NIKO SEMICONDUCTOR CO., LTD.PARENT COMPANY ONLY FINANCIALSTATEMENTS AND REPORT OF INDEPENDENT ACCOUNTANTS DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

Auditor's Report

Board of Directors of Niko Semiconductor Co., Ltd.:

Audit opinions

The Balance Sheet of Dec. 31, 2023 and Dec. 31, and 2022, and Statement of Comprehensive income, Statement of Changes in Equity and Statement of Cash Flows, and individual Financial Reports Notes (including summary of major accounting policies) from Jan. 1 to Dec. 31 of 2023 and 2022 of Niko Semiconductor Co., Ltd. have been audited by the accountant.

According to the accountant's opinions, the individual Financial Reports are prepared according to the preparation standards of Financial Reports of securities issuer in all the major aspects based on the accountant's audit results and other accountants' audit reports (please refer to the section of other matters), which are sufficient to fairly reflect the financial status of Niko Semiconductor Co., Ltd. on Dec. 31 of 2023 and 2022 and financial performance and cash flows of the Company from Jan. 1 to Dec. 31 of 2023 and 2022.

Basis for audit opinions

The accountant carries out audit work according to the rules of accountant's entrustment to audit certificate of financial statements and auditing standards. The accountant's responsibilities under the standards will be further explained in the responsibility section when the accountant audits the individual Financial Reports. In accordance with the code of professional ethics for accountants, the personnel of the accounting firm who are subject to the code of independence have maintained their independence from Niko Semiconductor Co., Ltd. and fulfilled other responsibilities of the code. Based on the accountant's audit results and other accountants' audit reports, the accountant believes that the accountant has obtained sufficient and appropriate audit evidences as basis for audit opinions.

Other matters

The partial investment Financial Reports adopted with equity method listed into the Niko Semiconductor Co., Ltd. have not been audited by the accountant and they are audited by other accountants. Therefore, among the accountant's opinions on individual Financial Reports, the amount listed aiming at the Financial Reports not audited by the accountant is based on the audit reports of other accountants. The aforementioned investment by equity method listed on Dec. 31, 2023 and Dec. 31, 2022 are occupied 5% and 4% of total assets and the share of affiliated enterprise's profit and loss by equity method listed from Jan. 1 to Dec. 31 of 2023 and 2022 both are occupied 0% of net profit before tax.

Key audit matters

Key audit matters refer to the most important matters to the audit of individual Financial Reports of Niko Semiconductor Co., Ltd. in 2023 according to the professional judgment of the accountant. The matters have been response in the process of auditing the overall individual Financial Reports and forming audit opinions. The accountant does not separately express opinions on the matters. The key audit matters which shall be shown on the audit report according to the accountant's judgment are as follows:

Inventory evaluation

Please see details about the accounting policies related to inventory in individual Financial Reports Note 4(7); please see details about uncertainty of the accounting estimate and hypothesis of inventory evaluation in individual Financial Reports Note 5; please see details about inventory and related loss in individual Financial Reports Note 6(4).

Instructions on the key audit matters:

Inventory is measured by the lower of cost and net realizable value. Because technology changes rapidly, update of new products and technology affects market demand. It might generate the risk that inventory cost exceeds its net realizable value. Because the available for sale of inventory will affect its value evaluation and continuous attention is required. Inventory is the important asset item of individual Financial Reports. Therefore, inventory evaluation is one of the important matters that the accountant audits the Financial Reports of Niko Semiconductor Co., Ltd.

How to response to the matter in audit

The audit works carried out by the accountant include: understand inventory depreciation loss provision policy of Niko Semiconductor Co., Ltd. and check its inventory evaluation has been carried out according to existing accounting policies, including implementation of sampling procedure and check of correctness of inventory ages, analysis on change circumstances of inventory ages in various periods; check of reasonableness of withdrawal of the authority of inventory reserves loss in the past and comparison with the method and hypothesis of current inventory reserves loss estimated to evaluate whether the estimate method and hypothesis of current inventory reserves loss are fair and appropriate. Check the post-term sales status of inventory to evaluate the reasonableness of estimate of inventory reserves evaluation.

Responsibilities of management layer and governance unit on individual Financial Reports

Responsibility of management layer is to prepare the individual Financial Reports with fair and appropriate expression according to the preparation standards of Financial Reports of securities issuer and maintain the necessary internal control related to preparation of individual Financial Reports to ensure that there is no significant misrepresentation caused by fraudulent practices or error in the individual Financial Reports.

When preparing the individual Financial Reports, the responsibility of management layer includes evaluation of sustainable operation ability of Niko Semiconductor Co., Ltd., disclosure of related matters and continuous operation accounting base, unless management layer intends to liquidate Niko Semiconductor Co., Ltd. or stop business, or there are no other feasible solutions except for liquidation or stoppage of business.

Governance unit (including Audit Committee) of Niko Semiconductor Co., Ltd. bears the responsibility of supervising the process of financial report.

Accountant's responsibility in audit of individual Financial Reports

The purpose of the accountant's audit of individual Financial Reports is to obtain reasonable assurance about whether the individual Financial Reports exist significant misrepresentation caused by fraudulent practices or error and issue audit report. Reasonable assurance is high assurance. The audit work carried out according to auditing standards cannot guarantee to find that individual Financial Reports exist significant misrepresentation. False expression might be caused by fraudulent practices or error. If the individual amount or total number of false expression can reasonably predict the economic decision that will influence the user of individual financial statements, then it will be deemed as significance.

When the accountant audits according to auditing standards, the accountant will use professional judgment and keep professional doubt. The accountant also carries out the following works:

1. Recognize and evaluate the significant misrepresentation risk of individual Financial Reports caused by fraudulent practices or error; design and implement the appropriate response to the evaluated risk; obtain sufficient and appropriate audit evidences as basis for audit opinions. Because fraudulent practices might involve in collusion, forge, intentional omission, false statement or exceeding internal control, the risk of significant misrepresentation caused by

fraudulent practices is not found is higher than that of error.

2. Obtain necessary understanding on the internal control related to audit to design the appropriate audit procedures under the situation. The purpose is not to express opinions on the effectiveness of internal control of Niko Semiconductor Co., Ltd.

3. Evaluate the appropriateness of the accounting policies adopted by management layer and the reasonableness of the accounting estimate and related disclosure made by it.

4. According to the obtained audit evidences, make conclusion on the appropriateness of the continuous operation accounting base adopted by the management layer and whether the event or situation which might generate major doubt about the sustainable operation ability of Niko Semiconductor Co., Ltd. exists major uncertainty or not. If the accountant thinks that the event or situation exists major uncertainty, the accountant shall remind the user of individual Financial Reports to pay attention to the relevant disclosure of individual Financial Reports in the audit report or correct audit opinions when the disclosure belongs inappropriateness. The accountant's conclusion is based on the audit evidences obtained as of audit report date. However, the future event or situation might lead to that the Niko Semiconductor Co., Ltd. will not have sustainable operation ability.

5. Evaluate the overall expression, structure and contents of individual Financial Reports (including relevant Notes) and whether the individual Financial Reports fairly and appropriately express relevant trades and events.

6. Obtain sufficient and appropriate audit evidences about the financial information of the invested company adopting equity method to express opinions on individual Financial Reports. The accountant is responsible for guiding, supervising and implementing the audit case and forming audit opinions of Niko Semiconductor Co., Ltd.

The matters communicated by the accountant with governance unit include planned audit scope and time and major audit findings (including the internal control significant loss recognized in the process of audit).

The accountant also provides the governance unit with the statement that the personnel of the accounting firm who are subject to the code of independence have abided by the related independence in the code of professional ethics of accountant and communicates with governance unit about all the relations which might be thought to affect the accountant's independence and other matters (including related prevention and protection measures).

The accountant will decide the key audit matters to the audit of individual Financial Reports of Niko Semiconductor Co., Ltd. in 2023 from the matters communicated with governance unit. The accountant will clearly state the matters in the audit report, unless the special matter is forbidden by laws for public disclosure, or under rare situation, the accountant will decide not to communicate the special matter in the audit report, because it can be reasonably expected that the negative impact of this communication will be greater than the public interest.

KPMG Taiwan
Fu, Hong-Wen
Hong, Shi-Gang
March 12, 2024

Notice to Readers

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

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

Niko Semiconductor Co., Ltd.
Balance Sheet
Dec. 31 of 2023 and 2022

Unit: NTD thousand

	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and equivalent cash (Note 6(1))	$ 1,298,136	37	1,152,180	34
1110	Financial assets measured at fair value through profits and losses - Current(Note 6(2))	7,112	-	317	-
1170	Net accounts receivable(Note 6(3) and (15))	748,043	21	737,473	22
1180	Accounts receivable – Net amount of Related parties(Note 6(3)、(15) and 7)	545	-	-	-
1200	Other receivables (including related parties) (Note 7)	16,494	-	17,541	-
130X	Inventory (Note 6(4))	721,871	21	813,024	24
1470	Other current assets(Note 9)	28,671	1	44,061	1
	Total current assets	2,820,872	80	2,764,596	81
	Non-current assets:				
1550	Investments by equity method(Note 6(5) and 7)	249,464	7	197,073	6
1600	Property, plant and equipment (Note 6(6) and 8)	311,991	9	302,750	9
1755	Use right assets (Note6(7))	1,488	-	-	-
1760	Net Investment property (Note 6(8) and 8)	70,363	2	70,970	2
1840	Deferred income tax assets(Note6(12))	14,786	-	11,789	-
1900	Other non-current assets(Note 9)	60,374	2	74,684	2
	Total non-current assets	708,466	20	657,266	19
	Total assets	$ 3,529,338	100	3,421,862	100

	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2170	Accounts payable	$ 494,205	14	432,458	13
2180	Accounts payable-Related parties (Note 7)	1,041	-	66	-
2200	Other payables (including related parties) (Note 7)	146,389	4	226,442	7
2230	Current income tax liabilities	19,983	1	81,403	2
2280	Lease liabilities –current(Note 6(9))	516	-	-	-
2300	Other current liabilities(Note 6(15))	1,137	-	2,776	-
	Total current liabilities	663,271	19	743,145	22
	Non-current liabilities:				
2580	Lease liabilities-non-current(Note 6(9))	974	-	-	-
2600	Other non-current liabilities(Note 6(11) and (12))	2,371	-	3,787	-
	Total non-current liabilities	3,345	-	3,787	-
	Total liabilities	666,616	19	746,932	22
	Equity:				
3110	Capital stock of common stock(Note 6(13))	710,518	20	612,515	18
3200	Capital reserves(Note 6(13))	630,512	18	630,512	18
3310	Legal reserves(Note 6(13))	246,390	7	202,903	6
3320	Special reserves(Note 6(13))	3,288	-	3,645	-
3350	Undistributed earnings (Note 6(13))	1,272,482	36	1,228,643	36
3410	Other equity	(468)	-	(3,288)	-
	Total equity	2,862,722	81	2,674,930	78
	Total liabilities and equity	$ 3,529,338	100	3,421,862	100

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

Niko Semiconductor Co., Ltd.

