology Co., Ltd.	Vietnam	Production and sales of chip resistors, chip resistor arrays, thick film chip resistor arrays, and other resistors arrays, and other resistors	215,145 (US$7,000 thousand)	-	-	100.00	211,929	3,069	3,069	(Note 2)

Note 1: The amount of initial investment amount during the period, at the end of the period, and at the end of last year was converted by using the exchange rate on December 31, 2023.

Note 2: Calculated based on the financial statements of the same period that had been audited by CPAs.

Note 3: Investment gains recognized during the period were a share of gains of subsidiaries recognized using the equity method of NT$54,668 thousand, investment losses recognized for realized (excluding those unrealized) losses of downstream transactions based on the tax rate of the purchaser of NT$1,666 thousand, and net realized (excluding those unrealized) gains from upstream/sidestream transactions during the period of NT$2 thousand.

Note 4: Investment gains recognized during the period were a share of gains of subsidiaries recognized using the equity method of NT$16,407 thousand, investment gains recognized for realized (excluding those unrealized) losses of downstream transactions based on the tax rate of the purchaser of NT$532 thousand, and net realized (excluding those realized) gains from upstream/sidestream transactions during the period of NT$11,192 thousand.

Note5: Investment gains recognized during the period were a share of losses of subsidiaries recognized using the equity method of NT$39,621 thousand, investment losses recognized for realized (excluding those unrealized) losses of downstream transactions based on the tax rate of the purchaser of NT$1,899 thousand, and net realized (excluding those unrealized) losses from upstream/sidestream transactions during the period of NT$2,683 thousand.

Note 6: Investment gains recognized during the period were a share of gains of subsidiaries recognized using the equity method of NT$4,024 thousand and investment losses recognized for realized (excluding those unrealized) losses of downstream transactions based on the tax rate of the purchaser of NT$17 thousand.

Note 7: The Company has obtained the cancelation certificate of TA-I United Co., Ltd.; therefore, the carrying amount of the investment is derecognized.

Schedule 8: Information on Investment in Mainland China

Unit: NT$ thousand/US$ thousand/RMB thousand/HK$ thousand

Name of investee in the Mainland China	Main business	Paid-in capital	Investment method	Cumulative investment amount of outward remittance to the Mainland area from Taiwan at the beginning of the period	Investment amount of outward remittance or recovery for the period		Cumulative investment amount of outward remittance to the Mainland area from Taiwan at the end of the	(Losses)gains on investees of the period	Direct or indirect shareholding of the Company (%)	Investment (losses) gains recognized during the period (Note 5)	Carrying amount of investment at the end of the period (Note 5)	The repatriated proceeds of investments Investment gains repatriated to Taiwan as of the period
					Outward remittance	Recovery						
TA-I Technology (Suzhou) Electronics Co., Ltd.	Production and sales of chip resistors, chip resistor arrays, thick film chip resistor arrays, and other resistors	USD 35,460 (Note 9)	Investment after establishing a company in a third-party area (Note 2)	USD 28,460	$ -	$ -	USD 28,460	RMB 153	100.00	RMB 153	RMB 236,350	USD 22,808
TA-I Technology Electronics (Dongguan) Co., Ltd.	Production and sales of chip resistors, chip resistor arrays, thick film chip resistor arrays, and other resistors	USD 5,923	Investment after establishing a company in a third-party area (Note 3)	USD 7,380	-	-	USD 7,380	(RMB 9,063)	100.00	(RMB 9,063)	RMB 81,314	USD 1,457
Dongguan Changping Sima Xiangtai Resistor Co., Ltd.	Manufacturing and processing of chip resistors, chip resistor arrays, thick film chip resistor arrays, and other resistors	HKD 48,000	(Note 4)	HKD 48,000	-	-	HKD 48,000	(RMB 1,151)	100.00	(RMB 1,151)	RMB 22,961	-

Cumulative investment amount of outward remittance to the Mainland area from Taiwan at the end of the period (Note 1, Note 6, and Note 8)	Investment amount approved by the Investment Commission, MOEA (Note 1 and Note 8)	Based on the limitation on investee regulated under Investment Commission, MOEA (Note 7)
$999,125 (US$26,364 thousand and HK$48,000 thousand)	$1,214,270 (US$33,364 thousand and HK$48,000 thousand)	$3,969,308

Note 1: Include the net amount of US$503 thousand after deducting the remaining investment amount after the settlement repatriated of US$2,497 thousand from the approved investment amount of US$3,000 thousand of TA-I Technology (Nantong) Electronics Co., Ltd.

