SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

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Shian Yih Electronic Industry Co., Ltd.

2023 Annual Report

Stock Code: 3531

Middle and small size of LED backlight module
Vehicle mounted optics and lighting module

Shian Yih Electronic Industry Co., Ltd.

2023 Annual Report

Market Observation Post System website: http//newmops.tse.com.tw

The website of the Company: http://www.shianyih.com/

Publication date: May 11, 2024

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The name of any exchanges where the Company's securities are traded offshore, and the method by which to access information on said offshore securities: None.

Company website: *http://www.shianyih.com*

Table of Contents

I. Letter to Shareholders 1
II. Company Profile 5
III. Corporate Governance Report
1. Organizational Chart 6
2. Information of Directors, Supervisors, President, Vice President, Assistant Managers, and Head of Department and Branches 10
3. Operation of Corporate Governance 25
(1) Operation of the Board of Directors 25
(2) Operation of the Audit Committee 28
(3) Difference between the corporate governance implementation and the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons 34
(4) Composition, Duties and Operation of the Salary and Remuneration Committee 40
(5) Implementation of Sustainable Development and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons 44
(5)-1 Climate-related information 52
(6) Ethical Corporate Management Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies" 54
(7) Inquiry Method for Corporate Governance Guidelines and Regulations 58
(8) Other Significant Regarding Corporate Governance 58
(9) Implementation of Internal Control 59
(10) Any disciplinary measures taken against the Company or its internal staff due to violations of legal requirements or taken by the Company against its own staff due to violations of the internal control system. The details of the disciplinary measures, major faults, and improvement measures should be noted 60
(11) Major resolutions of Shareholders' Meetings and Board of Directors Meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 60
(12) Major issues of record or written statements made by any director or supervisor dissenting with important resolutions approved by the Board of Directors during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 62
(13) Director's Training 62
(14) Participation of Managers Participating in Corporate Governance Training 64
(15) The license acquisition required by the competent authority for personnel related to the financial information transparency of the Company 64
(16) Summary of resignation and discharge of Chairman, President, Accounting Officer, Financial Officer, Internal Audit Officer, Corporate Governance Officer, and R&D Officer during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 65
4. Information of CPA Professional Fees 65
5. Information of Change of CPAs 66
6. The Company's Chairman, Presidents, or managers in charge of financial or account matters hold any positions in the Company's independent auditing firm or its affiliates in the most recent year 66
7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, manager, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 66
8. The appellation or name and relationship, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another 67

Table of Contents

9. The total number of shares and total equity stake held in any single enterprise by the Company, its directors, managerial officers, and any companies controlled either directlyor indirectly by the Company 68

IV. Fund Raising Status

1. Capital and Shares 69
   (1) Source of Capital 69
   (2) Shareholder Structure 71
   (3) Status of Shareholding Distribution 71
   (4) List of Major Shareholders 72
   (5) Market price, net worth, earnings, dividends, and relevant information of the most recent 2 fiscal years 72
   (6) Company's dividend policy and implementation 73
   (7) The effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted in this shareholders' meeting 73
   (8) Employee compensation and remuneration of directors and supervisors 74
   (9) Status of Company repurchasing its own shares 75
2. Implementation of corporate bonds 75
3. Implementation of preference shares 75
4. Implementation of participation in the issuance of global depository receipt 75
5. Implementation of employee stock options 75
6. New restricted employee shares 75
7. Status of new shares issuance in connection with mergers and acquisitions 75
8. Implementation of capital allocation plan 75

V. Operation Overview

1. Business Activities 76
   (1) Business scope 76
   (2) Industry summary 77
   (3) Summary of technology and research and development 82
   (4) Long- and short-term business development plan 85
2. Market and sales summary 87
   (1) Market analysis 87
   (2) Significant purposes and manufacturing process of major products 94
   (3) Supply of main raw materials 95
   (4) The list of customers that once accounted for 10% of the total procurement and sales amount in any of the most recent 2 years, and the procurement and sales amount and ratio 96
   (5) Production volume Indication of the most recent 2 years 97
   (6) Production volume Indication of the most recent 2 years 97
3. Employee information 98
4. Environmental Protection Expenditure 98
5. Labor Relations 98
6. Information and communication security management 101
7. Major Contracts 102

VI. Financial Status Overview

1. The condensed balance sheets and comprehensive income statements in the most recent 5 fiscal years 103
2. Financial analyses for the past 5 fiscal years 107
3. Audit Committee's review report on the financial report of the most recent fiscal year 111
4. The financial report of the most recent fiscal year 112
5. The individual financial report of the most recent fiscal year 174
6. The impact of financial turnover difficulties for the Company and its affiliates during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 231

Table of Contents

VII. Review of Financial Conditions, Financial Performance, and Risk Matters
1. Financial conditions 232
2. Financial performance 233
3. Cash Flow 233
4. The impact of significant capital expenditures on the finance in the most recent fiscal year 235
5. The main reason and improvement plan of profit or loss of the reinvestment policy in the most recent fiscal year, and the investment in the next fiscal year 235
6. The risk analysis and assessment during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 236
7. Other important matters 240

VIII. Special Items
1. Information of Affiliates 241
2. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 244
3. Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report 244
4. Other matters that require additional description 244
5. Any of the situations listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the current fiscal year up to the date of publication of the annual report 244

I. Letter to Shareholders

2023 Business Report

Dear shareholders:

Global enterprises ushered in a year of recovery from the epidemic. Although the two major powers, China and the United States, are closely linked to the AI chip war and geopolitical tensions, the overall revenue of Shian Yih Electronic Industry declined slightly. However, our gross profit margin continued to grow as all the employees braved the difficulties and resisted the economic variables. The 2023 consolidated revenue reached NT$2.08 billion. The net profit after tax was NT$148 million, and the earnings per share after tax was NT$2.43.

It is expected that the Russo-Ukrainian War that will not end this year and the Israel–Palestine War will continue to affect the economy and the transportation of goods. The costs incurred by inflation and the uncertainty of the EV market demand will still have an impact on the Company's profits. However, with continuous lean management and the recovery of the global economy, the Company will certainly be able to achieve the expected revenue and profit goals.

The Company hereby reports the 2023 business condition, summary of 2024 business plan, Company forecast, external market competition, laws and regulations, and the impact of the macroeconomy to the shareholders:

I. 2023 Business Report

(I) Result of the Business Plan

Unit: Thousand NTD

Item	2023	2022	Variation rate (%)
Consolidated revenue	2,083,903	2,240,839	-7.00
Net profit after tax	145,755	184,344	-20.93
Net profit after tax attributed to:			
Owner of the parent company	148,829	184,957	-19.53
Non-controlling equity	(3,074)	(613)	-401.47
Profit margin	6.99%	8.23%	

Although the Company’s consolidated revenue in 2023 decreased by 7% compared to 2022 due to the subdued demand for consumer products and the inventory adjustment of the customers. The cost of materials increased in the aspect of the cost structure. However, as all employees worked hard to control costs and improve manufacturing processes, the operating cost dropped by 2%.

(II) Financial balance and profitability analysis

1. Financial balance

Unit: Thousand NTD

Item	2023		2022	
	Amount	%	Amount	%
Operating revenue	2,083,903	100	2,240,839	100
Operating Costs	1,696,559	81	1,863,696	83
Gross profit	387,344	19	377,143	17
Operating expenses	259,435	12	271,426	12
Operating income	127,909	7	105,717	5
Net profit before tax	186,281	9	241,457	11

2. Profitability analysis

Item	2023	2023
Return on Assets (%)	5.53%	6.81%
Return on Equity (%)	7.66%	10.07%
Net operating profit to the paid-in capital (%)	20.90%	17.28%
Net profit before tax to paid-in capital (%)	30.45%	39.47%
Net profit margin (%)	6.99%	8.22%
Earnings per share (NTD)	2.43	3.02

(III) Research technology and equipment investment

The backlight AOI and LCM testing and the assembly production lines in Taiwan and China have been successfully accepted and put into production in 2023. They are expected to be extended to plastic injection production lines in 2024.

II. Summary of 2023 Business Plan

(I) Annual operation strategy

1. Launch of innovative products

In 2023, the Company successively launched innovative products such as mini LED displays and digital labels. It is expected that the Company will develop medium and large reversing blind spot display modules in 2024, and the market share of innovative products will increase year by year. The computer, communication and consumer products and device applications related to LED lighting for personal wearable devices have entered the development stage and been extended to application customers.

2. Improvement of manufacturing efficiency

In the past few years, the focus of investment has been on module-assembled equipment for manufacturing automation. This year, the Company will invest in AI-related equipment. Through automatic machine learning and correction, we can not only reduce the need for human judgment but also improve manufacturing efficiency and quality.

3. Implementation of risk management.

   The increasingly drastic changes in the economic environment underscore the importance of risk management. The international brinkmanship is not expected to stop immediately, and the Company will reduce risk through a decentralized supply chain and internal management.

4. Comprehensive energy conservation and carbon reduction

   Global warming has made the living environment more and more difficult. Achieving net zero carbon emissions by 2050 has been the goal of enterprises. The Company's internal procedures and equipment are all aligned toward this goal, and the products and services are provided with environment as the core. Currently, the Company cooperate with leading manufacturers in Europe and the US to develop LED lights for electric vehicles. They not only reduce power consumption, but also make the materials recyclable and friendly to the environment. It is expected that more similar products will be launched in the future and that the Company will occupy an influential position in the LED vehicle lamp modules.

(II) Significant production and marketing policies

1. Increase the ratio of automatic production and reduce the dependency on human resources on the production line.
2. Expand the overseas market and provide customers with comprehensive and diverse sales plan through strategic alliance.
3. Increase the competitiveness of market quotation, reduce the costs through internal lean management, and march towards the goal of low cost with high quality.
4. Provide customers with the option of technology development and strive for the opportunity of jointly development of module with customers.

(III) Forecast

1. Improve the skills of employees and encourage continuous pursuit of knowledge to make more progress and breathe life into the Company.
2. Implement AI-based production line management, automatically record production history through shop floor, MES and other systems to track production status at any time and control defective products in a timely manner.
3. Enhance the industry cohesion and reach the goal of resources sharing and growth opportunities in technologies through the shared resource platform.
4. Accelerate the product development speed and increase the market share of innovative products.

(IV) Policy in response to the external market competition and the change of the macroeconomic environment

The recent inflation and rise of wages have resulted in a continuous increase in costs. The Company will adjust the production lines of the subsidiaries in line with local raw material supplies and reduce the risk with a more flexible supply chain strategy at the global operation level. In 2024, the Company will actively expand the production base and equipment in Taiwan, and take cost reduction policies such as setting up a shipping warehouse in coordination with customers' relocation of production based for their car-bone products. We hope to create the maximum benefits for our shareholders in the challenging global environment.

The Company sincerely appreciates the continuous support of all shareholders and we wish all shareholders

Good health and prosperity

Chairman: Wang, Wei-Sih

Manager: Yao, Pai-Chou

Accounting Officer: Chen, Jui-Sui

II. Company Profile

1. Incorporation date: October 11, 1979

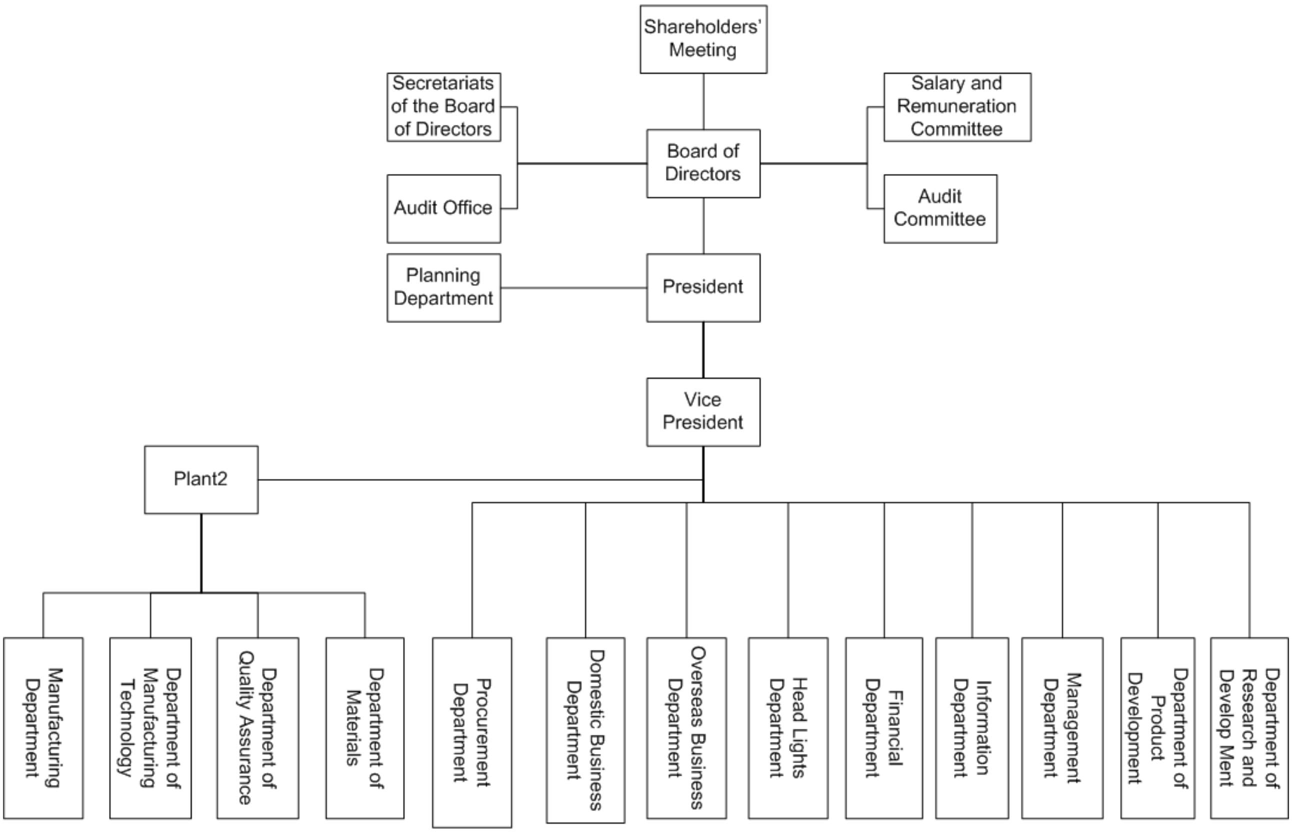
2. Company history:

October 1979	Shian Yih Electronic Industry Co., Ltd. (the Company) was incorporated with the capital amount of NT$6 million. The Company invested in the manufacturing and processing sale of LED and monitors.
November 1981	Added the business activities of manufacturing and processing sales of film capacitor, photodiode transistor, and integrated circuit.
January 1982	The beginning of the construction of new plant in Taichung Industrial Park.
April 1983	Activation of the plant in Taichung Industrial Park.
August 1984	Capital increased to NT$16 million.
July 1996	Capital increased to NT$28.8 million.
June 2004	Invested in Shian Yih (Samoa) Electronic Industry Co., Ltd. And Fair Some (Samoa) Industrial Ltd.
September 2004	Introduction of Enterprise Resource Planning (ERP) system.
October 2004	Established overseas operation unit to increase the competitiveness of the Company.
December 2004	Introduction of internal control and internal audit system to increase the competitiveness of the Company.
April 2005	Capital increased to NT$328.8 million to build new plants and purchase machinery equipment and actively invest in the research and development of LED backlight module and technology of new products.
May 2006	Capital increased to NT$478.8 million.
July 2006	Capital increased to NT$524,690,110.
September 2006	Public offering was approved by the “Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.”
September 2006	Invested in Wise Development Ltd. through Shian Yih (Samoa) Electronic Industry Co., Ltd. and invested in Ke Sheng Optics and Photoelectric Co., Ltd. in Dongguan City, Mainland China through Wise Development Ltd.
December 2006	Listed in emerging stock market on December 14.
June 2007	Issued employee stock options on June 27.
April 2008	Capital increased to NT$594,650,110.
April 2008	Listed on TPEx on April 8.
December 2009	Employee stock option certificates converted into ordinary shares of the Company for the issuance of new shares. Capital increased to NT$600,890,110.
November 2010	Employee stock option certificates converted into ordinary shares of the Company for the issuance of new shares. Capital increased to NT$604,325,110.
January 2011	Employee stock option certificates converted into ordinary shares of the Company for the issuance of new shares. Capital increased to NT$604,385,110.
December 2011	Employee stock option certificates converted into ordinary shares of the Company for the issuance of new shares. Capital increased to NT$607,610,110.
September 2012	Employee stock option certificates converted into ordinary shares of the Company for the issuance of new shares. Capital increased to NT$611,750,110.
March 2013	Invested in Fair Some (Samoa) Industrial Ltd. through Shian Yih (Samoa) Electronic Industry Co., Ltd. and invested in Shian Yih (Dongguan) Electronic Industry Co., Ltd. through Fair Some (Samoa) Industrial Ltd.

III. Corporate Governance Report

1. Organizational Chart

(1) Organizational Structure



(2) Business of all major departments:

Name of Department	Major duties
Audit Office	1. Assist the Board of Directors and managers in inspecting and reviewing the deficiencies of internal control system and assessing the effect and efficiency of the operation and provide suggestion for improvement promptly. 2. Conduct audit on the operation of all departments.
Secretariats of the Board of Directors	1. Take care of the meetings of the Audit Committee, Salary and Remuneration Committee, Shareholders' Meeting, and Board of Directors in accordance with laws. 2. Prepare the meeting minutes for the Audit Committee, Salary and Remuneration Committee, Board of Directors, and Shareholders' Meeting. 3. Assist in the inauguration of directors and their continuous training. 4. Provide information required by directors when performing their duties. 5. Assist the directors in compliance matters. 6. Conduct matters specified in the Articles of Corporation or contracts.
Planning Department	1. Market and product analysis and planning. 2. Planning for the short-term operating goals. 3. Planning for the mid to long-term operating goals and strategic development. 4. Projects for improving the operating performance. 5. Contract review/intellectual property rights. 6. Risk management.
Manufacturing Department	1. Establish and perfect the rules and regulations of the Manufacturing Department to protect the production interests of the Company. 2. Provide the suggestions and opinions regarding the Manufacturing Department to the senior officers of the Company. 3. Achieve the production and manufacturing goals of the Company. 4. Implement the educational training projects and complete the goals of the Company in collaboration with other departments. 5. Inspect and supervise the discipline of employees to ensure the Company operates normally.
Department of Manufacturing Technology	1. Assess and improve the production lines and conduct workshop planning. 2. Review and improve the production technology or propose improvement project. 3. Implement projects and push for improvements. 4. Introduce and develop new equipment and design the manufacturing process.
Department of Quality Assurance	1. Dispose of the abnormal product quality and follow-up. 2. Track for the improvement of abnormal quality from complaints. 3. Inspect the procured materials and dispose of the abnormal quality. 4. Confirm and report the cause of abnormal quality with customers and dispose of the abnormal quality on the customer end. 5. Confirm and instruct the inspection method of inspectors.

Name of Department	Major duties
Procurement Department	1. Handle the construction contract and the signing of procurement contracts. 2. Handle the machinery equipment procurement. 3. Establish strategic alliance partnership and collaboration in the development of new product. 4. Establish and maintain the relationship with suppliers to maintain the overall competitiveness of the Company. 5. Handle the selection, evaluation, and management of suppliers, procurements, and control and coordination of delivery progress. 6. Manage inventories and monitor the procurement.
Department of Materials	1. Achieve the business demand shipping goals. 2. Coordinate the production plan, control and production progress, and achieve the product storage goal. 3. Inventory checkup and accurate and effective management. 4. Monitor the production manpower and working hours and control the raw material conditions for the production lines.
Business Department	1. Draft the product sales plan and contracts and the recovery control of the payment for goods. 2. Develop domestic and overseas customers and maintain customer relationship.
Head Lights Department	1. Develop and sell headlights and taillights modules for cars, motorcycles, and electric bikes. 2. Develop and sell parts of headlight modules.
Financial Department	1. Planning and preparation of annual budget. 2. Handle the calculation of production costs, accounting matters, preparation of final account. 3. Provide the management statements. 4. Handle the financial planning, asset management, and fund allocation matters of the Company. 5. Manage the financial risk of the Company.
Management Department	1. Manage, coordinate, and support the resources and demand of general affairs to achieve the overall goal. 2. Manage fixed assets and equipment and purchase office supplies. 3. Plan and manage regulations and system to clarify the responsibilities of employees. 4. Manage human resources and monitor employee educational training.
Information Department	1. Develop and maintain the internal information system of the Company. 2. Plan and set up the corporate network and protect the network security. 3. Design and analyze the internal business intelligent system of the Company. 4. Assess and improve the system structural design of the current system and future application system.

Name of Department	Major duties
Department of Product Development	1. Assessment, design, and drawing of technologies for new cases. 2. Exterior assembly, characteristics assessment, and sampling for new cases. 3. Establish standard samples and abnormality improvement and disposition before entering mass production. 4. Material procurement, allocation, sampling, and management. 5. Size measurement for new raw materials and products, preparation of acknowledgement report. 6. Characteristics assessment of new materials and promotion. 7. Market sample analysis.
Department of Research and Development	1. Analysis and experiment on new technologies. 2. Assessment and tryout of new products. 3. High-end product development and realizing the goal of mass production in the market. 4. Improve the yield of mass production and assist in optimizing the manufacturing process. 5. Design of texture and screentone, optics analogue. 6. Assist the sales personnel in promoting new products and technologies externally.

2. Information of Directors, Supervisors, President, Vice President, Assistant Managers, and Head of Department and Branches

(1) Information of directors and supervisors

A. Directors and supervisors

April 14, 2024

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Chairman	R.O.C.	Wang, Wei-Sih	Male 71–80 years old	2022.06	3 years	1987.07	3,810,381	6.23	3,840,815	6.28	2,300,927	3.76	0	0	1. Dropped out from Department of International Business, Ling Tung University 2. EMBA, National Chung Hsing University 3. Chairman of Powertip Technology Corporation 4. Vice Chairman of Shian Yih Electronic Industry Co., Ltd.	Chairman of Shian Yih Electronic Industry Co., Ltd. and Sheng Yih Investment Co., Ltd.	Director	Wang, Hui-Min	Father and son
Vice Chairman	R.O.C.	Cheng Yu Investment Co., Ltd.	-	2022.06	3 years	2016.06	2,735,000	4.47	2,729,000	4.46	0	0	0	0	—	—	Director	Teng, Chia-Wen	Father and son
		Representative: Teng, Chia-Wen	Male 41–50 years old	2022.06	3 years	2016.06	0	0	452,000	0.74	0	0	0	0	1. Department of Information and Computer Engineering, Chung Yuan Christian University 2. Master’s degree, Institute of Computer Science and Engineering, National Chiao Tung University 3. MBA, National Taiwan University 4. Assistant Manager, Planning Department, Shian Yih Electronic Industry Co., Ltd. 5. Software R&D Engineer, BenQ-SIEMES 6. Software R&D Engineer, Marvell 7. Production line management, Merry Electronics Co., Ltd. 8. Chairman of Shian Yih Electronic Industry Co., Ltd.	Vice Chairman of Shian Yih Electronic Industry Co., Ltd., Director of Success Electronic Co., Ltd., SHIAN YIH (SAMOA), FAIR SOME (SAMOA), WISE, Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd., Chairman of Chian Yih Optotech Co., Ltd.	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Director	British Virgin Island	Corporate power investment limited	—	2022.06	3 years	2016.06	2,117,952	3.46	2,117,952	3.46	0	0	0	0	—	—	Director	Wang, Wei-Sih	Father and son
	R.O.C.	Representative: Wang, Hui-Min	Male 41–50 years old	2022.06	3 years	2016.06	0	0	578,000	0.94	0	0	0	0	1.Argyle Secondary High School 2.Capilano College Applied Information Tech. Certificate 3. University of Hertfordshire Bachelor of Arts,Business Administration 4. President of Shian Yih Electronic Industry Co., Ltd.	Director and Vice President of Shian Yih Electronic Industry Co., Ltd., Supervisor of Huei Kai Investment Co., Ltd, Director of Sky Glory Developments Limited, SHIAN YIH (SAMOA), FAIR SOME (SAMOA), WISE, Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	Director	Wang, Wei-Sih	Father and son
Director	R.O.C.	Chang, Yu-Chang	Male 51–60 years old	2022.06	3 years	2016.06	729,928	1.19	729,928	1.19	3,000	0.004	0	0	1. Cingshuei Senior High School 2. Hungkuang University 3. EMBA, Tunghai University 4. Process Technician, Okaya Electric Industries Co., Ltd. 5. Deputy Section Chief of Manufacturing Process, Huga Optotech Inc. 6. Manager, Department of Quality Assurance of Shian Yih Electronic Industry Co., Ltd.	Director of Shian Yih Electronic Industry Co., Ltd., Manager of Manufacturing Department of Shian Yih Electronic Industry Co., Ltd., Supervisor of Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Supervisor of Shian Yih (Dongguan) Electronic Industry Co., Ltd. Director of Chian Yih Optotech Co., Ltd.	None	None	None
Director	R.O.C.	Yao, Pai-Chou	Male 61–70 years old	2022.06	3 years	2007.06	438,850	0.72	438,850	0.72	0	0	0	0	1. Department of Electronics, Zen Del High School 2. Vice President of Shian Yih Electronic Industry Co., Ltd. 3. Supervisor of Shian Yih Electronic Industry Co., Ltd.	Director and President of Shian Yih Electronic Industry Co., Ltd., Director and President of Sheng Yi Investment Co., Ltd., Director of FAIR SOME (SAMOA), WISE, Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Director	R.O.C.	Wang, Jih-Chun	Male 71–80 years old	2022.06	3 years	2007.6	61,000	0.10	449000	0.73	0	0	0	0	1. Bachelor's degree, Department of Economics, Tunghai University 2. Tax agent, Local Tax Bureau, Taichung City Government 3. 23rd Chairman of Rotary Club of Taichung North-West 4. Executive Director of National Federation of CPA Associations of the R.O.C. 5. Vice Chairman of Taichung CPA Association 6. Director of Taichung Office of Crowe Taiwan	Director and President of Shian Yih Electronic Industry Co., Ltd., Independent Director of Full Wang International Development Co., Ltd., Chairman of How Hua Pan China (TW) Management Consulting Co., Ltd., Chairman of Shanghai Pan China Accounting Consulting Co., Ltd., Chairman of National Taichung University of Science and Technology Alumni Association	None	None	None
Independent Director	R.O.C.	Chang, Chia-Hsing	Male 51–60 years old	2022.06	3 years	2016.06	0	0	0	0	0	0	0	0	1. Department of Public Finance, National Chengchi University 2. EMBA , National Chiao Tung University 3. Clerk of credit extension/credit investigation, Taichung regional center, CTBC Bank 4. Assistant Manager, Underwriting Department, Grand Cathay Securities Corporation 5. Manager, Taichung Office, MasterLink Securities 6. Senior Commissioner, Chairman's Office, Darwin .Precisions Co., Ltd. 7. Executive Director/Assistant Manager of Management Department/Chief Financial Officer of Global Material Science Taiwan Co. Ltd. 8. Supervisor, ACULA Technology Corp. 9. Instructor of Industrial Technology Graduate Program, Feng Chia University 10. Instructor of Corporate Leader Program, Asia University, Taiwan	Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd., Chairman of Dingcheng Investment Co., Ltd., Independent Director of Axman Enterprise Co., Ltd.	None	None	None

Title	Nationality or Place of Incorporation	Name	Gender Age	Date of being elected	Term	Date of being first elected	Shareholding number by the time of being elected		Current shareholding		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in the Company and other companies	Executives, directors, or supervisors who are spouses or within two degrees of kinship		
							Shares	%	Shares	%	Shares	%	Shares	Shareholding Ratio			Title	Name	Ratio
Independent Director	R.O.C.	Lin, Yu-Sheng	Male 51–60 years old	2022.06	3 years	2022.06	0	0	0	0	110,500	0.18	0	0	1. Bachelor's degree, Department of Economics, National Chengchi University 2. Master of Business, St. Louis University 3. LL.M., National Chengchi University 4. Master of Business, National Taiwan University 5. Chairman of Taishin Investment Development Co., Ltd., 6 Vice President of Taishin Leasing and Financing Co., Ltd., 7 Securities Analyst of Taishin Securities Investment Consulting Co., Ltd.	Representative of juristic director and supervisor/Supervisor of He Sheng Energy Co., Ltd., Representative of juristic director and supervisor/Director of IIH Biomedical Venture Fund I Co., Ltd., Representative of juristic director and supervisor/Director of Tetanti Agribiotech Inc. Chairman of Taishin Investment Development Co., Ltd., Vice President of Taishin Leasing and Financing Co., Ltd., Securities Analyst of Taishin Securities Investment Consulting Co., Ltd.	None	None	None
Independent Director	R.O.C.	Huang, Lan-Ying	Female 51–60 years old	2022.06	3 years	2022.06	0	0	0	0	0	0	0	0	1. Bachelor's degree, Department of Economics, Fu Jen Catholic University 2. MBA, Cleveland State University 3. DBA (majored in international enterprise), Nova Southeastern University 4. Chair of Department of Business Administration, National Changhua University of Education 5. Independent Director/Member of Salary and Remuneration Committee of SDI Corporation, 6.Financial Commissioner of Fila Hong Kong	Professor, Department of Business Administration, National Changhua University of Education, Independent Director of Niching Industrial Corporation and Axman Enterprise Co., Ltd.	None	None	None

Major shareholders of institutional shareholders

April 14, 2024

Name of Institutional Shareholders	Major shareholders of institutional shareholders	Shareholding Ratio
Cheng Yu Investment Co., Ltd.	Group trading limited	100%
Corporate power investments limited	Wang, Hui-Min	33.3%
	Wang, Chien-Kai	33.4%
	Wang Chen, Li-Jung	33.3%

Major Shareholders among Institutional Shareholders are Institutional Shareholders

April 14, 2024

Name of the Juristic Person	Major shareholders of Juristic Person	Shareholding Ratio
Group trading limited	Teng, Chia-Wen	50%
	Teng,Chia-Jen	50%

(2) Information of directors and supervisors

A. Disclosure of professional qualifications of directors and supervisors and the independence analysis of independent directors:

Term / Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Wang, Wei-Sih	Has the work experience required by business and sales of the Company	No situations prescribed in Article 30 of the Company Act are found.	None
Teng, Chia-Wen	Has the work experience required by business and sales of the Company	No situations prescribed in Article 30 of the Company Act are found.	None
Yao, Pai-Chou	Has the work experience required by business and sales of the Company	No situations prescribed in Article 30 of the Company Act are found.	None
Wang, Hui-Min	Has the work experience required by business and sales of the Company	No situations prescribed in Article 30 of the Company Act are found.	None
Chang, Yu-Chang	Has the work experience required for business, finance, and accounting	No situations prescribed in Article 30 of the Company Act are found.	None
Wang, Jih-Chun	Has the work experience required for business, finance, accounting, and sales of the Company and passed the national exam for CPA and acquired the certificate	No situations prescribed in Article 30 of the Company Act are found.	None

Term / Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Chang, Chia-Hsing	Has the work experience required for business, finance, accounting, and sales of the Company. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	2
Lin, Yu-Sheng	Has the work experience required for business, finance, accounting, and sales of the Company. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	None
Huang, Lan-Ying	Has the work experience required for business, finance, accounting, and sales of the Company, and passed the professor qualification reviewed by the Ministry of Education and receive the certificate. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	1

B. Diversity and independence of the Board of Directors:

(a) Diversity of the Board of Directors:

The company promotes and respects the Diversification Policy for the Board to enhance the corporate governance and promotion of the structural completeness, development and the composition of the Board of Directors. The Company believes that the diversified policy will improve the overall operational performance. The election of the board members is based on the principle of meritocracy, thus the board members have diversified complimentary abilities across different fields, including basic composition (such as age, gender and others). They also possess different industrial experiences and related techniques (such as manufacturing, accounting, finance, education, marketing and others), as well as management, leadership, decision-making and other abilities, knowledges and literacies.

1. Operation judgment ability.
2. Accounting and financial analysis ability.
3. Operation management ability.
4. Crisis management ability.
5. Knowledge about the industry.
6. International perspective on the market.
7. Leadership.
8. Decision making ability.

The Implementation and the Diversification Policy for the Board Members

Diversity item / Name of Director	Basic Composition: Nationality	Basic Composition: Gender	Basic Composition: Also serve as an employee	Age: 41–50 years old	Age: 51–60 years old	Age: 61–70 years old	Term of service as the independent director: Less than 3 years	Term of service as the independent director: Over 3 years	Industrial Experience: Judgements about Operations	Industrial Experience: Accounting and Financial Analysis Ability	Industrial Experience: Business Management Ability	Industrial Experience: Crisis Management Ability	Industrial Experience: Knowledge of the Industry	Industrial Experience: International Market Perspective	Industrial Experience: Leadership Ability	Industrial Experience: Decision-Making Ability
Wang, Wei-Sih	R.O.C.	Male				V			V	V	V	V	V	V	V	V
Teng, Chia-Wen	R.O.C.	Male		V					V	V	V	V	V	V	V	V
Yao, Pai-Chou	R.O.C.	Male	V			V			V	V	V	V	V	V	V	V
Wang, Hui-Min	R.O.C.	Male	V	V					V	V	V	V	V	V	V	V
Chang, Yu-Chang	R.O.C.	Male	V		V				V		V	V	V	V	V	V
Wang, Jih-Chun	R.O.C.	Male				V			V	V	V	V	V	V	V	V
Chang, Chia-Hsing	R.O.C.	Male			V			V	V	V	V	V	V	V	V	V
Lin, Yu-Sheng	R.O.C.	Male			V		V		V	V	V	V	V	V	V	V
Huang, Lan-Ying	R.O.C.	Female			V		V		V	V	V	V	V	V	V	V

- ■ The company currently has 9 directors (including 3 independent directors). Directors Wang, Wei-Si; Deng, Chia-Wen; Yao, Bai-Chou; Wang, Huei-Min and Chang, Yu-Chang have the knowledge of business administration and diverse knowledge about the industry. Director Wang, Jih-Chun has many years of work experience in an accounting firm and is a senior CPA with accounting and financial analysis capabilities. Independent Director Chang, Jia-Xing, has acted as a senior supervisor in banking, securities and related industries, and has extensive experience of industries. He finished a factory establishment project in China. Independent Director Lin, Yu-Sheng is specialized in law, finance, and business, and has professional capability of financial investment and industry research. Independent Director Huang, Lan-Ying is a university professor and has extensive research experience and professional skills. The diverse experience and ability of the Company's board members can give professional opinions from different perspectives, and this is of great benefit to the Company's overall operations.
- ■ The company currently has no independent directors who have been elected for 3 terms in a row.

  All of the board members share the same nationality, which is R.O.C, with the following percentage of composition: 3 independent directors, which is 33%; 3 directors concurrently as the employees of the company, which is 33%. The age distribution of the directors is as follows: 2 directors fall under 41~50, 4 directors fall under 51~60 and 3 fall under 61~70. In addition to the stated above, the company also valued gender equality in the composition of its board of directors, so 1 of the board members is female, which is 11%.

■ The diversification, complementariness and implementation of the board directors were included in the standards set out in Article 20 of Corporate Governance Best Practice Principles. The company will be amending its diversification policy to meet the functioning of the board of directors, operational model, requirement of development, including but not only in the 2 dimensions of condition and value, professional knowledge and skills, to ensure that the board members have the commonly required knowledge, skills and literacy to perform their duties.

Specific management objectives and achievement status of the Company's diversity policy

Management goal	Achievement
The number of independent directors exceeds 1/3 of the total number of directors.	Achieved
No independent directors have served more than three consecutive terms.	Achieved
One female director	Achieved

(2) Independence of the Board of Directors:

The Board of Directors of the Company consists of directors with diversified backgrounds, professional knowledge, experience, insights and high moral standards. The company judges and evaluates the independent directors' independence according to the relevant laws and conditions, and without the condition of Paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act. The directors with second degree kinship is director Wang, Wei-Sih and Wang, Hui-Ming, *i.e.*, they are father and son.

The company adopted the Candidates Nomination system according to Article 192-1 of the Company Act, with 3 years for each director term. The independent directors' independence were all qualified based on the Regulations Governing Appointment of Independent Directors and Compliance Matters for a Public Company. Shareholders with 1% of the shareholding of the company's total issued stock may propose names of candidates in accordance with the relevant laws and regulations, to allow the shareholders to become involved in the nomination procedures for the director candidates. Consequently, all of the directors will be elected from the candidates by the shareholders during the shareholders' meeting.

(3) Information of President, Vice President, Assistant Managers, and Head of Department and Branches

April 14, 2024

Title	Nationality	Name	Gender	Date of Inauguration	Number of shares held		Shareholding of spouse and minor		Shareholding by nominee arrangement		Main experience (education)	Other positions in other companies	Managerial officers who are spouses or within 2 degrees of kinship		
					Shares	%	Shares	%	Shares	Shareholding Relationship			Title	Name	Relationship
President	R.O.C.	Yao, Pai-Chou	Male	2022.06.24	438,850	0.72	0		0	0	1. Department of Electronics, Zen Del High School 2. Vice President of Shian Yih Electronic Industry Co., Ltd. 3. Supervisor of Shian Yih Electronic Industry Co., Ltd.	Director and President of Shian Yih Electronic Industry Co., Ltd., Director and President of Sheng Yi Investment Co., Ltd., Director of FAIR SOME (SAMOA), WISE, Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	None	None	None
Vice President	R.O.C.	Wang, Hui-Min	Male	2022.06.24	578000	0.94	0	0	0	0	1.Argyle Secondary High School 2.Capilano College Applied Information Tech. Certificate 3. University of Hertfordshire Bachelor of Arts, Business Administration 4. President of Shian Yih Electronic Industry Co., Ltd.	Director and Vice President of Shian Yih Electronic Industry Co., Ltd., Supervisor of Huei Kai Investment Co., Ltd, Director of Sky Glory Developments Limited, SHIAN YIH (SAMOA), FAIR SOME (SAMOA), WISE, Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	None	None	None
Vice President	R.O.C.	Huang, Kung-Lung	Male	2021.05.17	100	0	0	0	0	0	1. Department of Information, Ming Dao High School 2. Assistant Manager, Business Department of Shian Yih Electronic Industry Co., Ltd.	Director of Sheng Yi Investment Co., Ltd., President of Dongguan Ke Sheng Optics and Photoelectric Co., Ltd., and Shian Yih (Dongguan) Electronic Industry Co., Ltd.	None	None	None
Assistant Manager	R.O.C.	Liu, Pin-Cheng	Male	2013.10.07	0	0	0	0	0	0	1. National Kaohsiung University of Applied Sciences	None	None	None	None
Assistant Manager	R.O.C.	Yang, Kuo-Hua	Male	2012.06.13	0	0	0	0	0	0	1. The Affiliated Industrial Vocational High School of National Changhua University of Education	None	None	None	None
Finance Manager	R.O.C.	Chen, Jui-Sui	Female	2022.07.07	0	0	0	0	0	0	1. Department of Accounting, Feng Chia University 2. Assistant Manager, PwC Taiwan 3. Audit Officer, Avertronics Inc.	None	None	None	None
Audit Officer	R.O.C.	Yu, Ya-Ching	Female	2022.07.07	0	0	0	0	0	0	1. Department of Accounting, Chaoyang University of Technology 2. Examiner, EnWise CPAs & Co.	Director of Sheng Yi Investment Co., Ltd.,	None	None	None

(4) Remuneration paid to directors (including independent directors), supervisors, President, and Vice President of the most recent fiscal year

A. Remuneration of directors and independent directors 2023 Unit: Thousand NTD

Title	Name	Remuneration of Directors								The ratio of the sum of A, B, C, and D to the net profit after tax		Remuneration received by directors who concurrently serving as an employee												The ratio of the sum of A, B, C, D, E, F, and G to the net profit after tax		Remuneration received from invested company or parent company other than the Company's subsidiary
		Compensation (A)		Pension (B)		Remuneration of directors from earnings (C)		Business expenses (D)				Salary, bonus, and allowance (E)		Pension (F)		Remuneration of Employees (G)				Number of Subscribed Shares from Employee Stock Option Certificate (H)		Number of New Restricted Employee Shares (I)				
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	
																Cash amount	Shares amount	Cash amount	Shares amount							
General Director	Wang, Wei-Sih Teng, Chia-Wen Yao, Pai-Chou Wang, Hui-Min Chang, Yu-Chang Wang, Jih-Chun	3000	3000	0	0	4013	4013	25	25	7038 4.73%	7038 4.73%	4603	5278	260	260	2640	0	2640	0	0	0	0	0	14541 9.77%	15216 10.22%	None
Independent Director	Chang, Chia-Hsing Lin, Yu-Sheng Huang, Lan-Ying	1176	1176	0	0	0	0	176	176	1352 0.91%	1352 0.91%	0	0	0	0	0	0	0	0	0	0	0	0	1352 0.91%	1352 0.91%	None

1. Describe the policy, system, standard, and structure of independent directors' remuneration as well as the association between the remuneration amount and factors, such as responsibilities, risks, and contributed time:

The Board of Directors of the Company is authorized to determine the remuneration of directors and independent directors based on their participation level and contribution to the operation of the Company and the payment standard of the industry in Taiwan.

2. Apart from the disclosed items in the table above, the remuneration of directors received from providing services in the most recent fiscal year (such as serving as a non-employee consultant of the parent company/all companies in the financial statements/subsidiaries): NT$ 0 .

Note 1: Employee bonus refers to the distribution amount of 2023 calculated based on the actual distribution ratio in 2022.
Note 2: Pension amount is the distribution amount of capitalized pension.

Table of Remuneration Level

2023

Remuneration Level of Directors	Name of Director			
	Sum of (A+B+C+D)		Sum of (A+B+C+D+E+F+G)Sum of (A+B+C+D)	
	The Company	All companies in the financial statements H	The Company	All companies in the financial statements I
Below NT$1,000,000	Yao, Pai-Chou, Wang, Hui-Min, Chang, Yu-Chang, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Yao, Pai-Chou, Wang, Hui-Min, Chang, Yu-Chang, Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying	Wang, Jih-Chun, Chang, Chia-Hsing, Lin, Yu-Sheng, Huang, Lan-Ying
NT$1,000,000 – NT$1,999,999	None	None	Chang, Yu-Chang	Chang, Yu-Chang
NT$2,000,000 – NT3,499,999	Wang, Wei-Sih , Teng, Chia-Wen	Wang, Wei-Sih , Teng, Chia-Wen	Wang, Wei-Sih , Teng, Chia-Wen	Wang, Wei-Sih , Teng, Chia-Wen
NT$3,500,000 – NT$4,999,999	None	None	Yao, Pai-Chou, Wang, Hui-Min	Yao, Pai-Chou, Wang, Hui-Min
NT$5,000,000 – NT$9,999,999	None	None	None	None
NT$10,000,000 – NT$14,999,999	None	None	None	None
NT$15,000,000 – NT$29,999,999	None	None	None	None
NT$30,000,000 – NT$49,999,999	None	None	None	None
NT$50,000,000 – NT$99,999,9999	None	None	None	None
Above NT$100,000,000	None	None	None	None
Total	9	9	9	9

B. Remuneration of President and Vice President

2023
Unit: Thousand NTD

Title	Name	Salary (A)		Pension (B)		Bonus, and allowance (C)		Amount of remuneration of employees (D)				The ratio of the sum of A, B, C, and D to the net profit after tax (%)		Remuneration received from invested company or parent company other than the Company's subsidiary
		The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company	All companies in the financial statements	The Company		All companies in the financial statements		The Company	All companies in the financial statements	
								Cash amount	Shares amount	Cash amount	Shares amount			
President	Yao, Pai-Chou	3900	5280	277	277	1260	1433	3226	0	3226	0	8663 5.82%	10216 6.86%	None
Vice President	Wang, Hui-Min													
Vice President	Huang, Kung-Lung													

Note 1: Employee bonus amount refers to the distribution amount of 2023 calculated based on the actual distribution ratio in 2022.
Note 2: Pension amount is the distribution amount of capitalized pension.

Table of Remuneration Level

Remuneration Level of Presidents and Vice Presidents	Name of President and Vice President	
	The Company	All companies in the financial statements
Below NT$1,000,000	None	None
NT$1,000,000 – NT$1,999,999	None	None
NT$2,000,000 – NT3,499,999	Yao, Pai-Chou, Wang, Hui-Min, Huang, Kung-Lung	Yao, Pai-Chou , Wang, Hui-Min , Huang, Kung-Lung
NT$3,500,000 – NT$4,999,999	None	None
NT$5,000,000 – NT$9,999,999	None	None
NT$10,000,000 – NT$14,999,999	None	None
NT$15,000,000 – NT$29,999,999	None	None
NT$30,000,000 – NT$49,999,999	None	None
NT$50,000,000 – NT$99,999,9999	None	None
Above NT$100,000,000	None	None
Total	3	3

C. Names of managers receiving remuneration of employees and the distribution status

Unit: Thousand NTD/2023.12.31

	Title	Name	Share bonus amount	Cash bonus amount	Total	Ratio of sum to the net profit after tax (%)
Managerial Officer	President	Yao, Pai-Chou	0	3599	3599	2.42
	Vice President	Wang, Hui-Min				
	Vice President	Huang, Kung-Lung				
	Manager	Chen, Jui-Sui				

Note 1: The 2023 earnings distribution is to be resolved by the shareholders' meeting of the Company.