Statements of Comprehensive Income

Jan. 1 to Dec. 31 of 2023 and 2022

Unit: NTD thousand

Code	Item	2023 Amount	2023 %	2022 Amount	2022 %
4000	**Operating income (Note 6(15) and 7)**	$ 2,464,539	100	2,613,483	100
5000	**Operating costs (Note 6(4), (11), (16), 7 and 12)**	1,818,855	74	1,803,052	69
	Gross operating profits	645,684	26	810,431	31
	Operating expenses (Note 6(3), (9), (11), (16), 7 and 12):				
6100	Sales promotion expenses	115,809	5	125,992	5
6200	Management expenses	102,182	4	136,370	5
6300	Research and development expenses	162,873	6	174,479	7
6450	Expected credit impairment loss (Reversal benefit)	42	-	(320)	-
	Total operating expenses	380,906	15	436,521	17
	Net operating profits	264,778	11	373,910	14
	Non-operating income and expenditure：				
7010	Other income (Note 6(17) and 7)	12,562	1	5,954	-
7020	Other profit and loss (Note 6(17))	6,576	-	145,774	6
7050	Financial costs (Note 6(9) and (17))	(5)	-	-	-
7060	Share of interests of subsidiaries and affiliated enterprises recognized by equity method	(592)	-	31,957	1
	Total non-operating income and expenditure	18,541	1	183,685	7
	Net profit before tax	283,319	12	557,595	21
7950	**Minus: Income tax expenses (Note 6(12))**	73,517	3	124,103	4
	Net profit	209,802	9	433,492	17
8300	**Other comprehensive income:**				
8310	**Items not reclassified to profit and loss**				
8311	Remeasurements of defined welfare plans (Note 6(11))	(413)	-	1,270	-
8330	Share of Other comprehensive income of subsidiaries and affiliated enterprises recognized by equity method	3,012	-	(669)	-
8349	Income tax related to items not reclassified (Note 6(12))	83	-	(254)	-
		2,682	-	347	-
8360	**Items that may be reclassified to profit and loss in subsequent periods**				
8361	Exchange differences on the translation of financial statements of foreign operating organizations	(239)	-	1,282	-
8399	Income tax related to items that may be reclassified (Note 6(12))	47	-	(256)	-
	Total items that may be reclassified to profit and loss in subsquent periods	(192)	-	1,026	-
8300	**Other comprehensive income**	2,490	-	1,373	-
	Total comprehensive income	**$ 212,292**	**9**	**434,865**	**17**
	Earnings per share (NTD) (Note 6(14))				
	Basic earnings per share (NTD)	**$**	**2.95**		**6.10**
	Diluted earnings per share (NTD)	**$**	**2.90**		**5.90**

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

Niko Semiconductor Co., Ltd.

Statement of Changes in Equity

Jan. 1 to Dec. 31 of 2023 and 2022

Unit: NTD thousand

			Retained Earnings			Items of Other Equity		
	Capital stock of common stock	**Capital reserves**	**Legal reserves**	**Special reserves**	**Undistributed earnings**	**Exchange differences on the translation of foreign operating organizations**	**Unrealized profit or loss on financial assets measured at fair value through other comprehensive income**	**Total Equity**
Balance on Jan. 1, 2022	$ 612,515	630,512	167,537	3,306	903,342	(3,645)	-	2,313,567
Net profit	-	-	-	-	433,492	-	-	433,492
Other comprehensive	-	-	-	-	1,016	1,026	(669)	1,373
Total comprehensive income	-	-	-	-	434,508	1,026	(669)	434,865
Appropriation and distribution								
Withdrawn legal reserves	-	-	35,366	-	(35,366)	-	-	-
Withdrawn special reserves	-	-	-	339	(339)	-	-	-
Cash dividend of common	-	-	-	-	(73,502)	-	-	(73,502)
Balance on Dec. 31, 2022	612,515	630,512	202,903	3,645	1,228,643	(2,619)	(669)	2,674,930
Net profit	-	-	-	-	209,802	-	-	209,802
Other comprehensive	-	-	-	-	(330)	(192)	3,012	2,490
Total comprehensive income	-	-	-	-	209,472	(192)	3,012	212,292
Appropriation and distribution								
Withdrawn legal reserves	-	-	43,487	-	(43,487)	-	-	-
Reversal special reserves	-	-	-	(357)	357	-	-	-
Cash dividend of common	-	-	-	-	(24,500)	-	-	(24,500)
Stock dividend of common	98,003	-	-	-	(98,003)	-	-	-
Balance on Dec. 31, 2023	**$ 710,518**	**630,512**	**246,390**	**3,288**	**1,272,482**	**(2,811)**	**2,343**	**2,862,722**

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

Niko Semiconductor Co., Ltd.

Cash Flows Statement

Jan. 1 to Dec. 31 of 2023 and 2022

Unit: NTD thousand

		2023	2022
Cash flows of operating activities:			
Current net profit before tax	$	283,319	557,595
Items of adjustment:			
Income expense loss item			
Depreciation expenses		25,726	20,405
Amortization expenses		600	218
Expected credit impairment loss (Reversal benefit)		42	(320)
Interest expenses		5	-
Interest income		(7,511)	(2,480)
Share of interests of affiliated enterprises recognized by equity method		592	(31,957)
Loss of disposal on property, plant and equipment retired			
Other		45,262	49,695
Total income expense loss item		64,716	35,561
Changes in assets and liabilities related to operating activities:			
Financial assets at fair value through profit or loss		(6,795)	(2,226)
Accounts receivable(including related parties)		(11,157)	247,906
Other receivables(including related parties)		1,047	(1,758)
Inventory		45,891	(468,945)
Other current assets		8,231	(18,903)
Long-term prepayment		19,391	(6,357)
Total net changes in assets related to operating activities		56,608	(250,283)
Accounts payable(including related parties)		62,722	(92,900)
Other payables(including related parties)		(80,262)	25,683
Other current liabilities		(1,639)	(6,305)
Net defined benefit liabilities		(1,837)	(2,231)
Total net changes in liabilities related to operating activities		(21,016)	(75,753)
Total net changes in assets and liabilities related to operating activities		35,592	(326,036)
Total items of adjustment		100,308	(290,475)
Cash inflow from operations		383,627	267,120
Collected interest		7,511	2,480
Paid interest		(5)	-
Paid income tax		(137,797)	(108,641)
Net cash inflow from operating activities		253,336	160,959
Cash flows of investment activities:			
Obtain investments accounted for using equity method		(50,000)	(49,000)
Property, plant and equipment		(34,273)	(34,353)
Decrease in refundable deposit		1,680	2,515
Obtain intangible assets		(202)	(1,588)
Net cash outflow from investment activities		(82,795)	(82,426)
Cash flows from financing activities:			
Decrease in deposits received		-	(5,706)
Repayment of lease principal		(85)	-
Distribution of cash dividends		(24,500)	(73,502)
Net cash outflow from financing activities		(24,585)	(79,208)
Current increase of cash and equivalent cash		145,956	(675)
Beginning balance of cash and equivalent cash		1,152,180	1,152,855
Ending balance of cash and equivalent cash	**$**	**1,298,136**	**1,152,180**

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

Niko Semiconductor Co., Ltd.
Individual Financial Statement Note
2023 and 2022
(Unless otherwise specified, all amounts are in unit of NT$ thousands)

I. Company evaluation

Niko Semiconductor Co., Ltd. (hereinafter referred to as "the Company") was established with the approval of the Ministry of Economy on October 8, 1998. Its original name was Super GEM Co., Ltd. In April 2001, the Company changed its name to the existing name and registered at 12th floor, No.368, Gongjian Road, Xizhi District, New Taipei City. The Company's main business are the research, development, design and sales of analog IC that can be applied to communications, computers, computer peripherals, video, power supply and other consumer products. The Company's shares have been listed and traded on Taiwan OTC since August 2007.

II. Date and Procedure through Financial Statement

This Individual Financial Statement was approved and issued by the Board of Directors on March 12, 2024.

III. Application of Newly Issued and Revised Standards and Interpretations

(I)Effect of adoption of the amendments and interpretations endorsed by the Financial Supervisory Commission ("FSC")

The Company adopted the following newly amended IFRS since January 1, 2023, which did not have a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred tax related to assets and liabilities arising from a single
- transaction"

The Company adopted the following newly amended IFRS since May 23, 2023, which did not have a material impact on the consolidated financial statements.

- Amendments to IAS 12 " "International Tax Reform - Pillar Two Model Rules"

(II) Effect of not adopting IFRS endorsed by the FSC

The Company evaluated the following newly amended IFRS application. It will come into effect on January 1, 2023, which shall not pose a material impact on the consolidated financial statements.

- Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"
- •Amendments to IAS 1 "Non-current liabilities with covenant"
- Amendments to IAS 7 and IFRS 7 "supplier finance arrangements"
- Amendments to IFRS 16 "Lease liability in a Sale and Leaseback"

A

(III) New and amended standards and interpretations not yet endorsed by the FSC

The Company expects that the following other newly issued and amended standards not yet endorsed will not have a major impact the consolidated financial statements.

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets between an Investor and its Associate or Joint Venture"
- Amendments to IFRS 17 "Insurance Contracts" and Amendments to IFRS 17
- Amendments to IAS 21 "Lack of Convertibility"

IV. Summary Description of Major Accounting Policies

The major accounting policies adopted in this individual financial report are summarized as follows. Unless otherwise stated, the following accounting policies have been uniformly applied to all expression periods of this individual financial report.

(I) Follow the Statement

This individual financial report is prepared in accordance with the "Composing Criteria for Financial Report of Securities Issuers" (hereinafter referred to as the "Composing Criteria").

(II) Composing Basis

1. Measurement Basis

Except for the following important items in the balance sheet, this individual financial report is prepared on the basis of historical cost:

(1) Financial assets and liabilities measured at fair value through profit or loss;

(2) The net defined welfare liability is based on the fair value of pension plan assets minus the present value of the defined welfare obligation.

2. Functional Currency and Expressive Currency

The Company takes the currency of the main economic environment in which operation is located as its functional currency. This individual financial report is expressed in NTD, the functional currency of the Company. All financial information expressed in NT dollars is in NT$ 1,000.

(III) Foreign Currency

1. Foreign Currency Transaction

Foreign currency transactions are translated into functional currencies at the exchange rate of the trading day. Foreign currency monetary items on the end date of each subsequent reporting period (hereinafter referred to as the "reporting date") are converted into functional currencies at the exchange rate of the day. Foreign currency non-monetary items measured at fair value are translated into functional currencies at the exchange rate on the date of fair value measurement, while foreign currency non-monetary items measured at historical cost are translated at the exchange rate on the trading day.

2. Foreign Operating Institutions

The assets and liabilities of foreign operating institutions, including goodwill and fair value adjustment arising from acquisition, are translated into NT dollars at the exchange rate on the reporting date; Income and expense items are converted into NT dollars at the current average exchange rate, and the resulting exchange differences are recognized as other comprehensive gains and losses.

(IV) Classification criteria for distinguishing current and non-current assets and liabilities

Assets that meet one of the following conditions are classified as current assets, and all other assets that are not current assets are classified as non-current assets:

1. Expect to realize the asset in its normal business cycle, or intend to sell or consume it;
2. Holding the asset mainly for trading purposes;
3. It is expected that the asset will be realized within 12 months after the reporting period; or
4. The asset is cash or equivalent cash, except that there are other restrictions on the exchange or use of the asset to pay off liabilities at least 12 months after the reporting period.

Liabilities that meet one of the following conditions are listed as current liabilities, and all other liabilities that are not current liabilities are listed as non-current liabilities:

1. It is expected that the liability will be paid off in the normal business cycle;
2. Holding the debt mainly for trading purposes;
3. It is expected that the liability will be paid off within 12 months after the reporting period; or
4. Liabilities without the right to unconditionally delay the repayment period to at least 12 months after the reporting period. The terms of liabilities may be paid off by issuing equity instruments at the choice of the counter-party, which does not affect their classification.

(V) Cash and equivalent cash

Cash includes cash on hand and bank deposits. Equivalent cash refers to short-term and highly liquid investments that can be converted into fixed cash at any time with little risk of value change. Time deposits that meet the above definition and are held for short-term cash commitments rather than investment or other purposes are reported as equivalent cash.

(VI) Financial Instrument

Accounts receivable are originally recognized when they are incurred. All other financial assets and financial liabilities were originally recognized when the Company became a party to the terms of the financial instrument contract. Financial assets not measured at fair value through profit or loss (except accounts receivable excluding significant financial components) or financial liabilities are originally measured at fair value plus transaction costs directly attributable to the acquisition or issuance. Accounts receivable without significant financial components were originally measured at transaction prices.

1. Financial Asset

If the purchase or sale of financial assets conforms to the conventional transaction, all purchases and sales of financial assets classified in the same way by the Company shall be uniformly accounted for on the trading day or delivery date.

At the time of original recognition, financial assets are classified into financial assets measured at amortized cost and financial assets measured at fair value through profit or loss. Only when the Company changes its business model of managing financial assets, it will reclassify all affected financial assets from the first day of the next reporting period.

(1) Financial assets measured at amortized cost

When financial assets meet the following conditions and is not specified to be measured at fair value through profit or loss, it is measured at amortized cost:

- The financial assets are held under the business model for the purpose of collecting contract cash flow.
- The contractual terms of the financial assets generate cash flow on a specific date, which is solely for paying interest on the principal and the principal amount in circulation.

The accumulated amortization of these assets is calculated by the effective interest method with the original recognized amount plus or minus, and the amortized cost of any allowance loss is adjusted. Interest income, foreign currency exchange gains and losses and impairment losses are recognized in profit or loss. When excluded, profit or loss is included in profit or loss.

