Stock Code:3325

Casing Macron Technology Co., Ltd.

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

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Shareholders of Casing Macron Technology Co., Ltd.

Opinion

We have audited the accompanying parent company only financial statements of Casing Macron Technology Co., Ltd. (hereinafter referred to as the "Company"), which comprise the parent company only balance sheets as of December 31, 2023 and 2022, and the parent company only statements of comprehensive income, changes in equity and cash flows for the years then ended, and the notes to the parent company only financial statements, including a summary of significant accounting policies.

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

Basis for Opinion

We conducted our audits entrusted by the Company in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

Recognition of Revenue from Major Customers

The operating revenue of the Company is mainly generated from the Top 3 customers who occupied about 86% of the Company's total operating revenue. Because the Company's businesses are concentrated on the major customers and the amount of the operating revenue from the aforesaid customers is significant in the entire consolidated financial statements, we determined that the recognition of the revenue from the Top 3 customers is identified as a key audit matter for the year.

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

1. Understand the design of the relevant internal controls on the process related to the recognition of the revenue from the Top 3 customers, and examine the execution effectiveness thereof.
2. Sample the accounts from the Top 3 customers listed on the statements of the operating revenue, from which the detailed items are examined, review the original orders, the shipping documents and the relevant transaction documents confirmed to the sampled accounts, and verify the truthfulness of the transactions executed with the customers.
3. Check over the receipts of the payment collection and the debit notes, review the dates on which the payments are actually collected from the aforesaid customers, comparing to the offered credit periods for detecting whether there is any major abnormality, and verify the correspondence between the names of goods receivers and payers.

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 members of 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 general Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these parent company only financial statements.

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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.
5. 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.
6. Obtain sufficient and 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 Company audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audits resulting in this independent auditors' report are Li, Guan-Hao and Lin, Wang-Sheng.

Deloitte & Touche
Taipei, Taiwan
Republic of China
March 12, 2024

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1100372936

Financial Supervisory Commission Approved-certified No.:
Jin-Guan-Certificate No. 1060023872

CASING MACRON TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY BALANCE SHEETS

DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	ASSETS	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	CURRENT ASSETS				
1100	Cash and cash equivalents (Notes 4, 6 and 23)	$ 116,547	5	$ 86,753	4
1170	Notes and accounts receivable, net (Notes 4, 8 and 23)	553,554	23	375,424	18
1200	Other receivables, net (Notes 4, 8 and 23)	2,505	-	2,293	-
1210	Other receivables - related parties (Notes 4, 23 and 24)	16	-	-	-
1220	Current tax assets (Note 4)	346	-	35	-
130X	Inventories, net (Notes 4 and 9)	583	-	609	-
1476	Other financial assets (Notes 4, 23 and 25)	103,128	4	102,324	5
1479	Other current assets (Note 13)	4,248	-	4,072	1
11XX	Total current assets	780,927	32	571,510	28
	NON-CURRENT ASSETS				
1550	Investments accounted for using equity method (Notes 4 and 10)	1,509,676	62	1,384,595	66
1600	Property, plant and equipment, net (Notes 4, 11 and 25)	34,168	2	35,390	2
1755	Right-of-use assets, net (Notes 4 and 12)	869	-	197	-
1780	Intangible assets (Notes 4)	256	-	-	-
1840	Deferred tax assets (Notes 4 and 20)	92,253	4	80,617	4
1990	Other non-current assets (Notes 13 and 17)	6,187	-	6,243	-
15XX	Total non-current assets	1,643,409	68	1,507,042	72
1XXX	TOTAL ASSETS	$ 2,424,336	100	$ 2,078,552	100
Code	**LIABILITIES AND EQUITY**				
	CURRENT LIABILITIES				
2100	Short-term borrowings (Notes 14, 23 and 25)	$ 391,886	16	$ 327,531	16
2120	Financial liabilities at fair value through profit or loss (Notes 4, 7 and 23)	-	-	1,389	-
2170	Notes and accounts payable (Note 23)	44	-	64	-
2180	Accounts payable to related parties (Notes 23 and 24)	884,078	37	685,268	33
2219	Other payables (Notes 16 and 23)	31,666	1	33,408	1
2280	Lease liabilities - current (Note 4 and 12)	251	-	184	-
2322	Long-term borrowings, current portion (Notes 14, 23 and 25)	42,059	2	34,518	2
2399	Other current liabilities	4,614	-	2,921	-
21XX	Total current liabilities	1,354,598	56	1,085,283	52
	NON-CURRENT LIABILITIES				
2530	Corporate bonds payables (Notes 4, 15 and 23)	9,616	-	-	-
2540	Long-term borrowings (Notes 14, 23 and 25)	64,352	3	106,382	5
2570	Deferred tax liabilities (Notes 4 and 20)	1,237	-	2,541	-
2580	Lease liabilities – non-current (Note 4 and 12)	618	-	-	-
25XX	Total non-current liabilities	75,823	3	108,923	5
2XXX	Total liabilities	1,430,421	59	1,194,206	57
	EQUITY (Note 15 and 18)				
3110	Common stock	896,097	37	846,346	41
3200	Capital surplus	171,392	7	133,789	7
	Retained earnings				
3310	Legal reserve	26,919	1	26,919	1
3320	Special reserve	72,694	3	72,694	3
3350	Accumulated deficit	(165,407)	(7)	(134,553)	(6)
3300	Total retained earnings	(65,794)	(3)	(34,940)	(2)
3400	Other equity interest	(7,780)	-	(60,849)	(3)
3XXX	Total equity	993,915	41	884,346	43
	TOTAL LIABILITIES AND EQUITY	$ 2,424,336	100	$ 2,078,552	100

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

Chairman: Hsiao, Yi-Chang Managerial Officer: Hung, Ting-Hung Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME

YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, except Losses per Share in New Taiwan Dollars)

		2023		2022	
Code		Amount	%	Amount	%
4000	OPERATING REVENUE（Note 4）	$ 1,558,930	100	$ 945,868	100
5000	COST OF REVENUE（Notes 4, 9 and 24）	1,560,387	100	1,054,410	112
5900	GROSS LOSS	(1,457)	-	(108,542)	(12)
	OPERATING EXPENSES（Notes 4, 11, 13, 17 and 19）				
6100	Marketing expenses	13,377	1	14,133	1
6200	Administrative expenses	26,179	2	24,355	3
6300	Research and development expenses	2,311	-	2,620	-
6000	Total operating expenses	41,867	3	41,108	4
6900	NET LOSS FROM OPERATIONS	(43,324)	(3)	(149,650)	(16)
	NON-OPERATING INCOME AND EXPENSES				
7100	Interest income	3,925	-	840	-
7190	Other income	1,387	-	2,476	1
7020	Other gains and losses（Note 19）	4,737	1	44,475	5
7050	Finance costs（Note 19）	(15,863)	(1)	(8,161)	(1)
7070	Share of profit or loss of subsidiaries accounted for using equity method（Notes 4 and 10）	15,517	1	11,526	1
7000	Total non-operating income and expenses	9,703	1	51,156	6
7900	NET LOSS BEFORE INCOME TAX	(33,621)	(2)	(98,494)	(10)
7950	INCOME TAX BENEFIT（Notes 4 and 20）	(9,593)	(1)	(21,942)	(2)
8200	NET LOSS	(24,028)	(1)	(76,552)	(8)

(Continued)

(Concluded)

Code		2023 Amount	2023 %	2022 Amount	2022 %
	OTHER COMPREHENSIVE INCOME (LOSS)				
8310	Items that will not be reclassified subsequently to profit or loss:				
8311	Remeasurement of defined benefit obligation（Notes 4 and 17）	($ 143)	-	$ 1,030	-
8320	Share of other comprehensive income of subsidiaries accounted for using equity method（Notes 4 and 20）	66,344	4	-	-
8349	Income tax related to items that will not be reclassified subsequently（Notes 4 and 20）	29	-	(206)	-
8360	Items that may be reclassified subsequently to profit or loss:				
8361	Exchange differences arising on translation of foreign operations（Notes 4 and 18）	(16,594)	(1)	20,545	2
8399	Income tax related to items that may be reclassified subsequently（Notes 4, 18 and 20）	3,319	-	(4,109)	-
8300	Other comprehensive income (loss), net of income tax	52,955	3	17,260	2
8500	TOTAL COMPREHENSIVE INCOME (LOSS)	$ 28,927	2	($ 59,292)	(6)
	LOSSES PER SHARE（Note 21）				
9750	Basic losses per share	($ 0.28)		($ 0.90)	
9850	Diluted losses per share	($ 0.28)		($ 0.90)	

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

Chairman: Hsiao, Yi-Chang Managerial Officer: Hung, Ting-Hung Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY

YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

				Retained earnings				Other equity		
Code		Share capital	Capital surplus	Legal reserve	Special reserve	Unappropriated earnings (accumulated deficit)	Total	Exchange Differences Arising on Translation of Foreign Operations	Gain on revaluation of properties	Total equity
A1	BALANCE, JANUARY 1, 2022	$ 846,346	$ 133,789	$ 26,919	$ 72,694	($ 58,825)	$ 40,788	($ 77,285)	$ -	$ 943,638
D1	NET LOSS FOR THE YEAR 2022	-	-	-	-	(76,552)	(76,552)	-	-	(76,552)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2022	-	-	-	-	824	824	16,436	-	17,260
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2022	-	-	-	-	(75,728)	(75,728)	16,436	-	(59,292)
Z1	BALANCE, DECEMBER 31, 2022	846,346	133,789	26,919	72,694	(134,553)	(34,940)	(60,849)	-	884,346
D1	NET LOSS FOR THE YEAR 2023	-	-	-	-	(24,028)	(24,028)	-	-	(24,028)
D3	OTHER COMPREHENSIVE INCOME, NET OF INCOME TAX FOR THE YEAR 2023	-	-	-	-	(114)	(114)	(13,275)	66,344	52,955
D5	TOTAL COMPREHENSIVE INCOME FOR THE YEAR 2023	-	-	-	-	(24,142)	(24,142)	(13,275)	66,344	28,927
C5	ISSUANCE OF CONVERTIBLE BONDS RECOGNIZED IN EQUITY	-	3,853	-	-	-	-	-	-	3,853
I1	CONVERSION OF CORPORATE BONDS TO COMMON STOCK	49,751	35,440	-	-	-	-	-	-	85,191
M7	CHANGES IN OWNERSHIP OF INTERESTS OF SUBSIDIARIES	-	(1,690)	-	-	(6,712)	(6,712)	-	-	(8,402)
Z1	BALANCE, DECEMBER 31, 2023	$ 896,097	$ 171,392	$ 26,919	$ 72,694	($ 165,407)	($ 65,794)	($ 74,124)	$ 66,344	$ 993,915

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

Chairman: Hsiao, Yi-Chang　　Managerial Officer: Hung, Ting-Hung　　Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.

PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS

YEARS ENDED DECEMBER 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code		2023	2022
	CASH FLOWS FROM OPERATING ACTIVITIES		
A10000	Loss before income tax	($ 33,621)	($ 98,494)
A20010	Adjustments to reconcile profit (loss)		
A20100	Depreciation expense	2,015	2,066
A20400	Losses (gains) on financial assets and liabilities at fair value through profit or loss	(1,389)	1,389
A20900	Finance costs	15,863	8,161
A21200	Interest income	(3,925)	(840)
A22400	Share of profit (loss) of subsidiaries accounted for using equity method	(15,517)	(11,526)
A24100	Loss (gain) on unrealized foreign exchange	13,013	(6,465)
A30000	Changes in operating assets and liabilities		
A31150	Decrease (increase) in notes and accounts receivable	(195,000)	245,283
A31180	Decrease (increase) in other receivables	(166)	(1,073)
A31190	Decrease (increase) in other receivables due from related parties	(16)	691
A31200	Decrease (increase) in inventories	26	34
A31240	Decrease (increase) in other current assets	(263)	(390)
A32150	Increase (decrease) in notes and accounts payable	(20)	16
A32160	Increase (decrease) in accounts payable to related parties	198,810	(44,116)
A32180	Increase (decrease) in other payables	2,434	(9,567)
A32230	Increase (decrease) in other current liabilities	(507)	(9)
A33000	Cash generated from (used in) operations	(18,263)	85,160
A33100	Interest received	3,879	741
A33300	Interest paid	(14,627)	(7,744)
A33500	Income tax paid	(311)	(26)
AAAA	Net cash generated by (used in) operating activities	(29,322)	78,131
	CASH FLOWS FROM INVESTING ACTIVITIES		
B01800	Acquisition of investment accounted for using equity method	(68,215)	-
B02700	Acquisition of property, plant and equipment	(597)	-
B06500	Increase in other financial assets	(804)	(9,645)
B06700	Increase in other non-current assets	(256)	-
BBBB	Net cash generated from (used in) investing activities	(69,872)	(9,645)

(Continued)

Code		2023	2022
	CASH FLOWS FROM FINANCING ACTIVITIES		
C00100	Increase in short-term borrowings	$ 1,369,564	$ 1,273,847
C00200	Decrease in short-term borrowings	(1,301,375)	(1,352,636)
C01200	Issuance of corporate bonds	100,000	-
C01600	Proceeds from long-term bank loans	-	66,000
C01700	Repayment of long-term bank loans	(34,489)	(12,100)
C04020	Repayment of the principal portion of lease liabilities	(184)	(198)
CCCC	Net cash generated by (used in) financing activities	133,516	(25,087)
DDDD	EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	(4,528)	5,045
EEEE	NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	29,794	48,444
E00100	CASH AND CASH EQUIVALENTS, BEGINNING OF THE YEAR	86,753	38,309
E00200	CASH AND CASH EQUIVALENTS, END OF THE YEAR	$ 116,547	$ 86,753

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

Chairman: Hsiao, Yi-Chang   Managerial Officer: Hung, Ting-Hung   Accounting Officer: Li, Rong-De

CASING MACRON TECHNOLOGY CO., LTD.
NOTES TO PARENT COMPANY ONLY FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2023 and 2022
(Amounts in Thousands of New Taiwan Dollars, Unless Specified Otherwise)

1. **GENERAL**

Casing Macron Technology Co., Ltd. (hereinafter referred to as the "Company") was established under the R.O.C. Company Act in April 1996, mainly engaged in the business of selling PC cases, switching power supply, electronic peripherals and parts, etc.

The Company's stocks have been officially traded on the over-the-counter (OTC) market on the Taipei Exchange since August 15, 2005.

The accompanying parent company only financial statements are expressed in the Company's functional currency, New Taiwan Dollars.

2. **THE AUTHORIZATION OF FINANCIAL STATEMENTS**

The accompanying parent company only financial statements were approved by the Board of Directors on March 8, 2024.

3. **APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS**

(1) Initial application of the amendments to the International Financial Reporting Standards (IFRS), International Accounting Standards (IAS), IFRIC Interpretations (IFRIC), and SIC Interpretations (SIC) (collectively, the "IFRS accounting standards") endorsed and issued into effect by the Financial Supervisory Commission (FSC)

The initial application of the amendments to the IFRS accounting standards endorsed and issued into effect by the FSC did not have a significant effect on the accounting policies of the Company and entities controlled by the Company (collectively, the "Group").

(2) The IFRS accounting standards endorsed by the FSC with effective date starting 2024

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note a.)
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note b.)
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 (Note c.)

Note a. Unless specified otherwise, the above new, revised or amended standards and interpretations are effective for annual reporting periods beginning on or after their effective dates respectively.

Note b. A seller-lessee shall apply the Amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note c. Part of the disclosure regulations is exempt at first-time adoption of the modification.

As of the date the accompanying consolidated financial statements were authorized for issuance, the above standards and interpretations have no significant impact on the Company's financial position and financial performance based on the Company's assessment.

(3) The IFRS accounting standards issued by IASB but not yet endorsed and issued into effect by the FSC

New, Revised or Amended Standards and Interpretations	Effective Date Issued by IASB (Note a.)
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
Amendments to IFRS 16 "Lease Liability in Sale and Leaseback"	January 1, 2024 (Note b.)
IFRS 17 "Insurance Contracts"	January 1, 2023
IFRS 17 Amendments	January 1, 2023
IFRS 17 Amendment "Initial Application of IFRS 17 and IFRS 9 - Comparative Information	January 1, 2023
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

Note a. Unless specified otherwise, the above new, revised or amended standards and interpretations are effective for annual reporting periods beginning on or after their effective dates respectively.

Note b. The amendments apply to annual reporting periods beginning on or after 1 January 2025. The consolidated company shall recognize any effect of initially applying the amendments as an adjustment to the opening balance of retained earnings. When the consolidated company uses a presentation currency other than its functional currency, the consolidated company shall recognize any effect of initially applying the amendments as an adjustment to the exchange differences in the conversion of the financial statements of foreign operations under equity at the first-adoption date.

As of the date the accompanying consolidated financial statements were authorized for issuance, the Company continues evaluating the impact on their financial position and financial performance from the initial adoption of the above standards and interpretations. The related impact will be disclosed when the evaluation is completed.

4. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(1) Statement of Compliance

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

(2) **Basis of Preparation**

The accompanying parent company only financial statements have been prepared on the historical cost basis except for financial instruments, which are measured at fair value, and net defined benefit assets, which are measured from present value of a defined benefit obligation less plan assets recognized at fair value.

The fair value measurements, which are grouped into Levels 1 to 3 based on the degree to which the fair value measurement inputs are observable and based on the significance of the inputs to the fair value measurement in its entirety, are described as follows:

a. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities;
b. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices); and
c. Level 3 inputs are unobservable for the asset or liability.

When preparing the parent company only financial statements, the Company account for subsidiaries or associates by using the equity method. In order to agree with the amount of net income, other comprehensive income and equity attributable to shareholders of the parent in the consolidated financial statements, the differences of the accounting treatment between the parent company only basis and the consolidated basis are adjusted under the heading of “investments accounted for using equity method”, “share of profits of subsidiaries and associates accounted for using equity method” and “share of other comprehensive income of subsidiaries and associates accounted for using equity method” in the parent company only financial statements.

(3) **Standard in Determining Whether the Assets or Liabilities Are Current or Non-current**

Current assets include:

a. Assets held mainly for transaction purposes;
b. Assets to be realized within 12 months after the balance sheet date; and
c. Cash and cash equivalents (unless the asset is to be used for an exchange or to settle a liability, or otherwise remains restricted, at more than 12 months after the balance sheet date).

Current liabilities include:

a. Liabilities held mainly for transaction purposes;
b. Liabilities to be settled when due within 12 months after the balance sheet date (even if an agreement to refinance or to reschedule payments on a long-term basis is completed after the balance sheet date and before the financial statements are authorized for issue); and
c. Liabilities for which the settlement date cannot be extended unconditionally to at least 12 months after the balance sheet date. However, 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.

Assets or liabilities not meeting the above criteria are classified as non-current assets or non-current liabilities.

(4) **Foreign Currencies**

When preparing the parent company only financial statements, the Company prepares records in a currency other than their functional currency (i.e. foreign currencies) and converts them to the functional currency based on the exchange rate on the transaction date.

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

Non-monetary items measured at fair value in a foreign currency are translated at the exchange rate on the date the fair value was determined. The resulting exchange differences are recognized in profit or loss, except for those recognized in other comprehensive income (loss) when fair value changes are recognized in other comprehensive income (loss).

Non-monetary items denominated in foreign currencies that are measured at historical cost are translated at the exchange rate prevailing on the transaction date and are not retranslated.

In preparing the parent company only financial statements, the assets and liabilities of the foreign operations (including those of subsidiaries or affiliates operating in countries or currencies different from those of the Company) are translated into New Taiwan Dollars at the exchange rates prevailing on each balance sheet date. Income and expense items are translated at the average exchange rate in the period, with the resulting exchange differences recognized in other comprehensive income (loss).

(5) **Inventories**

Inventories consist of merchandise. Inventories are measured at the lower of cost or net realizable value. Comparisons between cost and net realizable value are made on an item-by-item basis, except for inventories of the same type. Net realizable value is the selling price estimated under normal circumstances less estimated costs to complete the sale. The cost of inventories is calculated by using the weighted-average method.

(6) **Investments Accounted for Using Equity Method**

The Company uses the equity method to account for its investments in subsidiaries.

A subsidiary is an entity over which the Company has control.

Under the equity method, the original investment is recognized at cost, and the carrying amount of the investment after acquisition is increased or decreased by the Company’s share of the profit or loss of the subsidiary and other comprehensive income (loss) and profit distribution. In addition, changes in the Company’s share of other equity in a subsidiary are recognized in proportion to the Company’s ownership.

When a change in the Company’s ownership interest in a subsidiary does not result in a loss of control, it is accounted for as an equity transaction. The difference between the carrying amount of the investment and the fair value of the consideration paid or received is recognized directly in equity.

When the Company's share of losses in a subsidiary equal or exceeds its interest in the subsidiary (including the carrying amount of the subsidiary under the equity method and other long-term interests that are in substance a component of the Company's net investment in the subsidiary), the Company continues to recognize losses in proportion to its equity in the subsidiary.

(7) **Property, Plant and Equipment**

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

Property, plant and equipment are depreciated separately over their useful lives on a straight-line basis for each significant component, except for owned land, for which no depreciation is provided. The Company reviews the estimated useful lives, residual values and depreciation methods at least at the end of each fiscal year and defers the effect of changes in applicable accounting estimate values.

When property, plant and equipment are derecognized, the difference between the net disposal proceeds and the carrying amount of its asset is recognized in profit or loss.

(8) **Intangible Assets**

Intangible assets acquired separately with finite useful lives are measured initially at cost and subsequently measured at cost less accumulated amortization and accumulated impairment losses. Intangible assets are amortized on a straight-line basis over their useful lives, and the estimated useful lives, residual values and amortization methods applied to the aforesaid assets are reviewed at least at the end of each fiscal year, also the effect of their changes in applicable accounting estimates would be deferred.

Expenditure on research is recognized as an expense when occurring.

(9) **Impairment of Property, Plant and Equipment, Right-of-use Assets and Intangible Assets**

The Company assesses at each balance sheet date whether there is any indication that property, plant and equipment, right-of-use assets and intangible assets may have been impaired. If any indication of impairment exists, the recoverable amount of the asset is estimated. Where the recoverable amount of an individual asset cannot be estimated, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation to cash-generating units can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent basis of allocation can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually and whenever there is an indication that the assets may be impaired.

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

When an impairment loss is subsequently reversed, the carrying amount of the asset or cash-generating unit is increased to the revised recoverable amount, provided that the increased carrying amount does not exceed the carrying amount (net of amortization or depreciation) that had been determined but had no impairment loss be recognized for the asset or cash-generating unit in prior years. Reversals of impairment losses are directly recognized in profit or loss.