Note 2: Employee bonus of managerial officers refers to the distribution amount of 2023 calculated based on the actual distribution ratio in 2022.

(5) The analysis on the ratio of the total remuneration paid by the Company and all companies included in the consolidated financial statements for the most recent 2 fiscal years to directors, supervisors, President, and Vice President of the Company, to the net profit and the policies, standards, and portfolios for the payment of remuneration, the procedures for determining remuneration, and the correlation with business performance and future risks:

Item / Title	Total remuneration to the net profit after tax			
	2023		2022	
	The Company	All companies in the consolidated financial statements	The Company	All companies in the consolidated financial statements
Director	10.68	11.13	8.21	8.42
President and Vice President	5.82	6.86	4.70	5.38

A. In accordance with Article 21 of the Company's Articles of Incorporation, the remuneration of directors of the Company shall be determined by the Board of Directors based on the level of participation and the value of the contribution of each director, and with reference to the general level within the industry. In addition, according to Article 25 of the Company's Articles of Incorporation, no more than2% shall be allocated as directors' remuneration. Independent directors do not participate in the distribution of directors' remuneration. The Company regularly evaluates directors' remuneration in accordance with the "Regulations for Performance Evaluation of the Board of Directors," and relevant performance evaluation and reasonableness of remuneration have been reviewed by the Remuneration Committee and the Board of Directors.

B. For the Company's remuneration of managers, various work allowances and bonuses are specified in accordance with the Company's Salary Management Regulations and Performance Management Regulations to show solicitude for and reward employees for their efforts at work. Relevant bonuses are also approved and distributed according to the business performance, financial position, operating status of the Company, and the individual work performance of individuals for the year. Furthermore, if the Company makes a profit for the year, 2% to 10% of the profit will be appropriated as the remuneration of employees in accordance with Article 25 of the Company's Articles of Incorporation. The results of the performance evaluation conducted by the Company in accordance with the "Performance Management Regulations" are used as the reference for the distribution of managers' bonuses. The evaluation items of managers' performance are divided into 1. financial indicators: the profit contribution distribution of the business groups/departments according to the Company's management income statement, with reference to the target achievement rate of managers; 2. non-financial indicators: the remuneration of business performance calculated based on the implementation of the Company’s core value and the business management ability, with examinations of the remuneration system in due course subject to the operating status and relevant laws and regulations from time to time.

C. The distribution of remuneration and the operation performance is in positive correlation.
The examination of the payment standards and system related to the Company's remuneration policy is mainly based on the overall operation of the Company, and the payment standards are approved and formulated based on the performance achievement rate and the level of contribution so as to improve the overall functions of the organization/team of the Board of Directors, managers, and departments. In addition, reference is made to remuneration standards within the industry to ensure that the remuneration of the Company's management is competitive within the industry in order to retain outstanding management talents.

D. Measure future risk forecast and make proper connection.
The Company's managers' performance targets are combined with "risk control" to ensure that possible risks within their scope of duties are managed and controlled. The results of appraisal and rating based on the actual performance are linked to all relevant human resources and related remuneration policies. The key decisions of the Company's management are made after a balanced consideration of various risk factors. The performance of the relevant decisions is reflected in the Company's profitability, and the management's remuneration is related to the performance of risk control.

3. Operation of Corporate Governance

(1) Operation of the Board of Directors

Information regarding the Operation of the Board of Directors

In 2023, the Board of Directors held six meetings, and the attendance of directors is as follows:

Title	Name	Actual attendance in person	By proxy	Attendance rate (%)	Note
Chairman	Wang, Wei-Sih	6	0	100%	
Chairman	Teng, Chia-Wen	6	0	100%	
Director	Yao, Pai-Chou	6	0	100%	
Director	Wang, Hui-Min	6	0	100%	
Director	Chang, Yu-Chang	6	0	100%	
Director	Wang, Jih-Chun	6	0	100%	
Independent Director	Chang, Chia-Hsing	6	0	100%	
Independent Director	Lin, Yu-Sheng	5	1	83%	
Independent Director	Huang, Lan-Ying	5	1	83%	

Other matters to be recorded:

(V) With the operations of the Company by the Board of Directors, should any one of the following situations arise, the Board Meeting date, session, content of the resolution, opinions of all independent directors, and the Company's response to these comments shall be properly recorded:

(1) Matters prescribed in Article 14-3 of the Securities and Exchange Act: Please refer to (11) major resolutions of the Board of Directors.

(2) Apart from the aforementioned matters, other matters that were opposed by independent directors or directors stating they have reservations, and their opinion has been recorded or submitted in a written statement: None.

(VI) Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted:

2023/8/11

Board of Directors proposal 2: 2022 distribution of remuneration of directors and supervisors. Director Wang, Wei-Sih, Teng, Chia-Wen, Wang, Hui-Min, Chang, Yu-Chang, and Yao, Pai-Chou recused themselves in groups from discussion and voting due to conflict of interests.

Proposal 3: 2022 distribution of remuneration of employees. Director Wang, Hui-Min and Chang, Yu-Chang recused themselves from discussion and voting due to conflict of interests.

Proposal 4: 2023 distribution of Mid-Autumn Festival bonus. Director Wang, Hui-Min and Chang, Yu-Chang recused themselves from discussion and voting due to conflict of interests.

2023/12/21

Board of Director proposal 3: 2023 distribution of year-end bonus for managerial officers. Director Wang, Hui-Min and Chang, Yu-Chang recused themselves from discussion and voting due to conflict of interests.

(VII) TWSE/TPEx listed companies shall disclose the general evaluation cycles, evaluation periods, scope, method, and content of evaluation, of the self-evaluation (or peer evaluation) on the Board of Directors and shall fill out the implementation of the evaluation on the Board of Directors.:

Implementation of the evaluation on the Board of Directors

In order to implement corporate governance, enhance the functions of the Company's Board of Directors, and define performance targets clearly to improve operational efficiency, the "Regulations Governing the Performance Evaluation of the Board of Directors" was approved on December 26, 2019.

In accordance with the Regulations Governing the Performance Evaluation of the Board of Directors," the performance of the Board of Directors is evaluated once a year and the performance of the current year is evaluated at the time when the fiscal year ends. The result of the evaluation shall be submitted to the Remuneration Committee and the Board of Directors before the end of the first quarter of the following year.

Evaluation cycle	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once per year	2023/01/01 to 2023/12/31	Board of Directors	Self-evaluation by the Board of Directors	The performance evaluation items for the Board of Directors are as follows: 1. Participation level to the operation of the Company 2. Improve the decision making quality of the Board of Directors 3. Composition and structure of the Board of Directors 4. Election and continuous training of directors 5. Internal control
		Director member	Self-evaluation by the directors	The performance evaluation items for the directors are as follows: 1. Awareness of the Company's goals and missions 2. Awareness of the duties of directors 3. Participation level to the operation of the Company 4. Cultivation and communication of internal relationship 5. Profession and continuous training of directors 6. Internal control
		Functional Committee	Self-evaluation of the Audit Committee and Salary and Remuneration Committee	The performance evaluation items for the functional committee are as follows: 1. Participation level to the operation of the Company 2. Awareness of the duties of the functional committee 3. Improve the decision making quality of the functional committee 4. Composition of the functional committee and selection of the members 5. Internal control

Evaluation results:

(I) Board member:

The Company has a total of nine directors (including independent directors). On December 26, 2023, nine copies of the "Board Member Self-Evaluation Questionnaire" were distributed and all of the copies were recovered. After the self-evaluation of each director, the score of respective evaluation items was as follows: The average score is 4.77 (perfect score: 5 point).

Self-evaluation item	Number of indicators	Average score
A. Awareness of the Company's goals and missions	2	4.50
B. Awareness of the duties of directors	3	4.85
C. Participation level to the operation of the Company	6	4.76
D. Cultivation and communication of internal relationship	3	4.63
E. Profession and continuous training of	3	4.96

directors		
F. Internal control	3	4.89
Total / Average score	20	4.77

(II) Board of Directors:

The Board of Directors scored each evaluation item as shown in the table below, with an average score of 4.74 (perfect score: 5 points) .

(9 copies were distributed and 9 copies were recovered)

Self-evaluation item	Number of indicators	Average score
A. Participation level to the operation of the Company	8	4.71
B. Improve the decision-making quality of the Board of Directors	5	4.64
C. Composition and structure of the Board of Directors	2	4.78
D. Election and continuous training of directors.	2	4.72
E. Internal control	3	4.85
Total / Average score	20	4.74

(III) Functional committees:

The Company has two functional committees, the “Audit Committee” and the “Remuneration Committee.” After the self-evaluation of each committee member, the average score of the Audit Committee is 4.82 (perfect score: 5 points), while the average score of the Remuneration Committee is 4.88 (perfect score: 5 points).

(3 copies were distributed and 3 copies were recovered)

Self-evaluation item	Audit Committee		Remuneration Committee	
	Number of indicators	Average score	Number of indicators	Average score
A. Participation level to the operation of the Company	4	4.75	4	4.83
B. Awareness of the duties of the functional committee	5	4.87	4	4.92
C. Improvement of the decision-making quality of the functional committee	6	4.89	3	4.89
D. Composition of the functional committee and selection of the members	2	4.83	3	4.78
E. Internal control	3	4.78	3	5.00
Total / Average score	20	4.82	20	4.88

Overall, the Board of Directors and the functional committees operated well. The Company will continue to improve the functions of the Board of Directors based on the results of this performance evaluation to improve the effectiveness of corporate governance.

The results of the aforementioned performance evaluation of the Board of Directors were submitted to the Remuneration Committee for review at its meeting held on March 12, 2024, and then reported to the Board meeting on March 12 , 2024 as a reference for review and improvement.

(VIII)Board of Directors’ functional improvement goals for the last year and the current year in addition to the implementation of assessments:

1. The operation of the Board of Directors of the Company complies with the laws and regulations, Articles of Incorporation, and the resolutions of the shareholders’ meeting. All directors possess

the professional knowledge, skills, and attainment required for performing their duties. They also uphold the principle of faith and integrity and duty of care to generate the maximum profit for shareholders.

2. The Company elected three independent directors in the shareholders' meeting held on June 16, 2022 pursuant to the regulations of the securities competent authority.
3. To establish excellent Board of Directors governance system, perfect the supervising function, and enhance the management functionality, the Company has stipulated the "Rules of Procedure for Board of Directors Meetings" pursuant to the regulations of the securities competent authority. These Rules include the main agenda items, operation procedures, required content of meeting minutes, public announcements, and other compliance requirements that shall be handled in accordance with the provisions of these Rules.
4. Apart from the self-inspection on the operation of the Board of Directors meetings, the internal audit personnel of the Company also conducts audit on the operating of the Board of Directors and prepares the audit report to meet the requirement of laws and regulations.
5. The Board of Directors held six meetings in 2023.

(2) Operation of the Audit Committee

The Company establishes the Audit Committee that consists of all independent directors in accordance with laws and regulations. At least one meeting will be held in a quarter, and the meeting may be convened anytime if necessary.

1. Professional qualification and experience of the member of the Audit Committee
   Pursuant to Jin-Guan-Cheng-Fa-Zi Letter No. 10703452331 regarding the applicable scope for the establishment of the Audit Committee, "Regulations Governing the Exercise of Powers by Audit Committees of Public Companies," and Paragraph 2, Article 14-4 of Securities and Exchange Act, the members of the Audit Committee are all independent directors, and the Audit Committee shall consist of three independent directors or more. The Company convened a Board of Directors meeting after the director election procedure was completed on June 16, 2022 to establish the Audit Committee.
   The members of the Audit Committee of the first term are Independent Director Chang, Chia-Hsing, Lin, Yu-Sheng, and Chang, Lan-Ying. Their service term started from June 16, 2022 and ends on June 15, 2025, which is the same as the service term of the Board of Directors of the current term.
   One member shall be elected as the convener and meeting chair by and from among the entire membership of the audit committee.
   Information of the members of the Audit Committee:

Title	Name	Professional qualification and experience
Convener	Chang, Chia-Hsing	Bachelor's degree, Department of Public Finance, National Chengchi University EMBA , National Chiao Tung University Clerk of credit extension/credit investigation, Taichung regional center, CTBC Bank Assistant Manager, Underwriting Department, Grand Cathay Securities Corporation Manager, Underwriting Department, Masterlink Securities Corp. Senior Commissioner, Operation Management Office, Darwin Precisions Co., Ltd. Executive Director/Chief Financial Officer/Spokesperson, Global Material Science Taiwan Co. Ltd. Supervisor, ACULA Technology Corp.

		Instructor of Industrial Technology Graduate Program, Feng Chia University Instructor of Corporate Leader Program, Asia University, Taiwan Chairman of Tong Hsin Chi Yuan Management Consulting Co., Ltd. Chairman of Dingcheng Investment Co., Ltd. Independent Director/member of the Salary and Remuneration Committee/Audit Committee of Niching Industrial Corporation Independent Director/member of the Salary and Remuneration Committee/Audit Committee of Axman Enterprise Co., Ltd.
Member	Lin, Yu-Sheng	Bachelor's degree, Department of Economics, National Chengchi University Master of Business, St. Louis University LL.M., National Chengchi University Master of Business, National Taiwan University Chairman of Taishin Investment Development Co., Ltd. ViceVice President of Taishin Leasing and Financing Co., Ltd. Securities Analyst of Taishin Securities Investment Consulting Co., Ltd. Representative of juristic director and supervisor/Supervisor of He Sheng Energy Co., Ltd. Representative of juristic director and supervisor/Director of IIH Biomedical Venture Fund I Co., Ltd. Representative of juristic director and supervisor/Director of Tetanti Agribiotech Inc.
Member	Huang, Lan-Ying	Bachelor's degree, Department of Economics, Fu Jen Catholic University MBA, Cleveland State University DBA (majored in international enterprise), Nova Southeastern University Independent Director/Member of Salary and Remuneration Committee of SDI Corporation Financial Commissioner of Fila Hong Kong Independent Director/member of the Salary and Remuneration Committee/Audit Committee of Axman Enterprise Co., Ltd.

B. Keys of annual work

1. Communicate the audit report result with the internal audit officer on a regular basis based on the annual audit plan.
2. Communicate with the CPAs of the Company on the financial statements or the audit result on a regular basis.
3. Review the financial reports.
4. Assess the effectiveness of the internal control system.
5. Review the appointment, discharge, remuneration and services of CPAs.
6. Review assets, derivatives, regulations for loans to others and endorsement/guarantee, and significant transactions of assets, loans to others, and endorsement/guarantee.
7. Compliance.

C. The Audit Committee held six meetings in 2023. The attendance of independent directors is as follows:

Title	Name	Actual attendance in person	By proxy	Attendance rate (%)	Note
Convener	Chang, Chia-Hsing	6	0	100%	
Member	Lin, Yu-Sheng	5	1	83%	
Member	Huang, Lan-Ying	5	1	83%	

Other matters to be recorded:

1. In the operation of the Audit Committee, should one of the below situations arise, the date of the meeting, session, content of the resolution, objection opinion of the independent director, qualified opinions or the content of the significant suggestion, result of the Audit Committee resolution, and the Company's response to these opinions must be properly recorded.

(1) Matters prescribed in Article 14-5 of the Securities and Exchange Act:

Date of Meeting	**Date of Meeting**	**Agenda content**	**Opinion of Independent Directors**	**Resolution of the Audit Committee**	**The Company's response to these opinions**
The 1st term The 6th meeting	2023.03.15	1.Discussion on the 2022 business report and financial statements of the Company. 2.Review the 2022 earnings distribution of the Company. 3.Review the "2022 Internal Control Statement" submitted by the Company. 4.Amendments to Chapter 1 General Provisions of the internal control system. 5.Review the independence and competency of the CPAs.	None	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
The 1st term The 7th meeting	2023.05.11	Discussion on the approval of the 2023 Q1 financial statement.			
The 1st term The 8th meeting	2023.06.12	Review the appointment of the company's corporate governance officer			
The 1st term The 9th meeting	2023.8.10	1. The 2023 Q2 financial statements and Audit Report of the Company.			

The 1st term The 10th meeting	2023.11.09	1.Discussion on the Company planning to provide loans to subsidiary Shian Yih (Dongguan) Electronic Industry Co., Ltd. and Dongguan Ke Sheng Optics and Photoelectric Co., Ltd. 2.Discussion on serving as the joint guarantor for the bank line of credit for the subsidiary. 3.Discussion on the short-term borrowing to subsidiary Chian Yih Optotech Co., Ltd.	None	The proposals were approved by all attending members of the Audit Committees in unanimity	The proposals were approved by all attending directors in unanimity
The 1st term The 11th meeting	2023.12.21	1. Plan to approve the 2024 audit plan of the Company. 2. Plan to approve the 2024 financial forecast and operation plan of the Company. 3. Formulate information security policies and management regulations.			

(2) Apart from the aforementioned matters, other resolutions not passed by the Audit Committee but approved by 2/3 of the total directors: None

2. Should a director recuse him or herself from a decision about which he or she has a conflict of interest, the name of the director, contents of the resolution, reasons for recusal, and the results of the vote should be noted: None.

3. Communication between independent directors, internal audit officer, and auditors (regarding issues such as Company financial and operational status, procedures, and results):

(1) Communication regarding the policy between independent directors, internal audit officer, and auditors:

1. The independent directors of the Company convenes a meeting every quarter, and the CPAs attend the meeting every six months; the internal auditing officer attends the meeting every quarter. A meeting may be convened at any time in case of any material abnormalities

2. Communication between independent directors and CPAs: After the second quarter and the end of the fiscal year, CPAs report and communicate with independent directors on the following topics:

(1) The duty and independence of the CPAs

(2) Scope and method of audit or review

(3) Quarterly financial report review or annual audit results

(4) Update of important regulations

(5) Other topics

3. Communication between independent directors and the internal audit officer:

(1) Regularly attending the Audit Committee and reporting the implementation of the audit

(2) Submission of the audit report for the current period on a regular basis

(3) Communicating directly by e-mail, telephone, etc., whenever necessary

(4) Other topics

(2) Independent communication between independent directors, internal audit officer, and auditors in 2023:

Summary of the communication between independent directors and the internal audit officer and CPAs

The communication between the independent directors and the CPAs is good. The main communication matters are summarized as follows:

Date	Communication method	Communication content	Opinion of Independent Directors	Implementation result
2022/08/11	Meeting	1. 2022 Q2 review report. 2. Update of important regulations.	None.	N/A
2023/03/15	Meeting	1. Independence of CPAs. 2. Auditors' responsibilities for auditing the financial reports. 3. The type of the audit opinion issued. 4. Scope of the audit. 5. Findings from the audit. 6. Main effect of the Auditing Standard No. 315. 7. Update of important accounting standards or interpretations, securities laws and regulations, and tax laws and regulations.	None.	N/A
2023/08/10	Meeting	1. 2023 Q2 review report. 2. Update of important regulations.	None.	N/A
2023/11/09	Meeting	1. 2023 Q3 review report. 2. Annual audit planning 3. Update of important regulations.	None.	N/A

The communication between the independent directors and the internal audit officer is good. The main communication matters are summarized as follows:

Date	Communication method	Communication content	Opinion of Independent Directors	Implementation result
2022/12/21	Meeting	Audit implementation report for November 2022	None.	N/A
2023/01/06	E-Mail	Audit report for December 2022.	None.	N/A
2023/02/07	E-Mail	Audit report for January 2023.	None.	N/A
2023/03/06	E-Mail	Audit report for February 2023.	None.	N/A
2023/04/07	E-Mail	Audit report for March 2023.	None.	N/A
2023/05/05	E-Mail	Audit report for April 2023.	None.	N/A
2023/05/11	Meeting	Description of the key audit reports from January to April 2023 and post-period follow-up audit.	None.	N/A

2023/06/06	E-Mail	Audit report for May 2023.	None.	N/A
2023/07/12	E-Mail	Audit report for June 2023.	None.	N/A
2023/08/08	E-Mail	Audit report for July 2023.	None.	N/A
2023/09/06	E-Mail	Audit report for August 2023.	None.	N/A
2023/10/06	E-Mail	Audit report for September 2023.	None.	N/A
2023/11/02	E-Mail	Audit report for October 2023.	None.	N/A
2023/12/06	E-Mail	Audit report for November 2023.	None.	N/A
2023/12/21	Meeting	Description of the key audit reports from May to November 2023, post-period follow-up audit, and 2024 audit planning report.	None.	N/A

(3) Difference between the corporate governance implementation and the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
1. Did the Company establish and disclose its Corporate Governance Best-Practice Principles in accordance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies?	✓		The Company's Board of Directors has adopted the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies" on April 29, 2012. The latest amendment was made on March 15, 2023. The amendments have been published on the Company's website.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
2. Company ownership structure and shareholders' equity (1) Did the Company establish internal operation procedures for handling shareholders' suggestions, questions, disputes, and litigations, and implement these procedures? (2) Does the Company maintain a list of major shareholders of the Company and the ultimate beneficiary owners of the major shareholders? (3) Did the Company establish and implement the risk control and fire wall mechanism between the Company and its affiliates? (4) Did the Company stipulate internal regulations to prevent insiders to securities trading on undisclosed information?	✓ ✓ ✓ ✓		(1) The Company has established a spokesperson and deputy spokesperson and the email address for investors to properly receive suggestions from shareholders or resolve disputes. The Company also amended the "Rules of Procedure for Board of Directors Meetings" that added the operation procedure for the Company handling the requirements from directors. (2) The Company designates personnel to handle relevant matters, and the stock agent is responsible for handling stock matters. The Company is able to control the list of major shareholders of the controlling companies; the Company also reports the changes in the shareholding of major shareholders with 10% or more of shareholding ratio and strives to maintain excellent relationship with shareholders. (3) The Company has stipulated "Regulations Governing the Control and Management on Subsidiaries" and "Regulations Governing the Management on the Transactions of the Group, Specific Companies, and Relevant Party" to clearly specify the management on the personnel, finance, and business between the Company and affiliates. (4) The Company has stipulated the "Regulations Governing the Management on the Prevention of Insider Trading" and "Operation Procedures for Material Internal Information" to regulate insiders and urge them to be in compliance with the regulations. The Company sends e-mails or notification letters to directors and insiders to inform them about TPEx's letter on the "Patterns of Violation of the Securities and Exchange Act in the Reporting of Insider Shareholding Changes" on an irregular basis, and inform the directors and internal dissemination personnel by e-mail about key amendments to the laws and regulations. The company disseminating Article 157-1 of the Securities and Exchange Act to insiders, heads and employees in certain positions before publishing the Quarterly Operational Results in each quarter. The contents of dissemination include: the reminder of silent period, the scope and the subject of restrictions of insider trading, scope and disclosure of material	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
			information that has significant impacts to the stock price and penalties, and its laws and regulations, to prevent insider trading in practice. The company will be disseminating reminders that insiders may not dispose of their shareholdings 30 days prior to the annual financial statement and 15 days prior to the quarterly financial statement.	
3. The composition and duties of the Board of Directors (1) Has the Company established and implemented policies for diversity among members of the Board of Directors and the solid management goals?	✓		(1) The Company has drafted the diversity of directors in the “Corporate Governance Best-Practice Principles.” In addition, the nomination of the directors is under a strict selection procedure. Apart from the diverse professional background, professional skills, and experience in the industry, the personal morality and reputation in leadership are also taken into consideration. Currently, Board of Directors consists of nine directors with rich company operation experience or professionalism. We rely on the rich knowledge, personal insight, and business judgment of directors. In addition, there is one female director. As for the specific management goals and achievements of the diversity policy on the formation of the Board of Directors as well as the implementation status of the policy are described below, referred to in the “Diversity and independence of the Board of Directors” on page 16-18 of this annual report; this has been disclosed on the Company’s website.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
(2) In addition to the establishment of the Salary and Remuneration Committee and Audit Committee as required by law, did the Company establish committees with other functions voluntarily?	✓		(2) To perfect the decision making function and enhance the management mechanism, the Company has established the Salary and Remuneration Committee and Audit Committee. Other functional committees may be established in the future based on the actual operation demands.	
(3) Did the Company stipulate the Regulations Governing the Performance Evaluation on the Board of Directors, conduct the performance evaluation on a regular basis, and submit the result of performance evaluation to the Board of Directors as the reference for the individual directors’ remuneration and re-election nomination?	✓		(3) The Company has stipulated the “Regulations Governing the Performance Evaluation of the Board of Directors” after the resolution of the Board of Directors meeting on April 29, 2010. The 2023 performance evaluation was completed in early 2024. Please refer to “Implementation of the evaluation on the Board of Directors” for the evaluation cycle, period, scope, method, and the content. The performance evaluation result was submitted to the Board of Directors on March 12, 2024. The directors perform their duties with the attitude of high self-discipline and prudence and with due care. The evaluation results have been disclosed on the company's website.	
(4) Did the Company assess the independence of the CPAs on a regular basis?	✓		(4) The Company evaluation the independence and competence of the CPAs once a year, and submits the evaluation results to the Audit Committee for review before reporting to the Board of Directors. The most recent evaluation was reviewed by the Audit Committee on March 12, 2024 and submitted to the Board of Directors for	

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
			resolution and approval on the same day. The evaluation mechanism is as follows: 1. Confirm that the Company's CPAs are not the related parties of the Company and any directors. 2. Comply with the provisions of the Corporate Governance Best-Practice Principles with respect to the rotation of CPAs. 3. Obtain information on the 13 Audit Quality Indicators (AQIs) provided by the CPA firm, and evaluate the audit quality of the CPA firm and the audit team in accordance with the "Guide to the Audit Committee's Interpretation of the Audit Quality Indicators (AQI)" issued by the competent authority. Evaluation results: CPAs Chen, Yen-Hui and Wu, Jun-Yuan of KPMG Taiwan are appointed to audit the financial statements for the year. The result of the evaluation shows that there is no concern about their independence and competency.	
4. Does the TWSE/TPEx- listed company have in place an appropriate number of qualified corporate governance personnel, and a designated a corporate governance officer to be responsible for corporate governance-related matters (including but not limited to providing directors and supervisors with the information required to conduct business, assist directors and supervisors in legal compliance, handling matters related to board meetings and shareholders' meetings in accordance with law, and preparing minutes of the board and shareholders' meetings)?	✓		In order to promote corporate governance and effectively exert the functions of the Board of Directors, the Company has appointed a corporate governance officer in accordance with Article 23 of the "Taipei Exchange Directions for Compliance Requirements for the Appointment and Exercise of Powers of the Boards of Directors of TPEx Listed Companies" upon approval of the Board of Directors on June 12, 2023. Chen, Hsiu-Chen was appointed as the Corporate Governance Officer in compliance with Article 23 of the Directions related to the corporate governance officer. The main duties are as follows: 1. Take care of the Audit Committee, Remuneration Committee, Board of Directors, and shareholders' meetings in accordance with the law. 2. Prepare the meeting minutes for the Audit Committee, Remuneration Committee, Board of Directors, and shareholders' meetings. 3. Assist in the inauguration of directors and their continuous education. 4. Provide information required by directors when performing their duties. 5. Assist the directors in compliance matters. 6. Conduct matters specified in the Articles of Corporation or contracts. Implementation status: 1. Assist the independent directors and directors to perform their duties, provide required information and arrange directors for continuing	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
			education. 2. Provide the latest related laws and regulations to all board members and assist the directors in compliance matters. 3. Provide the company information required by the directors, and maintain smooth communication between the directors and business managers. 4. Review and announce important resolutions of the Board of Directors after the meeting to ensure their legitimacy and accuracy and protect the investors in terms of equality in trading information. 5. Assist every board member to complete more than 6 hours of continuing education courses every year. 6. The Company take out liability insurance for directors and reports to the Board of Directors on renewal of the insurance. 7. In 2023, a total of three Board meetings, three Audit Committee meetings, and two Remuneration Committee meetings were convened. 8. Perform 2023 Board of Directors performance evaluation.	
5. Has the Company established communication channels with stakeholders (including but not limited to shareholders, employees, customers, and suppliers) and set up an area dedicated to stakeholders on the Company website? Does the Company respond appropriately to corporate social responsibility issues that stakeholders consider important?	✓		The Company's official website contains detailed contact information, such as telephone and email address. In addition, the Company also discloses the email addresses of spokesperson, stock affairs, and contact window and supervisors for stakeholders to communicate with the Company in different conditions.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
6. Has the Company appointed a professional shareholder services agent to handle shareholders' meeting matters?	✓		The company entrusts stock agent -Stock Agent Department, SinoPac Securities Corporation to handle the shareholders' meeting and designates personnel to handle relevant matters.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.
7. Information disclosure (1) Has the Company created a public website to disclose financial, operational, and corporate governance information? (2) Has the Company adopted other methods of information disclosure (e.g. setting up an English website, designating a specialist responsible for gathering and disclosing Company information, setting up a spokesperson system, uploading recordings of investor conferences onto the Company website)? (3) Does the Company publicly announce and register the annual financial report within two months of the end of the fiscal year, and publicly announce and register Q1, Q2, and Q3	✓ ✓	✓	(1) The Company has established a Chinese website to disclose the financial, business, and corporate governance information and designated personnel to maintain and update the website. (2) The Company designates personnel to be responsible for the collection and disclosure of Company information, and the spokesperson speaks on behalf of the Company. These measures ensure the information that may affect the decision making of shareholders and stakeholders may be promptly and properly disclosed. (3) The Company announces and reports the annual financial reports and the Q1, Q2, and Q3 financial reports, and monthly operation status within the statuary deadline.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

Evaluation item	Implementation			Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons
	Yes	No	Brief description	
financial reports and the monthly operating status earlier than the deadline?				
8. Does the Company have other important information to facilitate better understanding of the Company's corporate governance practices (including, but not limited to employee rights, employee care, investor relations, supplier relations, stakeholder rights, director and supervisor training regimes, implementation of risk management policies and risk measurement standards as well as the implementation of client policies and the Company's purchase of liability insurance for its directors and supervisors)?	✓		(1) Employee's benefits: The Company conducts relevant matters pursuant to the Labor Standards Act, provides benefit measures, and implement education training. The Company strives to achieve harmonious labor relations and values employees' right to express their opinions. In addition, the Company holds monthly meeting, where all heads of the departments will attend to communicate with employees and reach consensus in order to ensure the harmonious labor relations and sustainable development of the Company. (2) Employee caring: The Company provides excellent benefit measures, including subsidies for domestic or overseas travel, group insurance, birthday bonus, and encourages employees to receive on-the-job training. (3) Investor relation: The Company establishes spokesperson system, which provides a communication channel for shareholders, investors, and stakeholders. The Company upholds the principle of information transparency. The information disclosure is conducted in accordance with the applicable laws and regulations. In addition, the Company establishes its official website, which contains the information of Company product, business content, and information disclosure so that the public is able to learn the status of the Company. (4) Supplier relation: The Company has been striving for the medium and small size of backlight module for a long time and accumulated the network with the upstream suppliers of key components and parts. The Company upholds the principle of community of life and the spirit of collaboration and maintains stable and close cooperation with the upstream suppliers of key raw materials. (5) The rights of stakeholders: The Company continues to refine itself on the business, seeks for excellent operation performance, and tries its best to achieve the mission of "take care of employees, serve customers, and give back to shareholders." As a result, the Company is committed to operating with integrity for employees, customers, suppliers, shareholders, and the whole society, abides by the laws and business moral regulations, improves the competitiveness of the industry, creates benefits for stakeholders, and cares for the society. (6) Director's training: Please refer to (13) Director's Training of the corporate governance section in this annual report. (7) When attending the Board of Directors meetings, the directors and supervisors will assess and measure the risks of the operation of the Company and understand, analyze, and make decision on all significant businesses.	The implementation is in compliance with the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies.

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation</th><th rowspan="2">Difference compared the provisions in the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies and the reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td></td><td></td><td></td><td>(8) The Company's purchase of liability insurance for its directors: The Company has purchased liability insurance for directors. Please visit the MOPS for detailed information.</td><td></td></tr>
<tr><td colspan="5">9. Please explain improvements that have been made in response to the results of the Corporate Governance Evaluation issued by the Taiwan Stock Exchange Corporate Governance Center and submit the priority improvement matters and measure for the deficiencies that have not yet been improved. (A company not evaluated may leave it blank)
In accordance with the10th Corporate Governance Evaluation in 2023, the improvements on items that need to be improved and the descriptions for the items that have not yet been improved are as follows: The Company attaches great importance to issues of risk management, environmental protection/energy conservation, and carbon reduction. Starting from 2023, the Company will report its operating status to the Board of Directors at least once a year; it is expected to complete the sustainability report in 2024.The Company will maintain effective corporate governance in all operating aspects, implement the transparency of information disclosure, and increase the equity of shareholders.</td></tr>
</table>

(4) Composition, Duties and Operation of the Salary and Remuneration Committee

The Salary and Remuneration Committee faithfully performs the following duties with due care and submits the suggestions to the Board of Directors for discussion.

1. Stipulate and review the performance evaluation standard for directors and managerial officers, annual and long-term performance goals, and the policy, system, standard, and structure of the salary and remuneration on a regular basis.
2. Evaluate the performance achievement status for directors and managerial officers on a regular basis, determine their salary and remuneration based on the performance evaluation result, and propose revision suggestion.
3. Information of the members of the Salary and Remuneration Committee

April 14, 2024

Term / Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Chang, Chia-Hsing	Has the work experience required for business, finance, accounting, and sales of the Company. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	2

Term / Name	Professional qualification and experience	Independence analysis	Number of other public companies in which the individual is concurrently serving as an independent director
Lin, Yu-Sheng	Has the work experience required for business, finance, accounting, and sales of the Company. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	None
Huang, Lan-Ying	Has the work experience required for business, finance, accounting, and sales of the Company, and passed the professor qualification reviewed by the Ministry of Education and receive the certificate. No situations prescribed in Article 30 of the Company Act are found.	1. The person, spouse, and relative within the second degree of kinship do not serve as the director, supervisor or employee of the Company or its affiliate. 2. The person, spouse, and relative within the second degree of kinship (or under other's name) do not hold the shares of the Company and ratio. 3. Does not serve as the director, supervisor, or employee of a specified company or institution that has a financial or business relationship with the company (comply with Subparagraph 5-8, Paragraph 1, Article 3 of Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies). 4. Has not acquired remuneration from providing business, legal, financial, or accounting services to the Company or its affiliates.	1

2. The operation of the Salary and Remuneration Committee

(1) The Salary and Remuneration Committee of the Company consists of three members.

(2) The service term of the 5th term of Committee members: June 16, 2022 – June 15, 2025. The Salary and Remuneration Committee held four meetings in the most recent fiscal year. The attendance of the Committee members is as follows:

Title	Name	Actual attendance in person	By proxy	Attendance rate (%)	Note
Convener	Chang, Chia-Hsing	4	0	100%	
Member	Lin, Yu-Sheng	3	0	75%	
Member	Huang, Lan-Ying	3	0	75%	

Other matters to be recorded:

1. If the Board of Directors declines to adopt or modifies a recommendation of the Salary and Remuneration Committee, the date of the meeting, session, the content of the motion, resolution by the Board of Directors, and the Company's response to the Salary and Remuneration Committee's opinion (e.g. the remuneration passed by the Board of Directors exceeds the recommendation of the Committee, the circumstances and cause for the difference shall be recorded): None.
2. Resolutions of the Salary and Remuneration Committee objected to by members or subject to a qualified opinion and recorded or declared in writing, the date of the meeting, session, the content of the motion, all members' opinions and the response to members' opinion should be specified: None.
3. Summary of major agenda content in 2023:

Date	**Agenda content**	**Resolution result**	**The Company's response to the opinion of the Salary and Remuneration Committee**
2023.3.15	1. The 2022distribution of remuneration of directors and supervisors and remuneration of employees of the Company. 2. The personnel changes.	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity
2023.6.12	1. the appointment of the company's corporate governance officer		

Date	Agenda content	Resolution result	The Company's response to the opinion of the Salary and Remuneration Committee
2023.8.10	1. Discussion on the 2022 distribution of remuneration of directors and supervisors. 2. Discussion on the 2022 distribution of remuneration of employees. 3. Discussion on the 2023 distribution of Mid-Autumn Festival bonus. 4. Discussion on the distribution of performance bonus for subsidiaries. 5. Discussion the personnel changes. 6. Discussion the appointment of Information Security Officer.	Approved by all members of the Committee in unanimity	Submitted to the Board of Directors and approved by all attending directors in unanimity
2023.12.21	1. Discussion on the 2023 distribution of year-end bonus for managerial officers. 2. Discussion on the 2023 distribution of year-end bonus for managerial officers of subsidiaries. 3. The personnel changes. 4. Change in position and salary of the managers of the subsidiary Chian Yih.		

(5) Implementation of Sustainable Development and Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
1. Does the Company have a governance structure for sustainability development and a dedicated (or ad hoc) sustainable development organization with Board of Directors authorization for senior management, which is reviewed by the Board of Directors?	✓		The structure of the sustainability development of the Company is as follows: The President serves as the main convener, the Financial Department is the ad hoc unit of the sustainability development. The personnel of each department in charge of related functions are responsible for implementation, review, and continuous improvement. These are included in discussions at policy management meetings and are reviewed and managed on a regular basis. The Board of Directors supervises and guides the issues related to the environment, social, and corporate governance in sustainability development.	No significant difference.
2. Does the Company follow materiality principle to conduct risk assessment for environmental, social and corporate governance topics related to company operation, and establish risk management related policy or strategy?	✓		The Company stipulated the Regulations Governing Risk Management in 2020, which covers the risk management scope of external environment, economics, politics, legal, industry, and internal operation risks, the organization, assessment procedure, and the risk management strategies.	No significant difference.
3. Environmental Topic (1) Has the Company set an environmental management system designed to industry characteristics?	✓		The production process of the subsidiaries of the Company passes the certification of ISO 9000, ISO 14001, and IATF 16949 in order to minimize the pollution to the environment. The management system is in compliance with the environmental protection laws and regulations. Internally, the Company has stipulated management operation for environmental safety, actively implements the self-management on the safety and health, and implement the pollution operation to ensure the safety and health of the working environment of employees and maintain the ecological equilibrium.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(2) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		The Company and its subsidiaries continue to develop materials with less pollution to replace the original raw materials used for products and to recycle and reuse the production leftovers. Continue to improve energy efficiency, including paperless, energy saving, reduction of household wastes, and recycling to reduce the impact on the environment.	No significant difference.
(3) Does the Company evaluate current and future climate change potential risks and opportunities and take measures related to climate related topics?	✓		Promote the energy saving and carbon reduction concept to employees randomly and fully introduce LED lighting. Include the issue of reduction of greenhouse gas in the risk management procedure, continue to assess the potential risk and opportunity of climate change on the Company, and actively promote energy saving, carbon reduction, reduction of water usage, and other wastes management project.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(4) Does the Company collect data for greenhouse gas emissions, water usage and waste quantity in the past two years, and set greenhouse gas emissions reduction, water usage reduction and other waste management policies?	✓		The statistics of the Greenhouse Gas Emission, water consumption and the total weight of waste were for the past two years were made the company. A. In 2022 and 2023, the gas emissions in CO2e from Scope 1 to 3 of all plants of the Company were 1777.5kgs and 1242.6kgs, respectively, with a decrease of 30%. Exceed the annual reduction target of 1% each year by improving equipment performance to achieve the reduction target and continue to reduce the volume through procedures, target management, and employee promotion. B. The water consumption of all plants of the Company in 2022 and 2023 was 5119 m3 (tons) and 4708 m3 (tons), respectively, with an annual decrease of 8%. Water consumption policy: The Company uses recycled water for ice chillers for manufacturing, and the proportion is not minor. Employees have adopted water-saving measures for domestic water consumption and achieved the target of a 1% reduction in 2023. C. Waste is divided into manufacturing waste and domestic waste. The waste of all plants of the parent company in 2022 and 2023 was 7.285 tons and 10.735 tons, respectively, with an annual increase of 47%. This is mainly due to the increase in orders and larger volume of LCM packaging items. Waste policy: Plants have changed the design of packaging volume and materials to adopt green packaging. Among the domestic waste, food waste is also recycled by environmental protection manufacturers.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
4. Social Topic (1) Does the Company stipulate management policies and procedures in compliance with regulations and international human rights covenants?	✓		The Company stipulates “work rules” and “payroll and personnel cycle” in accordance with the Labor Standards Act, relevant laws and regulations, and international human rights covenants to protect the legal rights and interests of employees. The Company is in compliance with the current laws and regulations, including Labor Standards Act, Employment Service Act, and Act of Gender Equality in Employment and protects employees’ rights and interests through the promotion of internal work rules of the company and complaint channel. We believe each employee shall receive equal treatment and respect. The Company has never employed child labor, forced labor, nor infringed human rights.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(2) Has the Company established appropriate employee benefit measures (include salary and remuneration, leave and benefits), and link operational performance or achievements with employee salary and compensation?	✓		The company implements humane management and benefit measures. In accordance with the Articles of Incorporation, where there is profit as a result of the yearly accounting closing, the Company shall distribute 2% to 10% as the remuneration of employees, and the Board of Directors may determine the remuneration should be distributed in shares or cash. Stipulate and implement reasonable employee benefit measures, including salary and remuneration, leaves, and other benefits, and properly reflect the operating performance on the salary and remuneration of employees: 1. The Board of Directors establishes the Salary and Remuneration Committee, which is responsible for the policy, system, standard, and structure of salary and remuneration. 2. Performance evaluation: The evaluation result serves as the basis of promotion, bonus distribution, and remuneration distribution. 3. Distribution of bonus: Bonuses are in accordance with the Performance Management Regulations and correlated to the operating performance and annual net profit of the Company and the employee performance evaluation.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(3) Does the Company provide employees with a safe and healthy working environment and offer regular safety and health training?	✓		1.The Company provides employees with health checkups, occupational safety instructions, fire and accident prevention education and training, and drills to protect the health of the employees and the safety of the working environment. In 2023, we promoted the maternal health policy at the workplace, set up a nursing room, and implemented childcare subsidies to provide employees with a more secure working environment. 2. The Company stipulates the "Disaster Emergency Response Measures," "Work Rules for Safety and Health," "Regulations Governing the Safety and Health of Labors," and "Labor Safety and Health Occupational Disaster Prevention and Automated Inspection Plan." 3. No employee suffered from occupational hazards in 2023, and the proportion of occupational hazards to the total number of employees is 0%. 4. The Fire competent authority conducts 2 fire prevention seminars per year. 5. The Company has no fire incidents in 2023.	No significant difference.
(4) Has the Company established effective career development training plans for employees?	✓		To improve the skills of employees and increase the overall competitiveness of the organization, apart from stipulating internal educational training, the Company also encourages employees to participate in the internal and external competency training courses. Encourage employees to improve themselves and participate in competency training courses for different competencies to improve professional abilities, fulfill the career development goals of employees, and achieve the operation goals of the Company.	No significant difference.

