NANTEX INDUSTRY CO., LTD.

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of NANTEX INDUSTRY CO., LTD.

Opinion

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

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

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Evaluation of inventories

<u>Description</u>

Refer to Note 4(9) for description of accounting policies on inventory, Note 5 for accounting estimates and assumption uncertainty in relation to inventory valuation, and

Note 6(5) for description of inventory. As at December 31, 2023, the balances of inventories and allowance for inventory valuation losses were NT$506,369 thousand and NT$38,594 thousand, respectively.

The Company is primarily engaged in manufacturing, processing and sales of various types of latex, rubbers and related products. As the Company's inventories are mostly chemicals, they are subject to deterioration and fluctuations in global commodity prices. Since the measurement of net realisable value for inventories involves subjective judgment resulting in a high degree of estimation uncertainty, we considered the evaluation of inventories a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Compared whether the provision policies of inventory valuation losses were adopted consistently in all periods and assessed the reasonableness of the provision policies.

B. Obtained an understanding on warehousing control procedures, reviewed the annual physical inventory count plan and participated in the annual physical inventory count to assess the effectiveness of the management's classification of and control over obsolete inventories.

C. Examined the accuracy of inventory aging reports, sampled the last movement of inventories before the balance sheet date to calculate the accuracy of inventory aging ranges and assessed the possibility of obsolescence in inventories aged over a certain period.

D. Sampled the calculation of net realisable value of individual inventories and compared with the recorded amounts.

Existence of sales revenue recognition from export sales

Description

Refer to Note 4(25) for the accounting policies on revenue recognition. The Company is primarily engaged in the manufacture, processing and sales of various types of latex, rubbers and related products, and is involved in domestic and international sales. Affected by the economic environment, the net sales revenue in 2023 was NT$3,220,392 thousand, a decrease of 36% compared to the prior year. Since the export sales transactions are numerous, accounting for 89% of the overall net sales revenue, and the verification of transaction authenticity also takes a long time, we considered the existence of sales revenue recognition from export sales a key audit matter.

How our audit addressed the matter

We performed the following audit procedures on the above key audit matter:

A. Obtained an understanding on the design of internal control system related to sales transaction process and tested the effectiveness of its operation.

B. Assessed basic information of the major customers apart from Taiwan region, including representative, registered address, actual business address and relationship, and assessed the reasonableness of transactions.

C. Selected samples of sales transactions and checked against related supporting documentation, including customer orders, shipping orders, export declaration documents and subsequent cash collection.

Responsibilities of management and those charged with governance for the parent company only financial statements

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

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

Those charged with governance, including the audit committee, are responsible for overseeing the Company's financial reporting process.

Auditors' responsibilities for the audit of the parent company only financial statements

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

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

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

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

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

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

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

F. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

	Hsu, Huei-Yu
Independent Accountants	
	Lin, Tzu-Shu

PricewaterhouseCoopers, Taiwan

Republic of China

March 6, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.

As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,016,300	13	$ 2,253,516	14
1110	Current financial assets at fair value through profit or loss	6(2)	30,150	-	31,050	-
1136	Current financial assets at amortised cost	6(1)(3)	-	-	767,750	5
1150	Notes receivable, net	6(4)	32,632	-	34,827	-
1170	Accounts receivable, net	6(4) and 7	269,397	2	245,068	2
1200	Other receivables		21,228	-	37,268	-
1210	Other receivables - related parties	7	-	-	20,528	-
130X	Inventory	5 and 6(5)	467,775	3	603,423	4
1410	Prepayments		88,489	1	82,476	1
11XX	**Total current assets**		2,925,971	19	4,075,906	26
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(6)	563,357	4	449,246	3
1550	Investments accounted for under equity method	6(7) and 7	9,888,362	65	9,322,449	60
1600	Property, plant and equipment	6(8) and 8	1,393,275	9	1,517,203	10
1755	Right-of-use assets	6(9) and 7	175,563	1	55,704	-
1780	Intangible assets	6(10)	350	-	540	-
1840	Deferred income tax assets	6(23)	19,794	-	21,304	-
1920	Guarantee deposits paid	8	413	-	413	-
1975	Net defined benefit asset	6(13)	178,888	1	149,460	1
1990	Other non-current assets		55,533	1	33,971	-
15XX	**Total non-current assets**		12,275,535	81	11,550,290	74
1XXX	**Total assets**		$ 15,201,506	100	$ 15,626,196	100

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NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11)	$ 100,000	1	$ 100,000	1
2130	Current contract liabilities	6(16) and 7	8,284	-	16,199	-
2170	Accounts payable		119,439	1	138,521	1
2200	Other payables	6(12) and 7	262,325	2	349,545	2
2230	Current income tax liabilities	6(23)	23,700	-	176,994	1
2280	Current lease liabilities	6(9) and 7	29,799	-	15,258	-
21XX	**Total current liabilities**		543,547	4	796,517	5
	Non-current liabilities					
2570	Deferred income tax liabilities	6(23)	364,877	2	362,620	3
2580	Non-current lease liabilities	6(9) and 7	150,130	1	43,493	-
25XX	**Total non-current liabilities**		515,007	3	406,113	3
2XXX	**Total liabilities**		1,058,554	7	1,202,630	8
	Equity					
	Share capital					
3110	Common stock	6(14)	4,924,167	32	4,924,167	31
	Capital surplus					
3200	Capital surplus	6(7)	28,939	-	28,939	-
	Retained earnings	6(15)				
3310	Legal reserve		2,547,956	17	2,420,743	15
3320	Special reserve		433,442	3	433,442	3
3350	Unappropriated retained earnings		6,270,471	41	6,652,642	43
	Other equity interest					
3400	Other equity interest	6(7)	(62,023)	-	(36,367)	-
3XXX	**Total equity**		14,142,952	93	14,423,566	92
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after the balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 15,201,506	100	$ 15,626,196	100

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

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(16) and 7	$ 3,220,392	100	$ 5,013,577	100
5000	Operating costs	6(5)(13)(21)(22)	(2,688,795)	(83)	(3,895,575)	(77)
5900	Net operating margin		531,597	17	1,118,002	23
	Operating expenses	6(10)(13)(21)(22)				
6100	Selling expenses		(221,341)	(7)	(421,515)	(9)
6200	General and administrative expenses		(285,083)	(9)	(359,099)	(7)
6300	Research and development expenses		(60,750)	(2)	(62,519)	(1)
6000	Total operating expenses		(567,174)	(18)	(843,133)	(17)
6900	Operating (loss) profit		(35,577)	(1)	274,869	6
	Non-operating income and expenses					
7100	Interest income	6(3)(6)(17)	75,429	2	42,141	1
7010	Other income	6(6)(18) and 7	9,581	-	41,580	1
7020	Other gains and losses	6(2)(6)(19) and 12	(7,231)	-	423,550	8
7050	Finance costs	6(9)(20) and 7	(2,955)	-	(1,123)	-
7070	Share of profit of subsidiaries, associates and joint ventures accounted for using equity method	6(7)	759,953	24	713,482	14
7000	Total non-operating income and expenses		834,777	26	1,219,630	24
7900	**Profit before income tax**		799,200	25	1,494,499	30
7950	Income tax expense	6(23)	(85,161)	(3)	(301,867)	(6)
8200	**Profit for the year**		$ 714,039	22	$ 1,192,632	24
	Other comprehensive income (loss)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Actuarial gains on defined benefit plans	6(13)	$ 19,886	1	$ 99,273	2
8316	Unrealised gains on financial assets measured at fair value through other comprehensive income	6(6)	144,499	5	47,592	1
8330	Share of other comprehensive (loss) income of associates and joint ventures accounted for using equity method	6(7)	(84,865)	(3)	73	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(23)	(3,977)	-	(19,854)	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(7)	(85,879)	(3)	313,083	6
8367	Unrealised gains on valuation of investments in debt instruments measured at fair value through other comprehensive income, net	6(6)	516	-	2,154	-
8300	**Other comprehensive (loss) income for the year**		($ 9,820)	-	$ 442,321	9
8500	**Total comprehensive income for the year**		$ 704,219	22	$ 1,634,953	33
	Earnings per share (in dollars)	6(24)				
9750	Basic		$	1.45	$	2.42
9850	Diluted		$	1.45	$	2.42

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

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Share Capital	Capital Surplus	Retained Earnings			Other Equity Interest		
	Notes	Common stock	Changes in ownership interest of subsidiaries	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains from financial assets measured at fair value through other comprehensive income	Total
Year ended December 31, 2022									
Balance at January 1, 2022		$ 4,924,167	$ 608	$ 1,683,582	$ 433,442	$ 9,564,596	($ 453,613)	$ 54,417	$ 16,207,199
Profit for the year		-	-	-	-	1,192,632	-	-	1,192,632
Other comprehensive income for the year	6(6)(7)	-	-	-	-	79,492	313,083	49,746	442,321
Total comprehensive income		-	-	-	-	1,272,124	313,083	49,746	1,634,953
Distribution of 2021 net income:									
Legal reserve		-	-	737,161	-	(737,161)	-	-	-
Cash dividends	6(15)	-	-	-	-	(3,446,917)	-	-	(3,446,917)
Changes in equity of associates and joint ventures accounted for using equity method from acquiring shares unproportionately to ownership	6(7)	-	28,082	-	-	-	-	-	28,082
Changes in equity of associates and joint ventures accounted for using equity method	6(7)	-	249	-	-	-	-	-	249
Balance at December 31, 2022		$ 4,924,167	$ 28,939	$ 2,420,743	$ 433,442	$ 6,652,642	($ 140,530)	$ 104,163	$ 14,423,566
Year ended December 31, 2023									
Balance at January 1, 2023		$ 4,924,167	$ 28,939	$ 2,420,743	$ 433,442	$ 6,652,642	($ 140,530)	$ 104,163	$ 14,423,566
Profit for the year		-	-	-	-	714,039	-	-	714,039
Other comprehensive income (loss) for the year	6(6)(7)	-	-	-	-	15,836	(85,879)	60,223	(9,820)
Total comprehensive income (loss)		-	-	-	-	729,875	(85,879)	60,223	704,219
Distribution of 2022 net income:									
Legal reserve		-	-	127,213	-	(127,213)	-	-	-
Cash dividends	6(15)	-	-	-	-	(984,833)	-	-	(984,833)
Balance at December 31, 2023		$ 4,924,167	$ 28,939	$ 2,547,956	$ 433,442	$ 6,270,471	($ 226,409)	$ 164,386	$ 14,142,952

