

TSE : 8438

AMIA CO., LTD. and Subsidiaries

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

Address: No. 19 Dagong Road, Dayuan District, Taoyuan City
Tel: 03-3860601

DECLARATION OF CONSOLIDATION OF FINANCIAL STATEMENTS OF AFFILIATES

In 2023 (from January 1, 2023 to December 31, 2023), the Company shall be included in the preparation of the consolidated financial statements of affiliated companies and. According to International Accounting Standards No. 10, the companies that should be included in the preparation of the parent-subsidiary consolidated financial statements are the same, and the relevant information that should be disclosed in the parent-subsidiary consolidated financial statements has been disclosed in the previously disclosed parent-subsidiary consolidated financial statements, and the relationship will not be prepared separately Business consolidated financial statements.

Hereby declare

AMIA CO., LTD.

Chairman: CHEN, KUO-CHIN

February 27, 2024,

INDEPENDENT AUDITORS' REPORT

The Board of Directors and Shareholders
AMIA CO., LTD.

Opinion

We have audited the accompanying consolidated financial statements of AMIA CO., LTD. and its subsidiaries, which comprise the consolidated balance sheets as of December 31, 2023 and 2022, and the consolidated statements of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

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

Key Audit Matters

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

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

Revenue Recognition

AMIA CO., LTD. and its subsidiaries mainly sell PCB chemical products and green products COPPER-SULPHATE. And sales revenue is a key indicator for management to evaluate business performance. We analyze the financial information of each customer and select customers that meet certain criteria. The risk of sales revenue for customers meeting certain criteria is higher than that of ordinary customers. The veracity of sales revenue recognition is considered a critical review.

We performed the following audit procedures in respect of the above key audit matter:

1. We understood the key internal controls related to sales revenue recognition and tested the operating effectiveness of these controls
2. We perform a sample of revenues that meet specific criteria and confirm their amounts to verify the relevant certificates to assess the validity of revenue recognition.
3. Obtain the details of sales returns from specific customers after the period, check the relevant vouchers for sales returns and examine the rationality of the reasons for returns.

Other Matter

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

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

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

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

Those charged with governance, including the audit committee, are responsible for overseeing

the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

1. Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

6. Obtain sufficient and appropriate audit evidence regarding the financial information of entities or business activities within AMIA CO., LTD. to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Tseng, Chien-Ming and Wang, Pan-Fa.

Deloitte & Touche
Taipei, Taiwan
Republic of China

February 27, 2024

Notice to Readers

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

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

AMIA CO., LTD. AND SUBSIDIARIES

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

Code	ASSETS	December 31, 2023		December 31, 2022	
		Amount	%	Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4 and 6)	\$594,452	21	465,540	16
1110	Current financial assets at fair value through profit or loss (Notes 4 and 7)	997	0	2,494	0
1136	Current financial assets at amortized cost (Notes 4 and 9)	38,035	1	76,944	3
1150	Notes receivable, net (Notes 4 and 10)	23,860	1	24,658	1
1170	Accounts receivable, net (Notes 4 and 10)	331,548	12	377,578	13
1180	Accounts receivable due from related parties, net (Notes 4 、10 and 30)	0	0	4,605	0
1200	Other receivables (Note 10)	15,853	0	14,496	0
1220	Current tax assets (Note 25)	1,340	0	6,320	0
130X	Current inventories (Notes 4 and 11)	161,736	6	207,356	7
1479	Other current assets, others (Note 16)	36,713	1	35,381	1
11XX	Total current assets	1,204,534	42	1,215,372	41
	NON-CURRENT ASSETS				
1517	Non-current financial assets at fair value through other comprehensive income (Notes 4 and 9)	2,640	0	2,640	0
1535	Non-current financial assets at amortized cost (Notes 4 and 9)	196,491	7	200,111	7
1550	Investments accounted for using equity method (Notes 4 and 13)	0	0	28,074	1
1600	Property, plant and equipment (Notes 4 and 14)	1,345,950	47	1,389,217	48
1755	Right-of-use assets (Notes 4 and 15)	19,599	1	37,628	1
1840	Deferred tax assets (Notes 4 and 25)	23,125	1	19,757	1
1915	Prepayments for business facilities (Note 32)	57,183	2	34,224	1
1920	Guarantee deposits paid	7,033	0	7,248	0
15XX	Total non-current assets	1,652,021	58	1,718,899	59
1XXX	TOTAL ASSETS	\$2,856,555	100	2,934,271	100
	LIABILITIES AND EQUITY				
	CURRENT LIABILITIES				
2100	Current borrowings (Note 17)	\$244,000	9	\$170,000	6
2110	Short-term notes and bills payable (Note 17)	10,000	0	0	0
2130	Current contract liabilities(Note 23)	52,669	2	3,164	0
2150	Notes payable (Note 18)	595	0	805	0
2170	Accounts payable (Note 18)	209,275	7	261,800	9
2200	Other payables (Note 19)	173,293	6	162,648	5
2230	Current tax liabilities (Note 25)	13,287	1	25,879	1
2280	Current lease liabilities(Notes 4 and 15)	7,082	0	18,847	1
2320	Long-term liabilities, current portion(Note 17)	330	0	16,680	1
2399	Other current liabilities, others (Note 19)	6,217	0	6,442	0
21XX	TOTAL CURRENT LIABILITIES	716,748	25	666,265	23
	NON-CURRENT LIABILITIES				
2540	Non-current portion of non-current borrowings(Note 17)	384,480	14	516,320	18
2550	Non-current provisions (Notes 4 and 20)	7,221	0	5,133	0
2570	Deferred tax liabilities (Notes 4 and 25)	7,767	0	5,550	0
2580	Non-current lease liabilities (Notes 4 and 15)	279	0	7,287	0
2640	Net defined benefit liability, non-current (Notes 4 and 21)	27,128	1	31,333	1
2645	Guarantee deposits received	10	0	10	0
25XX	TOTAL NON-CURRENT LIABILITIES	426,885	15	565,633	19
2XXX	TOTAL LIABILITIES	1,143,633	40	1,231,898	42
	EQUITY (Note 22)				
3110	Ordinary share	699,430	25	705,180	24
3200	Capital surplus	620,816	22	625,932	21
	Retained earnings				
3310	Legal reserve	101,385	3	90,724	3
3320	Special reserve	32,976	1	41,398	1
3350	Unappropriated retained earnings	301,903	11	283,790	10
3300	Total retained earnings	436,264	15	415,912	14
3490	Other equity	(43,588)	(2)	(32,976)	(1)
3500	Treasury shares		0	(11,675)	0
3XXX	TOTAL EQUITY	1,712,922	60	1,702,373	58
	TOTAL LIABILITIES AND EQUITY	\$2,856,555	100	2,934,271	100

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

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

(In Thousands of New Taiwan Dollars, Except Earnings per Share)

Code		2023		2022	
		Amount	%	Amount	%
4000	Net sales revenue (Notes 4、23 and 30)	\$3,059,344	100	\$3,721,106	100
5000	Operating costs (Notes 4、11 and 24)	2,672,840	87	3,359,625	90
5900	Gross profit from operations	386,504	13	361,481	10
	Operating expenses (Notes 24 and 30)				
6100	Selling expenses	107,744	4	112,013	3
6200	Administrative expenses	151,558	5	149,685	4
6300	Research and development expenses	5,769	0	4,122	0
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS9				
		1,524	0	(651)	0
6000	Total operating expenses	266,595	9	265,169	7
6900	Net operating income	119,909	4	96,312	3
	Non-operating income and expenses (Note 24)				
7100	Interest income	13,403	0	12,023	0
7010	Other income	3,940	0	8,589	0
7020	Other gains and losses	844	0	30,008	1
7050	Finance costs	(13,363)	0	(11,785)	0
7060	Share of profit (loss) of associates and joint ventures accounted for using equity method (Notes 13)				
		1,795	0	7,292	0
7000	Total non-operating income and expenses	6,619	0	46,127	1
7900	Profit from continuing operations before tax	126,528	4	142,439	4
7950	Tax expense (Notes 4 and 25)	(37,236)	(1)	(42,647)	(1)
8200	Profit	89,292	3	99,792	3

Code		2023		2022	
		Amount	%	Amount	%
	Other comprehensive income				
8310	Components of other comprehensive income that will not be reclassified to profit or loss				
8311	Gains (losses) on re-measurements of defined benefit plans (Note 21)				
		1,812	0	7,651	0
8360	Components of other comprehensive income that will be reclassified to profit or loss				
8361	Exchange differences on translation				
		(13,266)	0	10,528	0
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (Notes 25)				
		2,654	0	(2,106)	0
		(10,612)	0	8,422	0
8300	Total other comprehensive income				
		(8,800)	0	16,073	0
8500	Total comprehensive income				
		\$80,492	3	\$115,865	3
	Earnings per share (Note 26)				
9710	Basic earnings per share				
		\$1.28		\$1.46	
9810	Diluted earnings per share				
		\$1.27		\$1.45	

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

AMIA CO., LTD. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021 (In Thousands of New Taiwan Dollars)

Code		Ordinary share		Capital Surplus	Retained earnings			Other equity interest		Total equity
		Shares (In Thousands)	Amount		Legal Reserve	Special Reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Treasury shares	
A1	BALANCE AT January 1, 2022	62,899	628,990	346,491	68,604	37,426	343,155	(41,398)	(17,134)	1,366,134
	Appropriation of 2021 earnings									0
B1	Legal reserve appropriated				22,120		(22,120)			0
B3	Special reserve appropriated					3,972	(3,972)			0
B5	Cash dividends of ordinary share						(139,886)			(139,886)
E1	Issue of shares	7,864	78,640	279,900						358,540
M7	Changes in ownership interests in subsidiaries						(12)			(12)
N1	Share-based payments			1,732						1,732
L3	Retirement of treasury share	(245)	(2,450)	(2,191)			(818)		5,459	0
D1	Net profit in 2022						99,792			99,792
D3	Other comprehensive income (loss) in 2022, net of income tax						7,651	8,422		16,073
D5	Total comprehensive income (loss) in 2022	0	0	0	0	0	107,443	8,422		115,865
Z1	BALANCE AT DECEMBER 31, 2022	70,518	\$705,180	\$625,932	\$90,724	\$41,398	\$283,790	(\$32,976)	(\$11,675)	\$1,702,373
	Appropriation of 2022 earnings									0
B1	Legal reserve appropriated				10,661		(10,661)			0
B17	Special surplus reserve reversal					(8,422)	8,422			0
B5	Cash dividends of ordinary share						(69,943)			(69,943)
L3	Retirement of treasury share	(575)	(5,750)	(5,116)			(809)		11,675	0
D1	Net profit in 2023						89,292			89,292
D3	Other comprehensive income (loss) in 2023, net of income tax						1,812	(10,612)		(8,800)
D5	Total comprehensive income (loss) in 2023	0	0	0	0	0	91,104	(10,612)		80,492
Z1	BALANCE AT DECEMBER 31, 2023	69,943	\$699,430	\$620,816	\$101,385	\$32,976	\$301,903	(\$43,588)	\$0	\$1,712,922

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

AMIA CO., LTD. AND SUBSIDIARIES

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

Code		2023	2022
	Cash flows from operating activities		
A10000	Profit before tax	\$126,528	\$142,439
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	84,435	95,808
A20300	Expected credit loss (gain) / Provision (reversal of provision) for bad debt expense	1,524	(651)
A20400	Net loss (gain) on financial assets or liabilities at fair value through profit or loss	(542)	446
A20900	Interest expense	13,363	11,785
A21200	Interest income	(13,403)	(12,023)
A21300	Dividend income	(514)	(489)
A21900	Share-based payments	0	1,732
A22300	Share of loss (profit) of associates and joint ventures accounted for using equity method	(1,795)	(7,292)
A22500	Loss (gain) on disposal of property, plant and equipment	75	(332)
A23200	Loss on disposal of investments accounted for using equity method	515	0
A23800	Reversal of impairment loss on non- financial assets	(1,424)	(2,636)
A29900	Other adjustments to reconcile profit	0	(481)
A30000	Changes in operating assets and liabilities		
A31130	Decrease (increase) in notes receivable	798	13,549
A31150	Decrease (increase) in accounts receivable	49,114	122,469
A31200	Decrease (increase) in inventories	47,107	(20,470)
A31240	Adjustments for decrease (increase) in other current assets	(1,113)	(89)
A32125	Increase (decrease) in contract liabilities	49,505	1,681
A32130	Increase (decrease) in notes payable	(210)	116
A32150	Increase (decrease) in accounts payable	(52,525)	(147,726)
A32180	Increase (decrease) in other payable	10,676	(40,806)
A32230	Adjustments for increase (decrease) in other current liabilities	(225)	135
A32240	Increase (decrease) in net defined benefit liability	(2,393)	(2,360)
A33000	Cash inflow (outflow) generated from operations	309,496	154,805
A33100	Interest received	11,979	21,517
A33300	Interest paid	(13,306)	(11,232)
A33500	Income taxes refund (paid)	(43,345)	(7,443)

Code		2023	2022
AAAA	Net cash flows from (used in) operating activities	264,824	157,647
	Cash flows from (used in) investing activities		
B00040	Acquisition of financial assets at amortized cost	(3,050)	(280,613)
B00050	Proceeds from disposal of financial assets at amortized cost	45,579	295,764
B00100	Acquisition of financial assets at fair value through profit or loss	(3,000)	(8,000)
B00200	Proceeds from disposal of financial assets at fair value through profit or loss	5,039	8,141
B02700	Acquisition of property, plant and equipment	(22,167)	(639,101)
B02800	Proceeds from disposal of property, plant and equipment	121	434
B03800	Decrease in refundable deposits	215	2,290
B07100	Increase in prepayments for business facilities	(24,061)	(13,412)
B01900	Proceeds from disposal of investments accounted for using equity method	28,302	0
B07600	Dividends received	514	7,908
BBBB	Net cash flows from (used in) investing activities	27,492	(626,589)
	Cash flows from (used in) financing activities		
C00100	Increase in short-term loans	1,248,000	1,173,500
C00200	Decrease in short-term loans	(1,164,000)	(1,409,000)
C01600	Proceeds from long-term debt	1,000	737,000
C01700	Repayments of long-term debt	(149,190)	(240,285)
C03100	Decrease in guarantee deposits received	0	(10)
C04000	Decrease in lease payable	(18,773)	(19,402)
C04500	Cash dividends paid	(69,943)	(139,886)
C04600	Proceeds from issuing shares	0	358,540
CCCC	Net cash flows from (used in) financing activities	(152,906)	460,457
DDDD	Effect of exchange rate changes on cash and cash equivalents	(10,498)	8,120
EEEE	Net increase (decrease) in cash and cash equivalents	128,912	(365)
E00100	Cash and cash equivalents at beginning of period	465,540	465,905
E00200	Cash and cash equivalents at end of period	\$594,452	\$465,540

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

AMIA CO., LTD. and its subsidiaries
Notes to Consolidated Financial Statements
January 1 to December 31, 2023 and 2022

(Unless otherwise specified, the amount is in thousands of NT dollars)

1. History of the Company

AMIA CO., LTD. (hereinafter referred to as "the Company") was established on October 23, 1989 in accordance with the Company Law and relevant laws and regulations. The main business is the processing, manufacturing, trading and recycling of various industrial chemicals.

