Stock Code: 6125

KENMEC MECHANICAL ENGINEERING CO., LTD. AND SUBSIDIARIESA

Consolidated Financial Report with Independent Auditors' Report

2023 and 2022

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Declaration of Consolidated Financial Report of Affiliated Companies

The companies to be included by the Company in the consolidated financial statement of affiliated enterprises in 2023 (January 1 to December 31, 2023) pursuant to the Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those to be included in the consolidated financial report of the parent company and subsidiaries pursuant to the Statement of International Financial Reporting Standards (IFRS) No. 10. Further, the related information to be disclosed in the consolidated financial report of affiliated enterprises has been disclosed in the said consolidated financial report of the parent company and subsidiaries. Accordingly, it is not necessary for the Company to prepare the consolidated financial report of affiliated enterprises separately.

In witness thereof, the Declaration is hereby presented.

Company name: Kenmec Mechanical Engineering Co., Ltd.

Person in charge: CHING-FU HSIEH

March 7, 2024

Independent Auditors' Report

To KENMEC MECHANICAL ENGINEERING CO., LTD.:

Audit opinion

We audited the consolidated balance sheets of KENMEC MECHANICAL ENGINEERING CO., LTD. and its subsidiaries (Kenmec Group) as of December 31, 2023 and 2022, the consolidated statements of comprehensive income, consolidated statements of changes in equity and consolidated statements of cash flows for the periods from January 1 to December 31, 2023 and 2022, and the notes to the consolidated financial statements (including the summary of significant accounting policies).

In our opinion, the said consolidated financial reports were prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and thus presented fairly, in all material aspects, the consolidated financial positions of the Kenmec Group as of December 31, 2023 and 2022, and the consolidated financial performance and cash flows for the periods from January 1 to December 31, 2023 and 2022.

Basis of Audit Opinions

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants and auditing standards. Our responsibilities under such standards are further described in the "CPA's responsibility for the audit of the consolidated financial statements" section in this report. We were independent of Kenmec Group, in accordance with the Norms of Professional Ethics for Certified Public Accountants and fulfilled all other responsibilities thereunder. We believe that we acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Kenmec Group for the year 2023. Such matters were addressed during the overall audit of the consolidated financial statements and the process of forming the audit opinions, and thus we did not provide opinions separately regarding such matters.

The key audit matters in the audit of the consolidated financial statements of Kenmec Group for the year 2023 are as follows:

Project incomes recognized on the basis of stage of completion

The Company of the Group mainly engages in automation projects. Its project revenue is recognized based on the degree of completion of the contracts, of which the estimated total project cost is an important factor in calculating the percentage of completion. The estimated total costs of projects and contract items are evaluated and judged by management based on the nature of projects, estimated contract amounts, project approaches and work methods. However, due to the long duration of the work period, the contracts are likely to be affected by fluctuations in prices of raw materials and labor, as well as addition/reduction of projects, making them subject to inherent risks of complexity. As there is a certain degree of subjectivity in these estimates, the calculation of the percentage of revenue from the completion of some projects may have errors or have a significant impact on the misinterpretation of revenue in each period. Therefore, the total estimated cost for project contracts is a material estimate and judgment of the Company, hence it is considered a key audit item. For accounting policies and disclosure information relevant to the recognition of project income, see Notes 4, 5 and 27 to the financial statements.

For the above key audit matters, the audit procedures we performed are as follows:

1. To understand and test the Company's internal control procedures relevant to the preparation of the estimated total project cost.
2. To select samples and examine the documents of the Company's projects to confirm the reasonableness of the estimated total project cost.

The verification of the revenue from shipment to certain customers

The Group's Tainergy Tech. Co., Ltd. mainly engages in the research, design, manufacturing and sales of solar cells, panels and related systems. Since we presumed that revenue recognition was a significant risk based on the materiality principle and the Statements on Auditing Standards, we considered that the occurrence of the sales revenue from parts of certain customers recognized by the Tainergy Tech. Co., Ltd. and its subsidiaries was significant to the financial statements. Therefore, the verification of the shipment with respect to the revenue from parts of certain customers was listed as the key audit matter of the year. For the description of revenue recognition policies, see Note 4.

We performed the following main audit procedures:

1. We knew and tested the design and implementation of the internal control related to the recognition of revenue from parts of certain customers.
2. We carried out population sampling for the revenue statements of the said parts of certain customers, reviewed relevant supporting documents, and examined the collection of payments to confirm the occurrence of sales transactions.
3. We reviewed any material sales returns and discounts occurring after the balance sheet date to make sure whether there was any material misstatement of the sales revenue from the parts of certain customers.

Property, plant and equipment impairment

As of December 31, 2023, the carrying value of the Group's property, plant and equipment was NTD 4,130,074 thousand, accounting for 35.42% of total assets, which was significant. For accounting policies and related disclosures on asset impairment assessment, please refer to Notes 4, 5 and 15 on the consolidated financial report.

TAISIC MATERIALS CO.

As the Group's TAISIC MATERIALS CO. invests in the field of silicon carbide in 2023, the revenue is yet significantly shown, resulting in idle production capacity. Management expects that the future economic benefits of property, plant and equipment will be reduced, resulting in its recoverable amount of property, plant and equipment being less than the carrying amount. Therefore, the Group recognized an impairment loss of NTD 43,718 thousand in 2023.

Management evaluated the recoverable amount of the property, plant and equipment impairment mentioned above based on the model of fair value less cost to sell, while referring to the adoption of the opinions in the expert's report as the basis. As the method and key assumption parameters used in the evaluation of the expert's valuation report have a high degree of professional judgment, the evaluation of property, plant and equipment impairment is listed as a key audit item.

Our principal audit procedures for the above description include:

1. To understand management's process and approval process in evaluating the provision of impairment for property, plant and equipment.
2. We evaluated the professional experience, suitability and independence of the independent valuation experts appointed by management and verified the qualifications of the independent valuation experts. We also adopted our financial advisors to assist in the evaluation of the appropriateness of the methods and assumptions used by the independent valuation experts in the evaluation of fair value.
3. We have used our financial advisors to assist in sampling parameters and historical information or external information used by the independent valuation experts to ensure the reasonableness of the valuation parameters used.

VIETNERGY COMPANY LIMITED

In 2023, due to the rapid change of market demand for solar energy and technology, management expects that some of the property, plant and equipment of VIETNERGY Co., Ltd., subsidiary of Tainergy Group, may not be economically viable in the future due to the upgrade of product specifications, and the related equipment is expected to be scrapped. Therefore, Tainergy Group recognized an impairment loss of NTD 104,022 thousand in 2023.

Our assessment of the amount of the aforementioned loss of scrapping is a material matter, so the impairment loss of the property, plant and equipment is listed as a key audit matter.

Our principal audit procedures for the above description include:

1. Understand the management's assessment of the scrapping and approval procedures for property, plant and equipment.
2. To conduct on-site inspections on the use of property, plant and equipment that have been recognized for loss, and to assess whether the loss recognized is reasonable.

Other Matters

For the parent company only financial statements prepared by Kenmec Mechanical Engineering Co., Ltd. in 2023 and 2022, we had an independent auditors' report issued with an unqualified opinion for reference.

Responsibility of the management and governance unit for the consolidated financial statements

Management was responsible for preparation of the consolidated financial statements with fair presentation in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, interpretations and the statements of interpretation approved and released by the Financial Supervisory Commission and maintaining the necessary internal control related to preparation of the consolidated financial statements to ensure that the consolidated financial statements were free of material misstatement due to fraud or errors.

During preparation of the consolidated financial statements, management was also responsible for evaluating Kenmec Group's ability as a going concern, disclosure of relevant matters, and application of the going concern basis of accounting unless management intended to make Kenmec Group enter into liquidation or terminate its operations, or there were no other actual or feasible solutions other than liquidation or termination of its operations.

Kenmec Group's governance unit (including the Audit Committee) was responsible for supervising the financial reporting procedures.

CPA's responsibility for the audit of the consolidated financial statements

We audited the consolidated financial statements for the purpose of obtaining reasonable assurance about whether the consolidated financial statements were free of material misstatement due to fraud or error and issuing an audit report. Reasonable assurance is a high-level assurance but is not a guarantee that an audit conducted in accordance with the auditing standards will always detect a material misstatement when it exists. The misstatements might be due to fraud or error. If the individual or total amount misstated was reasonably expected to have an impact on the economic decision-making of the users of the consolidated financial statements, the misstatement was deemed material.

As part of an audit in accordance with the auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also performed the following works:

1. We identified and assessed the risk of any misstatement in the consolidated financial statements due to fraud or errors, designed and implemented response measures suitable for the evaluated risks, and acquired sufficient and appropriate audit evidence to use as the basis of our audit opinions. Fraud may involve collusion, forgery, omission on purpose, fraudulent statements or violation of internal control, and we did not find that the risk of material misstatement due to fraud was higher than the same due to error.
2. We understood the internal control related to the audit to an extent necessary to design audit procedures applicable to the current circumstances. However, the purpose of such work was not to express opinions regarding the effectiveness of Kenmec Group's internal control.
3. We evaluated the appropriateness of the accounting policies adopted by management and the rationality of the accounting estimates and relevant disclosure made by management.
4. We drew a conclusion about the appropriateness of the application of the going concern basis of accounting by management and whether the event or circumstances which might cause major doubts about Kenmec Group's ability as a going concern had a material uncertainty. If any material uncertainty was deemed to exist in such event or circumstance, we must provide a reminder in the audit report for the users of the consolidated financial statements to pay attention to the relevant disclosures therein, or amend our audit opinions when such disclosures were inappropriate. Our conclusion was drawn based on the audit evidence acquired as of the date of this audit report. However, future events or circumstances might result in a situation where Kenmec Group would no longer have its ability as a going concern.
5. We evaluated the overall presentation, structure, and contents of the consolidated financial statements (including the relevant notes) and whether the consolidated financial statements presented relevant transactions and events fairly.
6. We acquired sufficient and appropriate audit evidence for the financial information of the entities forming the Group to provide opinions regarding the consolidated financial statements. We were responsible for instruction, supervision and conduct of the Group's audit cases, as well as the expression of the audit opinions for the Group.

The matters for which we communicated with the governance unit include the planned audit scope and time, as well as major audit findings (including the significant deficiencies of the internal control identified during the audit).

We also provided a declaration of independence to the governance unit, which assured that we complied with the requirements related to independence in the Norm of Professional Ethics for Certified Public Accountant, and communicated all relationships and other matters (including relevant protective measures) which we deemed to be likely to cause an impact on the independence of CPAs to the governance unit.

We determined the key audit matters to be audited in Kenmec Group consolidated financial statements in 2023 based on the matters communicated with the governance unit. We specified such matters in the audit report except when public disclosure of certain matters was prohibited by related laws or regulations, or when, in very exceptional circumstances, we determined not to cover such matters in the audit report as we could reasonably expect that the negative impact of the coverage would be greater than the public interest brought thereby.