Note 2: The Company is approved by the Investment Commission, MOEA, to indirectly invest in TA-I Technology (Suzhou) Electronics Co., Ltd. in the Mainland area via TA-I Holdings (Samoa) Co., Ltd. in Samoa, a third-party region, under Letters Jing-(89)-Shen-Er-Zi No. 89000603, Jing-(90)-Tou-Shen-Er-Zi No. 90028894, Jing-(90)-Tou-Shen-Er-Zi No. 89038258, Jing-Shen-Er-Zi No. 093009675, Jing-Shen-Er-Zi No.094007621, Jing-Shen-Er-Zi No.09700364520, Jing-Shen-Er-Zi No.09800307060, and Jing-Shen-Er-Zi No.9800137480.

Note 3: The Company is approved by the Investment Commission, MOEA, to indirectly invest in TA-I Technology Electronics (Dongguan) Co., Ltd. in the Mainland area via TA-I International (BVI) Co., Ltd. in BVI, a third-party region, under Letters Jing-Shen-Er-Zi No.091019432 and Jing-Shen-Er-Zi No.093019700.

Note 4: The Company is approved by the Investment Commission, MOEA, to directly invest in Dongguan Changping Sima Xiangtai Resistor Co., Ltd.m including the investments of HK$15,000 thousands and using machinery equipment as the consideration of HK$33,000 thousand under Letter Jing-Shen-Er-Zi No. 10000621720.

Note 5: Calculated based on the financial statements of such investees in the same period that had been audited by CPAs.

Note 6: The amount remitted to the Mainland area from Taiwan is presented in aggregate as of the period.

Note 7: According to the requirements under the “Regulations Governing the Examination of Investment or Technical Cooperation in Mainland China” of the Investment Commission, MOEA, the investment limit of the Company in the Mainland area shall be the higher of its net worth or 60% of the consolidate net worth.

Note 8: Converted into NTD at the exchange rate at the end of the financial reporting period (US$1 : NT$30.735, and HK$1 : NT$3.9339)

Note 9: Include the capital increase from earnings of US$7,000 thousand performed by TA-I Technology (Suzhou) Electronics Co., Ltd. in 2009.

Schedule 9: Information on major shareholders

Shares / Name of major shareholder	Number of shares held (share)	Shareholding percentage (%)
Cantian Investment Co., Ltd.	10,730,864	7.41

Note 1: The table of information on major shareholders is based on the data on shareholders who hold 5% of the ordinary shares of the Company with the process of registration and delivery of non-physical securities completed (including treasury shares) or above calculated by Taiwan Depository & Clearing Corporation on the last business date of each

There may be a discrepancy in the number of shares recorded on the parent company only financial statements of the Company and those with the process of registration and delivery of non-physical securities of the Company arising from the difference in the basis of preparation.

Note 2: According to the data above, shareholders who deliver shares to the trust are disclosed by the individual trustee who opened the trust account.

As for the insider declaration of more than 10% shareholding in accordance with the Securities and Exchange Act, the shareholding includes the shares held by the owner and the sha

TA-I Technology Co., Ltd.

1. Statement of Cash and Cash Equivalents

Balance on December 31, 2023

Unit: in NT$ thousand, unless otherwise stated

Item	Summary	Amount	Remarks
Cash		$ 130	1. Exchange rate on December 31, 2
Checks and demand deposits		450,115	1 USD = NT 30.7350
Time deposits		783,743	1 JPY = NT 0.2173
Total		$ 1,233,988	1 HKD = NT 3.9339
			1 EUR = NT 34.0100
			1 RMB = NT 4.3338
			2. Demand deposits (including forei
			USD NT 34,034,014.53
			JPY NT 62,578,726.00
			HKD NT 1,621,659.99
			EUR NT 1,281.81
			RMB NT 172,849.98

TA-I Technology Co., Ltd.

2. Statement of Financial Assets at Fair Value through Profit or Loss - Current schedule

Balance on December 31, 2023

Unit: in NT$ thousand, unless otherwise stated

Financial instrument	Number of shares or stocks	Nominal value (NT$)	Total	ıterest ra	cquisition co	Fair value		Changes in fair value attributable to	Remarks
						ıit price (NT	Total		
Listed stocks:									
YAGEO Corporation	2,258	$ 10	$ 23	-	$ 70	$ 597.00	$ 1,348	$ -	

TA-I Technology Co., Ltd.