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

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 799,200	$ 1,494,499
Adjustments			
Adjustments to reconcile profit (loss)			
Losses on valuation of financial assets at fair value through profit or loss	6(2)(19)	900	30
Provision for (reversal) inventory market price decline	6(5)	11,721	(1,264)
Loss on disposal of investment	6(6)(19)	1,057	-
Share of profit of subsidiaries, associates and joint ventures accounted for under equity method	6(7)	(759,953)	(713,482)
Depreciation	6(8)(9)(21)	183,844	185,596
Property, plant and equipment transferred to expense	6(8)	7,420	818
Gain from lease modification	6(9)(19)	(25)	-
Amortisation	6(10)(21)	190	226
Interest income	6(17)	(75,429)	(42,141)
Dividend income	6(6)(18)	(3,400)	(12,338)
Interest expense	6(20)	2,955	1,123
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable		2,195	50,648
Accounts receivable		(24,329)	918,607
Other receivables		16,040	30,059
Other receivables - related parties		20,528	28,748
Inventories		123,927	(193,365)
Prepayments		(6,013)	98,878
Net defined benefit assets		(9,542)	(29,270)
Other non-current assets		(22,098)	(20,018)
Changes in operating liabilities			
Current contract liabilities		(7,915)	(34,701)
Accounts payable		(19,082)	(134,576)
Other payables		(83,823)	(751,340)
Current refund liabilities		-	(20,418)
Cash inflow generated from operations		158,368	856,319
Interest received		75,429	42,141
Dividends received		26,696	29,355
Interest paid		(2,955)	(1,123)
Income tax paid		(238,665)	(1,090,640)
Net cash flows from (used in) operating activities		18,873	(163,948)

(Continued)

NANTEX INDUSTRY CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31, 2023	Year ended December 31, 2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash paid for acquisition of current financial assets at amortised cost		$ -	($ 767,750)
Proceeds from disposal of current financial assets at amortised cost		767,750	-
Acquisition of financial assets at fair value through other comprehensive income		-	(16,383)
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(6)	29,847	-
Acquisition of investments accounted for using equity method	6(7)	-	(34,727)
Cash paid for acquisition of property, plant and equipment	6(25)	(44,339)	(101,823)
Increase in intangible assets	6(10)	-	(58)
Net cash flows from (used in) investing activities		753,258	(920,741)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(26)	-	50,000
Payment of lease liabilities	6(26)	(24,514)	(15,145)
Payment of cash dividends	6(15)	(984,833)	(3,446,917)
Net cash flows used in financing activities		(1,009,347)	(3,412,062)
Net decrease in cash and cash equivalents		(237,216)	(4,496,751)
Cash and cash equivalents at beginning of year	6(1)	2,253,516	6,750,267
Cash and cash equivalents at end of year	6(1)	$ 2,016,300	$ 2,253,516

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

NANTEX INDUSTRY CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

YEARS ENDED DECEMBER 31, 2023 AND 2022

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

(1) NANTEX INDUSTRY CO., LTD. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.) on January 10, 1979. The Company is primarily engaged in the manufacture, processing and sales of various types of latex, rubbers and related products.

(2) The common shares of the Company have been listed on the Taiwan Stock Exchange since October 27, 1992.

2. THE DATE OF AUTHORISATION FOR ISSUANCE OF THE FINANCIAL STATEMENTS AND PROCEDURES FOR AUTHORISATION

These parent company only financial statements were authorised for issuance by the Board of Directors on March 6, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

(1) Effect of the adoption of new issuances of or amendments to International Financial Reporting Standards (“IFRS®”) Accounting Standards that came into effect as endorsed by the Financial Supervisory Commission (“FSC”)

New standards, interpretations and amendments endorsed by the FSC and became effective from 2023 are as follows:

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board (“IASB”)
Amendments to IAS 1, ‘Disclosure of accounting policies’	January 1, 2023
Amendments to IAS 8, ‘Definition of accounting estimates’	January 1, 2023
Amendments to IAS 12, ‘Deferred tax related to assets and liabilities arising from a single transaction’	January 1, 2023
Amendments to IAS 12, ‘International tax reform - pillar two model rules’	May 23, 2023

The above standards and interpretations have no significant impact to the Company’s financial condition and financial performance based on the Company’s assessment.

(2) Effect of new issuances of or amendments to IFRS Accounting Standards as endorsed by the FSC but not yet adopted by the Company

New standards, interpretations and amendments endorsed by the FSC and will become effective from 2024 are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or non-current'	January 1, 2024
Amendments to IAS 1, 'Non-current liabilities with covenants'	January 1, 2024
Amendments to IAS 7 and IFRS 7, 'Supplier finance arrangements'	January 1, 2024

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

(3) IFRS Accounting Standards issued by IASB but not yet endorsed by the FSC

New standards, interpretations and amendments issued by IASB but not yet included in the IFRS Accounting Standards as endorsed by the FSC are as follows:

New Standards, Interpretations and Amendments	Effective date by IASB
Amendments to IFRS 10 and IAS 28, 'Sale or contribution of assets between an investor and its associate or joint venture'	To be determined by IASB
IFRS 17, 'Insurance contracts'	January 1, 2023
Amendments to IFRS 17, 'Insurance contracts'	January 1, 2023
Amendment to IFRS 17, 'Initial application of IFRS 17 and IFRS 9 – comparative information'	January 1, 2023
Amendments to IAS 21, 'Lack of exchangeability'	January 1, 2025

The above standards and interpretations have no significant impact to the Company's financial condition and financial performance based on the Company's assessment.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these parent company only financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

(2) Basis of preparation

A. Except for the following items, the parent company only financial statements have been prepared under the historical cost convention:

(a) Financial assets at fair value through profit or loss.

(b) Financial assets at fair value through other comprehensive income.

(c) Defined benefit assets or liabilities recognised based on the net amount of pension fund assets less present value of defined benefit obligation.

B. The preparation of parent company only financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5, 'Critical accounting judgements, estimates and key sources of assumption uncertainty'.

(3) Foreign currency translation

Items included in the financial statements of the Company are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional and presentation currency.

A. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss in the period in which they arise.

B. Monetary assets and liabilities denominated in foreign currencies at the period end are re-translated at the exchange rates prevailing at the balance sheet date. Exchange differences arising upon re-translation at the balance sheet date are recognised in profit or loss.

C. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through profit or loss are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in profit or loss. Non-monetary assets and liabilities denominated in foreign currencies held at fair value through other comprehensive income are re-translated at the exchange rates prevailing at the balance sheet date; their translation differences are recognised in other comprehensive income. However, non-monetary assets and liabilities denominated in foreign currencies that are not measured at fair value are translated using the historical exchange rates at the dates of the initial transactions.

D. All foreign exchange gains and losses based on the nature of those transactions are presented in the statement of comprehensive income within 'Other gains and losses'.

(4) Classification of current and non-current items

A. Assets that meet one of the following criteria are classified as current assets; otherwise they are classified as non-current assets:

(a) Assets arising from operating activities that are expected to be realised, or are intended to be sold or consumed within the normal operating cycle;

(b) Assets held mainly for trading purposes;

(c) Assets that are expected to be realised within twelve months from the balance sheet date;

(d) Cash and cash equivalents, excluding restricted cash and cash equivalents and those that are to be exchanged or used to settle liabilities more than twelve months after the balance sheet date.

B. Liabilities that meet one of the following criteria are classified as current liabilities; otherwise they are classified as non-current liabilities:

(a) Liabilities that are expected to be settled within the normal operating cycle;

(b) Liabilities arising mainly from trading activities;

(c) Liabilities that are to be settled within twelve months from the balance sheet date;

(d) Liabilities for which the repayment date cannot be extended unconditionally to more than twelve months after the balance sheet date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(5) <u>Cash equivalents</u>

A. Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amount of cash and which are subject to an insignificant risk of changes in value.

B. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitment in operations are classified as cash equivalents.

(6) <u>Financial assets at fair value through profit or loss</u>

A. Financial assets at fair value through profit or loss are financial assets that are not measured at amortised cost or fair value through other comprehensive income.

B. On a regular way purchase or sale basis, financial assets at fair value through profit or loss are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value and recognises the transaction costs in profit or loss. The Company subsequently measures the financial assets at fair value, and recognises the gain or loss in profit or loss.

D. The Company recognises the dividend income when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(7) <u>Financial assets at amortised cost</u>

A. Financial assets at amortised cost are those that meet all of the following criteria:

(a) The objective of the Company's business model is achieved by collecting contractual cash flows.

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at amortised cost are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. Interest income from these financial assets is included in finance income using the effective interest method. A gain or loss is recognised in profit or loss when the asset is derecognised or impaired.

D. The Company's time deposits which do not fall under cash equivalents are those with a short maturity period and are measured at initial investment amount as the effect of discounting is immaterial.

(8) Notes and accounts receivable

A. Accounts and notes receivable entitle the Company a legal right to receive consideration in exchange for transferred goods or rendered services.

B. The short-term accounts and notes receivable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(9) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in process comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale. When the cost of inventory is higher than net realisable value, a write-down is provided and recognised in operating costs. If the circumstances that caused the write-down cease to exist, such that all or part of the write-down is no longer needed, it should be reversed to that extent and recognised as deduction of operating costs.

(10) Financial assets at fair value through other comprehensive income

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Company has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income and debt instruments which meet all of the following criteria:

(a) The objective of the Company's business model is achieved both by collecting contractual cash flows and selling financial assets; and

(b) The assets' contractual cash flows represent solely payments of principal and interest.

B. On a regular way purchase or sale basis, financial assets at fair value through other comprehensive income are recognised and derecognised using trade date accounting.

C. At initial recognition, the Company measures the financial assets at fair value plus transaction costs. The Company subsequently measures the financial assets at fair value:

(a) The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(b) Except for the recognition of impairment loss, interest income and gain or loss on foreign exchange which are recognised in profit or loss, the changes in fair value of debt instruments are taken through other comprehensive income. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss.

(11) Impairment of financial assets

For financial assets at amortised cost and debt instruments measured at fair value through other comprehensive income, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses ("ECLs") if such credit risk has increased since initial recognition after taking into consideration all reasonable and verifiable information that includes forecasts. On the other hand, for accounts receivable that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(12) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

C. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has no retained control of the financial asset.

(13) Investments accounted for using equity method / subsidiaries

A. A subsidiary is an entity where the Company has the right to dominate its finance and operating policies (including special purpose entities), normally the Company owns more than 50% of the voting rights directly or indirectly in that entity. Subsidiaries are accounted for under the equity method in the Company's parent company only financial statements.

B. Unrealised gains or losses resulting from inter-company transactions with subsidiaries are eliminated. Necessary adjustments are made to the accounting policies of subsidiaries, to be consistent with the accounting policies of the Company.

C. After acquisition of subsidiaries, the Company recognises proportionately the share of profit and loss and other comprehensive income in the income statement as part of the Company's profit and loss and other comprehensive income, respectively. When the share of loss from a subsidiary exceeds the carrying amount of Company's interest in that subsidiary, the Company continues to recognise its share in the subsidiary's loss proportionately.

D. According to Regulations Governing the Preparation of Financial Statements by Securities Issuers, 'Profit for the year' and 'Other comprehensive income for the year' reported in an entity's parent company only statement of comprehensive income, shall equal to 'profit for the year" and "Other comprehensive income' attributable to owners of the parent reported in that entity's consolidated statement of comprehensive income. Total equity reported in an entity's parent company only financial statements, shall equal to equity attributable to owners of parent reported in that entity's consolidated financial statements.