Implementation items	Implementation status			Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons
	Yes	No	Brief description	
(5) Does the Company's product and service comply with related regulations and international rules for customers' health and safety, privacy, sales, labelling and set policies to protect consumers' or customers' rights and consumer complaint procedures?	✓		The Company does not sell products to end point consumers. However, the Company has smooth communication channel with customers and actively cooperates with customers' demands. The goal of the Company is to continue to improve the customer satisfaction. The contact information is also disclosed on the Company's website so that it can communicate with stakeholders directly. The marketing and labeling of products and services are in compliance with the local laws and regulations where customers and suppliers are located, and international standards.	No significant difference.
(6) Does the Company stipulate supplier management policy and request suppliers to comply with related regulations on the topics of environmental, occupational safety and health or labor right, and their implementation status?	✓		The Company stipulates the Regulations Governing Contracting Works and Rules for the Management of Occupational Safety and Health. Where the contract between the Company and suppliers violates its corporate social responsibility policy and has significant negative impact on the environment and society, the Company may terminate or rescind the contract anytime. The Company enhances the promotion on the importance of social responsibility and environment to suppliers and observes the actual operation of suppliers.	No significant difference.
5. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquired third-party verification or statement of assurance?		✓	According to the timetable in the roadmap for the sustainable development of TWSE/TPEx listed companies, the Company is one of those with a paid-in capital of less than NT$2 billion and shall declare the 2024 sustainability report as a standalone company by the end of August 2025, and submit the preparation status to the Board of Directors every quarter. The Company has established a sustainability team in December 2023, and will complete the declaration of the sustainability report in accordance with the planned schedule, and then obtain the assurance from a third-party verification institution.	In progress.
6. If the Company has established its sustainable development code of practice according to "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies," please describe the operational status and differences: The Company has not yet stipulated the "Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies." However, the Company has implemented				

<table>
<tr><th rowspan="2">Implementation items</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx Listed Companies and Reasons</th></tr>
<tr><th>Yes</th><th>No</th><th>Brief description</th></tr>
<tr><td colspan="5">the corporate social responsibility in accordance with the spirit. The Company may stipulate such principles based on the development demand of the Company in accordance with the laws and regulations.</td></tr>
<tr><td colspan="5">7. Other important information to facilitate better understanding of the Company’s implementation of sustainable development:
The Company has disclosed the system and measures adopted for fulfilling the social responsibility in the annual report.</td></tr>
</table>

(5-1) Climate-related information

1. Execution Status of Climate-related Information

Items	Execution Status
I. State the Board's managers oversight and governance of climate related risks and	The Company's Management Department acts as a part-time unit for GHG inventory and is responsible for the Company's GHG inventory and verification operations. The implementation progress and timetable are included in the report to the Board of Directors.
II. Describe how the identified climate risks and opportunities affect the business, strategy, and finance (short-term, medium-term and longterm) of the enterprise.	The short-term impacts of climate events, such as business interruptions in production, affecting related supply chains and company operations; management must devise strategies to address climate change, such as enhancing production processes to reduce carbon emissions; financially, climate risks may lead to asset depreciation, requiring higher insurance premiums to cover climate-related risks. Short-term goal: Conduct greenhouse gas inventories every year and track emissions reduction results. Medium-term goal: Cooperate with major suppliers to jointly formulate carbon dioxide reduction targets and schedules to effectively minimize the carbon footprint of products to align with customers' requirements and low-carbon trends. Long-term goal: In line with the domestic government's 2050 net-zero goal, we will realize the vision of low-carbon operations and enhance industrial competitiveness.
III. Describe the financial impacts of extreme weather events and transformational actions.	(I) The increase in the frequency of typhoons or floods and the increase in the level of effects affecting the suppliers' normal production or delivery and shipping or resulting in operation interruption arising from the inability of plants to produce. (II) Decrease in operating income.
IV. Describe how the climate risk identification, assessment, and management processes are integrated into the overall risk management system.	The company will use the TCFD framework to identify the risks and opportunities of climate change. Relevant department heads consider the company's current operating conditions and available resources to tailor specific, feasible, and effective climate change risk management policies for significant risk projects.
V. If situational analysis is used to assess the resilience to climate change risks, describe the contexts, The company has launched adaptation strategies and actions in response to climate change, including promoting low-carbon energy-saving measures, greenhouse gas inventory, resource reuse, etc., and gradually seeking opportunities to reduce energy consumption in the enterprise and 53 Item Execution parameters, assumptions, analysis factors, and key financial implications.	The Company has not yet adopted the scenario analysis of climate change.
VI. If there is a transformation plan for managing climate related risks, describe the plan and the metrics and targets used to identify and manage physical and transformation risks.	The company has no transformation plan yet.
VII. If internal carbon pricing is used as a planning tool, the basis for the pricing should be described.	The company currently has no plans for internal carbon pricing.
VIII.If climate related targets are set, the activities covered, the scope of greenhouse gas emissions, the planning period, and the annual progress of achievement should be stated; and if carbon offsets or renewable energy certificates (RECs) are used to achieve the relevant targets, the source and quantity of carbon credits to be offset or the quantity of renewable energy certificates (RECs) should be stated.	The Company has not yet set climate-related targets.
IX. Greenhouse gas inventory and confirmation status with reduction targets, strategies, and specific action plans.	Please refer to the table below

1-1 Recent two-year company greenhouse gas inventory and verification status

1-1-1 Greenhouse Gas Inventory Information：

The inventory scope includes direct emissions (Scope 1) and indirect emissions (Scopes 2 and 3). The inventory results show that the total greenhouse gas emissions amounted to 1242.6 metric tons CO2e, with an intensity of 1.046 metric tons CO2e per million dollars of revenue.

2023 Emission statistics table of various categories and category-one emission types of greenhouse gases in the whole plant

	Category 1				Category 2	Category 3	Total emissions intensity
	Stationary emissions	process emissions	mobile emissions f	fugitive emissions	Indirect emissions from energy consumption	Transportation indirect emissions	
Emissions intensity (metric tons CO2e per year)	16.448				1195.233	30.919	1242.6
	0	0	16.42	0.0283			
Percentage by gas type (%)	2.46%				96.19%	1.35%	100%

1-1-2 Greenhouse Gas Assurance Information: None.

1-2 Greenhouse Gas Reduction Targets, Strategies, and Specific Action Plans: Under planning.

(6) Ethical Corporate Management Deviations from "the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies"

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
1. Establishment of Corporate Conduct and Ethics Policy and Implementation Measures (1) Has the Company stipulated a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its corporate conduct and ethics policy and measures, and commitment regarding the implementation of such policy from the Board of Directors and the top management team? (2) Has the Company established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the operation with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities prescribed in Paragraph 2, Article 7 of the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies? (3) Has the Company established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures, and periodically reviews and revises such policies?	✓ ✓ ✓		(1) In order to demonstrate the Company's willingness to assume social and environmental responsibilities, comply with corporate ethical standards, improve the Company's social image, and observe international labor, health and safety, environmental protection, and ethical standards, the Company has formulated the "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Work Rules," which stipulate the punishment provisions for the recusal for conflicts of interest, compliance with legal specification, strict business confidentiality, whistleblowing of illegal or unethical conduct for the Board of Directors, Company's employees, and all employees of subordinates. Reliable internal control and financial statements are also adopted for regulation and monitoring. (2) The Company's "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conduct" were amended and implemented after being approved by the shareholders' meeting on June 12, 2023. All employees of the Company shall absolutely comply with the "Procedures for Ethical Management and Guidelines for Conduct," "Code of Ethical Conduct," and "Work Rules." In case of corruption or fraud incidents among employees, they will be punished according to relevant regulations. (3) All employees have signed the "Declaration for Compliance with Ethical Corporate Management Policy,"	No significant difference.

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
			which specifies compliance with the "Procedures for Ethical Management and Guidelines for Conduct" formulated by the Company, and the execution rate reached 100%. When new employees report for duty, they shall be informed about relevant regulations of the Company, and sign the "Declaration of Compliance with Ethical Corporate Management Policy" to strengthen the education, training and promotion to new employees. Punishment will be imposed by the Company for any violations, and the contract will be terminated in severe cases.	
2. Implementation of Ethic Management (1) Does the Company evaluate the ethical records of the businesses with which it has dealings and include clear ethical corporate behavior provisions in contracts with such counterparties?	✓		(1) Prior to establishing business relations with others, the Company will evaluate the legality and ethical management policy of agents, suppliers, customers, or other counterparties and whether any of them are involved in unethical conduct to ensure the business operation is fair and transparent and will not request for, provide or receive bribes.	No significant difference.
(2) Has the Company set up a special unit affiliated to the Board of Directors to promote corporate ethical management that periodically (at least once per year) reports to the Board of Directors on the status of the implementation of ethical management policies, the plan for unethical conduct prevention, and the implementation of supervision?	✓		(2) The Management Department of the Company is the dedicated unit that is responsible for promoting the ethical management of the Company, maintaining the ethical management principles. The unit reports its implementation status to the Board of Directors at least once a year, and the most recent report was made to the Board of Directors on December 21 , 2023. The Company's implementation of the ethical corporate management policy in 2022 has been disclosed on the Company's website .	
(3) Has the Company stipulated and implemented policies to prevent conflicts of interest and provide appropriate complaint channels?	✓		(3) The directors of the Company are highly disciplined. For proposals that have conflict of interests with themselves or the represented juristic person, they may express their opinion and answer inquiries, but do not participate in the discussion and recuse themselves from voting. They also do not act as a proxy to exercise the voting right. When the	

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
(4) Has the Company established an effective accounting system and an internal control system for the implementation of ethical management? Has the Company's internal audit unit used the results of ethical management risk assessments to draw up relevant audit plans and examined compliance with the plan for unethical conduct prevention or entrusted an accountant to perform such an audit? (5) Does the Company provide internal and external educational training on the ethical conduct programs on a regular basis?	✓	✓	personnel of the Company finds out there is conflict of interest with himself/herself or with the represented juristic person when perform the duties, he/she shall report the instance to the direct supervisor and the dedicated unit of the Company simultaneously, and the direct supervisor shall provide proper guidance. (4) The Company has established the internal control system. To ensure the continuous effectiveness of the design and implementation of the system, the audit personnel conducts review and amendments every year to establish sound corporate governance and risk control mechanism. The actual implementation of the audit plan shall be reported to the Board of Directors on a regular basis. (5) Although the Company does not hold the internal and external educational training for ethical management on a regular basis, it posts the "Procedures for Ethical Management and Guidelines for Conduct" on the intranet of the Company for promotion. These Procedures are also posted on the Company's website or MOPS for external personnel, such as investors.	
3. Implementation of Complaint System (1) Does the Company establish specific complaint and reward system, set up conveniently accessible complaint channels, and designate responsible personnel to handle the complaint received? (2) Has the Company established standard operation procedures for the investigation on the complaints received, follow-up measures after investigation are completed, and ensuring such complaints are handled in a confidential manner? (3) Does the Company adopt proper measures to prevent a complainant from retaliation for his/her filing a complaint?	✓ ✓ ✓		(1) The Company established a complaint system internally and externally to receive the reporting of any illegal or unethical conducts. The independent dedicated unit is responsible for the investigation and keeps the identity and content of the reported case confidential. Channels for reporting misconduct: Please e-mail to shianyih8020@mail.com or call the hotline : 04-23590111 #8020 , Ms. Yu (2) When handling the relevant matters, the Company will keep the identity of the whistleblower confidential and prevent them from receiving improper treatments.	No significant difference.

Evaluation item	Implementation			Deviations from the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies
	Yes	No	Brief description	
			(3) The Company has not yet adopted the measure that protects the whistleblower from improper treatments. However, the Company will provide comprehensive protection measures for the whistleblower without leaking the name and other relevant information to ensure the investigation quality and prevent the whistleblower from receiving unfair retaliation or treatments.	
4. Enhance Information Disclosure (1) Does the Company disclose the content of the Ethical Corporate Management Best-Practice Principles as well as implementation result on its website and MOPS?	✓		The Company established the official website to disclose the Company summary status and announce relevant information on the MOPS.	No significant difference.
5. If the Company has established Ethical Corporate Management Best-Practice Principles in accordance with the Ethical Corporate Management Best-Practice Principles for TWSE/GTSM Listed Companies, please describe any deviation between the Principles and the implementation: None.				
6. Other important information to facilitate better understanding of the implementation of the Company's corporate ethical conduct: The Company amends the ethical management related regulations from time to time in accordance with the latest laws and regulations and internal operations. The most recent amendment to the "Procedures for Ethical Management and Guidelines for Conduct" was made on June 12, 2023.				

(7) Inquiry Method for Corporate Governance Guidelines and Regulations

1. The Company has stipulated the following rules and regulations in accordance with the "Corporate Governance Best-Practice Principles for TWSE/GTSM Listed Companies":

   (1) Rules of Procedure for Shareholders' Meetings.

   (2) Rules of Procedure for Board of Directors Meetings.

   (3) Regulations Governing the Performance Evaluation of the Board of Directors.

   (4) Regulations Governing the Acquisition and Disposal of Assets.

   (5) Operational Procedures for Loaning Funds to Others.

   (6) Operational Procedures for Making Endorsements/Guarantees.

   (7) Regulations Governing the Control and Management on Subsidiaries.

   (8) Code of Ethical Conducts.

   (9) Procedures for Ethical Management and Guidelines for Conduct.

   (10) Operation Procedures for Material Internal Information.

   (11) Regulations Governing the Management on the Prevention of Insider Trading.

   (12) Corporate Governance Best-Practice Principles.

   (13) Assessment of the Independence of Certified Public Accountants.

   (14) Audit Committee Charter.

   (15) Audit committee operation management work.

2. Inquiry method: The website of the Company http://www.shianyih.com

(8) Other Significant Regarding Corporate Governance:

The inquiry method is as follows:

1. The "Operation Procedures for Material Internal Information" for the management of internal material information of the Company has been disclosed to all directors, supervisors, managerial officers, and all employees. These Procedures have been posted on the intranet of the Company for the compliance of all employees in order to prevent any violation or insider trading.

2. The Corporate Governance section on the website of the Company http://www.shianyih.com.tw

(9) Implementation of Internal Control

1. Internal Control Statement

Shian Yih Electronic Industry Co., Ltd.

Internal Control Statement

Date: March 12, 2024

For the 2023 internal control system, the Company hereby, based on the result of self-evaluation, makes the statement as follows:

1. The Company has acknowledged that it is the responsibility of the Board of Directors and Managers of the Company to establish, implement, and maintain the internal control system. The Company has established the internal control system. The purpose of the internal control system is to provide reasonable assurance on the goals of effect and efficiency of operation (including profits, performance, and protection on the assets), reliability, timeliness, transparency, and compliance of reports, and compliance with laws and regulations.
2. The internal control system has its innate limits. No matter how perfect the design of the system is, an effective internal control system can only provide reasonable assurance to the achievement of the aforementioned three targets. In addition, the effectiveness of the internal system may change when the environment or situation changes. However, the self-monitoring mechanism is established in the internal control system of the Company. Once the deficiency is identified, the Company will take corrective actions.
3. The Company judges whether or not the design and implementation of the internal control system are effective based on the items for the effectiveness of the internal control system prescribed in the "Regulations Governing Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as these Regulations). The judgment items for internal control system adopted in these Regulations divide the internal control system into 5 components based on the process of management control: 1. control environment; 2. risk assessment; 3. control activities; 4. information and communication; and 5. supervision activities. Each component includes several items. Please refer to these Regulations for the aforementioned items.
4. The Company has adopted the aforementioned judgment items of the internal control system to evaluate the effectiveness of design and implementation of the internal control system.
5. In accordance with the aforementioned assessment result, the Company believes the design and implementation of the internal control system as of December 31, 2023(including the supervision and management of subsidiaries), including understanding the performance of operation and the achievement level of the efficiency goal, the reports are reliable, timely, and transparent and in compliance with relevant regulations, and the compliance of laws and regulations, are effective to ensure the aforementioned goals are reasonably achieved.
6. This Statement will be major content of the annual reports and prospectus of the Company and will be disclosed. Where the disclosed content above contains false or omitted information, it is subject to the legal liabilities prescribed in Article 20, 32, 171, and 174 of the Securities and Exchange Act.
7. This Statement has been approved by the Board of Directors on March 12, 2024. All attending 9 directors agreed with the content of the Statement in unanimity.

Shian Yih Electronic Industry Co., Ltd.

Chairman: Wang, Wei-Sih

Manager: Yao, Pai-Chou

2. If the Company has commissioned external auditors to review the Company's internal control system, the external auditor's report should be disclosed: None.

(10) Any disciplinary measures taken against the Company or its internal staff due to violations of legal requirements or taken by the Company against its own staff due to violations of the internal control system during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. The details of the disciplinary measures, major faults, and improvement measures should be noted: None.

(11) Major resolutions of Shareholders' Meetings and Board of Directors Meetings during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

1. Major resolution and implementation of the 2023 shareholders' meeting:

Shareholders' meeting/Board of Directors meeting	Date	Major resolution
Shareholders' Meeting	2023.6.12	1. 2022 Business report. 2. The Audit Committee reviewing the 2021 financial statements. 3. The 2022 distribution of the remuneration of employees and remuneration of directors and supervisors. 4. 2022 earnings distribution. 5. Amendments to the "Procedures for Ethical Management and Guidelines for Conduct" and "Code of Ethical Conducts" 5. Acceptance of 2022 business report and financial statements. 6. Acceptance of 2022 earnings distribution. Implementation: The 2022 earnings distribution allocated NT$122,350,022 of cash dividends, which is NT$2 per share. The said cash dividends was distributed on August 25, 2023.

2. Statement of major resolution of the Board of Directors meeting between January 1, 2023 and May 11, 2024 (publication date):

Session Date	Major resolution
The 16th Term The 7th meeting 2023.3.15	1. Discussion on the 2022 distribution of remuneration of directors and remuneration of employees of the Company. 2. Discussion on the 2022 business report and financial statements of the Company. 3. Review the 2022 earnings distribution of the Company. 4. Review the "2022 Internal Control Statement" submitted by the Company. 5. Discussion on the time, location, and agenda of the 2023 shareholders' meeting. 6. Discussion on the matters related to the rights of 2023 shareholders' meeting receiving proposals from shareholders. 7. Discussion on the general principles of the approved non-assurance services. 8. Amendments to Chapter 1 General Provisions of the internal control system. 9. Amendments to the "Corporate Governance Best-Practice Principles" and "Regulations Governing the Budget Management." 10. Discussion on the stipulation of "Regulations Governing the Management on the Prevention of Insider Trading." 11. Review the personnel changes. 12. Review the independence and competency of the CPAs.
The 16th Term The 8th meeting 2023.5.11	1. Discussion on the approval of the 2023 Q1 financial statement.
The 16th Term The 9th meeting 2023.6.12	1. Discussion on the record date for the 2022 earnings distribution in cash. 2. Review the appointment of the company's corporate governance officer.
The 16th Term The 10th meeting 2023.8.10	1. Discussion on the approval of the 2023 Q2 financial statements and Audit Report of the Company. 2. Discussion on the 2022 distribution of remuneration of directors and supervisors. 3. Discussion on the 2022 distribution of remuneration of employees. 4. Discussion on the 2023 distribution of Mid-Autumn Festival bonus. 5. Discussion on the distribution of performance bonus for subsidiaries. 6. Discussion the personnel changes. 7. Discussion the appointment of Information Security Officer 8. Adopted the proposal for "Procedures for the Audit Committee's Meeting" . 9. Amendments to Rules of Procedures for Board of Directors Meetings. 10. Amendments to "Company Compensation Committee Organizational Rules" and "Procedures for Salary and remuneration committee operation management " 11. Discussion on renewing the contract of bank line of credit.
The 16th Term The 11th meeting 2023.11.9	1. Discussion on the approval of the 2023 Q3 financial statement. 2. Discussion on the Company planning to provide loans to subsidiary Shian Yih (Dongguan) Electronic Industry Co., Ltd. and Dongguan Ke Sheng Optics and Photoelectric Co., Ltd. 3. Discussion on renewing the contract of bank line of credit. 4. Discussion on serving as the joint guarantor for the bank line of credit for the subsidiary. 5. Discussion on the liability insurance for the directors, supervisors, and managerial officers.

	6. Discussion on the bank credit for subsidiary Chian Yih Optotech Co., Ltd. 7. Discussion on the short-term borrowing to subsidiary Chian Yih Optotech Co., Ltd.
The 16th Term The 12th meeting 2023.12.21	1. Plan to approve the 2024 audit plan of the Company. 2. Plan to approve the 2024 financial forecast and operation plan of the Company. 3. Discussion on the 2023 distribution of year-end bonus for managerial officers. 4. Discussion on the 2023 distribution of year-end bonus for managerial officers of subsidiaries. 5. Discussion on the estimated contribution rate of the remuneration of employees and remuneration of directors and supervisors. 6. Discuss information security policies and management regulations. 7. Review the personnel changes. 8. Review the change in position and salary of the managers of the subsidiary Chian Yih.
The 16th Term The 13th meeting 2024.3.12	1. Discussion on the 2023 distribution of remuneration of directors and remuneration of employees of the Company. 2. Discussion on the 2023 business report and financial statements of the Company. 3. Review the 2023 earnings distribution of the Company. 4. Review the "2023 Internal Control Statement" submitted by the Company. 5. Discussion on the time, location, and agenda of the 2024 shareholders' meeting. 6. Discussion on the matters related to the rights of 2024 shareholders' meeting receiving proposals from shareholders. 7. Review the independence and competency of the CPAs. 8. Amendments to the "Rules of Procedure for Board of Directors Meetings" and " Audit Committee Charter".
The 16th Term The 14th meeting 2024.5.09	1. Discussion on the approval of 2024 Q1 Financial Statement

(12) Major issues of record or written statements made by any director or supervisor dissenting with important resolutions approved by the Board of Directors during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

(13) Director's Training :

Title	Name	Date of training	Host unit	Name of the Course	Training hours
Chairman	Wang, Wei-Sih	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/07/20	Taipei Exchange	Cabinet Buying Family ESG Sharing Session	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours

Title	Name	Date of training	Host unit	Name of the Course	Training hours
Director	Teng, Chia-Wen	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
		2023/11/27	The Institute of Internal Auditors-Chinese Taiwan	Analysis of the latest practical cases of "Enterprise Mergers and Acquisitions Law" and "Corporate Governance"	6 hours
Director	Wang, Hui-Min	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
		2023/12/22	Taiwan Corporate Governance Association	Carbon is connected, let's talk about carbon fees, carbon taxes, carbon rights and carbon trading	3 hours
Director	Yao, Pai-Chou	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/05/23	Taipei Exchange	Sustainable development action plan promotion conference for TWSE/TPEx listed companies	3 hours
		2023/07/20	Taipei Exchange	Cabinet Buying Family ESG Sharing Session	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
Director	Chang, Yu-Chang	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/05/23	Taipei Exchange	Sustainable development action plan promotion conference for TWSE/TPEx listed companies	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
Director	Wang, Jih-Chun	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
Independent Director	Chang, Chia-Hsing	2023/04/21	Taiwan Corporate Governance Association	How boards of directors develop ESG sustainable governance strategies in 2023	3 hours

Title	Name	Date of training	Host unit	Name of the Course	Training hours
		2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
Independent Director	Lin, Yu-Sheng	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies.	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours
Independent Director	Huang, Lan-Ying	2023/05/11	Taiwan Corporate Governance Association	Looking at the information security governance strategies of listed companies from the perspective of sustainable development of ESG companies	3 hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 hours

(14) Participation of Managers Participating in Corporate Governance Training:

Title	Name	Date of training	Host unit	Name of the Course	Training hours
Manager	Chen, Jui-Sui	2023/04/20 2023/04/21	Accounting Research and Development Foundation	Accounting Executive Continuing Education Courses	6 hours
Manager	Chen, Hsiu-Chen	2023/07/12	Accounting Research and Development Foundation	How to correctly understand corporate governance evaluation indicators	3 Hours
		2023/08/23	Taipei Exchange	Publicity and briefing session on insider equity of listed companies	3 Hours
		2023/09/15	Taiwan Corporate Governance Association	How to discuss board meetings? Practical sharing on common deficiencies in the operation of board meetings of listed companies	3 Hours
		2023/09/23	Securities and Futures Institute	Sustainable Development Practice Seminar	3 Hours
		2023/11/09	Taiwan Corporate Governance Association	The roles and responsibilities of the board of directors/senior managers in ESG governance	3 Hours

(15) The license acquisition required by the competent authority for personnel related to the financial information transparency of the Company: None.

(16) Summary of resignation and discharge of Chairman, President, Accounting Officer, Financial Officer, Internal Audit Officer, Corporate Governance Officer, and R&D Officer during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:None.

4. Information of CPA Professional Fees

Unit: Thousand NTD

Name of the Accounting Firm	Name of Auditors	Audit Period	Audit Fees	Non-audit Fees	Note
KPMG Taiwan	Chen, Yen-Hui	2023.01.01 - 2023.12.31	2,560	Non-audit Fees - Others include tax certificate NT$310 thousand; transfer pricing NT$230 thousand; advance payment NT$140 thousand; annual report of shareholders' meeting NT$30 thousand; salary inspection for non-supervisor positions NT$10 thousand; from 403 inspection NT$25 thousand; business registration NT$8 thousand; English financial report NT$130 thousand.	
	Wu, Chun-Yuan				

(1) The amounts of non-audit fees paid to the attesting CPAs and to the accounting firm to which they belong and to any affiliated enterprises accounted for more than 25% of the audit fees: None.

(2) When the company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year, the amounts of the audit fees before and after the change and the reasons shall be disclosed: None.

(3) When the audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more, the reduction in the amount of audit fees, reduction percentage, and reason(s) therefor shall be disclosed: None.

5. Information of Change of CPAs: None.

6. Where the Company's Chairman, President, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its certified public accountant or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed: None.

7. Any transfer of equity interests and/or pledge of or change in equity interests by a director, supervisor, managerial officer, or shareholder with a stake of more than 10 percent during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) Changes in shareholding of directors, supervisors, managerial officers, and major shareholders:

Unit: Shares

Title	Name	2023		2024 as of April 14	
		The increased (decreased) number of shares held	The increased (decreased) number of shares pledged	The increased (decreased) number of shares held	The increased (decreased) number of shares pledged
Chairman	Wang, Wei-Sih	-	-	-	-
Vice Chairman	Teng, Chia-Wen	-	-	-	-
Director	Yao,Pai-Chou	-	-	-	-
Director	Wang, Hui-Min	117,000	-	-	-
Director	Chang, Yu-Chang	-	-	-	-
Director	Wang, Jih-Chun	125,000	-	39,000	-
Vice President	Huang, Kung-Lung	-	-	-	-
Assistant Manager	Liu, Pin-Cheng	-	-	-	-
Assistant Manager	Yang, Kuo-Hua	-	-	-	-
Assistant Manager	Huang,Hsiny-Yu	-	-	-	-
Finance Manager	Chen, Jui-Sui	-	-	-	-

(2) Information of transfer of equity interests in which the counterparty is a related party: None.

8. The appellation or name and relationship, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship:

April 14, 2024

Name	Shareholding of the director		Shareholding of spouse and minor		Shareholding by nominee arrangement		The appellation or name and relationship, if among the Company's 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another		No Note
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Name	Relationship	
Huei Kai Investment Co., Ltd. Representative: Wang, Chien-Kai	5,745,151	9.39%	-	-	-	-	Corporate Power Investments Ltd.	The same person of the representative of the company	
Wang, Wei-Sih	3,840,815	6.28%	2,300,927	3.76%	-	-	Wang Chen, Li-Jung	Spouse	
							Corporate Power Investments Ltd.	Father of the representative of the company	
Group Trading Ltd Representative: Teng, Fu-Shun	3,674,448	6.01%	-	-	-	-	Teng, Fu-Shun	Representative	
							Fortune Goal Investments Ltd.	The same person of the representative of the company	
Okaya (Hong Kong) Limited Representative: Tsutomu Honma	2,824,063	4.62%	-	-	-	-	-	-	
Cheng Yu Investment Co., Ltd. Representative: Teng, Fu-Shun	2,729,000	4.46%	-	-	-	-	Teng, Fu-Shun	Representative	
Fortune Goal Investments Ltd. Representative: Teng, Fu-Shun	2,719,449	4.45%	-	-	-	-	Teng, Fu-Shun	Representative	
							Group Trading Ltd.	The same person of the representative of the company	
Chengrong Investment Co., Ltd. Representative: Teng, Fu-Shun	2,675,000	4.37%	-	-	-	-	Fortune Goal Investments Ltd.	Representative	
							Group Trading Ltd.	Representative	
Wang Chen, Li-Jung	2,300,927	3.76%	3,840,815	6.28%	-	-	Wang, Wei-Sih	Spouse	
							Corporate Power Investments Ltd.	Mother of the representative of the company	
Corporate Power Investments Ltd. Representative: Wang, Chien-Kai	2,117,952	3.46%			-	-	Wang, Wei-Sih	Father of the representative of the company	
							Wang Chen, Li-Jung	Mother of the representative of the company	
Teng, Chiung-Hui	1,981,125	3.24%	359,863	0.59%	-	-	-	-	

9. **The total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers, and any companies controlled either directly or indirectly by the Company:**

May 11, 2024 Unit: Thousand shares

Reinvestment	Invested by the Company		Investment of a director, supervisor, managers and entities directly or indirectly owned		Comprehensive Investment	
	Shares	Shareholding Ratio	Shares	Shareholding Ratio	Shares	Shareholding Ratio
Shian Yih (Samoa) Electronic Industry Co., Ltd.	10,500	100%	-	-	10,500	100%
Chian Yih Optotech Co., Ltd.	6,500	50%	3,700	28%	10,200	78%
Fair Some (Samoa) Industrial Ltd.	-	-	10,500	100%	10,500	100%
Wise Development Group Ltd.	-	-	16,650	100%	16,650	100%
Ke Sheng Optics and Photoelectric Co., Ltd. (Dongguan City)	-	-	-	100%	-	100%
Shian Yih Electronic Industry Co., Ltd. (Dongguan City)	-	-	-	100%	-	100%

IV. Fund Raising Status

1. Capital and Shares

(1) Source of Capital

A. the Formation of capital

Year/Month	Par value	Authorized capital		Paid-in Capital		Note				
		Shares	Amount	Shares	Amount	Source of Capital	Equity capital contributed by assets other than cash	Effective date	Letter No.	Other
October 1979	10	600,000	6,000,000	600,000	6,000,000	Founding capital	None	1979/10/11	Jian-San-Zi Letter No. 193181	
August 1984	10	1,600,000	16,000,000	1,600,000	16,000,000	Capital increase of NT$10,000,000	None	1984/08/27	Jian-San-Zi Letter No. 216037	
July 1996	10	2,880,000	28,800,000	2,880,000	28,800,000	Capital increase of NT$12,800,000	None	1996/07/02	Jian-San-Zi Letter No. 190887	
April 2005	10	70,000,000	700,000,000	32,880,000	328,800,000	Capital increase of NT$300,000,000	None	2005/04/18	Jing-Shou-Chong-Zi Letter No. 09431984920	
May 2006	10	70,000,000	700,000,000	47,880,000	478,800,000	Capital increase of NT$150,000,000	None	2006/05/22	Jing-Shou-Chong-Zi Letter No. 09532213590	
June 2006	10	70,000,000	700,000,000	52,469,011	524,690,110	Capital increase out of capital surplus of NT$23,940,000 Capital increase out of employee bonus of NT$21,950,110	None	2006/07/28	Jing-Shou-Shang-Zi Letter No. 09501163540	
April 2008	10	100,000,000	1,000,000,000	59,465,011	594,650,110	Capital increase of NT$69,960,000	None	2008/04/18	Jing-Shou-Shang-Zi Letter No. 09701093380	
September 2009	10	100,000,000	1,000,000,000	59,898,011	598,980,110	Employee stock option certificates converted into ordinary shares of NT$4,330,000	None	2010/01/12	Jing-Shou-Shang-Zi Letter No. 09901005640	
December 2009	10	100,000,000	1,000,000,000	60,089,011	600,890,110	Employee stock option certificates converted into ordinary shares of NT$1,910,000	None	2010/04/21	Jing-Shou-Shang-Zi Letter No. 09901078300	
March 2010	10	100,000,000	1,000,000,000	60,100,011	601,000,110	Employee stock option certificates converted into ordinary shares of NT$110,000	None	2010/07/09	Jing-Shou-Shang-Zi Letter No. 09901146860	

Year/Month	Par value	Authorized capital		Paid-in Capital		Note				
		Shares	Amount	Shares	Amount	Source of Capital	Equity capital contributed by assets other than cash	Effective date	Letter No.	Other
July 2010	10	100,000,000	1,000,000,000	60,170,011	601,700,110	Employee stock option certificates converted into ordinary shares of NT$700,000	None	2010/09/10	Jing-Shou-Shang-Zi Letter No. 09901207260	
September 2010	10	100,000,000	1,000,000,000	60,319,011	603,190,110	Employee stock option certificates converted into ordinary shares of NT$1,490,000	None	2011/01/12	Jing-Shou-Shang-Zi Letter No. 10001002920	
November 2010	10	100,000,000	1,000,000,000	60,432,511	604,325,110	Employee stock option certificates converted into ordinary shares of NT$1,135,000	None	2011/04/07	Jing-Shou-Shang-Zi Letter No. 10001066140	
January 2011	10	100,000,000	1,000,000,000	60,438,511	604,385,110	Employee stock option certificates converted into ordinary shares of NT$60,000	None	2011/07/08	Jing-Shou-Shang-Zi Letter No. 10001151220	
December 2011	10	100,000,000	1,000,000,000	60,761,011	607,610,110	Employee stock option certificates converted into ordinary shares of NT$3,225,000	None	2012/01/19	Jing-Shou-Shang-Zi Letter No. 10101012780	
March 2012	10	100,000,000	1,000,000,000	61,032,511	610,325,110	Employee stock option certificates converted into ordinary shares of NT$2,715,000	None	2012/07/10	Jing-Shou-Shang-Zi Letter No. 10101123480	
June 2012	10	100,000,000	1,000,000,000	61,175,011	611,750,110	Employee stock option certificates converted into ordinary shares of NT$1,425,000	None	2013/09/03	Jing-Shou-Shang-Zi Letter No. 10101183130	

B. Total amount of issued shares

April 14, 2024

Share types	Authorized capital			Note
	Outstanding shares	Un-issued shares	Total	
Common share	61,175,011	38,824,989	100,000,000	The authorized capital includes NT$100,000 thousand for the issuance of employee stock option certificate.

C. Information of shelf registration method: None.

(2) Shareholder Structure

April 14, 2024

Shareholder Structure	Government agencies	Financial institutions	Other juristic persons	Individual	Foreign institutions and foreign natural persons	Total
Number	0	2	11	2029	14	2,056
Number of shares held	0	57,000	15,339,451	33,603,146	12,175,414	61,175,011
Shareholding ratio	0	0.09%	25.08%	54.93%	19.91%	100%

(3) Status of Shareholding Distribution

A. Ordinary shares distribution (NT$10 per share):

April 14, 2024

Shareholding class	Number of shareholders	Number of shares held	Shareholding ratio %
1-999	599	27,458	0.04
1,000-5,000	1,092	2,167,286	3.54
5,001-10,000	155	1,281,747	2.10
10,001-15,000	44	591,161	0.97
15,001-20,000	32	604,000	0.99
20,001-30,000	31	778,956	1.27
30,001-40,000	18	624,000	1.02
40,001-50,000	7	319,461	0.52
50,001-100,000	19	1,361,382	2.23
100,001-200,000	13	1,889,826	3.09
200,001-400,000	12	3,195,889	5.22
400,001-600,000	11	5,250,709	8.58
600,001-800,000	7	4,930,589	8.06
800,001-1000,000	2	1,607,168	2.63
Above 1,000,001 shares	14	36,545,379	59.74
Total	2,056	61,175,011	100.00

B. Preference shares distribution: Not applicable.

(4) List of Major Shareholders

April 14, 2024

Name of Major Shareholders	Number of shares held	Shareholding Ratio
Huei Kai Investment Co., Ltd.	5,745,151	9.39%
Wang, Wei-Sih	3,840,815	6.28%
Group Trading Ltd.	3,674,448	6.01%
Okaya (Hong Kong) Limited	2,824,063	4.62%
Cheng Yu Investment Co., Ltd.	2,729,000	4.46%
Fortune Goal Investments Ltd.	2,719,449	4.45%
Chengrong Investment Co., Ltd.	2,675,000	4.37%
Wang Chen, Li-Jung	2,300,927	3.76%
Corporate Power Investments Ltd.	2,117,952	3.46%
Teng, Chiung-Hui	1,981,125	3.24%

(5) Market price, net worth, earnings, dividends, and relevant information of the most recent 2 fiscal years

Unit: NTD

Item/Year			2022	2023	As for March 31, 2024
Market price per share	Highest		32.75	38.75	34
	Lowest		21.05	26	30.35
	Average		24.69	29.47	32.16
Net worth per share (Note 1)	Before distribution		30.67	30.81	30.38
	After distribution		28.67	29.11	Not applicable
Earnings per share	Weighted average shares		61,175 thousand shares	61,175 thousand shares	61,175 thousand shares
	Earnings per share	Before adjustment	3.02	2.43	0.95
		After adjustment	3.02	2.43	Not applicable
Dividends per share	Cash dividends		2	1.7	Not applicable
	Stock dividends	Stock dividends from retained earnings	-	-	Not applicable
		Stock dividends from capital surplus	-	-	Not applicable
	Accumulated unpaid dividends		-	-	Not applicable
Analysis on return on investment	Price to earnings ratio (Note 2)		8.18	12.13	Not applicable
	Price to dividends ratio (Note 3)		12.34	17.33 (Note 1)	Not applicable
	Cash dividend yield rate (Note 4)		0.08	0.58 (Note 1)	Not applicable

Note 1: Using the number of the outstanding issued shares at year end and the distribution resolved in the Board of Directors meeting or in the shareholders' meeting of the next year as the basis.

Note 2: Price to earnings ratio = Average closing price per share of the year/earnings per share.

Note 3: Price to dividends ratio = Average closing price per share of the year/cash dividends per share.

Note 4: Cash dividend yield rate = Cash dividends per share/average closing price per share of the year.

(6) Company’s dividend policy and implementation

A.Dividend policy:

According to Article 26 of the Article of Incorporation, the amount of dividend distributed shall be based on the annual earnings and the cumulative surplus in the previous years of the Company as well as taking into consideration of the Company’ earnings, capital structure and the future operational demand. The distribution of the dividend shall, depending on the factors of the capital demand and the dilution effect of earnings per share, adopt the policy of distributing stock dividends with cash dividends at the same time. As for the ratio of cash dividend distribution, it shall be not less than twenty percent (20%) of the total dividend distribution of the year.

(a)Principle of Dividend

The board of directors made the resolution by referencing the above-mentioned Article of Incorporation that in accordance of the company’s financial and business development goals and plans, and without other special conditions that taken into account, the company distribution of dividend shall be made by the principle of distributing 0% to 80% of the after tax surplus for the current year

(b)Procedures of Distribution of Dividend

When the Company distributes dividends, cash dividends shall be distributed in accordance with Article 25-1 and Article 25-2 of the Articles of Incorporation of the Company, authorising the board of directors for making resolution, and reported to the shareholders' meeting. When distributing stock dividends, the board of directors shall propose the distribution amount and submit it to the shareholders' meeting for resolution.

B. The proposed dividend distribution in this Board of Directors meeting: The 2023 earnings distribution was approved by the resolution of the Board of Directors meeting on March 12, 2024. Cash dividends of NT$ per share will be distributed with the total amount of NT$103,997,519 which is submitted to the 2024 shareholders’ meeting.

C. Description where it is expected to have significant changes in the dividend policy: None.

(7) The effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted in this shareholders’ meeting: Not applicable.

(8) The distribution of remuneration of employees and remuneration of directors and supervisors:

A. The scope of remuneration of employees and directors and supervisors prescribed in the Articles of Incorporation of the Company:
Where there is profit as a result of the yearly accounting closing, the Company shall distribute no less than 2% and no more than 10% of the profit as the remuneration of employees and no more than 2% of the profits as the remuneration of directors and supervisors. However, where there are cumulative losses, the Company shall first set aside the reserve amount.

B. The basis for estimating the amount of remuneration of employees and directors and supervisors, for calculating the number of shares to be distributed as stock bonuses, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: The Company estimates the amount of remuneration of employees and directors and supervisors in accordance with the dividend policy stipulated in the Articles of Incorporation. Where there is any difference between the actual distribution amount and the estimated amount, it will be adjusted upon distribution based on the changes in accounting estimates.

C. The distribution of remuneration approved by the Board of Directors:

(a) Remuneration of employees and directors to be distributed in cash approved by the Board of Directors:

Unit: NTD

2023 distribution item	The distribution amount approved by the Board of Directors (A)	2023 estimated expense amount (B)	Difference amount (A-B)	Reason of the difference and disposition
Remuneration of Employees	14,064,150	14,064,150	-	No difference
Remuneration of Directors	4,018,328	4,018,328	-	

(b) The amount of any proposed distribution of remuneration of employee in shares and the size of such an amount as a percentage of the sum of the net income for the current period and total remuneration of employee: Not applicable.

D. The actual distribution of remuneration of employees, directors, and supervisors for the previous fiscal year (with an indication of the number of shares, monetary amount, and stock price, of the shares distributed), and, if there is any discrepancy between the actual distribution and the recognized employee, director, or supervisor compensation, additionally the discrepancy, cause, and how it is treated:

Unit: Thousand NTD

2022 distribution item	The distribution amount approved by the Board of Directors (A)	2021 estimated expense amount (B)	Difference amount (A-B)	Reason of the difference and disposition
Remuneration of Employees	15,023	15,023	-	No difference
Remuneration of Directors	5,008	5,008	-	

(9) Status of Company repurchasing its own shares: None.

2. Implementation of corporate bonds: None.

3. Implementation of preferred shares: None.

4. Implementation of participation in the issuance of global depository receipt: None.

5. Implementation of employee stock options: None.

6. New restricted employee shares: None.

7. Status of new shares issuance in connection with mergers and acquisitions: None.

8. Implementation of capital allocation plan:

The Company does not have the situation that, for the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits.

V. Operation Overview

1. Business Activities

(1) Business scope

A. Main business of the Company:

The businesses recorded on the Business Registration Certificate and Certificate of Incorporation of the Company are as follows:

(1) C805050 Industrial Plastic Products Manufacturing.

(2) CC01080 Electronics Components Manufacturing.

(3) CC01110 Computer and Peripheral Equipment Manufacturing.

(4) CE01030 Optical Instruments Manufacturing.

(5) CQ01010 Mold and Die Manufacturing.

(6) F106030 Wholesale of Molds.

(7) F113030 Wholesale of Precision Instruments.

(8) F113050 Wholesale of Computers and Clerical Machinery Equipment.

(9) F119010 Wholesale of Electronic Materials.

(10) F401010 International Trade.

(11) I501010 Product Designing.

(12) ZZ99999 All business activities that are not prohibited or restricted by law, except those that are subject to special approval.

B. The current main products and its business ratio of the Company:

Unit: Thousand NTD: %

Main products	2023 Consolidated turnover	Business ratio
LED backlight module	1,892,803	90.83%
Others	191,100	9.17%
Total	2,083,903	100.00%

C. Developing new products and services:

To enlarge the differentiation, the Company developed innovative applications and the display technology of next generation. The Company currently lists the in-vehicle monitor, industrial control panel, and smart watch as the key development items to respond to the customers’ demands.

(2) Industry summary

1. The current situation and development of the industry

(1) The summary of the downstream application market for the backlight products

In recent years, China has become a global power in the panel area, and has a leading position in the panel industry. China's panel manufacturers not only have huge production capacity, but also dominate the price. In addition to wearable applications such as smart watches and bracelets, the Company is actively shifting to the smart cockpit market, the integration of generative AI and smart cockpits, and value-added applications. These will be the main development directions of the Company. With the continuous advancement of automotive technology, the level of intelligence inside vehicles is getting higher and higher. Vehicle display panels play an important role in the smart cockpit system. It is used to display various information and control functions of the vehicle. As consumers' demand for smart cockpits increases, the demand for automotive display panels increases accordingly. The electric vehicle market is growing rapidly, and electric vehicles are usually equipped with more electronic systems and display panels to provide more information and functions. Therefore, as the penetration rate of electric vehicles increases, the demand for panels will increase, too.

(2) Status quo of vehicle mounted backlight

The vehicle mounted monitor market has higher customization level, so it requires different scales of monitors to match the brand values of different vehicles. Usually design and production have longer life cycle. Vehicle mounted monitors must support 5 years of car production cycle. As a result, the business opportunity is huge if the Company cooperates with vehicle manufacturers. The Company currently lists the industrial control panel and in-vehicle monitor as the key development items to respond to the customers' demands and enlarges the differentiation to seek stable orders and upgrade technologies.

As the electric cars develop rapidly and the internet inside and outside of the vehicle, IoT, auto-pilot technology, advanced driver assistance system become mature, the vehicle industry will massively introduce in-vehicle panels to replace the mechanic dashboard and video/audio control interface. The massive application of electronic equipment in the vehicle allows drivers to obtain sufficient driving assistance information and allows passengers to have more convenient and diverse video and audio interaction during the journey. Under these causes, the application of in-vehicle monitor becomes more diverse.

With global automotive demand expected to maintain a slight growth, the shipment of automotive panels is expected to reach 209 million pieces in 2024 with an annual growth rate of 3.0%. With the introduction of new models, in addition to the central control screen and instrument panel, which already have a high installation rate, there will be opportunities to install more automotive panels after 2025 or 2026, including rear-view mirrors and passenger seat display screens. This will drive the annual growth rate of automotive panel shipments to maintain about 8% to 9%.

Panel makers have turned to the automotive market because the demand for traditional consumer electronics has shrunk significantly after the pandemic, and the market is approaching saturation, making it difficult to repeat large-scale growth. The market demand for automotive panels is relatively stable. Entering the supply chain can ensure stable orders for the next few years, which is one of the reasons for panel makers to rush into the automotive panel market. In addition, as the specifications of automotive panels continue to improve, how to better integrate and provide a complete solution is the key to the complete solution for the car manufacturers. This is a good opportunity for panel manufacturers to transform into a Tier 1 supplier, to talk directly to the car manufacturers, and to provide total solutions that contain the panels and systems.

(3) The competition and cooperation in the backlight industry

In recent years, with the steady recovery of the global auto market, coupled with the increase in the level of automotive electronics, the development of automotive panels has begun to gain momentum, and panel makers have spared no effort in upgrading the specifications. In terms of size, most of the early automotive panels were under 10 inches in size. In recent years, the development of products over 10 inches and even over 20 inches has begun. In order to increase the size of the screen, most panel manufacturers can provide the method of splicing, or the method of ultra-wide single-chip displays.

The diversification of product applications and high demand for customized designs have made the overall coordination of the structures more difficult. The Company adheres to advanced technology and production capability and continues to provide products of high quality, high brightness and high uniformity to meet market demand for emerging applications. In the future, the panel industry needs to continue to focus on technological innovation and industrial upgrading, strengthen cooperation with other related industries, and explore new markets and application areas. At the same time, it is necessary to continuously pay attention to the changes in market demands and trends, and adjust the product portfolio flexibly.

2. The future development of backlight industry

(1) Changes in automotive panel specifications

The global panel market is characterized by fierce competition, oversupply, and the rise of manufacturers in China. The panel makers are facing many challenges. The market trend is deeply affected by the global economy, technological trends and changes in the policy of the industry.