Deloitte & Touche Taiwan

CPA LI-HUANG LI

CPA PO-JEN WENG

Approval No. from the Securities and Futures Commission
Tai-Cai-Zheng-Liu-Zi No. 0930128050

Approval No. from the Financial Supervisory Commission
Jin-Guan-Zheng-Shen-Zi No. 1010028123

March 28, 2024

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current assets				
1100	Cash and cash equivalents (Note 6)	$ 1,690,444	15	$ 2,103,295	19
1110	Financial assets measured at fair value through profit or loss – current (Note 7)	456,717	4	584,732	5
1136	Financial assets measured at amortized cost – current (Note 9)	281,783	2	305,189	3
1140	Contract assets – current (Notes 25 and 27)	504,916	4	454,410	4
1150	Notes receivable – non-related parties (Note 10)	2,556	-	59,141	-
1160	Notes receivable – related parties, net (Notes 10 and 37)	-	-	61,718	1
1170	Accounts receivable – non-related parties (Note 10)	512,174	4	343,953	3
1180	Accounts receivable – related parties (Notes 10 and 37)	-	-	13,104	-
1200	Other receivables (Notes 10 and 32)	41,874	-	37,508	-
1210	Other receivables – related parties (Notes 10 and 37)	82,842	1	69,844	1
1220	Current income tax assets (Note 29)	9,479	-	9,878	-
130X	Inventory (Note 11)	551,541	5	987,863	9
1421	Prepayments (Note 19)	195,538	2	213,171	2
1460	Non-current assets held for sale (Note 12)	-	-	298,309	3
1470	Other current assets (Note 19)	242,419	2	275,049	2
11XX	Total current assets	4,572,283	39	5,817,164	52
	Non-current assets				
1510	Financial assets measured at fair value through profit or loss – non-current (Note 7)	131,797	1	86,436	1
1517	Financial assets measured at fair value through other comprehensive income – non-current (Note 8)	59,167	1	38,368	-
1535	Financial assets measured at amortized cost – non-current (Note 9)	89,676	1	76,609	1
1550	Investment under the equity method (Note 14)	574,181	5	37,260	-
1600	Property, plant and equipment (Note 15)	4,130,074	35	2,388,132	22
1755	Right-of-use assets (Note 16)	497,086	4	503,275	5
1760	Investment property (Note 17)	1,049,314	9	1,154,309	10
1780	Other intangible assets (Note 18)	14,665	-	15,384	-
1840	Deferred income tax assets (Note 29)	180,664	2	177,246	2
1915	Prepayment for equipment (Note 19)	83,430	1	106,341	1
1920	Guarantee deposits paid (Note 19)	111,921	1	32,083	-
1990	Other non-current assets (Notes 10 and 19)	165,770	1	662,381	6
15XX	Total non-current assets	7,087,745	61	5,277,824	48
1XXX	Total assets	$ 11,660,028	100	$ 11,094,988	100
Code	**Liabilities and equity**				
	Current liabilities				
2100	Short-term loans (Note 20)	$ 933,350	8	$ 333,682	3
2110	Short-term notes payable (Note 20)	37,000	-	-	-
2120	Financial liabilities measured at fair value through profit or loss – current (Note 7)	11	-	-	-
2130	Contract liabilities – current (Note 25 and 27)	677,550	6	1,279,430	12
2150	Notes payable – non-related parties (Note 21)	-	-	1,348	-
2170	Accounts payable – non-related parties (Note 21)	672,228	6	644,196	6
2180	Accounts payable – related parties (Note 21 and 37)	2,605	-	2,129	-
2200	Other payables (Note 22)	559,518	5	537,330	5
2220	Other payables – related parties (Notes 22 and 37)	2,362	-	3,755	-
2230	Current income tax liabilities (Note 29)	2,148	-	4,621	-
2250	Liability reserve – current (Note 23)	45,980	-	24,289	-
2280	Lease liabilities – current (Note 16)	51,287	1	35,518	-
2313	Deferred income (Notes 22)	47,399	-	1,106,660	10
2320	Long-term liabilities due within one year (Note 20)	103,735	1	117,252	1
2399	Other current liabilities (Note 22)	41,964	-	56,865	-
21XX	Total current liabilities	3,177,137	27	4,147,075	37
	Non-current liabilities				
2540	Long-term loans (Note 20)	2,244,378	19	905,441	8
2550	Liability reserve – non-current (Note 23)	2,014	-	2,063	-
2570	Deferred income tax liabilities (Note 29)	58,604	1	57,978	-
2580	Lease liabilities – non-current (Note 16)	285,709	2	309,551	3
2630	Long-term deferred income (Notes 22 and 32)	58,665	1	61,759	1
2640	Net defined benefit liabilities – non-current (Note 24)	5,972	-	61,693	1
2670	Other non-current liabilities (Note 22)	46,899	-	34,536	-
25XX	Total non-current liabilities	2,702,241	23	1,433,021	13
2XXX	Total liabilities	5,879,378	50	5,580,096	50
	Equity attributable to the owner of the Company (Notes 26 and 33)				
3110	Common stock capital	2,490,112	21	2,490,112	22
3200	Capital reserves	456,725	4	293,869	3
	Retained earnings				
3310	Legal reserves	182,797	2	134,786	1
3320	Special reserves	297,092	3	319,117	3
3350	Undistributed earnings	848,592	7	633,963	6
3300	Total retained earnings	1,328,481	12	1,087,866	10
	Other equity				
3410	Exchange differences on translation of financial statements of foreign operations	(255,739)	(2)	(229,740)	(2)
3420	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	(8,208)	-	(11,507)	-
3400	Total of other equity	(263,947)	(2)	(241,247)	(2)
3500	Treasury stocks	-	-	(22,792)	-
31XX	Total equity of the Company's owner	4,011,371	35	3,607,808	33
36XX	Non-controlling interests (Notes 26 and 33)	1,769,279	15	1,907,084	17
3XXX	Total equity	5,780,650	50	5,514,892	50
	Total liabilities and equity	$ 11,660,028	100	$ 11,094,988	100

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH Manager: CHIH-CHUN KE Accounting Manager: CHIN-I LAI

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Consolidated Statement of Comprehensive Income

January 1 to December 31, 2023 and 2022

Unit: NTD thousand; however earnings per share is in NTD

Code		2023 Amount	2023 %	2022 Amount	2022 %
	Operating revenue				
4100	Sales revenue (Note 27)	$ 5,551,490	100	$ 5,359,208	100
	Operating costs				
5110	Cost of sales (Note 11)	(4,402,168)	(79)	(4,361,125)	(81)
5950	Operating gross profit	1,149,322	21	998,083	19
	Operating expenses (Notes 28 and 36)				
6100	Marketing expense	(170,230)	(3)	(151,653)	(3)
6200	Administrative expense	(637,948)	(12)	(565,758)	(11)
6300	R&D expense	(358,827)	(6)	(254,970)	(5)
6450	Expected credit (impairment loss) gain	(76,413)	(1)	27,323	1
6000	Total operating expenses	(1,243,418)	(22)	(945,058)	(18)
6900	Net operating gain (loss)	(94,096)	(1)	53,025	1
	Non-operating revenue and expenses (Notes 14, 28 and 39)				
7100	Interest income	69,668	1	23,693	-
7010	Other revenue	943,950	17	163,509	3
7020	Other gains and losses	(95,218)	(2)	241,682	5
7050	Financial costs	(54,853)	(1)	(41,287)	(1)
7060	Share of profit/loss of associates and joint ventures under the equity method	(15,107)	-	15,826	-
7000	Total non-operating revenue and expenses	848,440	15	403,423	7
7900	Net profit before tax	754,344	14	456,448	8
7950	Income tax expense (Note 29)	(107,324)	(2)	(12,698)	-
8200	Net profit for the current year	647,020	12	443,750	8

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Code		2023 Amount	2023 %	2022 Amount	2022 %
	Other comprehensive income				
	Titles not reclassified as profit or loss:				
8311	Remeasurement of the defined benefit plan (Note 24)	($ 2,551)	-	$ 19,465	-
8316	Unrealized valuation profit/loss on investment in equity instruments measured at fair value through other comprehensive income (Note 26)	3,299	-	(5,396)	-
8349	Income tax relating to non-reclassified items (Note 29)	581	-	(3,219)	-
8310		1,329	-	10,850	-
	Titles likely to be reclassified as profit or loss subsequently:				
8361	Exchange differences on translation of financial statements of foreign operations (Note 26)	(62,949)	(1)	43,576	1
8399	Income tax related to items likely to be reclassified (Note 29)	2,317	-	(1,190)	-
8360		(60,632)	(1)	42,386	1
8300	Other comprehensive income (after tax) in the year	(59,303)	(1)	53,236	1
8500	Total comprehensive income for the year	$ 587,717	11	$ 496,986	9
	Net profit attributable to:				
8610	The owner of the Company	$ 795,997	15	$ 470,074	9
8620	Non-controlling interests	(148,977)	(3)	(26,324)	(1)
8600		$ 647,020	12	$ 443,750	8
	Total comprehensive income attributable to:				
8710	The owner of the Company	$ 776,568	14	$ 498,732	9
8720	Non-controlling interests	(188,851)	(3)	(1,746)	-
8700		$ 587,717	11	$ 496,986	9
	Earnings per share (Note 30)				
9710	Basic	$ 3.20		$ 1.91	
9810	Diluted	$ 3.19		$ 1.89	

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH Manager: CHIH-CHUN KE Accounting Manager: CHIN-I LAI

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

		Equity attributable to the owner of the Company											
		Share capital			Retained earnings			Other equity					
Code		Number of shares (thousand shares)	Common stock capital	Capital reserves	Legal reserves	Special reserves	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interests	Total equity
A1	Balance on January 1, 2022	249,011	$ 2,490,112	$ 604,226	$ 134,786	$ 328,572	$ 140,019	($ 256,306)	($ 6,966)	($ 49,596)	$ 3,384,847	$ 1,347,238	$ 4,732,085
	Allocation and distribution of earnings in 2021												
B3	Special reserves	-	-	-	-	(9,455)	9,455	-	-	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	(395,218)	-	-	-	-	-	-	(395,218)	-	(395,218)
M3	Disposal of investment under the equity method	-	-	-	-	-	-	7,960	-	-	7,960	-	7,960
	Other changes in capital reserves:												
C7	Changes in affiliates recognized under the equity method	-	-	-	-	-	(247)	-	-	-	(247)	-	(247)
M5	Actual acquisition or disposal of part of interests in subsidiaries	-	-	(9,716)	-	-	-	68	1	-	(9,647)	9,647	-
M7	Changes in ownership interests in subsidiaries	-	-	89,230	-	-	-	-	-	-	89,230	(89,230)	-
N1	Employee stock options issued by the Company	-	-	5,347	-	-	-	-	-	74,841	80,188	28	80,216
Q1	Disposal of equity instruments measured at fair value through other comprehensive income	-	-	-	-	-	(810)	-	810	-	-	-	-
D1	Net profit in 2022	-	-	-	-	-	470,074	-	-	-	470,074	(26,324)	443,750
D3	Other comprehensive income after tax in 2022	-	-	-	-	-	15,472	18,538	(5,352)	-	28,658	24,578	53,236
D5	Total comprehensive income in 2022	-	-	-	-	-	485,546	18,538	(5,352)	-	498,732	(1,746)	496,986
L1	Treasury stocks purchased	-	-	-	-	-	-	-	-	(48,037)	(48,037)	-	(48,037)
O1	Changes in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	-	641,147	641,147
Z1	Balance on December 31, 2022	249,011	2,490,112	293,869	134,786	319,117	633,963	(229,740)	(11,507)	(22,792)	3,607,808	1,907,084	5,514,892
	Allocation and distribution of earnings in 2022												
B1	Appropriation of legal reserve	-	-	-	48,011	-	(48,011)	-	-	-	-	-	-
B3	Reversal of special reserves	-	-	-	-	(22,025)	22,025	-	-	-	-	-	-
B5	Cash dividends to the shareholders of the Company	-	-	-	-	-	(401,885)	-	-	-	(401,885)	-	(401,885)
	Other changes in capital reserves:												
C7	Changes in affiliates recognized under the equity method	-	-	(220)	-	-	-	-	-	-	(220)	(13)	(233)
M7	Changes in ownership interests in subsidiaries	-	-	122,144	-	-	(151,564)	(5,204)	-	-	(34,624)	34,624	-
N1	Employee stock options issued by the Company	-	-	40,932	-	-	-	-	-	22,792	63,724	-	63,724
D1	Net profit in 2023	-	-	-	-	-	795,997	-	-	-	795,997	(148,977)	647,020
D3	Other comprehensive income after tax in 2023	-	-	-	-	-	(1,933)	(20,795)	3,299	-	(19,429)	(39,874)	(59,303)
D5	Total comprehensive income in 2023	-	-	-	-	-	794,064	(20,795)	3,299	-	776,568	(188,851)	587,717
O1	Changes in non-controlling interests (Note 26)	-	-	-	-	-	-	-	-	-	-	16,435	16,435
Z1	Balance on December 31, 2023	249,011	$ 2,490,112	$ 456,725	$ 182,797	$ 297,092	$ 848,592	($ 255,739)	($ 8,208)	$ -	$ 4,011,371	$ 1,769,279	$ 5,780,650