(14) Property, plant and equipment

A. Aside from those assets which had been revaluated, property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

B. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to profit or loss during the financial period in which they are incurred.

C. Land is not depreciated. Other property, plant and equipment apply cost model and are depreciated using the straight-line method to allocate their cost over their estimated useful lives. Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item must be depreciated separately.

D. The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each financial year end. If expectations for the assets' residual values and useful lives differ from previous estimates or the patterns of consumption of the assets' future economic benefits embodied in the assets have changed significantly, any change is accounted for as a change in estimate under IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors', from the date of the change. The estimated useful lives of property, plant and equipment are as follows:

Assets	Useful lives
Land improvements	20 ～ 40 years
Buildings and structures	3 ～ 65 years
Machinery and equipment	3 ～ 33 years
Leasehold improvements	10 years
Other equipment	2 ～ 20 years

(15) Leasing arrangements (lessee)－right-of-use assets/lease liabilities

A. Leases are recognised as a right-of-use asset and a corresponding lease liability at the date at which the leased asset is available for use by the Company. For short-term leases or leases of low-value assets, lease payments are recognised as an expense on a straight-line basis over the lease term.

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable. The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability;

(b) Any lease payments made at or before the commencement date;

(c) Any initial direct costs incurred by the lessee; and

(d) An estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and conditions of the lease.

The right-of-use asset is measured subsequently using the cost model and is depreciated from the commencement date to the earlier of the end of the asset's useful life or the end of the lease term. When the lease liability is remeasured, the amount of remeasurement is recognised as an adjustment to the right-of-use asset.

(16) Intangible assets

Trademarks and computer software are stated initially at cost and amortised on a straight-line basis over its estimated economic life and term of operating agreements of 5 years.

(17) Impairment of non-financial assets

The Company assesses at each balance sheet date the recoverable amounts of those assets where there is an indication that they are impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell or value in use. When the circumstances or reasons for recognising impairment loss for an asset in prior years no longer exist or diminish, the impairment loss is reversed. The increased carrying amount due to reversal should not be more than what the depreciated or amortised historical cost would have been if the impairment had not been recognised.

(18) Borrowings

A. Borrowings comprise long-term and short-term banks loans and other short-term loans. Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

B. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the drawdown occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

(19) Notes and accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services and notes payable are those resulting from operating and non-operating activities.

B. The short-term notes and accounts payable without bearing interest are subsequently measured at initial invoice amount as the effect of discounting is immaterial.

(20) Derecognition of financial liabilities

A financial liability is derecognised when the obligation specified in the contract is either discharged or cancelled or expires.

(21) Employee benefits

A. Short-term employee benefits

Short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in respect of service rendered by employees in a period and should be recognised as expense in that period when the employees render service.

B. Pensions

(a) Defined contribution plan

For defined contribution plan, the contributions are recognised as pension expense when they are due on an accrual basis. Prepaid contributions are recognised as an asset to the extent of a cash refund or a reduction in the future payments.

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Group uses interest rates of government bonds (at the balance sheet date) instead.

ii. Remeasurements arising on defined benefit plan are recognised in other comprehensive income in the period in which they arise and are recorded as retained earnings.

C. Employees' compensation and directors' remuneration

Employees' compensation and directors' remuneration are recognised as expenses and liabilities, provided that such recognition is required under legal or constructive obligation and those amounts can be reliably estimated. Any difference between the resolved amounts and the subsequently actual distributed amounts is accounted for as changes in estimates. If employee compensation is distributed by shares, the Company calculates the number of shares based on the closing price at the previous day of the board meeting resolution.

(22) Income tax

A. The tax expense for the period comprises current and deferred tax. Tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or items recognised directly in equity, in which cases the tax is recognised in other comprehensive income or equity.

B. The current income tax expense is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the countries where the Company operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in accordance with applicable tax regulations. It establishes provisions where appropriate based on the amounts expected to be paid to the tax authorities. An additional tax is levied on the unappropriated retained earnings and is recorded as income tax expense in the year the stockholders resolve to retain the earnings.

C. Deferred tax is recognised, using the balance sheet liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the parent balance sheet. However, the deferred tax is not accounted for if it arises from initial recognition of goodwill or of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred tax is provided on temporary differences arising on investments in subsidiaries, except where the timing of the reversal of the temporary difference is controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is determined using tax rates and laws that have been enacted or substantially enacted by the balance sheet date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

D. Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. At each balance sheet date, unrecognised and recognised deferred tax assets are reassessed.

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

F. A deferred tax asset shall be recognised for the carryforward of unused tax credits resulting from research and development expenditures and equity investments to the extent that it is possible that future taxable profit will be available against which the unused tax credits can be utilised.

(23) Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares or stock options are shown in equity as a deduction, net of tax, from the proceeds.

(24) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are resolved by the Board of Directors. Stock dividends are recorded as stock dividends to be distributed in which they are resolved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(25) Revenue recognition

A. Sales of goods

(a) Sales are recognised when control of the products has transferred, being when the products are delivered to the external customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) Revenue is recognised based on the price specified in the contract, net of the estimated sales return and volume discounts. The products are often sold with volume discounts based on estimated sales of each year. Accumulated experience is used to estimate and provide for the sales discounts and volume discounts, using the expected value method, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The estimation is subject to an assessment at each reporting date. The terms of receipt of sales transactions are consistent with market practice, the Company does not adjusted the transation price to reflect the time value of money.

(c) A receivable is recognised when the products are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

B. Incremental costs of obtaining a contract

Given that the contractual period lasts less than one year, the Company recognises the incremental costs of obtaining a contract as an expense when incurred although the Company expects to recover those costs.

5. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY

The preparation of these parent company only financial statements requires management to make critical judgements in applying the Company's accounting policies and make critical assumptions and estimates concerning future events. Assumptions and estimates may differ from the actual results and are continually evaluated and adjusted based on historical experience and other factors. Such assumptions and estimates have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year; and the related information is addressed below:

Evaluation of inventories

A. As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. As the inventories are mostly chemicals, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the demand for the products within the specific period in the future. Therefore, there might be material changes to the evaluation.

B. As of December 31, 2023, the carrying amount of inventories was $467,775.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash:		
Cash on hand	$ 275	$ 275
Checking accounts and demand deposits	941,350	717,741
	941,625	718,016
Cash equivalents:		
Time deposits	1,074,675	1,535,500
	$ 2,016,300	$ 2,253,516

A. The Company transacts with a variety of financial institutions all with high credit quality to disperse credit risk, so it expects that the probability of counterparty default is remote.

B. As of December 31, 2022, the Company's time deposits maturing in excess of three months and within one year were classified as current financial assets at amortised cost. There was no such transaction for the year ended December 31, 2023.

C. The Company has no cash and cash equivalents pledged to others as of December 31, 2023 and 2022.

(2) Current financial assets at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Beneficiary certificates	$ 30,000	$ 30,000
Valuation adjustment	150	1,050
	$ 30,150	$ 31,050

A. For the years ended December 31, 2023 and 2022, the Company recognised net loss from changes in fair values in the amount of $900 and $30, respectively. The Company recognised gain from the distribution of investment income in the amount of $1,269 and $935, respectively (listed as 'Other gains and losses').

B. The Company has no financial assets at fair value through profit or loss pledged to others as of December 31, 2023 and 2022.

(3) Current financial assets at amortised cost

	December 31, 2023	December 31, 2022
Time deposits maturing over three months	$ -	$ 767,750

A. The Company recognised interest income in profit or loss in relation to financial assets at amortised cost in the amount of $9,287 and $ － for the years ended December 31, 2023 and 2022, respectively.

B. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at amortised cost held by the Company was the carrying amount.

C. The Company has no financial assets at amortised cost pledged to others as collateral as of December 31, 2023 and 2022.

D. Information relating to credit risk of financial assets at amortised cost is provided in Note 12(2), 'Financial instruments'. The counterparties of the Company's investments in certificates of deposits are financial institutions with high credit quality, so the Company expects that the probability of counterparty default is remote.

(4) Notes and accounts receivable, net

	December 31, 2023	December 31, 2022
Notes receivable	$ 32,632	$ 34,827
Accounts receivable	$ 269,397	$ 245,068

A. The ageing analysis of notes receivable and accounts receivable is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 176,761	$ 32,632	$ 168,802	$ 34,827
Less than 90 days	92,592	-	76,154	-
Over 90 days	44	-	112	-
	$ 269,397	$ 32,632	$ 245,068	$ 34,827

The above ageing analysis was based on past due date.

B. As of December 31, 2023 and 2022, the balance of notes receivable and accounts receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $1,249,150.

C. As of December 31, 2023 and 2022, the Company does not hold any collateral as security for notes and accounts receivable.

D. Without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk was the carrying amount.

E. Information relating to credit risk of notes and accounts receivable is provided in Note 12(2), 'Financial instruments'.

(5) Inventories

	December 31, 2023		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 245,245	($ 11,123)	$ 234,122
Supplies	12,287	(71)	12,216
Work in progress	32,372	(1,108)	31,264
Finished goods	216,465	(26,292)	190,173
	$ 506,369	($ 38,594)	$ 467,775

	December 31, 2022		
	Cost	Allowance for market price decline	Book value
Raw materials	$ 272,753	($ 2,335)	$ 270,418
Supplies	28,802	(71)	28,731
Work in progress	41,046	(1,108)	39,938
Finished goods	287,695	(23,359)	264,336
	$ 630,296	($ 26,873)	$ 603,423

The cost of inventories recognised as expense for the year:

	Years ended December 31,	
	2023	2022
Cost of goods sold	$ 2,678,350	$ 3,893,369
Provision for (reversal of) inventory market price decline (Note)	11,721	(1,264)
Loss on physical inventory	524	5,255
Revenue from sale of scraps	(1,800)	(1,785)
	$ 2,688,795	$ 3,895,575

(Note) For the year ended December 31, 2022, the Company reversed a previous inventory write-down which was accounted for as reduction of cost of goods sold because the inventories which were previously provided with allowance were subsequently used or sold.

(6) Non-current financial assets at fair value through other comprehensive income

	December 31, 2023	December 31, 2022
Equity instruments		
Listed stocks	$ 125,435	$ 125,435
Unlisted stocks	162,740	162,740
	288,175	288,175
Valuation adjustment	275,182	130,683
	563,357	418,858
Debt instruments		
Corporate bonds	-	30,904
Valuation adjustment	-	(516)
	-	30,388
	$ 563,357	$ 449,246

A. The Company has elected to classify equity investments that are considered to be strategic investments and steady dividend income as financial assets at fair value through other comprehensive income. The fair value of such investments was equivalent to its book value as at December 31, 2023 and 2022.

B. The Company disposed financial assets at fair value through other comprehensive income - debt instruments whose fair value was $29,847 for the year ended December 31, 2023. The cumulative loss on disposal was $1,057. There was no such transaction for the year ended December 31, 2022.