3. Statement of Net Notes Receivable

Balance on December 31, 2023

Unit: NT$ thousand

Customer	Summary	Amount	Remarks
Company A		$ 128	The notes receivable b
Company B		88	
Total		216	
Less: Allowance for bad debts		-	
Net amount		$ 216	

TA-I Technology Co., Ltd.

4. Statement of Net Accounts Receivable

Balance on December 31, 2023

Unit: NT$ thousand

Customer	Summary	Amount	Remarks
Company C		$ 107,042	The accounts rece
Company D		40,092	
Company E		29,310	
Company F		20,118	
Others	The balance of each ac	145,347	
Total		341,909	
Less: Allowance for bad debts		(2,309)	
Net amount		$ 339,600	

TA-I Technology Co., Ltd.

5. Statement of Net Accounts Receivable - Related Parties

Balance on December 31, 2023

Unit: NT$ thousand

Related party	Summary	Amount	Remarks
TA-I Technology Electronics (Dongguan) Co., Ltd.		$ 421,544	
TA-I Holdings (Samoa) Co., Ltd.		247,848	
TAI OHM Electronics (M) Sdn. Bhd.		30,066	
Indonesia TAI Electronic Co., Ltd.		9,864	
TAI Electronic Co., Ltd.		7,661	
Dongguan TAI Electronic Co., Ltd.		93	
Total		$ 717,076	

TA-I Technology Co., Ltd.

6. Statement of Other Receivables

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount		Remarks
Tax refunds receivable	Business tax	$	20,344	
Others			6,585	
Total			26,929	
Less: Allowance for bad debts			-	
Net amount		$	26,929	

TA-I Technology Co., Ltd.

7. Statement of Other Receivables - Related Parties

Balance on December 31, 2023

Unit: NT$ thousand

Related party	Summary	Amount	Remarks
TA-I Technology Electronics (Dongguan) Co., Ltd.		$ 1,312	
TAI OHM Electronics (M) Sdn. Bhd.		998	
Total		$ 2,310	

TA-I Technology Co., Ltd.

8. Statement of Income Tax Assets for the Period

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Income tax assets for the period	Tax to be refunded for substantial investment through capital remitted into	$ 22,219	

TA-I Technology Co., Ltd.

9. Statement of Inventories

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount		Remarks
		Cost	Net realizable value	
Raw materials		$ 509,506	$ 470,994	1. The abovementioned inventorie
Supplies		34,904	34,953	
Work in process		584,637	719,573	2. State at the lower of cost or net
Finished goods		51,287	74,110	
Product inventory		79	190	
Inventories in transit		26,050	26,050	
Total		1,206,463	$ 1,325,870	
Less: Inventory falling price reserves		(75,446)		
Carrying amount		$ 1,131,017		

TA-I Technology Co., Ltd.

10. Statement of Prepayments

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Office supplies		$ 52,242	
Prepaid expenses		5,923	
Retained tax credit		30	
Total		$ 58,195	

TA-I Technology Co., Ltd.

11. Statement of Other Financial Assets - Current

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary		Amount	cumulated impairm	Remarks
	Maturity date	Interest rate			
Restricted time depos	2024.07.09	1.530%	$ 5,000	$ -	For security or pledge, please refer
Restricted time depos	2024.10.05	1.530%	5,000	-	
Total			$ 10,000	$ -	

TA-I Technology Co., Ltd.

12. Statement of Changes in Financial Assets at Fair Value through Other Comprehensive Income - Non-current

For the years ended December 31, 2023

Unit: NT$ thousand

Investee companies	ance at the beginning of the pe		Increase during the period		Decrease during the period		Ending balance			Accumulated impairment	Guarantee or pledge	Remarks
	Number of share	Amount	Number of share	Amount	Number of share	Amount	Number of share	eholding percen	Amount			
Shares of companies not listed on TWSE (TPEx):												
Nanching Opotech Corp.	2,352,388	$ 115,500	-	$ -	-	$ -	2,352,388	14.90%	$ 115,500	N/A	None	
Less: Valuation adjustment		(115,500)		-		-			(115,500)			
Total		$ -		$ -		$ -			$ -			

TA-I Technology Co., Ltd.
13. Statement of Changes in Investment Accounted for Using the Equity Method
For the years ended December 31, 2023