(10) **Financial Instruments**

Financial assets and financial liabilities are recognized in the parent company only balance sheet when the Company becomes a party to the contractual provisions of the instrument.

When the financial assets and financial liabilities are recognized initially, financial assets or financial liabilities, which are not measured at fair value through profit or loss, are measured at fair value plus transaction costs that are directly attributable to the acquisition or issuance of the financial assets or financial liabilities. Transaction costs that are directly attributable to the acquisition or issuance of financial assets or financial liabilities measured at fair value through profit or loss are recognized immediately in profit or loss.

<u>Financial Assets</u>

Regular transactions of financial assets are recognized and derecognized by using trade date accounting.

a. Measurement Categories

Financial assets are classified and held by the Company into the following categories: financial assets measured at fair value through profit or loss (FVTPL) and financial assets measured at amortized cost.

a-1. Financial Assets at FVTPL

Financial assets are classified as at FVTPL when such a financial asset is mandatorily classified or designated as at FVTPL. Financial assets mandatorily classified as at FVTPL include investments in equity instruments that are not designated as at fair value through other comprehensive income (FVTOCI) and investments in debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria.

Financial assets at FVTPL are subsequently measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. Fair value is determined in the manner described in Note 23.

a-2. Financial Assets at Amortized Cost

The Company’s investments in financial assets are classified as financial assets measured at amortized cost if both of the following conditions are met:

A. The objective of the Company’s business models is achieved by collecting contractual cash flows; and

B. The contractual terms give rise to cash flows on a specific date that are solely payments of principal and interest on the principal amount circulated outside.

Subsequent to initial recognition, financial assets at amortized cost (including cash and cash equivalents, accounts receivable, other receivables and other financial assets) are measured at their total carrying amount determined by using the effective interest method less amortized cost of any impairment loss, and gains or losses on any foreign currency exchange are recognized in profit or loss.

Cash equivalents include highly liquid short-term time deposits and investments that are readily convertible to known amounts of cash and with maturity dates within three months that do not present significant risks of changes in value. The Company holds them for the purpose of short-term cash commitment.

b. Impairment of Financial Assets

The Company recognizes loss allowances for expected credit losses on financial assets measured at amortized cost (including accounts receivables) at each balance sheet date.

Loss allowances based on the lifetime expected credit losses (i.e. ECLs) are always recognized for accounts receivables. For all other financial assets, it is firstly evaluated whether there has been a significant increase in credit risk since initial recognition; when the credit risk on a financial asset has not increased significantly since initial recognition, the loss allowances are measured and recognized for that financial asset at an amount equal to 12-month ECLs. If, on the other hand, the loss allowances based on the lifetime ECLs are recognized when there has been a significant increase in credit risk since initial recognition.

Expected credit losses reflect the weighted average of credit losses with the respective risks of default occurring as the weights. 12-month ECLs represent the portion of lifetime ECLs that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date. In contrast, lifetime ECLs represent the expected credit losses that will result from all possible default events over the expected life of a financial instrument.

An impairment gain or loss is recognized in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

c. Derecognition of Financial Assets

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

On derecognition of a financial asset at amortized cost in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit or loss.

Equity Instruments

Debt and equity instruments issued by the Company are classified as financial liabilities or equity based on the substance of the contractual agreements and the definitions of financial liabilities and equity instruments.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognized at the proceeds received, net of direct issue costs.

The repurchase of the Company's own equity instruments is recognized in and deducted directly from equity. No gain or loss is recognized in profit or loss on the purchase, sale, issuance or cancellation of the Company's own equity instruments.

Financial Liabilities

a. Subsequent Measurement

All financial liabilities are measured at amortized cost by using the effective interest method, except in the following conditions:

Financial Liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or is designated as at FVTPL.

Financial liabilities at FVTPL are measured at fair value, with any gains or losses arising on remeasurement recognized in profit or loss. The gain or loss recognized in profit or loss incorporates any dividends or interest paid for such a financial liability. Fair value is determined in the manner described in Note 23.

b. Derecognition of Financial Liabilities

The Company derecognizes financial liabilities when, and only when, the Company's obligations are discharged, cancelled or they expire. On derecognition of a financial liability, the difference between the carrying amount and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

Derivative Financial Instruments

The Company enters into the derivative financial instruments – FX swap contracts, to manage its exposure to foreign exchange rate risks.

Derivatives are initially recognized at fair value at the date on which the derivative contracts are entered into and are subsequently remeasured at their fair value at the balance sheet date. The resulting gain or loss is recognized in profit or loss immediately. When the fair value of a derivative financial instrument is positive, the derivative is recognized as a financial asset; when the fair value of a derivative financial instrument is negative, the derivative is recognized as a financial liability.

Convertible corporate bonds

Compound financial instruments (convertible corporate bonds) issued by the Company shall be classified as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument.

At initial recognition, fair value of liability component is estimated by the current market interest rate of a similar liability, and measured at amortized cost by effective interest rate method before conversion or maturity.

A conversion right classified as equity is assigned the residual amount after deducting from the fair value of the instrument as a whole the amount separately determined for the liability component, recognized in equity after deducting income tax effects, and will not be measured subsequently. When the conversion right is executed, the relevant liability component and the amount in equity shall be transferred to share capital and capital surplus – additional paid-in capital. If the conversion right is not executed until maturity, the amount recognized in equity will be transferred to capital surplus – additional paid-in capital.

Transaction costs that relate to the issue of a compound financial instrument are allocated to the liability (recognized into the carrying amount of the liability) and equity components (recognized into equity) of the instrument in proportion to the allocation of proceeds.

(11) **Revenue Recognition**

The Company identifies the contract with the customers, allocates the transaction price to each performance obligation, and recognizes revenue when each performance obligation is satisfied.

a. Merchandise Sales Revenue

Merchandise Sales Revenue is generated from sales of computer peripheral products. Sales of computer peripheral products are recognized as revenue when the merchandise departs from the contracted place because it is the time when the customer has full discretion over the manner of distribution and price to sell the merchandise, has the primary responsibility for sales to future customers, and bears the risks of obsolescence. Accounts receivables are recognized concurrently.

b. Revenue from Rendering of Services

Service revenue is recognized when services are provided.

(12) **Lease**

At the inception of a contract, the Company assesses whether the contract is, or contains, a lease.

The Company as lessee

The Company recognizes right-of-use assets and lease liabilities for all leases at the commencement date of a lease, except for short-term leases and low-value asset leases accounted for applying a recognition exemption where lease payments are recognized as expenses on a straight-line basis over the lease terms.

Right-of-use assets are initially measured at cost, which comprises the initial measurement of lease liabilities adjusted for lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs needed to restore the underlying assets, and less any lease incentives received. Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of the lease liabilities. Right-of-use assets are presented on a separate line in the parent company only balance sheets.

Right-of-use assets are depreciated by using the straight-line method from the commencement dates to the earlier of the end of the useful lives of the right-of-use assets or the end of the lease terms.

Lease liabilities are initially measured at the present value of the lease payments, which comprise fixed payments. The lease payments are discounted by using the interest rate implicit in a lease if that rate can be readily determined. If that rate cannot be readily determined, the Company uses the lessee's incremental borrowing rate.

Subsequently, lease liabilities are measured at amortized cost using the effective interest method, with interest expense recognized over the lease terms. When there is a change in a lease term, a change in the amounts expected to be payable under a residual value guarantee, or a change in future lease payments resulting from a change in an index or a rate used to determine those payments or from assessments on underlying assets with purchase options, the Company remeasures the lease liabilities with a corresponding adjustment to the right-of-use assets. However, if the carrying amount of the right-of-use assets is reduced to zero, any remaining amount of the remeasurement is recognized in profit or loss. Lease liabilities are presented on a separate line in the parent company only balance sheets.

(13) **Employee Benefits**

Retirement Benefits

Payments to the defined contribution retirement benefit plans are recognized as an expense when the employees have rendered service entitling them to the contribution.

Defined benefit costs (including service cost, net interest and remeasurement) recognized under the defined benefit retirement benefit plans are determined by using the projected unit credit method. Service cost (including current service cost) and net interest on the net defined benefit asset are recognized as employee benefits expense in the period they occur. Remeasurement, comprising actuarial gains and losses and the return on plan assets (excluding interest), is recognized in other comprehensive income in the period they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Net defined benefit asset represents the actual surplus in the defined benefit retirement benefit plan. Any surplus resulting from this calculation is limited to the present value of any refunds from the plans or reductions in future contributions to the plans.

(14) **Income Tax**

Income tax expense represents the sum of the tax currently payable and deferred tax.

a. Current Tax

Income tax on unappropriated earnings, which is calculated in accordance with the R.O.C. Income Tax Act, is expensed in the year the shareholders' meeting approved the appropriation of earnings which is the year subsequent to the year the earnings are generated.

Adjustments of the prior years' tax liabilities are included in the current tax.

b. Deferred Tax

Deferred tax is the temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are recognized for deductible temporary differences or loss carryforwards to the extent that it is probable that taxable profits are available against which those deductible temporary differences or loss carryforwards can be utilized.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, except where the Company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets from deductible temporary differences associated with such investments are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and decreased to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered. The deferred tax assets originally not recognized are also reviewed at each balance sheet date and also to have its carrying amount be increased to the extent that it is probable that sufficient taxable profits will be available to allow all or part of the deferred tax assets to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the year in which the liability is settled or the asset is realized, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Company expects, at the balance sheet date, to recover or settle the carrying amount of its assets and liabilities.

c. Current and Deferred Tax for the Year
Current and deferred tax are recognized in profit or loss, except for them relating to the items that are recognized in other comprehensive income or directly in equity, in that case the current and deferred tax are recognized in other comprehensive income or directly in equity, respectively.

5. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION AND UNCERTAINTY

In adopting accounting policies as described in Note 4, the Company's management is required to make judgments, estimation and assumptions that are based on historical experience and other relevant factors where relevant information is not readily available from other sources. Actual results may differ from those estimates.

The Company's management will continue reviewing the estimates and underlying assumptions. Revisions will be made to the recognition booked for the current period, only which the revisions of the estimates are affected for; or otherwise the revisions to the recognition will be made for both current and future periods when the revisions of the estimates are affected for both periods.

6. CASH AND CASH EQUIVALENTS

	December 31, 2023	December 31, 2022
Cash on hand	$ 354	$ 149
Bank checks and demand deposits	116,193	86,604
	$116,547	$ 86,753

Interest rate ranges for bank deposits and cash equivalents at the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Bank deposits	0.05%～1.45%	0.05%～1.05%

7. FINANCIAL INSTRUMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	December 31, 2023	December 31, 2022
Financial liabilities - current		
Held for trading		
Derivative financial instruments		
－FX swap contracts	$ -	$ 1,389

Derivative Financial Instruments

The Company entered into FX swap contracts to manage exposures to exchange rate fluctuations of foreign currency denominated assets and liabilities.

At the balance sheet date, outstanding FX swap contracts not under hedge accounting are as follows:

	Currency	Maturity Date	Contract Amount (In Thousands)
December 31, 2022			
FX swap contracts	USD/NTD	2022.10.14 ~ 2023.1.13	USD 700
FX swap contracts	USD/NTD	2022.10.27 ~ 2023.4.27	USD 500

8. NOTES AND ACCOUNTS RECEIVABLE AND OTHER RECEIVABLES

	December 31, 2023	December 31, 2022
Accounts receivable		
Total carrying amount at amortized cost	$ 554,030	$ 375,900
Less: Loss allowance	(476)	(476)
	$ 553,554	$ 375,424
Other receivables	$ 2,505	$ 2,293
Less: Loss allowance	-	-
	$ 2,505	$ 2,293

In principle, the Company's average credit period of sales of merchandise is 30 – 150 days from the end of the month when the invoice is issued. No interest is charged on accounts receivable. The Company assesses any changes in credit quality of accounts receivable from the originally granted credit date to the balance sheet date when determining the recoverability of the accounts receivable.