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH　　Manager: CHIH-CHUN KE　　Accounting Manager: CHIN-I LAI

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Consolidated Statement of Cash Flow

January 1 to December 31, 2023 and 2022

Unit: NTD thousand

Code		2023	2022
	Cash flow from operating activities		
A10000	Net profit before tax for the current year	$ 754,344	$ 456,448
A20010	Profit and expense/loss:		
A20100	Depreciation expenses	415,165	336,918
A20200	Amortization expenses	8,983	7,188
A20300	Expected losses on credit impairment (gain on reversal)	76,413	(27,323)
A20400	Profit or loss on financial assets and liabilities measured at fair value through profit or loss	(43,947)	3,988
A20900	Financial costs	54,853	41,287
A21200	Interest income	(69,668)	(23,693)
A21300	Dividend revenue	(4,406)	(2,097)
A21900	Compensation cost of employee stock options	40,993	5,600
A22400	Share of profit/loss of subsidiaries, associates and joint ventures under the equity method	15,107	(15,826)
A22900	Disposal of gains in right-of-use assets	-	(37,509)
A23000	Gains on disposal of non-current assets held for sale	(808,407)	(146,853)
A22500	Profit on disposal of property, plants and equipment	(98)	(63,224)
A22700	Disposal of investment property benefits	-	(49,766)
A22900	Profit on lease modification	(143)	(86)
A23700	Impairment loss from non-financial assets	212,782	77,793
A23800	Profit on reversal of impairment loss from non-financial assets	(10,237)	(2,973)
A29900	Reversal of deferred income	(2,161)	(46,306)
A30000	Net changes in operating assets and liabilities		
A31125	Contract assets	(104,838)	(102,367)
A31130	Notes receivable	56,585	(11,688)
A31140	Notes receivable – related parties	61,718	(61,718)
A31150	Accounts receivable	(197,081)	191,279
A31160	Accounts receivable – related parties	13,104	(10,402)
A31180	Other receivables	(4,633)	1,616
A31190	Other receivables – related parties	4,397	7,497
A31200	Inventory	385,332	28,269
A31230	Prepayments	27,870	(22,836)
A31240	Other current assets	32,630	(87,736)
A31990	Other non-current assets	1,056	20,932

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Code		2023	2022
A32125	Contract liabilities	($ 601,880)	($ 57,496)
A32130	Notes payable	(1,348)	(10,048)
A32150	Accounts payable	38,188	116,690
A32160	Accounts payable – related parties	476	(32,392)
A32180	Other payables	(9,303)	98,799
A32190	Other payables – related parties	(1,393)	(4,036)
A32200	Liability reserve	21,642	3,657
A32230	Other current liabilities	(14,901)	3,421
A32240	Net defined benefit liabilities	(55,833)	(331)
A32990	Deferred income	(1,059,092)	675,508
A33000	Cash generated from operations	(767,731)	1,260,184
A33100	Interest received	65,979	20,117
A33300	Interest paid	(47,638)	(41,532)
A33500	Income tax paid	(109,292)	(19,793)
AAAA	Net cash inflow (outflow) from operating activities	(858,682)	1,218,976
	Cash flows from investing activities		
B00010	Acquisition of financial assets measured at fair value through other comprehensive income	(17,500)	(7,959)
B00040	Acquisition of financial assets measured at amortized cost	-	(27,989)
B00050	Disposal of financial assets measured at amortized cost	10,339	-
B00100	Acquisition of financial assets measured at fair value through profit or loss	(2,720,788)	(1,424,856)
B00200	Disposal of financial assets measured at fair value through profit or loss	2,848,950	1,465,371
B01800	Acquisition of long-term equity investment under the equity method	(68,625)	(4,306)
B02000	Increase in prepayments for investment	(580)	(493,696)
B02600	Proceeds from disposal of non-current assets held for sale	1,101,437	-
B02700	Purchase of property, plants and equipment	(2,125,665)	(225,995)
B02800	Proceeds from disposal of property, plant and equipment	1,290	68,476
B09900	Proceeds from disposal of right-of-use assets	-	41,286
B03700	Increase in guarantee deposits paid	(79,838)	-
B03800	Decrease in guarantee deposits paid	-	14,791
B04300	Other receivables – related parties	(17,395)	(38,960)
B04500	Purchase of intangible assets	(4,383)	(13,611)
B05350	Acquisition of right-of-use assets	(15,404)	(2,224)
B05500	Disposal of investment property price	-	108,784

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Code		2023	2022
B07100	Increase in prepayments for equipment	($ 15,561)	($ 31,311)
B07600	Dividends received	4,406	2,097
BBBB	Net cash outflow from investing activities	(1,099,317)	(570,102)
	Cash flows from financing activities		
C00100	Increase in short-term loans	599,668	-
C00200	Decrease in short-term loans	-	(106,388)
C00500	Increase in short-term notes payable	37,000	-
C01600	Borrowing of long-term loans	1,850,000	403,630
C01700	Repayment of long-term loans	(524,580)	(415,403)
C03000	Increase in guarantee deposits received	12,363	-
C03100	Decrease in guarantee deposits received	-	(3,949)
C04020	Repayment of the principal of leases	(50,099)	(28,866)
C04500	Payment of dividends to the owner of the Company	(401,885)	(395,218)
C04900	Buyback of treasury stock	-	(48,037)
C04900	Payment of costs of transactions in treasury stocks	(61)	(225)
C05100	Purchase of treasury stocks by employees	22,792	74,841
C05500	Disposal of equity in subsidiaries	-	7,960
C05800	Changes in non-controlling interests	16,435	641,147
CCCC	Net cash inflow from financing activities	1,561,633	129,492
DDDD	Effect of exchange rate changes on cash and cash equivalents	(16,485)	4,677
EEEE	Net increase (decrease) in cash and cash equivalents	(412,851)	783,043
E00100	Balance of cash and cash equivalents at beginning of the year	2,103,295	1,320,252
E00200	Balance of cash and cash equivalents at ending of the year	$ 1,690,444	$ 2,103,295

The attached notes are part of the consolidated financial report.

Chairman: CHING-FU HSIEH Manager: CHIH-CHUN KE Accounting Manager: CHIN-I LAI

I. Company milestones

KENMEC MECHANICAL ENGINEERING CO., LTD. (hereinafter referred to as the Company) was established in July 1976 focusing on the design, machining, manufacturing and trading of industrial machines and steel angle frames; import and export of machinery, hardware, office equipment, and electric machinery; machining, manufacturing and trading of transfer lines, robot production lines, flexible manufacturing systems, automatic conveyors, automatic pallet stackers, automatic warehousing equipment, unmanned trucks, and robotic arms; manufacturing, machining and trading of computer and optical communication products and their components; agent of domestic and foreign manufacturers for manufacturing, trading, quoting and bidding of the aforementioned products.

The Company has traded on Taipei Exchange as of January 23, 2002.

The consolidated financial report is expressed in New Taiwan dollars, the functional currency of the Company.

II. Approval date and procedures of the financial report

The consolidated financial reports were approved at the Board meeting on March 7, 2024.

III. Application of new and amended standards and interpretation

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

Apart from those described below, the Group expected no material changes to the accounting policies of the Group after adopting the amended IFRSs approved and released by the FSC.

1. Amendments to IAS 1, "Disclosure of Accounting Policies"

When the amendments are applied, the Group determines the significant accounting policy information that should be disclosed based on the definition of materiality. If the accounting policy information is reasonably expected to

have an impact on the decision made by the main user of general-purpose financial statements who uses these financial statements to make such decision, the accounting policy information is deemed material. In addition:

- The accounting policy information related to insignificant transactions or other matters or circumstances is not material and the Group is not required to disclose this accounting policy.
- The Group may make judgment according to the nature of a transaction or other matters or circumstances and determine that related accounting policy information is material, even if the amount is insignificant.
- The accounting policy information not related to significant transactions or other matters or circumstances is material.

Accounting policy information may be material if it relates to a significant transaction, other event, or situation and:

(1) The Group changes the accounting policy during the reporting period and the change leads to material changes of the information in the financial statements;

(2) The Group selects applicable accounting policies from the options allowed in the Standards;

(3) In case there is no specific standards to follow, the Group adopts the accounting policies established according to IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors";

(4) the Group discloses the accounting policies that are determined using significant judgments or assumptions; or

(5) Complicated accounting treatment rules are involved and the user of the financial statements relies on the information to understand significant transactions or other matters or circumstances.

For the disclosure of related accounting policies, please refer to Note 4.

2. Amendments to IAS 8, "Definition of Accounting Estimates"

The amendments were applied to the Group on January 1, 2023, which specifies that accounting estimates are monetary amounts in the financial statements that are subject to measurement uncertainty. When applying accounting policies, the Group may need to measure the items in the financial statements using the currency amount that cannot be observed directly and must be estimated. When measuring the effect of the changes in technique or input

value on accounting estimates, they shall be the changes in accounting estimates if they are not the correction of the previous errors.

3. Amendments to IAS 12 "International Tax Reform – Pillar Two Model Rules"

The amendments introduce an exception to IAS 12, which specifies that the Group shall not recognize deferred income tax assets and liabilities related to Pillar 2 income tax, and shall not disclose information related to such deferred income tax, but shall disclose the exception that the Group has applied. The Group shall separately disclose the income tax expense (profit) of the current period related to Pillar 2 income tax. In addition, during the period when the Pillar 2 act has been enacted or has been substantively enacted but not yet taken effect, the Group shall disclose qualitative and quantitative information that is helpful to users in understanding its exposure to pillar 2 income tax, which is known or can be reasonably estimated. After the promulgation of this amendment, the exceptions to this subparagraph shall be applied retrospectively immediately and the applicable facts shall be disclosed. Other disclosure requirements shall be applicable for the annual reporting period beginning on or after January 1, 2023. These other disclosure requirements are not applicable to the interim financial reporting periods ending before December 31, 2023.

(II) FSC-approved IFRSs to be applied in 2024

New/Amended/Revised Standards and Interpretation	Effective Date per IASB (Note 1)
IFRS 16 amendment "Lease Liability in a Sale and Leaseback"	January 1, 2024 (Note 2)
Amendments to IAS 1, "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1, "Non-current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"	January 1, 2024 (Note 3)

Note 1: Unless otherwise specified, the above-mentioned new/amended/revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date for such standards or interpretation.

Note 2: A seller-lessee should apply the amendments to IFRS 16 retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16.