The proportion of “automotive panels” in the panel industry is growing at an alarming rate, and it continues to grow in the high-end large-size car market. Panel manufacturers are also actively deploying carborne applications and ushering in a period of explosive growth. The automotive panels, which were mainly used for entertainment in the past, have gradually shifted to the digitization of instrument panels, and now they have further developed into the “smart cockpit.”

China’s new energy vehicle industry runs into disorderly competition. Car manufacturing has become a national movement to make China the world’s largest automobile manufacturing country. Now, all of China’s production capacity is full, and the price is extremely bloody. Chinese car manufacturers have impacted the car making countries that have been in the industry for more than a century: Germany and Japan. Faced with the extreme slaughter of Chinese cars, European car manufacturers can do nothing but rely on an increase of tariffs.

(2) Application and development trend in the industry

The entire panel industry has a structural change. In the mid-to-long term, the market will return to a healthy and rational mechanism.

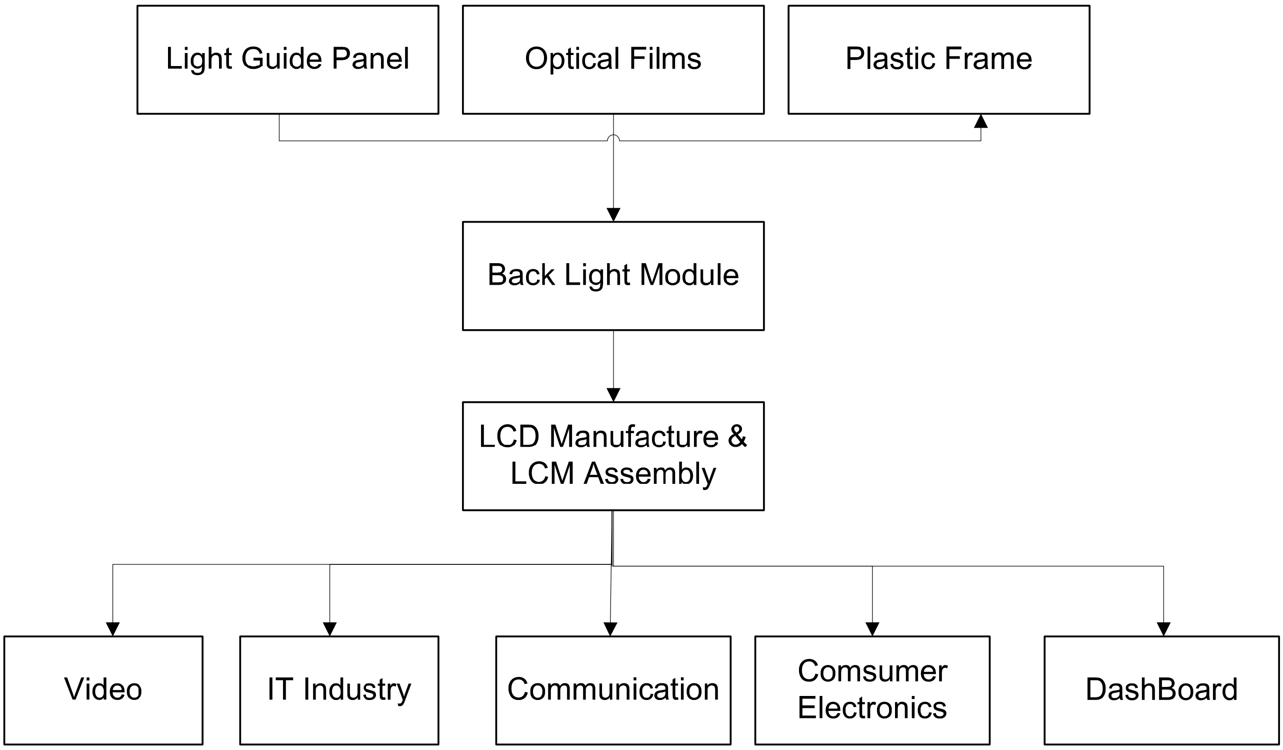
The synergy among smart watches, bracelets, and smart phones is increasing. As a result, smart watches has become a popular wearable device. Social media, emails, messages and notifications, health and health tracking, GPS, and mobile payment are part of the increasing functions. These functions make life easier and help users to stay connected. Meanwhile, the entertainment function also pushes the growth of the wearable devices.

The shipment of smart watches is expected to grow to 131 million pieces again in 2024, with a year-on-year growth of 1.2%. The shipment accounted for in descending order remains Apple, Samsung, Huawei, and Garmin.

(3) The impact of external environment on the industry

The net zero carbon emission in the world is no longer a slogan but has become an action. It will have significant impact on the Company. As the costs of substitute energy are high, the costs from raw materials to products will increase accordingly, which will affect the operation of the Company.

3. The relation among the upstream, mid-stream and downstream of the industry:



The LED backlight module industry chain includes LED chips, LED packaging, LED backlight module, and Liquid Crystal Display Module (LCM). The upstream raw materials mainly rely on imports as the self-sufficiency capacity is low. In response to the backlight demand incurred from fixed wave of cell phone replacement wave and multiple backlight module applications, there are more and more upstream and downstream companies entering the backlight module assembly. As the industry becomes stable and grows on both sides of the straight and to respond to the competition from lowering the costs, the upstream, mid-stream, and downstream will develop and integrate in multiple ways to present a comprehensive industry chain.

The panel industry has experienced many challenges and changes in recent years, but it has demonstrated strong adaptability and innovation. The panel market is becoming increasingly competitive. For panel makers, how to adapt to market changes and adjust business strategies is crucial issue. The Company has had more than 20 years of experience as an LCD and LCM panel component supplier. We will observe the LCD and LCM panel supply and demand status, conduct vertical integration, adjust inventory, and make ourselves ready to communicate with customers. There are still many opportunities and prospects in the panel industry. New technologies, such as cloud computing, artificial intelligence, big data, 5G/6G and IoT, will be widely applied in various fields and further drive the growth of demand for panel products.

4. Product development trend and competition:

Opto-electronic products – Middle and small size LED backlight modules

A. Improvement in the development of new materials and technologies

The costs of materials for backlight module account for 70%-80% of total costs. The three main components, namely the LED light source, light guide plate and optical film, have become the key to the cost. In terms of design and production technology, the architecture of the backlight modules varies significantly in different applications. Therefore, from the previous thin design of light guide plates, LED configuration methods to the improvement of the assembly process, we provide complete solutions to customers and pursue cost reduction and maintenance of the product yield. These are all great challenges to backlight module manufacturers.

B. Diversified product applications

When the companies in China enter the market with production capacity and price advantage, it is testing how the decision makers are responding to the challenge.

When the supplies exceeds the demand in the market, endurance and survival are the key operational aspects. The keys are whether or not the Company is capable of responding to the demand of the market and customers while being able to perfectly control the production costs. In the future, the panel industry needs to continue to focus on technological innovation and industrial upgrading, strengthen cooperation with other related industries, explore new markets and application areas, and flexibly adjust product portfolios to meet the market's demand for emerging applications.

The era of making massive profits by only producing standards is over. It is now the time to show what the Company is really made of. In the short term, properly adjusting the production capacity and production lines and focusing on the application with high profits will be the key strategy; in the mid term to long term, developing innovative application and the next generation of display technology will be the key to survive in the market.

(3) Summary of technology and research and development

1. Technology and research and development of its business

(1) Technology of products

A. Opto-electronic components

In the early stage, the Company mainly focused the producing LED lamps and numeric displays, which are widely applied in all types of industrial products. In the 80s, the computer market and sensor products started to blossom, the Company started to develop key parts and components of infrared LED, optoelectronics LED, photo interrupter, optoelectronic sensor and controller and supplied the market. Due to the production costs, the production of such products has decreased. In the future, the Company will continue to pay attention to the optoelectronic components and actively cooperate with domestic and overseas companies in developing high value-added new products.

B. LED backlight module

The Company was one of the first manufacturers in 1992 to invest in development and production of medium and small size backlight module and earned a certain percentage of market shares in medium and small size backlight module industry with the high self-production capacity for parts, such as module processing, plastic shell injection molding, ultra-clean light guide plate injection molding, packing box vacuum forming, SMT, ultra-clean optical film cutting, and dust free automatic assembly workshop.

Starting from 2010, the Company has actively developed medium and small size backlight modules and produced stable consumer products. Meanwhile, the Company also started to deploy industrial control and vehicle mounted backlight modules. In 2013, the Company developed thin and complex light guide components, which has entered the massive production stage. In 2014, the Company continued to utilize the development of compression module, injection compression technology, high speed injection, and optimal optical design simulation to develop various thin light guide plates with different brightness and flow length ratios that successfully increased the size of light guide plates. The Company successfully massively produced and delivered 4” –12.1” ultra thin products. In 2015, the Company cultivated technologies of high uniformity, low color deviation, zero light line, low electricity consumption, and curved surface backlight. It was not only aimed at responding to the challenge of AMOLED, but also cultivated in other LCD markets. The Company has been working on the utilization of the structure and design of modules in order to achieve the goals on fast development, thin and energy saving, and high efficiency production, which further improve the competitiveness of automatic assembly ratio and improve the three major areas of competition of quality, delivery time, and costs. In 2019, the Company successfully developed all curved surface backlight module. In 2021, the Company collaborated with system manufacturers in developing 384 area local dimming module.

C. Optical simulation system

The optical simulation system adopts ANSYS SPEOS, which contains the function of optics, design, simulation, and analysis functions. Its powerful computing capacity covers the uniformity/saturation/sense analysis of light guide plates, lens/vehicle headlight simulation, and lighting environment scene analysis.

The Company simulates the optical effect of the actual products in the design stage. Designers use CAD software to establish the illuminant, mechanical, and optoelectronic components of all applications and input the simulation system for optical simulation and analyze the optical path lengths that match the physical principles. It is beneficial for the efficiency of the design and analysis.

In response to the diverse products, the Company introduce optimized ANSYS SPEOS functions, which may optimize the heterogeneous light guide products, and diverse structures that gradually increase. Through the cross checking between simulation and practice, it saves the engineering time in the design of optical components. The Company is able to estimate the resources required in advance to reduce the consumption of development resources to increase efficiency and precision.

D. Mold flow analysis system

The Company introduced Modex3D software analysis system in 2013, which is a comprehensive injection molding simulation tool that helps the analysis and design for mold developers and assists the forming technicians in optimizing the forming condition setting. It allows the product to achieve the best product cycle and quality.

E. Vehicle mounted product inspection system

The customized automatic inspection system may perform the inspection on products that makes sure the brightness, uniformity, and wavelength are all 100%. In addition, it can also eliminate products with abnormal data so that the products meet the quality demand of customers.

The Company also introduced AOI equipment to 100% inspect the key parts and components so that the products meet the quality demand of customers.

(2) Research and development:

A. LED backlight module

Develop in-vehicle products with high niche, including Local Dimming, ultra-narrow frame backlight module, curved surface backlight module, and backlight module for heads-up display, and jointly develop products with customers and suppliers that integrate the mechanics and optics evaluation.

B. Optical simulation system

In response to the merger of software developer OPTIS and ANSYS, the Company increased the computing scope of modules in 2018. Apart from the backlight module, the product application also includes lighting environment analysis, lens and headlight design, heterogeneous light guide component development, mini/micro LED simulation, and secondary optical component design, which allow the Company to develop cross-field products in the future.

C. Research on the high brightness micro structure processing

With various backlight sources and lighting, the Company uses the high-precision micro structure processing machine and hit point and V-CUT development system to perform simulation or product structure processing, so that the light can be at upmost utilization. The light guide plates can maintain high brightness and high uniformity while being thinner and thinner.

The Company developed deep hit point technology to replace chemical etching. In 2019, the Company introduced vehicle mounted backlight module that has more stable optics, which improves the uniformity of full screen scanning and the stability of production.

D. Vehicle mounted product inspection system

The Company developed the automated optical inspection (AOI) system and actively introduced full screen optical measurement, vision brightness measurement, and 3D curved surface size measurement technologies to respond to the demand of vehicle mounted market.

2. Research and development personnel and their education and experience

As of May 11, 2024, the distribution of education level and average service tenure for research and development personnel is as follows:

Item	Number
Doctor	-
Master	3
Bachelor	22
High School	5
Below High School	8
Total	38
Average Tenure (year)	9.46

3. The annual R&D investment expenses of the merged company in the most recent 5 fiscal years

Unit: Thousand NTD

Item Year	2019	2020	2021	2022	2023
R&D expenses	76,343	64,045	66,045	62,286	61,527

4. Technologies or products that were successfully developed in the most recent 5 fiscal years

Year	Opto-electronic components	Backlight modules	Optical simulation system
2019		Curved surface backlight module, in which all parts and components are the mold products that can be massively produced.	Simulations for non-display screens and non-lighting products, such as lighting for in-vehicle decoration, and function indication light for electronic products.
2020	COB light board POB light board KSF Film QD Film	Chip on board (COB) blue-ray mini LED with QD film consist of Local Dimming backlight module with high color rendering.	Vehicle taillight panel. Headlight module structure simulation analysis and optimization. Heads-up display screen backlight module.
2021	Complex profile TFT-LCD	Rear mirror LCM module automated assembly machine.	Micro structure diffusion plate. Type-A/Type-C heterogeneous light guide component.
2022			Optical design for the diverse structure optical components of microphones for meeting purpose.
2023			Development of a new microstructure - circular cut-out dots, applied to adjustment of beams and front light modules. Charging pile ring-shaped light bar design.

(4) Long- and short-term business development plan

1. Short-term plan

(1) Business aspect

A. Optoelectronic product – the backlight module is mainly ODM or OEM, and the main markets are Taiwan, China, and Japan.

B. The Company sells the backlight module on its own through participation in the domestic and overseas exhibitions and marketing.

C. continue to develop customers of backlight module and distribute the customer sales ratio.

(2) R&D aspect

A. Consolidate self-owned technologies and maintain competitiveness.

B. Improve manufacturing process and production technology and effectively reduce costs.

C. Continue to invest in R&D, recruit talents, and cooperate with relevant research institutions.

D. Develop new technologies, expand markets for new products, and improve competitiveness in areas other than the main business.

(3) Production aspect

A. Control the quality, costs, and delivery time and aim at increasing the self-product rate of materials.

B. Increase production capacity to meet the economies of scale and meet the market demand to increase market share.

(4) Human resources aspect

Replenish mid-rank management cadres, technicians, and the operators at the basic level to meet the demand of expanding the plants.

(5) Finance aspect

Use the funds with flexibility to meet the operating demand.

2. Long-term plan

(1) Business aspect

A. Expand customer groups to distribute risks.

B. Establish overseas sales points based on the market demand.

C. Long-term profit is the major consideration for product types and target of sales.

(2) R&D aspect

A. Application of light sources with high efficiency and low energy consumption and research on other substitutable products to lower the costs and expand the area of optoelectronic products.

B. Develop the self-production capacity of materials and substitutions to respond to the market changes or increase the procurement flexibility.

C. Invest in optics research, develop medium and large size of light guide plates, high-efficiency LED backlight module, mini LED backlight module, and develop the manufacturing technology of non-backlight optical components.

D. Expand the diversity of optical simulation and introduce optimized functions in response to the complex structure and heterogeneous light guide component.

E. Expand the industrial information database, improve production technologies, and develop new technologies.

(3) Production aspect

A. Establish overseas production sites or outsourcing with macro vision to diversify the production lines and maintain the competitiveness advantage in pricing.

B. Produce part of the materials on its own, reduce costs, and improve production autonomy.

C. Increase the ratio of automated production and improve the efficiency.

D. Plan the shop floor control (SFC) system, digitalize data of the manufacturing site for the production efficiency analysis. The system was introduced in 2020.

E. Introduce the vacuum reflow technology, which reduces the porosity in SMT manufacturing process below 5% and increases the product reliability.

(4) Human resources aspect

A. Recruit and train high-ranking management cadres and technicians of all levels in response to the demand of domestic and overseas long-term development.

B. Enhance diverse skill training and utilize human resources efficiently to improve the overall competitiveness of the Company.

(5) Finance aspect

A. Maintain safe cash position and strengthen the financial structure in response to the economic fluctuation.

B. Establish diverse channels for funds to better acquire funds at lower costs in response to the long-term operation demand.

2. Market and sales summary

(1) Market analysis

1. Main areas of product sales

Unit: Thousand NTD

Year / Area	2023		2022	
	Amount	%	Amount	%
Taiwan	533,423	26	759,829	34
China	875,754	42	1,021,673	46
United States	380,996	18	208,676	9
Japan	55,371	3	97,487	4
Other	238,359	11	153,174	7
Total	2,083,903	100	2,240,839	100

2. Main competitors and market share

(1) Main competitors

In the past, Japanese manufacturers occupied the majority of the market of medium and small size backlight modules. As the domain shifts, manufacturers in Taiwan and Korea have increased their production capacity, reduced material costs, and established complete supply chain. Currently, there are professional backlight module manufacturers in Taiwan and Korea with the technology transfer from Japanese manufacturers. The production capacity of these manufacturers has surpassed the Japanese manufacturers.

The major manufacturers mainly focusing on the production of medium and small size backlight modules in Taiwan are listed in the Table below:

Major manufacturers mainly focusing on the production of medium and small size backlight modules in Taiwan

Competitor	Business item	Competition item
Radiant Opto-Electronics Corporation	Backlight modules	Backlight modules
San Ho Enterprise Co., Ltd.	Backlight modules and light guide plates	Backlight modules
Global Lighting Technologies Inc.	Backlight modules	Backlight modules
Coretronic Corp.	Backlight modules	Backlight modules
Epoch Chemtronics	Backlight modules	Backlight modules

Source: Annual reports of all companies and message from downstream customer end

(2) Market share

Given that the domestic LCD panel manufacturers continue to expand the production equipment and production lines, increase the domestic self-sufficiency rate of key parts and components, and the production yield and sizes may vary based on the customer demand, the sizes of product output and amount of backlight module manufacturers cope with the change of demand. As a result, it is hard to fairly evaluate the market share.

3. The future supply and demand and growth of the market

The supply and demand status of backlight modules is determined by the future supply and demand of TFT-LCD panel market. The products includes cell phones, digital camera, industrial panel, in-vehicle products, tablets, and wearable devices. Despite the backlight modules of some products are replaced by OLED, majority of these products rely on backlight module as the light source.

The main size develops from 7 inches to 8 inches and 10.1 inches and above, and the in-vehicle panel develops in the trend of smart cars. The panel penetration rate is expected to dramatically increase.

Given that the domestic LCD panel manufacturers continue to expand the production equipment and production lines, increase the domestic self-sufficiency rate of key parts and components, and the production yield and sizes may vary based on the customer demand, the sizes of product output and amount of backlight module manufacturers cope with the change of demand. As a result, it is hard to fairly evaluate the market share.

4. Competitiveness niche

(1) Macro global operation principle

Ever since the incorporation, the Company has upheld the operation principle of "based in Taiwan and reach out to the world." The Company continues to innovate technologies to inspire the growth of domestic and overseas customers. The Company also cultivate international marketing and technology personnel in the long term. It has excellent reputation in customer service.

(2) Strict and comprehensive management system

To seek efficient operation and maximum profits for shareholders, the Company has gradually implemented the comprehensive accounting, internal control, internal audit, and internal management information systems. In addition, the Company became the first company to acquire ISO 9002 certificate in 1998, acquired ISO 9001 in 1999 and QS 9000 international quality certificate in 2003. In 2007, the Company introduced a stricter automobile product quality regulations TS 16949. In response to the expanding Company scale, apart from actively integrating the internal resources, the Company also fully utilizes the internal management information system to meet the goal of minimum human resources with upmost efficiency.

(3) Clear medium- and long-term goals of the Company

To effectively achieve the operational goals, the Company has established clear short and long-term development plan for the organizational functions of human resources, finance, business, production, and R&D. The sustainable operation of the Company is consolidated by the interim operational strategies and achievements of goals.

(4) Flexible business foundation

The sales personnel of the Company has engineering ability in order to fully communicate with customers, pay attention to the conditions of customers and market and report to the Company for the reference of marketing strategy adjustment. The flexible sales ability can reduce the inventory risk and maximize the profit of the Company.

(5) Excellent R&D ability (mold development, optics design, and application of new materials)

The gross profit of medium and small size products is under severe challenge brought by the active investment in China. Under the usual low-price competition in the BTO market, some brands also adopt the low-price strategy in the market. In

2014, some famous panel manufacturers suffered loss in the smart phone market and started to move to panel market with higher gross profit and high-end technologies, such as LTPS, aiming at improving the revenue and gross profit. The high gross profit market, such as vehicle mounted products, requires high reliability verification; apart from the thinness, the high-end panel technology also requires high brightness and high uniformity under the restriction of LTPS aperture ratio. As the LED components develop towards the direction of thin and high brightness, the backlight module will need to seamlessly cooperate with it.

Apart from the medium and small size backlight products, the Company started to develop medium and large size backlight products above 7 inches in 2014. The panel plants also started deploying resources in the middle and low-end cell phone market and Chinese BTO market. The Company actively deploys resources in the development of medium and small size thin light guide plates. It develops injection compression molds with advanced high-speed compression injection machine technology to develop thin light guide plates with high brightness. The Company successfully introduced multiple thin products with high brightness and coped with the development of touch market of customers, which allowed the Company to be recognized by customers in the improvement of technology. For the medium and large size products, the Company has massively produced and delivered 10.2”, 12.1” and 12.3” industrial control products. The Company aims at the 15” product as the interim limit.

From the deployment in current complex light guide plates, industrial control and in-vehicle backlight products, to then light guide plates, the Company rapidly reduces the product develop time and improves competitiveness using the optical data standardization based on current development experience and specification of mold development.

For the development of new technology, the Company collaborates with existing customers in the development of new technology of high-brightness module, which consists of backlight modules with high color saturation and high-brightness micro structure light guide plates with special lens structure and single optical film. The Company also collaborates with suppliers in developing Flip Chip backlight module structure in order to actively deploy resources in new technologies and new products.

The current high-brightness LGP lighting structure mainly rely on V-CUT, and the required material for manufacturing the mechanics is “electroplating nickel.” This manufacturing process requires longer preparation time. To accelerate the development schedule, the Company developed its self-owned processing technology “V-CUT LIKE.” The purpose of this technology is to acquire the brightness close to the V-CUT, which effectively shortens the mold manufacturing time, increases product yield, and dramatically reduces the maintenance costs.

For the development of light guide plates, the Company introduced the stable mechanic process micro structure to the thick light guide plates to replace the laser engraving and chemical etching to improve the light efficiency of the module that further improve the brightness of the module and the stability of the full screen measurement.

In response to the development of direct diffusion plate, the Company purchases different scales of diffusion materials for injection forming tests to accumulate the experiment data and experience. In addition, the Company performs the mixing experience with PC transparent material with the diffusion material to expand the database. The Company uses the optical simulation software SPEOS to test the actual physical characteristics of diffusion materials in the simulation and reflect the result to the practice via the optical design. Afterwards, the diffusion material injection will be applied to the development of self-made micro structure diffusion plates and complex heterogeneous light guide components, such as Type-A/Type-C and microphones for meeting purpose. Through the cross-comparison between the simulation and practice, the Company may save the engineering time and crafting costs on the design of optical components. The ability of diffusion component injection forming can not only be applied to the products requiring blending lighting and light projecting effects, but also avoid outsourcing and procurement, which reduces the development costs.

In response to the raise of human resources costs, the Company will focus on the simplified module design and joint development with customers. Use automated assembly to reduce the reliance on human resources and achieve the self-sufficient parts for consistent operation of backlight modules by utilizing self-owned module processing and injection forming plant, including self-produced packing boxes, SMT production lines, precision dispensing, and self-owned cutting technology for optical film and compound tapes. These measures realize the simplified design and increase the assembly yield and production efficiency that achieve the win-win goals of improving quality and reducing costs.

(6) Excellent production ability (self-production ratio, mass production experience, quality control, time control, and production capacity planning)

To reduce the labor costs and provide services closer to the customers, the Company transfers the orders via triangular trades to plants in China where the products are produced and delivered and actively focuses on the production of self-manufacturing products with high-added value.

To ensure the quality of products, most of the manufacturing processes take place in dust-free workshops. Under the quality regulations of QS 9000, the Company introduced the stricter automobile quality regulations TS 16949 in 2002. IATF 16949 was introduced in plants in China and Taiwan in 2008 and 2019, respectively. Additionally, the professional inspectors and the application of precise measuring devices allow the yield to be above 90%. Moreover, the Company fully copes with the delivery schedule and quality requirement of customers. The Company's advantage in integration, regardless of the quality, technology, costs, and delivery time, is far ahead of other competitors in the industry.

5. Response strategy to favorable and unfavorable factors in the development

Favorable factors:

(1) Advanced and independent technology is the key to competitiveness

The injection and forming of light guide plates require precise mold design technology. If the Company is unable to develop independently, it will incur high development expenses, and the technology and manufacturing processing will be controlled by others. The reliability on the Company from customers will be reduced if they cannot obtain satisfied and fast services. The Company continues to invest in the development of new technologies and recruits talents in the optical field. The Company has made progress in increasing the brightness and reducing the thickness of the backlight modules. The development of advanced technologies also saved the Company a huge amount of premium expenses.

(2) Stable yield and output capacity

High yield not only saves the Company huge amount of material and manufacturing expenses, but also delivers the goods in time that meets the customers' demand. The output of overseas plants of the Company covers small to medium sizes of products, and the mass production technology and quality has certain level of stability, which is ahead of other companies in the industry.

(3) Develop new materials to reduce procurement costs

As number of backlight module manufacturers in Taiwan increases, the business opportunities for the upstream raw materials of backlight modules gradually emerge, which attracts many companies to invest in it. The increasing number of raw material suppliers will be beneficial for backlight module manufacturers to control the source of raw materials and reduce the costs under the healthy competition.

(4) Effective manufacturing process that reduces the labor costs

As the backlight module requires large number of labors in assembly, the outsourcing model that transfers production to overseas collaborate companies is inevitable. The Company has established a production base in China. Currently the manufacturing, delivery, and human resource management are on the track. The Company has also gradually introduced the automated production equipment, which will be beneficial for improving the competitiveness of the Company. In addition, the Company often conduct research on developing more efficient manufacturing process and labor allocation, which not only shortens the manufacturing process, but also meets the customers' demand in delivery time.

(5) Design product as solution

To enhance competitiveness, the Company conducts design and integration with customers. It does not only expand the service scope in the collocation and design of optics and mechanics, but also to customize production technology and optical inspection system based on customers' demand. The Company evolves from a simple backlight module manufacturer to the solution of the manufacturing of the entire module.

Unfavorable factors:

(1) Increasing price competition

Due to the intense competition in the medium and small size penal industry, it is expected that the panel parts and components procurement will also increase. The backlight module accounts for certain percentage of costs in the panel materials. The Company and other manufacturers will be under the pressure of price cut from panel manufacturers.

Response strategy: The Company can increase the gross profit of products through increasing product value, increasing self-manufacturing ratio, and reducing costs of materials.

A. In increasing the self-manufacturing ratio, it can be divided into the increase in the self-manufacturing ratio of mold and light guide plate injection forming, self-manufacturing of optical film cutting, and strategic alliance with suppliers. in the aspect of mold and light guide plates injection forming, the self-manufacturing ratio for light guide plates and molds has reached more than 90%. The Company also integrates other upstream parts and components, such as optical film cutting, aiming at increasing the self-manufacturing ratio of raw materials.

B. In reducing the costs of materials, the Company also reduces the costs of materials through the methods below to increase the gross profit of backlight modules:

(a) Supply chain management.

(b) Analysis and statistics of cost structure of products.

(c) Product design – standardization of parts.

(d) Replace raw materials with substitute materials.

(e) High development expenses for new technologies

(2) The rise of OLED technology

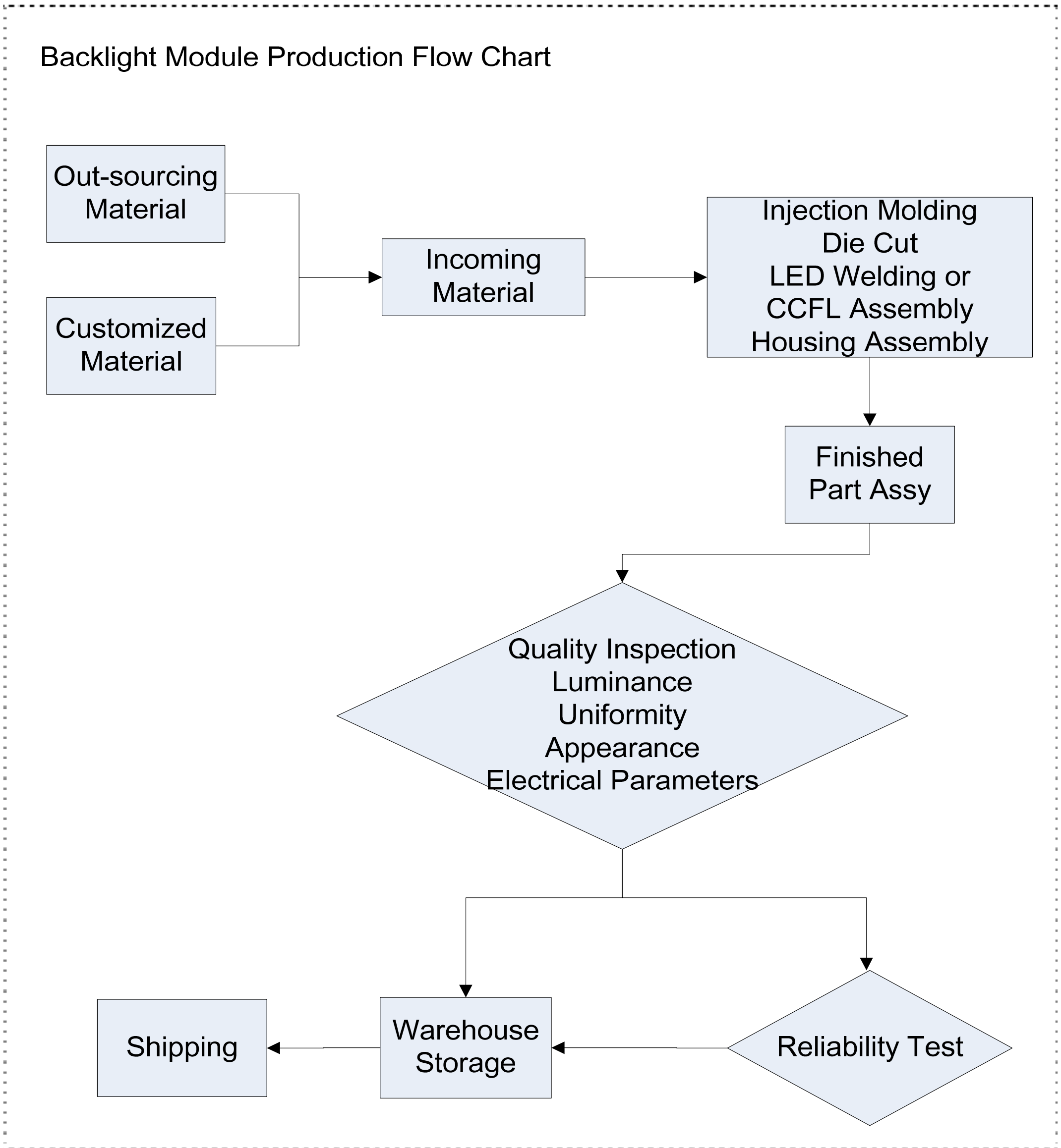
For AMOLED panel market, currently Korean manufacturers dominate the OLED panel market, but the output of other panel manufacturers are gradually increasing. Currently the CMOLED manufacturing process has become mature, the yield is increasing, and the costs of modules are declining.

(2) Significant purposes and manufacturing process of major products

1. Significant purposes of major products:

Product or services	Significant purposes or functions
LED backlight module	Applied in communication and consumer electronic products, such as laptops, LCD, LCD TV, digital camera, PDA. cell phones, industrial panels, and in-vehicle display panels.

2. The manufacturing process of major products:



(3) Supply of main raw materials:

Supply of main raw materials

Main products	Main raw materials	Major suppliers	Supply status
LED backlight module	LED backlight module	Shian Yih (Dongguan) Electronic Industry Co., Ltd.	Excellent
LED backlight module	LED backlight module	Dongguan Ke Sheng Optics and Photoelectric	Excellent

(4) The list of customers that once accounted for 10% of the total procurement and sales amount in any of the most recent 2 years and the procurement (sales) amount and ratio:

1. The list of customers that once accounted for 10% of the total sales amount in the most recent 2 years

Unit: Thousand NTD

	2022				2023				Previous quarter in 2024			
Item	Name	Amount	Accounted for the annual net sales amount (%)	Relationship with the issuer	Name	Amount	Accounted for the annual net sales amount (%)	Relationship with the issuer	Name	Amount	Accounted for the annual net sales amount (%)	Relationship with the issuer
1	Desay SV	619,691	28	None	Desay SV	610,858	29	None	Desay SV	132,684	32	None
2	Giantplus Technology Co., Ltd.	346,658	15	None	Magna	439,540	21	None	Manga	71,776	17	None
3	-	-	-	-	Giantplus Technology Co., Ltd.	234,774	11	None	-	-	-	-
4	Other	1,274,490	57	-	Other	798,731	39	-	Other	213,365	51	-
	Net Sales	2,240,839	100	-	Net Sales	2,083,903	100	-	Net Sales	417,825	100	-

(1) Giantplus Technology Co., Ltd.

Giantplus Technology Co., Ltd. (hereinafter referred to as Giantplus) was incorporated in 1997, and it is a public listed company. The main businesses of the company is the production and sales of LCD panel and LCD modules. The terminal application products include mobile communication display, consumer products, video product display, and household communication display. The major products sold to Giantplus are consumer electronics, such as the backlight modules for digital cameras and GPS.

(2) Desay SV

Desay SV was incorporated in 1986 by Philipps, Gold Peak Technology Group Limited and Desay Group. It is an advanced automobile electronics and system manufacturers, and it focuses on the internationalization layout of smart products.

(3) Magna

Magna Mirror as the international automobile parts manufacturing in charge of the design and the manufacturing of internal rearview mirror systems and external sideview mirror systems.

2. The list of customers that once accounted for 10% of the total procurement amount in the most recent 2 years Unit: Thousand NTD

	2022				2023				Previous quarter in 2024			
Item	Name	Amount	Accounted for the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	Accounted for the annual net procurement amount (%)	Relationship with the issuer	Name	Amount	Accounted for the annual net procurement amount (%)	Relationship with the issuer
1	Nichia Taiwan Corp.	117,686	10	None	AUO Corp.	150,931	13	None	-	-	-	-
2	Other	1,053,933	90	-	Other	984,130	87	-	Other	191,582	100	-
	Net Procurement	1,171,619	100		Net Procurement	1,135,061	100		Net Procurement	191,582	100	

(1) Nichia Corp.

Nichia Taiwan Corp. is the subsidiary of Japanese company, Nichia Corp., which is the first manufacturer that developed and manufactured phosphor white LED, in Taiwan. Its main businesses are the sales of phosphors and LED for small size LCD backlight panels. The Company mainly procures the white LED product required for the backlight source in the backlight modules.

(2)AUO Corp.

AUO Corporation is a public listed company in Taiwan mainly engaged in the design, manufacture, and R&D of TFT-LCD, and is a supplier of TFT LCD glass modules.

(5) Production volume Indication of the most recent 2 years

Unit: Thousand NTD; Thousand PCS

Year	2022			2023		
Production volume / Major products	Production capacity	Production volume	Production value	Production capacity	Production volume	Production value
LED backlight module	48,000	32,179	1,723,239	48,000	24,919	1,614,380
Total	48,000	32,179	1,723,239	48,000	24,919	1,614,380

(6) The sales volume indication of the most recent 2 years

Unit: Thousand NTD; Thousand PCS

Year	2022				2023			
Sales volume / Major products	Domestic sales		Exports		Domestic sales		Exports	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
LED backlight module	11,963	659,392	13,386	1,332,405	6,472	450,519	13,341	1,442,284
Other	3,535	100,438	16,960	148,604	1,099	82,904	12,433	108,196
Total	15,498	759,830	30,346	1,481,009	7,571	533,423	25,774	1,550,480

3. Employee information

Employee information during the most recent 2 years or during the current fiscal year up to the date of publication of the annual report

Year		2022	2023	As of May 11, 2024
Number of employees	Managerial Officer	31	49	49
	Indirect labors	469	371	356
	Direct labors	798	688	713
	Total	1,298	1,108	1,118
Average age		38.4	39.9	36.7
Average service tenure		6.8	6.8	4.9
Gender	Male(%)	47%	48.7%	49.1%
	Female(%)	53%	51.3%	50.8%
Education distribution ratio	Doctor	0	1	1
	Master	5	6	6
	Bachelor	200	169	168
	High School	152	146	135
	Below High School	706	786	808

4. Environmental Protection Expenditure

(1) Loss incurred from polluting the environment in the most recent 2 years: None.

(2) Response strategy: Not applicable.

5. Labor Relations

(1) The employee benefit measures, on-the-job training, training, pension system and their implementation, and the labor–employer agreement and measures for the protection of employee benefits:

1. Employee benefit measures:

- Group insurance and casualty insurance
- Monthly birthday party and birthday allowance
- Comprehensive educational training and smooth promotion channel
- Distribution of bonus, mid-Autumn Festival bonus and year-end bonus based on the performance
- Domestic and overseas travel
- Wedding allowance, birth subsidy, on-the-job training subsidy, health examination, and hospitalization sympathy

2. Employee on-the-job training and training status:

Item	2023		
	Number of persons	Number of hours per person	Total expenses
1. New employee training	226	1,057	112,800
2. Professional competency training	345	2,476	48,330
3. Supervisor talent training	39	484	45,720
4. General training	637	2,979	71,835
Total	1,247	6,996	278,685

3. Pension system and implementation:

In accordance with the Labor Standards Act, the Company established the "Retirement Management Regulations" in 2011 and updated and amended them in 2018. Employees' retirement eligibility and the calculation standard of employee pension are handled in accordance with relevant requirements.

The pension system of the Company is conducted in accordance with the Labor Standards Act and Labor Pension Act. For employees to whom the new system is applicable, the Company has allocated 6% of employee's salary to their personal pension account under the Bureau of Labor Insurance in accordance with the Labor Pension Act.

For voluntary contributions, the voluntary contribution rate shall be withheld in the individual pension account on a monthly basis, up to a maximum of 6%.

In accordance with the Retirement Management Regulations for employees, an employee may apply for voluntary retirement if he/she meets one of the following conditions:

Those who have served the Company for more than 15 years and are at least 55 years old.

Those who have served the Company for more than 25 years and are at least 60 years old.

In addition, the Company may impose a compulsory retirement on an employee when he/she is at least 65 years old or physically or mentally disabled beyond his/her ability to perform their duties. If the mental or physical disability of an employee with compulsory retirement imposed on him/her is due to the performance of their duties, the Company will give an additional 20% of the pension as required by law.

Eligibility for pension claim:

The age of the claim is 60 years old. Workers aged 60 or above who have worked for less than 15 years may claim the pension in a lump sum. Workers who have served for 15 years or more may choose to claim a monthly pension or the pension in a lump sum. If employees continue to work and appropriate the pension after receiving the pension, they may apply for a continuation of the pension claim one year after the previous pension claim was made. A worker under the age of 60 but incapacitated may apply for an early pension payment.

4. Labor agreement and measure for the protection of employee benefits:

Under the principle of harmonious labor–employer relation and valuing the opinions of employees, the Company stipulates comprehensive and reasonable regulations regarding salary, working hours, leaves, pensions, and compensation and firmly implements the beneficial measures, such as safety and health and educational training. In addition, the Company also put great emphasis on the communication, negotiation, and resolution of disputes with employees. The Company is trusted and supported by our employees. There has been no loss incurred from the labor disputes, so the labor–employer relation is harmonious.

5. Work environment and protection measures for the safety of labors:

Item	Content
Access control	The access control and CCTV is 24/7
Disaster prevention measures and responses	1. The Company stipulates the "Disaster Emergency Response Measures," "Work Rules for Safety and Health," "Regulations Governing the Safety and Health of Labors," and "Labor Safety and Health Occupational Disaster Prevention and Automated Inspection Plan." 2. The Fire competent authority conducts 2 fire prevention seminars per year.
Physical health	1. Health examination: The Company provides free health examination for employees on a yearly basis. 2. The offices are cleaned and sanitized on a regular basis.
Insurance and hospitalization sympathy	1. The Company provides labor and health insurance in accordance with the laws and regulations. 2. The Company provides casualty and group insurance.

(2) The loss the Company suffers from labor disputes during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report and disclose the estimate amount of current and future possible labor disputes and response measures: None.

(3) Code of Conducts for employees:

For the compliance and guidance for employees' behaviors, the Company stipulates "Work Rules" handbook and labor safety and human resources management rules for employees, which allow employees to learn their rights and interests and code of conducts. The Company also plans benefits and salary and remuneration measure based on the performance evaluation system. Employees are able to display the work ethics in a harmonious working environment and this inspires morale.

6. Information and communication security management

(1) Specify the structure of information and communication security management, information and communication security policy, solid management plan, and the resources invested in the information and communication security management.

1. Structure of information risk and security management

Although the Company has not established a cross-departmental information security committee, it has established an information and communication security policy implementation team in 2023. A dedicated information security officer and a dedicated information security person have been appointed to ensure the operation of the information and communication security management system and to identify internal and external issues related to the information and communication security management system, as well as the requirements and expectations that stakeholders have toward the information and communication security of the Company.

2. Information and communication security policy

(1)The Company inspects the information data and personal data on a regular basis and conducts risk management based on the risk evaluation of information security and personal data to implement all control measures.

(2)The Company holds educational training and promotion regarding information security and personal data protection. All new employees are required to sign the confidentiality agreement.

(3)Outsourcing contractors are required to sign the confidentiality agreement to ensure the information companies that use the information services provided by the Company or implement relevant information business are responsible for protecting the information assets of the Company to prevent any unauthorized loading, tempering, damage, and improper disclosure. We communicate the Company's latest information security regulations and precautions on a regular basis.

(4)The Company has established proper backup or monitoring mechanism for material information system or equipment and performs drills on a regular basis to maintain their availability.

(5)Anti-virus software is installed in all personal computers, and the virus signatures are updated on a regular basis. Unauthorized software is prohibited.

(6)The Company requires the employees to fulfill the custody and usage responsibility for account, password, and authorization and change passwords on a regular basis.

(7)The Company has established a business continuity management mechanism, enhance employees' vigilance against social engineering attacks via e-mails, implement phishing e-mail defense and detection, and conduct regular tests and drills to maintain its applicability.

(8)The Company implements internal audit on a yearly basis , improve employee safety awareness to ensure the effectiveness of information security and personal data protection management system.

3. Solid management plan and the resources invested in the management of information and communication safety

The Company includes the information security and personal data protection inspection control operation in the items of the annual audit, and the audit unit shall perform an audit per year. The Company will summarize the implementation performance of internal control based on the self-inspection operation of the internal control system and submit it to the Board of Directors for review, and it will present the Internal Control Statement based on the evaluation result.

(2) List any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None.

7. Major Contracts

Company	Nature of contracts	Party	Start and end date of the contracts	Major content	Restriction clauses
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Mega International Commercial Bank	2019.11.11-2029.11.11	Loans for plants	Project for investments by Taiwanese Firms
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Mega International Commercial Bank	2019.10.31-2026.10.31	Working capital amount	Project for investments by Taiwanese Firms
Shian Yih Electronic Industry Co., Ltd.	Medium and long term credit extension	Bank of Taiwan	2019.12.24-2026.12.24	Loans for machinery equipment	Project for investments by Taiwanese Firms
Shian Yih Electronic Industry Co., Ltd.	Medium term credit extension	E.Sun Bank	2019.10.25-2024.10.15	Loans for machinery equipment	Project for investments by Taiwanese Firms

VI. Financial Status Overview

1. The condensed balance sheets and comprehensive income statements in the most recent 5 fiscal years

(1) The condensed balance sheets and comprehensive income statements – IAS (consolidated financial statements)

A. Condensed Balance Sheet

Unit: Thousand NTD

Item \ Year		Financial information for the past 5 fiscal years					Current year through March 31, 2024 financial data (Note1)
		2019	2020	2021	2022 (Note3)	2023	
Current assets		2,047,548	1,820,720	1,924,607	2,374,543	2,310,397	2,283,966
Property, plant, and equipment		378,586	391,433	368,678	325,364	260,922	250,514
Intangible assets		1,946	1,763	1,323	1,097	2,420	2,787
Other assets		111,961	417,655	502,743	97,082	64,510	60,242
Total assets		2,540,041	2,631,571	2,797,351	2,780,086	2,638,249	2,597,509
Current liabilities	Before distribution	556,325	657,113	766,846	677,679	598,083	589,729
	After distribution	666,440	718,288	840,256	800,029	702,081 (Note 2)	-
Non-current liabilities		143,456	222,852	270,509	203,938	136,664	131,171
Total liabilities	Before distribution	699,781	879,965	1,037,355	881,617	734,747	720,900
	After distribution	809,896	941,140	1,110,765	1,003,967	838,745 (Note 2)	-
Equity attributable to the owners of the Company		1,800,880	1,721,587	1,737,303	1,876,389	1,844,496	1,858,614
Capital		611,750	611,750	611,750	611,750	611,750	611,750
Capital surplus		669,678	669,678	669,678	669,678	669,678	669,678
Retained Earnings	Before distribution	646,205	590,058	613,496	725,043	751,522	705,567
	After distribution	536,090	528,883	540,086	602,693	647,524 (Note 2)	-
Other equity		(126,753)	(149,899)	(157,621)	(130,082)	(148,454)	(128,381)
Treasury shares		-	-	-	-	-	-
Non-controlling equity		39,380	30,019	22,693	22,080	19,006	17,995
Total Equity	Before distribution	1,840,260	1,751,606	1,759,996	1,898,469	1903,502	1,876,609
	After distribution	1,730,145	1,690,431	1,686,586	1,776,119	1,799,504 (Note 2)	-

Note 1: The 2024 Q1 financial statements have been audited by CPA.