Unit: NT$ thousand/share

Investee	lance at the beginning of the per		Increase during the period		Decrease during the period		Investment (losses) gains	Net changes in unrealized losses (gains) from sales	Net changes in unrealized gains from disposals of property, plant	Exchange differences on translation of the financial	Ending balance			Fair value or net equity valu		Guarantee or pledge	Rema rks
	Number of share	Amount	Number of share	Amount	Number of share	Amount					Number of share	eholding percen	Amount	Unit price (NT$)	Total price		
TAI OHM Electronics (M) Sdn. Bhd.	1,286,741	$ 130,120	-	$ -	-	$ -	$ 4,007	$ 71	$ -	$ (3,853)	1,286,741	49.00%	$ 130,345	$ 75.04	$ 96,551	None	
Xiangtai Enterprise Co., Ltd.	4,199,999	1,060,201	-	-	-	-	56,336	(10,098)	-	(21,345)	4,199,999	99.99%	1,085,094	265.94	1,116,943	None	
Ta-I Holdings (Samoa) Co., Ltd.	35,478,827	1,208,541	-	-	-	(210,517)	(4,683)	(2,586)	457	(21,401)	35,478,827	100.00%	969,811	28.64	1,016,243	None	
TA-I International (BVI) Co., Ltd.	5,922,942	407,635	-	-	-	-	(44,203)	7,029	565	(7,209)	5,922,942	100.00%	363,817	61.57	364,683	None	
Dongguan Changping Sima Xiangtai Re	-	106,517	-	-	-	-	(5,065)	-	-	(1,943)	-	100.00%	99,509	-	99,509	None	
TA-I United Co., Ltd.	3,000,000	77,597	-	-	(3,000,000)	(77,667)	1,563	-	-	(1,493)	-	-	-	-	-	None	
JHAN SIN Sensor Co., Ltd.	-	32,526	-	-	-	(1,571)	11,476	-	-	-	-	100.00%	42,431	-	42,431	None	
Hai Duong TA-I Technology Co., Ltd.	-	-	-	216,049	-	-	3,069	-	-	(7,189)	-	100.00%	211,929	-	211,929	None	
Total		$ 3,023,137		$ 216,049		$ (289,755)	$ 22,500	$ (5,584)	$ 1,022	$ (64,433)			$ 2,902,936		$ 2,948,289		
						(Note)											

Note: Cash dividends distributed by subsidiaries of NT$212,088 and disposal of investments in TA-I United Co., Ltd. of NT$77,667.

TA-I Technology Co., Ltd.

14. Statement of Changes in Costs of Property, Plant and Equipment

For the years ended December 31, 2023

For relevant information, please refer to Note 6.9(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.

.5. Statement of Changes in Accumulated Depreciation of Property, Plant and Equipmen

For the years ended December 31, 2023

For relevant information, please refer to Note 6.9(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.

16. Statement of Changes in Accumulated Impairment of Property, Plant and Equipment

For the years ended December 31, 2023

For relevant information, please refer to Note 6.9(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.
17. Statement of Changes in Costs of Right-of-use Assets
For the years ended December 31, 2023

For relevant information, please refer to Note 6.10(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.
18. Statement of Changes in Accumulated Depreciation of Right-of-use Assets
For the years ended December 31, 2023

For relevant information, please refer to Note 6.10(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.
19. Statement of Changes in Intangible Assets
For the years ended December 31, 2023

For relevant information, please refer to Note 6.11 of the parent company only financial statement.

TA-I Technology Co., Ltd.
20. Statement of Deferred Income Tax Assets
Balance on December 31, 2023

For relevant information, please refer to Note 6.30(4) of the parent company only financial statement.

TA-I Technology Co., Ltd.
21. Statement of Net Defined Benefit Assets - Non-current
Balance on December 31, 2023

For relevant information, please refer to Note 6.16(1) of the parent company only financial statement.

TA-I Technology Co., Ltd.

2. Statement of Prepayment for Equipment, Refundable Deposits, and Other Non-current Asse

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Prepayments for business facilit	Prepayment for machines not yet shipped to the plant	$ 35,854	
Refundable deposits	Golf club membership deposit and others	$ 9,949	
Other non-current assets	Subsidies for TPC power lines and others	$ 1,140	
Receivable overdue		$ 1,359	
Less: Allowance for bad debts		(1,359)	
Net amount		$ -	

TA-I Technology Co., Ltd.