The Company's stock has been listed and traded on the Taiwan Stock Exchange since March 11, 2022.

This consolidated financial report is expressed in New Taiwan dollars, the Company's functional currency.

2. Date and procedure for approval of financial report

This consolidated financial report was approved by the board of directors on February 27, 2024.

3. Application of newly released and revised standards and interpretations

- (1) Applying for the first time the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), Interpretations (IFRIC) and Interpretations (SIC) (hereinafter referred to as "IFRSs Accounting Standards")

The application of the revised IFRS accounting standards approved and promulgated by the Financial Supervisory Commission as effective will not result in significant changes in the accounting policies of the Company and entities controlled by the Company (hereinafter referred to as the "Consolidated Company").

- (2) IFRSs approved by the Financial Supervisory Commission applicable in 2024

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB
Amendment to IFRS 16 "Lease Liabilities in Sale and Leaseback"	January 1 , 2024 (Note 2)
Amendments to IAS 1 "Classification of liabilities as current or non-current"	January 1 , 2024
Amendments to IAS 1 "Non-current liabilities with contractual terms"	January 1 , 2024
Amendments to IAS 7 and IFRS 7 "Supplier Financing Arrangements"	January 1 , 2023 (Note 3)

Note1: Unless otherwise stated, the above newly released / amended / revised standards or interpretations are effective for the annual reporting period starting after the respective date.

Note2: The seller and lessee shall retroactively apply the amendments to IFRS16 to subsequent sale and leaseback transactions entered into after the initial application of IFRS16.

Note3: The first time this amendment is applied, some disclosure requirements are exempted.

As of the date of issuance of this consolidated financial report, the combined company assesses that the amendments to the above standards and interpretations will not have a significant impact on the financial position and financial performance.

- (3) The IASB has issued but not yet approved by the Financial Supervisory Commission and issued effective IFRS Accounting Standards

Newly issued/amended/revised standards and interpretations	Effective date of publication by the IASB (Note 1)
IFRS 10 and IAS 28 "Asset Sale or Contribution between Investors and Their Affiliates or Joint Ventures"	undecided
IFRS 17 "Contracts of Insurance"	January 1 , 2023
Amendments to IFRS 17	January 1 , 2023
IFRS 17 "Initial Application of IFRS 17 and IFRS 9 - Comparative Information"	January 1 , 2023
Amendment to IAS 21 "Lack of Convertibility"	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the above-mentioned newly issued/amended/revised standards or interpretations are effective for the annual reporting period starting after the respective dates.

Note 2: Applicable to annual reporting periods starting after January 1, 2025. When the amendment is first applied, the impact will be recognized in retained earnings on the date of first application. When the merged company uses non-functional currency as the currency of expression, the impact amount will be adjusted to the exchange difference of foreign operating institutions under equity on the first application date.

As of the date of issuance of this consolidated financial report, the combined company continues to evaluate the impact of the amendments to the above standards and interpretations on the financial position and financial performance. The relevant impact will be disclosed when the evaluation is completed.

4. Summary of major accounting policies

(1) Follow the statement

This consolidated financial report is prepared in accordance with the Financial Reporting Standards for Securities Issuers and the IFRS accounting standards approved and issued by the Financial Supervisory Commission.

(2) Compilation basis

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

Fair value measurement is divided into levels 1 to 3 according to the degree of observability and importance of relevant input values:

1. Level 1 input value: refers to the quoted price (unadjusted) in an active market for the same asset or liability that can be obtained on the measurement date.
2. Level 2 input value: Refers to the observable input value of an asset or liability that is directly (that is, price) or indirect (that is, derived from price) in addition to quotations at level 1.
3. Level 3 input value: Refers to the unobservable input value of assets or liabilities.

(3) Criteria for distinguishing current and non-current assets and liabilities

Current assets include:

1. Assets held primarily for trading purposes;
2. Assets expected to be realized within 12 months after the balance sheet date; and
3. Cash and cash equivalents (but excluding those subject to restrictions on exchange or settlement of liabilities more than 12 months after the balance sheet date).

Current liabilities include:

1. Liabilities held primarily for trading purposes;
2. Liabilities that are due to be settled within 12 months after the balance sheet data (even if a long-term refinancing or rescheduled payment agreement has been completed after the balance sheet date and before the release of the financial report, it is also a current liability) , and
3. Liabilities that cannot unconditionally defer the settlement period to at least 12 months after the balance sheet date. However, if the terms of the liability may be settled by issuing equity instruments at the option of the counterparty, this does not affect the classification.

Those that are not the above-mentioned current assets or current liabilities are classified as non-current assets or non-current liabilities.

(4) Consolidation Basis

This consolidated financial report includes the financial reports of the Company and entities (subsidiaries) controlled by the Company. The consolidated comprehensive income statement has included the operating profit and loss of the acquired or disposed subsidiary in the current period from the date of acquisition or to the date of disposal. The subsidiaries' financial reports have been adjusted to bring their accounting policies into line with those of the consolidated company. When preparing the consolidated financial report, all transactions, account balances, income and expenses between entities have been eliminated. The total comprehensive profit or loss of the subsidiaries is attributed to the owners of the Company and non-controlling interests, even if the non-controlling interests thus become the balance of the loss.

When the change of the ownership interest of the merged company to the subsidiary does not lead to the loss of control, it is treated as an equity transaction. The carrying amounts of the combined companies and non-controlling interests are adjusted to reflect changes in their relative interests in the subsidiaries. The difference between the adjusted amount of the non-controlling interest and the fair value of the consideration paid or received is directly recognized as equity and attributable to the owners of the Company.

For details of subsidiaries, shareholding ratios and business items, please refer to Note 12 and Schedules 2 and 3.

(5) Foreign currency

When each entity prepares financial reports, transactions in currencies other than the individual's functional currency (foreign currency) shall be converted into functional currency records at the exchange rate on the transaction day.

Monetary items denominated in foreign currencies are translated at the closing rates at each balance sheet date. Exchange differences arising from delivery of monetary items or translation of monetary items are recognized in profit or loss in the period in which they occur.

Foreign currency non-monetary items measured by fair value are translated at the exchange rate on the day when the fair value is determined, and the resulting exchange difference is listed as current profit or loss. However, if the change in fair value is recognized in other comprehensive profit or loss, the resulting exchange difference is listed as in other comprehensive income.

Non-monetary items in foreign currencies measured at historical cost are translated at the exchange rate on the transaction date and will not be re-translated.

When preparing the consolidated financial report, the assets and liabilities of foreign operating institutions (including subsidiaries and affiliated companies operating in a country or using a currency different

from that of the Company) are converted into New Taiwan Dollars at the exchange rate on each balance sheet date. Income and expense items are translated at the current average exchange rate, and the resulting exchange differences are listed in other comprehensive income.

If the merged company disposes of all the interests in the foreign operating institution, or disposes of part of the interests in the subsidiary of the foreign operating institution but loses control, or the retained interest after disposing of the affiliated enterprises of the foreign operating institution is a financial asset, it shall be treated in accordance with the accounting policies for financial instruments, all accumulated exchange differences attributable to the owner of the Company and related to the foreign operating institution will be reclassified to profit or loss.

If the partial disposal of a subsidiary of a foreign operating institution does not lead to loss of control, the accumulated exchange difference is re-attributed to the non-controlling interest of the subsidiary in proportion, but it is not recognized as profit or loss. In the case of any other partial disposal of foreign operations, the accumulated exchange differences are reclassified to profit or loss in proportion to the disposal.

(6) Inventory

Inventories include raw materials, supplies, semi-finished products, finished goods, work in progress and merchandise. Inventories are measured at the lower of cost and net realizable value, and the comparison between cost and net realizable value is based on individual items except for inventories of the same category. Net realizable value is the estimated selling price under normal circumstances less the estimated cost to complete the project and the estimated cost to complete the sale. The calculation of inventory cost adopts the weighted average method.

(7) Investing in affiliated companies

Affiliated enterprises refer to enterprises that have significant influence on the merged company, but are not subsidiaries or joint venture interests.

The equity method is adopted to invest in affiliated enterprises of the merged company.

Under the equity method, an investment in an affiliated enterprise is initially recognized at cost, and the book value after acquisition will increase or decrease with the combined company's share of the affiliated enterprise's profit or loss, other comprehensive profit or loss, and profit distribution. In addition, changes in the equity of related companies are recognized on a shareholding basis.

The amount of the acquisition cost exceeding the net fair value share of the identifiable assets and liabilities of the affiliated company enjoyed by the merged company on the acquisition date is listed as goodwill, which is included in the book value of the investment and cannot be amortized;

The excess of the share of the net fair value of the identifiable assets and liabilities of the affiliated enterprise over the acquisition cost is listed as current income.

When an affiliated company issues new shares, if the merging company does not subscribe in accordance with the shareholding ratio, resulting in a change in the shareholding ratio, and thus resulting in an increase or decrease in the net equity value of the investment, the increase or decrease shall be adjusted to the capital reserve - the equity method shall be used to recognize the related party Changes in the net equity value of enterprises and joint ventures and investments using the equity method. However, if the ownership interest in the affiliated enterprise is reduced by not subscribing or obtaining it according to the shareholding ratio, the amount recognized in other comprehensive profit and loss related to the affiliated enterprise will be reclassified according to the reduction ratio, and the basis of accounting treatment is related to the affiliated enterprise If the basis for directly disposing of related assets or liabilities is the same ; if the adjustment in the preceding paragraph should be debited to the capital reserve, and if the balance of the capital reserve generated by the investment using the equity method is insufficient, the difference will be debited to the retained surplus.

When the merging company's loss share of the affiliated enterprise is equal to or exceeds its equity in the affiliated enterprise (including the book value of the investment in the affiliated enterprise under the equity method and other long-term interests that are substantially part of the merging company's net investment in the affiliated enterprise) , which ceases to recognize further losses. The merged company recognizes additional losses and liabilities only within the scope of statutory obligations, constructive obligations or payments made on behalf of related companies.

When the consolidated company assesses the impairment, it regards the overall book value of the investment (including goodwill) as a single asset and compares the recoverable amount with the book value to conduct an impairment test. The recognized impairment loss is not apportioned to the components that constitute the investment book amount any assets. Any reversal of the impairment loss is recognized to the extent of subsequent increases in the recoverable amount of the investment.

The merged company ceases to adopt the equity method on the date when its investment ceases to be an affiliated enterprise, and its retained interests in the original affiliated enterprise shall be measured at fair value. Included in current profit and loss. In addition, all amounts related to the affiliated enterprise recognized in other comprehensive profit or loss are accounted for on the same basis as would be required if the affiliated enterprise directly disposes of the related assets or liabilities. If the

investment in an affiliated enterprise becomes an investment in a joint venture, or if the investment in a joint venture becomes an investment in an affiliated enterprise, the consolidated company continues to use the equity method without re-measurement of the retained interest.

Profit and loss arising from upstream, downstream, and side stream transactions between the merging company and affiliated companies shall be recognized in the consolidated financial report only to the extent that it is not related to the merging company's rights and interests in the affiliated company.

(8) Real estate, plant and equipment

Property, plant and equipment are recognized at cost and subsequently measured at cost less accumulated depreciation and accumulated impairment losses.

Except for self-owned land, which is not depreciated, other real estate, plant and equipment are depreciated on a straight-line basis within their useful lives, and each major part is depreciated separately. The combined company shall review the estimated service life, salvage value and depreciation method at least at the end of each year. And postpone the impact of changes in applicable accounting estimates.

The difference between the net disposal price on recognition of property, plant and equipment and the carrying amount of the asset is recognized in profit or loss.

(9) Impairment of assets related to real estate, plant and equipment and right-of-use assets

The Combined Company assesses at each balance sheet date whether there are any indications that property, plant and equipment and right-of-use assets may have been impaired. If any indication of impairment exists, the asset's recoverable amount is estimated. If it is not possible to estimate the recoverable amount of an individual asset, the Merging Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Shared assets are allocated to the smallest group of cash-generating units on a reasonable and consistent basis.

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

The inventory, real estate, plant and equipment and intangible assets recognized in the customer contract are firstly recognized as impairment in accordance with the provisions on inventory impairment and the above-mentioned regulations, and then the book value of the contract cost related assets exceeds the expected consideration that can be received for the provision of related goods or services. The amount after deducting the

directly related costs is recognized as an impairment loss, and the carrying amount of the asset related to the contract cost is included in the cash-generating unit to which the cash-generating unit belongs for impairment assessment of the cash-generating unit.

When the impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, but the increased carrying amount shall not exceed that of the asset or cash-generating unit if no impairment was recognized in the previous year. The carrying amount (less amortization or depreciation) determined at the time of the loss. The reversal of the impairment loss is recognized in profit or loss.

(10) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the merging company becomes a party to the contractual terms of the instrument.

Initially recognizing financial assets and financial liabilities, if the financial assets or financial liabilities are not measured at fair value through profit or loss, they are measured at fair value plus transaction costs directly attributable to the acquisition or issuance of financial assets or financial liabilities. Transaction costs directly attributable to the acquisition or issue of a financial asset or financial liability at fair value through profit or loss are recognized immediately in profit or loss.

1. Financial assets

Customary transactions of financial assets are recognized and delisted using transaction date accounting.

(1) Measurement type

The types of financial assets held by the combined company are financial assets measured at fair value through profit or loss, financial assets measured at amortized cost, and equity instrument investments measured at fair value through other comprehensive profit or loss.

A. Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are mandated to be measured at fair value through profit or loss. Financial assets that are mandatory to be measured at fair value through profit or loss include equity instrument investments that are not designated as measured at fair value through other comprehensive profit or loss, and debt instrument investments that do not qualify for classification as measured at amortized cost or at fair value through other comprehensive profit or loss.

Financial assets at fair value through profit or loss are measured at fair value with premeasurement gains or losses

recognized in other gains and losses. For the determination method of fair value, please refer to Note 29.

B. Financial assets measured at amortized cost

Financial assets invested by the merged company shall be classified as financial assets measured at amortized cost if both of the following two conditions are met:

- a. is held under a business model whose purpose is to hold financial assets for the purpose of receiving contractual cash flows; and
- b. The terms of the contract give rise to cash flows on a specified date that are solely payments of principal and interest on the outstanding principal amount.

After original recognition, financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost, and security deposits) are determined using the effective interest method minus the total carrying amount. Any foreign exchange gain or loss is recognized in profit or loss, in addition to the amortized cost measurement of any impairment loss.

Except for the following two cases, interest income is calculated by multiplying the effective interest rate by the total book value of financial assets:

- a. For credit-impaired financial assets purchased or created, interest income is calculated by multiplying the effective interest rate after credit adjustment by the amortized cost of the financial asset.
- b. For financial assets that are not purchased or created credit-impaired but subsequently become credit-impaired, interest income shall be calculated at the effective interest rate multiplied by the amortized cost of the financial asset from the reporting period following the credit-impairment.

Credit-impaired financial assets refer to the fact that the issuer or debtor has experienced major financial difficulties, defaulted, the debtor is likely to file for bankruptcy or other financial reorganization, or the active market for financial assets has disappeared due to financial difficulties.