Note 3: Partial exemption from disclosure requirements upon first application of these amendments.

Amendments to IAS 1 "Classification of Liabilities as Current or Non-current" (amendment in 2020) and "Non-current Liabilities with Covenants" (amendment in 2022)

The amendments in 2020 clarify that when determining whether a liability is classified as non-current, it shall assess whether the Group has the right to defer the settlement of the liability at the end of the reporting period for at least 12 months after the reporting period. If the Group has such a right at the end of the reporting period, the liabilities are classified as non-current liabilities no matter whether the Group is expected to exercise the right.

The 2020 amendments further stipulate that if the Group must comply with certain conditions in order to have the right to defer the repayment of the liability, the Group must have followed the requirements before the end of a reporting period; the same shall apply even if the lender checks the Group's compliance with such requirements on a later date. The amendment in 2022 further clarifies that only covenants that are required to be followed prior to the reporting period end date affect the classification of the liability. Although the covenants to be followed within 12 months after the reporting period do not affect the classification of liabilities, relevant information must be disclosed to enable users of the financial statements to understand that the corporate may not be able to comply with the covenants and be required to make repayments within 12 months after the reporting period.

The amendment in 2020 regulates that, for the purpose of liability classification, the aforementioned settlement of liabilities refers to a transfer of cash, other economic resources or the Group's equity instruments to the counterpart to eliminate the liabilities. However, if the terms and conditions of liabilities may, at the option of the counterparty, result in settlement of the liabilities by the transfer of the Group's equity instruments, and the option is recognized as equity separately in accordance with IAS 32 "Financial Instruments: Presentation," the aforementioned terms and conditions do not affect the classification of the liabilities.

Except for the above-mentioned effects, up to the approval and release date of the consolidated financial reports, the Group assessed that the effects of the amendments to other standards and interpretations will not have a material impact on the financial position and financial performance.

(III) IFRSs issued by the IASB but not yet approved and released by the FSC

New/Amended/Revised Standards and Interpretation	Effective Date per IASB (Note 1)
Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and their Associate or Joint Venture"	Undetermined
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17	January 1, 2023
Amendments to IFRS 17, "Initial application of IFRS 17 and IFRS 9 – Comparative Information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025 (Note 2)

Note 1: Unless otherwise specified, the above-mentioned new/amended/revised standards or interpretation shall become effective in the annual reporting periods beginning on or after each effective date for such standards or interpretation.

Note 2: Applicable to annual reporting periods beginning on or after January 1, 2025. When the amendment is applied for the first time, the effect is recognized in the retained earnings on the date of initial application. When the Group uses a non-functional currency as the presentation currency, it will affect the exchange differences of foreign operations under equity on the date of initial application.

Amendments to IFRS 10 and IAS 28, "Sale or Contribution of Assets between an Investor and their Associate or Joint Venture"

According to the amendments, if the Group sells or invests assets that meet the definition of a "business" in IFRS 3 "Business Combinations" to any of the associates (or joint ventures), or the Group loses control over any of the subsidiaries that meets the aforesaid definition and maintains significant influence (or joint control) over the subsidiary, the Group recognizes all the profits or losses generated from such transactions.

However, if the Group sells or invests assets that do not meet the definition of a "business" in IFRS 3 "Business Combinations" to any of the associates (or joint ventures), or the Group loses control over any of the subsidiaries that do not meet the aforesaid definition in a transaction with any of the associates (or joint ventures) and maintains significant influence (or joint control) over the subsidiary, the profit or loss resulting from such transactions shall be recognized only to the extent of unrelated

investors' interests in such associate (or joint venture), i.e. the Group's share of the profit or loss shall be eliminated.

Except for the above-mentioned effects, up to the approval and release date of the consolidated financial report, the Group assessed the effects of the amendments to other standards and interpretations on the financial position and performance on a continuous basis. The relevant effects would be disclosed after the assessment.

IV. Summary of significant accounting policies

(I) Statement of compliance

The consolidated financial report was prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the IFRSs approved and released by the FSC.

(II) Basis for preparation

Except for the financial instruments measured at fair value and the net defined benefit assets recognized at the present value of defined benefit obligations less the fair value of the planned assets, the consolidated financial reports were prepared on the basis of historical cost.

Fair value measurements are classified into Levels 1, 2, and 3 based on the degree to which an input is observable and the significance of the input:

1. Level 1 inputs: refer to quoted prices in an active market for identical assets or liabilities that are accessible on the measurement date (before adjustment).
2. Level 2 inputs: refer to the inputs, other than the quoted prices included in Level 1, that are observable for assets or liabilities directly (namely, the price) or indirectly (namely, presumed from the price).
3. Level 3 inputs: refer to the inputs that are not observable for assets or liabilities.

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

Current assets include:

1. assets held mainly for the purpose of trading;
2. assets expected to be realized within 12 months after the balance sheet date; and
3. cash or cash equivalents (excluding those that are restricted for being used for exchange or settlement of liabilities within 12 months after the balance sheet date).

Current liabilities include:

1. liabilities held mainly for the purpose of trading;

2. liabilities to be settled within 12 months after the balance sheet date, (irrelevant whether any long-term refinancing or payment rearrangement agreement has been completed after the balance sheet date and before the date of release of financial reports; such liabilities are still current liabilities); and
3. liabilities whose due date cannot be unconditionally extended by more than 12 months after the balance sheet date. However, the terms and conditions of the liabilities that may, at the option of the counterparty, result in settlement of the liabilities by issuance of equity instruments do not affect the classification of liabilities.

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

The Group engages in construction projects with an operating cycle longer than one year. Therefore, the assets and liabilities related to the constructions are classified as current or non-current based on the normal operating cycle.

(IV) Basis for consolidation

The consolidated financial report are financial reports including the Company and the entities controlled (subsidiaries, including structured entities). The operating profits and losses of acquired or disposed subsidiaries from the acquisition date to the disposal date in the current period are included in the consolidated statement of comprehensive income. The financial reports of the subsidiaries are adjusted to have their accounting policies consistent with those of the Group. All the transactions, account balances, profits, and expenses/losses between entities are eliminated during preparation of the consolidated financial report. The total comprehensive income of the subsidiaries is attributable to the owner of the Company and the non-controlling interests even though this results in the non-controlling interests having a deficit balance.

Changes to the Group's equity ownership in the subsidiaries are treated as equity transactions if the changes do not result in loss of control. The book values of the Group and the non-controlling interests are adjusted to reflect the changes in their relative equity in the subsidiaries. The difference between the adjusted amount of the non-controlling interests and the fair value of any paid or received consideration is directly recognized as equity and attributable to the owner of the Company.

For the subsidiaries' details, shareholding ratios, and business operations, please refer to Note 13 and Table 9 and 10.

(V) Foreign currency

During preparation of each entity's financial reports, transactions using currencies other than the entity's functional currency (foreign currencies) are stated in the functional currency at the exchange rate on the date of transaction.

Monetary foreign currency items are translated at the closing exchange rate on each balance sheet date. Exchange differences arising from settlement or translation of the monetary items are recognized as profit or loss in the current period.

Non-monetary foreign currency items measured at fair value are translated at the exchange rate on the date of determining the fair value, and the exchange differences resulting therefrom are recognized as profit or loss in the current period. However, when changes in the fair value are recognized as other comprehensive income, the exchange differences arising therefrom are stated as the same.

Non-monetary foreign currency items measured at historical cost are translated at the exchange rate on the date of transaction and are not retranslated.

During preparation of the consolidated financial reports, the assets and liabilities of foreign operations (including the subsidiaries, associates, joint ventures or branches with countries in which they operate or currencies they use different from those of the Company) are translated into NTD at the exchange rate on each balance sheet date. Their profit and expense/loss items were translated at the average exchange rate of the period, and the exchange differences resulting therefrom were recognized in other comprehensive income (and attributable respectively to the owner of the Company and the non-controlling interests).

If the Group disposes all the interests of foreign operations or disposes their partial interest in a subsidiary and lose the control thereover, or the retained equity interest after disposal of the joint agreements or associates of the foreign operations is stated as financial assets and treated with the same accounting policy as the one for financial instruments, all the accumulated exchange differences attributable to the owner of the Group and related to the foreign operations are reclassified as profit or loss.

When partial disposal of the subsidiary of the foreign operations does not lead to loss of control, any accumulated exchange differences are reattributed in proportion to the subsidiary's non-controlling interests but not recognized as profit or loss. For any other partial disposal of foreign operations, any accumulated exchange differences are reclassified as profit or loss based on the proportion of the disposal.

(VI) Inventory

Inventory includes raw materials, materials, finished goods work in process, and real estate held for sale. The inventory is measured based on the lower of the cost or net realizable value. The cost and the net realizable value are compared on the basis of the individual items except for the inventories of the same type. Net realizable value refers to the estimated selling price in a normal situation less the estimated cost needed to complete the work and the estimated cost needed to complete the sale. The weighted average method is used to calculate the inventory cost.

(VII) Investment in associates and joint ventures

An associate refers to a company over which the Group has a significant influence, but it is not a subsidiary or joint venture. A joint venture refers to a joint arrangement over which the Group and another company have joint control, and the Group and such company are entitled to net assets.

The Group adopts the equity method for investment in associates and joint ventures.

Under the equity method, the investment in associates and joint ventures is initially recognized at its costs, and the amount of increase or decrease in the book value of such investment after the date of acquisition depends on the Group's shares of profit/loss and other comprehensive income in the associates and joint ventures and the distributed profits. In addition, changes to the equity in the associates and to the joint ventures are recognized based on shareholding ratios.

When the acquisition cost exceeds the Group's shares of the net fair value of the associates and joint ventures' identifiable assets and liabilities on the date of acquisition, such excess is recognized as goodwill which is included in the book value of such investment and may not be amortized; when the Group's shares of the net fair value of the associates and joint ventures' identifiable assets and liabilities on the date of acquisition exceed the acquisition cost, such excess is recognized as profit/loss of the period.

When the Group does not subscribe for new shares issued by the associates and joint ventures based on our shareholding ratio, resulting in changes to the shareholding ratio and consequently to the net equity value of investment, these changes are used for adjustment of the capital reserve – changes in the net equity of associates and joint ventures recognized under the equity method and the investments under equity method. However, if subscription or acquisition of the shares is not based on the shareholding

ratio, leading to a decrease in the Group's ownership equity in the associates and joint ventures, the amounts related to the associate and joint venture in other comprehensive income are reclassified according to the percentage of such decrease and treated with the same accounting treatment basis as the one which the associates and joint ventures' direct disposal of relevant assets or liabilities shall be in accordance with. If the adjustment is debited to capital reserves, and the balance of capital reserves arising from investment under equity method is insufficient to be offset, the difference is debited to retained earnings.

When the Group's shares of losses in the associates are equal to or exceed the equity in the associates and joint ventures (including the carrying amount of investment in the associate and joint venture under the equity method and other long-term equities that in nature are part of the net investment portfolio made by the Group in the associate and joint venture concerned), we do not recognize further losses. The Group recognizes additional losses and liabilities only when any legal obligation or constructive obligation is incurred or the Group makes payment on behalf of the associates and joint ventures.

For impairment evaluation, the Group examines the entire investment book value (including goodwill) for impairment as a single asset by comparing the recoverable amount and book value of the investment. Any recognized impairment loss is not allocated to any assets forming any part of the book value of the investment, including goodwill. Any reversal of the impairment loss is recognized to the extent of a subsequent increase in the recoverable amount of the investment.