C. Amounts recognised in profit or loss and other comprehensive income in relation to the financial assets at fair value through other comprehensive income are listed below:

	Years ended December 31,	
	2023	2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 144,499	$ 47,592
Dividend income recognised in profit or loss held at end of year	$ 3,400	$ 12,338

	Years ended December 31,	
	2023	2022
Debt instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 516	$ 2,154
Cumulative other comprehensive loss reclassified to profit or loss due to derecognition	($ 1,057)	$ -
Interest income recognised in profit or loss	$ 366	$ 723

D. As of December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the financial assets at fair value through other comprehensive income held by the Company was the carrying amount.

E. The Company has no financial assets at fair value through other comprehensive income pledged to others as collateral.

F. Information relating to credit risk of financial assets at fair value through other comprehensive income is provided in Note 12(2), 'Financial instruments'.

(7) Investments accounted for under equity method

	Years ended December 31, 2023	Years ended December 31, 2022
At January 1	$ 9,322,449	$ 8,249,770
Addition of investments accounted for using equity method	-	34,727
Share of profit of investments accounted for under equity method	759,953	713,482
Share of other comprehensive income of investments accounted for under equity method	(84,865)	73
Earnings distribution of investments accounted for under equity method	(23,296)	(17,017)
Adjustments to investments accounted for under equity method from not acquiring shares proportionately to ownership interest (Note)	-	28,082
Changes in capital surplus	-	249
Changes in other equity items	(85,879)	313,083
At December 31	$ 9,888,362	$ 9,322,449

	December 31, 2023	December 31, 2022
Subsidiaries:		
INTERMEDIUM INTERNATIONAL LIMITED	$ 9,127,667	$ 8,700,223
Nanmat Technology Co., Ltd.	760,695	622,226
	$ 9,888,362	$ 9,322,449

(Note) The subsidiary, Nanmat Technology Co., Ltd., increased its capital by issuing 5,000 thousand common shares for the year ended December 31, 2022. The Company acquired 694,540 shares unproportionally to its interest. As a result, the Company decreased its share interest from 44.2% to 41.0%. The Company recognised adjustment to investments accounted for under equity method from acquiring shares unproportionately to its ownership interest amounting to $28,082 (listed as ‘Capital surplus’).

A. For more information regarding the subsidiaries of the Company, refer to Note 4(3), ‘Basis of consolidation’ of the 2023 consolidated financial statements.

B. As of December 31, 2023 and 2022, no investments accounted for under equity method held by the Company were pledged to others.

(8) Property, plant and equipment

	Land	Land improvements	Buildings and structures	Machinery and equipment	Leashelod improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2023								
Cost	$448,185	$ 18,064	$ 979,356	$ 3,008,780	$ 7,960	$ 263,403	$ 95,475	$ 4,821,223
Accumulated depreciation	-	(16,100)	(712,765)	(2,393,330)	(5,157)	(176,668)	-	(3,304,020)
	$448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203
Year ended December 31, 2023								
At January 1	$448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203
Additions - Cost	-	-	905	1,292	-	2,843	35,902	40,942
Transferred after acceptance inspection	-	410	872	2,028	-	-	(3,310)	-
Disposals - Cost	-	-	(13,155)	(1,145)	-	(1,409)	-	(15,709)
- Accumulated depreciation	-	-	13,155	1,145	-	1,409	-	15,709
Depreciation	-	(1,093)	(20,657)	(120,553)	(731)	(14,952)	-	(157,986)
Reclassifications (Note)	-	-	-	1,591	-	(8,475)	-	(6,884)
At December 31	$448,185	$ 1,281	$ 247,711	$ 499,808	$ 2,072	$ 66,151	$ 128,067	$ 1,393,275
At December 31, 2023								
Cost	$448,185	$ 18,474	$ 967,978	$ 3,012,546	$ 7,960	$ 256,362	$ 128,067	$ 4,839,572
Accumulated depreciation	-	(17,193)	(720,267)	(2,512,738)	(5,888)	(190,211)	-	(3,446,297)
	$448,185	$ 1,281	$ 247,711	$ 499,808	$ 2,072	$ 66,151	$ 128,067	$ 1,393,275

(Note) Transferred from other equipment to machinery and equipment and reclassified to expenses in the amount of $1,055 and $7,420, respectively, and transferred from other non-current assets to machinery and equipment in the amount of $536.

	Land	Land improvements	Buildings and structures	Machinery and equipment	Leashelod improvements	Other equipment	Unfinished construction and equipment under acceptance	Total
At January 1, 2022								
Cost	$ 448,185	$ 18,064	$ 907,801	$ 2,968,507	$ 7,960	$ 251,180	$ 133,040	$ 4,734,737
Accumulated depreciation	-	(14,175)	(691,405)	(2,276,512)	(4,426)	(166,904)	-	(3,153,422)
	$ 448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315
Year ended December 31, 2022								
At January 1	$ 448,185	$ 3,889	$ 216,396	$ 691,995	$ 3,534	$ 84,276	$ 133,040	$ 1,581,315
Additions - Cost	-	-	4,759	15,037	-	13,414	73,344	106,554
Transferred after acceptance inspection	-	-	66,758	37,861	-	6,290	(110,909)	-
Disposals - Cost	-	-	-	(13,405)	-	(5,845)	-	(19,250)
- Accumulated depreciation	-	-	-	13,405	-	5,845	-	19,250
Depreciation	-	(1,925)	(21,360)	(130,223)	(731)	(15,609)	-	(169,848)
Reclassifications (Note)	-	-	38	780	-	(1,636)	-	(818)
At December 31	$ 448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203
At December 31, 2022								
Cost	$ 448,185	$ 18,064	$ 979,356	$ 3,008,780	$ 7,960	$ 263,403	$ 95,475	$ 4,821,223
Accumulated depreciation	-	(16,100)	(712,765)	(2,393,330)	(5,157)	(176,668)	-	(3,304,020)
	$ 448,185	$ 1,964	$ 266,591	$ 615,450	$ 2,803	$ 86,735	$ 95,475	$ 1,517,203

(Note) Transferred from other equipment to buildings and structures, machinery and equipment and reclassified to expenses in the amount of $38, $780 and $818, respectively.

A. The Company did not capitalise the borrowing costs as part of property, plant and equipment for the years ended December 31, 2023 and 2022.

B. Information about the property, plant and equipment that were pledged to others as collateral is provided in Note 8, 'Pledged assets'.

(9) Leasing arrangements－lessee

A. The Company leases various assets including land, buildings, machinery and business vehicles. Rental contracts are typically made for periods of 1 to 20 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. The carrying amount of right-of-use assets and the depreciation charge are as follows:

	December 31, 2023	December 31, 2022
	Carrying Amount	Carrying Amount
Land	$ 134	$ 536
Buildings	39,198	42,708
Machinery and equipment	135,601	11,410
Transportation equipment (Business vehicles)	630	1,050
	$ 175,563	$ 55,704

	Years ended December 31,	
	2023	2022
	Depreciation charge	Depreciation charge
Land	$ 402	$ 402
Buildings	3,510	3,510
Machinery and equipment	21,526	11,416
Transportation equipment (Business vehicles)	420	420
	$ 25,858	$ 15,748

C. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $151,422 and $11,410, respectively.

D. The information on profit and loss accounts relating to lease contracts is as follows:

	Years ended December 31,	
	2023	2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 2,887	$ 1,118
Expense on short-term lease or leases of low-value assets	83	83
Gain from lease modification	25	-

E. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases were $27,484 and $16,346, respectively.

(10) Intangible assets

	Year ended December 31, 2023		
	Trademarks	Computer software	Total
At January 1, 2023			
Cost	$ 912	$ 149	$ 1,061
Accumulated amortisation	(425)	(96)	(521)
Net value	$ 487	$ 53	$ 540
Year ended December 31, 2023			
At January 1	$ 487	$ 53	$ 540
Disposals - cost	(165)	(73)	(238)
- accumulated amortisation	165	73	238
Amortisation	(174)	(16)	(190)
At December 31	$ 313	$ 37	$ 350
At December 31, 2023			
Cost	$ 747	$ 76	$ 823
Accumulated amortisation	(434)	(39)	(473)
Net value	$ 313	$ 37	$ 350

	Year ended December 31, 2022		
	Trademarks	Computer software	Total
At January 1, 2022			
Cost	$ 1,008	$ 149	$ 1,157
Accumulated amortisation	(383)	(66)	(449)
Net value	$ 625	$ 83	$ 708
Year ended December 31, 2022			
At January 1	$ 625	$ 83	$ 708
Additions - acquired separately	58	-	58
Disposals - cost	(154)	-	(154)
- accumulated amortisation	154	-	154
Amortisation	(196)	(30)	(226)
At December 31	$ 487	$ 53	$ 540
At December 31, 2022			
Cost	$ 912	$ 149	$ 1,061
Accumulated amortisation	(425)	(96)	(521)
Net value	$ 487	$ 53	$ 540

The Company recognised amortisation in the amount of $190 and $226 (listed as ‘Operating expenses’) for the years ended December 31, 2023 and 2022, respectively.

(11) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 100,000	1.74%	None

Type of borrowings	December 31, 2022	Interest rate	Collateral
Bank borrowings			
Unsecured borrowings	$ 100,000	1.61%	None

For the years ended December 31, 2023 and 2022, the Company recognised interest expense in profit or loss. Refer to Note 6(20) for details.

(12) Other payables

	December 31, 2023	December 31, 2022
Wages and salaries payable	$ 148,574	$ 200,465
Employees' compensation and directors' remuneration payable	42,363	79,464
Payables on equipment	6,156	9,553
Others	65,232	60,063
	$ 262,325	$ 349,545

(13) Pensions

A. The Company has a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Standards Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. However, those who were mandatorily retired because of injury at work will receive 20% in addition. The Company contributes monthly an amount equal to 15% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March. The relevant information is as follows:

(a) The amounts recognised in the balance sheet are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 475,731)	($ 517,253)
Fair value of plan assets	654,619	666,713
Net defined benefit asset	$ 178,888	$ 149,460

(b) Movements in net defined benefit assets are as follows:

Year ended December 31, 2023	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
At January 1	($ 517,253)	$ 666,713	$ 149,460
Current service cost	(3,256)	-	(3,256)
Interest (expense) income	(5,983)	7,981	1,998
	(526,492)	674,694	148,202
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	6,118	6,118
Change in financial assumptions	(1,555)	-	(1,555)
Experience adjustments	15,323	-	15,323
	13,768	6,118	19,886
Pension fund contribution	-	10,800	10,800
Paid pension	36,993	(36,993)	-
At December 31	($ 475,731)	$ 654,619	$ 178,888

Year ended December 31, 2022	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit asset
At January 1	($ 595,213)	$ 616,130	$ 20,917
Current service cost	(4,986)	-	(4,986)
Interest (expense) income	(3,750)	3,958	208
	(603,949)	620,088	16,139
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	46,962	46,962
Change in financial assumptions	20,395	-	20,395
Experience adjustments	31,916	-	31,916
	52,311	46,962	99,273
Pension fund contribution	-	34,048	34,048
Paid pension	34,385	(34,385)	-
At December 31	($ 517,253)	$ 666,713	$ 149,460

(c) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitization products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

(d) The principal actuarial assumptions used were as follows:

	Years ended December 31,	
	2023	2022
Discount rate	1.15%	1.20%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on actuarial advice in accordance with published statistics and experience according to Taiwan Life Insurance Industry 6th Mortality Table for the years ended December 31, 2023 and 2022.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 7,700)	$ 7,898	$ 7,735	($ 7,582)

	Discount rate		Future salary increases	
	Increase 0.25%	Decrease 0.25%	Increase 0.25%	Decrease 0.25%
December 31, 2022				
Effect on present value of defined benefit obligation	($ 8,882)	$ 9,122	$ 8,938	($ 8,750)

The sensitivity analysis above is based on one assumption which changed while the other conditions remain unchanged. In practice, more than one assumption may change all at once. The method of analysing sensitivity and the method of calculating net pension liability in the balance sheet are the same.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous period.