The Company applies the simplified approach of IFRS 9 to recognize the loss allowance for accounts receivable at an amount equal to lifetime ECLs. The lifetime ECLs on receivables are estimated by using a provision matrix through reference to the past default experience of the debtor and an analysis of the debtor's current financial position, general economic conditions of the industry in which the debtors operate, as well as GDP forecast and industry outlook considered at the same time. As the Company's historical credit loss experience does not show significantly different loss patterns for different customer segments, the provision matrix for loss allowance based on past due status is not further distinguished according to the Company's different customer base, but the ECLs' rate is measured based on past due days of the accounts receivable.

The Company writes off the relevant accounts receivables when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, but the recovery activity continues and the amount recovered is recognized in profit or loss.

The following table details the loss allowance of notes and accounts receivables and other receivables based on the Company's provision matrix.

December 31, 2023

	Not Past Due	1 – 60 Days Past Due	61 – 90 Days Past Due	91 – 120 Days Past Due	121 – 365 Days Past Due	Over 365 Days Past Due	Total
ECLs' rate	0.01%	0.05%	0.13%	0.56%	2.11%	100%	
Total carrying amount	$ 555,685	$ 665	$ 185	$ -	$ -	$ -	$ 556,535
Loss allowance	(474)	(1)	(1)	-	-		(476)
Amortized cost	$ 555,211	$ 664	$ 184	$ -	$ -	$ -	$ 556,059

December 31, 2022

	Not Past Due	1 – 60 Days Past Due	61 – 90 Days Past Due	91 – 120 Days Past Due	121 – 365 Days Past Due	Over 365 Days Past Due	Total
ECLs' rate	0.01%	0.07%	0.17%	0.73%	2.50%	100%	
Total carrying amount	$ 369,991	$ 7,833	$ 246	$ -	$ -	$ 123	$ 378,193
Loss allowance	(347)	(5)	(1)	-	-	(123)	(476)
Amortized cost	$ 369,644	$ 7,828	$ 245	$ -	$ -	$ -	$ 377,717

Movements in the loss allowance for notes and accounts receivables and other receivables are as follows:

	Years Ended December 31	
	2023	2022
Balance, beginning of the year	$ 476	$ 476
Impairment losses for the year	-	-
Balance, end of the year	$ 476	$ 476

9. **INVENTORIES**

	December 31, 2023	December 31, 2022

	December 31, 2023	December 31, 2022
Merchandise	$ 583	$ 609

Costs of goods sold related to inventories for the years 2023 and 2022 amounted to $1,560,387 thousand and $1,054,410 thousand respectively, including losses of $0 thousand on the decline in inventory valuation and also obsolescence.

10. **INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD**

	December 31, 2023	December 31, 2022
Investment in subsidiaries		
L.S.H. Technology Co., Ltd.	$ 1,389,639	$ 1,311,280
Tai Casing Technology (Thailand) Co., Ltd.	120,037	73,315
	$ 1,509,676	$ 1,384,595

The percentages of the Company's ownership interest and voting rights in the subsidiaries at the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
L.S.H. Technology Co., Ltd.	100%	100%
Tai Casing Technology (Thailand) Co., Ltd.	65%	51%

The shares of the subsidiaries using equity method recognized in profit or loss are as follows:

	Years Ended December 31	
	2023	2022
L.S.H. Technology Co., Ltd.	$ 29,782	$ 27,391
Tai Casing Technology (Thailand) Co., Ltd.	(14,265)	(15,865)
	$ 15,517	$ 11,526

L.S.H. Technology Co., Ltd., a subsidiary of the Company's 100% ownership, is the holding company for the investments in Mainland China. For information about the Company's reinvestments in Mainland China, please refer to Table 4.

Tai Casing Technology (Thailand) Co., Ltd. implemented cash capital increase for capital demand of future operating plans. The Company has approved by the board of directors on August 9, 2023 to participate in the cash capital increase, with the transaction price of THB76.5 per share, and subscribed 1,000 thousand of shares in December, resulting the increase of the percentage of ownership to 65%. As the Company did not subscribe in proportion to the percentage of ownership, the capital surplus and retained earnings have been decrease by $1,690 thousand and $6,712 thousand, respectively.

11. **PROPERTY, PLANT AND EQUIPMENT**

	Self-owned Land	Buildings and Structures	Machinery equipment	Other Equipment	Total
Cost					
Balance as of January 1, 2022	$ 21,643	$ 24,789	$ 512	$ 9,543	$ 56,487
Additions	-	-	-	-	-
Balance as of December 31, 2022	$ 21,643	$ 24,789	$ 512	$ 9,543	$ 56,487

Accumulated depreciation and impairment					
Balance as of January 1, 2022	$ -	$ 13,515	$ 512	$ 5,201	$ 19,228
Depreciation expenses	-	525	-	1,344	1,869
Balance as of December 31, 2022	$ -	$ 14,040	$ 512	$ 6,545	$ 21,097
Net amount as of December 31, 2022	$ 21,643	$ 10,749	$ -	$ 2,998	$ 35,390
Cost					
Balance as of January 1, 2023	$ 21,643	$ 24,789	$ 512	$ 9,543	$ 56,487
Additions	-	-	-	597	597
Balance as of December 31, 2023	$ 21,643	$ 24,789	$ 512	$ 10,140	$ 57,084
Accumulated depreciation and impairment					
Balance as of January 1, 2023	$ -	$ 14,040	$ 512	$ 6,545	$ 21,097
Depreciation expenses	-	401	-	1,418	1,819
Balance as of December 31, 2023	$ -	$ 14,441	$ 512	$ 7,963	$ 22,916
Net amount as of December 31, 2023	$ 21,643	$ 10,348	$ -	$ 2,177	$ 34,168

The Company's property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives as follows:

Buildings and structures	5 – 50 Years
Machinery equipment	2 – 8 Years
Other equipment	2 – 5 Years

Property, plant and equipment pledged as collateral for long-term borrowings is set out in Note 25.

12. LEASE ARRANGEMENTS

(1) Right-of-use Assets－Net

	December 31, 2023	December 31, 2022
Right-of-use assets, net		
Transportation equipment	869	197

	Years Ended December 31	
	2023	2022
Additions to right-of-use assets	$ 869	$ -
Depreciation of right-of-use assets		
Transportation equipment	196	197

(2) Lease Liabilities

	December 31, 2023	December 31, 2022
Carrying amounts		

	December 31, 2023	December 31, 2022
Current	$ 251	$ 184
Non-current	$ 618	$ -

Range of discount rate for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Transportation equipment	2.080%	1.463%

(3) Other information on lease

	December 31, 2023	December 31, 2022
Total cash (outflows) arising from lease	($ 184)	($ 202)

13. OTHER ASSETS

	December 31, 2023	December 31, 2022
Current		
Overpaid business tax	$ 4,213	$ 4,007
Others	35	65
	$ 4,248	$ 4,072
Non-current		
Net defined benefit asset (Note 17)	$ 6,187	$ 6,243

14. BORROWINGS

(1) Short-term Borrowings

	December 31, 2023	December 31, 2022
Unsecured borrowings	$ 100,000	$ 85,000
Secured borrowings	291,886	242,531
	$ 391,886	$ 327,531
Interest rate of borrowings	1.85%～7.06%	1.60%～6.30%

(2) Long-term Borrowings

	December 31, 2023	December 31, 2022
Long-term borrowings	$ 106,411	$ 140,900
Less: Long-term borrowings due within 1 year	42,059	34,518
	$ 64,352	$ 106,382
Interest rate of borrowings	1.90%～2.15%	1.78%～1.85%

The Company provided Chang Hwa Bank with the land and buildings of the self-owned office located at Xingde Road, Sanchong District, New Taipei City, Taiwan (R.O.C.) as collateral for the bank borrowings, and obtained the bank borrowings of $87,000 thousand from Chang Hwa Bank. The borrowing has been drawn down on March 23, 2021 in full. The period of the borrowings is 5 years. The principal and interests are amortized and repaid in 36 installments since April 23, 2023, and interests are paid monthly.

The Company signed an agreement of a credit loan in a total amount of $68,000 thousand with Export-Import Bank of the Republic of China, and subsequently $66,000 thousand was drawn down on January 19, 2022. The loan period is 5 years. The principal and interests are amortized and repaid in 60 installments, and the interests are paid monthly from February 19, 2022.

Please refer to Note 25 for the collaterals pledged for the aforementioned borrowings.

15. CORPORATE BONDS PAYABLES

	December 31, 2023	December 31, 2022
Domestic unsecured convertible corporate bonds	$ 9,616	$ -

The third domestic unsecured convertible corporate bonds are authorized for issuing by the Financial Supervisory Commission on May 9, 2023. The total amount is $100,000 thousand, with par value of $100 thousand, and coupon rate of 0%. The issue period is 3 years. The terms of repayment or conversion are as follows:

1. The Company will redeem the bonds by the par value upon maturity.
2. From the next day after the issuance of convertible bonds three months later to 40 days prior to maturity of the issuance period, the Company may request to redeem the corporate bond at par value in cash from the creditors.
3. From the next day after the issuance of convertible bonds three months later to 40 days prior to maturity of the issuance period, the creditor may request for conversion by the conversion price into the ordinary shares of the Company at any time, except during the period in which transfer is suspended by laws. According to the rules of the issuance and conversion of the corporate bonds, the original conversion price is $18.07.
4. The date after 2 years of the issuance of the convertible bonds is the base date of selling back the convertible bonds by bondholders. 40 days prior to the base date of selling back, the bondholders may request the Company to redeem the corporate bonds at par value plus interest compensations in cash.
5. The convertible bonds include liability and equity components. Equity components are recognized in capital surplus – stock options. The effective interest rate of the initial recognition of liability components is 2.08%.

As of December 31, 2023, the par value of the corporate bonds whose conversion rights have been exercised amounted to $89,900 thousand, which were transferred to share capital of $49,751 thousand. Due to the execution of conversion rights of the corporate bonds, the capital surplus – stock options of convertible bonds of initial recognition have been decreased by $3,464 thousand, the discount on corporate bonds payables has been decreased by $4,709 thousand, and the amount of net conversion amount exceeding par value of ordinary shares that has been transferred to capital surplus – premium on conversion of corporate bonds is $38,904 thousand.

Issuance amount (deducting transaction costs of $2,200 thousand)	$ 97,800
Equity component	(3,853)
Liability component at the issuance date	93,947
Corporate bonds converted into ordinary shares	(85,191)
Interests calculated by effective interest rate of 2.08%	860
Liability component as of December 31, 2023	$ 9,616

16. OTHER PAYABLES

	December 31, 2023	December 31, 2022
Payables for commissioned purchase	$ 23,967	$ 26,774
Wages, salaries and bonuses payable	4,143	3,498
Expenses payables	2,566	2,036
Service expenses payables	990	1,100
	$ 31,666	$ 33,408

17. RETIREMENT BENEFIT PLANS

(1) Defined Contribution Plans

The Company adopts the pension plan under the R.O.C. Labor Pension Act (LPA), which is a government-managing defined contribution retirement benefit plan. Pursuant to the LPA, the Company has made monthly contributions equal to 6% of each employee's monthly salary to employees' individual pension account. The amount that shall be appropriated by the ratio specified in the defined contribution plan has been recognized by the Company in the parent company only statements of comprehensive income as pension expenses of $951 thousand and $916 thousand for the years ended December 31, 2023 and 2022, respectively.