Once the investment is not classified as investment in associates and joint ventures, the Group stops under the equity method and measures the retained equity interests in the former associates and joint ventures at fair value. The differences between the fair value of the retaining earnings, proceeds from disposal and the investment book value on the date when the equity method is discontinued are recognized as profit or loss of the period. Besides this, for total amounts related to the associate and joint venture in other comprehensive income, the basis of accounting treatment thereof is the same as the basis which the associates and joint ventures' direct disposal of relevant assets or liabilities shall be in accordance with. When the investment in associates became the investment in joint ventures, or the investment in joint ventures became the investment in associates, the Group continues to use the equity method but does not remeasure retained equity interests.

The profit or loss generated from the upstream, downstream and side stream transactions between the Group and the associates and between the Group and the joint ventures is recognized in the consolidated financial reports only to the extent that such profit or loss is irrelevant to the Group's equity in the associates and joint ventures.

(VIII) Property, plant and equipment

The property, plant and equipment are recognized in accordance with the cost and subsequently measured based on the cost net of accumulated depreciation and impairment losses.

The property, plant and equipment under construction are recognized based on the cost net of accumulated impairment losses. The cost included professional service fees and the loan costs eligible for capitalization. Once the assets are completed and ready for their intended use, the assets are classified as appropriate items under property, plant and equipment, and the depreciation of the assets starts.

Except for the self-owned land, each significant part of the property, plant and equipment is separately depreciated on the straight-line basis over its useful life. The Group reviews the estimated useful life, residual value and method of depreciation at least on the end day of each year, and applies the effect of changes in applicable accounting estimates prospectively.

For derecognition of the property, plant and equipment, the difference between the net disposal proceeds and the asset book value is recognized as profit or loss.

(IX) Investment property

An investment property refers to a property held for earning rent income or for capital appreciation, or both. Investment property includes the land held without a definite purpose of use.

The investment property for internal use was initially measured based on the cost (including transaction cost) and subsequently measured based on the cost net of accumulated depreciation and accumulated impairment losses.

All the investment properties were depreciated on the straight-line basis.

For derecognition of the investment property, the difference between the net disposal proceeds and the asset book value was recognized in profit or loss

(X) Intangible assets

1. Acquired separately

Intangible assets with limited useful life acquired separately are initially measured in accordance with the cost and subsequently based on the cost net of

accumulated amortization and impairment losses. Intangible assets are amortized on the straight-line basis over its useful life. the Group reviews the estimated useful life, residual value and method of amortization at least on the end day of each year and prospectively recognizes the effect from changes in accounting estimate values. Intangible assets with indefinite useful life are recognized based on the cost net of accumulated impairment losses.

2. Derecognition

For derecognition of the intangible assets, the difference between the net disposal proceeds and the asset book value is recognized as profit or loss of the period.

(XI) Impairment of assets related to property, plant and equipment, right-of-use assets, investment property, intangible assets (excluding goodwill) and assets related to contract costs

The Group assesses whether there are any signs indicating that any property, plant and equipment, right-of-use assets, investment property, and intangible assets (excluding goodwill) may be impaired on each balance sheet date. If there is any of such signs, the recoverable amount of the assets is estimated. When the recoverable amount of individual assets cannot be estimated, the Group estimates the recoverable amount of the cash-generating unit to which the assets belong. Corporate assets are amortized on a reasonable and consistent basis to the smallest group of cash-generating units

Intangible assets with indefinite useful life and intangible assets not yet available for use are tested for impairment at least annually or when there is any sign of impairment.

The recoverable amount is the higher of the fair value less costs of sale and the value in use. When the recoverable amount of any individual assets or cash-generating units is less than the book value, the book value of the individual assets or cash-generating units is adjusted down to the recoverable amount, and the impairment loss is recognized as profit or loss.

The impairment for the inventory, property, plant and equipment as well as intangible assets recognized due to customer contrasts is first recognized in accordance with the inventory impairment regulations and the aforesaid requirements. The excess of the book value of contract cost-related assets over the consideration that can be received for providing relevant goods or services net of relevant direct costs is

recognized as impairment losses thereafter. The book value of the contract cost-related assets is then included in the cash-generating unit to which the assets belong in order to perform impairment assessment for the cash-generating unit.

When the impairment loss is reversed subsequently, the book value of the asset, cash-generating unit or contract cost-related assets is adjusted up to the revised recoverable amount. However, the increased book value does not exceed the book value (less the amortization or depreciation) determined under the circumstance that the impairment loss of the assets, cash-generating unit or contract cost-related assets is not recognized in the previous year. The reversal of the impairment loss is recognized as profit or loss.

(XII) Non-current assets held for sale

If the book value of non-current assets is to be recovered mainly through sale transactions rather than through continuing use, they are classified as held for sale. Non-current assets qualified for the classification must be available for immediate sale in the current condition and must be very likely to be sold. When management at an appropriate level guarantees sale of the assets, and the sale transaction is to be completed within one year from the date of classification, they are very likely to be sold.

Non-current assets classified as held for sale are measured at the lower of the book value and the fair value net of sale costs, in which case the depreciation of such assets stops.

(XIII) Financial instruments

Financial assets and financial liabilities are recognized in the consolidated balance sheet when the Group becomes a party to the financial instrument contract.

For initial recognition of the financial assets and financial liabilities, when the financial assets or financial liabilities are not measured at fair value through profit or loss, the assets or liabilities are measured at the fair value plus any transaction cost directly attributable to acquisition or issuance of the financial assets or financial liabilities. Any transaction cost measured at fair value through profit or loss directly attributable to the acquisition or issuance of the financial assets or financial liabilities is immediately recognized as profit or loss.

1. Financial assets

The regular transactions of financial assets are recognized and derecognized based on the accounting on the transaction date.

(1) Type of measurements

The financial assets held by the Group are those measured at fair value through profit or loss and at amortized cost as well as investment in equity instruments measured at fair value through other comprehensive income.

A. Financial assets measured at fair value through profit or loss

Financial assets that are measured at fair value through profit or loss must be measured at fair value through profit and loss. The financial assets mandatorily measured at fair value through profit and loss include the investment in equity instruments that are not designated to be measured at fair value through other comprehensive income, and the investment in liability instruments that are not qualified to be classified as those measured at amortized cost or measured at fair value through other comprehensive income.

Financial assets at FVTPL are measured at fair value, and dividends, interest, and remeasurement gains or losses are recognized in other gains or losses. For determination of the fair value, please refer to Note 38.

B. Financial assets measured at amortized cost

When the Group's invested financial assets meet both of the following two conditions, they are classified as financial assets measured at amortized cost:

a. The financial assets held under a business model with the purpose of holding these assets to collect contractual cash flows; and
b. The contractual terms generate cash flows on a specific date that are solely payments of principal and interest.

After the initial recognition, the financial assets measured at amortized cost (including cash and cash equivalents, accounts receivable measured at amortized cost) are measured based on the amortized cost equal to the total book value determined under the effective interest method less any impairment losses, and any profit or loss from foreign currency translation is recognized as profit or loss.

Except for the following two circumstances, the interest income is calculated as the effective interest rate times the total book value of financial assets:

a. For purchased or originated credit-impaired financial assets, the interest income is calculated as the credit-adjusted effective interest rate times the amortized cost of the financial assets.
b. For financial assets originally not purchased or originated credit-impaired but subsequently becoming credit-impaired, the interest income is calculated as the effective interest rate times the amortized cost of the financial assets in the next reporting period after the credit impairment.

Credit-impaired financial assets represent significant financial difficulties confronting the issuer or debtor, default, the circumstance that the debtor is likely to file for bankruptcy or other financial reorganization, or that the active market of financial assets disappears due to financial difficulties.

Cash equivalents include highly liquid time deposits that can be converted into defined amounts of cash at any time within 3 months after the date of acquisition and are subject to an insignificant risk of changes in value, and are used to meet short-term cash commitments.

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

At initial recognition, the Group may make an irrevocable election to designate the investment in equity instruments held not for trading and not recognized by the acquirer in a business merger or with consideration to be measured at fair value through other comprehensive income.

Investment in equity instruments measured at fair value through other comprehensive income is measured at fair value. Subsequent changes in the fair value are recognized in other comprehensive income and accumulated in other equity. For disposal of the investment, any cumulative profits or losses are directly transferred to retained earnings and not reclassified as profit or loss.

After the Group's right to receive dividends is determined, the dividends of investment in equity instruments measured at fair value through other comprehensive income are recognized in profit or loss except that such dividends apparently represent a partial return of the investment cost.

(2) Impairment of financial and contractual assets

The Group assesses impairment losses on the financial assets (including accounts receivable) measured according to amortized cost based on the expected credit losses on each balance sheet date.

Loss allowances for accounts receivable and contract assets are recognized based on the lifetime expected credit losses. The Company first assesses whether the credit risk on other financial assets significantly increases after the initial recognition. When the increase is not significant, the loss allowance for the financial assets is recognized based on the 12-month expected credit losses; when the increase is significant, it is recognized based on the lifetime expected credit losses.

The expected credit losses are the average credit losses weighted by the risk of default. 12-month expected credit losses represent the expected credit losses on financial instruments from any potential default within 12 months after the reporting date. Lifetime expected credit losses represent the expected credit losses on financial instruments from any potential default during the expected lifetime.

For the purpose of internal credit risk management, financial assets are deemed to be defaulted when the following circumstance occurred, without consideration of the collateral held:

A. Any internal or external information indicates that a debtor is impossible to pay off the debts.

B. Any payment is overdue more than 365 days, unless any reasonable and supportable information makes it appropriate to postpone the default criteria.

The impairment loss on all financial assets is deducted from the book value of the financial assets through allowance accounts. However, the loss allowance of the investment in liability instruments measured at fair value

through other comprehensive income is recognized as other comprehensive income, and the book value thereof is not reduced.

(3) Derecognition of financial assets

The Group derecognizes financial assets only when the contractual rights to the cash flows from the assets become invalid, or the financial assets and almost all the risks and returns over the ownership of the financial assets are transferred to other companies.

For removal of the entire financial assets measured at amortized cost, the differences between the book value and the received consideration were recognized in profit or loss. Upon derecognition of the entire investment in liability instruments measured at fair value through other comprehensive income, the difference between its book value, and the total amount of the consideration received plus any cumulative gain or loss recognized as other comprehensive profit or loss is recognized as profit or loss. Upon derecognition of the entire investments in equity instruments measured at fair value through other comprehensive income, the cumulative gain or loss is directly transferred to retained earnings and not reclassified as profit or loss.

2. Equity instruments

The debt and equity instruments issued by the Group are classified as financial liabilities or equity based on the definition of real and financial liabilities as well as equity instruments under the terms and conditions of the contracts.

The equity instruments issued by the Group are recognized based on the payment net of the direct cost of issuance.

When a reacquired equity instrument is originally owned by the Company, the reacquisition is recognized as a deduction from equity. Purchase, sale, issuance or cancellation of the equity instruments owned by the Company are not recognized as profit or loss.

3. Financial liabilities

(1) Subsequent measurement

Except for the following circumstances, all financial liabilities are measured at amortized cost under the effective interest method:

<u>Financial liabilities measured at fair value through profit or loss</u>

Financial liabilities measured at fair value through profit or loss are the financial liabilities held for transactions.

Financial liabilities held for trading are measured at fair value, and the related gains or losses are recognized in other gains and losses.

(2) Derecognition of financial liabilities

For derecognition of financial liabilities, the differences between the book value and the consideration paid (including any non-cash assets transferred and any liabilities assumed) are recognized as profit or loss.

4. Derivatives

The derivatives in the contract of the Group include forward exchange rate in order to manage the interest rate and exchange rate risk of the Group.