(e) Expected contributions to the defined benefit pension plan of the Company for the next year amount to $－.

(f) As of December 31, 2023, the weighted average duration of the retirement plan is 6 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	38,958
1-2 years		27,963
2-5 years		132,677
Over 5 years		313,621
	$	513,219

B. Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount of no less than 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment. The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $6,728 and $7,551, respectively.

(14) Share capital

A. Movements in the number of the Company’s ordinary shares outstanding are as follows (in thousands of shares):

	Years ended December 31,	
	2023	2022
At beginning and end of year	492,417	492,417

B. As of December 31, 2023, the Company’s authorised capital was $6,000,000, and the paid-in capital was $4,924,167, consisting of 492,417 thousand shares, with a par value of $10 (in dollars) per share. All proceeds from shares issued have been collected.

(15) Retained earnings

A. Pursuant to the amended R.O.C. Company Act, the current year's after-tax earnings should be used initially to cover any accumulated deficit; thereafter 10% of the remaining earnings should be set aside as legal reserve until the balance of legal reserve is equal to that of paid-in capital. The legal reserve shall be exclusively used to cover accumulated deficit, to issue new stocks, or to distribute cash to shareholders in proportion to their share ownership. The use of legal reserve for the issuance of stocks or cash dividends to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

B. Since the Company is in a changeable industry environment tied with international macroeconomics and the Company is in the mature stage, the appropriation of earnings should consider fund requirements and capital budget to decide how much earnings will be kept or distributed and how much cash dividends will be distributed. According to the Company's original Articles of Incorporation, 10% of the annual net income, after offsetting any loss of prior years and paying all taxes and dues, shall be set aside as legal reserve. The remaining net income and the unappropriated retained earnings from prior years can be distributed in accordance with a resolution passed during a meeting of the Board of Directors and approved at the stockholders' meeting. Of the amount to be distributed by the Company, stockholders' dividends shall comprise at least 20% of the unappropriated retained earnings, and the percentage of cash dividends shall not be less than 30% of dividends distributed. Based on the regulation, the Board of Directors of the Company shall adopt a special resolution to distribute whole or a part of the dividends in the form of cash and report to the stockholders, which is not applicable to the aforementioned provisions that are subject to stockholders' resolutions.

C. Special reserve

(a) In accordance with the regulations, the Company shall set aside special reserve for the debit balance on other equity items at the balance sheet date before distributing earnings. When debit balance on other equity items is reversed subsequently, the reversed amount could be included in the distributable earnings.

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Order No. Financial-Supervisory-Securities-Corporate-1090150022, dated March 31, 2021 was $430,099, which shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently.

D. The Company recognised cash dividends distributed to owners amounting to $984,833 ($2.0 (in dollars) per share) and $3,446,917 ($7.0 (in dollars) per share) for the years ended December 31, 2023 and 2022, respectively. On March 6, 2024, the Board of Directors proposed for the distribution of cash dividends of $492,417 ($1.0 (in dollars) per share) from the 2023 earnings.

(16) Operating revenue

A. Disaggregation of revenue from contracts with customers

Details of the Company's revenue from the transfer of goods at a point in time are as follows:

	Years ended December 31,	
	2023	2022
Revenue from latex products	$ 2,331,335	$ 3,528,963
Revenue from rubber products	886,112	1,402,824
Others	2,945	81,790
	$ 3,220,392	$ 5,013,577

B. Contract liabilities

(a) On December 31, 2023 and 2022, the Company has recognised the revenue-related contract liabilities amounting to $8,284 and $16,199, respectively.

(b) On January 1, 2023 and 2022, the contract liabilities were $16,199 and $50,900, respectively, and the contract liabilities at the beginning of 2023 and 2022 of $16,192 and $50,900 were recognised as revenue for the years ended December 31, 2023 and 2022, respectively.

(17) Interest income

	Years ended December 31,	
	2023	2022
Interest income from bank deposits	$ 65,776	$ 41,418
Interest income from financial assets at amortised cost	9,287	-
Interest income from financial assets at fair value through other comprehensive income	366	723
	$ 75,429	$ 42,141

(18) Other income

	Years ended December 31,	
	2023	2022
Dividend income	$ 3,400	$ 12,338
Other income	6,181	29,242
	$ 9,581	$ 41,580

(19) Other gains and losses

	Years ended December 31,	
	2023	2022
Net currency exchange (losses) gains	($ 6,466)	$ 424,209
Gains on financial assets at fair value through profit or loss (Note)	369	905
Losses on disposal of investment	(1,057)	-
Gains on lease modification	25	-
Other losses	(102)	(1,564)
	($ 7,231)	$ 423,550

(Note) Represents the distribution of fund income of $1,269 and $935 and unrealized valuation loss of $900 and $30 for the years ended December 31, 2023 and 2022, respectively.

(20) Finance costs

	Years ended December 31,	
	2023	2022
Interest expense		
Bank loans	$ 68	$ 5
Lease liabilities	2,887	1,118
	$ 2,955	$ 1,123

(21) Expenses by nature

	Year ended December 31, 2023		
	Operating cost	Operating expense	Total
Employee benefits expense	$ 190,702	$ 238,429	$ 429,131
Depreciation	132,871	50,973	183,844
Amortisation	-	190	190
	$ 323,573	$ 289,592	$ 613,165

	Year ended December 31, 2022		
	Operating cost	Operating expense	Total
Employee benefits expense	$ 237,687	$ 316,528	$ 554,215
Depreciation	146,081	39,515	185,596
Amortisation	-	226	226
	$ 383,768	$ 356,269	$ 740,037

(22) Employee benefit expense

	Year ended December 31, 2023		
	Operating cost	Operating expense	Total
Salaries and wages	$ 166,484	$ 157,006	$ 323,490
Labour and health insurance expenses	14,347	14,762	29,109
Pension costs	4,649	3,337	7,986
Directors' remuneration	-	54,358	54,358
Other personnel expenses	5,222	8,966	14,188
	$ 190,702	$ 238,429	$ 429,131

	Year ended December 31, 2022		
	Operating cost	Operating expense	Total
Salaries and wages	$ 209,871	$ 187,976	$ 397,847
Labour and health insurance expenses	14,992	26,140	41,132
Pension costs	7,266	5,063	12,329
Directors' remuneration	-	85,638	85,638
Other personnel expenses	5,558	11,711	17,269
	$ 237,687	$ 316,528	$ 554,215

A. For the years ended December 31, 2023 and 2022, the average number of employees of the Company were 321 and 334, both including 18 non-employee directors, respectively.

B. Average employee benefit expense in 2023 and 2022 was $1,237 and $1,483, respectively and average wages and salaries in 2023 and 2022 was $1,068 and $1,259, respectively. The average wages and salaries in current year compared to prior year decreased by 15.17%.

C. Directors' remuneration of the Company is determined based on their job responsibility, taking into consideration the directors' extent of participation in the Company's operations, contributions and a pay level which is widely accepted within the same industry. Management's remuneration is determined based on the personal capabilities, the contribution to the Company, standard salary range for the position and the Company's future operational risk. Directors' and management's remunerations are reviewed by the remuneration committee and approved by the Board of Directors. Employees' remuneration is determined based on the employees' capabilities, performance and the Company's operating conditions and profitability, and will be adjusted once every year. The policy of employees' remuneration will be set by the HR department, which will be reported to the general manager and approved by the Board of Directors.

D. According to the Articles of Incorporation of the Company, a ratio of distributable profit of the current year, after covering accumulated losses, shall be distributed as employees' compensation and directors' remuneration. The ratio shall not be lower than 2% for employees' compensation and shall not be higher than 3% for directors' remuneration.

E. For the years ended December 31, 2023 and 2022, the Company's employees' compensation was accrued at $16,945 and $31,786, respectively; while directors' remuneration was accrued at $25,418 and $47,678, respectively. The aforementioned amounts were recognised in salary expenses and other expenses. The expenses recognised for the years ended December 31, 2023 and 2022 were accrued based on the earnings of current year and the percentage specified in the Articles of Incorporation of the Company. The employees' compensation and directors' remuneration for 2022 as resolved by the Board of Directors amounted to $78,698. The difference of $766 between the amounts resolved at the Board meeting and the amounts recognised in the 2022 financial statements of $79,464 had been adjusted in the profit or loss for 2023. The employees' compensation and directors' remuneration for 2023 as resolved by the Board of Directors was $16,831 and $25,247, respectively. The employees' compensation will be distributed in the form of cash.

Information about the appropriation of employees' compensation and directors' remuneration of the Company as resolved by the Board of Directors will be posted in the "Market Observation Post System" at the website of the Taiwan Stock Exchange.