Equivalent cash includes highly liquid time deposits within 3 months from the date of acquisition, which can be converted into fixed cash at any time and have little risk of value change, and are used to meet short-term cash commitments.

C. Investment in equity instruments measured at fair value through other comprehensive income

At the time of original recognition, the merging company may make an irrevocable choice to designate the investment in equity instruments that are not held for trading and recognized as contingent consideration by the acquirer of the business combination to be measured at fair value through other comprehensive gains and losses.

Investments in equity instruments measured at fair value through other comprehensive profit or loss are measured at fair value, with subsequent fair value changes presented in other comprehensive profit or loss and accumulated in other equity. When the investment is disposed of, the accumulated profit or loss is directly transferred to retained earnings and is not reclassified as profit or loss.

Dividends on investments in equity instruments at fair value through other comprehensive income are recognized in profit or loss when the merging company's right to receive payment is established, unless the dividend clearly represents a recovery of part of the cost of the investment.

(2) Impairment of financial assets

The combined company assesses impairment losses on financial assets (including accounts receivable) measured at amortized cost based on expected credit losses at each balance sheet date.

Accounts receivable are recognized as allowance losses based on expected credit losses during the duration. For other financial assets, first assess whether the credit risk has increased significantly since the original recognition. If there is no significant increase, the provision loss will be recognized as the 12 -month expected credit loss. If there has been a significant increase, it will be recognized as the expected credit loss during the duration Allow for losses.

Expected credit losses are weighted average credit losses weighted by the risk of default. The 12 -month expected credit loss represents the expected credit loss arising from possible default events of the financial instrument within 12 months after the reporting date, and the expected credit loss during the duration represents the expected credit loss arising from all possible default events of the financial instrument during the expected duration.

For the purpose of internal credit risk management, the merged company judges that the following situations represent financial assets in default without considering the collateral held:

- A. There is internal or external information showing that it is impossible for the debtor to repay the debt.
- B. Overdue for more than 365 days, unless there is reasonable and corroborated information showing that a delayed default basis is more appropriate.

Impairment losses on all financial assets reduce their carrying amounts through the allowance account, except that allowance losses on debt instrument investments at fair value through other comprehensive income are recognized in other comprehensive income without reducing their carrying amounts.

(3) Delisting of financial assets

The Company delists financial assets only when the contractual rights to the cash flows from the financial assets lapse, or when the financial assets have been transferred and almost all the risks and rewards of ownership of the assets have been transferred to other enterprises.

When a financial asset is measured at amortized cost as a whole, the difference between its carrying amount and the consideration received is recognized in profit or loss.

When an equity instrument investment measured at fair value through other comprehensive income is delisted as a whole, the accumulated gain or loss is transferred directly to retained earnings and is not reclassified as profit or loss.

2. Equity instruments

Debt and equity instruments issued by the consolidated company are classified as financial liabilities or equity according to the substance of the contract agreement and the definition of financial liabilities and equity instruments.

The equity instruments issued by the merged company are recognized at the amount obtained after deducting the direct issuance costs.

3. Financial liabilities

(1) Subsequent measurement

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

(2) Delisting of financial liabilities

On delisting a financial liability, the difference between its carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(11) Provision for liabilities

The amount recognized as a liability reserve is the best estimate of the expenditure required to settle the obligation on the balance sheet date,

taking into account the risks and uncertainties of the obligation. The liability provision is measured at the discounted value of the estimated cash flows of the settlement obligation.

Decommissioning and reinstatement obligations

According to the lease contract, the company shall restore the leased factory to its original condition at the time of lease on the end of the lease. The company recognizes the present value of the best estimate of the outflow of future economic benefits as a liability provision when it performs its restoration obligations under the lease contract.

(12) Revenue recognition

After the consolidated company identifies the performance obligations in the customer contract, it allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

Merchandise sales revenue

When the control of the goods is transferred to the customer (for export sales when the sales conditions specified in the contract are fulfilled; for domestic sales, when the goods are delivered), the customer has the right to determine the price and use of the goods and bears the primary responsibility for reselling the goods, and bear the risk of obsolete goods, the Company recognizes revenue and accounts receivable at this point in time. Advance receipts from sales are recognized as contract liabilities.

(13) Rent

The Merging Company assesses whether the contract is (or contains) a lease on the contract inception date.

Merger Company as lessee

Except for leases of low-value underlying assets to which the recognition exemption applies and lease payments for short-term leases, which are recognized as expenses on a straight-line basis over the lease term, other leases are recognized as right-of-use assets and lease liabilities on the lease inception date.

The right-of-use asset is initially measured at cost (including the original measured amount of the lease liability, lease payments less lease incentives received before the lease commencement date, original direct costs and the estimated cost of restoring the underlying asset), and is subsequently measured at cost less accumulated depreciation and The amount after the accumulated impairment loss is measured, and the premeasurement amount of the lease liability is adjusted. Right-of-use assets are presented separately in the consolidated balance sheet.

Right-of-use assets are depreciated on a straight-line basis from the commencement date of the lease to the expiry of the useful life or the expiry of the lease term, whichever is earlier.

The lease liability is initially measured at the present value of the lease payments (including fixed payments). If the implied interest rate of the lease is easy to determine, the lease payment shall be discounted using the interest rate. If this rate is not readily determined, the lessee incremental borrowing rate is used.

Subsequently, the lease liability is measured on an amortized cost basis using the effective interest method, and the interest expense is amortized over the lease term. If changes in the lease term lead to changes in future lease payments, the merged company will re-measure the lease liability and adjust the right-of-use asset accordingly. However, if the book value of the right-of-use asset has been reduced to zero, the remaining re-measured amount will be recognized in profit or loss. Lease liabilities are presented separately in the consolidated balance sheet.

(14) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are included as part of the cost of the asset until substantially all activities necessary to bring the asset to its intended use or sale have been completed.

Investment income earned on the temporary investment of specific borrowings prior to the occurrence of eligible capital expenditures is deducted from the borrowing costs eligible for capitalization.

Except for the above, all other borrowing costs are recognized as profit or loss in the period in which they are incurred.

(15) Employee benefits

1. Short-term employee benefits

Liabilities related to short-term employee benefits are measured at undiscounted amounts expected to be paid in exchange for employee services.

2. Post-employment benefits

The retirement benefits of the defined contribution retirement plan are recognized as expenses during the service period of the employees.

The defined benefit cost (including service cost, net interest and premeasurement amount) of the defined benefit retirement plan is actuarially calculated using the projected unit benefit method. Service costs (including current service costs) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expenses when incurred. The premeasurement amount (including changes in actuarial profit and loss and return on project assets after deducting interest) is recognized in other comprehensive profit or loss and included in retained earnings when it occurs, and will not be reclassified to profit or loss in subsequent periods.

The net defined benefit liability (asset) is the shortfall (residual) of contributions from defined benefit retirement plans. Net defined benefit assets cannot exceed the present value of refunding contributions from the plan or reducing future contributions.

(16) Share-based payment

The equity delivery share-based payment given to employees by the consolidated company is based on the fair value of the equity instrument on the date of grant and the best estimated quantity expected to be acquired, and the expense is recognized on a straight-line basis during the vesting period, and the capital reserve - share Basic benefits. If it is immediately vested on the grant date, it shall be fully recognized as an expense on the grant date. When the merged company handles cash capital increase and retains employees to subscribe, the date of notification to the employees shall be the date of payment.

The combined company revises the estimated number of expected vested equity instruments on each balance sheet date. If there is a revision to the original estimated quantity, the affected number is recognized as profit or loss, so that the accumulated expenses reflect the revised estimate, and the capital reserve-share-based payment is adjusted accordingly.

(17) Income tax

Income tax expense is the sum of current income tax and deferred income tax.

1. Current income tax

The merged company determines the current income (loss) in accordance with the laws and regulations formulated by each income tax reporting jurisdiction, and calculates the payable (recoverable) income tax accordingly.

Income tax on the undistributed earnings calculated in accordance with the provisions of the Income Tax Law of the Republic of China is recognized in the year of resolution of the shareholders' meeting.

In the previous year shall be included in the current income tax.

2. Deferred income tax

Deferred income tax is calculated based on the temporary difference between the carrying amount of assets and liabilities on the books and the tax basis for calculating taxable income.

Deferred income tax liabilities are generally recognized for all taxable temporary differences, while deferred income tax assets are recognized when it is probable that taxable income can be used to deduct temporary differences and loss deductions. Confirmed when used.

Taxable temporary differences related to investment subsidiaries, affiliated enterprises and joint agreements are all recognized as

deferred income tax liabilities, but if the merged company can control the timing of the reversal of the temporary difference, and the temporary difference is likely to be in the foreseeable future Except for those whose future will not return. Deductible temporary differences related to such investments are recognized as deferred income tax only to the extent that it is probable that there will be sufficient taxable income to realize the temporary differences and that they are expected to reverse in the foreseeable future assets.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and is reduced for those assets for which it is no longer probable that sufficient taxable income will be available to recover all or part of the asset. Those that have not been recognized as deferred income tax assets are also re-examined on each balance sheet date, and for those that are likely to generate taxable income in the future to recover all or part of the assets, the book amount is increased.

The tax rates expected to be settled or assets realized in the current period. The tax rates are based on the tax rates and tax laws that have been enacted or substantively enacted on the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences arising from the manner in which the consolidated company expects to recover or pay off the carrying amounts of its assets and liabilities at the balance sheet date.

3. Current and deferred income tax

Current and deferred income taxes are recognized in profit or loss, except that current and deferred income taxes related to items recognized in other comprehensive profit or loss or directly in equity are recognized in other comprehensive profit or loss or directly in equity, respectively.

5. Major sources of uncertainty in major accounting judgments, estimates and assumptions

When the merged company adopts accounting policies, the management must make relevant judgments, estimates and assumptions based on historical experience and other relevant factors for those that are not easy to obtain relevant information from other sources. Actual results may differ from estimates.

When developing significant accounting estimates, the combined company will take into account the possible impact of inflation and market interest rate fluctuations on cash flow estimates, growth rates, discount rates, profitability and other related major accounting estimates. Management will continue to Review estimates and basic assumptions. If the revision of estimates only affects the current period, it will be recognized in the current

period of revision. If the revision of accounting estimates affects both the current period and future periods, the amount will be recognized in the current period of revision and future periods.

6. Cash and cash equivalents

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Cash on hand and working capital	\$1,235	\$1,178
Bank Check and Demand Deposit	593,217	464,362
	<u>\$594,452</u>	<u>\$465,540</u>

Bank deposits on the balance sheet date is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Bank demand deposit	0.15 % ~ 1.45 %	0.25 % ~ 1.05%

7. Financial instruments measured at fair value through profit or loss

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Financial assets - current</u>		
Mandatory fair value through profit or loss		
Non-derivative financial assets		
- fund beneficiary certificate	<u>\$ 997</u>	<u>\$ 2,494</u>

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

<u>Equity instrument investment</u>		
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Non-current</u>		
Foreign investment		
Unlisted (counter) stocks	<u>\$ 2,640</u>	<u>\$ 2,640</u>

The merged company invests for medium to long-term strategic purposes and expects to make profits through long-term investments. The management of the merged company believes that if the short-term fair value fluctuations of these investments are included in profit or loss, it is inconsistent with the aforementioned long-term investment plan, so they choose to designate these investments as measured at fair value through other comprehensive income.

9. Financial assets measured at cost after amortization

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Flow</u>		
Original maturity over 3 months (1)	\$15,837	\$57,740
Pledge Certificate of Deposit (2)	22,198	19,204
	<u>\$38,035</u>	<u>\$76,944</u>
<u>No flow move</u>		
Time deposit with original maturity over 1 year (1)	\$173,080	\$176,320
Pledge Certificate of Deposit (2)	23,411	23,791
	<u>\$196,491</u>	<u>\$200,111</u>

- (1) As of December 31, 2023 and 2022, the interest rate ranges for time deposits with an original maturity of more than 3 months are 1.44 % to 3.55% and 1.44% to 4.125 % per annum respectively.
- (2) As of December 31, 2023 and 2022, the interest rate ranges for pledged certificates of deposit are 1.57% to 3.864% and 0.48% to 3.864 % per annum respectively.
- (3) For information on the pledge of financial assets measured at cost after amortization, please refer to Note 31.

10. Notes receivable, accounts receivable, other receivables and collections

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Bill receivable</u>		
Measured at amortized cost		
Total book amount	\$23,860	\$24,658
Less: Allowance for losses	0	0
	<u>\$23,860</u>	<u>\$24,658</u>
<u>Accounts receivable</u>		
Measured at amortized cost		
Total book amount	\$331,627	\$377,800
Less: Allowance for losses	(79)	(222)
	<u>\$331,548</u>	<u>\$377,578</u>
<u>Accounts receivable - related</u>		
Measured at amortized cost		
Total book amount	\$0	\$4,607
Less: Allowance for losses	0	(2)
	<u>\$0</u>	<u>\$4,605</u>

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Other receivables</u>		
Income receivable	\$10,825	\$9,401
Other receivables - other	22,120	22,339
Less: Allowance for losses	(17,092)	(17,244)
	<u>\$15,853</u>	<u>\$14,496</u>
 <u>Collection</u>		
Measured at amortized cost		
Total book amount	\$2,410	\$752
Less: Allowance for losses	(2,410)	(752)
	<u>\$0</u>	<u>\$0</u>

(1) Accounts receivable

The average credit period of the merged company for commodity sales is 30 to 60 days. The policy adopted by the merged company is to only conduct transactions with objects whose ratings are equivalent to and above the investment grade (included), and to obtain sufficient guarantees under necessary circumstances to reduce the risk of financial losses due to default. Credit rating information is based on the ratings of major customers by the Merged Company using other publicly available financial information and historical transaction records. The merged company continuously monitors the credit ratings of credit exposure and counterparties, and distributes the total transaction amount to different customers with qualified credit ratings, and manages credit exposure through the counterparty credit limit reviewed and approved by the management every year.

In order to mitigate credit risk, the management of the merged company assigned a dedicated team to be responsible for the determination of credit line, credit approval and other monitoring procedures to ensure that appropriate actions have been taken to recover overdue receivables. In addition, the merged company will review the recoverable amount of receivables one by one on the balance sheet date to ensure that unrecoverable receivables have been appropriately derogated. Accordingly, the management of the Company believes that the credit risk of the merged company has been significantly reduced.

The merged company recognizes the allowance loss of accounts receivable according to the expected credit loss during the existence period. The expected credit loss during the duration is calculated using the provision matrix, which considers the customer's past default record, current financial situation, and industrial economic situation, as well as GDP forecast and industry outlook. As the credit loss historical experience of the merged company shows that there is no significant difference in the loss patterns of different customer groups, the provision matrix does not

further distinguish customer groups, and only sets the expected credit loss rate based on the aging days of notes receivable and accounts receivable.

If there is evidence that the counterparty is facing serious financial difficulties and the merged company cannot reasonably expect the recoverable amount, for example, the counterparty is in liquidation or the debt has been overdue for more than 365 days, the merged company will directly reclassify the collection and continue to pursue activities. The recovered amount is written off against the relevant collection.