The derivatives are recognized initially at the fair value when the contract of derivatives is signed and subsequently remeasured at the fair value on the balance sheet date. Any profit or loss from the remeasurement is recognized as profit or loss directly. However, for derivatives that are designated as effective hedging instruments, the timing at which they are recognized as profit or loss depends on the underlying hedge arrangement. When the fair value of the derivatives is positive, they are classified as financial assets; when the fair value is negative, they are classified as financial liabilities.

If derivatives are embedded in the main contract of assets within the scope of IFRS 9 "Financial Instruments," the classification of financial assets is determined depending on the contract as a whole. If derivative instruments conforming to the definition of derivative instruments are embedded in a main contract of assets not within the scope of IFRS 9 (e.g. a main contract of financial liabilities), and their risk and feature are not in close relation with the risk and feature of the main contract, and the hybrid contract is not measured at fair value through profit or loss, the embedded derivative instruments are deemed stand-alone derivative instruments.

(XIV) Liability reserve

The amount recognized as a liability reserve is the best estimate of the expenses needed to settle the obligation on the balance sheet date in consideration of the risks and uncertainty of the obligation. The liability reserves are measured based on the estimated discounted cash flow for settlement of the obligation.

1. Onerous contract

When the unavoidable cost for fulfillment of contractual obligations is expected to exceed the expected economic benefit from the contract, the present obligation deriving from the onerous contract is recognized as liability reserve.

2. Warranty

The warranty obligation to guarantee that products conform to the agreed specification is recognized based on the best estimate made by the management for the expenses needed to settle the Group's obligation when the revenue of the relevant commodities is recognized.

(XV) Recognition of revenue

After the Group's recognition of performance obligations under a contract with customers, the Group allocates the transaction price to each performance obligation and recognizes the allocated amount as revenue after each performance obligation is fulfilled.

For the contract in which transfer of commodities or services and collection of considerations are conducted at an interval within 1 year, the transaction price is not adjusted for significant financing components.

1. Revenue from sale of commodities

Revenue from sale of commodities is generated from the sales of solar and electronic equipment products. Once the solar and electronic equipment products are delivered to the customer-designated location and accepted by the customer, the customer is entitled to the products' price determination and right of use, has the main responsibility to resell the products, and takes the risk that the products might become outdated. Therefore, the revenue and accounts receivable are recognized at that point in time. The receipts in advance from the sale are recognized as contract liabilities before the delivery of the products.

When export of raw materials for processing, the control over the ownership of processed products is not transferred, and thus the revenue for the export of raw materials is not recognized.

2. Service income

Service income derives from repair of equipment.

With provision of the equipment repair service from the Group, the customer acquires and consumes the benefit from performance of the contract. Related income is recognized when services are completely provided. Involvement of technicians is needed for repair of equipment. The Group

measures the progress of the work based on the percentage of the incurred man-hours in the estimated total man-hours. Since payment is made after completion of the repair as agreed in the contract, the Group recognizes the service income as contract assets when the service is provided and transfer it to account receivable when the repair is completed.

3. Project income

Since the cost of construction is directly related to the percentage of fulfillment of the contractual obligation, the Group measures its progress based on the percentage of the actually invested cost in the estimated total cost. the Group progressively recognizes contract assets during the construction and transfer them to accounts receivable when issuance of bills. If the construction project proceeds received exceed the revenue recognized, the difference is recognized as contract liabilities. Construction retainage retained by customers according to contractual terms and conditions is to ensure that the Group fulfills all the contractual obligation thereof and is recognized as contract assets before the fulfillment of the contract.

If the result of the fulfillment cannot be measured reliably, the contract income is recognized only within the scope of the actually incurred contract fulfillment cost expected to be recovered.

(XVI) Lease

The Group assesses whether an agreement is (or contained) a lease on the date of entering into the agreement.

1. The Group is the lessor

A lease is classified as finance leases when almost all the risks and returns attached to the ownership of assets are transferred to the lessee according to the terms and conditions, and all the other leases are classified as operating leases.

The lease payment under operating leases less lease incentives is recognized as profit on the straight-line basis over the lease term. The original direct cost generated from the acquisition of the operating leases plus the book value of underlying assets is recognized as expenses on the straight-line basis over the lease term. The lease agreement with the lessee is dealt with as a new lease from the effective date of lease modification.

When land and building are included as elements of a lease, the Group assesses if individual elements are classified as financial or operating lease based

on whether almost all the risks and compensations attached to the ownership of these elements are transferred to the lessee. The lease payment is allocated to the land and building based on a relative proportion of the leasehold interest fair value of these land and building on the execution date of the contract. If the lease payment can be allocated to these two elements reliably, each of them is dealt with depending on the category to which it belongs. If the lease payment cannot be allocated to these two elements reliably, the overall lease is classified as financial lease; if these two elements obviously meet the criteria of operating lease, the overall lease is classified as operating lease.

2. the Group is the lessee

The lease payment from the leases of low-value underlying assets to which the exemption of recognition is applied and short-term lease is recognized as expenses on the straight-line basis over the lease term, while right-of-use assets and lease liabilities with respect to other leases are recognized on the lease commencement date.

The right-of-use assets are initially measured based on the cost (including the initial recognized amount of lease liabilities, the lease payment paid before the lease commencement date less the lease incentives received, the initial direct cost and the cost estimated to restore the underlying asset) and subsequently measured based on the cost net of accumulated depreciation and accumulated impairment losses, and then the remeasurement of the lease liabilities is adjusted. The right-of-use assets are separately presented in the consolidated balance sheet.

The right-of-use assets are depreciated on the straight-line basis over the period from the lease commencement date to the expiration of the useful life or the lease period, whichever is sooner.

The lease liabilities were initially measured based on the present value of lease payments (including fixed payments). If the interest rate implicit in a lease could be readily determined, the lease payments were discounted at the interest rate. When such interest rate cannot be readily determined, the lessee's incremental borrowing rate of interest is used.

Subsequently, the lease liabilities are measured at amortized cost under the effective interest method, and the interest expenses are amortized over the lease term. When any changes in the lease term, the amount to be paid under residual value guarantee, the assessment relating the purchase options of underlying

assets, or the changes in the index or rate determining the lease payments cause the changes in the future lease payments, we remeasure the lease liabilities and adjust the right-of-use assets accordingly. However, the residual remeasurement is recognized in profit or loss when the book value of right-of-use assets is reduced to zero. For the lease modification not dealt with as a single lease, the remeasurement of the lease liabilities due to reduction of the lease scope is conducted to reduce the right-of-use assets and recognized in profit or loss in terms of termination of any part of all of the lease; the remeasurement of the lease liabilities due to other modifications is conducted for adjustment of the right-of-use assets. The lease liabilities are separately presented in the consolidated balance sheet.

(XVII) Cost of borrowing

The cost of borrowing that can be directly attributable to the assets for which acquisition, building or production meet the requirements is part of the cost of such assets until almost all the required activities for them to reach the intended status of use or sale are completed.

The income earned from temporary investment by using certain loans before the occurrence of capital expenses meeting the requirements is deducted from the cost of borrowing that meets the requirements of capitalization.

Otherwise, all the costs of borrowing are recognized as profit or loss in the year in which the borrowing occurred.

(XVIII) Government grants

The government grants shall only be recognized when it is reasonable to ensure that the Group will comply with the conditions incident to the government subsidies and the subsidies may be received affirmatively.

Government subsidies related to any gains are recognized in other revenue on a systematic basis within the period when the costs to be subsidized by the government are recognized in expenses by the Group. Government grants for which the acquisition of non-current assets in a purchase or building manner or in other manners by the Group is necessary are recognized as deferred income and transferred to profit or loss on a reasonable and systematic basis over the useful life of the relevant assets.

If the government subsidies are used to make up the expenses or losses that have occurred, or immediately support the finance of the Group and there is no future cost,

such subsidies are recognized in profit or loss during the period when they can be received.

(XIX) Employee benefits

1. Short-term employee benefits

Liabilities related to employee benefits are measured at non-discounted amount expected to be paid against the services to be provided by the employees.

2. Retirement benefits

Every pension fund contributed under the defined pension appropriation plan is recognized as expenses during the period when employees provide services.

Defined retirement benefit costs (including servicing costs, net interest, and remeasurement) under the defined retirement benefit plan are calculated actuarially using the projected unit credit method. Service costs (including current service cost, prior service cost, and settlement gains or losses) and net interest on net defined benefit liabilities (assets) are recognized as employee benefit expenses as they incur or when the settlement incurs. Remeasurement (including actuarial profits or losses and return on plan assets net of interest) is recognized in other comprehensive income and presented in retained earnings when it occurs. It is not reclassified as profit or loss in the subsequent periods.

Net defined benefit liabilities (assets) represent the contribution deficit (surplus) in the defined retirement benefit plan. Net defined benefit assets shall not exceed the present value of contribution refunded from the defined retirement benefit plan or future deductible contribution.

(XX) Share-based payment arrangement

<u>Employee stock options for employees</u>

The employee stock options are recognized as expenses based on the fair value of equity instruments on the grant date and the best estimate of the vested amount on the straight-line basis over the vesting period, while the capital reserve – employee stock options is adjusted. If the amount is immediately vested on the grant date, it is recognized as expenses on that date. The Group may transfer treasury stocks to employees. The grant date is the date of notification to employees.

(XXI) Income tax

The income tax expenses are the total of current and deferred income taxes.

1. Current income tax

The Group determines the current revenue (loss) in accordance with the laws and regulations of the jurisdiction where the income tax returns are filed and, with this as a basis, calculates the income tax payable (receivable).

The additional income tax on undistributed earnings calculated according to the Income Tax Act of the Republic of China is recognized in the year when the related resolution is made at the shareholders' meeting.

The adjustments to the income tax payable in the previous year are recognized in the current income tax.

2. Deferred income tax

The deferred income taxes are calculated based on the temporary difference between the book value of assets and liabilities in the book and the tax base for calculation of taxable income.

Deferred income tax liabilities are generally recognized based on all taxable temporary differences; deferred income tax assets are recognized when we are likely to have taxable income available to offset the income tax arising from deductible temporary differences, loss carryforwards, purchase of machinery/equipment, R&D and talent training.

Taxable temporary differences generated from investment in subsidiaries, associates and joint arrangements are recognized in deferred income tax liabilities except where the Group can control the timing of reversal of the taxable temporary differences, and where such differences are not likely to be reversed in the foreseeable future. Deductible temporary differences related to such investment are recognized, to the extent that they are expected to be reversed in the foreseeable future, as deferred income tax assets only when we are likely to have taxable income adequate to realize the temporary differences.

The book value of deferred income tax assets is reviewed at each balance sheet date. When any of the deferred income tax assets is not likely to have taxable income adequate to return all or part of the assets anymore, the book value thereof is reduced. Those that are not originally recognized as deferred income tax assets are reviewed at each balance sheet date. When any of those is likely to generate taxable income adequate to return all or part of the assets in the future, the book value thereof is increased.

The deferred income tax assets and liabilities are measured at the tax rate of the period in which the liabilities or assets are expected to be settled or realized.

The tax rate is subject to the tax rate and tax laws legislated or substantively legislated on the balance sheet date. The deferred income tax liabilities and assets are measured to reflect the tax on the balance sheet date arising from the method that the Group excepts to use to recover or settle the book value of the liabilities and assets.

The exceptions to the rules for the recognition and disclosure of deferred income tax assets and liabilities of the relevant Pillar 2 income tax have been applied to the Group. Therefore, the Group neither recognizes nor discloses relevant information about the deferred income tax assets and liabilities of the relevant Pillar 2 income tax.