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

Financial assets that are not measured at amortized cost or at fair value through other comprehensive income or loss are measured at fair value through profit or loss, including derivative financial assets. At the time of original recognition, in order to eliminate or significantly reduce the improper accounting matching, the Company may irrevocably designate the financial assets that meet the conditions of measuring at amortized cost or measuring at fair value through other comprehensive income as financial assets measured at fair value through profit and loss.

These assets are subsequently measured at fair value, and their net gain or loss (including any dividend and interest income) is recognized as profit or loss.

(3) Impairment of financial assets

The Company recognizes allowance losses for the expected credit losses of financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable, other receivables, deposit margin and other financial assets, etc.).

The following financial assets are measured according to the expected credit loss amount in 12 months, and the rest are measured according to the expected credit loss amount during the existence period:

- Judging that the credit risk of debt securities on the reporting date is low; and
- The credit risk of other debt securities and bank deposits (that is, the risk of default during the expected lifetime of financial instruments) has not increased significantly since the original recognition.

The allowance loss of accounts receivable is measured according to the expected credit loss amount during the existence period.

The expected credit loss during the lifetime refers to the expected credit loss caused by all possible default events during the expected lifetime of a financial instrument.

The 12 months expected credit loss refers to the expected credit loss caused by the possible default of the financial instrument within 12 months after the reporting date (or a shorter period, if the expected duration of the financial instrument is shorter than 12 months).

The longest period for measuring the expected credit loss is the longest contract period during which the Company is exposed to credit risk.

When judging whether the credit risk has increased significantly since the original recognition, the Company considers reasonable and verifiable information (which can be obtained without excessive cost or investment), including qualitative and quantitative information, and analysis based on the historical experience, credit evaluation and forward-looking information of the Company.

If the contract payment is overdue for more than 30 days, the Company assumes that the credit risk of financial assets has increased significantly.

If the contract payment is overdue for more than 180 days, or the borrower is unlikely to fulfill its credit obligation and pay the full amount to the Company, the Company shall be deemed to have defaulted on the financial assets.

The expected credit loss is the probability weighted estimate of the credit loss during the expected lifetime of a financial instrument. Credit loss is measured by the present value of all cash short receipts, that is, the difference between the cash flow that the Company can receive according to the contract and the cash flow that the Company expects to receive. Expected credit losses are discounted at the effective interest rate of financial assets.

On each reporting date, the Company evaluates whether the financial assets measured at amortized cost have credit impairment. When one or more events adversely affecting the estimated future cash flow of financial assets have occurred, the credits of the financial assets have been impaired. Evidence of credit impairment of financial assets includes observable data on the following matters:

- Major financial difficulties of the borrower or issuer;
- Default, such as delay or overdue for more than 180 days;
- For economic or contractual reasons related to the borrower's financial difficulties, the Company gives concessions to the borrower that would not have been considered;
- It is very possible that the borrower will file for bankruptcy or other financial restructuring; or
- The active market of the financial asset disappears due to financial difficulties.

The allowance loss of financial assets measured at amortized cost is deducted from the carrying amount of the assets.

When the Company cannot reasonably expect the whole or part of the recovered financial assets, it directly reduces the total book amount of its financial assets. The Company analyzes the timing and amount of write-off individually on the basis of whether it is reasonably expected to be recoverable. The Company expects that the written-off amount will not be significantly reversed. However, the written-off financial assets can still be enforced, so as to comply with the procedures of the Company to recover the overdue amount.

(4) Exclusion of financial assets

The Company will exclude financial assets only when the contractual right to cash flow from the assets is terminated, or when the financial assets have been transferred and almost all risks and rewards of ownership of the assets have been transferred to other enterprises, or when almost all risks and rewards of ownership have neither been transferred nor retained and control of the financial assets has not been retained.

When the Company signs a transaction to transfer financial assets, if all or almost all risks and rewards of ownership of the transferred assets are retained, they will continue to be recognized in the balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of liabilities or equity

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

(2) Equity instruments

Equity instruments refer to any contract that recognizes the remaining interests of the Company after deducting all its liabilities from its assets. Equity instruments issued by the Company are recognized at the amount obtained after deducting direct issuance costs.

(3) Financial liabilities

Financial liabilities are classified as amortized costs or measured at fair value through profit or loss. Financial liabilities are classified as measured at fair value through profit or loss if they are held for trading, derivatives or designated at the time of original recognition. Financial liabilities measured at fair value through profit or loss are measured at fair value, and related net benefits and losses, including any interest expenses, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost by effective interest method. Interest expenses and exchange gains and losses are recognized in profit or loss. Any profit or loss at the time of exclusion is also recognized in profit or loss.

(4) Exclusion of financial liabilities

The Company excludes financial liabilities when its contractual obligations have been fulfilled, canceled or expired. When the terms of financial liabilities are revised and the cash flows of the revised liabilities are significantly different, the original financial liabilities are excluded and new financial liabilities are recognized at fair value based on the revised terms.

When excluding financial liabilities, the difference between the book amount and the total consideration paid or payable (including any transferred non-cash assets or liabilities assumed) is recognized as profit or loss.

(5) Offset of financial assets and liabilities

Financial assets and financial liabilities are offset against each other only when the Company has the legally enforceable right to offset against each other and intends to settle the assets and pay off the liabilities in net amount, and then they are expressed in the balance sheet in net amount.

3. Derivative financial instruments

The Company holds derivative financial instruments to avoid the sudden risks of foreign currency and interest rate risks.

Derivative instruments are initially recognized at fair value; Subsequent measurement is based on fair value, and the benefits or losses arising from re-measurement are directly included in profit or loss.

(VII) Inventory

Inventory is measured at the lower of cost and net realized value. Costs include acquisition, production or processing costs and other costs incurred to make it available for use, and are calculated by the weighted average method.

The net realized value refers to the balance of the estimated selling price under normal operation minus the estimated cost for completion and the estimated cost for completion of sale.

(VIII) Investment Subsidiary

When composing the individual financial report, the Company adopts the equity method to evaluate the controlled investee companies. Under the equity method, the current profits and losses and other comprehensive profits and losses in individual financial reports are the same as those attributed to the owners of the parent company in the financial reports prepared on a consolidated basis. In addition, the owner's equity in individual financial report is the same as that belongs to parent company in the financial report composed on the basis of consolidation.

Changes in the ownership interests of subsidiaries of the Company that do not result in loss of control are treated as equity transactions with owners.

(IX) Investment property

Investment property initially measured at cost, and subsequently measured at cost MINUS accumulated depreciation and accumulated impairment. Its depreciation method, service life and residual value are treated according to the regulations on property, plant and equipment.

The profit or loss from disposal of investment property (calculated as the difference between the net disposal price and the book amount of the project) is recognized in profit or loss.

Rental income from investment property is recognized in other income on a straight-line basis during the lease period. Incentives to lease are recognized as part of the lease income during the lease period.

(X) Property, plant and equipment

1. Recognition and measurement

Items of property, plant and equipment are measured at cost (including capitalized borrowing costs) less accumulated depreciation and any accumulated impairment.

If the service life of major components of property, plant and equipment is different, they will be treated as separate items (major components) of property, plant and equipment.

Profit or loss on property, plant and equipment are recognized in profit or loss.

2. Subsequent costs

Subsequent expenditures are capitalized only when their future economic benefits are likely to flow into the Company.

3. Depreciation

Depreciation is calculated at the cost of assets less the residual value, and is recognized in profit or loss within the estimated service life of each component using the straight-line method.

Land will not be depreciated.

The estimated service lives of the current and comparative periods are as follows:

(1) House and building: 3~50 years

(2) Office and other equipment: 2~8 years

The Company shall review the depreciation method, service life and residual value on the reporting date of each year, and make appropriate adjustments when necessary.

(XI) Lease

The Company evaluates whether the contract is a lease or not on the establishment date of the contract. If the contract transfers the control over the use of the identified assets for a period of time in exchange for consideration, the contract is a lease or not.

1. Lessee

The Company recognizes the right to use assets and lease liabilities on the lease start date. The right to use assets is originally measured by the cost, which includes the original measured amount of the lease liabilities, adjusts any lease payment paid on or before the lease start date, and adds the original direct costs incurred and the estimated costs for dismantling and removing the underlying assets and restoring their location or the underlying assets, and deducts any lease incentives.

The right-to-use assets are subsequently depreciated on a straight-line basis from the lease start date to the expiration of the service life of the right-to-use assets or the expiration of the lease period. In addition, the Company regularly evaluates whether the right to use assets are impaired and handles any impairment losses that have occurred, and adjusts the right to use assets when the lease liabilities are re-measured.

Lease liabilities are originally measured by the present value of unpaid lease payments on the lease start date. If the implied interest rate of lease is easy to define, the discount rate is that interest rate; if it is not easy to define, the increased borrowing rate of the Company will be used. Generally speaking, the Company adopts its increased borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities include:

(1) Fixed payment, including substantial fixed payment;
(2) The lease payment that depends on the change of a certain index or rate is originally measured by the index or rate on the lease start date.
(3) The residual value guarantee amount expected to be paid; and
(4) The exercise price or the penalty to be paid when it is reasonably defined that the purchase option or the lease termination option will be exercised.

The lease liabilities are accrued with the effective interest method, and the amount is measured again when the following situations occur:

(1) Changes in the index or rate used to define the lease payment lead to changes in future lease payment;
(2) The amount of residual value guarantee expected to be paid has changed;
(3) There is a change in the evaluation of the purchase option of the underlying asset;
(4) The estimation of whether to extend or terminate the option has changed, and the evaluation of the lease period has changed;
(5) Modification of the lease object, scope or other terms.

When the lease liabilities are re-measured due to changes in the index or rate used to define the lease payment, changes in the residual value guarantee amount, and changes in the evaluation of purchase, extension or termination options, the book amount of the right-to-use assets is adjusted accordingly, and the remaining re-measured amount is recognized in profit or loss when the book amount of the right-to-use assets is reduced to zero.

For lease modifications that reduce the lease scope, the book amount of the right-to-use assets is reduced to reflect the partial or total termination of the lease, and the difference between the book amount and the re-measurement amount of the lease liabilities is recognized in profit or loss.

The Company will express the right to use assets and lease liabilities that do not meet the definition of investment property in the balance sheet as separate items.

For the short-term lease of office equipment and parking space lease and the lease of low-value assets, the Company chooses not to recognize the right-to-use assets and lease liabilities, but to recognize the relevant lease payments as expenses on a straight-line basis during the lease period.

2. Lessor

A transaction in which the Company is the lessor classifies the lease contract according to almost all risks and rewards attached to the ownership of the underlying asset on the lease establishment date, if so, it is classified as a finance lease, otherwise, it is classified as an operating lease. In the evaluation, the Company considers relevant specific indicators such as whether the lease period covers the main part of the economic life of the underlying asset. For operating leases, the Company recognizes the lease payments received as rental income on a straight-line basis during the lease period.

(XII) Intangible assets

Intangible assets with durable life acquired by the Company are measured at cost less accumulated amortization and accumulated impairment. Subsequent expenditures are capitalized only when they can increase the future economic benefits of related specific assets. All other expenses are recognized in profit or loss when incurred. Amortization is calculated by deducting the estimated residual value from the cost of assets, and is recognized in profit or loss within the estimated service life of intangible assets according to the straight-line method. The service life of computer software is 3 years.

The Company shall examine the amortization method, service life and residual value of intangible assets on the reporting date of each year, and make appropriate adjustments when necessary.

(XIII) Impairment of non-financial assets

On each reporting date, the Company evaluates whether there is any indication that the book amount of non-financial assets (except inventory and deferred income tax assets) may be impaired. If there is any sign, estimate the recoverable amount of the asset.

For the purpose of impairment test, a group of assets whose cash inflows are mostly independent of those of other individual assets or asset groups is regarded as the smallest identifiable asset group.

The recoverable amount is the higher of the fair value of individual assets or cash generating units less sales costs and their use value. Impairment losses are recognized if the recoverable amount of an individual asset or cash generating unit is lower than the book amount.

Impairment losses in current period are immediately recognized in profit or loss, and the book amount of each asset in the unit is reduced in proportion to the book amount of each asset.

Non-financial assets are only reversed within the range of not exceeding the book amount (less depreciation or amortization) defined if impairment losses were not recognized in previous years.