(2) Defined Benefit Plans

The Company handles the pension plan based on the R.O.C. Labor Standards Law, which is a government-managing defined benefit retirement benefit plan. Pension amounts paid to retired employees is calculated based on years of service and average monthly salary of the 6 months prior to the approved retirement date. The Company allocates a pension by 15% of the employees' total monthly salaries as the labor pension reserve funds, which are deposited in the pension fund account of Bank of Taiwan (collectively, the "Special Account"), set up in the name of the labor pension reserve supervision committee of the business entity. As the Special Account has been fully allocated with the pension by the Company, the New Taipei City Government approved the suspension of the pension allocation to the Special Account from April 2021 to March 2024. The Special Account is entrusted to the Bureau of Labor Funds, Ministry of Labor with management, in which the Company has no rights to influence the investment policies and strategies.

The amounts of the defined benefit plans are recognized in the parent company only balance sheets as follows:

	December 31, 2023	December 31, 2022
Present value of the defined benefit obligations	$ 4,812	$ 4,527

Fair value of plan assets	(10,999)	(10,770)
Net defined benefit assets (booked in other non-current assets)	($ 6,187)	($ 6,243)

Movements in the net defined benefit assets are as follows:

	Present value of the defined benefit obligation	Fair value of plan assets	Net defined benefit assets
Balance as of January 1, 2022	$ 4,719	($ 9,892)	($ 5,173)
Interest expense (income)	36	(76)	(40)
Recognized in profit or loss	36	(76)	(40)
Remeasurements			
Return on plan assets	-	(802)	(802)
Actuarial gain arising from changes in financial assumptions	(379)	-	(379)
Actuarial loss arising from experience adjustments	151	-	151
Recognized in other comprehensive income	(228)	(802)	(1,030)
Contributions from employer	-	-	-
Payment from employer	-	-	-
Balance as of December 31, 2022	4,527	(10,770)	(6,243)
Interest expense (income)	63	(150)	(87)
Recognized in profit or loss	63	(150)	(87)
Remeasurements			
Return on plan assets	-	(79)	(79)
Actuarial loss arising from changes in financial assumptions	83	-	83
Actuarial gain arising from experience adjustments	139	-	139
Recognized in other comprehensive income	222	(79)	143
Contributions from employer	-	-	-
Payment from employer	-	-	-
Balance as of December 31, 2023	$ 4,812	($ 10,999)	($ 6,187)

Through the defined benefit plans under the R.O.C. Labor Standards Law, the Company is exposed to the following risks:

a. Investment risk: The pension funds are invested in domestic/foreign equity and debt securities, bank deposits, etc. by the methods of its own discretion and commissioned operations of the Bureau of Labor Funds, Ministry of Labor. However, the earnings appropriated from the plan assets of the Company shall not be less than the average interest rate on a two-year time deposit published by the local banks.

b. Interest risk: A decrease in the government bond interest rate will increase the present value of the defined benefit obligation, but the return on the debt investments of the plan assets will also increase accordingly, which brings the effect of partially offsetting the net defined benefit liabilities.

c. Salary risk: The present value of the defined benefit obligation is calculated by reference to the future salaries of plan participants. As such, an increase in the salary of the plan participants will increase the present value of the defined benefit obligation.

The actuarial valuations of the Company's present value of the defined benefit obligation were carried out by the qualified actuaries. The principal assumptions of the measurement date are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.39%
Forecasted salary increase rate	2.50%	2.50%

When the possible changes in the principal assumptions of the actuarial valuations reasonably happen respectively, based on the circumstances of all other assumptions kept the same, the increased (decreased) amounts in the present value of the defined benefit obligation will be as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.5%	($ 294)	($ 294)
Decrease by 0.5%	$ 303	$ 308
Forecasted salary increase rate		
Increase by 0.5%	$ 298	$ 303
Decrease by 0.5%	($ 279)	($ 281)

Since assumptions of actuarial valuations are possibly correlated with one another, the possibility of changes in only one assumption is small. Therefore, the above sensitivity analyses are possibly unable to reflect the actual status of the changes in the present value of the defined benefit obligation.

	December 31, 2023	December 31, 2022
Forecasted amount contributed within one year	$ -	$ -
Average due period of defined benefit obligation	12.0 years	12.9 years

18. EQUITY

(1) Common Stock

	December 31, 2023	December 31, 2022
Authorized shares (in thousands)	130,000	130,000
Authorized capital	$ 1,300,000	$ 1,300,000
Issued and paid shares (in thousands)	89,610	84,635
Common stock in public	$ 872,276	$ 822,525
Common stock by private placement	23,821	23,821
Issued capital	$ 896,097	$ 846,346

A holder of issued common shares with par value of $10 per share is entitled to vote and to receive dividends.

As of December 31, 2023, the par value of the third unsecured convertible corporate bonds whose conversion rights have been exercised by bondholders amounted to $89,900 thousand. The Company has issued 4,975 thousand of common stocks, and the conversion premium of $38,904 thousand has been recognized in capital surplus. The registration of changes has been completed on November 27, 2023.

(2) Capital Surplus

	December 31, 2023	December 31, 2022
May be used to compensate a deficit, distributed as cash dividends, or transferred to share capital		
Additional paid-in capital	$ 64,802	$ 64,802
From convertible bonds	86,059	47,155
Lapsed share option of convertible corporate bond	16,275	16,275
Employee share options transferred	3,867	3,867
May only be used to compensate a deficit		
From share of changes in equities of associates	-	1,690
May not be used for any purposes		
Stock options of convertible bonds	389	-
	$ 171,392	$ 133,789

Capital surplus arising from issuance of common shares over par value (including premium from issuance of common stocks over par value and from convertible bonds) may be used to compensate a deficit; in addition, when a business entity has no deficit, such capital surplus may be distributed as cash dividends or transferred to share capital limited to the certain percentage of the business entity's paid-in share capital annually.

Capital surplus arising from investments accounted for using equity method shall be only used to compensate a deficit without being used for other purposes.

(3) Retained Earnings and Dividend Policy

Under the earnings distribution policy set forth in the Company's Articles of Incorporation, where profit is made in a fiscal year, the profit shall be first utilized for paying profit-seeking enterprise income tax, compensating losses of previous years, and then allocating 10% for legal reserve, as well as setting aside or reversing special reserve in accordance with the laws and regulations. The remaining, plus the accumulated unappropriated earnings of the previous year but minus the portion that is reserved and not intended to be distributed, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for a resolution to proceed. When distribution of all or part of the dividends and bonuses to shareholders by the way in cash, it shall be handled according to a resolution passed by the Board of Directors authorized and reported in the shareholders' meeting. See Note 19(4) Profit Sharing Bonus to Employees and Compensation to Directors for the Company's distribution policy of profit-sharing bonus to employees and compensation to directors set forth in the Articles of Incorporation.

The Company's dividend policy provides the principle for sustainable operation, improving the company's financial structure, and considering future operation and development; hence profits of the Company may be distributed by way of cash dividends and/or stock dividends. However, the ratio for stock dividend distribution shall not exceed 50% of the total distribution.

Appropriation of earnings to legal reserve shall be made until the legal reserve equals the Company's paid-in capital. Legal reserve may be used to compensate deficit. If the Company has no deficit and the legal reserve has exceeded 25% of the Company's paid-in capital, the excess may be transferred to capital or distributed in cash.

A resolution made in a shareholders' meeting of the Company held on June 30, 2022 to determine a proposal of covering the deficit for the year ended December 31, 2021 is as follows:

Item	Amount
Unappropriated retained earnings, beginning of the year	$ -
Add: Retained earnings adjustment on remeasurement of defined benefit plans for the year	486
Less: Net loss after tax for the year	(59,311)
Accumulated deficit, end of the year	($ 58,825)

The proposal of covering the deficit for the year ended December 31, 2022 has been resolved by the shareholders meeting on June 28, 2023 as follows:

Item	Amount
Accumulated deficit, beginning of the year	($ 58,825)
Add: Retained earnings adjustment on remeasurement of defined benefit plans for the year	824
Less: Net loss after tax for the year	(76,552)
Accumulated deficit, end of the year	($ 134,553)

The proposal of covering the deficit for the year ended December 31, 2023 has been proposed by the board of directors on March 8, 2024 as follows:

Item	Amount
Accumulated deficit, beginning of the year	($ 134,553)
Add: Retained earnings adjustment on remeasurement of defined benefit plans for the year	(114)
Less: Net loss after tax for the year	(24,028)
Less: Retained earnings adjustment on investments accounted for using equity	(6,712)

method

Accumulated deficit, end of the year	($ 165,407)

The proposal of covering the deficit of 2023 shall be resolved by the shareholders meeting expected to be held in June 2024.

(4) Special Reserve

The amount of $36,613 thousand is appropriated as the retained earnings transferred from the accumulated convertible adjustment recognized on the Company's first-time adoption of IFRS accounting standards, the amount of which is recognized as the special reserve. If a special reserve appropriated on the first-time adoption of IFRS accounting standards relates to the exchange differences on translating the financial statements of foreign operations (including subsidiaries), the special reserve will be reversed proportionately on the Company's disposal of the foreign operations; on the Company's loss of significant influence, however, the entire special reserve will be reversed. An additional special reserve should be appropriated for the amount equal to the difference between the net debit balance of the other equity interest recognized at the end of the reporting period and the special reserve appropriated on the first-time adoption of IFRS accounting standards. Any net debit balance of the other equity interest may be reversed to the extent that the corresponding special reserve is reversed as earnings distributed thereafter.

(5) Other Equity Items

1. Exchange Differences on Translating the Financial Statements of Foreign Operations

	Years Ended December 31	
	2023	2022
Balance, beginning of the year	($ 60,849)	($ 77,285)
Incurred during the year		
Exchange differences arising on translation of foreign operations	(16,594)	20,545
Income tax effects	3,319	(4,109)
Balance, end of the year	($ 74,124)	($ 60,849)

2. Gains on revaluation of properties

	Years Ended December 31	
	2023	2022
Balance, beginning of the year	$ -	$ -
Gains on revaluation of properties Income tax related to items that will not be reclassified subsequently	(66,344)	-
Balance, end of the year	$ 66,344	$ -

19. LOSS BEFORE INCOME TAX

(1) Other Gains and Losses

	Years Ended December 31	
	2023	2022
Gains (losses) on financial assets and liabilities at fair	$ 1,389	($ 1,389)

	2023	2022
value through profit or loss		
Net, gains on foreign currency exchange	3,348	45,864
	$ 4,737	$ 44,475

(2) Finance Costs

	Years Ended December 31	
	2023	2022
Interest Expense		
Bank loan	$ 15,002	$ 8,157
Corporate bonds payables	860	-
Interest of lease liabilities	1	4
	$ 15,863	$ 8,161

(3) Expenses of Employee Benefits, Depreciation and Amortization

	Years Ended December 31, 2023			Years Ended December 31, 2022		
	Attributable to Operating Costs	Attributable to Operating Expenses	Total	Attributable to Operating Costs	Attributable to Operating Expenses	Total
Employee benefits expense						
Wages and salaries	$ -	$ 20,751	$ 20,751	$ -	$ 19,590	$ 19,590
Labor and health insurance	-	2,138	2,138	-	2,014	2,014
Pension expense	-	864	864	-	876	876
Compensation to directors	-	402	402	-	308	308
Other employee benefits	-	1,629	1,629	-	1,188	1,188
	$ -	$ 25,784	$ 25,784	$ -	$ 23,976	$ 23,976
Depreciation expense	$ -	$ 2,015	$ 2,015	$ -	$ 2,066	$ 2,066

a. As of December 31, 2023 and 2022, average number of the employees that the Company had is 35 and 34, respectively; there were 6 non-employee directors for both years.

b. Average labor costs for the years ended December 31, 2023 and 2022 were $875 thousand and $845 thousand, respectively.

c. Average wages and salaries for the years ended December 31, 2023 and 2022 were $716 thousand and $700 thousand. The average wages and salary increased by 2% year 2023 over year 2022.

d. Salary and Remuneration Policy

The Company's salary and remuneration policy provides that the directors' remuneration is regularly evaluated and reviewed by the Remuneration Committee; the managerial officers' remuneration is based on the human resources market, the same industry category and the Company's salary and welfare policies, as well as consideration on candidates' education experience, professional ability and position grades to proceed in verification; the salary of employees is determined by referring to salary market conditions, company operating conditions and organizational structure, and according to job category, education experience, professional knowledge and technology and professional seniority experience to proceed in verification. In addition, employee bonuses are adjusted according to the Company's annual operating conditions, price changes and other factors to verify the adjustment in ranges or the overall salary structure. Relevant adjustments are announced separately every year.