3. Current and deferred income taxes

The current and deferred income taxes are recognized as profit or loss other than those related to the titles stated as other comprehensive income or as equity directly, which are recognized in other comprehensive income separately or in equity directly.

V. Major sources of uncertainty of significant accounting judgments, estimates, and assumptions

For adoption of the accounting policies, our management must make judgments, estimates and assumptions related to the information that cannot be readily acquired from other sources based on historical experience and other relevant factors. The actual results may differ from those estimates.

The accounting policies, estimates and basic assumptions adopted by the Group have been evaluated by the management of the Group and are free of significant accounting judgment, estimate and assumption uncertainty.

Main sources of uncertainties of estimates, and assumptions

(I) Construction contracts

The construction profit or loss of a construction contract is recognized in revenue and cost with reference to the completion level of the contractual activities. The completion level is measured based on the percentage of the contract cost incurred to the completed works up to now in the estimated total contract cost. The amount of the variable consideration such as incentives and damages will be incorporated in the contract income only when, after subsequent elimination of related uncertainties, the amount of the accumulated income after the incorporation and recognition of such variable consideration will not likely lead to significant reversal.

Since the estimated total cost and contract items are derived by management from assessment and judgment of the nature of individual products, expected outsourcing price, project period, construction project, and construction method, they may affect the calculation of the completion percentage and construction profit/loss. (Please refer to Note 27.)

(II) Property, plant and equipment impairment

The impairment of production-related equipment is evaluated based on the recoverable amount (the higher of the fair value of such asset less the cost of sale and its use value) of such asset. Market prices, estimated economic lives, capacity utilization rate or in-process cost and replacement cost estimates and disposal of costs will affect the recoverable amount of such asset, which is likely to result in additional recognition of impalement losses or reversal of impalement losses already recognized by the Group.

VI. Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and working capital	$ 5,822	$ 4,265
Bank check and demand deposit	714,221	932,355
Cash equivalents (investment with an initial maturity date within 3 months)		
Bank time deposit	878,286	1,166,675
Repurchase agreements	92,115	-
	$ 1,690,444	$ 2,103,295

The interest rate ranges of bank deposits and bonds with repurchase agreements as of the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
Bank deposit	0.001%～1.45%	0.001%～1.05%
Bank time deposit with an initial maturity date within 3 months	0.58%～5.65%	1.05%～4.85%
Repurchase agreements	5.5%～5.55%	-

VII. Financial instruments at fair value through profit or loss

	December 31, 2023	December 31, 2022
Financial assets – current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
– Overseas listed (OTC) stocks	$ 13,034	$ 10,815
– Fund beneficiary certificates	337,212	300,180
– Floating-rate financial commodity	56,466	273,737
Hybrid financial assets		
– Structured deposit	50,005	-
	$ 456,717	$ 584,732
Financial assets – non-current		
Mandatory measurement at fair value through profit or loss		
Non-derivative financial assets		
– Domestic non-listed (non-OTC) stocks	$ 131,797	$ 86,436
Financial liabilities – current		
Held for trading		
Derivatives (not designated for hedging)		
– Forward foreign exchange contract	$ 11	$ -

Floating-rate financial product contract signed by the Group with the bank The bank is authorized by the floating-rate financial product to adjust the product yield from time to time according to the investment operation.

The Group and the bank signed a structured time deposit contract. The structured time deposit includes an embedded derivative instrument not in a close relation to the main contract. Since the main contract included in the hybrid contract belongs to the assets within the scope of IFRS 9, the main contract is mandatorily classified as financial assets measured at fair value through profit or loss according to the overall assessment for the hybrid contract.

The forward exchange contracts that were not subject to hedge accounting or mature on the balance sheet date are as follows:

December 31, 2023

	Currency	Maturity date	Contract amount (thousand)
Forward foreign exchange sold	USD against VND	November 8, 2023 to January 8, 2024	USD 133/VND 3,235,103

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

Investment in equity instruments

	December 31, 2023	December 31, 2022
Non-current		
Domestic investment		
Non-listed (Non-OTC) stock		
Common stock of United Information System Service Co., Ltd.	$ 33,267	$ 29,968
Common stock of Ecatch Automation Co., Ltd.	900	900
Meng-Lue Venture Investment Limited Partnership	15,000	7,500
Common stock of Wonder Automation Co., Ltd.	10,000	-
	$ 59,167	$ 38,368

According to the long-term strategy, the Group invested in United Information System Service, common stock of Ecatch Automation Co., Ltd., Wonder Automation Co., Ltd., and Meng-Lue Venture Investment Limited Partnership. Profits are anticipated through the long-term investment. Since the Group's management deemed that the recognition of short-term changes in the investment's fair value in profit or loss was not consistent with the said long-term investment plan, they opted to have the investment measured at fair value through other comprehensive income.

IX. Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Current		
Domestic investment		
Time deposit with an initial maturity date over 3 months(I)	$ 281,783	$ 305,189
Less: Loss allowance	-	-
	$ 281,783	$ 305,189
Non-current		
Domestic investment		
Time deposit with an initial maturity date over 3 months(I)	$ 89,676	$ 76,609
Less: Loss allowance	-	-
	$ 89,676	$ 76,609

(I) As of December 31, 2023 and 2022, the interest rate range of the time deposit with an initial maturity date over 3 months was 0.27%–7% and 0.001%–7%, respectively.

(II) For more information on the pledge of the financial assets measured at amortized cost, refer to Note 38.

X. Notes/accounts receivable and other receivables

	December 31, 2023	December 31, 2022
Notes receivable		
Measurement at amortized cost		
Total book value	$ 2,556	$ 59,141
Less: Loss allowance	-	-
	$ 2,556	$ 59,141
Notes receivable – related parties (Note 37)	$ -	$ 61,718
Accounts receivable		
Measurement at amortized cost		
Total book value	$ 512,564	$ 345,424
Less: Loss allowance	(390)	(1,471)
	$ 512,174	$ 343,953
Accounts receivable – related parties (Note 37)	$ -	$ 13,104
Overdue receivables (listed in other non-current assets)	$ 64,714	$ 22,312
Less: Loss allowance	(64,714)	(22,312)
	$ -	$ -

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	December 31, 2023	December 31, 2022
Other receivables		
Business tax refund receivable	$ 6,001	$ 9,217
Interest receivable	10,311	6,622
Proceeds receivable from disposal of investments	7,745	11,701
Government grants receivable (Note 31)	6,507	-
Others	11,310	9,968
	$ 41,874	$ 37,508
Other receivables – related parties (Note 39)	$ 82,842	$ 69,844

(I) Notes and accounts receivable

The Group provides an O/A 30-to-90-day credit period on average for sale of commodities, and interest does not accrue on accounts receivable. When determining the recoverability of accounts receivable, the Group considers any changes in their credit quality from the original credit date to the balance sheet date. Since historical experience indicates that the accounts receivable overdue for more than 1 year are not recoverable, the Group recognizes the accounts receivable of more than 1 year in 100% loss allowance. As for the loss allowance of the accounts receivable within 1 year, the amount not recoverable is estimated with reference to the previous default record current financial status of the counterparty.

The Group recognizes the loss allowance for accounts receivable based on the lifetime expected credit losses. The lifetime expected credit losses are calculated using a provision matrix with consideration of customers' historical default records and current financial position, industrial and economic environments, GDP forecasts and industrial prospects. Since our historical experience of credit losses show no significant difference in the type of loss between different customers, the customers are not further classified in the provision matrix. We only set the expected credit loss rate based on the days overdue of accounts receivable.

When there is any evidence showing that the trading counterparty is facing serious financial difficulties and the Group cannot estimate a reasonable recoverable amount (for example, the trading counterparty is undergoing liquidation or any debt has been overdue for more than 365 days), the Group directly writes off related

accounts receivable, continue to claim for payment, and recognize the recovered amount therefrom in profit or loss.

The Group's loss allowance for notes and accounts receivable measured using the provision matrix are as follows:

December 31, 2023

	Not overdue	1–90 days overdue	91–180 days overdue	181–365 days overdue	More than 365 days overdue	Total
Percentage of expected credit losses	1%～71.7%	1%～71.7%	1%～100%	1%～100%	100%	
Total book value	$ 501,204	$ 13,775	$ 141	$ -	$ -	$ 515,120
Loss allowance (lifetime expected credit losses)	(129)	(120)	(141)	-	-	(390)
Amortized cost	$ 501,075	$ 13,655	$ -	$ -	$ -	$ 514,730

December 31, 2022

	Not overdue	1–90 days overdue	91–180 days overdue	181–365 days overdue	More than 365 days overdue	Total
Percentage of expected credit losses	1%～66.86%	1%～66.86%	1%～80%	1%～80%	100%	
Total book value	$ 475,003	$ 4,384	$ -	$ -	$ -	$ 479,387
Loss allowance (lifetime expected credit losses)	(1,162)	(309)	-	-	-	(1,471)
Amortized cost	$ 473,841	$ 4,075	$ -	$ -	$ -	$ 477,916

Changes in loss allowance for notes and accounts receivable and overdue receivables are as follows:

	2023	2022
Balance – beginning of the year	$ 23,783	$ 34,001
Add: Written off bad debts recovered	13,860	25,682
Add: Impairment loss appropriated in the year	28,860	-
Less: Impairment loss reversed in the year	-	(27,323)
Less: Actual amount written off in the year	(435)	(8,227)
Differences from translation of foreign currencies	(964)	(350)
Balance – ending of the year	$ 65,104	$ 23,783

(II) Other receivables

Interest does not accrue on other receivables. When determining the recoverability of other receivables, the Group considers any changes in their credit quality from the original credit date to the balance sheet date. Since historical experience tells us that other receivables overdue for more than 1 year are not recoverable, the Group recognizes other receivables of more than 1 year in 100% loss

allowance. As for the loss allowance of other receivables within 1 year, the amount not recoverable is estimated with reference to the previous default record current financial status of the counterparty.

On December 31, 2023 and 2022, the Group did not have other receivables which were overdue and for which no loss allowance was recognized in the account.

For information on the pledge of notes receivable pledged, please refer to Note 38.

XI. Inventory

	December 31, 2023	December 31, 2022
Finished goods	$ 76,216	$ 188,323
Work in process	13,064	33,677
Raw material	252,216	394,863
In-transit inventory	1,199	16,852
Real estate held for sale.	208,846	354,148
	$ 551,541	$ 987,863

The nature of costs of sales is shown below:

	2023	2022
Cost of inventory sold	$ 4,361,415	$ 4,364,098
Loss on inventory valuation (gain on recovery)	50,990	(934)
Prepayment for purchase impairment reversal gain	(10,237)	(2,039)
	$ 4,402,168	$ 4,361,125

The recovery gain of net realizable value of inventory in 2022 resulted from a rise in the sale prices of the inventory on certain markets.

For the impairment recovery gain on prepayments for goods in 2023 and 2022, please refer to Note 19.

XII. Non-current assets held for sale

	December 31, 2023	December 31, 2022
Right-of-use assets	$ -	$ 23,280
Property, plant and equipment		
House and building costs	-	524,975
Accumulated depreciation – Houses and buildings	-	(287,221)
Machinery and equipment	-	539,733
Accumulated depreciation – Machinery and equipment	-	(500,522)
Accumulated impairment – Machinery and equipment	-	(4,235)
Other fixed assets	-	82,728
Accumulated depreciation – Other fixed assets	-	(81,051)
Uncompleted construction	-	622
Non-current assets held for sale	$ -	$ 298,309

(I) Due to the requirements of the government's construction project, the Group's Kenmec Mecha-Tronics and Kenmec Technology (Suzhou) entered into a house demolition compensation agreement with the local government authority in March 2021. Hence, the assets levied by the government were reclassified to non-current assets held for sale.