(XIV) Revenue recognition-revenue from customer contracts

Revenue is measured at the consideration expected to be entitled to the goods transferred. The Company recognizes revenue when its control over goods or services is transferred to its customers and its performance obligations are met. The main income items of the Company are as follows:

1. Selling goods

The Company recognizes revenue when the control of products is transferred. The control transfer of the product means that the product has been delivered to the customer, the customer can completely decide the sales channel and price of the product, and there is no unfulfilled obligation that will affect the customer's acceptance of the product. Delivery occurs when the products are delivered to a specific place, the risks of obsolescence and loss have been transferred to the customer, and the customer has accepted the products according to the sales contract, and the acceptance terms have expired, or the Company has objective evidence that all the acceptance conditions have been met.

When the Company delivers the goods, it recognizes the accounts receivable, because the Company has the right to receive the consideration unconditionally at that time.

2. Financial components

The Company expects that the time between the transfer of goods from all customers' contracts to customers and the payment of goods by customers will not exceed one year. Therefore, the Company does not adjust the monetary time value of the transaction price.

(XV) Employee welfare

1. Defined the allocation plan

The obligation to define the contribution pension plan is recognized as an expense during the service period of the employee.

2. Defined the welfare plan

The Company's net obligation to define the welfare pension plan is calculated by converting the future welfare amount earned by employees' service in the current or previous period into the present value, and deducting the fair value of the plan assets.

The defined welfare obligation is actuarial by a qualified actuary every year using the projected unit welfare method. When the calculation result may be beneficial to the Company, the recognized assets are limited to the present value of any economic benefits obtained in the form of refund of the plan's contribution or reduction of future contribution to the plan. When calculating the present value of economic benefits, any minimum funding requirements are considered.

The re-measurement of net defined welfare liabilities, including actuarial gains and losses, return on planned assets (excluding interest) and any change in the influence of asset ceiling (excluding interest), is recognized under other comprehensive income and accumulated in retained earnings. The net interest expense of the Company's net defined welfare liability is defined by the net defined welfare liability and discount rate defined at the beginning of the annual reporting period. The net interest expense and other expenses of the defined benefit plan are recognized in profit or loss.

When the plan is revised or reduced, the welfare changes related to the previous service cost or the profit or loss of reduction are immediately recognized as profit or loss. When liquidation occurs, the Company recognizes the liquidation profit and loss of the defined welfare plan.

3. Short-term employee welfare

Short-term employee welfare obligations are recognized as expenses when services are provided. If the Company has the current legal or presumed payment obligation due to the past service provided by employees, and the obligation can be estimated reliably, the amount will be recognized as a liability.

(XVI) Income tax

Income tax includes current and deferred income tax. Except for items related to business merging and directly recognized in equity or other comprehensive profit and loss, current income tax and deferred income tax shall be recognized in profit or loss.

The current income tax includes the estimated income tax payable or tax refund receivable calculated based on the tax income (loss) of the current year, and any adjustment to the income tax payable or tax refund receivable of previous years. The amount is the best estimate of the amount expected to be paid or received according to the statutory tax rate or substantive legislative tax rate on the reporting date after reflecting the uncertainty related to income tax (if any).

Deferred income tax is recognized by measuring the temporary difference between the book amount of assets and liabilities for financial reporting purposes and their tax basis. Temporary differences arising from the following circumstances shall not be recognized as deferred income tax:

1. It is not the assets or liabilities originally recognized in the transaction of business combination, and does not affect the accounting profit and tax income (loss) at the time of the transaction and there are no equivalent taxable and deductible temporary differences;
2. Because of the temporary differences arising from investing in subsidiaries and joint venture interests, the Company can control the time when the temporary differences are reversed and it is very likely that they will not be reversed in the foreseeable future; and
3. Taxable temporary differences arising from the original recognition of goodwill.

Unused tax losses, unused income tax deductions and deductible temporary differences are recognized as deferred income tax assets to the extent that future tax income is likely to be available for use, and re-evaluated on each reporting day, and the related income tax benefits are reduced to the extent that they are not likely to be realized; Or to reverse the reduced amount to the extent that it is likely that there will be sufficient tax income.

Deferred income tax is measured at the tax rate when the expected temporary difference is reversed, and is based on the statutory tax rate or substantive legislative tax rate on the reporting date.

The Company will offset the deferred income tax assets and deferred income tax liabilities only when the following conditions are met at the same time:

1. Have the legal enforcement right to offset the current income tax assets and current income tax liabilities; and
2. Deferred income tax assets and deferred income tax liabilities are related to one of the following taxpayers whose income tax is levied by the same tax authority:
   (1) The same taxpayer; or
   (2) Different taxpayers, but each entity intends to pay off the current income tax liabilities and assets on a net basis, or realize assets and pay off liabilities at the same time, in each future period when the deferred income tax assets with significant amount are expected to be recovered and the deferred income tax liabilities are expected to be paid off.

(XVII) Earnings per share

The Company lists the basic and diluted earnings per share attributable to the ordinary equity holders of the Company. The basic earnings per share of the Company is calculated by dividing the profit and loss attributable to the holders of common equity of the Company by the weighted average number of outstanding common shares in the current period. Diluted earnings per share are calculated by adjusting the impact of all potential diluted ordinary shares with the profit and loss attributable to ordinary equity holders of the Company and the weighted average number of outstanding common shares.

(XVIII) Department information

The Company has disclosed departmental information in the consolidated financial report, so the individual financial report does not disclose departmental information.

V. The main sources of uncertainties in major accounting judgments, estimates and assumptions

The management must make judgments, estimates and assumptions when preparing their own financial reports according to the composing criteria, which will have an impact on the adoption of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from estimates.

Management continuously reviews estimates and basic assumptions, and changes in accounting estimates are recognized during the change period and the affected future period.

The accounting policies adopted in this individual's financial report do not involve significant judgment.

Among the uncertainties of assumptions and estimates, there are significant risks that cause book amount of assets and liabilities at reporting date will be adjusted in the next financial year, as follows:

Evaluation of inventory

Since inventory should be measured at the lower of cost and net realized value, the Company evaluates the amount of inventory due to normal loss, obsolescence or no market sales value on the reporting date, and offsets the inventory cost to the net realized value. This inventory evaluation is mainly based on the product demand in a specific period in the future, so there may be significant changes due to the rapid changes of the industry.

The accounting policies and disclosures of the Company include the fair value measurement of their financial and non-financial assets and liabilities. The financial department personnel of the Company are responsible for independent fair value verification, making the evaluation result close to the market state by independent source data, defining that the data source is independent, reliable, consistent with other resources and represents the executable price, and regularly calibrating the evaluation model, conducting backtesting, updating the input values and data required by the evaluation model and any other necessary fair value adjustments to ensure that the evaluation result is reasonable.

When measuring its assets and liabilities, the Company should use the input value that can be observed by the market as much as possible. The level of fair value is classified as follows based on the input value of evaluation technology use:

(I) Level 1: The public quotation of the same assets or liabilities in the active market (unadjusted).

(II) Level 2: Except for the public quotation included in Level 1, the input parameters of assets or liabilities are directly (i.e. price) or indirectly (i.e. derived from price) observable.

(III) Level 3: The input parameters of assets or liabilities are not based on observable market data (non-observable parameters).

In case of transfer of fair value between different levels, the Company recognizes the transfer on the reporting date.

VI. Description of important accounting items

(I) Cash and equivalent cash

	2023.12.31	2022.12.31
Cash on hand and petty cash	$ 315	102
Check and demand deposit	1,297,821	1,152,078
	$ 1,298,136	1,152,180

(II) Financial assets measured at fair value through profit or loss

	2023.12.31	2022.12.31
Non-hedging derivative instruments		
Exchange transaction contract	$ 7,112	317

On December 31, 2023 and 2022 of the Company, the details of derivatives that were reported as financial assets held for trading due to the non-application of hedge accounting are as follows:

2023.12.31

Financial derivatives	Notional principal (NT$ thousands)	Maturity date	Delivery exchange rate
Foreign exchange contract - Buy NTD / Sell USD	USD 12,460	2024.01.10~ 2024.01.18	31.144~31.270

2022.12.31

Financial derivatives	Notional principal (NT$ thousands)	Maturity date	Delivery exchange rate
Foreign exchange contract - Buy NTD / Sell USD	USD 18,690	2023.01.09~ 2023.01.17	30.440~30.924

(III) Accounts receivable (including related parties)

	2023.12.31	2022.12.31
Accounts receivable	$ 748,983	738,371
Accounts receivable - Related parties	545	-
Less: allowance for losses	(940)	(898)
	$ 748,588	737,473

1. 1. The Company adopts a simplified approach to estimate the expected credit loss for all accounts receivable (including related parties), i.e. using the expected credit loss during the duration. For this measurement purpose, these accounts receivable (including related parties) are grouped according to the common credit risk characteristics representing the customer's ability to pay all due amounts in accordance with the terms of the contract, and have incorporated forward-looking information, including general economic and related industry information. An analysis of the expected credit losses of the Company's accounts receivable (including related parties) is as follows:

	2023.12.31		
	Book value of accounts receivable(including related parties)	Weighted average expected credit loss rate	Allowance for expected credit losses during the duration
Not overdue	$ 748,227	0.1%~0.2%	916
Overdue 1~30 days	1,301	1%~2%	24
Overdue 31~90 days	-	10%~50%	-
Overdue 91~180 days	-	50%~70%	-
Overdue 181~360 days	-	100%	-
	$ 749,528		940

	2022.12.31		
	Book amount of accounts receivable (including related parties)	Weighted average expected credit loss rate	Allowance for expected credit losses during the duration
Not overdue	$ 736,641	0.1%~0.2%	843
Overdue 1~30 days	1,408	1%~2%	15
Overdue 31~90 days	302	10%~50%	30
Overdue 91~180 days	20	50%~70%	10
Overdue 181~360 days	-	100%	-
	$ 738,371		898

2. The change table of allowance loss of accounts receivable (including related parties) of the Company is as follows:

	2023	2022
Balance at beginning of period	$ 898	1,218
Impairment losses recognized (reversed)	42	(320)
Balance at ending of period	$ 940	898

3. On December 31, 2023 and 2022, the accounts receivable (including related parties) of the Company were not provided as pledge guarantee.

(IV) Inventory

	2023.12.31	2022.12.31
Raw materials	$ 51,451	63,895
In-process and semi-finished products	463,268	523,880
Finished products and goods	207,152	225,249
	$ 721,871	813,024

1. Apart from the cost of the sold inventory, the composition of inventory-related expenses and losses recognized as the cost of goods sold by the Company is as follows:

	2023	2022
Inventory obsolescence and scrap loss	$ 45,262	49,695

2. On December 31, 2023 and 2022, the inventory of the Company was not provided as pledge guarantee.

(V) Investment using the equity method

The investments of the Company using the equity method on the reporting date are listed as follows:

	2023.12.31	2022.12.31
Subsidiary	$ 249,464	197,073

1. Please refer to the consolidated financial report of 2023 for information about subsidiaries.
2. On December 31, 2023 and 2022, none of the investments adopted by the equity method of the Company were provided as pledge guarantee.

(VI) Property, plant and equipment

Details of changes in the cost and accumulated depreciation of the property, plant and equipment of the Company are as follows:

	Land	House and building	Office equipment and other	Equipment to be tested	Total
Cost:					
Balance on January 1, 2023	$ 161,823	114,728	94,536	5,093	376,180
Increase	-	127	14,305	19,841	34,273
Reclassified into (out)	-	-	9,893	(9,893)	-
Disposal	-	(629)	(6,335)	-	(6,964)
Balance on December 31, 2023	$ 161,823	114,226	112,399	15,041	403,489
Balance on January 1, 2022	$ 161,823	117,329	70,143	8,595	357,890
Increase	-	1,102	17,358	15,893	34,353
Reclassified into (out)	-	-	19,395	(19,395)	-
Disposal	-	(3,703)	(12,360)	-	(16,063)
Balance on December 31, 2022	$ 161,823	114,728	94,536	5,093	376,180

	Land	House and building	Office equipment and other	Equipment to be tested	Total
Accumulated depreciation:					
Balance on January 1, 2023	$ -	33,516	39,914	-	73,430
Depreciation in this year	-	2,874	22,158	-	25,032
Disposal	-	(629)	(6,335)	-	(6,964)
Balance on December 31, 2023	$ -	35,761	55,737	-	91,498
Balance on January 1, 2022	$ -	33,969	35,726	-	69,695
Depreciation in this year	-	3,250	16,548	-	19,798
Disposal	-	(3,703)	(12,360)	-	(16,063)
Balance on December 31, 2022	$ -	33,516	39,914	-	73,430
Book value					
December 31, 2023	$ 161,823	78,465	56,662	15,041	311,991
December 31, 2022	$ 161,823	81,212	54,622	5,093	302,750
January 1, 2022	$ 161,823	83,360	34,417	8,595	288,195

On December 31, 2023 and 2022, the property, plant and equipment of the Company have been used as bank loan and financing amount guarantee. Please refer to Note 8 for details.