The consolidated company measures the allowance loss of notes receivable and accounts receivable according to the reserve matrix as follows:

Bill receivable

December 31, 2023

	1~120 days	121~180 days	More than 181 days	Total
Expected credit loss rate	0%	0%	0%	
Total book amount	\$23,622	\$238	\$0	\$23,860
Allowance for losses (expected credit losses during the duration)	0	0	0	0
Amortized cost	\$23,622	\$238	\$0	\$23,860

December 31, 2022

	1~120 days	121~180 days	More than 181 days	Total
Expected credit loss rate	0%	0%	0%	
Total book amount	\$24,386	\$272	\$0	\$24,658
Allowance for losses (expected credit losses during the duration)	0	0	0	0
Amortized cost	\$24,386	\$272	\$0	\$24,658

Accounts receivable

December 31, 2023

	1~120 days	121~180 days	181~270 days	More than 271 days	Total
Expected credit loss rate	0% ~ 0.02%	0% ~ 0.20%	0% ~ 4.20%		
Total book amount	\$315,603	\$15,716	\$308	\$0	\$331,627
Allowance for losses (expected credit losses during the duration)	(29)	(37)	(13)	0	(79)
Amortized cost	\$315,574	\$15,679	\$295	\$0	\$331,548

December 31, 2022

	1~120 days	121~180 days	181~270 days	More than 271 days	Total
Expected credit loss rate	0% ~ 0.04%	0% ~ 0.48%	0% ~ 5.63%	12.28%	
Total book amount	\$362,754	\$17,971	\$1,090	\$592	\$382,407
Allowance for losses (expected credit losses during the duration)	(71)	(47)	(35)	(71)	(224)
Amortized cost	\$362,683	\$17,924	\$1,055	\$521	\$382,183

Changes in the allowance for losses on accounts receivable are as follows:

	2023	2022
Opening Balance	\$224	\$1,209
Add : Provision for impairment losses in the current period	1,524	0
Less : Reversal of impairment losses in the current period	0	(651)
Less : Reclassified and transferred out in the current period	(1,666)	(362)
Foreign currency translation difference	(3)	28
Ending balance	<u>\$79</u>	<u>\$224</u>

(2) Notes receivable

There is no change in the allowance for doubtful debts for 2023 and 2022 notes receivable.

(3) Other receivables

Changes in allowance for bad debts of other receivables are as follows:

	2023	2022
Balance at the beginning of the year	\$17,244	\$17,124
Foreign currency translation difference	(152)	120
Year-end balance	<u>\$17,092</u>	<u>\$17,244</u>

(4) Collection

Changes in allowance for bad debts of collections are as follows:

	2023	2022
Opening Balance	\$752	\$641
Add : Reclassified and transferred in this period	1,666	362
Less : Actual write-offs during the year	0	(260)
Foreign currency translation difference	(8)	9
Ending balance	<u>\$2,410</u>	<u>\$752</u>

11. Inventory

	December 31, 2023	December 31, 2022
Merchandise	\$23,388	\$31,925
Finished goods	86,013	101,102
Half finished product	3,594	13,676
Work in progress	844	837
Raw material	44,262	59,816
Inventory in transit	3,635	0
	<u>\$161,736</u>	<u>\$207,356</u>

The nature of cost of goods sold is as follows:

	2023	2022
Cost of inventories sold	\$2,674,264	\$3,362,261
Inventory depreciation and sluggish recovery benefits	(1,424)	(2,636)
	<u>\$2,672,840</u>	<u>\$3,359,625</u>

The increase in the net realizable value of inventories was due to an increase in the sales price of some inventories in the market.

12. Subsidiaries

(1) Subsidiaries included in the consolidated financial report

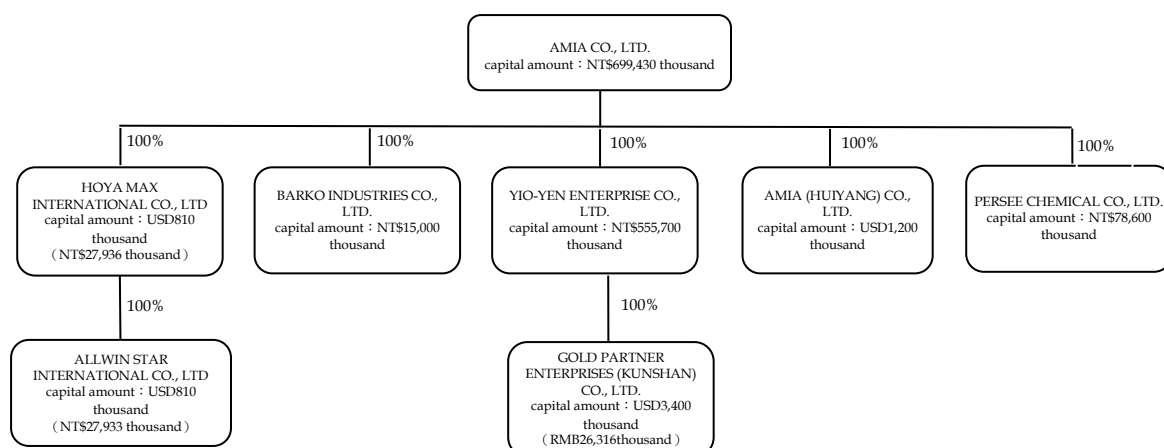
The entities preparing this consolidated financial report are as follows:

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023 December 31	2022 December 31	
AMIA CO., LTD.	AMIA (HUIYANG) CO., LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	-
	PERSEE CHEMICAL CO., LTD. (Hereinafter referred to as PERSEE Company)	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	-

Investor	Investee	Nature of Activities	Proportion of Ownership (%)		Remark
			2023 December 31	2022 December 31	
	YIO-YEN ENTERPRISE CO., LTD. (Hereinafter referred to as YIO-YEN Company)	Operating holding business	100%	100%	-
	BARKO INDUSTRIES CO., LTD. (Hereinafter referred to as BARKO Company)	Waste recycling, etc.	100%	100%	-
	HOYA MAX INTERNATIONAL CO.,LTD. (Hereinafter referred to as HOYA Company)	Operating holding business	100%	100%	-
YIO-YEN ENTERPRISE CO., LTD	GOLD PARTNER ENTERPRISES (KUNSHAN) CO., LTD. (Hereinafter referred to as GOLD (KUNSHAN) Company)	Processing, manufacturing, trading and recycling of various industrial chemicals	100%	100%	-
HOYA MAX INTERNATIONAL CO.,LTD.	ALLWIN STAR INTERNATIONAL CO., LTD. (Hereinafter referred to as ALLWIN Company)	Operating holding business	100%	100%	-

Remark :

As of December 31, 2023, the investment relationship and shareholding ratio of the Company and its subsidiaries and the invested companies that have significant influence are shown in the following chart:



Hereinafter, the Company and the above-mentioned investee companies included in the consolidated financial statements are collectively referred to as the consolidated company.

(2) Other information

On June 10, 2022, the board of directors of YIO-YEN Company decided to convert the surplus into capital increase, and the additional cost of issuing new shares was NT\$12 thousand, which was used as a deduction of retained earnings. For the above case of capital increase from surplus, the capital increase base date was June 16, 2022, and the change registration was completed on July 29, 2022.

13. Investments using the equity method

Invest in affiliated companies

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Individually insignificant affiliated enterprises	<u>\$0</u>	<u>\$28,074</u>

Aggregate information of individually insignificant affiliated companies

	<u>2023</u>	<u>2022</u>
Merged company's share		
Net profit for the period	<u>\$1,795</u>	<u>\$7,292</u>

1. The profit and loss and other comprehensive profit and loss shares of affiliated enterprises using the equity method are recognized based on the financial reports of each affiliated enterprise audited by accountants for the same period.
2. ALLWIN signed a transfer agreement to sell 30% of Ever-Precise Recycle Company's equity in June 2023, and completed the equity transfer on September 30, 2023, and the sale price has been fully received.

14. Real estate, plant and equipment

		Own Land	Building	Mechanical Equipment	Transportation Equipment	Other Devices	Total
<u>Cost</u>							
January 1, 2023	Balance	\$1,141,292	\$388,701	\$375,508	\$103,173	\$295,855	\$2,304,529
	Increase	0	0	5,634	4,473	12,060	22,167
	Punishment				(2,406)	(1,641)	(4,047)
	Rearrange				13,526	(12,608)	918
	Net exchange difference	0	(3,049)	(1,116)	(340)	(2,268)	(6,773)
December 31, 2023	Balance	<u>\$1,141,292</u>	<u>\$385,652</u>	<u>\$380,026</u>	<u>\$118,426</u>	<u>\$291,398</u>	<u>\$2,316,794</u>
<u>Accumulated depreciation</u>							
January 1, 2023	Balance	\$0	\$275,018	\$309,399	\$78,135	\$252,760	\$915,312
	Punishment				(2,405)	(1,446)	(3,851)
	Depreciation expense	0	14,538	19,363	9,787	20,910	64,598
	Rearrange				13,502	(13,718)	(216)
	Net exchange difference	0	(2,044)	(857)	(213)	(1,885)	(4,999)
December 31, 2023	Balance	<u>\$0</u>	<u>\$287,512</u>	<u>\$327,905</u>	<u>\$98,806</u>	<u>\$256,621</u>	<u>\$970,844</u>
December 31, 2023	Net	<u>\$1,141,292</u>	<u>\$98,140</u>	<u>\$52,121</u>	<u>\$19,620</u>	<u>\$34,777</u>	<u>\$1,345,950</u>
		Own Land	Building	Mechanical Equipment	Transportation Equipment	Other Devices	Total
<u>Cost</u>							
January 1, 2022	Balance	\$535,492	\$382,293	\$363,049	\$101,369	\$283,573	\$1,665,776
	Increase	605,800	4,000	12,608	4,601	12,092	639,101
	Punishment	0	0	(2,437)	(3,062)	(1,489)	(6,988)
	Rearrange			1,406			1,406
	Net exchange difference	0	2,408	882	265	1,679	5,234
December 31, 2022	Balance	<u>\$1,141,292</u>	<u>\$388,701</u>	<u>\$375,508</u>	<u>\$103,173</u>	<u>\$295,855</u>	<u>\$2,304,529</u>
<u>Accumulated depreciation</u>							
January 1, 2022	Balance	\$0	\$258,998	\$288,432	\$69,836	\$228,000	\$845,266
	Punishment	0	0	(2,502)	(3,012)	(1,372)	(6,886)
	Depreciation expense	0	14,600	22,867	11,189	25,081	73,737
	Net exchange difference	0	1,420	602	122	1,051	3,195
December 31, 2022	Balance	<u>\$0</u>	<u>\$275,018</u>	<u>\$309,399</u>	<u>\$78,135</u>	<u>\$252,760</u>	<u>\$915,312</u>
December 31, 2022	Net	<u>\$1,141,292</u>	<u>\$113,683</u>	<u>\$66,109</u>	<u>\$25,038</u>	<u>\$43,095</u>	<u>\$1,389,217</u>

Depreciation expense is provided on a straight-line basis over the following useful years:

Building	5 to 50 years
Mechanical equipment	2 to 11 years
Transportation equipment	3 to 6 years
Other devices	3 to 10 years

Self-used real estate, plant and equipment set as loan guarantee, please refer to Note 31.

15. Lease agreement

(1) Right-of-use assets

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of right-of-use asset		
Land	\$10,200	\$10,705
Building	8,235	24,937
Transportation Equipment	1,164	1,986
	<u>\$19,599</u>	<u>\$37,628</u>
	<u>2023</u>	<u>2022</u>
Addition of right-of-use assets	<u>\$2,000</u>	<u>\$2,466</u>
Depreciation expense on right-of-use assets		
Land	\$313	\$313
Building	18,702	21,227
Transportation Equipment	822	531
	<u>\$19,837</u>	<u>\$22,071</u>

(2) Lease liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Carrying amount of the lease liability		
Flow	\$7,082	\$18,847
No flow move	<u>\$279</u>	<u>\$7,287</u>

The discount rate range for the lease liability is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Building	1.94%	1.94 %
Transportation Equipment	1.40%	1.40 %

(3) Important leasing activities and terms

The merged company leases certain transportation equipment for operational use, and the lease period is 2 to 3 years. Upon the expiry of the lease period, these lease agreements have no clauses for renewal or right to purchase.

Right-of-use assets - land refers to the land-use rights of subsidiaries located in Mainland China. The land at the original site of the subsidiary GOLD PARTNER ENTERPRISES (KUNSHAN) CO., LTD. was acquired at an annual cost of RMB 3,554 thousand. The above-mentioned land use right has already obtained the state-owned land use right certificate of the People's Republic of China, the economic benefit period is 50 years, and the use right expires in March 2057.

The merged company also leases certain buildings for factory use, and the lease period is 2 to 3 years. When the lease period ends, the merging company has no preferential right to purchase the leased building, and it

is agreed that the merging company shall not sublease or transfer all or part of the leased object without the consent of the lessor.

When the merged company leases machinery and equipment, the lease starts when the equipment is installed and accepted by both parties. The lease period of the contract is 1 year, and the monthly rental fee is NT\$500 thousand. After the lease expires, the merged company can choose to purchase the equipment and can fully discount the rental fee paid during the lease period to the purchase amount.

(4) Other leasing information

	2023	2022
Short-term rental fee	\$2,389	\$2,340
Low-value asset rental expenses	\$960	\$490
Total cash (outflows) from leases	(\$22,415)	(\$22,832)

The merged company chooses to apply the recognition exemption to the building buildings that qualify for short-term leases, and does not recognize the relevant right-of-use assets and lease liabilities for these leases.

16. Other assets

	December 31, 2023	December 31, 2022
<u>Flow</u>		
Other assets		
Tax refund receivable	\$7,094	\$8,015
Prepaid fee	19,774	14,887
Advance payment	9,554	11,796
Input tax	19	425
Other	272	258
	<u>\$36,713</u>	<u>\$35,381</u>

17. Borrowing

(1) Short-term loans

	December 31, 2023	December 31, 2022
<u>Guaranteed loans (Note 31)</u>		
Bank loan	\$134,000	\$130,000
<u>Unsecured borrowing</u>		
Line of credit borrowing	110,000	40,000
	<u>\$244,000</u>	<u>\$170,000</u>

The interest rates of bank revolving loans will be 1.80% to 1.90% and 1.65% to 1.87% on December 31, 2023 and 2022, respectively.

(2) Short-term notes payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Commercial paper payable	<u>\$10,000</u>	<u>\$ -</u>

The outstanding short-term notes payable are as follows:

December 31, 2023

Guarantee /					Collateral	
Acceptance		discount	carrying	Interest	Collateral	carrying
Agency	face value	amount	amount	rate range	name	amount
<u>Commercial</u>						
<u>paper payable</u>						
Mega Coupons	<u>\$ 10,000</u>	<u>\$ -</u>	<u>\$ 10,000</u>	1.61%	none	<u>\$ -</u>

The commercial promissory notes payable by the merged company are short-term notes payable with no interest paid. Since the impact of discounting is not significant, they are measured at the original face amount.