Note 2: The distribution numbers are filled out in accordance with the resolution of the Board of Directors.

Note3: In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 to $340,714 thousand, and reclassified other financial assets-non-current into cash and about cash. $91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

B. Condensed income statements

Unit: Thousand NTD

Item \ Year	Financial information for the past 5 fiscal years					Current year through March 31, 2024 financial data (Note1)
	2019	2020	2021	2022	2023	
Operating revenue	1,902,410	1,697,596	2,062,548	2,240,839	2,083,903	417,825
Gross profit	404,246	328,542	346,430	377,143	387,344	76,948
Profit or loss	114,045	78,593	86,068	105,717	127,909	10,527
Non-operating income and expenses	50,178	(5,751)	2,399	135,740	58,372	62,944
Net profit before tax	164,223	72,842	88,467	241,457	186,281	73,472
Continuing operation Current net profit	130,628	42,032	77,287	184,344	145,755	57,032
Loss from discontinuing operation	-	-	-	-	-	-
Current net profit (loss)	130,628	42,032	77,287	184,344	145,755	57,032
Current other comprehensive income (net amount after tax)	(37,948)	(20,571)	(7,722)	27,539	(18,372)	20,073
Total current comprehensive income	92,680	21,461	69,565	211,883	127,383	77,105
Net profit after tax attributed to Owner of the parent company	139,869	51,393	84,613	184,957	148,829	58,043
Net profit attributable to non-controlling equity	(9,241)	(9,361)	(7,326)	(613)	(3,074)	(1,011)
Total comprehensive income attributable to the owners of the Company	101,921	30,822	76,891	212,496	130,457	78,117
Total comprehensive income attributable to non-controlling equity	(9,241)	(9,361)	(7,326)	(613)	(3,074)	(1,011)
Earnings per share	2.29	0.84	1.38	3.02	2.43	0.95

Note 1: The 2024 Q1 financial statements have been audited by CPA.

(2) The condensed balance sheets and comprehensive income statements – IAS (parent company only financial statements)

A. Condensed Balance Sheet

Unit: Thousand NTD

Item \ Year		Financial information for the past 5 fiscal years				
		2019	2020	2021	2022 (Note2)	2023
Current assets		886,968	922,363	1,009,007	1,518,428	1,463,772
Property, plant, and equipment		110,405	130,259	133,523	116,878	84,657
Intangible assets		886	703	263	37	41
Other assets		1,222,945	1,167,839	1,151,279	768,554	787,082
Total assets		2,221,204	2,221,164	2,294,072	2,403,897	2,335,552
Current liabilities	Before distribution	287,761	285,750	293,521	328,733	317,707
	After distribution	397,876	346,925	366,931	451.083	421,705 (Note 1)
Non-current liabilities		132,563	213,827	263,248	198,775	133,349
Total liabilities	Before distribution	420,324	499,577	556,769	527,508	451,056
	After distribution	530,439	560,752	630,179	649,858	555,054 (Note 1)
Equity attributable to the owners of the Company		1,800,880	1,721,587	1,737,303	1,876,389	1,884,496
Capital		611,750	611,750	611,750	611,750	611,750
Capital surplus		669,678	669,678	669,678	669,678	669,678
Retained earnings	Before distribution	646,205	590,058	613,496	725,043	751,522
	After distribution	536,090	528,883	540,086	602,693	647,524 (Note 1)
Other equity		(126,753)	(149,899)	(157,621)	(130,082)	(148,454)
Treasury shares		-	-	-	-	-
Non-controlling equity		-	-	-	-	-
Total equity	Before distribution	1,800,880	1,721,587	1,737,303	1,876,389	1,884,496
	After distribution	1,690,765	1,660,412	1,663,893	1,754,039	1,780,498 (Note 1)

Note 1: The distribution numbers are filled out in accordance with the resolution of the Board of Directors.

Note 2: In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 to $340,714 thousand, and reclassified other financial assets-non-current into cash and about cash. $91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

B. Condensed income statements

Unit: Thousand NTD

Item \ Year	Financial information for the past 5 fiscal years				
	2019	2020	2021	2022	2023
Operating revenue	1,581,116	1,265,232	1,366,697	1,208,991	1,188,348
Gross profit	228,181	172,789	179,088	192,036	199,522
Profit or loss	107,043	75,683	73,850	81,124	86,906
Non-operating income and expenses	59,451	1,253	25,960	149,232	95,929
Net profit before tax	166,494	76,936	99,810	230,356	182,835
Continuing operation Current net profit	139,869	51,393	84,613	184,957	148,829
Loss from discontinuing operation	-	-	-	-	-
Current net profit (loss)	139,869	51,393	84,613	184,957	148,829
Current other comprehensive income (net amount after tax)	(37,948)	(20,571)	(7,722)	27,539	(18,372)
Total current comprehensive income	101,921	30,822	76,891	212,496	130,457
Net profit after tax attributed to Owner of the parent company	-	-	-	-	-
Net profit attributable to non-controlling equity	-	-	-	-	-
Total comprehensive income attributable to the owners of the Company	-	-	-	-	-
Total comprehensive income attributable to non-controlling equity	-	-	-	-	-
Earnings per share	2.29	0.84	1.38	3.02	2.43

(3) The names of CPAs and audit opinion for the most recent 5 fiscal years

Year	Name of Auditors	Name of the Accounting Firm	Audit Opinion
2019	Wu, Chun-Yuan, Kuo, Shih-Hua	KPMG Taiwan	Unqualified audit report
2020	Wu, Chun-Yuan, Kuo, Shih-Hua	KPMG Taiwan	Unqualified audit report
2021	Chen, Yen-Hui, Wu, Chun-Yuan	KPMG Taiwan	Unqualified audit report
2022	Chen, Yen-Hui, Wu, Chun-Yuan	KPMG Taiwan	Unqualified audit report
2023	Chen, Yen-Hui, Wu, Chun-Yuan	KPMG Taiwan	Unqualified audit report

2. Financial analyses for the past 5 fiscal years

(1) Financial analysis – consolidated

Analysis Items \ Year		Financial analyses for the past 5 fiscal years					Current year through March 31, 2024
		2019	2020	2021	2022 (Note 2)	2023	
Financial structure (%)	Debt Ratio	27.55	33.43	37.08	31.71	27.85	27.75
	Long-term funds to property, plant, and equipment	523.98	504.41	550.75	646.17	781.90	801.46
Solvency %	Current Ratio	368.04	277.07	250.97	350.39	386.30	387.29
	Quick Ratio	314.04	224.95	198.40	289.20	319.12	323.10
	Times interest earned	7441	3339	2446	3526	3666	10626
Operation capacity	Receivables turnover (times)	3.64	3.20	3.48	3.42	3.44	3.25
	Average days to collect receivables	100	114	105	106	106	112
	Inventory turnover (times)	5.63	4.55	4.87	4.78	4.29	3.57
	Payables turnover (times)	4.81	4.15	4.50	5.04	4.94	4.49
	Average days of sales	64	80	74	76	85	102
	Property, plant, and equipment turnover (times)	5.02	4.33	5.59	6.88	7.98	6.67
	Total asset turnover (times)	0.74	0.64	0.73	0.80	0.79	0.64
Profitability	Return on Assets (%)	5.34	1.69	2.95	6.81	5.53	2.20
	Return on Equity (%)	7.13	2.34	4.40	10.07	7.66	3.01
	Net profit before tax to paid-in capital (%)	26.84	11.90	14.46	39.47	30.45	12.01
	Net profit margin (%)	6.86	2.47	3.74	8.22	6.99	13.64
	Earnings per share (NTD)	2.29	0.84	1.38	3.02	2.43	0.95
Cash Flow	Cash Flow Ratio (%)	41.21	16.58	0.46	34.17	59.81	17.78
	Cash Flow Adequacy Ratio (%)	155.74	108.50	70.40	72.52	104.20	108.99
	Cash Flow Reinvestment Ratio (%)	5.99	(Note1)	(Note1)	5.37	7.97	3.54
Leverage	Operation leverage	3.83	5.12	5.15	4.62	3.83	8.85
	Financial leverage	1.02	1.03	1.05	1.07	1.04	1.07

The description on financial ratio changes of 20% or more for the most recent 2 fiscal years is as follows:

1. Long-term funds for property, plants and equipment: It was mainly caused by the decrease in long-term borrowings and property, plant and equipment.
2. Profitability: It was mainly caused by the slight decrease in profit in 2023 compared to the previous year.
3. Cash flow ratio: It was mainly caused by the increase in the net cash flow from operation activities.

Note1: The net cash flow from operation activities is net cash outflow, so it is not calculated.

Note2: In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 to $340,714 thousand, and reclassified other financial assets-non-current into cash and about cash. $91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

(2) Financial analysis – parent company only

Analysis Items \ Year		Financial analyses for the past 5 fiscal years				
		2019	2020	2021	2022 (Note2)	2023
Financial structure (%)	Debt Ratio	18.92	22.49	24.27	21.94	19.31
	Long-term funds to property, plant, and equipment	1751.22	1485.82	1498.28	1775.49	2383.55
Solvency %	Current Ratio	308.23	322.78	343.76	461.90	460.73
	Quick Ratio	276.13	293.22	313.95	419.80	398.45
	Times interest earned	656.49	39.51	36.12	74.83	57.08
Operation capacity	Receivables turnover (times)	3.61	3.28	3.86	3.71	4.35
	Average days to collect receivables	101	111	94	98	84
	Inventory turnover (times)	19.95	12.76	14.30	9.28	6.01
	Payables turnover (times)	7.48	7.37	11.12	7.94	7.30
	Average days of sales	18.29	28.60	25.52	39.33	60.73
	Property, plant, and equipment turnover (times)	14.32	9.71	10.23	10.34	14.03
	Total asset turnover (times)	0.71	0.57	0.59	0.53	0.51
Profitability	Return on Assets (%)	6.49	2.38	3.84	7.98	6.39
	Return on Equity (%)	7.82	2.91	4.89	10.23	7.91
	Net profit before tax to paid-in capital (%)	27.21	12.57	16.31	37.65	29.88
	Net profit margin (%)	8.84	4.06	6.19	15.29	12.52
	Earnings per share (NTD)	2.29	0.84	1.38	3.02	2.43
Cash Flow	Cash Flow Ratio (%)	37.92	Note	25.92	91.91	69.60
	Cash Flow Adequacy Ratio (%)	118.13	91.48	61.93	82.70	78.57
	Cash Flow Reinvestment Ratio (%)	1.78	(Note1)	0.71	10.38	4.57
Leverage	Operation leverage	13.85	2.32	2.47	2.46	2.44
	Financial leverage	1	1.03	1.04	1.04	1.04

The description on financial ratio changes of 20% or more for the most recent 2 fiscal years is as follows:

1. Long-term funds for property, plants and equipment: It was mainly caused by the decrease in long-term borrowings and property, plant and equipment.
2. Increase of times interest earned: It was mainly caused by the decrease in the current net profit before tax.
3. Decrease in inventory turnover and increase in average days of sales: They were mainly caused by the increase in the time of material preparation in the current period that led to the increase in the average inventory.
4. Decrease in property, plant, and equipment turnover: It was mainly caused by the decrease in sales and property, plant and equipment in the current period .
5. Profitability: It was mainly caused by thedecrease in the profit in 2023 compared to the previous year.
6. Cash flow ratio: It was mainly caused by the decrease in the net cash flow from operation activities in the past 5 years.
7. Cash flow reinvestment ratio: It was mainly caused by the decrease in the net cash flow from operation activities.

Note1: The net cash flow from operation activities is net cash outflow, so it is not calculated.

Note2: In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 to $340,714 thousand, and reclassified other financial assets-non-current into cash and about cash. $91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

Note 1: The formula of the financial ratios is as follows:

1.Financial structure

(1) Debt ratio = total liabilities/total assets.

(2) Long-term funds to fixed assets = (net equity + long-term liabilities) / net fixed assets.

2. Solvency

(1) Current ratio = Current assets/ current liabilities.

(2) Quick ratio = (current assets - inventory - prepaid expense) / current liabilities.

(3) Times interest earned = net profit before tax and interest / interest expenditures of the current period.

3. Operation capacity

(1) Receivables (including accounts receivables and notes receivables derived from operation) turnover = net sales / average receivables (including accounts receivables and notes receivables derived from operation) balance of each term.

(2) Average days to collect receivables = 365 / receivables turnover.

(3) Inventory turnover = costs of sales / average inventory amount.

(4) Payables (including accounts payables and notes payables derived from operation) turnover = costs of sales / average payables (including accounts payables and notes payables derived from operation) balance of each period.

(5) Average days of sales = 365 / inventory turnover.

(6) Property, plant, and equipment turnover = net sales / average net property, plant and equipment.

(7) Total assets turnover = net sales / average total assets.

4. Profitability

(1) Return on assets = (profit or loss after tax + interest expenses x (1 - tax rate)) / average total assets.

(2) Return on equity = profit or loss after tax / average total equity.

(3) Net profit ratio = profit or loss after tax / net sales.

(4) Earnings per share = (income distributed to the owners of the parent company - dividends of preferred shares) / weighted average issued shares.

5. Cash Flow

(1) Cash flow ratio = net cash flow from operation / current liabilities.

(2) Net cash flow adequacy ratio = net cash flow from operation for the most recent 5 fiscal years / (capital expenditures + increase in inventory + cash dividends) for the most recent 5 fiscal years.

(3) Cash flow reinvestment ratio = (net cash flow from operation - cash dividends) / (gross fixed assets + long-term investments + other assets + operation funds).

6. Leverage:

(1) Operation leverage = (net operating revenue - variable operation costs and expenses) / operating profit.

(2) Financial leverage = operating profit / (operating profit - interest expenses).

3. Audit Committee's review report on the financial report of the most recent fiscal year

Shian Yih Electronic Industry Co., Ltd.
Audit Committee's review report

The Board of Directors has prepared the Company's 2023 Business Report and Financial Statements. The financial statements have been audited by CPA Chen, Yen-Hui Liang and CPA Wu, Chun-Yuan from KPMG Taiwan who submitted the audit report. The Business Report and Financial Statements have been reviewed and determined to be in compliance with provisions of the Securities and Exchange Act and the Company Act by the Audit Committee members. In accordance with Article 14-4 of the Securities and Exchange Act and Article 219 and Article 228 of the Company Act, we hereby submit this report.

To

2024 Shareholders' Meeting of Shian Yih Electronic Industry Co., Ltd.

Shian Yih Electronic Industry Co., Ltd.

Chairman of the Audit Committee: Chang, Chia-Hsing

March 12, 2024

4. The financial report of the most recent fiscal year

Independent Auditors' Report

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

Opinion

We have audited the consolidated financial statements of Shian Yih Electronic Industry Co., Ltd and its subsidiaries ("the Group"), which comprise the consolidated balance sheet as of December 31, 2023 and the adjusted consolidated balance sheet for December 31 and January 1, 2022, the consolidated statement of comprehensive income and changes in equity for the year then ended, the consolidated statement of cash flows for 2023 and the adjusted consolidated statement of cash flows for 2022 ,and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as of December 31, 2023 and adjusted December 31, 2022 and January 1, 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and with the International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs"), Interpretations developed by the International Financial Reporting Interpretations Committee ("IFRIC") or the former Standing Interpretations Committee ("SIC") endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China.

Basis for Opinion

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

Key Audit Matters

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

1. Revenue recognition

   For accounting policies on revenue recognition, please refer to note 4(14) to the consolidated financial statements. For revenue recognition, please refer to note 6(22).

Description of key audit matter:

The Group's revenue is recognized when the control over a product has been transferred as specified in each sales contract. Due to various terms and conditions of the contracts, it is a highly complicated task to identify whether the control has been transferred and recognize revenue accordingly. Therefore, we have determined the timing of inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- Testing the design, execution and effectiveness of internal control over revenue;
- reviewing significant new contracts and obtaining understanding of contractual terms; and
- sampling sales transactions before and after the reporting date, so as to assess whether revenues recognized in the correct period.

2. Inventory valuation

Please refer to note 4(8) Inventories in the consolidated financial statements for accounting policies for inventories, note 5 for uncertainties over accounting estimation and assumptions for inventory valuation, and note 6(5) Inventories for inventory write-downs.

Description of key audit matter:

Inventories are measured at the lower of costs and net realizable values. Due to the uncertainties over inventory values that arise from market demand fluctuations and rapid technological changes, there is risk that the costs of inventories may exceed the net realizable values thereof. Therefore, we considered inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- reviewing inventory aging reports and analyzing the changes in inventory ages during each period;
- assessing whether inventory valuation is in compliance with the Group's accounting policies;
- obtaining understanding of both the selling prices adopted by the Group's management and the changes in inventory market prices, so as to evaluate the reasonableness of net realizable values of inventories; and
- looking into the sales of older inventories in the subsequent period and assessing the basis of net realizable values, with a view to verifying the accuracy of allowance inventory loss estimated by management.

Other Matter

Shian Yih Electronic Industry Co., Ltd has prepared its parent-company-only financial statements as of and for the year ended December 31, 2023 and 2022, on which we have issued an unmodified opinion.

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

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Group's financial reporting process.

Auditors' Responsibilities for the Audit of the Consolidated Financial Statements

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

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

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

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

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

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

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

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

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yen-Hui and Wu, Chun-Yuan.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

(English Translation of Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022 (Adjusted)		January 1, 2022 (Adjusted)	
	Assets	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current assets:						
1100	Cash and cash equivalents (note 6(1))	$ 1,052,016	40	1,144,909	41	608,891	22
1170	Accounts receivable, net (note 6(3))	558,607	21	651,139	24	656,412	23
1200	Other receivables (note 6(4))	9,649	-	7,065	-	3,737	-
130X	Inventories (note 6(5))	393,338	15	397,413	14	382,041	14
1410	Prepayments	47,012	2	64,354	2	70,025	3
1470	Other current assets	3,011	-	1,901	-	2,570	-
1476	Other financial assets-current (note 6(11) and 8)	246,764	10	107,762	4	606,716	22
		2,310,397	88	2,374,543	85	2,330,392	84
	Non-current assets:						
1521	Non-current financial assets at fair value through other comprehensive income(note 6(2))	9,334	-	15,406	1	12,549	-
1600	Property, plant and equipment (notes (6(7) and 8)	260,922	10	325,364	12	368,678	13
1755	Right-of-use assets (notes 6(8))	28,852	1	37,497	1	45,398	2
1760	Investment property, net (note 6(9) and (17))	1,002	-	2,206	-	3,072	-
1822	Intangible assets (note 6(10))	2,420	-	1,097	-	1,323	-
1840	Deferred tax assets (note 6(19))	22,273	1	22,047	1	30,433	1
1900	Other non-current assets	1,667	-	544	-	687	-
1980	Other financial assets-non current (note 6(11)and 8)	1,382	-	1,382	-	4,819	-
		327,852	12	405,543	15	466,959	16
	Total assets	**$ 2,638,249**	**100**	**2,780,086**	**100**	**2,797,351**	**100**

		December 31, 2023		December 31, 2022 (Adjusted)		January 1, 2022 (Adjusted)	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**	**Amount**	**%**
	Current liabilities:						
2100	Short-term borrowings (note 6(12),7 and 8)	$ 6,000	-	84,775	3	157,352	6
2130	Contract liabilities-current (note 6(22))	2,323	-	3,215	-	3,091	-
2170	Accounts payable	357,115	14	329,429	12	409,493	15
2200	Other payables (note 7)	120,732	5	138,705	5	145,062	5
2230	Current tax liabilities	32,153	1	38,994	1	16,816	-
2280	Lease liabilities-current (notes 6(15))	5,524	-	7,819	-	7,586	-
2300	Other current liabilities (notes 6(13))	8,243	-	6,961	-	4,802	-
2313	Deferred revenue (notes 6(16))	1,356	-	1,967	-	2,364	-
2320	Long-term borrowings, current portion (notes 6(14),(16) and 8)	64,637	3	65,814	3	20,280	1
		598,083	23	677,679	24	766,846	27
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(14),(16) and 8)	118,041	5	180,711	7	244,161	9
2570	Deferred tax liabilities (note 6(19))	14,868	-	12,848	-	6,095	-
2580	Lease liabilities－non-current (notes 6(15))	2,142	-	7,550	-	15,369	1
2630	Long-term deferred revenue (notes 6(16))	440	-	1,796	-	3,763	-
2670	Other non-current liabilities	1,173	-	1,033	-	1,121	-
		136,664	5	203,938	7	270,509	10
	Total liabilities	734,747	28	881,617	31	1,037,355	37
	Equity attributable to owners of parent (notes 6(20))**:**						
3100	Share capital	611,750	23	611,750	22	611,750	22
3200	Capital surplus	669,678	25	669,678	24	669,678	24
3300	Retained earnings	751,522	28	725,043	26	613,496	22
3400	Other equity	(148,454)	(5)	(130,082)	(4)	(157,621)	(6)
	Total equity attributable to owners of parent:	1,884,496	71	1,876,389	68	1,737,303	62
36XX	Non-controlling interests (notes 6(6))	19,006	1	22,080	1	22,693	1
	Total equity	1,903,502	72	1,898,469	69	1,759,996	63
	Total liabilities and equity	**$ 2,638,249**	**100**	**2,780,086**	**100**	**2,797,351**	**100**

See accompanying notes to .

(English Translation of Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(22))	$ 2,083,903	100	2,240,839	100
5000	**Operating costs** (notes 6(5), (10) and (18))	1,696,559	81	1,863,696	83
5950	**Gross profit from operations**	387,344	19	377,143	17
	Operating expenses (notes 6(10), (15), (18) and (23)) **:**				
6100	Selling expenses	65,852	3	72,924	3
6200	Administrative expenses	132,056	6	136,216	6
6300	Research and development expenses	61,527	3	62,286	3
		259,435	12	271,426	12
6900	**Net operating income**	127,909	7	105,717	5
7000	**Non-operating income and expenses:**				
7100	Interest income (note 6(24))	47,024	2	16,061	1
7010	Other income (note 6(16),(17) and (24))	13,966	-	11,095	-
7190	Other gains and losses, net (notes 6(24))	394	-	1,423	-
7630	Foreign exchange gain, net	2,212	-	114,208	5
7050	Finance costs (notes 6(15) and (24))	(5,224)	-	(7,047)	-
		58,372	2	135,740	6
7900	**Profit before income tax**	186,281	9	241,457	11
7950	**Less: Income tax expenses** (note 6(19))	40,526	2	57,113	3
8200	**Profit for the period**	145,755	7	184,344	8
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income	(6,072)	-	2,857	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss(notes 6(19))	-	-	-	-
		(6,072)	-	2,857	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements	(12,300)	(1)	24,682	1
8399	Income tax related to items that will be reclassified to profit or loss(notes 6(19))	-	-	-	-
		(12,300)	(1)	24,682	1
8300	**Other comprehensive income (after tax)**	(18,372)	(1)	27,539	1
8500	**Total comprehensive income for the period**	**$ 127,383**	**6**	**211,883**	**9**
	Profit (loss), attributable to:				
8610	Owners of parent	$ 148,829	7	184,957	8
8620	Non-controlling interest(note 6(6))	(3,074)	-	(613)	-
		$ 145,755	**7**	**184,344**	**8**
	Comprehensive income attributable to:				
8710	Owners of parent	$ 130,457	6	212,496	9
8720	Non-controlling interest	(3,074)	-	(613)	-
		$ 127,383	**6**	**211,883**	9
	Earnings per share (note 6(21))				
9750	**Basic earnings per share (NT dollars)**	**$**	**2.43**		**3.02**
9850	**Diluted earnings per share (NT dollars)**	**$**	**2.41**		**2.97**

See accompanying notes to .

(English Translation of Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Equity attributable to owners of parent											
			Retained earnings				Other equity					
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity attributable to owners of parent	Non-controlling interests	Total equity
Balance at January 1, 2022	$ 611,750	669,678	221,512	149,899	242,085	613,496	(144,835)	(12,786)	(157,621)	1,737,303	22,693	1,759,996
Profit for the year ended December 31, 2022	-	-	-	-	184,957	184,957	-	-	-	184,957	(613)	184,344
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	24,682	2,857	27,539	27,539	-	27,539
Comprehensive income for the year ended December 31, 2022	-	-	-	-	184,957	184,957	24,682	2,857	27,539	212,496	(613)	211,883
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	8,461	-	(8,461)	-	-	-	-	-	-	-
Special reserve	-	-	-	7,722	(7,722)	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(73,410)	(73,410)	-	-	-	(73,410)	-	(73,410)
Balance at December 31, 2022	**$ 611,750**	**669,678**	**229,973**	**157,621**	**337,449**	**725,043**	**(120,153)**	**(9,929)**	**(130,082)**	**1,876,389**	**22,080**	**1,898,469**
Balance at January 1,2023	$ 611,750	669,678	229,973	157,621	337,449	725,043	(120,153)	(9,929)	(130,082)	1,876,389	22,080	1,898,469
Profit for the year ended December 31, 2023	-	-	-	-	148,829	148,829	-	-	-	148,829	(3,074)	145,755
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(12,300)	(6,072)	(18,372)	(18,372)	-	(18,372)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	148,829	148,829	(12,300)	(6,072)	(18,372)	130,457	(3,074)	127,383
Appropriation and distribution of retained earnings:												
Legal reserve	-	-	18,496	-	(18,496)	-	-	-	-	-	-	-
Reversal of special reserve	-	-	-	(27,539)	27,539	-	-	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	-	(122,350)	-	(122,350)
Balance at December 31, 2023	**$ 611,750**	**669,678**	**248,469**	**130,082**	**372,971**	**751,522**	**(132,453)**	**(16,001)**	**(148,454)**	**1,884,496**	**19,006**	**1,903,502**

See accompanying notes to .

(English Translation of Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD AND SUBSIDIARIES

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	2023	2022 (Adjusted)
Cash flows from operating activities:		
Profit before tax	$ 186,281	241,457
Adjustments:		
Adjustments to reconcile profit (loss):		
Depreciation expense	97,472	99,890
Amortization expense	119	226
Interest expense	5,224	7,047
Interest income	(47,024)	(16,061)
Gain from disposal of property, plant and equipment	(394)	(1,423)
Total adjustments to reconcile profit (loss)	55,397	89,679
Changes in operating assets and liabilities:		
Changes in operating assets:		
Decrease in accounts receivable	92,532	5,273
Increase in other receivables	(1,606)	(283)
Decrease (increase) in inventories	4,075	(15,372)
Decrease in prepayments	17,342	5,810
(Increase) decrease in other current assets	(1,110)	669
Total changes in operating assets	111,233	(3,903)
Changes in operating liabilities:		
Increase (decrease) in accounts payable	27,686	(80,064)
Decrease in other payables include related parites	(17,884)	(4,538)
Increase in other current liabilities	390	2,283
Total changes in operating liabilities	10,192	(82,319)
Total changes in operating assets and liabilities	121,425	(86,222)
Total adjustments	176,822	3,457
Cash inflow generated from operations	363,103	244,914
Interest received	46,046	13,096
Interest paid	(5,913)	(6,445)
Income taxes paid	(45,498)	(19,951)
Net cash flows from operating activities	357,738	231,614
Cash flows from investing activities:		
Acquisition of property, plant and equipment	(24,722)	(42,387)
Proceeds from disposal of property, plant and equipment	1,587	3,455
Decrease in refundable deposits	-	3,437
Acquisition of intangible assets	(1,463)	-
(Increase) decrease in other financial assets	(139,002)	498,954
Increase in other non-current assets	(4,025)	(5,065)
Net cash flows (used in) from investing activities	(167,625)	458,394
Cash flows from financing activities:		
Increase in short-term borrowings	79,755	151,259
Decrease in short-term borrowings	(159,701)	(232,496)
Repayments of long-term borrowings	(65,814)	(20,280)
Increase (decrease) in guarantee deposits received	140	(88)
Payment of lease liabilities	(7,876)	(7,586)
Cash dividends paid	(122,350)	(73,410)
Net cash flows used in financing activities	(275,846)	(182,601)
Effect of exchange rate changes on cash and cash equivalents	(7,160)	28,611
Net increase (decrease) in cash and cash equivalents	(92,893)	536,018
Cash and cash equivalents at beginning of period	1,144,909	608,891
Cash and cash equivalents at end of period	$ 1,052,016	1,144,909

See accompanying notes to .

1 Company history

Shian Yih Electronic Industry Co., Ltd (the “Company”).was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company and its subsidiaries (together referred to as the “Group”) mainly engage in manufacture and sale of back light modules; please refer to note 14 for details.

2 Approval date and procedures of the consolidated financial statements:

These consolidated financial statements were authorized for issue by the Board of Directors on March 12, 2024.

3 New standards, amendments and interpretations adopted:

(a) The impact of the International Financial Reporting Standard("IFRSs") endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accouning Estimates”
- Amendments to IAS 12 “Deferred Tax related to Asset and Loabilities arising from a Single Transaction”

The Group has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

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

(b) The impact of IFRS issued by the FSC but not yet effective

The Group assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its consolidated financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(c) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Group does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its consolidated financial statements:

- Amendments to IFRS 10 and IAS 28 "Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture"
- IFRS 17 " Insurance Contracts" and amendments to IFRS 17 " Insurance Contracts"
- Amendments to IAS21 "Lack of Exchangeability"

4 Summary of material accounting policies:

The material accounting policies presented in the consolidated financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial statements.

(1) Statement of compliance

These consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter referred to as "the Regulations") and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations endorsed and issued into effect by the Financial Supervisory Commission, R.O.C..

(2) Basis of preparation

(i) Basis of measurement

Except for financial assets (liabilities) at FVTPL, the consolidated financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Group entity is determined based on the primary economic environment in which the entity operates. The consolidated financial statements are presented in New Taiwan Dollar (NTD), which is the Company's functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Basis of consolidation

(i) Principles of preparation of the consolidated financial statements

The consolidated financial statements comprise the Company and subsidiaries. Subsidiaries are entities controlled by the Group. The Group 'controls' an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases. Intragroup balances and transactions, and any unrealized income and expenses arising from Intragroup transactions are eliminated in preparing the consolidated financial statements. The Group attributes the profit or loss and each component of other comprehensive income to the owners of the parent and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

The Group prepares consolidated financial statements using uniform accounting policies for like transactions and other events in similar circumstances. Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received will be recognized directly in equity, and the Group will attribute it to the owners of the parent.

(ii) List of subsidiaries in the consolidated financial statements

List of the subsidiaries included in the consolidated financial statements:

			Shareholding	
Name investor	**Name of investee**	**Pricipal activity**	**December 31, 2023**	**December 31, 2022**
The Company	Shian Yih (Samoa) Electronic Industry Co., Ltd. (Shian Yih (Samoa))	Investee	100.00%	100.00%
The Company	Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	Manufacture and sale of optical products	50.00%	50.00%
Shian Yih (Samoa)	Fair Some (Samoa) Industrial Ltd. (Fair Some (Samoa))	Investee	100.00%	100.00%
Shian Yih (Samoa)	Wise Development Group Ltd. (Wise)	Investee	100.00%	100.00%
Wise	Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%
Fair Some (Samoa)	Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	Manufacture and sale of small and medium-sized LED backlight modules	100.00%	100.00%

(iii) Subsidiaries excluded from the consolidated financial statements: None.

(4) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Group entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(5) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(6) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(7) Financial instruments

Trade receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Group becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·i ts contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Group's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Group recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost, debt investments measured at FVOCI and contract assets.

The Group measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Group's historical experience and informed credit assessment as well as forward-looking information.

The Group assumes that the credit risk on a ffinancial asset has increased significantly if it is more than 30 days past due.

The Group onsiders a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Group in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Group assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer ;

· a breach of contract such as a default or being more than 1 year past due ;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;

· it is probable that the borrower will enter bankruptcy or other financial reorganization；or

- the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Group are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Group derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(8) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(9) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(10) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1) Buildings and structures 5~36 years

2) Machinery equipment 2~5 years

3) Office and other facilities 2~11 years

The significant components and useful lives of buildings and structures were as follows:

Component	Useful life
Main buildings	20 to 36 years
Clean room renovation project	6 to 21 years
Repairs and maintenance project for plants	36 years
Other	2 to 8 years

Depreciation methods, useful lives and residual values are reviewed on every reporting date and, if necessary, adjusted; any changes therein are accounted for as changes in accounting estimates.

(11) Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Group recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

— there is a change in future lease payments arising from the change in an index or rate; or

— there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee; or

— here is a change in the assessment regarding the purchase option; or

— there is a change of its assessment on whether it will exercise a extension or termination option; or

— there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Group accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Group presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Group has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Group has elected not to recognize right-of-use assets and lease liabilities for leases with short terms and low values of dormitories and other items. Instead, the Group recognizes related lease payments expenses on a straight-line basis over the lease term.

(ii) As a leasor

When the Group acts as a lessor, it determines at lease commencement whether each lease is a finance lease or an operating lease. To classify each lease, the Group makes an overall assessment of whether the lease transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognizes lease payments received under operating leases as income on a straight-line basis over the lease term as part of ‘rent income’.

(12) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Group intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Group are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The Group's other intangible assets is software, which shall be recognized in profit or loss on a straight-line basis over their estimated useful lives of 2 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(13) Impairment of non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units（CGUs）. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(14) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring goods or services to a customer. The Group recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Group's main types of revenue are explained below.

1) Sale of goods

The Group mainly produces backlight modules and related components, and sells them to manufacturers of medium and small-sized panels as well as touch modules. The Group recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled oblilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Group has a right to an amount of consideration that is unconditional.

2) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the group does not adjust any of the transaction prices for the time value of money.

(15) Government grants

The Group recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Group for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(16) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(17) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that at the time of the transaction.

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(18) Earnings per share

The Group discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares.,such as convertible bonds and employee compensation.

(19) Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses (including revenues and expenses relating to transactions with other components of the Group). Operating results of the operating segment are regularly reviewed by the Group's chief operating decision maker to make decisions about resources to be allocated to the segment and to assess its performance. Each operating segment consists of standalone financial information.

5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these consolidated financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows.

(1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Group estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the sales price. Net realizable values of inventories are mainly determined based on assumptions as to future demand within a specific time horizon. Due to rapid industrial transformation, there may be significant changes in net realizable values of inventories. Please refer to note 6(5) for inventory valuation.

6 Explanation of significant accounts:

(1) Cash and cash equivalents

		December 31, 2023	December 31, 2022
Cash on hand and petty cash	$	2,635	11,778
Demand deposits		333,704	294,393
Checking account deposits		239	221
Time deposits		715,438	838,517
Cash and cash equivalents in the consolidated statement of cash flows	$	1,052,016	1,144,909

In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 and January 1,2022 to $340,714 thousand and $32,861 thousand, and reclassified other financial assets-non-current into cash and about cash.

Please refer to note 6(25) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Group.

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

		December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income: ：			
Unlisted common shares			
Domestic Company–Ying Cheng Investment Corp.	$	9,334	15,406

The purpose that the Group invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

There were no disposals of strategic investments and transfers of any cumulative gain or loss within equity relating to these investments as of December 31, 2023 and 2022.

For credit risk and market risk,please refer to note 6(25).

None of the financial assets mentioned above has been pledged as security.

(3) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable — measured as amortized cost	$ 558,607	651,139
Less: loss allowance	-	-
	$ 558,607	**651,139**

The Group applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

The expected credit losses (ECLs) on accounts receivable as of December 31, 2023 and 2022 were determined as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 497,992	-	-
1 to 30 days past due	57,421	-	-
31 to 60 days past due	3,116	-	-
61 to 90 days past due	78	-	-
Total	**$ 558,607**		-

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 545,025	-	-
1 to 30 days past due	98,287	-	-
31 to 60 days past due	6,793	-	-
More than 91 days past due	1,034	-	-
Total	**$ 651,139**		-

The movements in the allowance for accounts receivable were as follows:

	2023	2022
Balance at January 1(which is Balance at December 31)	$ -	-

None of the accounts receivable has been pledged as collateral as of December 31, 2023 and 2022.

For further credit risk information, please refer to note 6(25).

(4) Other receivables

	December 31, 2023	December 31, 2022
Other receivables	$ 9,649	7,065

As of December 31, 2023 and 2022, none of the Group’s other receivables was overdue. For 2023 and 2022, no impairment has been recognized.

For further credit risk information, please refer to note 6(25).

(5) Inventories

	December 31, 2023	December 31, 2022
Merchandise	$ 17,189	22,084
Finished goods	130,009	112,590
Work in progress	76,406	75,369
Raw materials	165,311	182,210
Supplies	4,423	5,160
	$ 393,338	397,413

The costs of sales were as follows:

	2023	2022
Inventory that has been sold	$ 1,655,240	1,819,235
Write-down of inventories	1,261	1,882
Losses on inventory write-offs	8,704	10,304
Overage of inventories	(12)	(17)
Unallocated production overheads	31,366	32,292
Operating costs	$ 1,696,559	1,863,696

As of December 31, 2023 and 2022, the Group's did not provide any inventories as collateral for its loans.

(6) Material non-controlling interests of subsidiaries

The material non-controlling interests of subsidiaries were as follows:

Subsidiary	Major Operation place Registered country	Percentage of non-controlling interests December 31, 2023	December 31, 2022
CHIAN YIH OPTOTECH CO., LTD.	Taiwan	50%	50%

The following information of the material non-controlling interests of subsidiaries have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers. Included in this information is the fair value adjustment made during the acquisition and relevant difference in accounting principles between the Group as at the acquisition date. Intra-group transactions were not eliminated in this information.

CHIAN YIH OPTOTECH CO., LTD's. Collective financial information ：

	December 31, 2023	December 31, 2022
Current assets	$ 15,119	21,734
Non-current assets	34,964	39,428
Current liabilities	(9,721)	(12,824)
Non-current liabilities	(2,348)	(4,176)
Net assets	$ 38,014	44,162
Non-controlling interests	$ 19,006	22,080

	2023	2022
Sale revenue	$ 16,438	28,695
Net loss	$ (6,148)	(1,226)
Other comprehensive income	-	-
Comprehensive income	$ (6,148)	(1,226)
Loss, attributable to non-controlling interests	$ (3,074)	(613)
Comprehensive income, attributable to non-controlling interests	$ (3,074)	(613)
Net cash flows from operating activities	$ 1,055	6,516
Net cash flows from investing activities	-	7,103
Net cash flows from financing activities	(3,907)	(8,179)
Net (decrease) increase in cash and cash equivalents	$ (2,852)	5,440

(7) Property, plant and equipment

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Unfinished construction and equipment under acceptance	Total
Cost:							
Balance on January 1, 2023	$	6,971	584,210	453,535	117,121	6,439	1,168,276
Additions		-	1,816	17,550	6,466	2,365	28,197
Disposal		-	-	(2,898)	(2,626)	(1,193)	(6,717)
Reclassification		-	-	4,889	330	(5,219)	-
Effect of movements in exchange rates		-	(7,839)	(7,549)	(1,261)	(64)	(16,713)
Balance on December 31, 2023	$	6,971	578,187	465,527	120,030	2,328	1,173,043
Balance on January 1, 2022	$	6,971	550,038	442,859	113,409	17,918	1,131,195
Additions		-	9,955	21,632	8,049	5,536	45,172
Disposal		-	-	(20,926)	(7,420)	-	(28,346)
Reclassification		-	9,288	5,340	2,273	(17,040)	(139)
Effect of movements in exchange rates		-	14,929	4,630	810	25	20,394
Balance on December 31, 2022	$	6,971	584,210	453,535	117,121	6,439	1,168,276
Accumulated depreciation:							
Balance on January 1, 2023	$	-	397,919	352,255	92,738	-	842,912
Depreciation for the period		-	37,366	39,100	11,409	-	87,875
Disposal		-	-	(2,898)	(2,626)	-	(5,524)
Effect of movements in exchange rates		-	(5,558)	(6,483)	(1,101)	-	(13,142)
Balance on December 31, 2023	$	-	429,727	381,974	100,420	-	912,121
Balance on January 1, 2022	$	-	347,475	327,830	87,212	-	762,517
Depreciation for the period		-	38,264	39,834	12,301	-	90,399
Disposal		-	-	(18,894)	(7,420)	-	(26,314)
Effect of movements in exchange rates		-	12,180	3,485	645	-	16,310
Balance on December 31, 2022	$	-	397,919	352,255	92,738	-	842,912
Carrying amounts:							
Balance on January 1, 2023	$	6,971	148,460	83,553	19,610	2,328	260,922
Balance on January 1, 2022	$	6,971	202,563	115,029	26,197	17,918	368,678
Balance on December 31, 2022	$	6,971	186,291	101,280	24,383	6,439	325,364

As of December 31, 2023 and 2022, the property, plant and equipment had been pledged as collatral for long-term bank loans; please refer to note 8.

(8) Right-of-use assets

The Group leases many assets including land, buildings, and structures; the cost, depreciation and impairment were as follows:

		Land	Buildings and Construction	Total
Cost:				
Balance on January 1, 2023	$	25,936	41,754	67,690
Additions		-	174	174
Effect of movements in exchange rates		(515)	-	(515)
Balance on December 31, 2023	**$**	**25,421**	**41,928**	**67,349**
Balance on January 1, 2022	$	25,477	41,754	67,231
Effect of movements in exchange rates		459	-	459
Balance on December 31, 2022	**$**	**25,936**	**41,754**	**67,690**
Accumulated depreciation:				
Balance on January 1, 2023	$	3,174	27,019	30,193
Depreciation for the year		740	7,636	8,376
Effect of movements in exchange rates		(72)	-	(72)
Balance on December 31, 2023	**$**	**3,842**	**34,655**	**38,497**
Balance on January 1, 2022	$	2,392	19,441	21,833
Depreciation for the year		744	7,578	8,322
Effect of movements in exchange rates		38	-	38
Balance on December 31, 2022	**$**	**3,174**	**27,019**	**30,193**
Carrying amounts:				
Balance on December 31, 2023	**$**	**21,579**	**7,273**	**28,852**
Balance on January 1, 2022	**$**	**23,085**	**22,313**	**45,398**
Balance on December 31, 2022	**$**	**22,762**	**14,735**	**37,497**

(9) Investment property

Investment property, which means assets owned by the Group, refers to plants leased to third parties under operating leases. The leases of investment properties contain an initial non-cancellable lease term of 10 years.

The rental income of all leased investment properties is in fixed amounts.

The movements in investment property of the Group were as follows:

	Self-owned asset–buildings and structures
Cost:	
Balance on January 1, 2023	$ 34,780
Effect of movements in foreign exchange rates	(7)
Balance on December 31, 2023	$ 34,773
Balance on January 1, 2022	$ 31,348
Effect of movements in foreign exchange rates	3,432
Balance on December 31, 2022	$ 34,780
Accumulated depreciation:	
Balance on January 1, 2023	$ 32,574
Depreciation for the year	1,221
Effect of movements in foreign exchange rates	(24)
Balance on December 31, 2023	$ 33,771
Balance on January 1, 2022	$ 28,276
Depreciation for the year	1,169
Effect of movements in foreign exchange rates	3,129
Balance on December 31, 2022	$ 32,574
Carrying amounts:	
Balance on December 31, 2023	$ 1,002
Balance on January 1, 2022	$ 3,072
Balance on December 31, 2022	$ 2,206
Fair value:	
Balance on December 31, 2023	$ 15,337
Balance on December 31, 2022	$ 17,927

Investment property comprises a number of commercial properties that are leased to third parties. Each of the leases contains an initial non-cancellable period of 10 years, for the subsequent lease term, it is negotiated with the lessee, and there is no contingent rental been collected. For relevant information (including rental income and direct operating expenses that had incurred), please refer to Note 6 (17)。

The fair value of investment property was measured using the market approach. The yield method under the income approach would have been used if there was no active market for the investment properties.The inputs of levels of fair value hierarchy in determining the fair value is classified to Level 3.

For 2023 and 2022, the adopted range of yield rates was as follows:

Geographic information	2023	2022
Dongguan, Mainland China	10.79%	11.36%

As of December 31, 2023 and 2022, the Group did not provide any investment property as collateral for its loans.