(VII) The right to use assets

The details of changes in the cost and accumulated depreciation of the right-to-use assets recognized by the Company's leased official cars are as follows:

	Transportation Equipment
Cost:	
Balance on January 1, 2023	$ -
Increase	1,575
Balance on December 31, 2023	$ 1,575
Accumulated depreciation:	
Balance on January 1, 2023	$ -
Depreciation in this period	87
Balance on December 31, 2023	$ 87
Book value:	
Balance on December 31, 2023	$ 1,488

(VIII) Investment property

Investment property is an office building leased by the Company to a third party by operating lease. The original irrevocable period of leased investment property is 1 to 3 years. The rental income of leased investment property is a fixed amount. Please refer to Note 6 (10) for details.

	Land	House and building	Total
Cost:			
Balance on January 1, 2023 (i.e., balance on December 31, 2023)	$ 48,068	30,941	79,009
Balance on January 1, 2022(i.e., balance on December 31, 2022)	$ 48,068	30,941	79,009
Accumulated depreciation:			
Balance on January 1, 2023	$ -	8,039	8,039
Depreciation in this year	-	607	607
Balance on December 31, 2023	$ -	8,646	8,646
Balance on January 1, 2022	$ -	7,432	7,432
Depreciation in this year	-	607	607
Balance on December 31, 2022	$ -	8,039	8,039
Book value			
Balance on December 31, 2023	$ 48,068	22,295	70,363
Balance on December 31, 2022	$ 48,068	22,902	70,970
Balance on January 1, 2022	$ 48,068	23,509	71,577
Fair value:			
December 31, 2023			$ 139,308
December 31, 2022			$ 139,308

The fair value of investment property is based on the evaluation of independent evaluators (who have recognized relevant professional qualifications and have relevant experience in the location and type of investment property evaluated in the near future). The input value used in its fair value evaluation technology belongs to the level 3.

The evaluation of fair value is based on market value. If there is no current price in the active market, the evaluation will consider the aggregate estimated cash flow expected to be collected from renting the property and discount it with the yield reflecting the inherent specific risk of the net cash flow to define the value of the property. The yield ranges adopted in 2023 and 2022 are as follows:

Region	2023	2022
Xizhi District, New Taipei City	1.27%~1.47%	1.27%~1.47%

On December 31, 2023 and 2022, the investment real estate of the Company was used as the guarantee of financing amount. Please refer to Note 8 for details.

(IX) Lease liabilities

The book value of the lease liabilities of the Company is as follows:

	2023.12.31	2022.12.31
Current	$ 516	-
Noncurrent	$ 974	-

1. Please refer to Note 6 (18) Financial Instruments for maturity analysis.
2. The amounts recognized in profit or loss are as follows:

	2023	2022
Interest expense on lease liabilities	$ 5	-
Rental charges for short-term leases and low-value assets	$ 616	648

3. The amounts recognized in the consolidated cash flow statement are as follows:

	2023	2022
Payment of rental fees for operating activities	$ (616)	(648)
Payment of interest on lease liabilities from operating activities	(5)	-
Reimbursement of lease principal for financing activities	(85)	-
Total cash outflow from lease	$ (706)	(648)

4. Lease of transportation equipment

   Transportation equipment leased by the merged company as official car, the lease period is usually three years.

5. Other leases

   The lease period of office equipment and parking spaces leased by the merged company is one to five years. These leases are short-term or low-value leases, and the merged company chooses to apply the exemption recognition requirements without recognizing its related right-to-use assets and lease liabilities.

(X) Business lease

Investment property leased by the Company is classified as operating lease because almost all risks and rewards attached to the ownership of the underlying assets have not been transferred. Please refer to Note 6(8) Investment property for details. Maturity analysis of lease payments to report the total undiscounted lease payments to be collected in the future are listed in the following table:

	2023.12.31	2022.12.31
Less than 1 year	$ 2,904	2,887
1-2 years	2,863	2,874
2-3 years	476	2,858
3-4 years	-	476
4-5 years	-	-
More than 5 years	-	-
Total undiscounted payment	**$ 6,243**	**9,095**

(XI) Employee welfare

1. Defined the welfare plan

The adjustment between the present value of the welfare obligation defined by the Company and the fair value of the planned assets is as follows:

	2023.12.31	2022.12.31
Defined the present value of welfare obligations	$ 25,581	24,256
Fair value of plan assets	(24,924)	(22,175)
Net defined benefit liability	**$ 657**	**2,081**

The defined welfare plan of the Company shall be allocated to the special account of labor retirement reserve of Taiwan Bank. The retirement payment of each employee applying the Labor Benchmark Law is calculated based on the base of service years and the average salary of six months before retirement.

(1) Composition of plan assets

The retirement fund allocated by the Company according to the Labor Standard Act is managed by the Bureau of Labor Funds (hereinafter referred to as the "Bureau of Labor Funds"). According to the "Measures for the Custody and Utilization of Income and Expenditure of Labor Retirement Funds", the minimum income from the annual final accounts shall not be lower than the income calculated according to the two-year fixed deposit rate of the local bank.

As of the reporting date, the balance of the special account for labor retirement reserve of Taiwan Bank of the Company is NT$ 24,924 thousands. The information used by the labor pension plan assets includes the fund return rate and fund asset allocation. Please refer to the information published on the website of the Bureau of Labor Funds for details.

(2) Determine the changes in the present value of welfare obligations

Changes in the present value of welfare obligations defined by the Company are as follows:

		2023	2022
On January 1, the welfare obligation was defined	$	24,256	23,640
Current service cost and interest		831	560
Re-measurement of net defined benefit liabilities		494	56
On December 31, the welfare obligation was defined	**$**	**25,581**	**24,256**

(3) Changes in the fair value of planned assets

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

		2023	2022
Fair value of plan assets on January 1.	$	22,175	18,058
Contributed to plan amount		2,274	2,676
Interest income		394	115
Return on planned assets (excluding current interest)		81	1,326
Fair value of plan assets on December 31.	**$**	**24,924**	**22,175**

(4) Expenses recognized as profit or loss

Details of expenses reported by the Company are as follows:

		2023	2022
Current service cost	$	424	418
Net interest on net defined benefit liabilities		13	27
	$	**437**	**445**

		2023	2022
Operating costs	$	40	41
Selling expenses		29	29
Administrative expenses		328	334
Research and development expenses		40	41
	$	**437**	**445**

(5) Re-measurement of net defined welfare liabilities recognized as other comprehensive gains and losses

The re-measurements of the net defined welfare liabilities accumulated and recognized in other comprehensive income of the Company are as follows:

	2023	2022
Accumulated balance on January 1	$ 2,325	3,595
Recognition in current period (reversed)	413	(1,270)
Accumulated balance on December 31	**$ 2,738**	**2,325**

(6) Actuarial assumptions

The main actuarial assumptions used by the Company at the end of financial reporting are as follows:

	2023.12.31	2022.12.31
Discount rate	1.625%	1.750%
Future salary increase rate	2.000%	2.000%

The Company is expected to pay NT$ 8 thousands to the defined benefit plan within one year after the reporting date of 2023.

The weighted average duration of the defined benefit plan is 13.15 years.

(7) Sensitivity analysis

When calculating and determining the present value of welfare obligations, the Company must use judgment and estimation to define relevant actuarial assumptions on the balance sheet date, including discount rate and future salary changes. Any change in actuarial assumptions may significantly affect the amount of welfare obligations defined by the Company.

The influence of changes in major actuarial assumptions adopted on December 31, 2023 and 2022 on determining the present value of welfare obligations is as follows:

	Influence on the determination of welfare obligations	
	Increase by 0.25%	Decrease by 0.25%
December 31, 2023		
Discount rate	**$ (159)**	**163**
Future salary increase rate	**$ 161**	**(155)**
December 31, 2022		
Discount rate	**$ (205)**	**208**
Future salary increase rate	**$ 204**	**(199)**

The sensitivity analysis mentioned above is based on the analysis of the influence of changes in a single hypothesis while other assumptions remain unchanged. In practice, many changes in assumptions may be linked. Sensitivity analysis is consistent with the method used to calculate the net determined benefit liability of the balance sheet.

The methods and assumptions used in preparing sensitivity analysis in this period are the same as those in the previous period.

2. Defined the allocation plan

According to the provisions of the Labor Pension Ordinance, the defined contribution plan of the Company is allocated to the individual account of labor pension of the Bureau of Labor Insurance at the rate of 6% of the monthly wages of workers. Under this plan, after the Company allocates a fixed amount to the Bureau of Labor Insurance, there is no statutory or constructive obligation for paying extra amount.

The pension expenses of the Company under the defined pension allocation method in 2023 and 2022 were NT$ 6,025 thousands and NT$ 5,943 thousands respectively, which were allocated to the Bureau of Labor Insurance.

(XII) Income tax

1. Income tax expenses

Details of the Company income tax expenses are as follows:

	2023	2022
Current income tax expenses	$ 76,376	122,877
Deferred income tax expenses	(2,859)	1,226
Income tax expenses	**$ 73,517**	**124,103**

2. The Company has no income tax expense directly recognized in equity.

3. The details of income tax expenses (benefits) recognized by the Company under other comprehensive income are as follows:

	2023	2022
Items not reclassified to profit or loss:		
Determine the re-measurement of welfare plan	**$ (83)**	**254**
Subsequent items that may be reclassified to profit or loss:		
Exchange difference in translation of financial statements of foreign operating institutions	**$ (47)**	**256**

4. The relationship between income tax expenses and net profit before tax of Company is adjusted as follows:

	2023	2022
Profit before tax	$ 283,319	557,595
Income tax calculated at the domestic tax rate where the company is located	56,664	111,519
Undistributed surplus plus	13,444	12,223
Net changes and others that can be deducted from temporary differences are not recognized	3,409	361
	$ 73,517	124,103

5. Deferred income tax assets and liabilities

(1) Items not recognized as deferred income tax assets are as follows:

	2023.12.31	2022.12.31
Temporary differences can be deducted	$ 19,035	16,850

The Company has assessed that the temporary differences that can be deducted above are unlikely to be realized in the future, so these items are not recognized as deferred income tax assets.

(2) The Company had no unrecognized deferred income tax liabilities as of December 31, 2023 and 2022.

(3) Changes in recognized deferred income tax assets and liabilities are as follows:

Deferred income tax liabilities:

	Unrealized profit on exchange	Interest in Financial Assets Evaluation	Others	Total
Balance on January 1, 2023	$ 1,632	63	-	1,695
Debit/(Credit) profit and loss	(1,632)	1,359	281	8
Balance on December 31, 2023	$ -	1,422	281	1,703
Balance on January 1, 2022	$ -	-	-	-
Debit/(Credit) profit and loss	1,632	63	-	1,695
Balance on December 31, 2022	$ 1,632	63	-	1,695

Deferred income tax assets:

	Unrealized loss on exchange	Inventory write-down	Others	Total
Balance on January 1, 2023	$ -	(8,851)	(2,938)	(11,789)
Debit/(Credit) profit and loss	(1,316)	(1,577)	26	(2,867)
Debit/(Credit) other comprehensive profit and loss	-	-	(130)	(130)
Balance on December 31, 2023	**$ (1,316)**	**(10,428)**	**(3,042)**	**(14,786)**
Balance on January 1, 2022	$ (2,775)	(4,875)	(4,180)	(11,830)
Debit/(Credit) profit and loss	2,775	(3,976)	732	(469)
Debit/(Credit) other comprehensive profit and loss	-	-	510	510
Balance on December 31, 2022	**$ -**	**(8,851)**	**(2,938)**	**(11,789)**

6. Verification of income tax

The income tax settlement declaration of the Company's profit-making enterprises has been approved by the tax collection authority until 2021.