(3) Long-term loans

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Guaranteed loans (Note 32)</u>		
Bank loan	\$384,000	\$533,000
<u>Unsecured borrowing</u>		
Bank loan	810	
Minus: listed as part due within 1 year	(330)	(16,680)
Long-term loan	<u>\$384,480</u>	<u>\$516,320</u>

The guaranteed loans are secured by the consolidated company's certificate of deposit and the mortgage of its own land and buildings (see Note 31). As of December 31, 2012 and 2011, the effective annual interest rates are 1.90% ~ 2.15%.

The consolidated company's borrowings include:

	Expiry Date	Major Terms	Effective Interest Rate	December 31, 2023	December 31, 2022
Floating rate borrowing	May 25, 2026	First Commercial Bank It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT\$1,000 thousand and an interest rate of 2.15%. The loan period is from May 25, 2023 to May 25, 2026. Starting from the loan date, each month is regarded as one period, which is divided into 36 periods, and the monthly principal and interest are evenly amortized.	2.15%	\$810	\$0
	February 11, 2029	Mega Commercial Bank It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT\$400,000 thousand and an interest rate of 2.15%. During the loan period from February 10, 2022 to February 11, 2029, the interest will be deducted every month. From February 11, 2023, every six months will be amortized in 12 installments. The company has repaid in advance, and there is no loan due within one year.	2.15%	\$0	\$51,000
	February 11, 2029	Mega Commercial Bank It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT\$400,000 thousand and an interest rate of 2.15%. During the loan period from December 2, 2022 to February 11, 2029, the interest will be deducted every month. From February 11, 2023, every six months will be amortized in 12 installments. The company has repaid in advance, and there is no loan due within one year.	2.15%	\$0	\$88,000
	March 3, 2042	First Commercial Bank It is a loan to raise funds needed for medium-term operating turnover, with a loan amount of NT\$394,000 thousand and an interest rate of 1.90%. During the loan period from March 3, 2022 to March 3, 2042, the interest will be deducted every month. Starting from the loan date, each month is regarded as one period, which is divided into 240 periods in total. The first 3 years are the grace period, and the monthly principal and interest are evenly amortized from April 3, 2025.	1.90%	\$384,000	\$394,000
				\$384,810	\$533,000
Less : portion due within 1 year				(\$330)	(\$16,680)
Long term loan				<u>\$384,480</u>	<u>\$516,320</u>

18. Notes payable and accounts payable

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Notes payable</u>		
Occurred due to business		
- non-related person	<u>\$ 595</u>	<u>\$ 805</u>
<u>accounts payable</u>		
Occurred due to business		
- non-related person	<u>\$ 209,275</u>	<u>\$ 261,800</u>

The average credit period for the purchase of some commodities is 1 to 3 months, and no interest is added to accounts payable. The merged company has a financial risk management policy to ensure that all payables are repaid within the pre-agreed credit period.

19. Other Liabilities

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Flow</u>		
Other payables		
Payable salary and bonus	\$35,530	\$37,617
Leave payable	6,715	6,433
Premium payable	28,128	24,309
Employee bonuses payable	7,020	8,560
Directors' remuneration payable	2,340	2,850
Interest payable	692	723
Payable for equipment	7,079	8,758
Output tax	127	161
Taxes payable	3,305	249
Other payable expenses	82,357	72,988
	<u>\$173,293</u>	<u>\$162,648</u>
	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Other liabilities		
Temporary payment	\$5,000	\$5,179
Collection	1,217	1,263
	<u>\$6,217</u>	<u>\$6,442</u>

20. Provision for liabilities

	<u>December 31 , 2023</u>	<u>December 31 , 2022</u>
<u>Non-current</u>		
Decommissioning costs	<u>\$ 7,221</u>	<u>\$ 5,133</u>

The decommissioning cost liability provision is the decommissioning liability provision arising from the dismantling, removal of related equipment and restoration of its location. The amount is measured by the estimated discounted value of the cash flow of the expected settlement obligation, and is properly evaluated at the end of the reporting period and Adjustment.

21. Post-employment benefit plan

(1) Determining the appropriation plan

Among the merged companies, GOLD (KUNSHAN) Company, AMIA (HUIYANG) CO., LTD., HOYA Company and ALLWIN Company have not yet formulated employee retirement methods, and the local government laws have not stipulated mandatory employee retirement methods.

of our company, PERSEE Company, YIO-YEN Company and BARKO Company applicable to the "Labor Pension Act" in the merged company is a defined contribution retirement plan managed by the government, based on the employee's monthly salary of 6 % Transfer the pension to the personal special account of the Labor Insurance Bureau.

(2) Defined benefit plan

The pension system of our company and PERSEE Company in the merged company is a defined benefit retirement plan managed by the government in accordance with the "Labor Standards Law" of our country. The payment of employee pensions is calculated based on the years of service and the average salary of the six months before the approved retirement date. These companies allocate 2% of the total monthly salary of employees to the employee retirement fund, and submit it to the Labor Retirement Reserve Supervision Committee to deposit it in the special account of the Bank of Taiwan in the name of the committee. Before the end of the year, if the estimated balance in the special account is insufficient, the payment will be made for those workers who are estimated to meet the retirement requirements within the year, the difference will be allocated in one lump sum before the end of March of the following year. The special account is managed by the Labor Fund Utilization Bureau of the Ministry of Labor, and the merged company has no right to influence the investment management strategy.

The amounts of defined benefit plans included in the consolidated balance sheet are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Determining the Present Value of Benefit Obligations	\$ 58,546	\$ 61,308
Fair value of project assets	(31,418)	(29,975)
Net defined benefit liability	<u>\$ 27,128</u>	<u>\$ 31,333</u>

Changes in net defined benefit liabilities are as follows:

	Determining the Present Value of Benefit Obligations	Fair value of project assets	Net defined benefit liability
January 1, 2023	\$61,308	(\$29,975)	\$31,333
Service cost			
Current service cost	29	0	29
Interest Expense (Income)	691	(353)	338
Recognized in profit or loss	720	(353)	367
Premeasurement number			
Return on project assets (except the amount included in net interest)	0	(317)	(317)
Actuarial benefits - changes in financial assumptions	42	0	42
Actuarial Benefit - Experience Adjustment	(1,537)	0	(1,537)
Recognized in other comprehensive income	(1,495)	(317)	(1,812)
Employer appropriation	0	(2,760)	(2,760)
Welfare payment	(1,987)	1,987	0
December 31, 2023	<u>\$58,546</u>	<u>(\$31,418)</u>	<u>\$27,128</u>
January 1, 2022	\$71,473	(\$30,129)	\$41,344
Service cost			
Current service cost	200	-	200
Interest Expense (Income)	357	(157)	200
Recognized in profit or loss	557	(157)	400
Premeasurement number			
Return on project assets (except the amount included in net interest)	0	(2,285)	(2,285)
Actuarial benefits - changes in financial assumptions	(2,932)	-	(2,932)
Actuarial Benefit - Experience Adjustment	(2,434)	-	(2,434)
Recognized in other comprehensive income	(5,366)	(2,285)	(7,651)
Employer appropriation	0	(2,760)	(2,760)
Welfare payment	(5,356)	5,356	0
December 31, 2022	<u>\$61,308</u>	<u>(\$29,975)</u>	<u>\$31,333</u>

The amount of defined benefit plans recognized in profit or loss is summarized by function as follows:

	<u>2023</u>	<u>2022</u>
Operating cost	\$ 23	\$ 130
Promotional expenses	10	106
Management costs	<u>334</u>	<u>164</u>
	<u>\$ 367</u>	<u>\$ 400</u>

The merged company is exposed to the following risks due to the pension system of the Labor Standards Act:

1. Investment risk: The Labor Fund Utilization Bureau of the Ministry of Labor invests labor pension funds in domestic (foreign) equity securities, debt securities, and bank deposits through self-use and entrusted operation methods, but the planned assets of the merged company may be allocated. The amount is calculated based on the local bank's 2-year fixed deposit interest rate.
2. Interest rate risk: The decline in the interest rate of government bonds will increase the present value of defined benefit obligations, but the debt investment return on project assets will also increase accordingly, and the impact of the two on net defined benefit liabilities will have a partial offset effect.
3. Salary risk: The calculation of the present value of the determined benefit obligation refers to the future salary of the plan members. An increase in plan member salaries will therefore increase the present value of the defined benefit obligation.

The present value of the confirmed benefit obligations of the merged company is calculated by a qualified actuary, and the major assumptions on the measurement date are as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate	1.000%~1.125 %	1.125 %
Salary Expected Increase Rate	2.000 %	2.000 %

If there are reasonably possible changes in major actuarial assumptions, and all other assumptions remain unchanged, the amount that will increase (decrease) the present value of the defined benefit obligation is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Discount Rate		
0.25% increase	(\$ 726)	(\$ 825)
0.25% reduction	<u>\$ 744</u>	<u>\$ 847</u>

	December 31, 2023	December 31, 2022
Salary Expected Increase Rate		
0.25% increase	\$ <u>727</u>	\$ <u>828</u>
0.25% reduction	(\$ <u>713</u>)	(\$ <u>810</u>)

Since the actuarial assumptions may be related to each other, the possibility of only a single assumption changing is unlikely, so the above sensitivity analysis may not be able to reflect the actual changes in the present value of the defined benefit obligations.

	December 31, 2023	December 31, 2022
Expected amount allocated within 1 year	\$ <u>2,760</u>	\$ <u>2,760</u>
Determining the average benefit obligation due period	3.9 years~5.6 years	3.5 year~5.9 years

22. Rights and interests

(1) Common stock capital

	December 31, 2023	December 31, 2022
Rated number of shares (thousand shares)	<u>100,000</u>	<u>100,000</u>
Rated share capital	\$ <u>1,000,000</u>	\$ <u>1,000,000</u>
Number of issued and fully paid shares (thousand shares)	<u>69,943</u>	<u>70,518</u>
Issued share capital	\$ <u>699,430</u>	\$ <u>705,180</u>

The issued ordinary shares have a par value of NT\$10 each, and each share has one voting right and the right to receive dividends.

Among the rated share capital, 3,000 thousand shares are reserved for the issuance of warrant certificates, special shares with warrants, or corporate bonds with warrants for the exercise of stock options.

The resolution of the board of directors of the Company on December 30, 2021 approved the cash capital increase to issue 7,864 thousand new shares, with a par value of NT\$10 per share, and retained 10% of the number of issued shares in accordance with the Company law, totaling 787 thousand shares for employees Subscription, the subscription price per share is NT\$40, and the remaining 7,077 thousand shares are used for public underwriting before the listing of the stock, and are handled by bidding auction (80%) and public subscription (20%) at the same time. The average transaction price of bidding auction is NT\$47.77 per share. In addition, on February 24, 2011, the underwriting price for public subscription was set at NT\$40 per share. The total issuance amount was

NT\$358,540 thousand. The above-mentioned cash capital increase case has been declared effective by the Taiwan Stock Exchange on January 11, 2011 with Taiwan Zheng Shang YI ZI No. 1111800181, and March 9 of the same year was used as the capital increase base date, and the change registration was carried out on May 2, 2022 Finish.

The company canceled 245 thousand treasury shares by resolution of the board of directors on May 24, 2022, and subsequently completed the change registration on June 15, 2022.

The company canceled 575 thousand treasury shares by resolution of the board of directors on April 26, 2023, and subsequently completed the change registration on August 1, 2023.

(2) Capital reserves

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Can be used to make up losses,</u>		
<u>distribute cash or make</u>		
<u>capital contributions (a)</u>		
Stock issue premium	\$ 620,561	\$ 625,677
Gain on disposal of assets	<u>255</u>	<u>255</u>
	<u>\$ 620,816</u>	<u>\$ 625,932</u>

(a) This kind of capital reserve can be used to make up for losses, and can also be used to distribute cash or allocate capital when the Company has no losses. However, capitalization is limited to a certain percentage of paid-in capital every year.

(3) Retained earnings and dividend policy

According to the surplus distribution policy of the Company's articles of association, if there is a surplus in the annual final accounts, taxes should be paid first to make up for previous losses, and 10% should be set aside as the statutory surplus reserve, and the special surplus reserve should be withdrawn and reversed in accordance with laws and regulations. After accumulating, if there is any surplus, the remaining surplus plus the accumulated undistributed surplus of the previous year shall be regarded as distributable surplus. The board of directors shall prepare a surplus distribution proposal and submit it to the shareholders' meeting for a resolution on the distribution of shareholder dividends. Please refer to Note 24 (7) Employee Remuneration and Director Remuneration for the employee and director remuneration distribution policy stipulated in the Company's articles of association.

The Company is in the period of business growth, and the policy of dividend distribution depends on factors such as the Company's current and future investment environment, capital demand, securities market, domestic and foreign competition conditions, and capital budget, and takes into account shareholders' interests, balanced dividends, and the

Company's financial planning, etc. , each year according to the law, the board of directors prepares a distribution plan and submits it to the shareholders' meeting. Distribution of shareholder dividends, of which cash dividends shall not be less than 20% of the total dividends, and the rest shall be distributed as stock dividends.

The statutory surplus reserve shall be appropriated until its balance reaches the total paid-in share capital of the Company. The statutory surplus reserve can be used to make up for losses. When the Company has no losses, the part of the statutory surplus reserve exceeding 25% of the total paid-in amount can be distributed in cash in addition to being allocated to share capital.

The Company held regular shareholders' meetings on May 24, 2023 and May 24, 2022, and passed resolutions on the distribution of surplus for 2022 and 2021 as follows:

	<u>2022</u>	<u>2021</u>
Statutory surplus reserve	<u>\$ 10,661</u>	<u>\$ 22,120</u>
special surplus reserve	<u>\$ 8,422</u>	<u>\$ 3,972</u>
cash dividend	<u>\$ 69,943</u>	<u>\$ 139,886</u>
Cash dividend per share (yuan)	\$ 1.0	\$ 2.0

On February 27, 2024, the Company's board of directors proposed the profit distribution plan for 2023 as follows:

	<u>Surplus Distribution Proposal</u>
Statutory surplus reserve	<u>\$ 9,030</u>
Special surplus reserve	<u>\$ 10,612</u>
Cash dividend	<u>\$ 62,949</u>
Cash dividend per share (yuan)	\$ 0.9

2023 is yet to be resolved at the general meeting of shareholders expected to be held on May 24, 2024.

(4) Treasury stocks

<u>Reason for withdrawal</u>	<u>Transfer of shares to employees (thousand shares)</u>
Number of shares on January 1 , 2023	575
Decrease this year	(<u>575</u>)
Number of shares on December 31, 2023	<u>0</u>
Number of shares on January 1 , 2022	820
Decrease this year	(<u>245</u>)
Number of shares on December 31, 2022	<u>575</u>

The treasury stocks held by the Company shall not be pledged in accordance with the provisions of the Company law, nor shall they be entitled to the distribution of dividends and voting rights.

23. Income

	<u>2023</u>	<u>2022</u>
Client contract revenue		
Merchandise sales revenue	<u>\$3,059,344</u>	<u>\$3,721,106</u>
<u>Contract balance</u>		
	December 31, 2023	December 31, 2022
Accounts receivable (Note 10)	<u>\$331,548</u>	<u>\$382,183</u>
Contract Liabilities		January 1, 2022
Merchandising	<u>\$52,669</u>	<u>\$1,483</u>

Changes in contract liabilities are primarily attributable to differences in the timing of satisfaction of performance obligations and the timing of payment by customers.