23. Statement of Short-term Borrowings

Balance on December 31, 2023

Unit: NT$ thousand

Type of borrowings	Summary	Ending balance	Contract period	Interest rate	inancing limit availab	urity or guarar	Remarks
Credit loans							
E.Sun Commercial Bank	Credit loans	$ 100,000	2023/12/06~2024/02/06	1.8300%	$ 250,000	None	
Far Eastern International	Credit loans	400,000	2023/12/14~2024/02/14	1.7500%	-	None	
Taishin International Ban	Credit loans	100,000	2023/12/29~2024/01/29	1.8400%	500,000	None	
Yuanta Commercial Bank		-	-	-	200,000		
Total		$ 600,000			$ 950,000		

TA-I Technology Co., Ltd.

24. Statement of Accounts Payable

Balance on December 31, 2023

Unit: NT$ thousand

Supplier	Summary	Amount	Remarks
Company G		$ 151,517	The accounts payable
Company H		46,212	
Company I		28,978	
Others	The balance of each account not exceeding 5% of the balance of	219,879	
Total		$ 446,586	

TA-I Technology Co., Ltd.

25. Statement of Other Payables

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Salaries and bonuses payable		$ 125,926	
Remuneration payable to employees and Directors		74,427	
Consumable fees payable		41,929	
Equipment payments payable		54,607	
Parts and spare parts payable		29,400	
Processing fees payable		70,688	
Utilities payable		11,712	
Pollution control fees payable		11,107	
Other payables		82,863	
Total		$ 502,659	

TA-I Technology Co., Ltd.

26. Statement of Other Payables -Related Parties

Balance on December 31, 2023

Unit: NT$ thousand

Related party	Summary	Amount	Remarks
Xiangtai Enterprise Co., Ltd.		$ 688,998	
JHAN SIN Sensor Co., Ltd.		20,907	
TA-I International (BVI) Co., Ltd.		12,971	
Total		$ 722,876	

TA-I Technology Co., Ltd.

27. Statement of Current Income Tax Labilities

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Current tax liabilities	Profit-seeking enterpris	$ 161,659	

TA-I Technology Co., Ltd.

28. Statement of Other Current Liabilities

Balance on December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Temporary receipts		$ 10,988	
Collection on behalf of others		4,561	
Total		$ 15,549	

TA-I Technology Co., Ltd.

29. Statement of Long-term Borrowings

Balance on December 31, 2023

Unit: NT$ thousand

Creditor	Summary	Borrowing amount	Borrowing period	Interest	Security or	Repayment	Remarks
E.Sun Commercial Bank	Secured borrowin	$ 44,258	2020/02/26 ~ 2025/02/15	1.2000%	Machinery and equipment	Please refer to Note 6.14 of the parent company only financial statement	
E.Sun Commercial Bank	Credit loans	100,000	2022/08/03 ~ 2025/08/03	1.8000%	None		
E.Sun Commercial Bank	Secured borrowin	93,889	2023/01/18 ~ 2030/01/18	1.7900%	Land, houses and buildings		
E.Sun Commercial Bank	Secured borrowin	99,444	2023/11/21 ~ 2030/11/21	1.7900%	Land, houses and buildings		
E.Sun Commercial Bank	Secured borrowin	100,000	2023/12/07 ~ 2030/12/06	1.7900%	Land, houses and buildings		
Taipei Fubon Bank	Credit loans	54,167	2020/02/03 ~ 2025/02/03	1.2209%	None		
Taipei Fubon Bank	Credit loans	54,167	2020/04/06 ~ 2025/02/03	1.2209%	None		
Taipei Fubon Bank	Secured borrowin	43,317	2020/08/27 ~ 2027/02/03	1.1998%	Machinery and other equipment		
Taipei Fubon Bank	Secured borrowin	25,990	2020/08/27 ~ 2027/02/03	1.2209%	Machinery and other equipment		
Taipei Fubon Bank	Credit loans	65,000	2020/10/05 ~ 2025/02/03	1.2209%	None		
Taipei Fubon Bank	Secured borrowin	99,444	2023/11/21 ~ 2030/11/21	1.7905%	Land, houses and buildings		
Taipei Fubon Bank	Secured borrowin	100,000	2023/12/07 ~ 2030/11/21	1.7905%	Land, houses and buildings		
Yuanta Commercial Bank	Credit loans	100,000	2023/09/23 ~ 2026/09/23	1.9490%	None		
Total		979,676					
Less: Long-term borrowings due within one year		(299,580)					
Long-term borrowings due after one year		$ 680,096					

TA-I Technology Co., Ltd.
30. Statement of Lease Liabilities - Current and Non-current
Balance on December 31, 2023

For relevant information, please refer to Note 6.15 of the parent company only financial statement.