(XIII) Capital and other equity

1. Capital stock

On December 31, 2023 and 2022, the total rated share capital of the Company was NT$1,000,000 thousands, and the denomination of each share was in NT$ 10, both are 100,000 thousand shares. The aforesaid total rated share capital is common share, and the issued shares are 71,052 thousand shares and 61,252 thousand shares. All issued shares have been collected.

The company's adjustment table for the number of shares outstanding is as follows:

(expressed in thousands shares)

	common stock	
	2023	**2022**
Beginning balance on January 1	61,252	61,252
Surplus transferred to capital increase	9,800	-
End balance on December 31	**71,052**	**61,252**

The company passed the resolution of the shareholders' meeting on June 7, 2023, to transfer the retained earnings of NT$98,003 thousands to capital increase and issue 9,800 thousands new shares. The base date for capital increase was August 30, 2023, and the change registration has been completed.

2. Capital reserves

The balance of capital reserves of the Company is as follows:

	2023.12.31	2022.12.31
Premium of issuing shares	$ 626,757	626,757
Treasury stock trading	3,755	3,755
	$ 630,512	630,512

According to the Company Law, the realized capital reserve can be issued to new shares or cash in proportion to the original shares of shareholders only after the capital reserve needs to make up the losses first. The realized capital surplus mentioned in the preceding paragraph includes the excess from issuing shares in excess of par value and the income from receiving gifts. According to the regulations on the handling of securities offering and issuance by issuers, the total amount of capital reserve that can be appropriated for capital shall not exceed 10% of the paid-in capital every year.

3. Retained earnings

According to the Articles of Association, if there is a surplus in the company's annual final accounts, tax should be paid first to make up the accumulated losses, and 10% should be paid as the legal surplus reserve (but when the legal surplus reserve has reached the paid-in capital of the Company, it may not be paid again). The rest should be set aside or reversed according to law. If there is any surplus, and the surplus shall be distributed cumulatively with the previous year, the Board of Directors shall draw up a surplus distribution proposal and submit it to the shareholders' meeting for resolution to distribute dividends and bonuses in the preceding paragraph is done in cash, the board of directors shall be authorized to make a resolution and report at the shareholders' meeting.

(1) Legal surplus reserve

According to the company law, the company shall set aside 10% of the net profit after tax as the legal surplus reserve until it is equal to the total capital. When the company has no loss, it may issue new shares or cash with the legal surplus reserve after the resolution of the shareholders' meeting, but the amount of the reserve exceeds 25% of the paid-in capital.

(2) Special surplus reserve

According to the regulations of FSC, when distributing the distributable surplus, the Company will set aside the special reserve of the current net profit after tax plus the items other than the current net profit after tax included in undistributed surplus of the current period and the undistributed surplus of the previous period in terms of the net deduction of other shareholders' equity in the accounts incurred in the current year;

If it is the amount of other shareholders' equity deductions accumulated in the previous period, the special reserve of the same amount shall not be distributed from the undistributed surplus in the previous period. If the amount of other shareholders' equity deductions is reversed later, the surplus may be distributed on the reversed part.

(3) Distribution of earnings

The Company's motion for earnings distribution of the amount of cash dividends for 2022 resolved by the Board of Directors on March 17, 2023, other earnings distribution items were resolved by the shareholders' meeting on June 7, 2023. And the earnings distribution of the amount of cash dividends for 2021 resolved by the Board of Directors on March 18, 2022, other earnings distribution items were resolved by the shareholders' meeting on June 8, 2022, the dividend distributed to owners is as follows:

	2022		2021	
	Share allotment rate (yuan)	Amount	Share allotment rate (yuan)	Amount
Dividends to ordinary owners:				
Cash	$ 0.4	24,500	1.2	73,502
Stock	1.6	98,003	-	-
Total		$ 122,503		$ 73,502

The Company's motion for earnings distribution of the amount of cash dividends for 2023 resolved by the Board of Directors on March 12, 2024, and proposed the amount of stock dividends for 2023 resolved. The dividend distributed to owners is as follows:

	2023	
	Share allotment rate (yuan)	Amount
Dividends to ordinary owners:		
Cash	$ 0.4	28,421
Stock	1.4	99,482
Total		$ 127,903

(XIV) Earnings per share

The calculation of the Company's basic earnings per share and diluted earnings per share is as follows:

	2023	2022
Basic earnings per share:		
Current net profit attributable to the Company	$ 209,802	433,492
Weighted average number of ordinary shares in circulation(thousand shares)	71,052	71,052
Earnings per share (yuan)	$ 2.95	6.10
Dilute earnings per share:		
Current net profit attributable to the Company	$ 209,802	433,492
Weighted average number of ordinary shares in circulation(thousand shares)(dilution)	72,345	73,433
Earnings per share (yuan)	$ 2.90	5.90
Weighted average number of ordinary shares in circulation (thousand shares)(dilution):		
Weighted average number of ordinary shares in circulation (basic)	71,052	71,052
Impact of employee stock remuneration	1,293	2,381
Weighted average number of ordinary shares in circulation (dilution)	72,345	73,433

(XV) Revenue from customer contracts

1. Breakdown of income

	2023	2022
Main regional market:		
Taiwan	$ 337,286	562,531
Mainland China	2,074,822	2,004,521
Other countries	52,431	46,431
	$ 2,464,539	2,613,483
Main products:		
Power MOSFET	$ 2,452,211	2,494,986
Other	12,328	118,497
	$ 2,464,539	2,613,483

2. Contract balance

	2023.12.31	2022.12.31	2022.1.1
Accounts receivable (including related parties)	$ 749,528	738,371	986,277
Less: allowance for losses	(940)	(898)	(1,218)
Total	**$ 748,588**	**737,473**	**985,059**
Contract liabilities	**$ 413**	**2,139**	**8,478**

Please refer to Note 6 (3) for details of disclosure of Accounts receivable (including related parties) and their impairment.

The beginning balance of contract liabilities on January 1, 2023 and 2022 was recognized as revenue from January 1 to December 31, 2023 and 2022 of NT$ 2,070 thousands and NT$ 4,157 thousands respectively.

The change in contract liabilities is mainly attributable to the difference between the time when The Company transfers the product to the customer to satisfy the performance obligation and the time when the customer pays.

(XVI) Remuneration of employees, directors and supervisors

The company re-elected directors at the shareholders' meeting on June 8, 2022, and an audit committee established by independent directors will replace the supervisory authority, and the relevant provisions of the company's articles of association will be revised.

According to the Company’s revised Articles of Association, if there is any profit in the year, no less than 10% shall be allocated as employee remuneration and no more than 5% as director remuneration. The remuneration of employees is decided by the Board of Directors to be distributed in stock or cash, and the target of distribution includes employees of subordinate companies who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the employee remuneration and the director remuneration according to the proportion mentioned in the preceding paragraph. According to the original Articles of Association of the Company, if there is any profit in the year, no less than 10% shall be allocated as employee remuneration and no more than 5% as supervisor remuneration. The remuneration of employees is decided by the Board of Directors to be distributed in stock or cash, and the target of distribution includes employees of subordinate companies who meet certain conditions. However, if the Company still has accumulated losses, it shall reserve the compensation amount in advance, and then allocate the employee remuneration and the supervisor remuneration according to the proportion mentioned in the preceding paragraph.

The Company‘s estimated compensation for employees in 2023 and 2022 were NT$ 48,372 thousands and NT$ 95,199 thousands respectively, while the estimated compensation for directors and supervisors were NT$ 13,820 thousands and NT$ 27,200 thousands respectively, which was estimated based on the net profit before tax of the Company for the period before deducting the remuneration of employees, directors and supervisors multiplied by the remuneration of employees and directors and supervisors as stipulated in the Articles of Association of the Company. This is also reported as the operating cost or operating expenses for the period. Relevant information can be found at the Public Information Platform. If there is any difference between the actual distribution and the estimated amount in 2023, the change shall be treated according to the accounting estimation and recognized as the profit and loss in 2024. The actual distribution in 2022 is the same as the estimated amount in the individual financial statement of the Company in 2022.

(XVII) Non-operating income and expenditure

1. Other incomes

Details of other income of the Company are as follows:

	2023	2022
Other income	$ 12,562	5,954

2. Other profit and loss

Details of other profit and loss of the Company are as follows:

	2023	2022
Net foreign currency exchange profit (loss)	$ (1,688)	146,145
Net profits of financial assets measured at fair value through profit or loss	7,112	317
Others	1,152	(688)
	$ 6,576	145,774

3. Financial cost

Details of the finance costs of the Company are as follows:

	2023	2022
Interest expense	$ 5	-

(XVIII) Financial Instrument

1. Credit risk

The book value of financial assets represents the maximum credit exposure amount. The maximum amount of credit exposure on December 31, 2023 and 2022 was NT$ 2,076,218 thousands and NT$ 1,915,079 thousands respectively.

Credit risk refers to the risk of financial loss of the Company caused by the counterpart's failure to fulfill its contractual obligations. The main potential credit risk of the Company stems from the risk that the counterpart fails to perform the contract when it expires.

(1) Accounts receivable and other receivables

On December 31, 2023 and 2022, the Company accounted for 42% and 53% of the total accounts receivable from the top five sales customers respectively, which made the Company have concentrated credit risk. In order to reduce credit risk, the Company regularly and continuously evaluated the financial status of these customers and the recovery possibility of their accounts receivable. These customers had good profit and credit records in the past, and the Company did not suffer any significant credit risk loss due to these customers during the reporting period.

(2) Investment

The credit risk of bank deposits and other financial instruments is measured and monitored by the financial department of the Company. Since the trading objects of the Company are all banks with good credit, there is no significant performance concern, so there is no significant credit risk.

2. Liquidity risk

The following table shows the contractual maturity date of financial liabilities, including estimated interest but excluding the impact of net agreement.

	Book value	Contract cash flow	6 months within	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 495,246	495,246	495,246	-	-	-	-
Other payable (including related parties)	146,389	146,389	146,389	-	-	-	-
Lease liabilities	1,490	1,580	285	282	557	456	-
Deposits received	11	11	-	-	-	-	11
	$ 643,136	643,226	641,920	282	557	456	11
December 31, 2022							
Non-derivative financial liabilities							
Accounts payable (including related parties)	$ 432,524	432,524	432,524	-	-	-	-
Other payable (including related parties)	226,442	226,442	226,442	-	-	-	-
Deposits received	11	11	-	-	-	-	11
	$ 658,977	658,977	658,966	-	-	-	11

The Company does not expect that the cash flow of maturity analysis will occur significantly earlier, or the actual amount will be significantly different.

The Company's capital, working capital and bank financing amount are sufficient to fulfill all contractual obligations, so there is no liquidity risk due to the inability to raise funds to fulfill contractual obligations. In addition, the unused loan amount of the

Company on December 31, 2023 and 2022 totaled NT$ 962,608 thousands and NT$ 962,665 thousands respectively.

3. Market risk

(1) Exchange rate risk

The financial assets and liabilities of the Company exposed to significant foreign currency exchange rate risks are as follows:

	2023.12.31			2022.12.31		
	Foreign currency	**Exchange rate**	**NTD**	**Foreign currency**	**Exchange rate**	**NTD**
Financial Asset						
Monetary items						
USD	$ 32,208	30.705	988,960	34,940	30.710	1,073,016
Financial liabilities						
Monetary items						
USD	16,386	30.705	503,125	14,426	30.710	443,023

(2) Sensitivity analysis

The exchange rate risk of the Company mainly comes from cash and equivalent cash denominated in foreign currency, accounts receivable, other receivable, accounts payable and other payable etc., which generate foreign currency exchange profits and losses during translation. On December 31, 2023 and 2022, when the NT dollar depreciated or appreciated by 1% against the US dollar and all other factors remained unchanged, the net loss before tax in 2023 and 2022 will increase or decrease by NT$ 4,858 thousands and NT$ 6,300 thousands respectively. The two phases of analysis adopt the same basis.