(4) Profit Sharing Bonus to Employees and Compensation to Directors

According to the Company's Articles of Incorporation, when there is still a balance after annual profits (if any) less accumulated deficit, the Company shall allocate first profit sharing bonus to employees and compensation to directors of the Company at the rates of 5% - 10% and no more than 3% during the period, respectively. Due to loss before income tax for the years ended December 31, 2023 and 2022, the Company did not accrue profit sharing bonus to employees and compensation to directors.

If there is a change in the amounts after the annual parent company only financial statements are authorized for issue, the differences are recorded as a change in the accounting estimates and amounts adjustment thereof in the following year.

For the information about the profit-sharing bonus to employees and compensation to directors resolved by the Company's Board of Directors, please go to the website of the "Market Observation Post System" of Taiwan Stock Exchange.

20. INCOME TAX

(1) Major Components of Income Tax Benefit Recognized in Profit or Loss

	Years Ended December 31	
	2023	2022
Current tax		
Recognized during the current year	$ -	$ -
Deferred tax		
Recognized during the current year	(9,593)	(21,942)
Income tax benefit recognized in profit or loss	($ 9,593)	($ 21,942)

A reconciliation of loss before income tax and income tax benefit recognized in profit or loss is as follows:

	Years Ended December 31	
	2023	2022
Loss from continuing operations before income tax	($ 33,621)	($ 98,494)
Income tax benefit at the statutory rate (20%)	($ 6,724)	($ 19,699)
Tax exempt income - net	(2,869)	(2,243)
Income tax benefit recognized in profit or loss	($ 9,593)	($ 21,942)

(2) Income Tax Recognized in Other Comprehensive Income

	Years Ended December 31	
	2023	2022
Deferred tax		
Recognized during the current year		
Remeasurement of defined benefit plans	$ 29	($ 206)
Translating the financial statements of foreign operations	3,319	(4,109)
Income tax benefit (expense) recognized in other comprehensive income	$ 3,348	($ 4,315)

(3) Deferred Tax Assets and Liabilities

The changes in deferred tax assets and liabilities are as follows:

Year ended December 31, 2023

	Balance, Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of the Year
Deferred tax assets				
Temporary differences				
Loss allowance for accounts receivable	$ 2,685	($ 356)	$ -	$ 2,329
Exchange differences on foreign operations	15,212	-	3,319	18,531
Gains (loss) on unrealized foreign exchange	-	2,603	-	2,603
Others	278	(278)	-	-
	18,175	1,969	3,319	23,463
Carryforward of net operating losses	62,442	6,349	-	68,791
	$ 80,617	$ 8,318	$ 3,319	$ 92,253
Deferred tax liabilities				
Temporary differences				
Defined benefit retirement benefit plans	$ 1,248	$ 18	($ 29)	$ 1,237
Gains (loss) on unrealized foreign exchange	1,293	(1,293)	-	-
	$ 2,541	($ 1,275)	($ 29)	$ 1,237

Year ended December 31, 2022

	Balance, Beginning of the Year	Recognized in Profit or Loss	Recognized in Other Comprehensive Income	Balance, End of the Year
Deferred tax assets				
Temporary differences				
Loss allowance for accounts receivable	$ 2,196	$ 489	$ -	$ 2,685
Exchange differences on foreign operations	19,321	-	(4,109)	15,212
Others	-	278	-	278
	21,517	767	(4,109)	18,175
Carryforward of net operating losses	42,072	20,370	-	62,442
	$ 63,589	$ 21,137	($ 4,109)	$ 80,617
Deferred tax liabilities				
Temporary differences				
Defined benefit retirement benefit plans	$ 1,034	$ 8	$ 206	$ 1,248
Gains (loss) on unrealized foreign exchange	2,106	(813)	-	1,293
	$ 3,140	($ 805)	$ 206	$ 2,541

As of December 31, 2023 and 2022, unused carryforward of net operating losses for deferred tax assets not recognized on the parent company only balance sheets are $120,646 thousand and $133,766 thousand, respectively.

(4) Information of Unused Carryforward of Net Operating Losses

As of December 31, 2023, information of unused carryforward of net operating losses is as follows:

Balance before Carryforward	Year of Last Carryforward

$ 75,767	2023
67,992	2027
56,885	2028
130,364	2031
101,847	2032
31,745	2033
$ 464,600	

(5) Aggregate Temporary Differences Associated with Investments Not Recognized as Deferred Tax Liabilities

As of December 31, 2023 and 2022, the taxable temporary differences associated with investments in subsidiaries not recognized as deferred tax liabilities amounted to $771,908 thousand and $756,391 thousand, respectively.

(6) Income Tax Examination

The Company's income tax returns have been examined and archived by the tax authorities through to the year ended December 31, 2021.

21. LOSSES PER SHARE

	Years Ended December 31	
	2023	2022
Basic losses per share	($ 0.28)	($ 0.90)
Diluted losses per share	($ 0.28)	($ 0.90)

Net income and weighted average number of common shares outstanding used in the computation of losses per share are as follows:

Net Income for the Period

	Years Ended December 31	
	2023	2022
Net loss for computing basic and diluted losses per share	(23,339)	(76,552)

Number of Shares

Unit: Thousand Shares

	Years Ended December 31	
	2023	2022
Weighted average number of common shares used in the computation of basic and diluted losses per share	86,137	84,635

If the Company offered to settle profit sharing bonus paid to employees in cash or stocks, the Company assumed the entire amount of the employees' compensation will be settled in stocks and the resulting potential common shares were included in the weighted average number of shares outstanding used in the computation of diluted earnings per share, as the effect is dilutive. Such dilutive effect of the potential shares was included in the computation of diluted earnings per share until the number of shares to be distributed to employees is resolved in the following year.

22. CAPITAL RISK MANAGEMENT

Based on the characteristics of the current operating industry, the scale of the industry where the Company operates businesses, the status of the industry growth in the future and product development, and consideration to factors such as changes in the external environment and fluctuations in the industrial boom cycle, the Company plans the production capacity required in the future, and accordingly plans capital expenditure for setting up the necessary plants and equipment, operation funds, research and development expense, and dividend expense required to achieve the aforementioned production capacity, so as to ensure the Company's continuing operation and give returns to shareholders while taking into account of interests of other stakeholders, and to maintain an optimal capital structure for the long-term enhancement of shareholder value.

23. FINANCIAL INSTRUMENTS

(1) Fair Value Information – Financial Instruments Not Measured at Fair Value

Except as indicated in the table below, the management of the Company considers that the carrying amount of financial assets and financial liabilities not measured at fair value approximate to the fair value.

December 31, 2023

		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial liabilities					
Financial liabilities at amortized cost					
－Corporate bonds payables	$ 9,616	$ -	$ 19,998	$	$ 19,998

Fair value of corporate bonds payables is measured by the public market quoted prices provided by the third parties. (which is level 2)

(2) Fair Value Information – Financial Instruments Measured at Fair Value on a Recurring Basis

a. Fair Value Hierarchy

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial liabilities at FVTPL				
Derivative Financial Instruments	$ -	$ 1,389	$ -	$ 1,389

There are no transfers between Levels 1 and 2 fair value measurements for the years ended December 31, 2023 and 2022, respectively.

b. Valuation Techniques and Inputs Applied for Level 2 Fair Value Measurement

Type of Financial Instruments	Valuation Techniques and Inputs
Derivative financial instruments – FX swap contracts	Discounted cash flow method: Future cash flows are estimated based on observable forward exchange rates and contracted exchange rates at the end of the reporting period, discounted at a rate that reflects the

credit risk of each counterparty.

(3) Categories of Financial Instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measured at amortized cost (Note 1)	$ 775,750	$ 566,794
Financial liabilities		
Measured at FVTPL	-	1,389
Measured at amortized cost (Note 2)	1,423,701	1,187,171

Note 1: The balances include financial assets measured at amortized cost, which comprise cash and cash equivalents, notes and accounts receivable, other receivables, other receivables due from related parties and other financial assets.

Note 2: The balances include financial liabilities measured at amortized cost, which comprise short-term borrowings, notes and accounts payable, accounts payable to related parties, other payables, long-term borrowings – current portion, long-term borrowings, and corporate bonds payables.

(4) Financial Risk Management Objectives and Policies

The daily operation of the Company is affected by various financial risks, which include market risk (comprising foreign exchange risk and interest rate risk), credit risk and liquidity risk. The Company's Board of Directors is fully responsible for establishing and supervising the financial risk management framework of the Company. The financial risk management policies are to manage foreign exchange risk, interest rate risk, credit risk and liquidity risk related to operating activities. To reduce the aforesaid financial risks, the Company strives to identify, evaluate and hedge market uncertainties, so as to reduce the potential adverse effects from market changes on the Company's financial performance.

The significant financial activities of the Company are reviewed by the Board of Directors in accordance with the relevant regulations and internal control system. During the executive period of the financial plan, the Company's management works closely with the operating entities responsibly to identify, evaluate and hedge financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as foreign exchange risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments and investment from surplus liquidity. The Company uses multiple financial instruments to hedge specific risk exposure.

a. Market Risk

a-1. Foreign Exchange Risk

The Company is exposed to currency risk on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company's entities. To monitor the foreign exchange risk, the net portion of assets and liabilities that are exposed to the risk is periodically reviewed and the appropriate adjustment is made, so as to control any risk arising from fluctuation of exchange rates.

Since net investment in a foreign operation is a strategic investment, the Company does not hedge against it.

The carrying amounts of the Company's foreign-currency-denominated monetary assets, monetary liabilities and derivative financial instruments with exchange rate risk exposure at the balance sheet date are set out in Note 26.

Sensitivity Analysis

The Company is mainly affected by fluctuations in the exchange rates of the U.S. dollar, and the significant amount of assets and liabilities thereof arises from foreign currency transactions. Although the foreign currency assets and liabilities due to market exchange rate changes have a mutual offset effect, the amount of foreign currency assets of the Company, however, is greater than the amount of foreign currency liabilities, which is exposed to foreign exchange risk.