TA-I Technology Co., Ltd.

31. Statement of Net Operating Income

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Quantity	Amount	Remarks
Total operating income			
Income from chip resisto	214,253,100KPCS	$ 3,580,187	
Other operating income	2,308,642KPCS	428,423	
Total		4,008,610	
Less: Sales return		(6,057)	
Sales discount		(1,903)	
Net amount		$ 4,000,650	

TA-I Technology Co., Ltd.

32. Statement of Operating Costs

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Self-produced parts:			
Direct raw materials:			
Raw materials at the beginning of the period		$ 516,074	
Add: Net purchase of materials during the period		1,090,262	
Less: Raw materials at the end of the period		(509,506)	
Transfer to expenses		(954)	
Transferred to commodity		(112)	
Raw materials consumed during the period		1,095,764	
Indirect supplies			
Supplies at the beginning of the period		27,654	
Add: Net purchase of materials during the period		288,450	
Less: Supplies at the end of the period		(34,904)	
Transferred to commodity		(1,174)	
Transfer to expenses		(1,143)	
Supplies consumed during the period		278,883	
Direct labor		391,842	
Manufacturing expenses		1,203,382	
Manufacturing cost		2,969,871	
Add: Work in process at the beginning of the period		666,413	
Inventory in transit at the beginning of the period		19,255	
Net purchase of the period		13,152	
Less: Inventories in transit at the end of the period		(26,050)	
Work-in-progress at the end of the period		(584,637)	
Cost of finished goods		3,058,004	
Add: Finished goods at the beginning of the period		72,152	
Net purchase of the period		238,919	
Less: Finished goods at the end of the period		(51,287)	
Cost of sales of self-produced goods		3,317,788	
Trading:			
Opening inventory		189	
Add: Net purchase of the period		5,713	
Inward transfer of raw materials		112	
Inward transfer of supplies		1,174	
Inward transfer of office supplies		3,129	
Less: Commodity inventory at the end of the period		(79)	
Cost of sales of trading		10,238	
Other operating costs:			
Gains on the rebound of net realizable value of inventories		(1,500)	
Income from sales of scraps and wastes		(105,445)	
Total operating cost		$ 3,221,081	

TA-I Technology Co., Ltd.

33. Statement of Manufacturing Expenses

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Salary expenses		$ 142,732	
Freight charges		4,292	
Repair fees		32,205	
Utilities		158,540	
Insurance premium		48,923	
Depreciation		409,043	
Amortizations		673	
Board wages		8,804	
Employee benefits		20,505	
Testing expenses		2,336	
Consumables		155,799	
Sundry purchases		1,752	
Processing fees		139,892	
Other expenses		77,886	
Total		$ 1,203,382	

TA-I Technology Co., Ltd.

34. Statement of Marketing Expenses

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Salary expenses		$ 10,716	
Freight charges		18,131	
Insurance premium		1,399	
Entertainment expenses		1,874	
Depreciation		374	
Commission expenses		27,551	
Other expenses		2,677	
Total		$ 62,722	

TA-I Technology Co., Ltd.

35. Statement of Administrative Expenses

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Salary expenses		$ 111,915	
Insurance premium		7,899	
Entertainment expenses		863	
Donation		814	
Tax payment		2,443	
Depreciation		9,908	
Amortizations		2,657	
Sundry purchases		2,089	
Labor service fees		8,106	
Other expenses		33,415	
Total		$ 180,109	

TA-I Technology Co., Ltd.

36. Statement of R&D Expenses

For the years ended December 31, 2023

Unit: NT$ thousand

Item	Summary	Amount	Remarks
Salary expenses		$ 27,368	
Insurance premium		2,816	
Depreciation		22,661	
Testing expenses		12,401	
Other expenses		3,826	
Total		$ 69,072	

TA-I Technology Co., Ltd.

37. Statement of Non-operating Income and Expenses

For the years ended December 31, 2023

For relevant information, please refer to Note 6.27 of the parent company only financial statement.

TA-I Technology Co., Ltd.

3. Summary table of Employee Benefit, Depreciation, and Amortization Expenses by functio

For the years ended December 31, 2023

For relevant information, please refer to Note 6.26 of the parent company only financial statement.