(3) Exchange profits and losses of monetary items

The exchange rate information of the exchange (loss) profit (including realized and unrealized) of the monetary items of the Company into the functional currency NTD (that is, the expression currency of the company) is as follows:

	2023		2022	
Functional Currency	**Exchange (loss) profit**	**Average exchange rate**	**Exchange (loss) profit**	**Average exchange rate**
NTD	$ (1,688)	1	146,145	1

4. Interest rate analysis

The Company does not undertake debts with floating interest rate, while the financial assets with floating interest rate are bank deposits. It is assessed that the cash flow risk caused by the change of market interest rate is not significant, so sensitivity analysis is not conducted.

5. Fair value information

(1) Types and fair value of financial instruments

The book value and fair value of the financial assets and financial liabilities of the Company (including fair value grade information, but the book amount of financial instruments not measured at fair value is a reasonable approximation of fair value is not required to disclose fair value information) are listed as follows:

	2023.12.31				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss-current	$ 7,112	-	-	7,112	7,112
Financial assets measured at amortized cost:					
Cash and equivalent cash	$ 1,298,136				
Accounts receivable (including related parties)	748,588				
Other accounts receivable (including related parties)	16,494				
Refundable deposits	5,888				
Total	$ 2,069,106				
Financial liabilities measured at amortized cost:					
Accounts payable (including related parties)	$ 495,246				
Other accounts payable (including related parties)	146,389				
Lease liabilities	1,490				
Deposits received	11				
Subtotal	$ 643,136				

	2022.12.31				
		Fair value			
	Book value	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets measured at fair value through profit or loss-current	$ 317	-	-	317	317
Financial assets measured at amortized cost:					
Cash and equivalent cash	$ 1,152,180				
Accounts receivable (including related parties)	737,473				
Other accounts receivable (including related parties)	17,541				
Refundable deposits	7,568				
Total	$ 1,914,762				

	2022.12.31				
		Fair value			
	Book value	Level 1	Level 2	Level 3	Total
Financial liabilities measured at amortized cost:					
Accounts payable (including related parties)	$ 432,524				
Other accounts payable (including related parties)	226,442				
Deposits received	11				
Subtotal	$ 658,977				

(2) The fair value evaluation technology of financial instruments measured by fair value

The fair value of derivatives is priced by public quotation. When the public quotation cannot be obtained, the fair value of the contract is calculated based on the spot exchange rate and exchange points on the respective maturity dates.

(3) The Company did not have any fair value level transfer from January 1 to December 31, 2023 and 2022.

(4) List of changes in the Level 3

	Financial assets(liabilities) measured at fair value through profit or loss
January 1, 2023	$ 317
Purchase/Disposition/Liquidation	(317)
Recognized in profit or loss	7,112
December 31, 2023	$ 7,112
January 1, 2022	$ (1,909)
Purchase/Disposition/Liquidation	1,909
Recognized in profit or loss	317
December 31, 2022	$ 317

The above total profits or losses are reported in series as "other profits and losses". Among them, the assets or liabilities held as at December 31, 2023 and 2022 are as follows:

	2023.12.31	2022.12.31
Total profit and loss		
Recognized in profit or loss (reported in "other profits and losses")	$ 7,112	317

(5) Quantitative information on fair value measurement of significant unobservable input values (Level 3)

The fair value measurement of the Company is classified into the Level 3 of financial assets (liabilities) at fair value through profit or loss - derivative financial instruments. This source of fair value is a third party quotation, so it is not intended to disclose the sensitivity analysis of significant unobservable input values.

(XIX) Financial risk management

1. Summary

The Company is exposed to the following risks due to the use of financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

Please refer to Note 6 (18) for the critical information of the above risks, the objectives, policies and procedures of the Company for measuring and managing risks, and further quantitative disclosure.

2. Risk management structure

The risk management policy of the Company is established to identify and analyze the risks faced by the Company, set appropriate risk limits and controls, and supervise the compliance of risks and risk limits. Risk management policies and systems are regularly reviewed to reflect market conditions and changes in the operation of the Company. The Company develops a disciplined and constructive control environment through training, management standards and operating procedures, so that all employees can understand their roles and obligations.

The board of directors of the Company supervises how the management level monitors the compliance of the risk management policies and procedures of the Company, and reviews the appropriateness of the relevant risk management structure of the company for the risks it faces. Internal auditors assist the board of directors of the Company to play a supervisory role. These personnel conduct regular and exceptional reviews of risk management controls and procedures, and report the review results to the Board of Directors.

(XX) Investment management

It is the policy of the Board of Directors to maintain a sound capital base to maintain the confidence of investors, creditors and the market and support the development of future operations. Capital includes the company's share capital, capital surplus, retained earnings and other equity.

The capital management objective of the Company is to guarantee the ability to continue to operate, to provide shareholders' remuneration and other stakeholders' benefits continuously, and to maintain the best capital structure to reduce the cost of capital. The debt ratios on December 31, 2023 and 2022 were 19% and 22% respectively.

As of December 31, 2023, the way of capital management of the Company has not changed.

(XXI) Changes in liabilities from financial activities

Adjustments to changes in liabilities from financial activities are shown in the following table:

	January 1, 2023	Cash flows	Changes of non-cash	December 31, 2023
Lease liabilities	$ -	(85)	1,575	1,490
Deposits received	11	-	-	11
Total liabilities from financial activities	**$ 11**	**(85)**	**1,575**	**1,501**

	January 1, 2022	Cash flows	Changes of non-cash	December 31, 2022
Deposits received	$ 5,704	(5,706)	13	11
Total liabilities from financial activities	**$ 5,704**	**(5,706)**	**13**	**11**

VII. Related party transactions

(I) Name and relationship of related parties

During the period covered by this individual financial report, the related parties who had transactions between the Company and its subsidiaries are as follows:

Name of related party	Relationship with the Company
Jinrong Investment Co., Ltd.(Jinrong Investment)	The Company's subsidiaries
Power Up Tech Co., Ltd. (Power Up)	〃
Wuxi Super GEM Micro Electric Co., Ltd (Wuxi Super GEM)	〃
Caifeng Investment Co., Ltd.(Caifeng Investment)	Substantive parties
Super Group Semiconductor Co., Ltd. (Super Group Semiconductor)	Affiliated enterprise(Note)
Green Solution Technology Co., Ltd. (Green Solution Technology)	Affiliated enterprise
Wuxi U-NIKC-Semiconductor Corp. Ltd. (Wuxi U-NIKC-Semiconductor)	Affiliated enterprise (Green Solution Technology's subsidiaries)
Wuxi U-NIKC-Semiconductor (HK) Corp. Ltd. (Wuxi U-NIKC-Semiconductor (HK))	〃
Chang Kuan Investments Co., Ltd. (Chang Kuan Investments)	Its chairman is the same person as the company
Liang Jia Investments Co., Ltd. (Liang Jia Investments)	〃

Note: Super Group Semiconductor was substantive parties of the company. Since the company obtained 28.57% of its shares on September 30, 2022, it became an affiliated enterprise of the company.

(II) Major transactions with related parties

1. Sale to related parties

The company's sales amount to related parties and its outstanding balance are as follows:

	Sales		Accounts receivable from related parties	
	2023	**2022**	**2023.12.31**	**2022.12.31**
Affiliated enterprise:				
Other affiliated enterprise	**$ 793**	**52,126**	**545**	**-**

There is no significant difference between the sales conditions of the Company and the general sales price. In 2023 and 2022, the payment conditions were 90 days for monthly close, and the average customer was about 30 days for monthly close to 120 days for the next monthly close.

2. Purchase from related parties

The purchase amount and outstanding balance of the Company from related parties are as follows:

	Purchase		Accounts payable	
	2023	**2022**	**2023.12.31**	**2022.12.31**
Affiliated enterprise:				
Other affiliated enterprise	**$ 8,655**	**5,476**	**1,041**	**66**

In order to provide customers with a complete power management plan, the company purchases customized products from related parties. There is no competitive purchase price of the products from the ordinary manufactures. The terms of payment in 2023 and 2022 are 30 days, while the terms of payment for ordinary manufacturers are about 30 to 90 days.

3. Purchase labor services from related parties

	Transaction amount		Other payable	
	2023	2022	2023.12.31	2022.12.31
Subsidiary:				
Power Up -handles after-sales service and quality control expenditure of products	$ 26,913	25,810	952	952
Affiliated enterprise:				
Super Group Semiconductor - Product development project fees	9,700	12,300	3,255	6,615
Super Group Semiconductor - Product royalty fees	45,767	42,294	7,988	7,141
	$ 82,380	80,404	12,195	14,708

As of December 31, 2023 and 2022, the new product development contracts and outsourcing design contracts signed by the company and its related parties have not yet been recognized due to the failure to reach the agreed development and design stage. Please refer to Note 9 for details.

4. Rental income

Rental income of the company arising from leasing offices to related parties is as follows:

	Transaction amount		Other receivables	
	2023	2022	2023.12.31	2022.12.31
Subsidiary:				
Jinrong Investment	$ 17	17	17	35
Affiliated enterprise:				
Green Solution Technology	2,857	2,857	250	250
Other related parties:				
Other related parties	47	29	36	23
	$ 2,921	2,903	303	308

The company collects rent according to the contract, and the relevant rent is determined by negotiation between the two parties.

5. Property transaction

The company made a seasoned equity offering of NT$ 50,000 thousands to its subsidiary, Jinrong Investment Co., Ltd., resolved by the board of directors on November 7, 2023. And the base date on November 30, 2023.

The company made a seasoned equity offering of NT$ 49,000 thousands to its subsidiary, Jinrong Investment Co., Ltd., resolved by the board of directors on August 5, 2022. And the base date on September 19, 2022.

(III) Main management personnel transactions

Remuneration for main management personnel includes:

	2023	2022
Short-term employee welfare	$ 26,919	36,968
Post-retirement welfare	437	445
Resignation welfare	-	-
Other long-term welfare	-	-
Share-based payment	-	-
	$ 27,356	37,413

VIII Pledged Assets

Details of the book value of assets provided by the Company as collateral are as follows:

Assets name	Pledge object	2023.12.31	2022.12.31
Property, plant and equipment - Land	Bank loan	$ 97,394	97,394
-House and building	〃	45,075	46,304
Investing property - Land	〃	48,068	48,068
-House and building	〃	22,295	22,902
		$ 212,832	214,668

IX. Major Contingent Liabilities and Unrecognized Contractual Commitments

(I) The amount of guaranteed promissory notes issued by the Company as a result of signing loan limit and financial commodity trading limit with financial institutions is as follows.

	2023.12.31	2022.12.31
Loan limit and financial commodities trading limit	$ 1,075,476	1,057,121

(II) On December 31, 2023 and 2022, the amounts of new product development contracts and outsourcing design contracts signed by the company that have not yet reached the agreed development and design stage and have not yet applied to the company are NT$ 36,100 thousands and NT$ 34,600 thousands respectively; In addition, the Company agreed in the new product development contract that when the product enters the mass production stage, it shall pay the royalty fee according to the relevant wafer purchase quantity and the agreed price.

(III) The company signed a capacity guarantee purchase contract with the supplier on May 30, 2018, and due to the agreement on the minimum purchase amount, the deposit amount shall be paid. As of December 31, 2023 and 2022, the deposit amount has been NT$ 5,000 thousands and NT$ 7,500 thousands respectively under other current assets and other non-current assets.

(IV) The company signed a capacity guarantee purchase contract with the supplier on May 7, 2021, November 30, 2021, and January 28, 2022 and due to the agreement on the purchase amount, the amount shall be paid in advance. As of December 31, 2023 and 2022, the prepaid amount has been NT$ 69,032 thousands and NT$ 88,423 thousands respectively under other current assets and other non-current assets.

X. Major disaster losses: None.

XI. Major post-date events: None.

XII. Others

The functions of employee benefits, depreciation, depletion and amortization expenses are summarized as follows:

Functional classification / Natural classification	2023			2022		
	Attributable to operating costs	Attributable to operating expenses	Total	Attributable to operating costs	Attributable to operating expenses	Total
Salary expense	40,047	141,481	181,528	50,409	182,851	233,260
Labor and health insurance expenses	3,553	8,053	11,606	4,097	9,023	13,120
Pension expense	1,750	4,712	6,462	1,732	4,656	6,388
Directors' remuneration	-	17,195	17,195	-	28,541	28,541
Other employee welfare expenses	2,196	4,796	6,992	2,259	4,911	7,170
Depreciation expense	8,469	17,257	25,726	6,498	13,907	20,405
Amortized expense	-	600	600	-	218	218

Additional information on the number of employees and employee welfare expenses of the Company in 2023 and 2022 is as follows:

	2023	2022
Number of employees	133	132
Number of directors who are not concurrently employees	4	4
Average employee welfare expenses	$ 1,601	2,031
Average employee salary expense	$ 1,407	1,822
Adjustment of average employee salary expenses	(22.78)%	6.61%
Supervisor remuneration	$ -	2,064

Individual Financial Report Note (Continue) of Niko Semiconductor Co., Ltd.