(23) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Years ended December 31, 2023	Years ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 76,745	$ 106,314
Tax on undistributed surplus earnings	7,753	155,303
Prior year income tax under (over) estimation	873	(16,794)
Total current tax	85,371	244,823
Deferred tax:		
Origination and reversal of temporary differences	(210)	57,044
Income tax expense	$ 85,161	$ 301,867

(b) The income tax relating to components of other comprehensive income is as follows:

	Years ended December 31, 2023	Years ended December 31, 2022
Remeasurement of defined benefit plan	$ 3,977	$ 19,854

B. Reconciliation between income tax expense and accounting profit:

	Years ended December 31, 2023	Years ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 159,840	$ 298,900
Effect from adjustment by tax regulation	(83,305)	(135,542)
Tax on undistributed surplus earnings	7,753	155,303
Prior year income tax under (over) estimation	873	(16,794)
Income tax expense	$ 85,161	$ 301,867

C. Amounts of deferred tax assets or liabilities as a result of temporary differences are as follows:

	Year ended December 31, 2023			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Deferred tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 3,068	$ 122	$ -	$ 3,190
Unrealised loss on inventory market value decline	5,374	2,344	-	7,718
Unused compensated absences	887	1	-	888
Pension cost	11,975	-	(3,977)	7,998
	$ 21,304	$ 2,467	($ 3,977)	$ 19,794
Deferred tax liabilities				
Temporary differences:				
Pension cost	($ 44,265)	($ 1,908)	$ -	($ 46,173)
Investment gain	(189,597)	(20,000)	-	(209,597)
Unrealised exchange gain	(36,291)	19,651	-	(16,640)
Provision for land increment tax	(92,467)	-	-	(92,467)
	($ 362,620)	($ 2,257)	$ -	($ 364,877)
	($ 341,316)	$ 210	($ 3,977)	($ 345,083)

	Year ended December 31, 2022			
	At January 1	Recognised in profit or loss	Recognised in other comprehensive income	At December 31
Deferred tax assets				
Temporary differences:				
Allowance for doubtful accounts	$ 3,068	$ -	$ -	$ 3,068
Unrealised sales discounts and allowances	4,084	(4,084)	-	-
Unrealised loss on inventory market value decline	5,627	(253)	-	5,374
Unused compensated absences	893	(6)	-	887
Pension cost	31,829	-	(19,854)	11,975
Unrealised exchange loss	10,556	(10,556)	-	-
	$ 56,057	($ 14,899)	($ 19,854)	$ 21,304
Deferred tax liabilities				
Temporary differences:				
Pension cost	($ 38,411)	($ 5,854)	$ -	($ 44,265)
Investment gain	(189,597)	-	-	(189,597)
Unrealised exchange gain	-	(36,291)	-	(36,291)
Provision for land increment tax	(92,467)	-	-	(92,467)
	($ 320,475)	($ 42,145)	$ -	($ 362,620)
	($ 264,418)	($ 57,044)	($ 19,854)	($ 341,316)

D. The Company’s income tax returns through 2021 have been assessed and approved by the Tax Authority. The Company does not have any administrative remedy as of March 6, 2024.

(24) Earnings per share

	Year ended December 31, 2023				
	Amount after tax		Weighted average number of shares outstanding (shares in thousands)	Earning per share (in dollars)	
Basic earnings per share					
Profit attributable to ordinary shareholders	$	714,039	492,417	$	1.45
Diluted earnings per share					
Profit attributable to ordinary shareholders	$	714,039			
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation		-	586		
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$	714,039	493,003	$	1.45

	Year ended December 31, 2022				
	Amount after tax		Weighted average number of shares outstanding (shares in thousands)	Earning per share (in dollars)	
Basic earnings per share					
Profit attributable to ordinary shareholders	$	1,192,632	492,417	$	2.42
Diluted earnings per share					
Profit attributable to ordinary shareholders	$	1,192,632			
Assumed conversion of all dilutive potential ordinary shares					
Employees' compensation		-	1,331		
Profit attributable to ordinary shareholders plus assumed conversion of all dilutive potential ordinary shares	$	1,192,632	493,748	$	2.42

(25) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Years ended December 31, 2023	2022
Purchase of property, plant and equipment	$ 40,942	$ 106,554
Add: Beginning balance of payable on equipment (listed as 'other payables')	9,553	4,822
Less: Ending balance of payable on equipment (listed as 'other payables')	(6,156)	(9,553)
Cash paid for purchase of property, plant and equipment	$ 44,339	$ 101,823

B. Investing activities with no cash flow effects:

	Years ended December 31, 2023	2022
Other non-current assets reclassified to property, plant and equipment	$ 536	$ -

(26) Changes in liabilities from financing activities

Year ended December 31, 2023	Short-term borrowings	Lease liability	Liabilities from financing activities-gross
At January 1	$ 100,000	$ 58,751	$ 158,751
Changes in cash flow from financing activities	-	(24,514)	(24,514)
Changes in other non-cash activities	-	145,692	145,692
At December 31	$ 100,000	$ 179,929	$ 279,929

Year ended December 31, 2022	Short-term borrowings	Lease liability	Liabilities from financing activities-gross
At January 1	$ 50,000	$ 62,486	$ 112,486
Changes in cash flow from financing activities	50,000	(15,145)	34,855
Changes in other non-cash activities	-	11,410	11,410
At December 31	$ 100,000	$ 58,751	$ 158,751

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Zhenjiang Nantex Chemical Industry, Ltd. (Zhenjiang Nantex)	Subsidary
Tainan Spinning Co., Ltd. (Tainan Spinning)	Entity with significant influence over the Company
Lushun Warehouse Co., Ltd. (Lushun Warehouse)	Other related party

(2) Significant transactions and balances with related parties

A. Sales of goods

	Years ended December 31,	
	2023	2022
Subsidiary	$ 13,151	$ 120,304

The collection period for subsidiary and third parties was within 3 months after sales of goods. Selling prices were the same with third parties.

B. Lease transactions－lessee

(a) The Company leases raw material tanks and office from Lushun Warehouse and Tainan Spinning. Rental contracts are typically made for periods of 1～6 years and 20 years, respectively. Rents are paid monthly.

(b) Acquisition of right-of-use asset

	Years ended December 31,	
	2023	2022
Lushun Warehouse	$ 151,422	$ 11,410

(c) Lease liabilities

(i) Outstanding balance

	December 31, 2023	December 31, 2022
Tainan Spinning	$ 42,713	$ 45,733
Lushun Warehouse	136,436	11,411
	$ 179,149	$ 57,144

(ii) Interest expense

	Years ended December 31,	
	2023	2022
Tainan Spinning	$ 979	$ 1,040
Lushun Warehouse	1,893	54
	$ 2,872	$ 1,094

C. Royalty income (listed as 'Other income')

	Year ended December 31, 2022
Zhenjiang Nantex	$ 24,389

There was no such transaction for the year ended December 31, 2023.

D. Equity transactions

The Company participated in the capital increase of the subsidiary, Nanmat Technology Co., Ltd., for $34,727 in October 2022. There was no such transaction for the year ended December 31, 2023.

E. Other receivables from related parties

	December 31, 2022
Accounts receivable:	
Subsidiary	$ 5,920
Other receivables：	
Zhenjiang Nantex	20,528
	$ 26,448

Receivables from related parties are mainly derived from the sales of commodities and royalties, and the sales transactions are due 3 months after the sales date. The receivables are unsecured and interest-bearing. Amounts due from related parties did not include allowance losses. There was no such transaction as of December 31, 2023.

F. Contract liabilities

	December 31, 2022
Zhenjiang Nantex	$ 1,681

There was no such transaction as of December 31, 2023.

G. Payables from related parties

	December 31, 2023	December 31, 2022
Other payables		
Other related party	$ 3,229	$ 1,008

(3) Key management compensation

	Years ended December 31,	
	2023	2022
Salaries and other short-term employee benefits	$ 80,388	$ 159,877

8. PLEDGED ASSETS

The Company's assets pledged as collateral are as follows:

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Land (Listed as 'property, plant and equipment')	$ 448,185	$ 448,185	Collateral for borrowing facilities
Buildings and structrues, net (Listed as 'property, plant and equipment')	14,766	15,883	Collateral for borrowing facilities
Guarantee deposits paid	413	413	Performance guarantee
	$ 463,364	$ 464,481	

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) As of December 31, 2023 and 2022, the Company's remaining balance due for construction in progress and prepayment for equipment were $26,191 and $28,223, respectively.

(2) As of December 31, 2023 and 2022, the Company's unused letters of credit amounted to $12,869 and $3,419, respectively.

(3) The significant purchase contracts entered into by the Company are as follows:

			Quantity of purchase (in tonnes)	
Suppliers Name	Item	Price	December 31, 2023	December 31, 2022
CPC Corporation, Taiwan	Butadiene (BD)	Floating	18,882	20,646
Formosa Petrochemical Corp.	Butadiene (BD)	Floating	10,800	46,800
China Petrochemical Development Corp.	Acrylonitrile (AN)	Floating	18,000	18,000
Formosa Plastics Corp.	Acrylonitrile (AN)	Floating	4,800	4,800
Taiwan Styrene Monomer Corp.	Styrene (SM)	Floating	1,800	1,800

As of December 31, 2023, 25,282 tonnes of BD, 13,951 tonnes of AN and 1,422 tonnes of SM were purchased.

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 3, 2024, the Board of Directors resolved for the distribution of cash dividends of RMB 158,208,703.41 from the 2022 unappropriated retained earnings of the Company's subsidiary, Zhenjiang Nantex Chemical Industry Co., Ltd.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 30,150	$ 31,050
Financial assets at fair value through other comprehensive income		
Designation of equity instruments	$ 563,357	$ 418,858
Qualifying debt instruments	-	30,388
	$ 563,357	$ 449,246
Financial assets at amortised cost		
Cash and cash equivalents	$ 2,016,300	$ 2,253,516
Financial assets at amortised cost	-	767,750
Notes receivable	32,632	34,827
Accounts receivable	269,397	245,068
Other receivables (including related parties)	21,228	57,796
Guarantee deposits paid	413	413
	$ 2,339,970	$ 3,359,370
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 100,000	$ 100,000
Accounts payable	119,439	138,521
Other payables	262,325	349,545
	$ 481,764	$ 588,066
Lease liability	$ 179,929	$ 58,751

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, price risk and interest rate risk), credit risk and liquidity risk. The Company's overall risk management programme focuses on unpredictable events in the financial market and seeks to reduce potential adverse effects on the Company's financial position and financial performance.

(b) Risk management is carried out by a central treasury department (Company Finance Department) under policies approved by the board of directors. Company Finance Department identifies, evaluates and hedges financial risks in close cooperation with the Company's operating units. The Board provides written principles for overall risk management, as well as written policies covering specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity.

C. Significant financial risks and degrees of financial risks

(a) Market risk

I. <u>Foreign exchange risk</u>

(i) The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and JPY. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities and net investment in foreign operations.

(ii) Management has set up a policy to require the Company to manage its foreign exchange risk against the functional currency. The Company is required to hedge the entire foreign exchange risk exposure with the Company treasury. Foreign exchange rate risk arises when future commercial transactions or recognised assets or liabilities are denominated in a currency other than the entity's functional currency.

(iii) The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Company's foreign operations is managed primarily through liabilities denominated in the relevant foreign currencies.

(iv) The Company's businesses involve some non-functional currency operations (the Company's functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023			December 31, 2022		
	Foreign currency amount (In thousands)		Exchange rate	Foreign currency amount (In thousands)		Exchange rate
Financial assets						
Monetary items						
USD：NTD	$	49,255	30.71	$	86,351	30.71
JPY ：NTD		1,250,731	0.2172		576,032	0.2324
Non-monetary items						
USD：NTD	$	300,031	30.71	$	283,303	30.71

Sensitivity analysis of foreign exchange risk is primarily for foreign currency monetary items at financial reporting date. If NTD had appreciated/depreciated by 1% against USD, the Company's net profit after tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $14,274 and $21,215, respectively.

(v) The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022 amounted to ($6,466) and $424,209, respectively.