The sensitivity analysis included only outstanding foreign-currency-denominated monetary items and adjusts their translation at the balance sheet date for a 1% change in foreign currency rates. For a 1% strengthening of NTD against USD, pre-tax income for the years ended December 31, 2023 and 2022 would decrease $5,303 thousand and $4,459 thousand, respectively.

a-2. Interest Rate Risk

Interest rate risk arises from changes in fair value of financial instruments or future cash flows resulting from fluctuations in market interest rates. The Company is subject to interest rate risk exposure arising from borrowing funds bearing floating interest rate. Therefore, changes in market interest rates will cause the effective interest rates of debt financial instruments to change and thus cause the future cash flows to fluctuate over time.

The carrying amounts of the Company's financial liabilities with exposure to interest rates at the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
With fair value interest rate risk	$ 9,616	$ -
With cash flow interest rate risk	643,888	557,493

Sensitivity Analysis

The following sensitivity analysis is based on the interest rate risk of floating rate liabilities at the balance sheet date. The analysis assumes that the amount of the liability outstanding at the balance sheet date is outstanding during the whole year.

If interest rates increase by 1%, with all other variables kept constant without change, the Company's net income before taxes would decrease

$4,983 thousand and $4,684 thousand for the years ended December 31, 2023 and 2022, respectively, mainly due to the exposure to interest rate risk on cash flows from the Company's variable-rate loans.

b. Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial losses to the Company. The Company is exposed to credit risks from operating activities, primarily accounts receivable, and from investing activities, primarily deposits, fixed-income investments and other financial instruments with banks. Credit risk is managed separately for business related and financial related exposures.

According to the internal credit policy of the Company, each operating entity in the Company must conduct management and credit risk analysis for each new customer before setting the terms and conditions for payment and delivery. Internal risk control is to evaluate the credit quality of customers by considering their financial status, past experience and other factors. Limits for individual risks are established by the Board of Directors based on internal or external ratings, and the use of credit limits is regularly monitored.

b-1. Business Related Credit Risk

In order to maintain the quality of accounts receivable, the Company has established the procedures for credit risk management related to business operation.

The risk assessment of an individual customer is based on consideration of various factors that may affect the customer's ability to pay, including the customer's financial status, ratings from credit rating agencies, the Company's internal credit ratings, historical transaction records and current economic conditions. The Company also uses certain credit enhancement instruments at an appropriate timing to reduce the credit risk for specific customers.

As of December 31, 2023 and 2022, the balances of the accounts receivables from the Company's Top 3 customers are 84% and 87%, respectively, of the balances of the Company's total accounts receivables, among which the credit concentration risk of the remaining accounts receivable is relatively insignificant.

b-2. Financial Credit Risk

The credit risk exposures in the bank deposits, fixed-income investment and other financial instruments are measured and monitored by the Company's finance department. Since the Company's transaction partners and performing contracts with other parties resulted from the banks with good credit and the financial institutions with investment grade and above, there are no significant incompliance issues, and therefore there is no significant credit risk.

c. Liquidity Risk

The objective of the Company's liquidity risk management is to ensure that the Company has sufficient financial flexibility to keep its business operation by requiring adequate cash and cash equivalents, negotiable securities in high liquidity and sufficient limit of bank financing.

Liquidity and Interest Rate Risk Table

The following table details the Company's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The table has been drawn up based on the undiscounted cash flows of financial liabilities from the earliest date on which the Company can be required to pay, including principal and estimated interest. Therefore, bank borrowings with a repayment on demand clause were included in the earliest time band regardless of the probability of the banks choosing to exercise their rights; the maturity analysis of other non-derivative financial liabilities is prepared based on the contractual repayment dates.

December 31, 2023

	1-180 Days	181-365 Days	Over 365 Days	Total
Non-derivative financial liabilities				
Short-term borrowings	$ 394,739	$ -	$ -	$ 394,739
Notes and accounts payable	44	-	-	44
Accounts payable to related parties	884,078	-	-	884,078
Other payables	31,666	-	-	31,666
Lease liabilities	123	123	635	881
Corporate bonds payables	-	-	10,100	10,100
Long-term borrowings	21,944	21,872	65,474	109,290

December 31, 2022

	1-180 Days	181-365 Days	Over 365 Days	Total
Non-derivative financial liabilities				
Short-term borrowings	$ 329,412	$ -	$ -	$ 329,412
Notes and accounts payable	64	-	-	64
Accounts payable to related parties	685,268	-	-	685,268
Other payables	33,408	-	-	33,408
Lease liabilities	101	84	-	185
Long-term borrowings	14,720	21,757	108,494	144,971

24. TRANSACTIONS WITH RELATED PARTIES

(1) Names of Related Parties and Relationship

Names of Related Parties	Relationship with the Company
L.S.H. Technology Co., Ltd.	Subsidiary
Tai Casing Technology (Thailand) Co., Ltd.	Subsidiary
Tai Serng Sin Metal Industrial (Thailand) Co., Ltd.	Other related party (since December 2021)

(2) Operation Transactions

	Years Ended December 31	
	2023	2022
Purchase of goods, net		
Subsidiaries	$ 1,554,487	$ 1,050,443
Other related party	5,876	3,933
	$ 1,560,363	$ 1,054,376

The balance of other receivables due from related parties at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Other receivables		
Subsidiaries	$ 16	$ -

The outstanding other receivables due from related parties are unsecured.

The balance of the payables to related parties at the balance sheet date is as follows:

	December 31, 2023	December 31, 2022
Accounts payables		
Subsidiaries	$ 884,078	$ 684,151
Other related party	-	1,117
	$ 884,078	$ 685,268

The outstanding balances of accounts payables to related parties are unsecured and will be settled in cash.

(3) The Company purchased raw materials for its subsidiaries at the amounts of $366,677 thousand and $321,401 thousand for the years ended December 31, 2023 and 2022, respectively.

(4) Compensation of Key Management Personnel

The compensation to directors and other key management personnel is as follows:

	December 31, 2023	December 31, 2022
Short-term employee benefits	$ 6,853	$ 6,759
Post-employment benefits	158	158
	$ 7,011	$ 6,917

The compensation to directors and other key management personnel is determined by the Compensation Committee in accordance with the individual performance and market trends.

25. ASSETS PLEDGED AS COLLATERAL

The assets pledged as collateral for short-term borrowings and long-term borrowings are as follows:

	December 31, 2023	December 31, 2022
Pledged deposits and reserve account (recognized in other financial assets)	$ 103,128	$ 102,324
Property, plant and equipment	31,991	32,392
	$ 135,119	$ 134,716

26. SIGNIFICANT ASSETS AND LIABILITIES DENOMINATED IN FOREIGN CURRENCIES

The following information is aggregated by the foreign currencies other than functional currencies of the Company, and the exchange rates disclosed are these foreign currencies into the functional currency. The significant assets and liabilities denominated in foreign currencies are as follows:

Unit: Foreign Currencies／NTD in Thousands

	December 31, 2023			December 31, 2022		
	Foreign Currencies	Exchange Rate	Carrying Amount	Foreign Currencies	Exchange Rate	Carrying Amount
Financial assets						
Monetary items						
USD	$24,625	30.735	$756,860	$17,347	30.708	$532,692
THB	1,790	0.8978	1,607	4,639	0.8891	4,125
Financial liabilities						
Monetary items						
USD	7,373	30.735	226,599	2,828	30.708	86,842
THB	-	0.8978	-	1,256	0.8891	1,117

The significant realized and unrealized foreign exchange gains (losses) are as follows:

	Year Ended December 31, 2023		Year Ended December 31, 2022	
Foreign Currency	Exchange Rate	Net Foreign Exchange Gains (Losses)	Exchange Rate	Net Foreign Exchange Gains (Losses)
USD	31.1577 (USD:NTD)	$ 3,348	29.8063(USD:NTD)	$ 45,864

27. ADDITIONAL DISCLOSURES

(1) Information about Significant Transactions and (2) Information on Investees

a. Financing Provided to Others: None.
b. Endorsements/Guarantees Provided: None.
c. Marketable securities held (excluding investments in subsidiaries and associates): None.
d. Marketable securities acquired and disposed of at costs or prices of at least NTD300 million or 20% or more of the paid-in capital: None.
e. Acquisition of individual real estate at costs of at least NTD300 million or 20% or more of the paid-in capital: None.
f. Disposal of individual real estate at prices of at least NTD300 million or 20% or more of the paid-in capital: None.
g. Total purchases from or sales to related parties amounting to at least NTD100 million or 20% or more of the paid-in capital: Table 1.
h. Receivables from related parties amounting to at least NTD100 million or 20% or more of the paid-in capital: Table 2.
i. Trading in derivative instruments: Please refer to Notes 7 and 23 on financial statements.
j. Information on investees: Table 3.

(3) Information on Investments in Mainland China

a. Information on any investee company in mainland China, showing the names, principal business activities, paid-in capital, methods of investment, inward and outward remittance of funds, ownership percentage, investment profit or loss recognized in the current profit and loss, carrying amount of the investment at the end of the period, repatriations of investment income, and limit on the amount of investment in the mainland China area: Table 4.
b. Any of the following significant transactions with investee companies in mainland China, either directly or indirectly through a third party, and their prices, payment terms, and unrealized gains or losses:
   - b-1. The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period: Table 1.
   - b-2. The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period: Table 1.
   - b-3. The amount of property transactions and the amount of the resultant gains or losses: None.
   - b-4. The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes: None.
   - b-5. The highest balance, ending balance, interest rate interval, and total interest for the current period with respect to financing of funds: None.
   - b-6. Other transactions that have a material effect on profit or loss for the period or on the financial position, such as the rendering or receipt of services: None.

(4) Information of Major Shareholders

List all shareholders with ownership of 5% or more showing the name of the shareholder, the number of shares owned and percentage of ownership of each shareholder: Table 5.

CASING MACRON TECHNOLOGY CO., LTD.
TOTAL PURCHASES FROM OR SALES TO RELATED PARTIES AMOUNTING TO AT LEAST NTD100 MILLION OR 20% OR MORE OF THE PAID-IN CAPITAL
FOR THE YEAR ENDED DECEMBER 31, 2023

Table 1

Unit: NTD in Thousands

Company of Purchase/Sale	Related Party	Relationship	Transaction Details				Special Transaction		Notes/Accounts Receivable (Payable)		Remark
			Purchase/Sale	Amount	% of Total	Payment Terms	Unit Price	Payment Terms	Balance	% of Total	
The Company	L.S.H. TECHNOLOGY CO., LTD.	Subsidiary	Purchase	$ 1,198,898	77	Calculated from the end of the month when the invoice is issued, offset against debts	$ -	—	($ 781,589)	(88)	—
The Company	Tai Casing Technology (Thailand) Co., Ltd.	Subsidiary	Purchase	355,589	23	Calculated from the end of the month when the invoice is issued, offset against debts	-	—	(102,489)	(12)	
L.S.H. TECHNOLOGY CO., LTD.	DONGGUAN CASING ELECTRONICS CO., LTD.	Subsidiary	Purchase	1,215,870	100	Calculated from the end of the month when the invoice is issued, offset against debts	-	—	(465,123)	(100)	
Tai Casing Technology (Thailand) Co., Ltd.	DONGGUAN CASING ELECTRONICS CO., LTD.	Fello subsidiary	Purchase	167,360	94	Calculated from the end of the month when the invoice is issued, offset against debts	-	—	(72,777)	(83)	—

Note 1: The above accounts payables arising from purchases are offset against the creditor's right, calculated from the end of the month when the invoice is issued; if there is any difference afterwards, which will be collected and paid as inward or outward remittances.