(10) Intangible assets

The cost, amortization and impairment of the intangible assets of the Group for the years ended December 31, 2023 and 2022, were as follows:

		Software	Goodwill	Total
Cost:				
Balance on January 1,2023	$	2,095	1,060	3,155
Additions		1,463	-	1,463
Effect of movement in exchange rates		(22)	-	(22)
Balance on December 31, 2023	**$**	**3,536**	**1,060**	**4,596**
Balance on January 1, 2022 (Balance on December 31, 2022)	**$**	**2,095**	**1,060**	**3,155**
Accumulated amortization：				
Balance on January 1, 2023	$	2,058	-	2,058
Amortization for the year		119	-	119
Effect of movement in exchange rate		(1)	-	(1)
Balance on December 31, 2023	**$**	**2,176**	**-**	**2,176**
Balance on January 1, 2022	$	1,832	-	1,832
Amortization for the year		226	-	226
Balance on December 31, 2022	**$**	**2,058**	**-**	**2,058**
Carrying value				
Balance on January 1, 2023	**$**	**1,360**	**1,060**	**2,420**
Balance on January 1, 2022	**$**	**263**	**1,060**	**1,323**
Balance on December 31, 2022	**$**	**37**	**1,060**	**1,097**

(i) Amortization

The amortization of intangible assets is included in the the statement of comprehensive income:

		2023	2022
Cost of sales	$	43	36
Operating expenses		76	190
	$	**119**	**226**

(ii) Disclosure on pledges

As of December 31, 2023 and 2022, none of the Group's intangible assets was pledged as collateral.

(11) Other financial assets

The other financial assets of the Group were as follows:

		December 31, 2023	December 31, 2022
Restricted bank deposits	$	4,361	16,471
Time deposits–more than 3 months		242,403	91,291
Guarantee deposits paid		1,382	1,382
	$	**248,146**	**109,144**

		December 31, 2023	December 31, 2022
Current	$	246,764	107,762
Non-current		1,382	1,382
	$	**248,146**	**109,144**

According to the IFRS question updated by the Securities and Future Bureau of the Financial Suoervisory Commisssion on January 5, 2024, the merging company reclassified the deposit balance of foreign funds remitted back to the special account on December 31, 2022 and January1, 2022, of which $91,291 thousand and $372,294 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

Restricted bank deposits are time deposits secured by bank loan pledged. Bank time deposits with an original maturity of more than three months are certiflcates deposit that do not meet the definition of cash equivalent.

For the restricted bank deposits pledged as security, please refer to note 8. As of December 31, 2023 and 2022, no impairment has been recognized for other financial assets. Additionally, please refer to note 6(25) for credit risk and market risk associated with other financial assets.

(12) Short-term borrowings

The short-term borrowings were summarized as follows:

	December 31, 2023	December 31, 2022
Secured bank loans	$ -	76,775
Other short-term borrowings - related parties	6,000	8,000
	$ 6,000	84,775
Unused short-term credit lines	$ 456,018	377,310
Range of interest rates	2.3%	1.925%~5.43%

The borrowings from related parties,please refers to note7.For the collateral for short-term borrowings, please refer to note 8.

(13) Other current liabilities

The Group's other current liabilities were as follows:

	December 31, 2023	December 31, 2022
Advance molding payment	$ 6,094	4,930
Temporary receipts	1,596	1,401
Receipts under custody	553	630
	$ 8,243	6,961

(14) Long-term borrowings

The details of long-term borrowings were as follows:

	December 31, 2023		
	Rate	Maturity year	Amount
Secured bank loans	0.47%~0.595%	October 2024 to November 2029	$ 184,474
Less: current portion			(64,637)
Government grants			(1,796)
			$ 118,041
Unused long-term credit lines			$ -

	December 31, 2022		
	Rate	Maturity year	Amount
Secured bank loans	0.095%~0.47%	October 2024 to November 2029	$ 250,288
Less: current portion			(65,814)
Government grants			(3,763)
			$ 180,711
Unused long-term credit lines			$ -

(i) Government low-interest loans

The differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" were considered government grants; please refer to note 6(16) for details.

(ii) Collateral for bank loans

For the collateral for long-term borrowings, please refer to Note 8.

(15) Lease liabilities

The carrying amounts of the Group's lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 5,524	7,819
Non-current	2,142	7,550
	$ 7,666	15,369

For the maturity analysis, please refer to note 6(25).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 164	264
Expenses relating to short-term leases	$ 4,594	4,961

The amounts recognized in the statement of cash flows for the Group were as follows:

	2023	2022
Total cash outflow for leases	$ 12,634	12,811

(i) Land and Building leases

The Group leases land, buildings and structures for office spaces and plants, with a lease term of 3 years, and some leases include an option to extend the lease for an additional period of the same duration at the end of the lease term.

(ii) Other leases

The Group also leases dormitory and other leases with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group has elected not to recognize right-of-use assets and lease liabilities for these leases.

(16) Deferred revenues

	December 31, 2023	December 31, 2022
Government grants	$ 1,796	3,763
Current	$ 1,356	1,967
Non-current	440	1,796
	$ 1,796	3,763

As of December 31, 2023 and 2022, the Group's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to $184,474 thousand and $250,288 thousand, and the fair values thereof amounted to $182,678 thousand and $246,525 thousand, respectively. The differences between the amounts and fair values of the loans, amounting to $1,796 thousand and $3,763 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. As of December 31, 2023 and 2022, the Group's revenues from government grants amounted to $1,967 thousand and $2,364 thousand respectively, both of which were included in other revenues.

(17) Operating leases

The Group leases out its investment property . The Group has classified these leases as operating leases, because it does not transfer substantially all of the risks and rewards incidental to the ownership of the assets. Please refer to note 6(7) that sets out information about the operating leases of investment property.

A maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date are as follows:

	December 31, 2023	December 31, 2022
Less than one year	$ 3,753	3,778
One to two years	3,985	3,778
Two to three years	4,031	4,012
Three to four years	1,477	4,058
Four to five years	966	1,487
More than five years	7,244	8,265
Total undiscounted lease payments	$ 21,456	25,378

For 2023 and 2022, the rent income arising from real estate amounted to $3,809 thousand and $3,841 thousand, respectively. Repair and maintenance expenses arising from investment property were as follows:

	2023	2022
Income generating property	$ 1,224	1,172

(18) Employee benefits

Defined contribution plans

The Group allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

Pension payments are made by FAIR LUMI (DONGGUAN) and SHIAN YIH (DONGGUAN) based on a contribution system, and the monthly contributions are made to employees' individual accounts with the Bureau of Human Resource and Social Security. As the accounts are completely separated from the Company, the deposits are transferred upon departure of employees. The contributions payable are recognized as the expenses for the period; however, Shina Yih (Samoa) and Fair some (Samoa) do not have permanent employees.

For 2023 and 2022, the Group recognized the pension costs of $27,307 thousand and $30,641 thousand respectively under the defined contribution plan. The payments have been deposited into employees' individual accounts with the Bureau of Labor Insurance and the Bureau of Human Resource and Social Security.

(19) Income taxes

(i) Income tax expense

The components of income tax in the years 2023 and 2022 were as follows:

		2023	2022
Current tax expense:			
Current period	$	39,009	41,664
Undistributed Earnings Levy		3,582	-
Adjustment for prior periods		(3,859)	310
		38,732	41,974
Deferred tax expense：			
Origination and reversal of temporary differences		1,794	15,139
Income taxes	$	40,526	57,113

For 2023 and 2022, none of the amounts of income tax expenses have not been recognized in other comprehensive income.

For 2023 and 2022, reconciliations of income tax expenses and pre-tax profits were as follows:

	2023	2022
Profit excluding income tax	$ 186,281	241,457
Income tax using the Company's domestic tax rate	$ 37,256	48,291
Effect of tax rates in foreign jurisdiction	9,742	2,123
Other tax adjustments made pursuant to tax laws	(2,788)	6,919
Changes in unrecognized temporary differences	(3,407)	(530)
(Overestimate) underestimate of prior-year income taxes	(3,859)	310
Undistributed Earnings Levy	3,582	-
Total	$ 40,526	57,113

(ii) Deferred tax assets and liabilities

1) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

	December 31, 2023	December 31, 2022
Aggregated amount of temporary differences related to investments in subsidiaries	$ 472,707	449,571
Unrecognized deferred tax liabilities	$ 94,541	89,914

2) Unrecognized deferred tax

Deferred tax assets have not been recognized in respect of the following items:

	December 31, 2023	December 31, 2022
Tax effect of deductible Temporary Differences	$ (334)	107
The carryforward of unused tax losses	1,799	138
	$ 1,465	245

The R.O.C. Income Tax Act allows net losses, as assessed by the tax authorities, to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Group can utilize the benefits therefrom.

As of December 31, 2023, the information of the Group's unused tax losses for which no deferred tax assets were recognized are as follows:

Company	Year of loss	Unused operating loss Carry forwards	Expiration year
Chian Yih optotech	2022	$ 690	2032
Chian Yih optotech	2023	8,307	2033
	Total	**$ 8,997**	

3) Recognized deferred tax assets and abilities

Changes in the amounts of deferred tax assets and liabilities for 2023 and 2022 were as follows:

Deferred Tax Assets:	Liabilities arising from compensated absences	Carry forward of unused tax losses	Unrealized exchange losses	Other	Total
Balance at January 1, 2023	$ 761	20,052	-	1,234	22,047
Credit in income statement	139	-	-	87	226
Balance at December 31, 2023	**$ 900**	**20,052**	**-**	**1,321**	**22,273**
Balance at January 1, 2022	$ 676	20,052	8,785	920	30,433
(Debit) credit in income statement	85	-	(8,785)	314	(8,386)
Balance at December 31, 2022	**$ 761**	**20,052**	**-**	**1,234**	**22,047**

Deferred Tax Liabilities: ：	Equity-accounted investments	Unrealized foreign exchange gains	Total
Balance at January 1, 2023	$ 6,870	5,978	12,848
Debit (credit) in income statement	4,627	(2,607)	2,020
Balance at December 31, 2023	**$ 11,497**	**3,371**	**14,868**
Balance at January 1, 2022	$ 6,095	-	6,095
Debit in income statement	775	5,978	6,753
Balance at December 31, 2022	**$ 6,870**	**5,978**	**12,848**

3) Assessment of tax

The tax returns of the Company and its domestic subsidiaries have been examined and approved by the R.O.C. tax authorities as follows:

	Approved year
The Company	110
Chian Yih Optotech Co., Ltd.	110

(20) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized share capital amounted to $1,000,000 thousand (of which $100,000 thousand is for issuing employee share option warrants), divided into 100,000 thousand shares with a par value of $10 per share. The aforesaid authorized share capital consists of ordinary shares only, and the issued ordinary shares were 61,175 thousand shares as of both dates. All issued shares were paid up upon issuance.

(i) Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Share premium	$ 668,486	668,486
Gains on disposal of assets	207	207
Changes in ownership interests in subsidiaries	985	985
	$ 669,678	669,678

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

(ii) Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure, and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

1) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with the regulation set by the Financial Supervisory Commission, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution.The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. The special reserve for the years ended December 31, 2023 and 2022, was $130,082 thousand and $157,621 thousand, respectively.

3) Earnings distribution

On March 15, 2023, the 2022 earnings appropriation was resolved in a board meeting. On March 17, 2022, the 2021 earnings appropriation was resolved in a shareholders' general meeting. Dividends were distributed to owners as follows:

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 2.00	122,350	1.20	73,410

The amount of cash dividends on the 2023 earnings distribution, approved during the board meeting on March 12, 2024,

	2023		
		Amount per share	**Total amount**
Dividends distributed to ordinary shareholders:			
Cash	$	1.70	103,998

(iii) Other comprehensive income accumulated in reserves, net of tax

		Exchange differences on translation of foreign financial statements	**Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income**	**Total**
Balance on January 1, 2023	$	(120,153)	(9,929)	(130,082)
Exchange differences on foreign operations		(12,300)	-	(12,300)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	(6,072)	(6,072)
Balance on December 31, 2023	$	(132,453)	(16,001)	(148,454)
Balance on January 1, 2022	$	(144,835)	(12,786)	(157,621)
Exchange differences on foreign operations		24,682	-	24,682
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income		-	2,857	2,857
Balance on December 31, 2022	$	(120,153)	(9,929)	(130,082)

(21) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share was based on the profits of $148,829 thousand and $184,957 thousand attributable to the Company’s ordinary shareholders, and the weighted-average numbers of outstanding ordinary shares of 61,175 thousand shares as of both dates. The details were as follows:

1) Profit attributable to ordinary shareholders of the Company

		2023	2022
Net Profit attributable to ordinary shareholders of the Company	$	148,829	184,957

2) Weighted average number of ordinary shares

		2023	2022
Weighted average number of ordinary shares (in thousands)		61,175	61,175
Basic earnings per share (NT dollars)	$	2.43	3.02

(ii) Diluted earnings per share

The details on the calculation of diluted earnings per share as of December 31, 2023 and 2022 was based on the profit attributable to ordinary shareholders of the Company amounting to $148,829 thousand and $184,957 thousand , and the weighted average number of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares of 61,714 thousand and 62,230 thousand, respectively, as follows:

1) Net profit attributable to ordinary shareholders of the Company (diluted)

		2023	2022
Net profit attributable to ordinary shareholders of the Company (diluted)	$	148,829	184,957

2) Weighted average number of ordinary shares (diluted)

		2023	2022
Weighted average number of ordinary shares(basic) (in thousands)		61,175	61,175
Effect of dilutive potential ordinary shares			
Effect of employee share bonus		539	1,055
Weighted average number of ordinary shares (after adjustment of potential diluted ordinary shares)		61,714	62,230
Diluted earnings per share (NT dollars)	$	2.41	2.97

(22) Revenue from contracts with customers

(i) Disaggregation of revenue

		2023	2022
Primary geographical markets			
Taiwan	$	533,423	759,829
China		875,754	1,021,673
Japan		55,371	97,487
The United States		380,996	208,676
Other countries		238,359	153,174
	$	2,083,903	2,240,839
Major products/services lines			
Backlight modules	$	1,892,803	1,991,797
Other		191,100	249,042
	$	2,083,903	2,240,839

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$	2,323	3,215	3,091

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $2,826 thousand and $207 thousand, respectively.

(23) Remunerations of employees, directors, and supervisors

According to the Company’ s Articles of Incorporation, the Company should distribute its remuneration of not less than 2%~10% and not more than 2% of annual profits to its employees and directors respectively, after offsetting accumulated deficits, if any. Employees, including employees of affiliate companies that meet certain conditions, are subject to the abovementioned remuneration, which is to be distributed in stock or cash.

For 2023 and 2022, the Company’s employee remunerations were estimated at $14,064 thousand and $15,023 thousand, and director and supervisor remunerations were estimated at $4,018 thousand and $5,008 thousand, respectively. The estimates mentioned above were calculated based on the Company’s pre-tax profit (before deducting the remunerations of employees, directors and supervisors for each period), multiplied by the percentages of remunerations of employees, directors and supervisors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expens es for 2023 and 2022. The amounts, as stated in the consolidated financial statements, are identical to those of the actual distributions for 2023 and 2022. Related information would be available at the Market Observation Post System website.

(24) Non-operating income and expenses

(i) Interest income

The details of interest income for years 2023 and 2022 were as follows:

		2023	2022
Interest income from bank deposits	$	47,024	16,061

(ii) Other income

The details of other income for years 2023 and 2022 were as follows:

		2023	2022
Rent income	$	4,656	4,255
Government grants income		1,967	2,364
Other income		7,343	4,476
	$	13,966	11,095

(iii) Other gains and losses

The details of other gains and losses for years2023 and 2022 were as follows:

		2023	2022
Gains on disposals of property, plant and equipment	$	394	1,423

(iv) Finance costs

The details of finance costs for years 2023 and 2022 were as follows:

		2023	2022
Interest expense on bank deposits	$	5,060	6,783
Implicit interest on leases		164	264
	$	5,224	7,047

(25) Financial instruments

(i) Credit risk

1) Credit risk exposure

The carrying amount of financial assets represents the maximum amount exposed to credit risk.

2) Concentration of credit risk

Implicit credit risk of the Group is inherent in its cash and trade receivables. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Group are centralized in the electronics industry. To minimize credit risk, the Company periodically evaluates the Company's financial positions and the possibility of collecting trade receivables.

Besides, the Consolidated Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

As of December 31, 2023 and 2022, 45% and 43%, respectively, of account receivables were due to 1 customer. Thus, credit risk is significantly concentrated.

3) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3). Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(7). As of December 31, 2023 and 2022, the Group's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

(ii) Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

	Carrying amount	Contractual cash flows	Within a year	1~2years	2~5years	Over 5 years
December 31, 2023						
Non-derivative financial liabilities						
Secured bank loans with floating rate	$ 182,678	188,118	65,776	60,371	58,763	3,208
Fixed-rate loan	6,000	6,120	6,120	-	-	-
Accounts payable (non-interest-bearing)	357,115	357,115	357,115	-	-	-
Other payables (non-interest-bearing)	120,732	120,732	120,732	-	-	-
Lease liabilities (fixed interest rate)	7,666	7,750	5,590	2,160	-	-
Guarantee deposits received	1,173	1,173	238	-	856	79
	$ 675,364	681,008	555,571	62,531	59,619	3,287

	Carrying amount	Contractual cash flows	Within a year	1~2years	2~5years	Over 5 years
December 31, 2022						
Non-derivative financial liabilities						
Secured bank loans with floating rate	$ 323,300	332,625	144,879	65,583	114,930	7,233
Fixed-rate loan	8,000	8,138	8,138	-	-	-
Accounts payable (non-interest-bearing)	329,429	329,429	329,429	-	-	-
Other payables (non-interest-bearing)	138,705	138,705	138,705	-	-	-
Lease liabilities (fixed interest rate)	15,369	15,613	7,981	5,531	2,101	-
Guarantee deposits received	1,033	1,033	221	22	46	744
	$ 815,836	825,543	629,353	71,136	117,077	7,977

The Group does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

(iii) Currency risk

1) Exposure to currency risk

The Group's significant exposure to foreign currency risk was as follows:

(In thousands of foreign currencies)

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchang rates	NTD	Foreign currency	Exchang rates	NTD
Financial assets						
Monetary items						
USD	$ 48,194	30.705	1,479,797	54,149	30.710	1,662,916
RMB	2,656	4.3295	11,499	4,533	4.4178	20,026
HKD	1,298	3.929	5,100	924	3.938	3,639
Financial liabilities						
Monetary items						
USD	10,204	30.705	313,314	13,731	30.710	421,679
RMB	649	4.3295	2,810	366	4.4178	1,617
HKD	463	3.929	1,819	366	3.938	1,441

2) Sensitivity analysis

The Group's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD, RMB and HKD as of December 31, 2023 and 2022, with all other variables remaining constant, would have increased or decreased profits after tax by $9,428 thousand and $10,095 thousand, respectively. The analysis is performed on the same basis for prior year.

3) Foreign exchange gain and loss on monetary items

Since the Group has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For 2023 and 2022, net foreign exchange gains (losses) (including realized and unrealized portions) amounted to $2,212 thousand and $114,208 thousand, respectively.

(iv) Interest rate analysis

Please refer to the notes on liquidity risk management and interest rate exposure of the Group's financial assets and liabilities.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Group management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Group’s profit after tax would have decreased/increased by $6,216 thousand and $5,508 thousand for 2023 and 2022 respectively, with all other variable factors remaining constant. This is mainly due to the Group’s time deposit and borrowings at variable rates.

(v) Fair value information

1) Categories and fair values of financial instruments

The fair value of financial assets at FVTPL is measured on a recurring basis. The carrying amount and fair value of the Group’s financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 9,334	-	-	9,334	9,334
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,052,016	-	-	-	-
Accounts receivable	558,607	-	-	-	-
Other receivables (excluding tax refunds receivable)	4,608	-	-	-	-
Other financial assets－current	246,764	-	-	-	-
Other financial assets－non-current	1,382	-	-	-	-
Subtotal	$ 1,863,377	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 6,000	-	-	-	-
Accounts payables	357,115	-	-	-	-
Other payables (to related parties)	120,732	-	-	-	-
Long-term borrowings (including current portion)	182,678	-	-	-	-
Lease liabilities (current and non-current)	7,666	-	-	-	-
Guarantee deposits received	1,173	-	-	-	-
Subtotal	$ 675,364	-	-	-	-

	December 31, 2022				
		Fair value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 15,406	-	-	15,406	15,406
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 1,144,909	-	-	-	-
Accounts receivable	651,139	-	-	-	-
Other receivables (excluding tax refunds receivable)	3,808	-	-	-	-
Other financial assets－current	107,762	-	-	-	-
Other financial assets－non-current	1,382	-	-	-	-
Subtotal	$ 1,909,000	-	-	-	-
Financial liabilities measured at amortized cost					
Short-term borrowings	$ 84,775	-	-	-	-
Accounts payable	329,429	-	-	-	-
Other payables (to related parties)	138,705	-	-	-	-
Long-term borrowings (including current portion)	246,525	-	-	-	-
Lease liabilities (current and non-current)	15,369	-	-	-	-
Guarantee deposits received	1,033	-	-	-	-
Subtotal	$ 815,836	-	-	-	-

2) Valuation techniques for financial instruments not measured at fair value

The Group's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

3) Transfers between Level 1 and Level 2

There were no transfers from one level to another level in 2023 and 2022.

4) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income
	Unquoted equity instruments
Opening balance, January 1, 2023	$ 15,406
In other comprehensive income	(6,072)
Ending Balance, December 31, 2023	**$ 9,334**
Opening balance, January 1, 2022	$ 12,549
In other comprehensive income	2,857
Ending Balance, December 31, 2022	**$ 15,406**

5) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Group's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

For the Group's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Group reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI–equity investments without an active market	Net Asset Value Method	• Net Asset Value • Minority interest discounts (21.88% as of December 31, 2023 and 2022)	• The higher the net asset value, the higher the fair value. • The higher the equity discount, the lower the fair value.

6) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 1% to reflect reasonably possible alternative assumptions would have the following effects:

Input	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value Favorable	Unfavorable
December 31, 2023			
Minority interest discount ratio of 21.88%	1%	119	119
December 31, 2022			
Minority interest discount ratio of 21.88%	1%	197	197

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(26) Financial risk management

(i) Overview

The Group have exposures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

In this note expressed the information on risk exposure and objectives, policies and procedures of risk measurement and management. For detailed information, please refer to the related notes of each risk.

(ii) Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's Planning Department, which is responsible for developing and controlling the Group's risk management policies, periodically reports to the Board of Directors on its operation.

The Group's risk management policies are established to identify and analyze the risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

(iii) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposures to credit risk mainly arise from receivables due to customers and other receivables.

1) Accounts and other receivables

The Group established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Group reviews external ratings, customers' general information, and other information. The Group grants credit line for each customer and carries out periodical reviews thereafter.

Customers that fail to meet the Group’s benchmark creditworthiness may transact with the Group only on a prepayment basis.

The Group has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

2) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Group’s finance department. The Group only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Group does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

3) Guarantees

The Group’s policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2023, no other guarantees were outstanding (2022: none)

(iv) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2023 and 2022, the unused credit lines amounted to $456,018 thousand and $377,310 thousand, respectively.

(v) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Group’s income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

1) Currency risk

The Group’s exposode to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Group, primarily the New Taiwan Dollars (NTD). The Group stay informed of international currency trend to adjust quotations for exporting. In addition, the Group keeps applying natural hedge to a substantial portion of its foreign currency receivables and payables to avoid currency risk.

2) Interest rate risk

The Group manages interest rate risk by maintaining an adequate combination of fixed and variable interest rates as well as utilizing interest rate swaps. The Group periodically assesses hedging activities to align its view on interest rate to certain risk appetite, so as to ascertain the hedging strategy that conforms to the cost effectiveness.

3) Other market price risk

The Group is not exposed to equity price risk due to the investments in equity securities.

(27) Capital management

The Group's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Group may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabiltiies.

The Group and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

As of December 31,2023, the Group's capital management strategy is consistent with the prior year as of December 31,2022.The Group's debt to equity ratio as of December 31,2023 and 2022, were as follows:

		December 31, 2023	**December 31, 2022**
Total liabilities	$	734,747	881,617
Less: cash and cash equivalents		1,052,016	1,144,909
Net debt	**$**	**(317,269)**	**(263,292)**
Total equity	**$**	**1,903,502**	**1,898,469**
Adjusted equity	**$**	**1,586,233**	**1,635,177**
Debt-to-equity ratio at 31 December		**(20.00)%**	**(16.10)%**

(28) Investing and financing activities not affecting current cash flow

The Group's reconciliation of liabilities arising from financing activities weas as follows:

			Non-cash changes			
	January 1,2023	Cash flows	Other changes	Foreign exchange movement	Fair value changes	December 31, 2023
Short-term borrowings	$ 84,775	(79,946)	-	1,171	-	6,000
Long-term borrowings (including deferred revenues and current portion)	250,288	(65,814)	-	-	-	184,474
Lease liabilities	15,369	(7,876)	173	-	-	7,666
Guarantee deposits received	1,033	140	-	-	-	1,173
Total liabilities from financing activities	**$ 351,465**	**(153,496)**	**173**	**1,171**	**-**	**199,313**

			Non-cash changes			
	January 1,2022	Cash flows	Other changes	Foreign exchange movement	Fair value changes	December 31, 2022
Short-term borrowings	$ 157,352	(81,237)	-	8,660	-	84,775
Long-term borrowings (including deferred revenues and current portion)	270,568	(20,280)	-	-	-	270,568
Lease liabilities	22,955	(7,586)	-	-	-	22,955
Guarantee deposits received	1,121	(88)	-	-	-	1,033
Total liabilities from financing activities	**$ 451,996**	**(109,191)**	**-**	**8,660**	**-**	**351,465**

7 Related-party transactions

(1) Names and relationship with related parties

The followings are entities that have had transactions with related party during the periods covered in the consolidated financial statements.

Name of related party	Relationship with the Group
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company's director is the entity's owner
Cheng Rong Investment Co., Ltd. (Cheng Rong Investment)	The entity's chairman is the second immediate family of the chairman of the Company (Note)

Note: The chairpersons of the entity and the Company were relatives of 2nd degree until the re-election held on June 16, 2022.

(2) Significant transactions with related parties

(i) Borrowing from Related Parties

As of December 31, 2023 and 2022, the Group's borrowings from other related parties amounted to $6,000 thousand and $8,000 thousand; please refer to note 6(12). The aforementioned borrowings from related parties are unsecured, the interest charged to the Group is calculated based on the average interest rate imposed on the related parties' loans from financial institutions.

(ii) Others

The outstanding balances arising from other transactions such as customs declaration fees by other related parties on behalf of the Group were included in other payables.

		December 31, 2023	December 31, 2022
Other related parties	$	269	273

(3) Key management personnel compensation

Key management personnel compensation comprised:

		2023	2022
Short-term employee benefits	$	15,640	14,905
Post-employment benefits		365	324
Termination benefits		-	-
Other long-term benefits		-	-
Share-based payments		-	-
	$	16,005	15,229

The Group has not provid non-monetary benefits such as housing, cars and other vehicles for key management.

8 Pledged assets:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2023	December 31, 2022
Other financial assets－current	Loan guarantee	$ 4,361	16,471
Land	Loan guarantee	2,951	2,951
Buildings	Loan guarantee	19,425	21,047
Machinery and equipment	Loan guarantee	7,948	13,718
		$ 34,685	54,187

9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

(1) A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By funtion / By item	2023			2022		
	Cost of Sale	Operating Expense	Total	Cost of Sale	Operating Expense	Total
Employee benefits						
Salary	323,721	126,187	449,908	429,585	134,893	564,478
Labor and health insurance	11,483	7,218	18,701	9,935	6,695	16,630
Pension	20,117	7,190	27,307	23,101	7,540	30,641
Remuneration of directors	-	8,396	8,396	-	7,979	7,979
Others	17,873	2,918	20,791	22,782	2,875	25,657
Depreciation	81,159	16,313	97,472	81,023	18,867	99,890
Amortization	43	76	119	36	190	226

13 Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Group:

(i) Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	226,315	122,820	92,115	6.38%	2	-	Working capital	-	No	-	471,124	753,798
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	161,795	61,410	-	- %	2	-	Working capital	-	No	-	471,124	753,798

Note 1: Financing purposes:

1) Transaction counterparty

2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	753,798	136,669	52,813	4,549	-	2.80%	753,798	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	753,798	249,013	159,666	7,284	-	8.47%	753,798	Y	N	Y

Note1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Highest balance during the year		Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	Shares/Units (thousands)	Percentage of ownership (%	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income－non-current	2,534	9,334	15.83%	9,334	2,534	15.83%	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	331,056	34.89%	O/A 30 days	(Note 1)	Based on the Group's working capital	(47,472)	35.14%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	370,425	39.04%	O/A 30 days	(Note 2)	Based on the Group's working capital	(44,129)	32.66%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	331,056	30.51%	O/A 30 days	(Note 1)	Based on the Group's working capital	47,472	14.82%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	370,425	60.19%	O/A 30 days	(Note 2)	Based on the Group's working capital	44,129	29.42%	
SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	Associates	Purchase	112,394	15.60%	O/A 30 days	-	Based on the Group's working capital	(78,071)	26.89%	
FAIR LUMI (DONGGUAN)	SHIAN YIH (DONGGUAN)	Associates	Sale	112,394	18.26%	O/A 30 days	-	Based on the Group's working capital	78,071	52.05%	

Note 1: Calculated as 64% to 82% of selling prices of the Company's products.

Note 2: Calculated as 82% to 93% of selling prices of the Company's products.

Note 3: The above transactions were eliminated when compiling the consolidated financial statements.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

(ix) Trading in derivative instruments: None

(x) Business relationships and significant intercompany transactions:

No.	Name of company	Name of counter-party	Nature of relationship	Intercompany transactions (2022) Account name	Amount	Trading terms	Percentage of the consolidated net revenue or total assets
0	The Company	FAIR LUMI (DONGGUAN)	1	Sale	4,096	Note 4	0.20%
0	The Company	SHIAN YIH (DONGGUAN)	1	Sale	2,926	Note 3	0.14%
0	The Company	FAIR LUMI (DONGGUAN)	1	Purchase	370,425	Note 4	17.78%
0	The Company	SHIAN YIH (DONGGUAN)	1	Purchase	331,056	Note 3	15.89%
0	The Company	FAIR LUMI (DONGGUAN)	1	Trade payable	44,129	Note 5	1.67%
0	The Company	SHIAN YIH (DONGGUAN)	1	Trade payable	47,472	Note 5	1.80%
0	The Company	FAIR LUMI (DONGGUAN)	3	Endorsement guaranteed	52,813	In compliance with the Regulations Governing Endorsement/Guarantee	2.00%
0	The Company	SHIAN YIH (DONGGUAN)	3	Endorsement guaranteed	159,666	In compliance with the Regulations Governing Endorsement/Guarantee	6.05%
0	The Company	FAIR LUMI (DONGGUAN)	1	Other trade receivable	92,115	In compliance with the Regulations Governing Loans Made to Other Parties	3.49%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	1	Purchase	112,394	Same as arm's length transaction	5.39%
1	SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	1	Trade payabl	78,071	Same as arm's length transaction	2.96%

Note 1: "0" represents the parent; subsidiaries are sequentially numbered starting from"1".

Note 2: Relationships with transaction counterparties are numbered as follows:

1. Parent and subsidiary.

2. Subsidiary and parent.

3. Associates.

Note 3: Calculated as 64% to 82% of the selling prices of products.

Note 4: Calculated as 82% to 93% of the selling prices of products.

Note 5: Payment term is O/A 30 days.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

(2) Information on investees:

The following is the information on investees for the year 2023 (excluding information on investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2023	Original investment amount December 31, 2022	Balance as of December 31, 2023 Shares (thousands)	Percentage of wnership	Book value	Highest balance during the year Shares/Units (thousands)	Percentage of ownership	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD 10,500)	348,724 (USD 10,500)	10,500	100.00%	752,074	10,500	100%	46,273	44,306 (Note 1)	
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	65,000	65,000	6,500	50.00%	20,067	6,500	50%	(6,148)	(3,074)	
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD 10,500)	348,724 (USD 10,500)	10,500	100.00%	440,984 (USD 14,362)	10,500	100%	33,396 (USD 1,071)	33,396 (USD 1,071)	
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD 16,650)	524,311 (USD 16,650)	16,650	100.00%	318,887 (USD 10,386)	16,650	100%	12,910 (USD 414)	12,910 (USD 414)	

Note 1: Equity-accounted investment gains of $46,273 thousand; the unalized margins for the period amounted to $1,967 thousand.

Note 2: The above transactions were eliminated when compiling the consolidated financial statements.

(3) Information on investment in mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows		Accumulated outflow of investment from Taiwan as of December 31, 2023	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
					Outflow	Inflow					
Dongguan Fair Lumi Optronics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USD$16,650)	((Note 1)	16,650 (Note 3)	-	-	USD 16,650 (Note 3)	100%	13,089 (USD$ 420) (Note 2)	311,675 (USD$ 10,151) (Note 4)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USD$ 5,000)	((Note 1)	5,000 (Note 3)	-	-	USD 5,000 (Note 3)	100%	27,029 (USD$ 867) (Note 2)	294,523 (USD$ 9,592) (Note 4)	-

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US$21,650) (Note 3)	874,016 (US$28,550)	1,130,697

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee's audited financial statements for the same period of 2023 (USD/NTD:31.1782, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees' earnings, rather than the funds remitted by the Company.

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 30.705) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Note 6: The above transactions were eliminated when compiling the consolidated financial statements.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and 威洋 Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholders:None

Shareholding / Shareholder's Name	Shares	Percentage
Hui Kai Investment Corp.	5,745,151	9.39%
Wei-Si, Wang	3,840,815	6.27%
Group Tranding (Somoa)	3,674,448	6.00%

14 Segment information:

(1) General information

The Group’s sole reportable segment is the Backlight Module Segment. The back light module segment principally engages in the manufacture and sale of products related to back light modules. The Group’s reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(2) Reportable segments (including certain reportable segment incomes and expenses), segment assets, segment liabilities, measurement basis, and reconciliations

The Group uses the internal management report that the chief operating decision maker reviews as the basis to determine resource allocation and make a performance evaluation. The Group’s reportable segment profit (loss), segment assets, and segment liabilities were consistent with those stated in the consolidated financial statements; please refer to the consolidated balance sheet and statement of comprehensive income.

(3) Product and service information

Revenue from the external customers of the Group ,please refer to note 6(22).

(4) Geographic information

In presenting information on the basis of geography, segment revenue is based on the geographical location of customers and segment assets are based on the geographical location of the assets.

The cost, depreciation, and impairment of the property, plant and equipment of the Group for the years ended December 31, 2023 and 2022, were as follows:

Geographical information	December 31, 2023	December 31, 2022
Non-current assets:		
Taiwan	$ 102,723	145,246
China	192,140	221,462
	$ 294,863	366,708

Non-current assets include property, plant and equipment, investment property, intangible assets, and other assets, not including financial instruments, deferred tax assets, pension fund assets, and rights arising from an insurance contract non-current.

(5) Major customer

	2023	2022
Sales revenue–Company A	$ 610,858	619,691

5. The individual financial report of the most recent fiscal year

Independent Auditors' Report

To the Board of Directors of Shian Yih Electronic Industry Co., Ltd:

Opinion

We have audited the financial statements of Shian Yih Electronic Industry Co., Ltd("the Company"), which comprise the balance sheet as of December 31, 2023 and the adjusted balance sheet as of December 31 and January 1, 2022, the statement of comprehensive income and changes in equity for the years then ended, the statement of cash flows for 2023 and the adjusted statement of cash flows for 2022 ,and notes to the financial statements, including a summary of material accounting policies.

In our opinion, the accompanying parent company only financial statements present fairly, in all material respects, the financial position of the Company as of December 31, 2023 and adjusted December 31 and January 1,2022, and its financial performance and its cash flows for 2023 and for the djusted January 1 to December 31 ,2022 in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the 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 of 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 parent-company-only financial statements of the current period. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicaied in our report.

1. Revenue recognition

For accounting policies on revenue recognition, please refer to note 4(13) to the parent-company-only financial statements. For revenue recognition, please refer to note 6(20).

Description of key audit matter:

The Company's revenue is recognized when the control over a product has been transferred as specified in each sales contract. Due to various terms and conditions of the contracts, it is a highly complicated task to identify whether the control has been transferred and recognize revenue accordingly. Therefore, we have determined the timing of inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- Testing the design, execution and effectiveness of internal control over revenue;
- reviewing significant new contracts and obtaining understanding of contractual terms; and
- sampling sales transactions before and after the reporting date, so as to assess whether revenues recognized in the correct period.

2. Inventory valuation

Please refer to note 4(7) Inventories in the parent-company-only financial statements for accounting policies for inventories, note 5 for uncertainties over accounting estimation and assumptions for inventory valuation, and note 6(5) Inventories for inventory write-downs.

Description of key audit matter:

Inventories are measured at the lower of costs and net realizable values. Due to the uncertainties over inventory values that arise from market demand fluctuations and rapid technological changes, there is risk that the costs of inventories may exceed the net realizable values thereof. Therefore, we considered inventory valuation to be a key audit matter.

How the matter was addressed in our audit:

Our audit procedures in this area included:

- reviewing inventory aging reports and analyzing the changes in inventory ages during each period;
- assessing whether inventory valuation is in compliance with the Company's accounting policies;
- obtaining understanding of both the selling prices adopted by the Company's management and the changes in inventory market prices, so as to evaluate the reasonableness of net realizable values of inventories; and
- looking into the sales of older inventories in the subsequent period and assessing the basis of net realizable values, with a view to verifying the accuracy of allowance inventory loss estimated by management.

Responsibilities of Management and Those Charged with Governance for the parent-company-only Financial Statements

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

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

Those charged with governance (including the Audit Committee) are responsible for overseeing the Company's financial reporting process.

Auditors' Responsibilities for the Audit of the parent-company-only Financial Statements

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

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

The engagement partners on the audit resulting in this independent auditors' report are Chen, Yen-Hui and Wu, Chun-Yuan.

KPMG

Taipei, Taiwan (Republic of China)
March 12, 2024

Notes to Readers

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

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Balance Sheets
December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars)

	Assets	December 31, 2023 Amount	%	December 31, 2022 (Adjusted) Amount	%	January 1, 2022 (Adjusted) Amount	%
	Current assets:						
1100	Cash and cash equivalents (note 6(1))	$ 712,568	31	865,590	36	452,358	20
1170	Accounts receivable, net (note 6(3))	257,296	11	288,245	12	362,812	16
1200	Other receivables (note 6(4))	8,527	-	6,076	-	3,038	-
1210	Other receivables from related parties (note 6(4) and 7)	93,206	4	110,369	5	816	-
130X	Inventories (note 6(5))	194,644	9	134,316	6	84,698	4
1410	Prepayments	5,946	-	5,986	-	4,275	-
1470	Other current assets	90	-	84	-	190	-
1476	Other financial assets-current (note 6(10),7 and 8)	191,495	8	107,762	4	506,605	22
		1,463,772	63	1,518,428	63	1,414,792	62
	Non-current assets:						
1521	Non-current financial assets at fair value through other comprehensive income (note 6(2))	9,334	-	15,406	1	12,549	-
1551	Investments accounted for using equity method (notes (6(6) and 7)	772,141	33	741,925	31	707,161	31
1600	Property, plant and equipment (notes 6(7) and 8)	84,657	4	116,878	5	133,523	6
1755	Right-of-use assets (note 6(8))	3,293	-	8,937	-	14,582	1
1822	Intangible assets (note 6(9))	41	-	37	-	263	-
1840	Deferred tax assets (note 6(17))	1,311	-	1,085	-	9,471	-
1900	Other non-current assets	-	-	198	-	687	-
1980	Other financial assets-non current (note 6(10))	1,003	-	1,003	-	1,044	-
		871,780	37	885,469	37	879,280	38
	Total assets	$ 2,335,552	100	2,403,897	100	2,294,072	100

	Liabilities and Equity	December 31, 2023 Amount	%	December 31, 2022 (Adjusted) Amount	%	January 1, 2022 (Adjusted) Amount	%
	Current liabilities:						
2100	Short-term borrowings (note 6(11) and 8)	$ -	-	-	-	60,000	3
2130	Contract liabilities-current (note 6(20))	2,260	-	3,150	-	2,900	-
2170	Accounts payable	43,508	2	18,341	1	14,592	1
2180	Accounts payable to related parties (note 7)	91,601	4	117,333	5	105,819	5
2200	Other payables (note 6(23))	45,191	2	47,030	2	44,453	2
2220	Other payables to related parties (notes 7)	29,022	1	34,770	1	21,150	1
2230	Current tax liabilities	30,224	1	29,029	1	12,057	1
2280	Lease liabilities-current (notes 6(14))	3,420	-	5,809	-	5,673	-
2300	Other current liabilities (notes 6(12))	6,488	-	5,490	-	4,233	-
2313	Deferred revenue (notes 6(15))	1,356	-	1,967	-	2,364	-
2320	Long-term borrowings, current portion (notes 6(13) and 8)	64,637	3	65,814	3	20,280	1
		317,707	13	328,733	13	293,521	14
	Non-Current liabilities:						
2540	Long-term borrowings (notes 6(13) and 8)	118,041	5	180,711	8	244,161	10
2570	Deferred tax liabilities (note 6(17))	14,868	1	12,848	1	6,095	-
2580	Lease liabilities-non-current (notes 6(14))	-	-	3,420	-	9,229	-
2630	Long-term deferred revenue (notes 6(15))	440	-	1,796	-	3,763	-
		133,349	6	198,775	9	263,248	10
	Total liabilities	451,056	19	527,508	22	556,769	24
	Equity (notes 6(18)):						
3100	Share capital	611,750	26	611,750	25	611,750	27
3200	Capital surplus	669,678	29	669,678	28	669,678	29
3300	Retained earnings	751,522	32	725,043	30	613,496	27
3400	Other equity	(148,454)	(6)	(130,082)	(5)	(157,621)	(7)
	Total equity	1,884,496	81	1,876,389	78	1,737,303	76
	Total liabilities and equity	$ 2,335,552	100	2,403,897	100	2,294,072	100

See accompanying notes to .

(English Translation of Financial Statements Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars , Except for Earnings Per Common Share)

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue** (note 6(20) and 7)	$ 1,188,348	100	1,208,991	100
5000	**Operating costs** (notes 6(5), (9), (16) and (7))	988,826	83	1,016,955	84
5950	**Gross profit from operations**	199,522	17	192,036	16
	Operating expenses (notes 6(9), (16) and (21)) **:**				
6100	Selling expenses	41,932	4	44,625	4
6200	Administrative expenses	58,029	5	53,062	4
6300	Research and development expenses	12,655	-	13,225	1
		112,616	9	110,912	9
6900	**Net operating income**	86,906	8	81,124	7
7000	**Non-operating income and expenses:**				
7100	Interest income (note 6(22) and 7)	45,742	4	13,908	1
7010	Other income (note 6(15) and (22))	6,083	-	4,312	-
7020	Other gains and losses, net (notes 6(22))	6,132	-	125,335	10
7775	Share of profit (losses) of associates accounted for using equity method	41,232	4	8,797	1
7050	Finance costs (notes 6(14) and (22))	(3,260)	-	(3,120)	-
		95,929	8	149,232	12
7900	**Profit before income tax**	182,835	16	230,356	19
7950	**Less: Income tax expenses** (note 6(17))	34,006	3	45,399	3
8200	**Profit for the period**	148,829	13	184,957	16
8300	**Other comprehensive income:**				
8310	**Items that may not be reclassified subsequently to profit or loss:**				
8316	Unrealized gains (losses) from investments in equity instruments measured at fair value through other comprehensive income (notes 6(18))	(6,072)	(1)	2,857	-
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (notes 6(17))	-	-	-	-
		(6,072)	(1)	2,857	-
8360	**Items that may be reclassified subsequently to profit or loss:**				
8361	Exchange differences on translation of foreign financial statements (note 6(18))	(12,300)	(1)	24,682	2
8399	Income tax related to items that will be reclassified to profit or loss (notes 6(17))	-	-	-	-
		(12,300)	(1)	24,682	2
8300	**Other comprehensive income (after tax)**	(18,372)	(2)	27,539	2
8500	**Total comprehensive income for the period**	**$ 130,457**	**11**	**212,496**	**18**
	Earnings per share (note 6(19))				
9750	**Basic earnings per share (NT dollars)**	**$**	**2.43**		**3.02**
9850	**Diluted earnings per share (NT dollars)**	**$**	**2.41**		**2.97**

See accompanying notes to .

(English Translation of Financial Statements Originally Issued in Chinese)

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

			Retained earnings				Other equity			
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Total	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) on financial assets measured at fair value through other comprehensive income	Total	Total equity
Balance at January 1, 2022	$ 611,750	669,678	221,512	149,899	242,085	613,496	(144,835)	(12,786)	(157,621)	1,737,303
Profit for the year ended December 31, 2022	-	-	-	-	184,957	184,957	-	-	-	184,957
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	-	24,682	2,857	27,539	27,539
Comprehensive income for the year ended December 31, 2022	-	-	-	-	184,957	184,957	24,682	2,857	27,539	212,496
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	8,461	-	(8,461)	-	-	-	-	-
Special reserve	-	-	-	7,722	(7,722)	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(73,410)	(73,410)	-	-	-	(73,410)
Balance at December 31, 2022	**$ 611,750**	**669,678**	**229,973**	**157,621**	**337,449**	**725,043**	**(120,153)**	**(9,929)**	**(130,082)**	**1,876,389**
Balance at January 1, 2023	$ 611,750	669,678	229,973	157,621	337,449	725,043	(120,153)	(9,929)	(130,082)	1,876,389
Profit for the year ended December 31, 2023	-	-	-	-	148,829	148,829	-	-	-	148,829
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	-	(12,300)	(6,072)	(18,372)	(18,372)
Comprehensive income for the year ended December 31, 2023	-	-	-	-	148,829	148,829	(12,300)	(6,072)	(18,372)	130,457
Appropriation and distribution of retained earnings:										
Legal reserve	-	-	18,496	-	(18,496)	-	-	-	-	-
Reversal of special reserve	-	-	-	(27,539)	27,539	-	-	-	-	-
Cash dividends of ordinary share	-	-	-	-	(122,350)	(122,350)	-	-	-	(122,350)
Balance at December 31, 2023	**$ 611,750**	**669,678**	**248,469**	**130,082**	**372,971**	**751,522**	**(132,453)**	**(16,001)**	**(148,454)**	**1,884,496**

See accompanying notes to .