24. Net profit before tax

(1) Interest income

	<u>2023</u>	<u>2022</u>
Bank savings	\$ 13,389	\$ 11,988
Other	<u>14</u>	<u>35</u>
	<u>\$ 13,403</u>	<u>\$ 12,023</u>

(2) Other income

	<u>2023</u>	<u>2022</u>
Dividend income	\$ 514	\$ 489
Other	<u>3,426</u>	<u>8,100</u>
	<u>\$ 3,940</u>	<u>\$ 8,589</u>

(3) Other benefits and (losses)

	<u>2023</u>	<u>2022</u>
Financial asset (loss) loss		
Mandatory financial assets at fair value through profit or loss	\$542	(\$446)
Disposal of property, plant and equipment (loss)	(75)	332
Disposal of profits and losses of affiliated enterprises (Note 13)	(515)	0
Net foreign currency exchange (loss) loss	1,076	29,771
Lease modification benefit	0	481
Other	<u>(184)</u>	<u>(130)</u>
	<u>\$844</u>	<u>\$30,008</u>

(4) Financial costs

	2023	2022
Bank loan interest	(\$12,982)	(\$11,099)
Interest on the lease liability	(293)	(600)
Interest on liability provision	(88)	(86)
	<u>(\$13,363)</u>	<u>(\$11,785)</u>

There was no interest capitalization in 2023 and 2022.

(5) Depreciation and amortization

	2023	2022
Summary of depreciation expense by function		
Operating cost	\$60,618	\$73,737
Operating expenses	23,817	22,071
	<u>\$84,435</u>	<u>\$95,808</u>

(6) Employee welfare expenses

	2023	2022
Post-employment benefits		
Confirm allocation plan	\$6,154	\$6,604
Defined benefit plans (Note 21)	367	400
	6,521	7,004
share based payment	0	1,732
Other employee benefits	269,661	267,104
Total employee benefit expenses	<u>\$276,182</u>	<u>\$275,840</u>
Summary by function		
Operating cost	\$124,343	\$130,829
Operating expenses	151,839	145,011
	<u>\$276,182</u>	<u>\$275,840</u>

(7) Employee remuneration and director remuneration

The Company allocates employee remuneration and director remuneration at a rate of 1% to 8% and no more than 5% of the pre-tax profit before deducting the distribution of employee and director remuneration in the current year.

February 27, 2024 and February 22, 2023, the employee remuneration and director's remuneration in 2023 and 2022 were respectively resolved by the board of directors as follows:

Estimated ratio

	2023	2022
Employee compensation	5.86 %	6.01 %
Director remuneration	1.95%	2.00%

The amount

	2023	2022
	Cash	Cash
Employee compensation	\$ 7,020	\$ 8,560
Director remuneration	2,340	2,850

If there is still a change in the amount after the annual consolidated financial report is released, it will be treated as a change in accounting estimate and will be adjusted and recorded in the next year.

There is no difference between the actual distribution amount of employee remuneration and director's remuneration in 2023 and 2022 and the recognized amount in the consolidated financial report of 2023 and 2022.

For information on employee remuneration and director remuneration resolved by the Company's board of directors, please visit the "Public Information Observatory" of the Taiwan Stock Exchange.

(8) Foreign currency exchange (gain) loss

	2023	2022
Total foreign currency exchange benefit	\$ 19,290	\$ 41,107
Total foreign currency exchange (loss)	(18,214)	(11,336)
Net (loss) loss	<u>\$ 1,076</u>	<u>\$ 29,771</u>

25. Income Tax

(1) Income tax expense recognized in profit or loss

The main components of income tax expenses are as follows:

	2023	2022
Current income tax		
Produced this year	\$34,852	\$30,088
Undistributed surplus tax	500	1,615
Prior Year Adjustments	381	(201)
	<u>35,733</u>	<u>31,502</u>
Deferred income tax		
Produced this year	1,332	9,379
Prior Year Adjustments	171	1,766
	<u>1,503</u>	<u>11,145</u>
Income tax expense recognized in profit or loss	<u>\$37,236</u>	<u>\$42,647</u>

The adjustment of accounting income and income tax expense is as follows:

	2023	2022
Net profit before tax	\$126,526	\$142,439
Income tax expense calculated at the statutory tax rate on net profit before tax (20%)	\$25,306	\$28,488
Non-deductible expense losses	1,278	1
Tax-free income	(467)	(1,372)
Repatriation of Overseas Dividends	4,006	10,338
Temporary Difference - Overseas Investment	3,424	1,853
Undistributed Earnings Levy	500	1,615
Unrecognized loss write-off	1,284	463
Impact of different tax rates on subsidiaries operating in other jurisdictions	1,353	(304)
Adjustment of the current income tax expense of the previous year in the current year	381	(201)
Adjustment of the deferred income tax expense in the previous year in the current year	171	1,766
Income tax expense recognized in profit or loss	<u>\$37,236</u>	<u>\$42,647</u>

(2) Income tax recognized in other comprehensive profit or loss

	2023	2022
Deferred income tax		
Generated in the current year		
- Conversion of foreign operating institutions	<u>\$2,654</u>	<u>(\$2,106)</u>

(3) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Tax refund receivable	<u>\$1,340</u>	<u>\$6,320</u>
Current income tax liabilities		
Income tax payable	<u>\$13,287</u>	<u>\$25,879</u>

(4) Deferred income tax assets and liabilities

Changes in deferred tax assets and liabilities are as follows:

2023

	Initial balance	Recognized in profit or loss	Recognized in Other comprehensive income	Year-end balance
Deferred tax assets				
Temporary difference				
Unrealized exchange gains and losses	\$0	\$794	\$0	\$794
Overseas Investment	3,672	218	0	3,890
Unrealized inventory depreciation losses	4,520	(396)	0	4,124
Unrealized benefits from transactions with subsidiaries	526	(215)	0	311
Exchange balance of foreign operating institutions	8,244	0	2,654	10,898
Defined Benefit Retirement Plan	37	(37)	0	0
Provision for Decommissioning Liabilities	583	350	0	933
Leave payable	1,073	0	0	1,073
Allowance for bad debts	1,102	0	0	1,102
	<u>\$19,757</u>	<u>\$714</u>	<u>\$2,654</u>	<u>\$23,125</u>
Deferred tax liabilities				
Temporary difference				
Unrealized exchange gains and losses	(\$37)	\$37	\$0	\$0
Overseas Investment	(2,687)	(1,813)	0	(4,500)
Defined Benefit Retirement Plan	(2,826)	(441)	0	(3,267)
	<u>(\$5,550)</u>	<u>(\$2,217)</u>	<u>\$0</u>	<u>(\$7,767)</u>

2022

	Initial balance	Recognized in profit or loss	Recognized in Other comprehensive income	Year-end balance
<u>Deferred tax assets</u>				
Temporary difference				
Overseas Investment	\$4,836	(\$1,164)	\$0	\$3,672
Unrealized inventory depreciation losses	5,049	(529)	0	4,520
Unrealized benefits from transactions with subsidiaries	220	306	0	526
Exchange balance of foreign operating institutions	10,350	0	(2,106)	8,244
Defined Benefit Retirement Plan	102	(65)	0	37
Provision for Decommissioning Liabilities	0	583	0	583
Leave payable	909	164	0	1,073
Allowance for bad debts	1,102	0	0	1,102
	<u>22,568</u>	<u>(705)</u>	<u>(2,106)</u>	<u>19,757</u>
Loss deduction	7,355	(7,355)	0	0
	<u>\$29,923</u>	<u>(\$8,060)</u>	<u>(\$2,106)</u>	<u>\$19,757</u>
<u>Deferred tax liabilities</u>				
Temporary difference				
Unrealized exchange gains and losses	(\$46)	\$9	\$0	(\$37)
Overseas Investment	0	(2,687)	0	(2,687)
Defined Benefit Retirement Plan	(2,419)	(407)	0	(2,826)
	<u>(\$2,465)</u>	<u>(\$3,085)</u>	<u>\$0</u>	<u>(\$5,550)</u>

- (5) Unused loss deduction amount not recognized in the consolidated balance sheet as deferred income tax assets

PERSEE CHEMICAL CO., LTD.

	December 31, 2023	December 31, 2022
Loss write-off		
2030 years due	\$633	\$633
2032 years due	1,086	1,137
2033 years due	3,958	0
	<u>\$5,677</u>	<u>\$1,770</u>

BARKO INDUSTRIES CO., LTD.

	December 31, 2023	December 31, 2022
Loss write-off		
2023 years due	\$0	\$838
2024 years due	582	582
2025 years due	613	613
2026 years due	451	451
2027 years due	194	194
2028 years due	165	165
2029 years due	169	169
2031 years due	163	163
2032 years due	83	0
	<u>\$2,420</u>	<u>\$3,175</u>

(6) Relevant information on unused loss deduction

As of December 31, 2023, PERSEE Company's loss deduction related information is as follows:

<u>Balance not yet deducted</u>	<u>Final deduction year</u>
\$ 633	2030
1,086	2032
<u>3,958</u>	2033
<u>\$ 5,677</u>	

As of December 31, 2023, the information related to the loss deduction of BARKO Company is as follows:

<u>Balance not yet deducted</u>	<u>Final deduction year</u>
\$582	2024
613	2025
451	2026
194	2027
165	2028
169	2029
163	2031
83	2032
<u>\$2,420</u>	

(7) Income tax verification situation

The Company, PERSEE Company, YIO-YEN Company, and BARKO Company's profit-seeking enterprise income tax declarations except for 2022, the declaration cases before 2021 have been approved by the tax collection agency.

26. Earnings per share

	Unit: Yuan per share	
	2023	2022
Total Basic Earnings Per Share	<u>\$ 1.28</u>	<u>\$ 1.46</u>
Total diluted earnings per share	<u>\$ 1.27</u>	<u>\$ 1.45</u>

Earnings and weighted average number of ordinary shares used to calculate earnings per share are as follows:

Net profit for the year

	2023	2022
Net income used to calculate basic earnings per share	<u>\$ 89,292</u>	<u>\$ 99,792</u>
Net income used to calculate diluted earnings per share	<u>\$ 89,292</u>	<u>\$ 99,792</u>

Number of shares

	unit: thousand shares	
	2023	2022
Weighted average number of common shares used to calculate basic earnings per share	69,943	68,496
Effect of Dilutive Potential Ordinary Shares		
employee bonus	<u>319</u>	<u>492</u>
Weighted average number of common shares used to calculate diluted earnings per share	<u>70,262</u>	<u>68,988</u>

If the merged company can choose to issue employee remuneration in stock or cash, when calculating diluted earnings per share, it is assumed that the employee remuneration will be issued in the form of stock, and when the potential common stock has a dilutive effect, it will be included in the weighted average number of outstanding shares to calculate Diluted earnings per share. When calculating the diluted earnings per share before deciding on the number of shares issued for employee compensation in the next year, the dilutive effect of these potential ordinary shares will also continue to be considered.

27. Share-Based Payment Agreement

Cash Capital Increase Retention Employee Subscription

On December 30, 2021, the Company's board of directors resolved to issue 7,864 thousand new shares through cash capital increase before the initial stock listing. This cash capital increase project was approved and declared by the Taiwan Stock Exchange on January 11, 2022, and was resolved by the board of directors, with March 9, 2022 as the capital increase base date.

The reserved part of the new shares issued by the above-mentioned cash capital increase is used as subscription by the Company's employees, and February 24, 2022 is the day of giving.

The relevant information of employee stock options is as follows:

Employee stock options	2022	
	Unit (thousand)	Weighted average Execution price (yuan)
Circulation at the beginning of the period	-	\$-
Give this period	787	40
Exercise this period	(787)	
Out of circulation at the end of the period	-	
Executable at the end of the period	-	
Of employee stock options granted in the current period (yuan)	\$ 2.2	

For employee stock options that will be executed in 2022, the weighted average exercise price on the execution date is NT\$40.

The employee stock options granted by the Company use the Black-Scholes evaluation model, and the input values used in the evaluation model are as follows:

Grant day share price	NT\$ 41.96
Execution price	NT\$ 40.00
Expected volatility	33.42%
Expected duration	0.033 years
Risk free rate	0.35%

The stock price on the date of giving is evaluated using the market method and estimated based on the stock price-to-book value ratio, average price-to-earnings ratio, and stock price adjustment of listed companies in comparable domestic industries.

The expected volatility is based on the average value of the annualized standard deviation calculated from the daily stock price returns of similar companies in the same industry in the past year.

The remuneration cost recognized in 2022 is NT\$1,732thousand.

28. Capital risk management

The combined company conducts capital management to ensure that each company in the group can continue to operate, and maximize shareholder returns by optimizing the balance of debt and equity.

The capital structure of the combined company is composed of the net debt of the combined company (i.e. borrowings minus cash and cash equivalents) and the equity attributable to the owners of the combined company (i.e. share capital, capital reserves, retained earnings and other equity items).

Merging companies are not subject to other external capital requirements.

The main management of the merged company re-examines the capital structure of the group every year, and the content of the review includes consideration of the cost of various types of capital and related risks. The merged company will balance its overall capital structure by paying dividends, issuing new shares, repurchasing shares, issuing new debts or repaying old debts, etc., based on the recommendations of the main management.

29. Financial Instruments

- (1) Fair value information - financial instruments not measured at fair value
The carrying amounts of financial assets and financial liabilities not measured at fair value approximate their fair values in the opinion of the management of the combined company.
- (2) Fair value information - financial instruments measured at fair value on a recurring basis

1. Fair value hierarchy

December 31, 2023

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>total</u>
<u>Financial assets at fair value</u> <u>through profit or loss</u>				
Fund income certificate	\$ <u>997</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>997</u>
<u>Financial assets at fair value</u> <u>through other</u> <u>comprehensive income</u>				
Foreign unlisted (counter) stocks	\$ <u>-</u>	\$ <u>-</u>	\$ <u>2,640</u>	\$ <u>2,640</u>

<u>December 31, 2022</u>				
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>total</u>
<u>Financial assets at fair value</u>				
<u>through profit or loss</u>				
Fund income certificate	<u>\$ 2,494</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,494</u>
<u>Financial assets at fair value</u>				
<u>through other</u>				
<u>comprehensive income</u>				
Foreign unlisted (counter)				
stocks	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,640</u>	<u>\$ 2,640</u>

2. Evaluation techniques and input values for Level 3 fair value measurement

The fair values of financial assets and financial liabilities that have standard terms and conditions and are traded in active markets are determined by reference to quoted market prices. If there is no market price for reference, it shall be estimated by evaluation method. The estimates and assumptions used by the merged company in the evaluation method are consistent with the information used by market participants as estimates and assumptions when pricing financial products.

Stocks without public quotes

These consolidated financial statements include unquoted shares measured at fair value. The fair value is based on the market-based valuation method - the price-to-earnings ratio method and the stock price-to-book value ratio method, to evaluate a reasonable fair value. The significant unobservable input values are as follows. When the liquidity discount decreases, the fair value of these investments will increase.