Note 2: Transactions, balances, income and expenses between the parent and its subsidiaries have been written off in full upon consolidation.

CASING MACRON TECHNOLOGY CO., LTD.
RECEIVABLES FROM RELATED PARTIES AMOUNTING TO AT LEAST NTD100 MILLION OR 20% OR MORE OF THE PAID-IN CAPITAL
DECEMBER 31, 2023

Table 2

Unit: NTD in Thousands

Trader Name	Related Party	Relationship	Balance	Turnover Rate	Overdue		Amount Received in Subsequent Period	Allowance for Amounts Uncollectible
					Amount	Actions Taken		
L.S.H TECHNOLOGY CO., LTD.	The Company	Parent company	$ 781,589	1.65	$ -	—	$ 91,520	$ -
Tai Casing Technology (Thailand) Co., Ltd.	The Company	Parent company	102,489	6.06	-	—	77,575	-
DONGGUAN CASING ELECTRONICS CO., LTD.	L.S.H. TECHNOLOGY CO., LTD.	Parent company	465,123	2.89	-	—	69,154	-

Note: The above accounts receivables arising from sales are offset against the creditor's right, calculated from the end of the month when the invoice is issued; if there is any difference afterwards, which will be collected and paid as inward or outward remittances.

CASING MACRON TECHNOLOGY CO., LTD.
NAMES, LOCATIONS, AND RELATED INFORMATION OF INVESTEES
FOR THE YEAR ENDED DECEMBER 31, 2023

Table 3

Unit: NTD / Foreign Currencies in Thousands

Investor Company	Investee Company	Location	Main Business and Product	Original Investment Amount		Holding, End of the Period			Current Net Income (Loss) of Investee	Current Share of Profit (Loss) of Investee	Remark
				December 31, 2023	December 31, 2022	Shares (in Thousands)	Percentage of Ownership (%)	Carrying Amount			
The Company	L.S.H. TECHNOLOGY CO., LTD.	British Cayman Islands	A holding company, established by the Company to reinvest in mainland China	$ 500,083 (USD 15,183)	$ 500,083 (USD 15,183)	15,183	100.00	$ 1,389,639	$ 29,782	$ 29,782	—
The Company	TAI CASING TECHNOLOGY (THAILAND) CO., LTD.	176/5 moo.7 Huasamrong Plangyao Chachoengsao 24190, Thailand.	Manufacture of PC cases and peripheral parts and accessories	155,027 (THB 178,500)	86,812 (THB 102,000)	2,020	65.00	120,037	(27,933)	(14,265)	—

Note 1: The Company invested in Advanced Heat Solution company (AHS) with an original investment amount of $50,000 thousand and a shareholding ratio of 28.28%. The fair value of AHS has been zero (0) and its company registration has been abolished by the competent authority, so the Company removed AHS from the investment list.

Note 2: For relevant information of the investees in mainland China, please refer to Table 4.

CASING MACRON T
INFORMATION ON INVEST
FOR THE YEAR END

Table 4

Investee Company	Main Business and Product	Paid-in Capital	Method of Investment	Accumulated Outward Remittance for Investment from Taiwan as of January 1, 2023	Remittance of Fu	
					Outward	I
Dongguan Casing Electronics Co., Ltd.	Manufacture of PC cases, switching power supply, and PC peripheral parts and accessories,	$ 480,419 (USD 15,631)	(Note 1)	$ 413,878 (USD 13,466)	$ -	$
Dongguan Yiwen Electronic Technology Co., Ltd.	Wholesale and import and export of PC cases, PC parts and accessories, aluminum products and water dispensers	36,882 (USD 1,200)	(Note 1)	36,882 (USD 1,200)	-	

Accumulated Outward Remittance for Investment in Mainland China as of December 31, 2022	Investment Amount Authorized by Investment Commission, MOEA	Upper Limit on th Investment Stipulated Commission,
$466,650（USD 15,183）（Note 2）	$533,191（USD 17,348）	$635,891（N

Note 1: The investment method is to reinvest in China companies through reinvestment in existing compa
Note 2: Based on the total amount actually remitted from Taiwan to China as of December 31, 2023, th thousand, which has not been returned to the Company after Suzhou Kaiju Electronics Co., Ltd. h
Note 3: The above amounts of assets and profit (loss) in USD and RMB are converted into NTD accordin
Note 4: It is calculated based on the financial statements of the investee company audited by independent
Note 5: According to the "Regulations Governing the Examination of Investment or Technical Coopera value or consolidated net value, whichever is higher.
Note 6: The difference between the paid-in capital of Dongguan Casing Electronics Co., Ltd. and the transferred to capital increase.

CASING MACRON TECHNOLOGY CO., LTD.
INFORMATION OF MAJOR SHAREHOLDERS
DECEMBER 31, 2023

Table 5

Name of Major Shareholder	Shares	
	Number of Shares	Percentage of Ownership
Hsiao, Yi-Chang	5,635,430	6.28%

Note: The information of major shareholders presented in this table is provided by the Taiwan Depository & Clearing Corporation based on the number of ordinary shares and preferred shares held by shareholders with ownership of 5% or more, which have been issued without physical registration (including treasury shares) by the Company as of the last business day for the current quarter. The share capital in the consolidated financial statements may differ from the actual number of shares that have been issued without physical registration because of different preparation basis.

THE CONTENTS OF STATEMENTS OF MAJOR ACCOUNTING ITEMS

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023

Statement 1

Unit: NTD／Foreign Currencies in Thousands

Item	Description	Amount
Cash on hand	Including RMB 48, JPY65 thousand and THB28 thousand (Note)	$ 354
Demand deposits and bank checks	—	7,358
Foreign currency deposits	Including THB 1,744 thousand, USD3,432 thousand, RMB404 thousand, JPY2 thousand and EUR1 thousand (Note)	108,835
Total		$ 116,547

Note: Exchange rates for foreign currency deposits are as follows:

NTD:USD＝1: 30.7350
NTD:EUR＝1: 34.0114
NTD:JPY＝1: 0.2162
NTD:RMB＝1: 4.3338
NTD:THB＝1: 0.8978

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023

Statement 2 Unit: NTD in Thousands

Customer Name	Amount
Non-related party	
A Company	$ 281,176
B Company	93,998
C Company	88,655
Others (Note)	90,201
	554,030
Less: Allowance for doubtful accounts	476
	$ 553,554

Note: The amount of individual company included in others does not exceed 5% of the account balance.

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF CHANGES IN INVESTMENTS ACCOUNTED FOR USING EQUITY METHOD
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 3

Unit: NTD in Thousands

	Balance, January 1, 2023		Increase in the Current Period		Decrease in the Current Period		Balance, December 31, 2023				
Investees	Shares (in Thousands)	Amount	Shares (in Thousands)	Amount	Shares (in Thousands)	Amount	Shares (in Thousands)	% of Ownership	Amount	Net Assets Value	Note
L.S.H. TECHNOLOGY CO., LTD.	15,183	$ 1,311,280	-	$ 96,126	-	($ 17,767)	15,183	100%	$ 1,389,639	$ 1,389,639	Note 1
TAI CASING TECHNOLOGY (THAILAND) CO., LTD.	1,020	73,315	1,000	69,389	-	(22,667)	2,020	65%	120,037	120,037	Note 2
		$ 1,384,595		$ 165,515		($ 40,434)	-		$ 1,509,676	$ 1,509,676	

Note 1: Increase in the current period includes $29,782 thousand of investment interest accounted for using equity method, and $66,344 of gains on revaluation of properties; decrease in the current period includes $17,767 thousand of exchange differences arising on translation of foreign operations.

Note 2: Increase in the current period includes $68,215 thousand of acquisition of share of subsidiaries accounted for using equity method, and $1,174 thousand of exchange differences arising on translation of foreign operations.; decrease in the current period includes $14,265 thousand of losses on investments accounted for using equity method, and $8,402 thousand of not subscribing in proportion of percentage of ownership.

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF SHORT-TERM BORROWINGS
DECEMBER 31, 2023

Statement 4

Unit: NTD in Thousands

	Balance, End of the Year	Contracted Period	Annual Interest(%)	Financing Amount	Collateral Status
Unsecured borrowings					
Bank Sinopac	$ 85,000	2023.10.13~2024.02.29	2.16	$ 180,000	—
Shin Kong Commercial Bank	15,000	2023.11.27~2024.02.27	2.19	30,000	—
	100,000			210,000	
Secured borrowings					
Chang Hwa Bank	107,869	2023.08.09~2024.05.21	2.10~6.80	260,000	Please refer to Note 25.
Bank Sinopac	30,000	2023.10.30~2024.01.30	2.16	180,000	Please refer to Note 25.
First Bank	28,449	2023.11.15~2024.05.13	1.85~6.89	50,000	Please refer to Note 25.
Fubon Bank	27,371	2023.10.16~2024.04.13	2.22~6.83	40,000	Please refer to Note 25.
Land Bank of Taiwan	20,000	2023.11.10~2024.02.07	2.26	50,000	Please refer to Note 25.
Hua Nan Commercial Bank	20,000	2023.09.28~2024.05.17	2.10	30,000	Please refer to Note 25.
Taishin Bank	17,668	2023.10.25~2024.02.20	2.25~7.06	40,000	Please refer to Note 25.
Bank of Panshin	16,801	2023.10.06~2024.06.03	6.74	30,000	Please refer to Note 25.
Chang Hwa Bank	16,000	2023.11.21~2024.11.21	1.90	260,000	Please refer to Note 25.
Cathay United Bank	7,728	2023.11.20~2024.02.17	6.73	60,000	Please refer to Note 25.
	291,886			1,000,000	
Total	$ 391,886			$ 1,210,000	

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023

Statement 5 | Unit: NTD in Thousands

	Balance, End of the Year	Contracted Period	Annual Interest (%)	Collateral Status
Secured borrowings				
Chang Hwa Bank	$ 65,711	2021.03.23~2026.03.23	1.90	Please refer to Note 25.
Export-Import Bank	40,700	2022.01.19~2027.01.19	2.15	Please refer to Note 25.
	106,411			
Less: Portion due within one year				
	42,059			

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF NET REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 6 Unit: NTD in Thousands

Item	Quantity (in thousand PCS)	Amount
Sales Revenue		
PC peripherals	1,079	$1,556,891
Others (Note)	100	4,987
Total operating revenue		1,561,878
Less: Sales returns and discounts		(2,948)
Net revenue		$1,558,930

Note: Its amount does not reach 10% of the total operating revenue.

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF COST OF REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 7 Unit: NTD in Thousands

Item	Amount
Purchases/Sales	
Merchandise inventory, beginning of the year	$ 609
Add: Purchase for the current year	1,560,361
Less: Merchandise inventory, end of the year	(583)
Cost of purchases and sales	1,560,387
Cost of revenue	$ 1,560,387

CASING MACRON TECHNOLOGY CO., LTD.
STATEMENT OF OPERATING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023

Statement 8 Unit: NTD in Thousands

Item	Selling Expenses	General and Administrative Expenses	Research and Development Expenses	Total
Payroll expense	$ 6,871	$ 12,467	$ 1,815	$ 21,153
Services expense	15	2,826	-	2,841
Insurance expense	791	1,310	192	2,293
Marketing expense	1,957	-	-	1,957
Depreciation expense	64	1,946	5	2,015
Others (Note)	3,679	7,630	299	11,608
Total	$ 13,377	$ 26,179	$ 2,311	$ 41,867

Note: The balance of each item does not exceed 5% of its account amount.