SHIAN YIH ELECTRONIC INDUSTRY CO., LTD

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022(Adjusted)
Cash flows from operating activities:			
Profit before income tax	$	182,835	230,356
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation expense		41,623	39,660
Amortization expense		61	226
Interest expense		3,260	3,120
Interest income		(45,742)	(13,908)
Share of profit of subsidiaries accounted for using equity method		(41,232)	(8,797)
Gain from disposal of property, plant and equipment		(1,284)	(1,385)
Total adjustments to reconcile profit (loss)		(43,314)	18,916
Changes in operating assets and liabilities:			
Changes in operating assets:			
Decrease in accounts receivable		30,949	74,567
Decrease (increase) in other receivable indude related parties		108,306	(1,668)
Increase in inventories		(60,328)	(49,618)
Decrease (increase) in prepayments		40	(1,711)
(Increase) decrease in other current assets		(6)	106
Total changes in operating assets		78,961	21,676
Changes in operating liabilities:			
(Decrease) increase in accounts payable include related parties		(565)	15,263
(Decrease) increase in other payables include related parites		(7,437)	19,752
Increase in other current liabilities		108	1,507
Total changes in operating liabilities		(7,894)	36,522
Total changes in operating assets and liabilities		71,067	58,198
Total adjustments		27,753	77,114
Cash inflow generated from operations		210,588	307,470
Interest received		44,818	11,088
Interest paid		(3,259)	(3,104)
Income taxes paid		(31,017)	(13,288)
Net cash flows from operating activities		221,130	302,166
Cash flows from investing activities:			
Acquisition of property, plant and equipment		(3,745)	(20,941)
Disposal of property, plant and equipment		-	100
Decrease in refundable deposits		-	41
Increase in other receivables include from related parties		(92,670)	(108,103)
Acquisition of intangible assets		(65)	-
(Increase) decrease in other financial assets		(83,733)	398,843
Decrease in other non-current assets		34	489
Net cash (used in) flows from investing activities		(180,179)	270,429
Cash flows from financing activities:			
Decrease in short-term borrowings		-	(60,000)
Repayments of long-term borrowings		(65,814)	(20,280)
Payment of lease liabilities		(5,809)	(5,673)
Cash dividends paid		(122,350)	(73,410)
Net cash used in from financing activities		(193,973)	(159,363)
Net increase in cash and cash equivalents		(153,022)	413,232
Cash and cash equivalents at beginning of period		865,590	452,358
Cash and cash equivalents at end of period	$	712,568	865,590

See accompanying notes to .

(English Translation of Originally Issued in Chinese)
SHIAN YIH ELECTRONIC INDUSTRY CO., LTD
Notes to the Financial Statements
For the years ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

1 Company history

Shian Yih Electronic Industry Co., Ltd (the “Company”) was incorporated on October 11, 1979 as a company limited by shares under the Company Act of the Republic of China (R.O.C.). The Company’s registered office is at No. 22, Industry 24th Rd., Taichung Industrial Park, Taichung City, Taiwan, R.O.C. The Company mainly engage in manufacture and sale of back light modules; please refer to note 14 for details.

2 Approval date and procedures of the financial statements:

These parent company only financial statements were authorized for issue by the Board of Directors on March 12, 2024.

3 New standards, amendments and interpretations adopted:

(1) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission, R.O.C. which have already been adopted.

The Company has initially adopted the following new amendments, which do not have a significant impact on its financial statements, from January 1, 2023:

- Amendments to IAS 1 “Disclosure of Accounting Policies”
- Amendments to IAS 8 “Definition of Accounting Estimates”
- Amendments to IAS 12 “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”

The Company has initially adopted the new amendment, which do not have a significant impact on its financial statements, from May 23, 2023:

- Amendments to IAS 12 “International Tax Reform—Pillar Two Model Rules”

(2) The impact of IFRS issued by the FSC but not yet effective

The Company assesses that the adoption of the following new amendments, effective for annual period beginning on January 1, 2024, would not have a significant impact on its financial statements:

- Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”
- Amendments to IAS 1 “Non-current Liabilities with Covenants”
- Amendments to IAS 7 and IFRS 7 “Supplier Finance Arrangements”
- Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”

(3) The impact of IFRS issued by IASB but not yet endorsed by the FSC

The Company does not expect the following new and amended standards, which have yet to be endorsed by the FSC, to have a significant impact on its financial statements:

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IAS21 “Lack of Exchangeability”

4 Summary of material accounting policies:

The material accounting policies presented in the parent company only financial statements are summarized below. Except for those specifically indicated, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial statements.

(1) Statement of compliance

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

(2) Basis of preparation

(i) Basis of measurement

Except for financial assets (liabilities) at FVTPL, the parent company only financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency of each Company entity is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in New Taiwan Dollar (NTD), which is the Company’s functional currency. All financial information presented in NTD has been rounded to the nearest thousand.

(3) Foreign currencies

(i) Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of Company entities at the exchange rates at the dates of the transactions. At the end of each subsequent reporting period, monetary items denominated in foreign currencies are translated into the functional currencies using the exchange rate at that date. Non-monetary items denominated in foreign currencies that are measured at fair value are translated into the functional currencies using the exchange rate at the date that the fair value was determined. Non-monetary items denominated in foreign currencies that are measured based on historical cost are translated using the exchange rate at the date of the transaction.

Exchange differences are generally recognized in profit or loss, except for those differences relating to the following, which are recognized in other comprehensive income:

1) an investment in equity securities designated as at fair value through other comprehensive income;

2) a financial liability designated as a hedge of the net investment in a foreign operation to the extent that the hedge is effective; or

3) qualifying cash flow hedges to the extent that the hedges are effective.

(ii) Foreign operations

The assets and liabilities of foreign operations, including goodwill and fair value adjustments arising on acquisition, are translated into the presentation currency at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into the presentation currency at the average exchange rate. Exchange differences are recognized in other comprehensive income.

When a foreign operation is disposed of such that control, significant influence, or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Company disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Company disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

When the settlement of a monetary receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, Exchange differences arising from such a monetary item that are considered to form part of the net investment in the foreign operation are recognized in other comprehensive income.

(4) Classification of current and non-current assets and liabilities

An asset is classified as current under one of the following criteria, and all other assets are classified as non-current.

(i) It is expected to be realized, or intended to be sold or consumed, in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is expected to be realized within twelve months after the reporting period; or

(iv) The asset is cash or a cash equivalent (as defined in IAS 7) unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

A liability is classified as current under one of the following criteria, and all other liabilities are classified as non-current.

An entity shall classify a liability as current when:

(i) It is expected to be settled in the normal operating cycle;

(ii) It is held primarily for the purpose of trading;

(iii) It is due to be settled within twelve months after the reporting period; or

(iv) The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by issuing equity instruments do not affect its classification.

(5) Cash and cash equivalents

Cash comprises cash on hand and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and are subject to an insignificant risk of changes in value. Time deposits which meet the above definition and are held for the purpose of meeting short-term cash commitments rather than for investment or other purposes should be recognized as cash equivalents.

(6) Financial instruments

Accounts receivables are initially recognized when they are originated. All other financial assets and financial liabilities are initially recognized when the Company becomes a party to the contractual provisions of the instrument. A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at fair value through profit or loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

(i) Financial assets

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost; Fair value through other comprehensive income (FVOCI) – debt investment; FVOCI – equity investment; or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

A financial asset is measured at amortized cost if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is to hold assets to collect contractual cash flows; and

· its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

These assets are subsequently measured at amortized cost, which is the amount at which the financial asset is measured at initial recognition, plus/minus, the cumulative amortization using the effective interest method, adjusted for any loss allowance. Interest income, foreign exchange gains and losses, as well as impairment, are recognized in profit or loss. Any gain or loss on derecognition is recognized in profit or loss.

2) Fair value through other comprehensive income (FVOCI)

A debt investment is measured at FVOCI if it meets both of the following conditions and is not designated as at FVTPL:

· it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and

·i ts contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Debt investments at FVOCI are subsequently measured at fair value. Interest income calculated using the effective interest method, foreign exchange gains and losses and impairment are recognized in profit or loss. Other net gains and losses are recognized in other comprehensive income. On derecognition, gains and losses accumulated in other comprehensive income are reclassified to profit or loss.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income is recognized in profit or loss on the date on which the Company's right to receive payment is established.

3) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost or FVOCI described as above (e.g. financial assets held for trading and those that are managed and whose performance is

evaluated on a fair value basis) are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost or at FVOCI, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognized in profit or loss.

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL) on financial assets measured at amortized cost.

The Company measures loss allowances at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

· debt securities that are determined to have low credit risk at the reporting date; and

· other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowance for trade receivables and contract assets are always measured at an amount equal to lifetime ECL.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECL, the Company considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis based on the Company's historical experience and informed credit assessment as well as forward-looking information.

The Company assumes that the credit risk on a ffinancial asset has increased significantly if it is more than 30 days past due.

The Company onsiders a financial asset to be in default when the financial asset is more than 1 year past due or the debtor is unlikely to pay its credit obligations to the Company in full.

ECL are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive). ECL are discounted at the effective interest rate of the financial asset.

At each reporting date, the Company assesses whether financial assets carried at amortized cost and debt securities at FVOCI are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred. Evidence that a financial asset is credit-impaired includes the following observable data:

· significant financial difficulty of the borrower or issuer ;

· a breach of contract such as a default or being more than 1 year past due ;

· the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider ;

· it is probable that the borrower will enter bankruptcy or other financial reorganization；or

· the disappearance of an active market for a security because of financial difficulties.

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets. For debt securities at FVOCI, the loss allowance is charge to profit or loss and is recognized in other comprehensive income instead of reducing the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For corporate customers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

5) Derecognition of financial assets

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

Debt and equity instruments issued by the Company are classified as financial liabilities or equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

2) Equity instrument

An equity instrument is any contract that evidences residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued are recognized as the amount of consideration received, less the direct cost of issuing.

3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligations are discharged or cancelled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

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

5) Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount presented in the statement of balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realize the asset and settle the liability simultaneously.

(7) Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is calculated using the weighted average method, and includes expenditure incurred in acquiring the inventories, production or conversion costs, and other costs incurred in bringing them to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

(8) Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services, or for administrative purposes. Investment property is measured at cost on initial recognition, and subsequently at cost, less accumulated depreciation and accumulated impairment losses. Depreciation expense is calculated based on the depreciation method, useful life, and residual value which are the same as those adopted for property, plant and equipment.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount) is recognized in profit or loss.

Rental income from investment property is recognized as other revenue on a straight-line basis over the term of the lease. Lease incentives granted are recognized as an integral part of the total rental income, over the term of the lease.

(9) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalized borrowing costs, less accumulated depreciation and any accumulated impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognized in profit or loss.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

(iii) Depreciation

Depreciation is calculated on the cost of an asset less its residual value and is recognized in profit or loss on a straightline basis over the estimated useful lives of each component of an item of property, plant and equipment.

Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

1)	Buildings and structures	5~36 years
2)	Machinery equipment	4~5 years
3)	Office and other facilities	2~11 years

Major components of buildings and structures were mainly include factory buildings and clean room projects, etc., and depreciation is accrued based on their accounting estimates useful life of 36 years and 6 to 21 years respectively.

Depreciation methods, useful lives and residual values are reviewed on every reporting date and, if necessary, adjusted any changes therein are accounted for as changes in accounting estimates.

(10) Leases

At inception of a contract, the Company assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

(i) As a leasee

The Company recognizes a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be reliably determined, the Company’s incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of the lease liability comprise the following:

— fixed payments, including in-substance fixed payments;

— variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;

— amounts expected to be payable under a residual value guarantee; and

— payments for purchase or termination options that are reasonably certain to be exercised.

The lease liability is measured at amortized cost using the effective interest method. It is remeasured when:

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- here is a change in the assessment regarding the purchase option; or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

When the lease liability is remeasured, other than lease modifications, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

When the lease liability is remeasured to reflect the partial or full termination of the lease for lease modifications that decrease the scope of the lease, the Company accounts for the remeasurement of the lease liability by decreasing the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognize in profit or loss any gain or loss relating to the partial or full termination of the lease.

The Company presents right-of-use assets that do not meet the definition of investment and lease liabilities as a separate line item respectively in the statement of financial position.

If an arrangement contains lease and non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. However, for the leases of land and buildings in which it is a lessee, the Company has elected not to separate non-lease components and account for the lease and non-lease components as a single lease component.

The Company has elected not to recognize right-of-use assets and lease liabilities for leases with short terms and low values of dormitories and other items. Instead, the Company recognizes related lease payments expenses on a straight-line basis over the lease term.

(11) Intangible assets

(i) Recognition and measurement

Goodwill arising on the acquisition of subsidiaries is measured at cost, less accumulated impairment losses.

Expenditure on research activities is recognized in profit or loss as incurred.

Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable and the Company intends to, and has sufficient resources to, complete development and to use or sell the asset. Otherwise, it is recognized in profit or loss as incurred. Subsequent to initial recognition, development expenditure is measured at cost, less accumulated amortization and any accumulated impairment losses.

Other intangible assets that are acquired by the Company are measured at cost less accumulated amortization and any accumulated impairment losses.

(ii) Subsequent expenditure

Subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognized in profit or loss as incurred.

(iii) Amortization

Amortization is calculated over the cost of the asset, less its residual value, and is recognized in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, other than goodwill, from the date that they are available for use.

The Company’s other intangible assets is software, which shall be recognized in profit or loss on a straight-line basis over their estimated useful lives of 2 years from the date that they are available for use.

Amortization methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

(12) Impairment of non-financial assets

At each reporting date, the Company reviews the carrying amounts of its non-financial assets (other than inventories, and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset’s recoverable amount is estimated.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or cash-generating units（CGUs）. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

(13) Revenue from contracts with customers

(i) Revenue from contracts with customers

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring goods or services to a customer. The Company recognizes revenue when it satisfies a performance obligation by transferring control of a good or a service to a customer. The accounting policies for the Company's main types of revenue are explained below.

1) Sale of goods

The Company mainly produces backlight modules and related components, and sells them to manufacturers of medium and small-sized panels as well as touch modules. The Company recognizes revenue when control of the products has transferred, being when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled oblilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered as this is the point in time that the Company has a right to an amount of consideration that is unconditional.

2) Financing components

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(14) Government grants

The Company recognizes an unconditional government grant related to a biological asset in profit or loss as other income when the grant becomes receivable. Other government grants related to assets are initially recognized as deferred income at fair value if there is reasonable assurance that they will be received and the Company will comply with the conditions associated with the grant; they are then recognized in profit or loss as other income on a systematic basis over the useful life of the asset. Grants that compensate the Company for expenses or losses incurred are recognized in profit or loss on a systematic basis in the periods in which the expenses or losses are recognized.

(15) Employee benefits

(i) Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided.

(ii) Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognized for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

(16) Income taxes

Income taxes comprise current taxes and deferred taxes. Except for expenses related to business combinations or recognized directly in equity or other comprehensive income, all current and deferred taxes are recognized in profit or loss.

Current taxes comprise the expected tax payables or receivables on the taxable profits (losses) for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax payables or receivables are the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date.

Deferred taxes arise due to temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their respective tax bases. Deferred taxes are recognized except for the following:

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and at the time of the transaction affects neither accounting nor taxable profits (losses) and does not give rise to equal taxable and deductible temporary differences;

(ii) temporary differences related to investments in subsidiaries, associates and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

(iii) taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognized for the carry forward of unused tax losses, unused tax credits, and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefits will be realized.

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date.

Deferred tax assets and liabilities are offset if the following criteria are met:

(i) the Company has a legally enforceable right to set off current tax assets against current tax liabilities; and

(ii) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:

1) the same taxable entity; or

2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(17) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding after adjustment for the effects of all potentially dilutive ordinary shares. The Company's dilutive potential ordinary shares comprise the estimate of employee remuneration.

(18) Operating segments

The Company has disclosed segment information in the consolidated financial reports, so the Parent company only financial statements do not disclose segment information.

5 Significant accounting assumptions and judgments, and major sources of estimation uncertainty:

In preparing these parent company only financial statements, management has made judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

The management continues to monitor the accounting estimates and assumptions. The management recognizes any changes in accounting estimates during the period and the impact of those changes in accounting estimates in the following period.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year is as follows. Those assumptions and estimation have been updated to reflect the impact of COVID-19 pandemic:

(1) Valuation of inventories

As inventories are stated at the lower of cost or net realizable value, the Company estimates the net realizable value of inventories for obsolescence and unmarketable items at the end of the reporting period and then writes down the cost of inventories to net realizable value. The net realizable value of the inventory is mainly determined based on the sales price. Net realizable values of inventories are mainly determined based on assumptions as to future demand within a specific time horizon. Due to rapid industrial transformation, there may be significant changes in net realizable values of inventories. Please refer to note 6(5) for inventory valuation.

6 Explanation of significant accounts:

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 655	449
Demand deposits	159,823	186,396
Checking account deposits	239	221
Time deposits	551,851	678,524
Cash and cash equivalents in the consolidated statement of cash flows	$ 712,568	865,590

In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the company reclassified the balance of overseas funds to the special account on December31, 2022 and January 1,2022 to $340,714 thousand and $32,861 thousand, and reclassified other financial assets non current into cash and about cash.

Please refer to note 6(23) for the interest rate risk, and sensitivity analysis of the financial assets and liabilities of the Company.

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

	December 31, 2023	December 31, 2022
Equity investments at fair value through other comprehensive income: ：		
Unlisted common shares		
Domestic Company–Ying Cheng Investment Corp.	$ 9,334	15,406

The purpose that the Company invests in the above-mentioned equity securities is for long-term strategies rather than trading purpose. Therefore, those equity securities are designated as financial assets at fair value through other comprehensive income.

No strategic investment was disposed of by the Company and no transfer of any cumulative gains or losses within equity during the period then ended.

Please refer to note 6(23) for credit risk and market risk.

None of the financial assets mentioned above has been pledged as security.

(3) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable — measured as amortized cost	$ 257,296	288,245
Less: loss allowance	-	-
	$ 257,296	288,245

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as the incorporated forward looking information, including macroeconomic and relevant industry information.

The expected credit losses (ECLs) on accounts receivable as of December 31, 2023 and 2022 analyzed as follows:

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 202,460	-	-
1 to 30 days past due	51,642	-	-
31 to 60 days past due	3,116	-	-
61 to 90 days past due	78	-	-
Total	$ 257,296		-

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 252,209	-	-
1 to 30 days past due	31,450	-	-
31 to 60 days past due	3,627	-	-
61 to 90 days past due	-	-	-
More than 90 days past ude	959	-	-
Total	$ 288,245		-

The movements in the allowance for accounts receivable were as follows:

		2023	2022
Balance at December 31 (as balance at January 1)	$	-	-

As of December 31, 2023 and 2022, none of the accounts receivable has been pledged as security.

Please refer to note 6(23) for other credit risks.

(4) Other receivables

		December 31, 2023	December 31, 2022
Other receivables	$	8,527	6,076
Other receivables from related parties		93,206	110,369
	$	101,733	116,445

As of December 31, 2023 and 2022, none of the Company's other receivables was overdue. For 2023 and 2022, no impairment has been recognized.

Please refer to note 6(23) for other credit risks.

(5) Inventories

		December 31, 2023	December 31, 2022
Merchandise	$	18,471	20,070
Finished goods		64,616	35,704
Work in progress		30,318	15,586
Raw materials		80,835	62,469
Supplies		404	487
	$	194,644	134,316

The costs of sales were as follows:

		2023	2022
Transferred from inventories sold	$	969,573	994,094
Write-down of inventories		740	618
Losses on inventory write-offs		1,653	1,431
Overage of inventories		2	8
Unallocated production overheads		16,858	20,804
Operating costs	$	988,826	1,016,955

As of December 31, 2023 and 2022, the Company did not provide any inventories as collateral for its loans.

(6) Inventories accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ 772,141	741,925

A. Subsidiaries

Please refer to consolidated financial statements for the year ended December 31, 2023.

B. Security

As of December 31, 2023 and 2022, the Company did not provide any investment accounted for using equity method as collaterals for its loans.

(7) Property, plant and equipment

For 2023 and 2022, the movements in cost and depreciation of the property, plant and equipment were as follows:

	Land	Buildings and Construction	Machinery and equipment	Office and miscellaneous equipment	Leasehold improvements	Unfinished construction and equipment under acceptance	Total
Cost:							
Balance on January 1, 2023	$ 6,971	49,758	95,403	49,634	41,521	330	243,617
Additions	-	-	-	3,758	-	-	3,758
Disposal	-	-	-	(2,626)	-	-	(2,626)
Reclassification	-	-	-	330	-	(330)	-
Balance on December 31, 2023	$ 6,971	49,758	95,403	51,096	41,521	-	244,749
Balance on January 1, 2022	$ 6,971	49,758	80,948	49,318	28,498	16,034	231,527
Additions	-	-	9,115	3,371	4,554	330	17,370
Disposal	-	-	-	(5,280)	-	-	(5,280)
Reclassification	-	-	5,340	2,225	8,469	(16,034)	-
Balance on December 31, 2022	$ 6,971	49,758	95,403	49,634	41,521	330	243,617
Accumulated depreciation:							
Balance on January 1, 2023	$ -	28,712	43,013	35,024	19,990	-	126,739
Depreciation for the period	-	1,621	18,811	6,519	9,028	-	35,979
Disposal	-	-	-	(2,626)	-	-	(2,626)
Balance on December 31, 2023	$ -	30,333	61,824	38,917	29,018	-	160,092
Balance on January 1, 2022	$ -	27,077	25,161	34,360	11,406	-	98,004
Depreciation for the period	-	1,635	17,852	5,944	8,584	-	34,015
Disposal	-	-	-	(5,280)	-	-	(5,280)
Balance on December 31, 2022	$ -	28,712	43,013	35,024	19,990	-	126,739
Carrying amounts:							
Balance on December 31, 2023	$ 6,971	19,425	33,579	12,179	12,503	-	84,657
Balance on January 1, 2022	$ 6,971	22,681	55,787	14,958	17,092	16,034	133,523
Balance on December 31, 2022	$ 6,971	21,046	52,390	14,610	21,531	330	116,878

As of December 31, 2023 and 2022, the Company's property, plant and equipment were pledged to secure long-term bank loans; please refer to note 8 for details.

(8) Right-of-use assets

The Company leases many assets including buildings and structures; the cost and depreciation were as follows:

		Buildings and Construction
Costs of right-of-use assets:		
Balance on January 1, 2023 (Equivalent to balance on December 31, 2023)	$	28,223
Balance on January 1, 2022 (Equivalent to balance on December 31, 2022)	$	28,223
Accumulated depreciation of right-of-use assets:		
Balance on January 1, 2023	$	19,286
Depreciation for the year		5,644
Balance on December 31, 2023	$	24,930
Balance on January 1, 2022	$	13,641
Depreciation for the year		5,645
Balance on December 31, 2022	$	19,286
Carrying amounts:		
Balance on December 31, 2023	$	3,293
Balance on January 1, 2022	$	14,582
Balance on December 31, 2022	$	8,937

(9) Intangible assets

For 2023 and 2022, the costs and amortization of the Company's intangible assets were as follows:

		Software
Cost:		
Balance on January 1, 2023	$	2,095
Acquisition		65
Balance on December 31, 2023	$	2,160
Balance on January 1, 2022 (Equivalent to balance on December 31, 2022)	$	2,095

		Software
Accumulated amortization：		
Balance on January 1, 2023	$	2,058
Amortization for the year		61
Balance on December 31, 2023	**$**	**2,119**
Balance on January 1, 2022	$	1,832
Amortization for the year		226
Balance on December 31, 2022	**$**	**2,058**
Carrying value		
Balance on December 31, 2023	**$**	**41**
Balance on January 1, 2022	**$**	**263**
Balance on December 31, 2022	**$**	**37**

A. Amortization

The amortization of intangible assets is included in the following line items of the comprehensive income statement as follows:

		2023	2022
Cost of sales	$	43	36
Operating expenses		18	190
	$	**61**	**226**

B. Security

As of December 31, 2023 and 2022, none of the Company's intangible assets was pledged as security.

(10) Other financial assets

The Company's other financial assets are detailed as follows:

		December 31, 2023	December 31, 2022
Restricted bank deposits	$	4,361	16,471
Time deposits–more than 3 months		187,134	91,291
Guarantee deposits paid		1,003	1,003
	$	**192,498**	**108,765**

		December 31, 2023	December 31, 2022
Current	$	191,495	107,762
Non-current		1,003	1,003
	$	192,498	108,765

According to the IFRS question updated by the Securities and Future Bureau of the Financial Suoervisory Commisssion on January 5, 2024, the company reclassified the deposit balance of foreign funds remitted back to the special account on December 31, 2022 and January1, 2022, of which $91,291 thousand and $372,294 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets non current to other fiancial assets current.

Restricted bank deposits are mainly funds remitted to foreign currency deposit account and time deposits pledged to secure bank loans. Time deposits with original maturity of more than 3 months do not qualify as cash and cash equivalents.

For the restricted bank deposits pledged as security, please refer to note 8. As of December 31, 2023 and 2022, no impairment has been recognized for other financial assets. Additionally, please refer to note 6(23) for credit risk and market risk associated with other financial assets.

(11) Short-term borrowings

The short-term borrowings were summarized as follows:

		December 31, 2023	December 31, 2022
Secured bank loans	$	-	-
Unused short-term credit lines	$	258,493	258,535
Range of interest rates		-	-

For the collateral for short-term borrowings, please refer to note 8.

(12) Other current liabilities

The Company’s other current liabilities were as follows:

		December 31, 2023	December 31, 2022
Advance molding payment	$	4,640	3,959
Temporary credits		1,398	1,079
Receipts under custody		450	452
	$	6,488	5,490

(13) Long-term borrowings

The details were as follows:

	December 31, 2023		
	Rate	**Maturity year**	**Amount**
Secured bank loans	0.47%~0.595%	October 2024 to November 2029	$ 184,474
Less: current portion			(64,637)
Government grants			(1,796)
			$ 118,041
Unused long-term credit lines			$ -

	December 31, 2022		
	Rate	**Maturity year**	**Amount**
Secured bank loans	0.47%	October 2024 to November 2029	$ 250,288
Less: current portion			(65,814)
Government grants			(3,763)
			$ 180,711
Unused long-term credit lines			$ -

A. Government low-interest loans

As of December 31, 2023 and 2022, the differences between the amounts and fair values of the preferential low-interest loans granted by the government under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan” were considered government grants; please refer to note 6(15) for details.

B. Collateral for bank loans

For the collateral for long-term borrowings, please refer to note 8.

(14) Lease liabilities

The carrying amounts of the Company’s lease liabilities were as follows:

	December 31, 2023	December 31, 2022
Current	$ 3,420	5,809
Non-current	-	3,420
	$ 3,420	9,229

For the maturity analysis, please refer to note 6(23).

The amounts recognized in profit or loss were as follows:

	2023	2022
Interest on lease liabilities	$ 71	137
Expenses relating to short-term leases	$ 3	44

The amounts recognized in the statement of cash flows for the Company were as follows:

	2023	2022
Total cash outflow for leases	$ 5,883	5,854

A. Buildings and structures leases

The Company leases buildings and structures for office spaces and plants, with a lease term of 5 years.

B. Other leases

The Company also leases dormitory with contract terms of one to three years. These leases are short-term. The Company has elected not to recognize right-of-use assets and lease liabilities for these leases.

(15) Deferred revenues

	December 31, 2023	December 31, 2022
Deferred revenues - Government grants	$ 1,796	3,763
Current	$ 1,356	1,967
Non-current	440	1,796
	$ 1,796	3,763

As of December 31, 2023 and 2022, the Company's government preferential low-interest loans under the "Plan of Welcoming Overseas Taiwanese Businesspersons to Invest in Taiwan" amounted to $184,474 thousand and $250,288 thousand, and the fair values thereof amounted to $182,678 thousand and $246,525 thousand, respectively. The differences between the amounts and fair values of the loans, amounting to $1,796 thousand and $3,763 thousand respectively, were considered to be government grants through low-interest loans and recognized as deferred revenues. As of December 31, 2023 and 2022, the Company's revenues from government grants amounted to $1,967 thousand and $2,364 thousand respectively, both of which were included in other revenues.

(16) Employee benefits

Defined contribution plans

The Company allocates 6% of each employee's monthly wages to the labor pension personal account at the Bureau of Labor Insurance in accordance with the provisions of the Labor Pension Act. Under these defined contribution plans, the Group allocates a fixed amount to the Bureau of Labor Insurance without additional legal or constructive obligation.

For 2023 and 2022, the Company recognized the pension costs of $4,265 thousand and $3,993 thousand respectively under the defined contribution plan. The payments have been deposited into the Bureau of Labor Insurance.

(17) Income taxes

A. Income tax expense

For 2023 and 2022, the components of income tax expenses were as follows:

		2023	2022
Current tax expense:			
Current period	$	30,508	30,023
Undistributed earnings		3,582	-
Adjustment for prior periods		(1,878)	237
		32,212	30,260
Deferred tax expense：			
Origination and reversal of temporary differences		1,794	15,139
Income taxes	$	34,006	45,399

For 2023 and 2022, none of the amounts of income tax expenses have been recognized in other comprehensive income.

For 2023 and 2022, reconciliations of income tax expenses and pre-tax profits were as follows:

		2023	2022
Profit before income tax	$	182,835	230,356
Income tax using the Company's domestic tax rate	$	36,567	46,071
Effect of tax rates in foreign jurisdiction		615	123
Other tax adjustments made pursuant to tax laws		(253)	(257)
Change in unrecognized temporary differences		(4,627)	(775)
Overestimate of prior-year income taxes		(1,878)	237
Undistributed earnings		3,582	-
Total	$	34,006	45,399

B. Deferred tax assets and liabilities

(a) Unrecognized deferred tax liabilities

The consolidated entity is able to control the timing of the reversal of the temporary differences associated with investments in subsidiaries as of December 31, 2023 and 2022. Also, management considers it probable that the temporary differences will not reverse in the foreseeable future. Hence, such temporary differences are not recognized under deferred tax liabilities. Details are as follows:

		December 31, 2023	December 31, 2022
Aggregated amount of temporary differences related to investments in subsidiaries	$	472,707	449,571
Unrecognized deferred tax liabilities	$	94,541	89,914

(b) Recognized deferred tax assets and abilities

Changes in the amounts of deferred tax assets and liabilities for 2023 and 2022 were as follows:

		Liabilities arising from compensated absences	Allowance to reduce inventory to market	Unrealized exchange losses	Other	Total
Deferred tax assets:						
Balance at January 1, 2023	$	693	252	-	140	1,085
(Debit) credit in income statement		139	148	-	(61)	226
Balance at December 31, 2023	$	832	400	-	79	1,311
Balance at January 1, 2022	$	608	128	8,784	(49)	9,471
(Debit) credit in income statement		85	124	(8,784)	189	(8,386)
Balance at December 31, 2022	$	693	252	-	140	1,085

		Equity-accounted investments	Unrealized foreign exchange gains	Total
Deferred Tax Liabilities:				
Balance at January 1, 2023	$	6,870	5,978	12,848
Debit (credit) in income statement		4,627	(2,607)	2,020
Balance at December 31, 2023	$	11,497	3,371	14,868
Balance at January 1, 2022	$	6,095	-	6,095
Debit in income statement		775	5,978	6,753
Balance at December 31, 2022	$	6,870	5,978	12,848

B. Assessment of tax

The Company’s income tax returns had been assessed by the tax authorities through 2021.

(18) Capital and other equity

As of December 31, 2023 and 2022, the Company's authorized share capital amounted to $1,000,000 thousand (of which $100,000 thousand is for issuing employee share option warrants), divided into 100,000 thousand shares with a par value of $10 per share. The aforesaid authorized share capital consists of ordinary shares only, and the issued ordinary shares were 61,175 thousand shares as of both dates. All issued shares were paid up upon issuance.

A. Capital surplus

The balances of capital surplus as of December 31, 2023 and 2022, were as follows:

	December 31, 2023	December 31, 2022
Share premium	$ 668,486	668,486
Gains on disposal of assets	207	207
Changes in ownership interests in subsidiaries	985	985
	$ 669,678	**669,678**

According to the R.O.C. Company Act, capital surplus can only be used to offset a deficit, and only the realized capital surplus can be used to increase the common stock or be distributed as cash dividends. The aforementioned realized capital surplus includes capital surplus resulting from premium on issuance of capital stock and earnings from donated assets received. According to the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital increases by transferring capital surplus in excess of par value should not exceed 10% of the total common stock outstanding.

B. Retained earnings

The Company's Articles of Incorporation stipulates that Company's net earnings shall first be used to offset prior years' losses, if any, before paying any income taxes. Of the remaining balance, 10% is to be appropriated as legal reserve, unless the amount in the legal reserve has already reached the Company's paid-in capital. In addition, special reserve shall be appropriated according to related regulations and the Company's operating needs, after which any remaining profit, together with any undistributed retained earnings, shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the shareholders' meeting for approval.

The amount of share dividends is determined based on the Company's earnings accumulated in the current and prior years, taking into account the Company's profitability, capital structure, and future operating requirements. The dividend distribution policy is to pay dividends by means of a combination of share dividend and cash dividend taking into consideration capital requirement and diluted earnings per share, and the cash dividend shall be no less than 20% of the amount of the dividend distribution.

The types and ratios of the above-mentioned earnings distribution are adjusted pursuant to resolution of a shareholders' meeting based on the actual profit and capital for the year.

(a) Legal reserve

When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

(b) Special reserve

In accordance with the requirements issued by the FSC, a portion of current period earnings and undistributed prior period earnings shall be reclassified as a special earnings reserve during earnings distribution.The special earnings reserve will be recognized from the profit after income tax of the current period plus other current earnings and the undistributed retained earnings of the previous period. The net reduction of other shareholders' equity accumulated in the previous period shall be recognized from the undistributed retained earnings and shall not be distributed. Amounts of subsequent reversals of the net reduction from other shareholders' equity shall qualify for earnings distribution. As of December 31, 2023 and 2022, the balances of special reserve were \$130,082 thousand and \$157,621 thousand, respectively.

(c) Earnings distribution

On March 15, 2023, the 2022 earnings appropriation was resolved in a board meeting. On March 17, 2022, the 2021 earnings appropriation was resolved in a shareholders' general meeting. Dividends were distributed to owners as follows:

	2022		2021	
	Amount per share	**Total amount**	**Amount per share**	**Total amount**
Dividends distributed to ordinary shareholders:				
Cash	$ 2.00	122,350	1.20	73,410

On March 12, 2024, the Company's Board of Directors resolved the 2023 earnings appropriation. Dividends were distributed to owners as follows:

	2023	
	Amount per share	**Total amount**
Dividends distributed to ordinary shareholders:		
Cash	$ 1.70	103,998

C. Other comprehensive income accumulated in reserves, net of tax

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2023	$ (120,153)	(9,929)	(130,082)
Exchange differences on foreign operations	(12,300)	-	(12,300)
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	(6,072)	(6,072)
Balance on December 31, 2023	**$ (132,453)**	**(16,001)**	**(148,454)**

	Exchange differences on translation of foreign financial statements	Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	Total
Balance on January 1, 2022	$ (144,835)	(12,786)	(157,621)
Exchange differences on foreign operations	24,682	-	24,682
Unrealized gains (losses) from financial assets measured at fair value through other comprehensive income	-	2,857	2,857
Balance on December 31, 2022	**$ (120,153)**	**(9,929)**	**(130,082)**

(19) Earnings per share

A. Basic earnings per share

As of December 31, 2023 and 2022, the calculation of basic earnings per share was based on the profits of $148,829 thousand and $184,957 thousand attributable to the Company's ordinary shareholders, and the weighted-average numbers of outstanding ordinary shares of 61,175 thousand shares as of both dates. The details were as follows:

(a) Profit attributable to ordinary shareholders of the Company

		2023	2022
Profit attributable to ordinary shareholders of the Company	$	148,829	184,957

(b) Weighted average number of ordinary shares

		2023	2022
Weighted average number of ordinary shares (in thousands)		61,175	61,175
Basic earnings per share(NT dollars)	$	2.43	3.02

B. Diluted earnings per share

As of December 31, 2023 and 2022, the calculation of diluted earnings per share was based on the profits of $148,829 thousand and $184,957 thousand attributable to the Company's ordinary shareholders, and the weighted-average numbers of ordinary shares outstanding after adjusting the effects of all dilutive potential ordinary shares of 61,714 thousand shares and 62,230 thousand shares, respectively. The details were as follows:

(a) Profit attributable to ordinary shareholders of the Company (diluted)

		2023	2022
Profit attributable to ordinary shareholders of the Company (diluted)	$	148,829	184,957

(b) Weighted-average number of ordinary shares outstanding (diluted)

		2023	2022
Weighted average number of ordinary shares (basic) (thousands)		61,175	61,175
Effect of dilutive potential ordinary shares			
Effect of employee share bonus		539	1,055
Weighted average number of ordinary shares (diluted) at December 31		61,714	62,230
Diluted earnings per share (NT dollars)	$	2.41	2.97

(20) Revenue from contracts with customers

A. Disaggregation of revenue

		2023	2022
Primary geographical markets			
Taiwan	$	520,019	735,980
The United States		380,996	208,676
Japan		30,409	75,915
China		18,609	35,279
Other countries		238,315	153,141
	$	**1,188,348**	**1,208,991**

		2023	2022
Major products/services lines			
Backlight modules	$	1,077,353	1,086,149
Other		110,995	122,842
	$	**1,188,348**	**1,208,991**

B. Contract balances

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$ 2,260	3,150	2,900

The amount of revenue recognized for the years ended December 31, 2023 and 2022 that was included in the contract liability balance at the beginning of the period were $2,825 thousand and $74 thousand, respectively.

(21) Remunerations of employees, directors, and supervisors

The Company’s Articles of Incorporation stipulate that if the Company has profits for the year, then 2% to 10% thereof shall be set aside as employee remuneration, and a maximum of 2% shall be set aside as the remuneration of directors and supervisors. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. The amount of remuneration of each director and supervisor and of compensation for employees entitled to receive the abovementioned employee compensation is approved by the Board of Directors. The recipients of shares and cash may include the employees of the Company's affiliated companies who meet certain conditions.

For 2023 and 2022, the Company’s employee remunerations were estimated at $14,064 thousand and $15,023 thousand, and director and supervisor remunerations were estimated at $4,018 thousand and $5,008 thousand, respectively. The estimates mentioned above were calculated based on the Company’s pre-tax profit (before deducting the remunerations of employees, directors and supervisors for each period), multiplied by the percentages of remunerations of employees, directors and supervisors as specified in the Company's Articles of Incorporation. These remunerations were expensed under operating costs or operating expens es for 2023 and 2022.

The amounts, as stated in the parent company only financial statements, are identical to those of the actual distributions for 2023 and 2022. Related information would be available at the Market Observation Post System website.

(22) Non-operating income and expenses

A. Interest income

The interest incomes for 2023 and 2022 are detailed as follows:

	2023	2022
Interest income from bank deposits	$ 40,044	13,290
Other interest income	5,698	618
	$ 45,742	**13,908**

B. Other income

Other incomes for 2023 and 2022 are detailed as follows:

	2023	2022
Government grants income	$ 1,967	2,364
Other income	4,116	1,948
	$ 6,083	**4,312**

C. Other gains and losses

Other gains and losses for 2023 and 2022 were detailed as follows:

	2023	2022
Gains on disposals of property, plant and equipment	$ 1,284	1,385
Foreign exchange gains	4,848	123,950
	$ 6,132	**125,335**

D. Finance costs

For 2023 and 2022, the Company’s finance costs were as follows:

	2023	2022
Interest expense on bank deposits	$ 3,189	2,983
Implicit interest on leases	71	137
	$ 3,260	**3,120**

(23) Financial instruments

A. Credit risk

(a) The maximum exposure to credit risk

As at reporting date, the Company's exposure to credit risk and the maximum exposure were mainly from: ：

- The carrying amount of financial assets and contract assets recognized in the consolidated balance sheet; and
- The amount of liabilities as a result from the Company providing financial guarantees to its customers was $212,479 thousand and $212,513 thousand).

(b) Concentration of credit risk

Implicit credit risk of the Company is inherent in its cash and trade receivables. The cash is deposited in different financial institutions. The Company manages the credit risk exposure with each of these financial institutions and believes that cash do not have a significant credit risk concentration.

The major customers of the Company are centralized in the electronics industry. To minimize credit risk, the Company periodically evaluates the Company's financial positions and the possibility of collecting trade receivables.

Besides, the Consolidated Company monitors and reviews the recoverable amount of the trade receivables to ensure the uncollectible amount are recognized appropriately as impairment loss.

As of December 31, 2023 and 2022, 35% and 50%, respectively, of account receivables were due to 1 customer. Thus, credit risk is significantly concentrated.

(c) Credit risk on receivables

For credit risk exposure of accounts receivable, please refer to note 6(3).

Other financial assets at amortized cost includes other receivables and investments in time deposits.

All of these financial assets are considered to have low risk, and thus, the impairment provision recognized during the period was limited to 12 month expected credit losses. Regarding how the financial instruments are considered to have low credit risk, please refer to note 4(6). As of December 31, 2023 and 2022, the Company's other receivables and CD (certificate of deposit) investments have no expected credit losses (ECLs).

B. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest payments and excluding the impact of netting agreements.

		Carrying amount	Contract ualcash flows	Within a year	1~2years	2~5years	Over 5 years
December 31, 2023							
Non-derivative financial liabilities							
Secured bank loans with floating rate	$	182,678	188,118	65,776	60,371	58,763	3,208
Accounts payable (non-interest-bearing)		135,109	135,109	135,109	-	-	-
Other payables (non-interest-bearing)		74,213	74,213	74,213	-	-	-
Lease liabilities (fixed interest rate)		3,420	3,430	3,430	-	-	-
	$	395,420	400,870	278,528	60,371	58,763	3,208
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans with floating rate	$	246,525	254,594	66,848	65,583	114,930	7,233
Accounts payable (non-interest-bearing)		135,674	135,674	135,674	-	-	-
Other payables (non-interest-bearing)		81,800	81,800	81,800	-	-	-
Lease liabilities (fixed interest rate)		9,229	9,310	5,880	3,430	-	-
	$	473,228	481,378	290,202	69,013	114,930	7,233

The Company does not expect the cash flows included in the maturity analysis to occur significantly earlier or at significantly different amounts.

C. Exposure to currency risk

(a) Exposure to currency risk

The Company's significant exposure to foreign currency risk was as follows:

(In thousands of foreign currencies)

	December 31, 2023			December 31, 2022		
	Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets						
Monetary items						
USD	US$ 39,915	30.705	1,225,590	42,909	30.71	1,317,735
Financial liabilities						
Monetary items						
USD	US$ 5,249	30.705	161,171	5,504	30.71	169,028

(b) Sensitivity analysis

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts and other receivables, borrowings and accounts and other payables that are denominated in foreign currency. An appreciation (depreciation) of 1% of the NTD against USD as of December 31, 2023 and 2022, with all other variables remaining constant, would have increased or decreased profits after tax by $8,515 thousand and $9,190 thousand, respectively. The analysis is performed on the same basis for prior year.

3) Foreign exchange gain and loss on monetary items

Since the Company has many kinds of functional currencies, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For 2023 and 2022, net foreign exchange gains (losses) (including realized and unrealized portions), please refer to note 6(22).

D. Interest rate analysis

The Company's interest rate exposure associated with financial assets and financial liabilities have been elaborated in the liquidity risk management section of this note.

The following sensitivity analysis is based on the exposure to the interest rate risk of derivative and non derivative financial instruments on the reporting date. Regarding assets with variable interest rates, the analysis is based on the assumption that the amount of assets outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases by 1% when reporting to management internally, which also represents the Company management's assessment of the reasonably possible interest rate change.

If the interest rate had increased/decreased by 1%, the Company's profit after tax would have decreased/increased by $4,461 thousand and $4,232 thousand for 2023 and 2022 respectively, with all other variable factors remaining constant. This is mainly due to the Company's borrowings at variable rates.