(3) Types of financial instruments

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
<u>Monetary assets</u>		
Financial assets at fair value through profit or loss		
Mandatory to be measured at fair value through profit or loss		
	\$ 997	\$ 2,494
Financial assets measured at amortized cost (Note 1)	1,207,272	1,171,180
Financial assets at fair value through other comprehensive income		
Equity instrument investment	2,640	2,640
<u>Financial liabilities</u>		
Measured by amortized cost (Note 2)	1,021,983	1,128,263

Note 1: The balance includes cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables and deposits and other financial assets measured at amortized cost.

Note 2: The balance includes short-term loans, short-term bills payable, and notes payable, accounts payable, other payables, long-term loans due within one year, long-term loans and deposits, and other financial liabilities measured at amortized cost.

(4) Purpose and policy of financial risk management

The main financial instruments of the combined company include equity investments, accounts receivable, accounts payable and borrowings and lease liabilities. The financial management department of the merged company provides services for each business unit, coordinates operations in the domestic and international financial markets, and monitors and manages financial risks related to the operations of the merged company by analyzing the internal risk report of the risk according to the degree and breadth of the risk. These risks include market risk (including exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

1. Market risk

The main financial risks borne by the combined company's operating activities are the risk of foreign currency exchange rate changes (see (1) below) and the risk of interest rate changes (see (2) below).

(1) Exchange rate risk

Several subsidiaries of the Company are engaged in sales and purchase transactions denominated in foreign currencies, thus exposing the consolidated company to risk of exchange rate fluctuations. The management of exchange rate risks of the merged company is to use short-term borrowings to avoid exchange rate risks.

For the carrying amount of monetary assets and monetary liabilities denominated in non-functional currency of the consolidated company on the balance sheet data (including monetary items denominated in non-functional currency that have been written off in the consolidated financial statements), please refer to Note 33 .

Sensitivity Analysis

The Merged Company is mainly affected by fluctuations in the exchange rates of the US dollar and Renminbi.

The following table details the sensitivity analysis of the merged company when the exchange rate of the New Taiwan dollar (functional currency) against each relevant foreign currency increases and decreases by 1%. 1% is the sensitivity rate used when reporting the exchange rate risk to key management within the group, and it also represents the management's assessment of the range of reasonably possible changes in foreign currency in exchange rates. Sensitivity analysis only includes monetary items in foreign currencies in circulation, and the conversion at the end of the period is adjusted by 1% of the exchange rate change. The positive numbers in the table below represent the amount that will increase the pre-tax net profit when the NT dollar depreciates by 1% relative to the relevant currencies; when the NT dollar appreciates by 1% relative to the relevant foreign currencies, the impact on the pre-tax net profit will be Negative numbers of the same amount.

	Impact of USD		Impact of RMB	
	2023	2022	2023	2022
Profit and loss	\$ 2,249 (I.)	\$1,668 (I.)	\$161 (II)	\$ 545(II)

(I.) The receivables and payables denominated in US dollars are mainly derived from the consolidated company's outstanding circulation on the balance sheet date and no cash flow hedging.

(II) It is mainly derived from RMB-denominated receivables and payables of the merged company that are still in circulation on the balance sheet date and have not been hedged against cash flow.

(2) Interest rate risk

Interest rate exposure risk arises because individuals within the merged company borrow funds at both fixed and floating rates. The Consolidated Company manages interest rate risk by maintaining an appropriate mix of fixed and floating interest rates.

The carrying amount of the financial assets and financial liabilities of the consolidated company subject to interest rate exposure on the balance sheet date is as follows:

	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Fair value interest rate risk		
-Monetary assets	\$ 234,526	\$ 277,055
- Financial liabilities	17,361	26,134
Cash flow interest rate risk		
-Monetary assets	600,250	471,610
- Financial liabilities	628,810	703,000

Sensitivity Analysis

The sensitivity analysis below is based on the interest rate exposure of derivative and non-derivative instruments at the balance sheet date. For floating rate assets and liabilities, the analysis method assumes that the amount of assets and liabilities outstanding on the balance sheet date is outstanding during the reporting period. The rate of change used when reporting interest rates internally to key management within the Group is 0.25% for an increase or decrease in interest rates, which also represents management's assessment of the range of reasonably possible changes in interest rates.

If the interest rate increases/decreases by 0.25%, and all other variables remain unchanged, the pre-tax net profit of the merged company in 2023 and 2022 will decrease/increase by NT\$71 thousand and NT\$578 thousand respectively, mainly due to the Variable interest rate borrowings decreased.

(3) Other price risks

The merged company incurs equity price risk due to its investment in equity securities.

Sensitivity Analysis

The following sensitivity analysis is carried out based on the equity price exposure on the balance sheet date.

If the equity price increases/decreases by 5%, the pre-tax profit and loss in 2023 and 2022 will increase/decrease by NT\$50 thousand and NT\$125 thousand respectively due to the increase/decrease in the fair value of financial assets measured at fair value through profit and loss. Other comprehensive profit and loss before tax in 2023 and 2022 will increase/decrease by NT\$132 thousand due to the increase/decrease in the fair value of financial assets measured at fair value through other comprehensive profit or loss.

The combined company's sensitivity to equity securities investments has not changed significantly compared with the previous year.

2. Credit risk

Credit risk refers to the risk that the counterparty defaults in contractual obligations and causes financial losses to the Group. As of the balance sheet date, the largest credit risk exposure of the merged company that may cause financial losses due to the failure of the counterparty to perform its obligations and the financial guarantee provided by the merged company mainly comes from:

- (1) The carrying amount of financial assets recognized in the consolidated balance sheet.
- (2) The maximum amount that may be required to be paid by the combined company to provide financial guarantees, regardless of the probability of occurrence.

The policy adopted by the merged company is to only conduct transactions with reputable objects, and to obtain sufficient guarantees under necessary circumstances to mitigate the risk of financial loss due to default. The merged company will only trade with companies rated equivalent to and above investment grade. Such information is provided by an independent rating agency; if such information is unavailable, the merged company will use other publicly available financial information and mutual transaction records to rate major customers.

The credit risk of the merged company is mainly concentrated in the top five customers of the merged company. As of December 31, 2023 and 2022, the ratios of total accounts receivable from the aforementioned customers were 21% and 28%, respectively.

3. Liquidity risk

The combined company manages and maintains sufficient cash and equivalent cash to support the group's operations and mitigate the impact of cash flow fluctuations. The management of the merged company supervises the use of bank financing facilities and ensures compliance with the terms of the loan contract.

Bank borrowings are an important source of liquidity for the Merged Company. As of December 31, 2023 and 2022, please refer to the description of the following (2) financing line for the unused financing line of the merged company.

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

The remaining contractual maturity analysis of non-derivative financial liabilities is prepared based on the undiscounted cash flows of financial liabilities (including principal and estimated interest) based on the earliest date on which the combined company may be required to repay. Therefore, the bank loans that the merged company can be required to repay immediately are serialized in the earliest period in the table below, regardless of the probability of the bank's immediate execution of the right; the maturity analysis of other non-derivative financial liabilities is prepared according to the agreed repayment date.

December 31, 2023

	pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$36	\$437	\$122	\$0	\$0	\$595
Accounts payable	186,472	15,810	6,993	0	0	209,275
Other payables	150,012	20,771	1,950	560	0	173,293
Lease liability	1,620	3,240	2,180	280	0	7,320
Loan	70,027	174,055	10,248	74,344	310,136	638,810
	<u>\$408,167</u>	<u>\$214,313</u>	<u>\$21,493</u>	<u>\$75,184</u>	<u>\$310,136</u>	<u>\$1,029,293</u>

December 31, 2022

	pay on demand or less than 1 month	1 to 3 months	3 months to 1 year	1 to 5 years	over 5 years	Total
<u>Non-derivative financial liabilities</u>						
Notes payable	\$281	\$524	\$0	\$0	\$0	\$805
Accounts payable	234,375	18,766	8,659	0	0	261,800
Other payables	142,799	14,565	4,663	621	0	162,648
Lease liability	1,545	3,090	14,505	7,320	0	26,460
Loan	40,000	88,340	58,340	123,956	392,364	703,000
	<u>\$419,000</u>	<u>\$125,285</u>	<u>\$86,167</u>	<u>\$131,897</u>	<u>\$392,364</u>	<u>\$1,154,713</u>

(2) Financing amount

	December 31, 2023	December 31, 2022
Unsecured Bank Borrowing Facility (reviewed annually)		
- Amount used	\$121,000	\$40,000
- Unused amount	260,000	510,000
	<u>\$381,000</u>	<u>\$550,000</u>

	December 31, 2023	December 31, 2022
Guaranteed bank loan line (extendable upon mutual agreement).		
- Amount used	\$528,000	\$842,000
- Unused amount	454,500	458,500
	<u>\$982,500</u>	<u>\$1,300,500</u>

30. Related party transactions

Transactions, account balances, gains and losses between the Company and its subsidiaries (related persons of the Company) are all eliminated upon consolidation, so they are not disclosed in this note. Except as disclosed in other notes, the transactions between the merged company and other related parties are as follows:

(1) The name of the related party and its relationship

<u>Related person name</u>	<u>Relationship with Merged Company</u>
Ever-Precise recycle company	Related companies (the equity transfer has been completed as of September 30, 2023, and is not a related party.)
CHEN, KUO-CHIN	Substantial related person
CHEN, YAN-HONG	Substantial related person

(2) Operating income

<u>Account items</u>	<u>Related person name</u>	<u>2023</u>	<u>2022</u>
sales revenue	Ever-Precise recycle company	\$ <u>4,906</u>	\$ <u>9,466</u>

The sales price of the merged company to related parties is comparable to that of general customers.

(3) Receivables from related parties (excluding loans to related parties)

<u>Account items</u>	<u>Related person name</u>	<u>December 31, 2023</u>	<u>December 31, 2022</u>
Accounts receivable - related parties	Ever-Precise recycle company	\$ <u>0</u>	\$ <u>4,605</u>

There is no guarantee for the outstanding receivables from related parties. In 2022, the reversal allowance loss for accounts receivable from related parties is NT\$65 thousand.

(4) Lease agreement

Related person name	Subject matter	Rent payment method	2023	2022
CHEN, KUO-CHIN	No. 11, Lane 195, Yongfeng Road, Tucheng District, New Taipei City	Pay NT\$5 thousand per month	<u>\$ 60</u>	<u>\$ 60</u>
CHEN, YAN-HONG	2nd Floor, No. 185, Zhongxiao West Road, Fuchangli, Luzhu District, Taoyuan City	The monthly payment is NT\$6 thousand, and part of the lease has expired in January 2023.	<u>\$ 39</u>	<u>\$ 72</u>

(5) Remuneration of main management

	2023	2022
Short-term employee benefits	\$ 20,146	\$ 19,765
Post-employment benefits	<u>526</u>	<u>498</u>
	<u>\$ 20,672</u>	<u>\$ 20,263</u>

Directors and other key management personnel is determined by the remuneration committee in accordance with individual performance and market trends.

31. Assets pledged

The following assets of the merged company have been provided as collateral for financing loans, collateral for purchasing raw materials, and deposits:

	December 31, 2023	December 31, 2022
Pledged certificate of deposit (financial assets measured at cost after amortization - current)	\$22,198	\$19,204
Pledged certificate of deposit (financial assets measured at cost after amortization - non-current)	23,411	23,791
Own land	1,048,132	1,129,047
Housing and construction - net	35,368	40,216
Machinery and equipment - net	11,620	12,499
Other equipment - net	<u>13,181</u>	<u>12,565</u>
	<u>\$1,153,910</u>	<u>\$1,237,322</u>

32. Significant contingent liabilities and unrecognized contractual commitments

In addition to those mentioned in other notes, the major commitments and contingencies of the merged company on the balance sheet date are as follows:

- (1) The merged company entrusted the bank to endorse and guarantee NT\$700 thousand for the import and export business and the purchase from the manufacturer.
- (2) The consolidated company issued a deposit guarantee note to the manufacturer for the purchase of raw materials, amounting to NT\$7,105 thousand.
- (3) The combined company's deposit and outbound securities issued to the bank for borrowing and export bills amounted to NT\$1,230,770 thousand and US\$4,000 thousand.
- (4) The contract between the merged company and the manufacturer promises to purchase machinery and equipment. The total contract price is NT\$62,992 thousand. As of December 31, 2023, NT\$57,183 thousand has been paid (account advance payment for equipment), and NT\$5,809 thousand remains to be paid.

33. Information on Foreign Currency Assets and Liabilities with Significant Impact

The following information is summarized and expressed in terms of foreign currencies other than the individual functional currencies of the consolidated companies, and the disclosed exchange rates refer to the exchange rates converted from these foreign currencies to the functional currencies. The foreign currency financial assets and liabilities with significant impact are as follows:

December 31, 2023

	Foreign currency	Exchange rate		Carrying Amount
<u>Foreign currency assets</u>				
<u>Monetary item</u>				
USD	\$7,427	30.705	(USD : TWD)	\$228,054
USD	97	7.096	(USD : CNY)	2,993
RMB	3,716	4.327	(CNY : TWD)	16,077
				<u>\$247,124</u>
<u>Non-monetary items</u>				
Financial assets measured at cost				
MYR	238	6.411	(MYR : TWD)	\$2,640

	<u>Foreign currency</u>	<u>Exchange rate</u>		<u>Carrying Amount</u>
<u>Foreign currency liabilities</u>				
<u>Monetary item</u>				
USD	199	30.705	(USD : TWD)	\$6,120

December 31, 2021

	Foreign currency	Exchange rate		Carrying amount
<u>Foreign currency assets</u>				
<u>Monetary item</u>				
USD	\$5,383	30.710	(USD : TWD)	\$165,325
USD	152	6.967	(USD : CNY)	4,667
RMB	12,365	4.408	(CNY : TWD)	54,503
				<u>\$224,495</u>
<u>Non-monetary items</u>				
Affiliated enterprises and joint ventures using the equity method				
USD	2,010	30.710	(USD : TWD)	<u>\$47,871</u>
Financial assets measured at cost				
MYR	238	6.700	(MYR : TWD)	<u>\$2,640</u>
<u>Foreign currency liabilities</u>				
<u>Monetary item</u>				
USD	105	30.710	(USD : TWD)	\$3,235

The realized and unrealized foreign currency exchange gains and losses of the consolidated company in 2023 and 2022 are NT\$1,076 thousand and NT\$29,771 thousand respectively. Due to the variety of foreign currency transactions and individual functional currencies of the group, it is not possible to calculate. Do not disclose exchange gains and losses for foreign currencies.