II. Price risk

(i) The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

(ii)The Company's investments in equity securities comprise shares issued by the domestic companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $302 and $311, respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $5,634 and $4,189, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

III. Cash flow and fair value interest rate risk

The Company's borrowings are short-term borrowings with floating interest rates. Therefore, changes in market interest rates will change the effective interest rates of the borrowings and cause fluctuations in their future cash flows. However, there is no significant effect on profit after tax for the years ended December 31, 2023 and 2022.

(b) Credit risk

Ⅰ. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms, and the contract cash flows of debt instruments stated at amortised cost and at fair value through other comprehensive income.

Ⅱ. The Company manages its credit risk taking into consideration the entire Company's concern. According to the Company's credit policy, the Company is responsible for managing and analysing the credit risk for each of its new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by management. The utilisation of credit limits is regularly monitored.

Ⅲ. The Company adopts the assumption under IFRS 9, that is, if the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

Ⅳ. The Company adopts the assumption under IFRS 9, that is, the default occurs when the contract payments are past due over 90 days.

Ⅴ. The Company classifies customer's accounts receivable in accordance with credit rating of customer and customer types. The Company applies the modified approach using the loss rate methodology to estimate expected credit loss under the provision matrix basis.

Ⅵ. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable as the Company's counterparties are all with high credit quality and have no default record after assessment.

Ⅶ. The Company's investments in debt instruments at fair value through other comprehensive income are all rated as investment grade by any external credit rating agency at the balance sheet date, therefore its loss allowance is financial instruments measured at 12 months expected credit losses.

(c) Liquidity risk

I. Cash flow forecasting is performed in the operating entities of the Company and aggregated by the Company Finance Department. Company Finance Department monitors rolling forecasts of the Company's liquidity requirements to ensure it has sufficient cash to meet operational needs while maintaining sufficient headroom on its undrawn committed borrowing facilities at all times so that the Company does not breach borrowing limits or covenants (where applicable) on any of its borrowing facilities.

Ⅱ. Surplus cash held by the operating entities over and above the balance required for working capital management are invested in interest bearing current accounts, time deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts, that are expected to readily generate cash inflows for managing liquidity risk.

Ⅲ. The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 2,217,115	$ 2,512,130

Ⅳ. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 100,019	$ -	$ -	$ -
Accounts payable	119,439	-	-	-
Other payables	262,325	-	-	-
Lease liabilities	33,388	33,136	99,044	27,854

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
Non-derivative financial liabilities				
Short-term borrowings	$ 100,790	$ -	$ -	$ -
Accounts payable	138,521	-	-	-
Other payables	349,545	-	-	-
Lease liabilities	16,361	4,588	12,717	32,117

V. The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis. The fair value of the

Company's investment in listed stocks, beneficiary certificates and corporate bonds is included in Level 1.

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

Level 3: Unobservable inputs for the asset or liability. The fair value of the Company's investment in equity investment without active market is included in Level 3.

B. The carrying amounts of financial instruments not measured at fair value including cash and cash equivalents, notes receivable, accounts receivable, other receivables (including related parties), guarantee deposits paid, short-term borrowings, accounts payable and other payables are approximate to their fair values.

C. The related information on financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities are as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 30,150	$ -	$ -	$ 30,150
Financial assets at fair value through other comprehensive income				
Equity securities	121,760	-	441,597	563,357
	$ 151,910	$ -	$ 441,597	$ 593,507

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss				
Equity securities	$ 31,050	$ -	$ -	$ 31,050
Financial assets at fair value through other comprehensive income				
Equity securities	116,720	-	302,138	418,858
Debt securities	30,388	-	-	30,388
	$ 178,158	$ -	$ 302,138	$ 480,296

D. The methods and assumptions the Company used to measure fair value are as follows:

(a) The instruments the Company used market quoted prices as their fair values (that is, Level 1) are listed below by characteristics:

	Listed shares	Closed-end funds	Corporate bonds
Market quoted price	Closing price	Closing price	Weighted average quoted price

(b) Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date.

E. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

F. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	Equity securities
At January 1, 2023	$ 302,138
Gains recognised in other comprehensive income	139,459
At December 31, 2023	$ 441,597

	Equity securities
At January 1, 2022	$ 238,743
Gains recognised in other comprehensive income	63,395
At December 31, 2022	$ 302,138

G. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

H. Finance segment is in charge of valuation procedures for fair value measurements being categorized within Level 3, which is to verify independent fair value of financial instruments. Such assessment is to ensure the valuation results are reasonable by applying independent information to make results close to current market conditions, confirming the resource of information is independent, reliable and in line with other resources and represented as the exercisable price, and frequently calibrating valuation model, performing back-testing, updating inputs used to the valuation model and making any other necessary adjustments to the fair value.

I. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 441,597	Discounted cash flow	Weighted average cost of capital	4.58%～10.27%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 302,138	Discounted cash flow	Weighted average cost of capital	5.11%～10.23%	The higher the weighted average cost of capital, the lower the fair value
			Discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value

J. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect on profit or loss or on other comprehensive income from financial assets and liabilities categorized within Level 3 if the inputs used to valuation models have changed:

	Input	Change	Year ended December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 64,958	($ 47,505)
	Discount for lack of marketability	±10%	-	-	19,744	(19,744)
			$ -	$ -	$ 84,702	($ 67,249)

	Input	Change	Year ended December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
			Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Weighted average cost of capital	±10%	$ -	$ -	$ 41,972	($ 30,300)
	Discount for lack of marketability	±10%	-	-	5,475	(5,475)
			$ -	$ -	$ 47,447	($ 35,775)

13. SUPPLEMENTARY DISCLOSURES

According to the current regulatory requirements, the Company is only required to disclose the information for the year ended December 31, 2023.

(1) Significant transactions information

A. Loans to others: None.

B. Provision of endorsements and guarantees to others: Refer to table 1.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Refer to table 2.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: None.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: None.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more: None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: None.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Refer to table 3.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China): Refer to table 4.

(3) Information on investments in Mainland China

A. Basic information: Refer to table 5.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Refer to table 6.

(4) Major shareholders information

Major shareholders information: Refer to table 7.

14. SEGMENT INFORMATION

Not applicable.

NANTEX INDUSTRY CO., LTD.

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 1

Expressed in thousands of NTD

Number	Endorser/ guarantor	Party being endorsed/guaranteed: Company name	Party being endorsed/guaranteed: Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party	Maximum outstanding endorsement/ guarantee amount during the year	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/ guarantor company	Ceiling on total amount of endorsements/ guarantees provided （Note 2）	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
1	INTERMEDIUM INTERNATIONAL LIMITED	Veitnam Bao Minh Textile & Garment	(Note 1)	$ 1,825,533	$ 98,184	$ 98,184	$ 71,773	$ -	1.08%	$ 4,563,834	N	N	N	-

(Note 1) Due to joint venture, each shareholder provides endorsements/guarantees to the endorsed/guaranteed company in proportion to its ownership.
(Note 2) Ceiling on total amount of endorsements/ guarantees provided by INTERMEDIUM INTERNATIONAL LIMITED to others is 50% of the company’s net worth, and limit on endorsements/guarantees provided for a single party is 20% of the company’s net worth. The relevant endorsements/guarantees have been reported to the shareholders.
(Note 3) The accounts denominated in foreign currencies in the table are translated into New Taiwan dollars at spot exchange rates (USD 1 : NTD 30.71) prevailing at the financial reporting date.

NANTEX INDUSTRY CO., LTD.

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 2 Expressed in thousands of NTD

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares (shares or units in thousands)	Book value	Ownership (%)	Fair value	Footnote
NANTEX INDUSTRY CO., LTD.	Beneficiary certificates:							
	MiLLERFUL NO.1 REIT	–	Current financial assets at fair value through profit or loss	3,000	$ 30,150	-	$ 30,150	–
	Stocks:							
	Lushun Warehouse Co., Ltd.	Other related party	Non-current financial assets at fair value through other comprehensive income	2,700	341,359	15.00%	341,359	–
	President International Development Corp.	–	〃	8,820	94,358	0.67%	94,358	–
	Micro Sava Co., Ltd.	–	〃	1,021	234	0.52%	234	–
	Grand Bills Finance Corp.	–	〃	720	5,646	0.13%	5,646	–
	Formosa Chemicals & Fibre Corp.	–	〃	1,200	79,709	0.02%	79,709	–
	Formosa Petrochemical Corp.	–	〃	400	42,051	-	42,051	–
INTERMEDIUM INTERNATIONAL LIMITED	Veitnam Bao Minh Textile & Garment	Other related party	〃	-	43,863	8.50%	43,863	–

NANTEX INDUSTRY CO., LTD.

Significant inter-company transactions during the reporting period

Year ended December 31, 2023

Table 3

Expressed in thousands of NTD

Number (Note 2)	Company name	Counterparty	Relationship (Note 3)	Transaction			
				General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets (Note 4)
0	NANTEX INDUSTRY CO., LTD.	Zhenjiang Nantex Chemical Industry., Ltd.	1	Sales revenue	$ 13,151	Cash payment within 3 months	—

(Note 1) If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, one side of then are disclosed.

(Note 2) The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

1. Parent company is ‘0’.
2. The subsidiaries are numbered in order starting from ‘1’.

(Note 3) Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to:

1. Parent company to subsidiary.
2. Subsidiary to parent company.
3. Subsidiary to subsidiary.

(Note 4) Regarding percentage of transaction amount to consolidated total operating revenues or total assets, it is computed based on period-end balance of transaction to consolidated total assets for balance sheet accounts and based on accumulated transaction amount for the period to consolidated total operating revenues for income statement accounts.

NANTEX INDUSTRY CO., LTD.

Information on investees (not including investees in China)

Year ended December 31, 2023

Table 4

Expressed in thousands of NTD

Investor	Investee	Location	Main business activities	Initial investment amount: Balance as at December 31, 2023	Initial investment amount: Balance as at December 31, 2022	Shares held as at December 31, 2023: Number of shares	Shares held as at December 31, 2023: (%)	Shares held as at December 31, 2023: Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
NANTEX INDUSTRY CO., LTD.	INTERMEDIUM INTERNATIONAL LIMITED	British Virgin Islands	General investments	$ 1,799,716	$ 1,799,716	55,503,757	100.00%	$ 9,127,667	$ 598,115	$ 598,115	Subsidiary
	Nanmat Technology Co., Ltd.	Taiwan	CVD materials and metal surface treatment chemicals	207,127	207,127	21,355,159	41.00%	760,695	394,726	161,838	Subsidiary

NANTEX INDUSTRY CO., LTD.