The Company's salary and compensation policy (including directors, managers and employees) is as follows:

1. Directors and managers:

   The remuneration policy of directors is stipulated in Article 15 of the Articles of Association. The remuneration policy of managers is based on their academic experience and with reference to the salary level of peers, and evaluates their responsibilities, achievement of objectives and contribution to the company's positions. The operating results of the company in that year are submitted to the Salary and Compensation Committee for deliberation and then submitted to the Board of Directors for resolution.

   If the Company's annual final accounts are profitable, the remuneration of directors and employees shall be calculated and allocated according to Article 19 of the Articles of Association, which shall be submitted to the Remuneration Committee for deliberation and recommendations based on the Company's operating performance and peer distribution, and then submitted to the board of directors for discussion and resolution, and reported to the shareholders' regular meeting.

2. Employee

   (1) Salary

   According to their academic experience, professional knowledge and technology, professional seniority experience, salary market, company operating conditions and organizational structure, and timely adjust according to market salary dynamics, changes in overall economic and industrial prosperity, and government laws and regulations.

   (2) Year-end bonus

   The year-end bonus is allocated according to the company's operating conditions, and the year-end bonus is issued according to the employee performance appraisal results.

   (3) Annual salary adjustment

   Carry out annual salary adjustment with reference to market and peer salary level, company operation and personal performance appraisal.

   (4) Employee compensation

   When the company makes a profit in the annual settlement, the part allocated according to Article 19 of the Articles of Association is the employee remuneration, which is distributed according to the employee unit, individual performance and length of service.

XIII. Matters disclosed in notes

(I) Relevant information on major transactions

In 2023, according to the establishment standards, the Company should disclose the following information about the major transactions:

1. Loaning funds to others: None.
2. Endorsement guarantee for others: None.
3. Securities held at the end of the period (excluding investment subsidiaries, affiliated enterprises and equity of joint ventures): None.
4. The cumulative amount of buying or selling the same securities reaches NT$ 300 million or more than 20% of paid-in capital: None.
5. The amount of property acquired is NT$ 300 million or more than 20% of paid-in capital: None.
6. The amount of property disposed of is NT$ 300 million or more than 20% of paid-in capital: None.
7. The amount of goods purchased or sold with related parties reaches NT$ 100 million or more than 20% of paid-in capital: None
8. Amounts due from related parties reaches NT$ 100 million or more than 20% of paid-in capital: None.
9. Engage in derivatives transaction: Please refer to Note 6(2) for details.

(II) Information related to joint venture:

In 2023, the company's joint venture information is as follows (excluding investee companies in mainland China):

Unit: NT$ thousands/share

Investing company Name	Invested company Name	Area	Major business Item	Original investment amount At end of current period	End of last year	Final holding Shares	Ratio	Book amount	Invested company Current profit and loss	Current recognized Investment profit and loss	Note
The Company	Jinrong Investment Co., Ltd.	Taiwan	Holding company	150,000	100,000	15,000,000	100.00%	207,036	(1,532)	(1,500)	Note 1
〃	Power Up Tech Co., Ltd.	Samoa	Holding company	30,744	30,744	1,930,000	100.00%	42,428	908	908	〃
Jinrong Investment Co., Ltd.	Green Solution Technology Co., Ltd.	Taiwan	Manufacturing and Product Design of Electronic Components	48,875	48,875	4,511,514	15.04%	76,696	3,622	545	Note 2
〃	Super Group Semiconductor	Taiwan	Integrated Circuit Design Service, Manufacturing	63,880	45,000	1,284,000	36.69%	93,907	(3,720)	(734)	〃

Note 1: The Company’s subsidiary.
Note 2: Jinrong Investment’s associated enterprise.

Individual Financial Report Note (Continue) of Niko Semiconductor Co., Ltd.

(III) Investment information in mainland China:

1. Relevant information such as the name and main business items of the invested company in mainland China:

Unit: NT$ thousands

Name of mainland Invested Company	Major business items	Paid-in capital	Investing mode	Accumulated investment amount remitted from Taiwan at beginning of current period	Amount of investment remitted or recovered in current period		Accumulated investment amount remitted from Taiwan at end of current period	Invested company Current profit and loss	Shareholding ratio of Company's direct or indirect investment	Investment profits and losses recognized for current period(Note)	Book value of final investment (Note)	Remitted back investment income as of end of current period
					remitted	recovered						
Wuxi Super GEM Microelectronics Co., Ltd.	Metal oxide semiconductor manufacturing, development and sales business, product quality monitoring and testing services; Selling self-produced products	33,966	Note	61,463	-	-	61,463	3,044	100.00%	3,044	13,859	-

Note: indirect investment is made through the third land of Power Up Tech Co., Ltd

2. Investment limit in mainland region:

Accumulated investment remitted from Taiwan to mainland region at the end of current period	Investment amount approved by MOEAIC	Investment limit in mainland regulated by MOEAIC
61,463	61,463	1,717,633

3. Major transactions with mainland invested companies:

Through Power Up Tech Co., Ltd, the Company entrusted Wuxi Super GEM Microelectronics to handle the after-sales service, quality control and storage management of the products on its behalf. The related expenditures in 2023 and 2022 were NT$ 26,166 thousands and NT$ 25,093 thousands respectively.

(IV) Information of major shareholders:

Share Name of major shareholder	Holding share	Holding proportion
Liangjia Investment Co., Ltd.	3,880,498	5.46%

XIV. Department information

Please refer to the consolidated financial report of 2023.

Niko Semiconductor Co., Ltd.

Detail table of cash and equivalent cash

Balance on December 31, 2023

Unit: NT$ thousands

Item	Abstract	Amount
Cash on hand and petty cash		$ 315
Check and demand deposit	Deposit at NT$	1,058,366
	Deposit at foreign currency - USD 7,797 thousands, exchange rate 30.705	239,421
	Deposit at foreign currency - HKD 9 thousands, exchange rate 3.929	34
		$ 1,298,136

Detail table of account receivable

Customer name	Abstract	Amount
Account receivable:		
Customer H0716	Operating income of non-related parties	$ 96,095
Customer M0758	〃	79,258
Customer A0291	〃	69,922
Customer W0741	〃	68,050
Customer K0665	〃	38,247
Customer C0527	〃	37,565
Other (Note)		359,846
Subtotal		748,983
Reduce: allowance loss		(940)
Net amount of account receivable		$ 748,043

Note: The balance of each household does not exceed 5% of the amount of this account, so it is not listed separately.

Niko Semiconductor Co., Ltd.

Detail table of inventory

Balance on December 31, 2023

Unit: NT$ thousands

Item	Amount	
	Cost	Net realized value
Finished products and goods	$ 240,166	
Reduce: Allowance for falling prices and slow losses	(33,014)	
	207,152	280,140
Work-in-progress and semi-finished products	556,259	
Reduce: Allowance for falling prices and slow losses	(92,991)	
	463,268	636,128
Raw material	55,802	
Reduce: Allowance for falling prices and slow losses	(4,351)	
	51,451	51,451
Net amount	$ 721,871	967,719

Detail table of other current assets

Item	Abstract	Amount
Prepayment for purchases		$ 18,305
Overpaid sales tax		6,947
Refundable deposits		2,500
Others (Note)		919
		$ 28,671

Note: The balance of each household does not exceed 5% of the amount of this account, so it is not listed separately.

Niko Semiconductor Co., Ltd.

Detail table of investment changes

using equity method

January 1 to December 31, 2023

Unit: NT$ thousands / thousands shares

	Beginning balance		Current increase		Current reduce		Other transaction		Ending balance			Market price or Total amount of net value	Provide surety or pledge situation
Invested Company	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount (Note)	Number of shares	Shareholding ratio	Amount		
Jinrong Investment Co., Ltd.	10,000	$ 155,302	5,000	50,000	-	-	-	1,734	15,000	100%	207,036	207,036	None
Power Up Tech Co., Ltd.	1,930	41,771	-	-	-	-	-	657	1,930	100%	42,428	42,428	None
		$ 197,073		50,000		-		2,391			249,464	249,464	

Note: Investment profit and loss, accumulated translation adjustment, realized gross profit of sales and share of other comprehensive income of subsidiaries and affiliated enterprises recognized by equity method are recognized.

Niko Semiconductor Co., Ltd.

Detail table of property, plant and equipment

January 1 to December 31, 2023 **Unit: NT$ thousands**

Please refer to Note 6(6) for information related to property, plant and equipment.

Detail table of investment property changes

Please refer to Note 6(8) for information related to investment property.

Detail table of other non-current assets

Balance on December 31, 2023

Item	Abstract	Amount
Long-term prepaid	Prepayment for capacity guarantee purchase	$ 55,947
Refundable deposits		3,388
Others (Note)		1,039
		$ 60,374

Note: The balance of each household does not exceed 5% of the amount of this account, so it is not listed separately.

Niko Semiconductor Co., Ltd.

Detail table of account payable

Balance on December 31, 2023

Unit: NT$ thousands

Customer name	Abstract	Amount
Accounts payable:		
Supplier 21015	Purchase of non-related parties	$ 126,774
Supplier 23029	〃	125,905
Supplier 21002	〃	79,523
Supplier 21039	〃	38,619
Supplier 13003	〃	30,783
Other (Note)		92,601
Total		**$ 494,205**

Note: The balance of each household does not exceed 5% of the amount of this account, so it is not listed separately.

Detail table of other payables

Item	Abstract	Amount
Remuneration payable to employees and directors		$ 62,567
Expenses payable	Project development fee, freight, insurance fee, labor fee and import declaration fee, etc.	57,973
Salary payable and year-end bonus	Salary and year-end bonus	25,849
		$ 146,389

Niko Semiconductor Co., Ltd.

Detail table of operating revenue

January 1 to December 31, 2023

Unit: NT$ thousands

Item	Quantity of sale goods (thousand pieces)	Amount
Power metal–oxide–semiconductor field-effect transistor	1,225,892	$ 2,505,150
Other	6,447	12,520
Subtotal		2,517,670
Reduce: Sales return and discount		53,131
Net amount of operating revenue		$ 2,464,539

Niko Semiconductor Co., Ltd.

Detail table of Operating cost

January 1 to December 31, 2023 **Unit: NT$ thousands**

Item	Amount
Beginning Raw Material	$ 75,246
Add: Purchase	183,809
Reduce: Research and development recipients	(3,185)
Raw Materials scrapped	(7,086)
Ending Raw Material	(55,802)
Direct Raw Material	192,982
Manufacturing expense	1,476,087
Manufacturing cost	1,669,069
Add: Beginning work-in-progress and semi-finished products	590,504
Current purchased semi-finished products	64,342
Reduce: Sell semi-finished product cost	(1,909)
Research and development recipients	(2,434)
Semi-finished products scrapped	(2,506)
Ending work-in-progress and semi-finished products	(556,259)
Cost of finished products	1,760,807
Add: Beginning finished product	252,305
Other	551
Reduce: Finished product scrapped	(11,860)
Ending finished product	(238,948)
Cost of finished product sales	1,762,855
Beginning goods	5,605
Add: Purchase	8,655
Goods scrapped	(4,090)
Ending goods	(1,218)
Cost of goods sales	8,952
Cost of semi-finished product sales	1,909
Other operating cost	45,139
Operating cost	**$ 1,818,855**

Niko Semiconductor Co., Ltd.

Detail table of selling , management and R&D expenses

January 1 to December 31, 2023

Unit: NT$ thousands

Item	Selling Expense	Management Expense	R&D Expense
Salary Expense	$ 23,334	64,649	70,693
Export expense	40,969	5	595
Depreciation expense	18	5,747	11,492
Labor cost	30,486	6,073	571
Warehouse management service fee	10,301	-	-
Trial manufacturing expense	-	-	39,459
Outsource project expense	-	-	10,450
Other expense (Individual amounts that are less than 5% of the account amount)	10,701	25,708	29,613
Total	$ 115,809	102,182	162,873