34. Matters disclosed in the notes**(1) Major transactions and (2) Relevant information on reinvested businesses:**

Serial number	Project	Illustrate
1	Funds are loaned to others.	None
2	Endorsement for others.	None
3	Securities held at the end of the period. (excluding investment subsidiaries, affiliated enterprises and joint venture interests)	Schedule 1
4	Accumulated buying or selling of the same securities amounted to NT\$300 million or more than 20% of the paid-in capital.	None
5	The amount of real estate acquired is NT\$300 million or more than 20% of the paid-in capital.	None
6	The amount of disposing of real estate is NT\$300 million or more than 20% of the paid-in capital.	None
7	The amount of goods purchased and sold with related parties reaches NT\$100 million or more than 20% of the paid-in capital.	None
8	Receivables from related parties amount to NT\$100 million or more than 20% of the paid-in capital.	None
9	Engage in derivative transactions.	None
10	Others: the business relationship between the parent company and the subsidiaries, and the status and amount of important transactions.	Schedule 4
11	Invested company information	Schedule 2

(3) Mainland investment information:

Serial number	Project	Illustrate
1	The name of the mainland invested company, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book amount at the end of the period, repatriated investment profit and loss, and investment quota in the mainland.	Schedule 3
2	The following major transactions, prices, payment terms, and unrealized gains and losses with mainland investee companies directly or indirectly via third regions:	
	(1) The purchase amount and percentage and the ending balance and percentage of related payables.	None

Serial number	Project	Illustrate
	(2) The amount and percentage of sales and the closing balance and percentage of related receivables.	Schedule 5
	(3) The amount of the property transaction and the resulting profit or loss.	None
	(4) Ending balance of bill endorsement guarantee or provision of collateral and its purpose.	None
	(5) The maximum balance of financing, the balance at the end of the period, the interest rate range and the total amount of interest for the current period.	None
	(6) Other transactions that have a significant impact on the current profit or loss or financial status, such as the provision or receipt of labor services, etc.	None

(4) Major shareholder information :

Serial number	Project	Illustrate
1	Name, shareholding amount and proportion of shareholders with an equity ratio of more than 5% .	Schedule 6

35. Department information

(1) Department revenue and operating results

The chief operating decision maker regards the sales units of electronic circuit etching chemicals and copper compounds in each region as individual operating departments, but when preparing financial reports, the merged company considers the following factors and considers these operating departments as a single operating department:

1. These operating divisions have similar long-term sales margins;
2. The nature and process of the product are similar.

(2) Income from main products and services

The income analysis of the consolidated company's main products and services is as follows:

	2023	2022
Specialty chemicals	\$370,700	\$402,064
Recycled products (containing copper salts)	2,378,135	2,888,309
Other	310,509	430,733
	<u>\$3,059,344</u>	<u>\$3,721,106</u>

(3) Regional information

The combined company mainly operates in two regions - Taiwan and China.

The consolidated company's income from external customers is listed as follows:

	Revenue from external customers		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	\$499,249	\$609,143	\$1,314,395	\$1,332,396
Asia	1,438,055	1,875,054	108,338	128,673
Oceania	919,390	1,195,221	0	0
America	167,400	38,627	0	0
Africa	35,250	3,061	0	0
	<u>\$3,059,344</u>	<u>\$3,721,106</u>	<u>\$1,422,733</u>	<u>\$1,461,069</u>

Non-current assets do not include assets classified as financial assets, affiliates using the equity method and deferred tax assets.

(4) Main customer information

The income from a single customer accounts for more than 10% of the total income of the consolidated company as follows:

	2023	2022
Customer D	\$893,285	\$947,959
Customer A12	400,957	677,068
Customer S (Note 1)	313,018	226,844
	<u>\$1,607,260</u>	<u>\$1,851,871</u>

Note 1: The amount of Customer S in 2022 did not reach 10% of the total consolidated revenue.

AMIA CO., LTD. and Subsidiaries
MARKETABLE SECURITIES HELD
DECEMBER 31, 2023

Schedule 1

(Amounts in Thousands of New Taiwan Dollars or in Thousands of Foreign Currencies)

Holding Company Name	Type and Name of Marketable Securities	Relationship with the Holding Company	Financial Statement Account	December 31, 2023				Note
				Number of Shares	Carrying Amount	Percentage of Ownership (%)	Fair Value	
AMIA CO., LTD.	<u>Unlisted (cabinet) company</u> MERIDIAN WORLD SDN. BHD.	None	Non-current financial assets at fair value through other comprehensive income	238,400	<u>\$2,640</u>	12.80	<u>\$2,640</u>	
PERSEE CHEMICAL CO., LTD.	<u>Fund income certificate</u> First Gold Global Sustainable Impact Investment Multi-Asset Fund	None	Current financial assets at fair value through profit or loss	100,000	<u>\$997</u>	-	<u>\$997</u>	

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and securities arising from the above items within the scope of IFRS 9 "Financial Instruments".

Note 2: The listed securities do not provide guarantees, pledged loans or other restricted matters in accordance with the agreement.

Note 3: For information about investing in subsidiaries, affiliated companies and joint venture interests, please refer to Schedule 2 and Schedule 3.

AMIA CO., LTD. and Subsidiaries
INFORMATION ON INVESTEEES
January 1, 2023 to December 31, 2023

Schedule 2

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investor Company	Investee Company	Location	Main Businesses and Products	Original Investment Amount		As of December 31, 2022			Net Income (Loss) of the Investee	Share of Profit (Loss)	Note
				December 31, 2023	December 31, 2022	Number of Shares	%	Carrying Amount t			
AMIA CO., LTD.	YIO-YEN ENTERPRISE CO., LTD.	No. 19, Lane 195, Yongfeng Road, Tucheng District, New Taipei City	Operating holding business	\$ 491,508	\$ 516,647	55,570,000	100	\$618,726	\$10,842	\$10,842	son male manage
	PERSEE CHEMICAL CO., LTD.	No. 19, Lane 195, Yongfeng Road, Tucheng District, New Taipei City	Processing, manufacturing, trading and recycling of various industrial chemicals	109,643	109,643	7,860,000	100	83,337	(3,013)	(3,013)	son male manage
	BARKO INDUSTRIES CO., LTD.	2nd Floor, No. 185, Zhongxiao West Road, Fuchangli, Luzhu District, Taoyuan City	Waste recycling, etc.	12,737	12,737	1,500,000	100	8,492	(82)	(82)	son male manage
	HOYA MAX INTERNATIONAL CO., LTD.	Le Sanalel Complex, Ground Floor, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa.	Operating holding business	27,936	27,936	-	100	34,307	817	817	son male manage
	ALLWIN STAR INTERNATIONAL CO., LTD.	Le Sanalel Complex, Ground Floor, Vaea Street, Saleufi, PO Box 1868, Apia, Samoa.	Operating holding business	24,875 (USD 810)	24,875 (USD 810)	-	100	34,304	817	817	son male manage

Note: Please refer to Attachment 4 for relevant information of the invested companies in mainland China.

AMIA CO., LTD. and Subsidiaries
INFORMATION ON INVESTMENT IN MAINLAND CHINA
January 1, 2023 to December 31, 2023

Schedule 3

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

1. The name of the mainland invested company, main business items, paid-in capital, investment method, capital remittance, shareholding ratio, investment profit and loss, investment book value and repatriation investment profit and loss:

Investee Company	Main Businesses and Products	Paid-in Capital	Method of Investment (Note 1)	Accumulated Outflow of Investment from Taiwan as of January 1, 2023	Remittance of Funds		Accumulated Outflow of Investment from Taiwan as of December 31, 2023	Net Income (Losses) of the Investee	% Ownership of Direct or Indirect Investment	Investment Gain (Loss) (Note 2)	Carrying Amount as of December 31, 2023	Accumulated Repatriation of Investment Income as of December 31, 2023
					Outflow	Inflow						
AMIA (HUIYANG) CO., LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	\$ 36,846 (USD 1,200)	(1)	\$ 36,846 (USD 1,200)	\$ -	\$ -	\$ 36,846 (USD 1,200)	(\$ 1,906) (RMB -433)	100%	(\$ 1,906) (RMB -433) (B)	\$ 11,209 (RMB 2,591)	\$ -
GOLD PARTNER ENTERPRISES (KUNSHAN) CO.,LTD.	Processing, manufacturing, trading and recycling of various industrial chemicals	104,397 (USD 3,400)	(3)	104,397 (USD 3,400) (Where USD2,200,000 is transferred from surplus to capital increase)	-	-	104,397 (USD 3,400) (Where USD2,200,000 is transferred from surplus to capital increase)	18,210 (RMB 4,161)	100%	18,210 (RMB 4,161) (B)	603,892 (RMB 139,564)	186,061 (RMB 43,000)
SUZHOU ZHONGHUAN YOUYUAN CHEMICAL CO., LTD.	Recycle and utilize wire plate etching solution and industrial waste liquid containing non-ferrous metals to produce copper sulfate and copper salt series products; sell self-produced products and provide related technical services	42,373 (USD 1,380)	(3)	14,831 (USD 483)	-	-	14,831 (USD 483)	-	- (Note 4)	-	-	6,018 (USD 196)
Ever-Precise recycle company	Recycling and sales of waste paper, cardboard, plastic products, and scrap metal; sales of special pharmaceutical materials for environmental pollution treatment; leasing of self-owned equipment	64,481 (USD 2,100)	(2)	19,344 (USD 630)	-	-	19,344 (USD 630)	5,982 (RMB 1,359)	- (Note 5)	1,795 (RMB 408) (C)	-	7,269 (RMB 1,680)

2. Investment limit in mainland China:

Accumulated Outward Remittance for Investments in Mainland China as of December 31, 2022	Investment Amount Authorized by the Investment Commission, MOEA	Upper Limit on the Amount of Investments Stipulated by the Investment Commission, MOEA
NTD 175,418 (USD 5,713 thousand) (Exchange rate: 30.705)	NTD 175,418 (USD 5,713 thousand) (Exchange rate: 30.705)	NTD 1,027,753 (USD 33,472 thousand) (Exchange rate: 30.705)

Note 1: Investment methods are divided into the following three types:

- (1) Go directly to the mainland for investment.
- (2) Reinvest in mainland China through a company in a third area (please specify the investment company in the third area).
A. ALLWIN STAR INTERNATIONAL CO., LTD.
- (3) Other ways.

Note 2: In the current period recognized investment profit and loss column:

- (1) If it is under preparation and there is no investment profit or loss, it should be indicated.
- (2) The recognition basis of investment profit and loss is divided into the following three types, which should be specified.
A. Financial statements audited and certified by an international accounting firm that has a cooperative relationship with an accounting firm in the Republic of China.
B. Financial statements audited by certified accountants of the parent company in Taiwan.
C. Other. (The financial statements of the above-mentioned invested companies have not been checked by certified accountants of the parent company in Taiwan)

Note 3: The relevant amounts in this table are listed in New Taiwan Dollars, and those involving foreign currencies are converted into New Taiwan Dollars at the spot exchange rate on the financial reporting date. (The USD spot exchange rate on December 31, 2023 is 30.705 ; the RMB spot exchange rate is 4.327)

Note 4: On December 31, 2015, the original 35% equity was disposed of.

Note 5: The entire 30% equity interest previously held was disposed of in July 2023.

AMIA CO., LTD. and Subsidiaries

The business relationship between the parent company and the subsidiaries and among the subsidiaries, as well as the status and amount of important transactions

January 1, 2023 to December 31, 2023

Schedule 4

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Number (Note 1)	Trader name	Transaction object	Relationship with trader (Note 2)	Transaction status			
				Subject	The amount	Transaction terms (Note 4)	Of consolidated total revenue or Ratio of Total Assets (Note 3)
0	AMIA CO., LTD.	PERSEE Company	1	Other income	\$540	-	-
				Manufacturing costs	1,304	-	-
				Other receivables	94	-	-
				Other payables	154	-	-
		BARKO Company	1	Rent expense	360	-	-
				Other payables	63	-	-
		GOLD (KUNSHAN) Company	1	Sales	9,153	-	-
				Manufacturing costs	1,170	-	-
				Operating expenses	126	-	-
				Accounts receivable	4,450	-	-
1	PERSEE Company	YIO-YEN Company	3	Other payables	589	-	-
				Rental income	60	-	-
2	GOLD (KUNSHAN) Company	AMIA (HUIYANG) CO., LTD.	3	Other receivables	11	-	-
				Sales	1,942	-	-
				Accounts receivable	531	-	-

Note 1: The business transaction information between the parent company and its subsidiaries should be indicated in the number column respectively. The method of filling in the number is as follows:

- (1) Fill in 0 for the parent company.
- (2) Subsidiaries are numbered sequentially starting from the Arabic numeral 1 according to the Company.

Note 2: There are the following three types of relationship with the trader, just indicate the type:

- (1) Parent company to subsidiary company.
- (2) Subsidiary to parent company.
- (3) Subsidiary to subsidiary.

Note 3: The calculation of the ratio of the transaction amount to the consolidated total revenue or total assets, if it is an asset and liability account, is calculated by the balance at the end of the period as a share of the consolidated total assets; if it is a profit and loss account, the cumulative amount at the end of the period is calculated as a share of the consolidated total. The method of receipt is calculated.

Note 4: The purchase and sale transaction prices between the parent company and the subsidiary company are equivalent to those of ordinary customers, and the payment condition is 55 to 90 days per month, which can be adjusted according to the use of funds of the affiliated company. The rest of the transactions shall be decided through negotiation between the two parties as there are no related transactions of the same type to follow.

AMIA CO., LTD. and Subsidiaries
SIGNIFICANT TRANSACTIONS WITH INVESTEE COMPANIES IN MAINLAND CHINA, EITHER DIRECTLY OR INDIRECTLY THROUGH A THIRD PARTY, AND THEIR PRICES, PAYMENT TERMS, AND UNREALIZED GAINS OR LOSSES third region
January 1, 2023 to December 31, 2023

Schedule 5

(In Thousands of New Taiwan Dollars, Unless Stated Otherwise)

Investee Company	Transaction Type	Purchase/Sale		Price	Transaction Details		Notes/Accounts Receivable (Payable)		Unrealized (Gain) Loss	Note
		Amount	%		Payment Terms	Comparison with Normal Transactions	Ending Balance	%		
GOLD PARTNER ENTERPRISES (KUNSHAN) CO.,LTD.	sales	\$ 9,153	-	Same as regular customers	Same as regular customers	Same as regular customers	\$ 4,450	2%	(\$ 1,550)	

AMIA CO., LTD.
INFORMATION OF MAJOR SHAREHOLDERS
December 31, 2023

Schedule 7

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership (%)
CHEN,YEN-HENG	14,767,000	21.11%
CHEN,GUO-TANG	6,015,000	8.59%
CDIB Capital Group	6,000,000	8.57%
CHEN,KUO-CHIN	6,000,000	8.57%
CHEN,GUO-FA	5,000,000	7.14%
CHEN,CHIU-HUNG	5,000,000	7.14%
CHEN,GUO-SHAN	4,193,000	5.99%
CHEN,MIN-HSIUNG	4,001,000	5.72%

Note 1: The main shareholder information in this table is calculated by CHEP based on the last business day at the end of the quarter, and the shareholders hold more than 5% of the common shares and special shares of the Company that have completed delivery without physical registration (including treasury shares) material. The share capital recorded in the Company's individual financial report and the actual number of shares delivered without physical registration may be different or different due to the different basis of preparation and calculation.

Note 2: If the above-mentioned information is that the shareholder transfers the holdings to the trust, it is disclosed by the trustor's individual trust account opened by the trustee. As for insider equity declarations for shareholders who hold more than 10% of the shares in accordance with the Securities and Exchange Act, their shareholding includes their own shares plus the shares they have delivered to the trust and have the right to use the trust property, etc. For information on insider equity declarations, please refer to public information Observatory.