Information on investments in Mainland China

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD

Investee in Mainland China	Main business activities	Paid-in capital (Note 1)	Investment method	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net income of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment income (loss) recognised by the Company for the year ended December 31, 2023 (Note 3)	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
Zhenjiang Nantex Chemical Industry., Ltd.	Manufacture and sales of rubber and latex	$ 2,075,996	Note 2	$ 1,698,263	$ -	$ -	$ 1,698,263	$ 367,815	100.00	$ 367,815	$ 3,985,436	$ -	—

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA (Note 4)
NANTEX INDUSTRY CO., LTD.	$ 1,698,263	$ 2,075,996	$ 9,142,567

(Note 1) Including capital increase out of earnings amounting to $377,733.
(Note 2) Through investing in an existing company in the third area INTERMEDIUM INTERNATIONAL LIMITED, which then invested in the investee in Mainland China.
(Note 3) It was recognised based on the financial statements audited and attested by R.O.C. parent company's CPA.
(Note 4) It was calculated based 60% of net worth or consolidated net worth (whichever is higher).
(Note 5) Foreign currencies were translated into New Taiwan Dollars.
Ending balances and book value are translated using the exchange rate as of report date as follows: USD 1 : TWD 30.71, RMB 1 : USD 0.1408.
Profit or loss are translated using the average exchange rate for the year ended December 31, 2023 as follows: USD 1 : TWD 31.15, RMB 1 : USD 0.1413.

NANTEX INDUSTRY CO., LTD.

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2023

Table 6

Expressed in thousands of NTD

Investee in Mainland China	Sale (purchase)		Property transaction		Accounts receivable (payable)		Provision of endorsements/guarantees or collaterals		Financing				(Note)
	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	
Zhenjiang Nantex Chemical Industry., Ltd.	$ 13,151	-	$ -	-	$ -	-	$ -	-	$ -	$ -	-	$ -	-

NANTEX INDUSTRY CO., LTD.

Major shareholders information

December 31, 2023

Table 7

Name of major shareholders	Number of shares held		Ownership (%)	Footnote
	Common share	Preferred share		
Tainan Spinning Co., Ltd.	105,549,052	-	21.43%	—
Nan Fan Housing Development Co., Ltd.	27,362,884	-	5.55%	—

(Note) The major shareholders information was derived from the data that the Company issued common shares (including treasury shares) and preferred shares in dematerialised form which were registered and held by the shareholders above 5% on the last operating date of each quarter and was calculated by Taiwan Depository & Clearing Corporation.

The share capital which was recorded on the financial statements may be different from the actual number of shares in dematerialised form due to the difference in the calculation basis.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Description	Amount
Cash:		
Cash on hand		$ 275
Checking deposits		191,985
Demand deposits－New Taiwan dollar		400,655
－Foreign currency	Including USD 2,509 thousand @ 30.71	
	Including JYP 1,250,731 thousand @ 0.2172	348,710
		941,625
Cash equivalents:		
Time deposits－Foreign currency	Including USD 35,000 thousand @ 30.71 Due date at 2024/1/2~2024/1/3	
	Interest rate at 5.50%~5.65%	1,074,675
		$ 2,016,300

NANTEX INDUSTRY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE, NET
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Client Name	Description	Amount
HARTALEGA NGC SDN. BHD.	Accounts receivable	$ 89,300
SRI TRANG GLOVES (THAILAND) CO., LTD.	〃	30,603
SAFE GLOVE CO., LTD.	〃	23,762
CENTRAL MEDICARE SDN. BHD.	〃	22,546
SEVEN-M-INTERNATIONAL	〃	17,768
KUO CHI TRADING CO., LTD.	〃	13,709
Others (less than 5%)	〃	71,709
		$ 269,397

NANTEX INDUSTRY CO., LTD.
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

		Amount		
Item	Description	Cost	Net Realisable Value	Footnote
Raw materials	—	$ 245,245	$ 243,773	(Note)
Supplies	—	12,287	12,287	〃
Work in progress	—	32,372	32,942	〃
Finished goods	—	216,465	253,330	〃
		506,369	$ 542,332	
Less: Allowance for market price decline		(38,594)		
		$ 467,775		

Note: Refer to Note 4(9) 'Inventories' of parent company only financial statements for the method used by the Company in determining the net realisable value of inventories.

NANTEX INDUSTRY CO., LTD.

STATEMENT OF CHANGES IN NON-CURRENT FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars)

	Beginning balance		Addition		Decrease		Ending balance		
Company	Shares (in thousands)	Fair value	Shares (in thousands)	Amount	Shares (in thousands)	Amount	Shares (in thousands)	Fair value	Collateral or Pledge
Listed stocks:									
Formosa Chemicals & Fibre Corp.	1,200	$ 84,600	-	$ -	-	($ 4,891)	1,200	$ 79,709	None
Formosa Petrochemical Corp.	400	32,120	-	9,931	-	-	400	42,051	〃
	1,600	116,720	-	9,931	-	(4,891)	1,600	121,760	
Unlisted stocks:									
Lushun Warehouse Co., Ltd.	2,700	213,191	-	128,168	-	-	2,700	341,359	None
President International Development Corp.	8,820	82,862	-	11,496	-	-	8,820	94,358	〃
Grand Bills Finance Corp.	720	5,797	-	-	-	(151)	720	5,646	〃
Micro Sava Co., Ltd.	1,021	288	-	-	-	(54)	1,021	234	〃
	13,261	302,138	-	139,664	-	(205)	13,261	441,597	
Corporate bonds:									
NATWEST MARKET PLC.	-	30,388	-	516	-	(30,904)	-	-	None
		$ 449,246		$ 150,111		($ 36,000)		$ 563,357	

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR UNDER EQUITY METHOD
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Beginning balance		Additions		Ending balance			Market price or Equity of subsidiaries and Associates			
Name	Number of shares (thousands of shares)	Amount	Number of shares (thousands of shares)	Amount	Number of shares (thousands of shares)	Percentage of ownership	Amount	Unit Price (NTD)	Total price	Collateral	NOTE
INTERMEDIUM INTERNATIONAL LIMITED	55,504	$ 8,700,223	-	$ 427,444	55,504	100.00%	$ 9,127,667	$ 164.45	$ 9,127,667	None	-
Nanmat Technology Co., Ltd.	19,414	622,226	1,941	138,469	21,355	41.00%	760,695	35.62	760,695	〃	-
	74,918	$ 9,322,449	1,941	$ 565,913	76,859		$ 9,888,362		$ 9,888,362		

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-COST
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(8) ‘Property, plant and equipment’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN PROPERTY, PLANT AND EQUIPMENT-ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(8) ‘Property, plant and equipment’ of parent company only financial statements for the change in accumulated depreciation of property, plant and equipment.
Refer to Note 4(14) ‘Property, plant and equipment’ of parent company only financial statements for the depreciation method and useful lives of the assets.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS-COST
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Land	Buildings	Machinery and equipment	Transportation equipment (Business vehicles)	Total
Beginning balance	$ 1,206	$ 56,777	$ 34,243	$ 2,099	$ 94,325
Addition	-	-	151,422	-	151,422
Decrease	-	-	(11,410)	-	(11,410)
Ending balance	$ 1,206	$ 56,777	$ 174,255	$ 2,099	$ 234,337

NANTEX INDUSTRY CO., LTD.
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS- ACCUMULATED DEPRECIATION
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

	Land	Buildings	Machinery and equipment	Transportation equipment (Business vehicles)	Total
Beginning balance	$ 670	$ 14,069	$ 22,833	$ 1,049	$ 38,621
Addition	402	3,510	21,526	420	25,858
Decrease	-	-	(5,705)	-	(5,705)
Ending balance	$ 1,072	$ 17,579	$ 38,654	$ 1,469	$ 58,774

<u>NANTEX INDUSTRY CO., LTD.</u>
<u>STATEMENT OF NON-CURRENT NET DEFINED BENEFIT ASSET</u>
<u>YEAR ENDED DECEMBER 31, 2023</u>
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(13) ‘Pensions’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OTHER PAYABLES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(12) ‘Other payables’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF DEFERRED INCOME TAX LIABILITIES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(23) ‘Income tax’ of parent company only financial statements.

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OPERATING REVENUE
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Quantity	Amount
Latex	92,115 t	$ 2,331,335
Nitrile butadiene rubber	8,647 t	690,211
Carbon masterbatch rubber	1,096 t	105,886
Themeplastic rubber	725 t	90,500
Others	19 t	2,945
		3,220,877
Less: Sales discounts and allowances		(485)
Operating revenue, net		$ 3,220,392

NANTEX INDUSTRY CO., LTD.
STATEMENT OF OPERATING COSTS
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Raw materials at January 1, 2023	$ 272,753
Add: Raw materials purchased	1,961,672
Transfer from research and development expense	25
Less: Transfer to expenses	(1,219)
Sale of raw materials	(2,659)
Raw materials at December 31, 2023	(245,245)
Raw materials used during the year	1,985,327
Supplies at January 1, 2023	28,802
Add: Supplies purchased	75,920
Supplies at December 31, 2023	(12,287)
Supplies used during the year	92,435
Direct labor	87,819
Manufacturing overhead	480,135
Manufacturing cost	2,645,716
Work in progress at January 1, 2023	41,046
Add: Outsource	465
Less: Transfer to expenses	(50,661)
Work in progress at December 31, 2023	(32,372)
Cost of finished goods	2,604,194
Finished goods at January 1, 2023	287,695
Add: Finished goods purchased	906
Less: Losses on physical inventory	(524)
Transfer to expenses	(115)
Finished goods at December 31, 2023	(216,465)
Cost of production and marketing	2,675,691
Sale of raw materials	2,659
Cost of goods sold	2,678,350
Provision for inventory market price decline	11,721
Losses on physical inventory	524
Revenue from sale of scrap	(1,800)
Operating costs	$ 2,688,795

NANTEX INDUSTRY CO., LTD.
STATEMENT OF MANUFACTURING OVERHEAD
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Wages and salaries	$ 83,314
Utilities expense	106,448
Depreciation	132,871
Fuel expense	40,503
Packaging materials	28,916
Others (less than 5%)	88,083
	$ 480,135

NANTEX INDUSTRY CO., LTD.
STATEMENT OF SELLING EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item		Amount
Wages and salaries	$	11,999
Freight		101,533
Commissions expense		15,658
Packaging materials		74,236
Others (less then 5%)		17,915
	$	221,341

NANTEX INDUSTRY CO., LTD.
STATEMENT OF GENERAL AND ADMINISTRATIVE EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Wages and salaries	$ 118,039
Directors' remuneration	54,358
Depreciation	38,472
Insurance	12,073
Others (less than 2%)	62,141
	$ 285,083

NANTEX INDUSTRY CO., LTD.
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Item	Amount
Wages and salaries	$ 30,305
Depreciation	12,501
Insurance	2,565
Repair and maintance expense	1,403
Others (less than 2%)	13,976
	$ 60,750

NANTEX INDUSTRY CO., LTD.
STATEMENT OF SUMMARY OF EMPLOYEE BENEFITS, DEPRECIATION, AND AMORTIZATION EXPENSES IN THE CURRENT PERIOD
YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars)

Refer to Note 6(21) 'Expenses by nature' and Note 6(22) 'Employee benefit expense' of parent company only financial statements.