E. Fair value information

(a) Categories and fair values of financial instruments

The fair value of financial assets and liabilities at fair value through profit or loss, financial instruments used for hedging, and financial assets at fair value through other comprehensive income is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets and liabilities, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Unlisted common shares	$ 9,334	-	-	9,334	9,334
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 712,568	-	-	-	-
Accounts receivable	257,296	-	-	-	-
Other receivables from related parties (excluding tax refunds receivable)	97,028	-	-	-	-
Other financial assets－current	191,495	-	-	-	-
Other financial assets－non-current	1,003	-	-	-	-
Subtotal	$ 1,259,390	-	-	-	-
Financial liabilities measured at amortized cost					
Trade payables to related parties	$ 135,109	-	-	-	-
Other payables to related parties	74,213	-	-	-	-
Long-term borrowings (including current portion)	182,678	-	-	-	-
Lease liabilities (current and non-current)	3,420	-	-	-	-
	$ 395,420	-	-	-	-

	December 31, 2022				
		Fair value			
	Book Value	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income					
Domestic unlisted stocks	$ 15,406	-	-	15,406	15,406
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 865,590	-	-	-	-
Trade receivable	288,245	-	-	-	-
Other receivables from related parties (excluding tax refunds receivable)	113,267	-	-	-	-
Other financial assets－current	107,762	-	-	-	-
Other financial assets－non-current	1,003	-	-	-	-
	$ 1,375,867	-	-	-	-
Financial liabilities measured at amortized cost					
Accounts payable	$ 135,674	-	-	-	-
Other payables (to related parties)	81,800	-	-	-	-
Long-term borrowings (including current portion)	246,525	-	-	-	-
Lease liabilities (current and non-current)	9,229	-	-	-	-
Subtotal	$ 473,228	-	-	-	-

(b) Valuation techniques for financial instruments not measured at fair value

The Company's valuation techniques and assumptions used for financial instruments not measured at fair value are as follows:

Financial liabilities measured at amortized cost, if there is quoted price generated by transactions, the recent transaction price and quoted price data is used as the basis for fair value measurement. However, if no quoted prices are available, the discounted cash flows are used to estimate fair values.

(c) Transfers between Level 1 and Level 2

During 2023 and 2022, there was no transfer.

(d) Reconciliation of Level 3 fair values

	Fair value through other comprehensive income Unquoted equity instruments
December 31, 2023	$ 15,406
In other comprehensive income	(6,072)
December 31, 2023	**$ 9,334**
January 1, 2022	$ 12,549
In other comprehensive income	2,857
December 31, 2023	**$ 15,406**

(e) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company's financial instruments that use Level 3 inputs to measure fair value include fair value through other comprehensive income-equity investments.

Most equity investments with a level 3 fair value but without an active market have multiple significant unobservable inputs. The significant unobservable inputs of the equity investments without an active market are independent, therefore, there is no correlation between them.

For the Company's unquoted equity instruments that are not intended for short-term trading, management has obtained the latest financial statements of the investee, evaluated industry development, and reviewed accessible public information. Accordingly, the Company reviews and evaluate the investee's operational situation of the current and future years, so as to assess the fair value of the investee. In general, changes in industry and market prospects are highly correlated with changes in the operations and future business performance of the investee.

Quantified information of significant unobservable inputs was as follows:

Item	Valuation technique	Significant unobservable inputs	Inter-relationship between significant unobservable inputs and fair value measurement
Financial assets at FVOCI–equity investments without an active market	Net Asset Value Method	• Net Asset Value • Minority interest discounts (21.88% as of December 31, 2023 and 2022)	• The higher the net asset value, the higher the fair value. • The higher the equity discount, the lower the fair value.

(f) Fair value measurements in Level 3 – sensitivity analysis of reasonably possible alternative assumptions

For fair value measurements in Level 3, changing one or more of the assumptions by 1% to reflect reasonably possible alternative assumptions would have the following effects:

Input	Upward or downward movement	Changes in other comprehensive income arising from changes in fair value Favorable	Unfavorable
December 31, 2023			
Minority interest discount ratio of 21.88%	1%	119	119
December 31, 2022			
Minority interest discount ratio of 21.88%	1%	197	197

The favorable and unfavorable effects represent the changes in fair value, and fair value is based on a variety of unobservable inputs calculated using a valuation technique. The analysis above only reflects the effects of changes in a single input, and it does not include the interrelationships with another input.

(24) Financial risk management

A. Overview

The Company have exposures to the following risks from its financial instruments:

(a) Credit risk

(b) Liquidity risk

(c) Market risk

The following likewise discusses the Company's objectives, policies and processes for measuring and managing the above mentioned risks. For more disclosures about the quantitative effects of these risks exposures, please refer to the respective notes in the accompanying consolidated financial statements.

B. Structure of risk management

The Board of Directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's Planning Department, which is responsible for developing and controlling the Company's risk management policies, periodically reports to the Board of Directors on its operation.

The Company's risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Company Audit Committee oversees how management monitors compliance with the Company's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The Company Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

C. Credit risk

Credit risk is the risk of financial loss to the Company if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. The Company's exposures to credit risk mainly arise from receivables due to customers and other receivables.

(a) Accounts and other receivables

The Company has established a credit policy, under which every new customer's credit rating shall be analyzed before granting delivery and payment terms. The Company reviews external ratings, customers' general information, and other information. The Company grants credit line for each customer and carries out periodical reviews thereafter.

Customers that fail to meet the Company's benchmark creditworthiness may transact with the Company only on a prepayment basis.

The Company has an allowance account for impairment to reflect the estimate of the losses on accounts receivable and other receivables that may be incurred.

(b) Investments

The exposure to credit risk for the bank deposits and other financial instruments is measured and monitored by the Company's finance department. The Company only deals with banks, other external parties, corporate organizations, government agencies and financial institutions with good credit rating. The Company does not expect any counterparty above fails to meet its obligations hence there is no significant credit risk arising from these counterparties.

(c) Guarantees

The Company's policy is to provide financial guarantees only to wholly owned subsidiaries. At December 31, 2023 and 2022, the amount of guarantee provided to subsidiaries was $212,479 thousands and $212,513 thousands.

D. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it always has sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company manages sufficient cash and cash equivalents so as to cope with its operations and mitigate the effects of fluctuations in cash flows.

As of December 31, 2023 and 2022, the unused credit lines amounted to $258,493 thousand and $258,535 thousand, respectively.

E. Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates, and equity prices, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

(a) Currency risk

The Company's exposure to currency risk is on sales, purchases and borrowings that are denominated in a currency other than the respective functional currencies of the Company, primarily the New Taiwan Dollars (TWD). The Company stay informed of international currency trend to adjust quotations for exporting. In addition, the Company keeps applying natural hedge to a substantial portion of its foreign currency receivables and payables to avoid currency risk.

(b) Interest rate risk

The Company manages interest rate risk by maintaining an adequate combination of fixed and variable interest rates as well as utilizing interest rate swaps. The Company periodically assesses hedging activities to align its view on interest rate to certain risk appetite, so as to ascertain the hedging strategy that conforms to the cost effectiveness.

(c) Other market price risk

The Company is not exposed to equity price risk due to the investments in equity securities.

(25) Capital management

The Company's objectives for managing capital to safeguard the capacity to continue to operate, to continue to provide a return on shareholders, to maintain the interest of other related parties, and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the dividend payment to the shareholders, reduce the capital for redistribution to shareholders, issue new shares, or sell assets to settle any liabiltiies.

The Company and other entities in the same industry use the debt-to-equity ratio to manage capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital and equity include share capital, capital surplus, retained earnings, and other equity plus net debt.

The Company held the same capital management strategy for 2023 and 2022. The Company's debt-to-equity ratio at the end of the reporting period as of December 31, 2023 and 2022, is as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 451,056	527,508
Less: cash and cash equivalents	712,568	865,590
Net debt	$ (261,512)	(338,082)
Total equity	$ 1,884,496	1,876,389
Adjusted equity	$ 1,622,984	1,538,307
Debt-to-equity ratio at 31 December	(16.11)%	(21.98)%

(26) Investing and financing activities not affecting current cash flow

The Company's reconciliation of liabilities arising from financing activities weas as follows:

	January 1, 2023	Cash flows	December 31, 2023
Long-term borrowings (including deferred revenues and current portion)	$ 250,288	(65,814)	184,474
Lease liabilities	9,229	(5,809)	3,420
Total liabilities from financing activities	$ 259,517	(71,623)	187,894

	January 1, 2022	Cash flows	December 31, 2022
Short-term borrowings	$ 60,000	(60,000)	-
Long-term borrowings (including	270,568	(20,280)	250,288

deferred revenues and current portion)			
Lease liabilities	14,902	(5,673)	9,229
Total liabilities from financing activities	$ 345,470	(85,953)	259,517

7 Related-party transactions

(1) Names and relationship with the Company

The followings are entities that have had transactions with related party during the periods covered in the parent company only financial statements.

Name of related party	Relationship with the Company
Fair Some Industrial Limited (Fair Some (Hong Kong))	The Company's director is the entity's owner
Dongguan Fair Lumi Optronics Co., Ltd. (Dongguan Fair Lumi)	The subsidiary of the Company
Dongguan Shian Yih Electronic Co., Ltd. (Dongguan Shian Yih)	The subsidiary of the Company
Chian Yih Optotech Co., Ltd. (Chian Yih Optotech)	The subsidiary of the Company

(2) Significant transactions with related parties

A. Operating revenue

For 2023 and 2022, raw materials are sold to subsidiaries, which are processed and produced, and the finished goods are repurchased by the company through triangular trade and resold to customers of the company. Among them, the transactions of raw material sales and repurchase have been written off by $43 thousand and $2,262 thousand in 2023 and 2022 respectively, and are not regarded as purchases and sales.

In addition to the above-mentioned triangular trade to offset the amount that is not considered as sales, the amounts of significant sales by the Company to related parties were as follows:

	2023	2022
Subsidiaries	$ 7,022	15,614

The sales price of the company's sales to its subsidiaries cannot be compared with general sales due to product differences. The payment method for subsidiaries is determined according to the working capital status of the group。

B. Purchases

The amounts of significant purchases by the Company from related parties were as follows:

		2023	2022
Subsidiaries:			
Dongguan Shian Yih	$	331,056	392,086
Dongguan Fair Lumi		370,425	452,554
	$	701,481	844,640

The terms and pricing of purchase transactions with related parties were not significantly different from those offered by other vendors. The payment terms ranged from one to two months, which were no different from the payment terms given by other vendors.

C. Accounts receivable from related parties

The details of the Company's receivables from related parties were as follows:

Account	Relationship		December 31, 2023	December 31, 2022
Other trade receivable	Subsidiaries	$	536	2,266

As of December 31, 2023 and 2022, other receivables - subsidiaries are receivables arising from the collection of manpower support funds from subsidiaries and the advance payment of transportation expenses on behalf of subsidiaries.

D. Accounts payable to related parties

The details of payable from related parties were as follows:

Account	Relationship		December 31, 2023	December 31, 2022
Trade payable	Subsidiaries:			
	Dongguan Shian Yih	$	47,472	44,799
	Dongguan Fair Lumi		44,129	72,534
Other trade payable	Subsidiaries:			
	Dongguan Shian Yih		-	161
	Dongguan Fair Lumi		28,753	34,336
Other trade payable	Others		269	273
		$	120,623	152,103

As of December 31, 2023 and 2022, other payables - Subsidiaries are the payables arising from the company's purchase of mold kernels from subsidiaries and the export expenses which payed on behalf by the subsidiaries; other payables - Other related parties are other payables arising from payment of customs declaration fees by other related parties on behalf of related parties.

E. Guarantees and endorsements

December 31, 2023 and 2022, the amount of endorsement guarantee provided by the Company for Dongguan Kesheng's loan from the bank and the issuance of the letter of credit is $52,813 thousand and $98,886 thousand, respectively. The amount of endorsement guarantee provided by Dongguan Xianyi for borrowing from the bank and issuing the letter of credit is $159,666 thousand and $113,627 thousand, respectively.

F. Loans to Related Parties

The loans to related parties were as follows:

	Other receivables - related parties	
	December 31, 2023	December 31, 2022
Subsidiaries:		
Dongguan Shian Yih	$ 92,115	61,420
Dongguan Fair Lumi	-	46,065
	$ 92,115	107,485

The interest charged by the Company to related parties is based on the average interest rate charged by financial institutions on the Company’s borrowings. The loans to related parties are unsecured. There are no expected credit loss required after the management’s assessment.

Details of interest income and receivables are as follows:

	Interest income		other receivables - related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiaries:				
Dongguan Shian Yih	$ 4,189	353	555	353
Dongguan Fair Lumi	1,509	265	-	265
	$ 5,698	618	555	618

(3) Key management personnel compensation

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 12,658	12,014
Post-employment benefits	277	225
Termination benefits	-	-
Other long-term benefits	-	-
Share-based payments	-	-
	$ 12,935	12,239

8 Assets pledged as security:

The carrying values of assets pledged as security were as follows:

Assets pledged as security	Liabilities secured by pledge	December 31, 2023	December 31, 2022
Other financial assets－current	Loan guarantee	$ 4,361	16,471
Land	Loan guarantee	2,951	2,951
Buildings	Loan guarantee	19,425	21,047
Machinery and equipment	Loan guarantee	7,948	13,718
		$ 34,685	54,187

9 Commitments and contingencies: None

10 Losses due to major disasters: None

11 Subsequent events: None

12 Other:

(1) A summary of employee benefits, depreciation, and amortization, by function, is as follows:

By funtion / By item	2023 Cost of Sale	2023 Operating Expense	2023 Total	2022 Cost of Sale	2022 Operating Expense	2022 Total
Employee benefits						
Salary	36,074	59,172	95,246	30,737	59,918	90,655
Labor and health insurance	3,664	4,960	8,624	3,182	4,712	7,894
Pension	1,698	2,567	4,265	1,494	2,499	3,993
Remuneration of directors	-	8,396	8,396	-	7,979	7,979
Others	1,680	1,125	2,805	1,160	978	2,138
Depreciation	38,371	3,252	41,623	36,434	3,226	39,660
Amortization	43	18	61	36	190	226

Additional information on the number of the Company' s employees and the average employee benefit expenses of the Company for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Number of employees	129	118
The number of directors who do not serve concurrently as employees	6	6
Average employee benefit expense	$ 902	935
Average employee salary cost	$ 774	809
Adjustment of average employee salary expenses	(4.33)%	(3.23)%
supervisor's remuneration	$ -	683

The Company’s salary and remuneration policy (including directors, managers and employees) information is as follows:

A. Director

(a) Independent directors: according to the resolution of the board of directors, pay the traveling expenses and pay the fixed salary every time they attend the board meeting.

(b) General directors' remuneration shall be paid according to the company's articles of association, according to their participation in the company's operations and contribution value, and with reference to the industry's usual level. According to the resolution of the board of directors, pay the traveling expenses according to each meeting attended by the board of directors.

(c) Director remuneration：The Company’s Articles of Incorporation stipulate that if the Company has profits for the year, no more than 2% should be set aside for directors' remuneration。However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit. Independent directors do not participate in distribution。

B. Supervisors and employees

(a) Remuneration is divided into fixed salary and variable salary. The fixed salary is handled in accordance with the company's "Salary Management Measures" and is approved according to the job description and professional ability of the position ; variable salary is issued according to the company's operating conditions and work performance, including Mid-Autumn Festival bonuses, year-end bonuses and employee compensation。

(b) The Company’s Articles of Incorporation stipulate that if the Company has profits for the year, then 2% to 10% thereof shall be set aside as employee remuneration. However, if the Company has accumulated deficits, the profit should be reserved to offset the deficit.

13 Other disclosures:

(1) Information on significant transactions:

The following is the information on significant transactions required by the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” for the Company:

A. Loans to other parties:

Number	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance	Actual usage amount during the period	Range of interest rates during the period	Purposes of fund financing for the borrower (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Loss allowance	Collateral		Individual funding loan limits (Note 2)	Maximum limit of fund financing (Note 3)
													Item	Value		
0	The Company	SHIAN YIH (DONGGUAN)	Loans receivable from related parties	Yes	226,315	122,820	92,115	6.38%	2	-	Working capital	-	No	-	471,124	753,798
0	The Company	FAIR LUMI (DONGGUAN)	Loans receivable from related parties	Yes	161,795	61,410	-	- %	2	-	Working capital	-	No	-	471,124	753,798

Note 1: Financing purposes:

1) Transaction counterparty

2) Entities with short-term financing needs

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 25% of the equity attributable to owners of parent reported in the most recent period.

Note 3: The aggregate amount of loans to a single party shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

B. Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (Note 2)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements (Note 3)	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 1)										
0	The Company	FAIR LUMI (DONGGUAN)	3	753,798	136,669	52,813	4,549	-	2.80%	753,798	Y	N	Y
0	The Company	SHIAN YIH (DONGGUAN)	3	753,798	249,013	159,666	7,284	-	8.47%	753,798	Y	N	Y

Note1: The relationship between the guarantor and the counter-party of guarantee and endorsement is as follows:

1. Transaction counterparties.
2. An entity wherein the Company owns more than 50% voting rights, directly or indirectly.
3. The entity owning more than 50% voting rights in the Company, directly or indirectly.
4. The Company owned at least 90% of voting rights in the entity, directly or indirectly.
5. An industry peer or joint builder mutually guaranteed according to a construction contract.
6. An entity endorsed and/or guaranteed by all shareholders in proportion to shareholding in joint investment.
7. An industry peer and joint provider of performance guarantee for a presale contract pursuant to the Consumer Protection Act.

Note 2: The aggregate amount of loans to a single subsidiary shall not exceed 40% of the equity attributable to owners of parent for the most recent period.

Note 3: The the guarantees provided for other parties shall not exceed 40% of the equity attributable to owners of parent reported in the latest financial statements.

Note 4:According to the operating procedures of each subsidiary's endorsement guarantee, the amount of endorsement guarantee between each subsidiary company shall not exceed 40% of the latest owner's equity of each subsidiary company attributable to the parent company.

Note 5:According to the operating procedures of each subsidiary's endorsement guarantee, the total amount of external guarantees shall not exceed 40% of the most recent owner's equity of each subsidiary attributable to the parent company.

C. Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Category and name of security	Relationship with company	Account title	Ending balance				Note
				Shares/Units (thousands)	Book value	Percentage of ownership (%)	Fair value	
The Company	Ordinary share Ying Cheng Investment Corp.	None	Financial assets at fair value through other comprehensive income－non-current	2,534	9,334	15.83%	9,334	

D. Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock: None

E. Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

F. Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock: None

G. Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
The Company	SHIAN YIH (DONGGUAN)	The Company's subsidiary	Purchase	331,056	34.89%	O/A 30 days	(Note 1)	Based on the Group's working capital	(47,472)	35.14%	
The Company	FAIR LUMI (DONGGUAN)	The Company's subsidiary	Purchase	370,425	39.04%	O/A 30 days	(Note 2)	Based on the Group's working capital	(44,129)	32.66%	
SHIAN YIH (DONGGUAN)	The Company	The Company's subsidiary	Sale	331,056	30.51%	O/A 30 days	(Note 1)	Based on the Group's working capital	47,472	14.82%	
FAIR LUMI (DONGGUAN)	The Company	The Company's subsidiary	Sale	370,425	60.19%	O/A 30 days	(Note 2)	Based on the Group's working capital	44,129	29.42%	
SHIAN YIH (DONGGUAN)	FAIR LUMI (DONGGUAN)	Associates	Purchase	112,394	15.60%	O/A 30 days	-	Based on the Group's working capital	(78,071)	26.89%	
FAIR LUMI (DONGGUAN)	SHIAN YIH (DONGGUAN)	Associates	Sale	112,394	18.26%	O/A 30 days	-	Based on the Group's working capital	78,071	52.05%	

Note 1: Calculated as 64% to 82% of selling prices of the Company's products.

Note 2: Calculated as 82% to 93% of selling prices of the Company's products.

Note 3: The above transactions were eliminated when compiling the consolidated financial statements.

H. Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock: None

I Trading in derivative instruments: None

(2) Information on investees:

For 2023, the information about investees is as follows(excluding investees in Mainland China):

(In Thousands of USD)

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount: December 31, 2023	Original investment amount: December 31, 2022	Balance as of December 31, 2023: Shares (thousands)	Balance as of December 31, 2023: Percentage of wnership	Balance as of December 31, 2023: Book value	Net income (losses) of investee	Share of profits/losses of investee
The Company	Shian Yih (Samoa)	Samoa	Investment	348,724 (USD$10,500)	348,724 (USD$10,500)	10,500	100.00%	752,074	46,273	44,306 (Note 1)
The Company	CHIAN YIH OPTOTECH CO., LTD.	Taiwan	Manufacture and sale of optical products	65,000	65,000	6,500	50.00%	20,067	(6,148)	(3,074)
Shian Yih (Samoa)	Fair Some (Samoa)	Samoa	Investment	348,724 (USD$10,500)	348,724 (USD$10,500)	10,500	100.00%	440,984 (USD$14,362)	33,396 (USD$1,071)	33,396 (USD$1,071)
Shian Yih (Samoa)	Wise	Samoa	Investment	524,311 (USD$16,650)	524,311 (USD$16,650)	16,650	100.00%	318,887 (USD$10,386)	12,910 (USD$414)	12,910 (USD$414)

Note 1: Equity-accounted investment gains of $46,723 thousand; the unrealized margins for the period amounted to $1,967 thousand.

(3) Information on investment in mainland China:

A. The names of investees in Mainland China, the main businesses and products, and other information:

(In Thousands of USD)

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows: Outflow	Investment flows: Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2023	Percentage of ownership	Investment income (losses)	Book value	Accumu-lated remittance of earnings in current period
Dongguan Fair Lumi Optronics Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	515,676 (USD$16,650)	((Note 1)	USD$16,650 (Note 3)	-	-	USD$16,650 (Note 3)	100%	13,809 (USD$420)	311,675 (USD$10,151)	-
Dongguan Shian Yih Electronic Co., Ltd.	Manufacture and sale of small and medium-sized LED backlight modules	148,136 (USD$5,000)	((Note 1)	5,000 (Note 3)	-	-	USD$5,000 (Note 3)	100%	27,029 (USD$867)	294,523 (USD$9,592)	-

B. Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA (Not 5)	Upper Limit on Investment
663,812 (US$21,650) (Note 3)	874,016 (US$28,550)	1,130,697

Note 1: Indirect investment Mainland China through an existing company registered in the third region.

Note 2: Recognized according to investee's audited financial statements for the same period of 2023 (USD/NTD:31.1782, translated into NTD).

Note 3: The amount represents the investment using the capital increase out of offshore investees' earnings, rather than the funds remitted by the Company.

Note 4: Translated into New Taiwan dollars using the exchange rate (NT: 30.705) on the reporting date.

Note 5: Translated using the exchange rate on the date on which the investment was applied to the Investment Commission.

Through Fair some (Samoa), a third-region investee, the Company purchased machinery equipment at a price of US$700 thousand. In addition, the Company established processing plants—Shian Yih Electronic Plant and Wei Yang Plastic Plant in Dongkeng Dongguan, Mainland China to engage in manufacture and processing of backlight modules, which has been reported to the Investment Commission, Ministry of Economic Affairs on December 15, 2005.

C. Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in "Information on significant transactions".

(4) Major shareholders:None

Shareholding Shareholder's Name	Shares	Percentage
Hui Kai Investment Corp.	5,745,151	9.39%
Wei-Si, Wang	3,840,815	6.27%
Group Tranding (Somoa)	3,674,448	6.00%

14 Segment information:

Please refer to consolidated financial statements for the year ended December 31, 2023.

6. The impact of financial turnover difficulties for the Company and its affiliates during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.

VII. Review of Financial Conditions, Financial Performance, and Risk Matters

1. Financial conditions:

Unit: Thousand NTD

Item \ Year	2023	2022 (Note)	Difference Amount	Difference %
Current assets	2,310,397	2,374,543	-64,146	-3%
Property, plant, and equipment	260,922	325,364	-64,442	-20%
Intangible assets	2,420	1,097	1,323	121%
Other assets	64,510	79,082	-14,572	-18%
Total assets	2,638,249	2,780,086	-141,837	-5%
Current liabilities	598,083	677,679	-79,596	-12%
Non-current liabilities	136,664	203,938	-67,274	-33%
Total liabilities	734,747	881,617	-146,870	-17%
Capital	611,750	611,750	-	-
Capital surplus	669,678	669,678	-	-
Retained earnings	751,522	725,043	26,479	4%
Other equity	(148,454)	(130,082)	-18,372	14%
Equity attributable to the owners of the Company	1,884,496	1,876,389	8,107	0%
Non-controlling equity	19,006	22,080	-3,074	-14%
Total equity	1,903,502	1,898,469	5,033	0%

The description for the significant variation items (the variation ratio reaching 20% or more and the variation amount reaching NT$10 million or more):

- Property, plant, and equipment: It was mainly caused by recognition of depreciation。
- Non-current liabilities: It was mainly caused by the decrease in long-term borrowings.

Note:In accordance with the IFRS Q&A updated by the Securities and Futures Bureau of the Financial Supervisory Commission on January 5, 2023, the merging company reclassified the balance of overseas funds to the special account on December 31, 2022 to $340,714 thousand, and reclassified other financial assets-non-current into cash and about cash. $91,291 thousand were time deposits with an original maturity date of more than three months, so they were reclassified from other financial assets-non-current to other fiancial assets-current.

2. Financial performance:

(1) Analysis on the variation on the financial performance in the most recent 2 fiscal years:

Unit: Thousand NTD

Item \ Year	2023	2022	Amount of increase or decrease	Variation ratio (%)
Operating revenue	2,083,903	2,240,839	(156,936)	-7%
Operating Costs	1,696,559	1,863,696	(167,137)	-9%
Gross profit	387,344	377,143	10,201	3%
Operating expenses	259,435	271,426	(11,991)	-4%
Operating net profit	127,909	105,717	22,192	21%
Non-operating income and expenses	58,372	135,740	(77,368)	-57%
rofit before tax of continuing operation	186,281	241,457	(55,176)	-23%
Current net profit	145,755	184,344	(38,589)	-21%
Current other comprehensive income	(18,372)	27,539	(45,911)	-167%
Total other comprehensive income	127,383	211,883	(84,500)	-40%
Current net profit attributable to the owners of the Company	148,829	184,957	(36,128)	-20%
Total comprehensive income attributable to the owners of the Company	130,457	212,496	(82,039)	-39%
Earnings per share (NTD)	2.43	3.02	(1)	-20%

The description for the significant variation items (the variation ratio reaching 20% or more and the variation amount reaching NT$10 million or more):

- Increase in operating net profit: It was mainly caused by the slight decrease in revenue due to inflation that suppressed the demand for consumer products and the adjustment of the inventory on the side of the customer. However, operating net profit increased by 21% thanks to the effort to improve the manufacturing process and control the costs.
- Increase and decrease in non-operating income and expenses: It was mainly caused by the decrease in foreign exchange gains incurred from the appreciation of NTD in the current period.

- Other comprehensive income: It was mainly caused by the increase in the exchange loss of the translation of financial statements of overseas operating units.
- Decrease in net income before tax and net profit attributable to the owners of the Company: It was mainly caused by the decrease in foreign exchange gains compared to the previous period.

3. Cash Flow:

(1) 2023 cash flow variation analysis:

Unit: Thousand NTD

Cash balance as of January 1	Annual net cash flow from operating activities	Annual net cash flow from investment and financing activities	Annual exchange rate variation effects	Residual cash
1,144,909	357,738	(443,471)	(7,160)	1,052,016

Description for the changes in the increase or decrease in ratio:

- Operating activities: It was mainly caused by the net cash inflow from operating activities.
- Investment activities: It was mainly caused by the increase in purchase of property, plant and equipment and other financial assets.
- Financing activities: It was mainly for the repayment of long-term and short-term borrowings and distribution of cash dividends.

(2) Make-up measures for insufficient cash and liquidity analysis: None.

(3) Cash flow analysis for the next fiscal year:

Unit: Thousand NTD

Cash balance as of January 1	Annual net cash flow from operating activities	Annual cash inflow	Residual (insufficient) cash	Make-up measures for insufficient cash	
				Investment plan	Property management plan
1,052,016	165,061	(256,491)	795,525	-	-

The description on the consolidated cash flow variation for the next fiscal year:

- Operating activities: It is mainly caused by the expected operating gains.
- Investment activities: It was mainly for the purchase of property, plant, and equipment.

■ Financing activities: It is mainly for the distribution of cash dividends.

4. The impact of significant capital expenditures on the finance in the most recent fiscal year: None.

5. The main reason and improvement plan of profit or loss of the reinvestment policy in the most recent fiscal year, and the investment in the next fiscal year:

1. The reinvestment policy of the Company:

The Company's management team conducts reinvestment based on the operation demand or for the purpose of future growth of the Company. The Company also established an investment task force, which is responsible for submitting the investment plan. The investment task force will conduct careful assessment on the organization type, purpose of investment, and the location, market status, business development, possible joint venture, shareholding ratio, reference price, and financial condition of the new business. The assessment will be used for the decision makers for the investment determination. In addition, the Company also controls the business operation status of the investee and analyzes the investment performance, which are beneficial for the decision makers to conduct follow-up assessment after the investment.

2. Main reason of the profit or loss from reinvestment, improvement plan, and future investment plan:

Unit: Thousand NTD

Description / Item	Initial investment	Policy	Main reason of the profit or loss	Improvement plan	Future investment plan
Dongguan Ke Sheng Optics and Photoelectric	USD16,650	Overseas production base	The main business items are the assembly of backlight modules and the manufacturing and sales of plastic injection products. This company had a profit of NT$13,089 thousand this year due to the change of product portfolio and enhancing the internal cost control.	None	It depends on the operation status
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	USD5,000	Overseas production base	The main business items are the assembly, manufacturing, and sales of backlight modules. This company had a profit of NT$27,029thousand this year due to the change of product portfolio and enhancing the internal cost control.	None	It depends on the operation status
Chian Yih Optotech Co., Ltd.	NTD65,000	Headlight light source module plant	This plant was established in November 2016, and it is still expanding business capacity. Therefore, there has been no sufficient revenue, and it is experiencing operating loss.	None	It depends on the operation status

3. Investment plan for the next fiscal year: The Company will uphold the reinvestment policy. The investment assessment task force will conduct professional investment assessment, and the investment will be discussed and determined by decision makers.

6. The risk analysis and assessment during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

(1) The impact of the change of interest rate and exchange rate and inflation on the profit or loss of the Company and future response measures:

Item/Year	2023	2022
Net interest income	41,800	9,014
Net interest income to the net operating revenue	2.01%	0.40%
Net interest income to the net profit before tax	22.44%	3.73%
Exchange gains or losses	2,212	114,208
Exchange gains or losses to the net operating revenue	0.11%	5.10%
Exchange gains or losses to the net profit before tax	1.19%	47.30%

(A) Interest rate changes:

The interest revenue and expenditure of the consolidated company in 2023 was NT$47,024 thousand and NT$5,224 thousand, respectively. Apart from the operation funds that are used for supporting the overall operation, loans from banks are also one of the sources of funds. The Company and subsidiaries evaluate the interest rate of loans, adjust the fund utilization based on the changes in the interest rate, and adopt necessary measures to respond to the interest rate risk.

(B) Exchange rate changes:

The main quotation currency for the exported goods is USD, and part of the important raw materials are procured overseas quoted in USD or JPY. As a result, the changes in the exchange rate will have certain level of impact on the Company's income and cultivation of export trade. Response measures for exchange rate changes:

A. The fund allocation personnel pays attention to the trend and changes of all major currencies in the international exchange market to control the exchange rate trend.

B. For USD positions, the Company adopts the natural hedge, which is the net income from accounts receivable offsetting the accounts payable, to avoid the risk of exchange rate fluctuation.

C. Maintain excellent relationship with banks to receive more exchange information and favorable exchange rate quotation.

(C) Inflation

The Company pays attention to market price fluctuation at all times and maintain excellent relationships with suppliers and customers to avoid the significant impact of inflation on the Company. The Company also continues to improve manufacturing process to reduce the costs.

(2) Policies, main reasons for profit or loss with respect to high risk, high leveraged Investments, lending or endorsement and guarantees, and derivatives trading and future response measures:

A. The Company does not engage in any high risk, high leveraged investments and derivatives trading. The lending or endorsement and guarantees are conducted in accordance with the policy and response measures stipulated in "Operational Procedures for Loaning Funds to Others" and "Operational Procedures for Making Endorsements/Guarantees."

B. When engaging the aforementioned trading in the future, the Company will be in compliance with the "Operational Procedures for Loaning Funds to Others," "Operational Procedures for Making Endorsements/Guarantees," and "Operational Procedures for The Acquisition and Disposal of Assets."

(3) Future research development project and estimated investment in research and development:

The Company's R&D expenses in 2023 was NT$61,527 thousand, and it is expected to be NT$52,603 thousand. The Company will develop products with higher brightness and quality. The R&D expenses may be increased on a yearly basis based on the operation scale. Please refer to II. Operation Overview for the R&D status.

(4) The impact of changes in domestic and overseas significant policies and laws on the finance of the Company and response measures:

The Company pays attention to the changes in domestic and overseas significant policies and laws at all times and proposes response measures properly. The finance of the Company has not been affected by the changes in domestic and overseas significant policies and laws during the current fiscal year up to the date of publication of the annual report.

(5) The impacts of changes in technologies and industries on the finance of the Company and response measures:

The backlight modules produced by the Company are mainly for automotive products. The automotive design capabilities and complete material supply chain accumulated over the years are able to correspond to Tier 1 OEMs. At the same time, the Company is actively investing in the research and development of new technologies and processes to increase product applications. The short-term changes in the market will unlikely have a significant impact on the finance and business of the Company.

(6) The impact of changes in corporate image on corporate risk management, and the response measures:

There has been no significant event that has an impact on the corporate image during the current fiscal year up to the date of publication of the annual report.

(7) The expected benefits and possible risks of mergers and response measures:

The Company did not have any merger plan during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where there is merge plan in the future, the Company will carefully assess the possibility and take into consideration of the merger effect to protect the interests of shareholders.

(8) The expected benefits and potential risks of any plant expansion and response measures:

The Company did not have any plant expansion plan during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report. Where there is any plant expansion plan in the future, the Company will carefully assess the possibility and take into consideration of the effect to protect the interests of shareholders.

(9) The risks associated with any consolidation of purchasing or sales operations and response measures:

A. The risk of consolidation of purchasing:

The Company has distributed the material supply chains, so there is no consolidation of purchasing from single supplier. To continue to prevent the risk of consolidation of purchase, the Company continues to develop new raw material suppliers, and the R&D team develops new materials and designs to reduce the use of raw materials or to look for substitute materials, which may reduce the risk of monopoly of raw materials from upstream suppliers.

B. The risk of consolidation of sales:

The targets of sales for the Company concentrate on certain customers, which are the downstream LCM manufacturers. However, this is the nature of the backlight module industry, and it happens to other companies in the same industry. However, to reduce the credit risk, the Company has assessed the financial condition and actual receivable status of its customers and promptly adjusted the credit line and period. The Company also actively develops new customers and adds non-cell phone products. It will continue to distribute the risks of consolidation of customers and products.

(10) The impact on and risk to the Company if a major quantity of shares belonging to a director or shareholder holding greater than a 10% of shares of the Company has been transferred or has otherwise changed hands and response measures:

The Company does not encounter such situation during the current fiscal year up to the date of publication of the annual report.

(11) The impact on and risk to the Company associated with any change in governance personnel or top management and response measures:

The Company does not have any change in governance personnel or top management during the current fiscal year up to the date of publication of the annual report.

(12) If there has been any material impact upon shareholders' equity or prices for the Company's securities as a result of any litigation, non-litigious proceeding, or administrative dispute involving the company that was finalized or remained pending during the most recent 2 fiscal years or up to the date of publication of the annual report, the annual report shall disclose the facts in dispute, amount in dispute, commencement date, main parties involved, and current status of the case:

The Company does not encounter such situation during the current fiscal year up to the date of publication of the annual report.

(13) Other important risks and response measures:

Information risk assessment analysis:

A. Information security management mechanism: The Company stipulates internal control computer cycle, Regulations Governing the Management on the Protection of Personal Data in accordance with the laws and regulations and the business demand of the Company for employees to comply with.

B. Information security management plan: The Company confirms the unfavorable impact level of information risk on the operation of the Company based on the result of risk identification and risk assessment and adopts corresponding management measures. After the assessment on the information risk, the Company plans the following information security control projects: (1) email management control; (2) installation of anti-virus software; (3) firewall installation; (4) system program data access; and (5) information system disaster recovery plan. As of now, the Company does not have any significant information security risk.

7. Other important matters:

(1) Disclose the assessment basis for the recognition of valuation items of assets and liabilities:

A. Allowance for doubtful accounts

The Company calculates the age of overdue receivables on a monthly basis in accordance with the IAS regulations. The age of overdue receivables less than a year is calculated using the roll rate, and the Company calculates the possible loss rate as the provision for doubtful accounts. Accounts receivable that are overdue over a year are recognized as 100% doubtful accounts, and proper allowance for doubtful accounts shall be set aside. In addition, the Company also assesses the recoverable accounts receivable on a regular basis, prepares the accounts receivable aging table, and record the receivables that are expected to be recovered on a monthly basis.

B. Allowance for loss on decline in the value of inventories

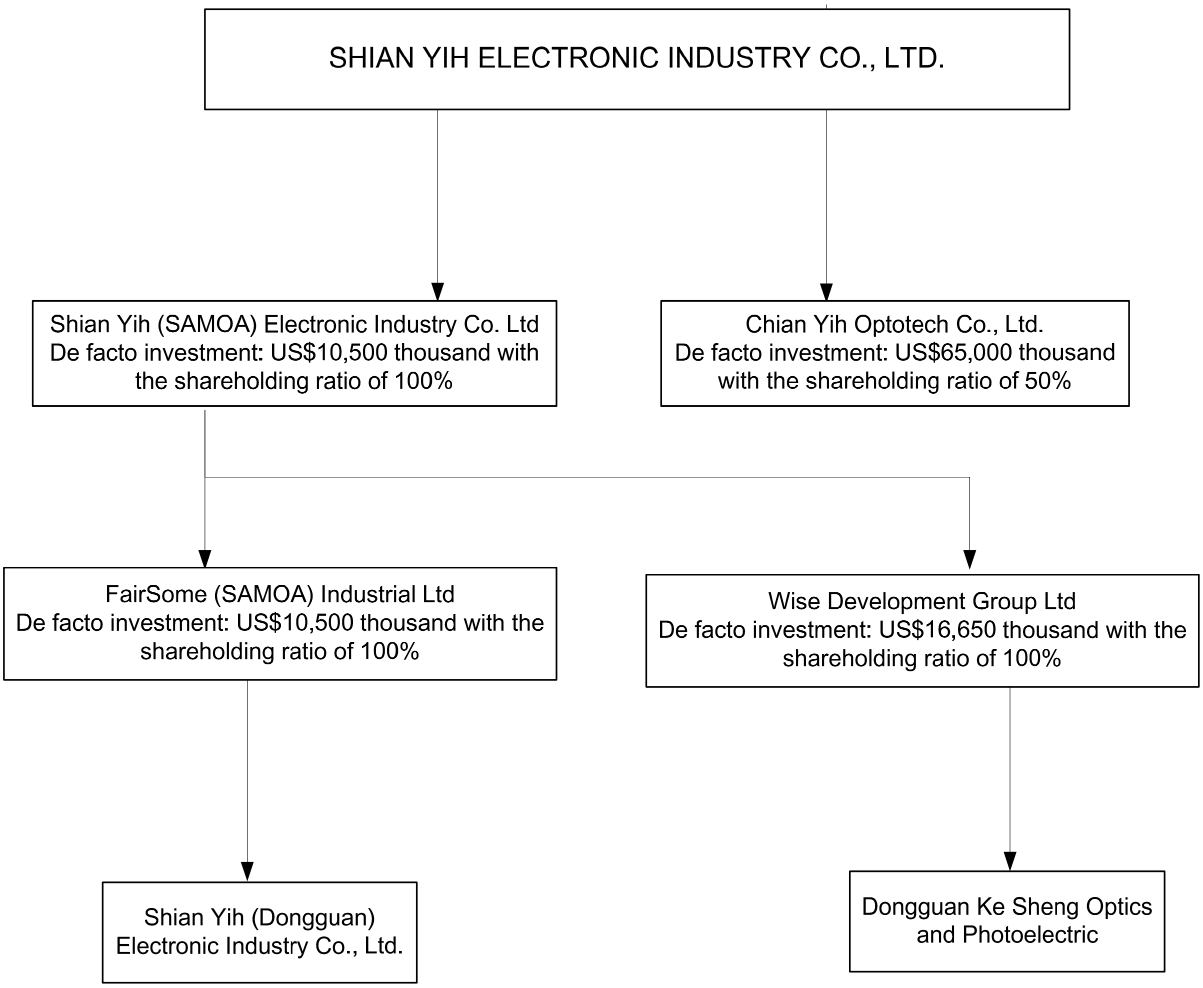
Inventories include raw materials, materials, products, work-in-progress, and commodity, which are measured based on the lower of the costs and net realizable value. The costs are calculated using weighted average method, and the net realizable value is the estimated selling price in the normal operation on the balance sheet date less the costs and selling expenses to be invested before the completion of the products. In addition, the Company assesses the possibility of obsolescence by the end of the period based on the inventory aging analysis and market condition by the end of the period and sets aside the allowance for inventory obsolescence loss. The policy for setting aside the allowance based on aging inventory is as follows:

Inventory aging	**180-360 days**	**Over 1 year**
Allocation ratio	80%	100%

VIII. Special Items

1. Information of Affiliates

(1) The organizational chart of affiliates



(2) Basic information of each affiliate

Unit: Thousand NTD

Name of Company	Incorporation date	Address	Amount of paid-up capital	Major business item
ShianYih(Samoa)ElectronicIndustryCo.,Ltd.	2004.6.25	OffshoreChambers, P.O.Box21, Apia,Samoa	US$10,500	Investment holding
FairSome(Samoa)Industrial Ltd.	2004.6.25	OffshoreChambers, P.O.Box21, Apia,Samoa	US$10,500	Investment holding
Wise Development Group Ltd.(Note 1)	2006.2.27	OffshoreChambers, P.O.Box21, Apia,Samoa	US$16,550	Investment holding
Dongguan Ke Sheng Optics and Photoelectric	2007.6.20	Plainvim Industrial Park, Dong Keng Township, Dongguan City	US$16,650	Manufacturing and sales of backlight modules
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	2013.8.29	Junda West Road, Dongkeng Town, Dongguan City,	US$5,000	Manufacturing and sales of backlight modules
Chian Yih Optotech Co., Ltd.	2016.11.21	No. 70-20, Shishan, Zhunan Township, Miaoli County	NT$130,000	Manufacturing and sales of LED headlight lighting modules

(3) Information of directors, supervisor, president of all affiliates

Unit: Thousand USD

Name of Company	Title	Name or representative	Number of shares held	
			Shares	Shareholding Ratio
ShianYih (Samoa) ElectronicIndustryCo.,Ltd.	Chairman	Teng, Chia-Wen	10,500	100%
FairSome (Samoa) Industrial Ltd.	Director	ShianYih (Samoa) Electronic IndustryCo.,Ltd. Representative: Wang, Hui-Min	10,500	100%
Wise Development GroupLtd.	Director	ShianYih (Samoa) Electronic IndustryCo.,Ltd. Representative: Wang, Hui-Min	16,650	100%
Dongguan Ke Sheng Optics and Photoelectric	Director	Wise Development Group Ltd. Representative: Wang, Hui-Min	-	100%
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	Director	FairSome (Samoa) Industria lLtd. Representative: Wang, Hui-Min	-	100%
Chian Yih Optotech Co., Ltd.	Chairman	Teng, Chia-Wen	65,000	50%

(4) Operation overview of affiliates

Unit: Thousand NTD

Name of Company	Capital amount	Total assets	Total liabilities	Net value	Operating revenue	Operating (loss) profit	Current profit or loss (after tax)	Earnings per share (NTD) (after tax)
ShianYih(Samoa)ElectronicIndustryCo.,Ltd.	USD10,500 NTD348,724	760,043	-	760,043	-	(36)	46,273	-
Chian Yih Optotech Co., Ltd.	NTD130,000	50,084	12,070	38,014	16,438	(6,717)	(6,148)	-
FairSome(Samoa)IndustrialLtd.	USD10,500 NTD348,724	441,678	693	440,985	-	(1,685)	33,396	-
WiseDevelopmentGroupLtd.	USD16,650 NTD524,311	318,887	-	318,887	-	(36)	12,910	-
Dongguan Ke Sheng Optics and Photoelectric	USD16,650 NTD515,676	551,961	240,286	311,675	640,417	11,998	13,089	-
Shian Yih (Dongguan) Electronic Industry Co., Ltd.	USD5,000 NTD148,136	727,064	432,541	294,523	1,105,324	36,899	27,029	-

A. Consolidated financial statements of affiliates: Please refer to page 112-173 of this Annual Report.

B. Affiliates report: None.

2. **Private placement of securities during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.**
3. **Holding or disposal of shares in the Company by the Company's subsidiaries during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report: None.**
4. **Other matters that require additional description: None.**
5. **Any of the situations listed in Subparagraph 2, Paragraph 2, Article 36 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the current fiscal year up to the date of publication of the annual report: None.**

Shian Yih Electronic Industry Co., Ltd.

Chairman: Wang, Wei-Sih