The demolition compensation incomes from the Group's Kenmec Mecha-Tronics and Kenmec Technology have been submitted and recognized in 2023. Please refer to Note 28.

(II) On December 23, 2022, the Group's Tainergy entered into an agreement of equipment purchase and sale to sell solar power equipment and expects to dispose of a portion of idle machinery and equipment within the next six months and is presently proactively seeking transaction parties. This has been reclassified to non-current assets held for sale and expressed separately in the consolidated statement of assets and liabilities. However, the disposal price is expected to be less than the carrying amount, with an impairment loss of NTD 4,235 thousand recognized in Q4 2022. The Group's Tainergy completed the transfer of ownership of its solar power equipment on May 2, 2023, with a gain on disposal of NTD 2,221 thousand recognized.

(III) In the Board meeting held on October 22, 2021, the Group's Tainergy reported to the Board of Directors the disposal of the land use rights and plant of the subsidiary Tainergy Kunshan located in China. It has been reclassified to non-current assets held for sale and presented separately in the consolidated balance sheet. On October 27, 2022, the Group's Tainergy and Kunshan Changshunhong Energy Technology completed the handover and transfer procedures of all buildings, buildings and right-of-use assets.

XIII. Subsidiary

(I) Subsidiaries included in the consolidated financial reports

Entities in the consolidated financial reports are as follows:

Name of investor	Name of the subsidiary	Nature of business	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022	Description
The Company	Kenmec International Holding (BVI) Co., Ltd. (hereinafter referred to as B.V.I. – Kenmec International)	Investment holding business	100	100	
The Company	Kenmec Vietnam Company Limited (hereinafter referred to Kenmec Vietnam)	Manufacturing of electric water heaters, engineering machinery	100	100	
The Company	Tainergy Tech. Co. Ltd. (hereinafter referred to as Tainergy)	Research, design, manufacture and sales of solar cells, modules and related systems	27.17	27.17	1, 6
The Company	Kentec Inc. (hereinafter referred to as Kentec)	Manufacture of electronics parts and components	89.16	89.16	
The Company	Taisic Materials Co. (hereinafter referred to as Taisic Materials)	Manufacturing and sales of electronic parts and components	8.8	8.8	
The Company	Chief Global Logistics Co., Ltd. (Chief Global Logistics)	Warehousing	52	52	
The Company	Hua-Xia Construction Co., Ltd. (Hua-Xia Construction)	Comprehensive Construction	100	100	
The Company	KENMEC AUTOMATION ENGINEERING (THAILAND) Co., Ltd. (hereinafter referred to as KENMEC THAILAND)	Manufacturing, sales and maintenance of automation equipment and components	99.99	-	3
The Company	Kenmec Communication Holding (BVI) Co., Ltd. (hereinafter referred to as B.V.I. – Kenmec Communication)	Investment holding business	60	-	4
B.V.I. – Kenmec International	Kenmec Mecha-Tronics (Suzhou) Co., Ltd. (hereinafter referred to as Kenmec Mecha-Tronics)	T.F.T. process equipment, semiconductor process equipment, industrial conveying machinery, and automated storage equipment.	100	100	
B.V.I. – Kenmec International	Kenmec Automation Engineering (KunShan) (hereinafter referred to Automation Kunshan)	Automated flow line equipment and supporting equipment, display production equipment, semiconductor production equipment, etc.	100	100	
Kenmec Mecha-Tronics	Suzhou Kenmec Property Development Ltd. (hereinafter referred to as Kenmec Property Development)	Real estate business	68.25	68.25	
Tainergy	Tainergy Tech Holding (Samoa) Co., Ltd. (hereinafter referred to as SAMOA – Tainergy Tech)	Investment holding business	100	100	
Tainergy	VIETNERGY COMPANY LIMITED	Manufacture of high-tech solar cells and related cell components	100	100	
Tainergy	Kentec	Manufacture of electronics parts and components	4.33	4.33	
Tainergy	Taisic Materials	Manufacturing and sales of electronic parts and components	47.66	47.66	
Tainergy	TAI VISION CO., LTD.	Wholesale and retail of contact lens	80	-	5
SMOA – Tainergy Tech	Tainergy Technology (Kunshan) Co., Ltd. (hereinafter referred to as Tainergy Kunshan)	R&D, design, production of high-tech cells (solar cells and the components of the cells)	100	100	
Tainergy Kunshan	Kunshan Kunfu Electronic Materials Co., Ltd.	Sales and manufacture of electronic materials and parts	100	100	
Tainergy Kunshan	Kenmec Property Development	Real estate business	31.75	31.75	
Tainergy Kunshan	Kunshan Jichang Energy Technology Co., Ltd.	Sale of solar power-related products	-	100	2
Kentec	Kenmec Communication Holding (BVI) Co., Ltd. (hereinafter referred to as B.V.I. – Kenmec Communication)	Investment holding business	40	100	4
B.V.I. – Kenmec Communication	Kenmec Technology (Suzhou) Co., Ltd. (hereinafter referred to as Kenmec Technology)	Production of new electronic components (chip components), digital sounds, etc.	100	100	

Remarks:

1. The Group has a direct and indirect shareholding of 27.17% in Tainergy and, nevertheless, has substantial control over the Group. It is thus incorporated as an entity of the Group.
2. Kunshan Jichang Energy Technology Co., Ltd. is located in Kunshan City, Jiangsu Province of the People's Republic of China and was established with a 100% capital investment by Tainergy Kunshan, one of the consolidated companies, in June 2020. The main business activity of Kunshan Jichang Energy Technology Co., Ltd. is the sale of solar power-related products. This company's registration was canceled on February 7, 2023.
3. KENMEC AUTOMATION ENGINEERING (THAILAND) Co., Ltd., located in Bangkok, Thailand, was established in June 2023 and is 99.99% invested by the Company with an amount of NTD 22,725 thousand (THB 24,999 thousand).
4. The Group's internal organizational structure was adjusted in November 2023. 100% of the equity of the subsidiary, Kenmec Communication Holding (BVI) Co., Ltd., previously held by KENTEC INC., was adjusted to 60% held by the parent company of the Group, resulting in a decrease of the shares of the subsidiary held by KENTEC INC. to 40%. In addition, the associate company, KENTEC ELECTRONICS (SUZHOU) CO., LTD. originally held by KENMEC AUTOMATION ENGINEERING (KUNSHAN) is now owned by KENTEC INC. The above transactions are organizational reorganizations under common control, and the book value method is adopted for the relevant transfers.
5. TAI VISION CO., LTD. is located in Pingzhen District, Taoyuan. The company was established in December 2023 by the Group, Tainergy Tech. Co., Ltd., with an investment of NTD 24,000 thousand, and acquired 80% of the shares. TAI VISION's main business is wholesale and retail of contact lenses.
6. They are subsidiaries holding significant non-controlling interests: None.

(II) Information on subsidiaries holding significant non-controlling interests

Name of the subsidiary	Proportion of shareholding and voting right with non-controlling interests	
	December 31, 2023	December 31, 2022
Tainergy	72.83%	72.83%

For the main territory and the country in which the company is registered, please refer to Table 9.

Name of the subsidiary	Profit (loss) on distribution to non-controlling interests		Non-controlling interests	
	2023	2022	December 31, 2023	December 31, 2022
Tainergy (without the non-controlling interests of subsidiaries)	($ 17,897)	$ 82,816	$ 1,541,034	$ 1,569,202

The following financial information summary is prepared based on the amount before elimination of inter-company transactions:

Tainergy and Subsidiaries

	December 31, 2023	December 31, 2022
Current assets	$ 1,550,019	$ 1,742,812
Non-current assets	1,492,032	1,644,628
Current liabilities	(550,926)	(646,240)
Non-current liabilities	(196,836)	(249,744)
Equity	$ 2,294,289	$ 2,491,456
Equity attributed to:		
The owner of the Company	$ 603,895	$ 644,300
Non-controlling interests of Tainergy	1,541,034	1,569,202
Non-controlling interests of Tainergy's subsidiaries	149,360	277,954
	$ 2,294,289	$ 2,491,456

	2023	2022
Operating revenue	$ 2,145,122	$ 2,221,436
Net (loss) profit for the period	($ 24,574)	$ 113,883
Other comprehensive income	(29,898)	33,818
Total comprehensive income	($ 54,472)	$ 147,701
Net profit (loss) attributable to:		
The owner of the Company	$ 127,916	$ 152,023
Non-controlling interests of Tainergy	(17,897)	82,816
Non-controlling interests of Tainergy's subsidiaries	(134,593)	(120,956)
	($ 24,574)	$ 113,883
Total comprehensive income attributable to:		
The owner of the Company	$ 86,434	$ 161,625
Non-controlling interests of Tainergy	(37,877)	107,032
Non-controlling interests of Tainergy's subsidiaries	(134,593)	(120,956)
	($ 54,472)	$ 147,701

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	2023	2022
Cash flow		
Operating activities	$ 453,079	$ 171,841
Investment activities	(452,197)	(188,720)
Financing activities	20,437	140,321
Effects of changes in exchange rates	(23,292)	(8,717)
Analysis of changes in the percentage of increase/decrease:	($ 1,973)	$ 114,725

XIV. Investment under the equity method

Investment in associates

	December 31, 2023	December 31, 2022
Investment in associates	$ 46,502	$ 37,260
Investment in joint venture	527,679	-
	$574,181	$ 37,260

(I) Investment in associates

	December 31, 2023	December 31, 2022
Associate companies that are not individually material	$ 46,502	$ 37,260

(II) Investment in joint venture

	December 31, 2023	December 31, 2022
Significant joint ventures		
Anhui Rongyun Property Development Co., Ltd.	$527,679	$ -
Share enjoyed by the Group		
Current net profit or loss of continuing operations	($ 25,071)	$ -

The material associate companies are as follows:

Company name	Nature of business	Main business premise	Shareholding ratio	
			December 31, 2023	December 31, 2022
Anhui Rongyun Property Development Co., Ltd.	Real estate development	China	41.19%	-

The important decisions of the Group, KENMEC TECHNOLOGY (SUZHOU) CO., LTD., are assessed using the equity method as it is a joint venture and requires unanimous approval of all directors.

The following financial information summary is prepared based on the associates' IFRS consolidated financial report and reflected the adjustments made after under the equity method.

Anhui Rongyun Property Development Co., Ltd.

	December 31, 2023	December 31, 2022
Current assets	$ 1,418,073	$ -
Non-current assets	5,870	-
Current liabilities	(142,436)	-
	$ 1,281,507	$ -
The Group's shareholding ratio	41.19%	-
Equity enjoyed by the Group	$ 527,679	$ -
Book value of investment	$ 527,679	$ -
Net loss for the year	($ 60,509)	$ -
Other comprehensive income	-	-
Total comprehensive income	($ 60,509)	$ -

XV. Property, plant and equipment

	Land and land improvement	House and building	Machinery and equipment	Transport equipment	Other equipment	Uncompleted construction	Total
Cost							
Balance on January 1, 2023	$ 865,944	$ 593,752	$ 4,713,093	$ 71,035	$ 771,884	$ 280,492	$ 7,296,200
Addition	1,240,139	553,015	48,164	160	89,995	225,706	2,157,179
Disposal	-	-	(384,814)	(8,466)	(27,546)	-	(420,826)
Transferred to held for sale (Note 12)	-	-	(8,928)	-	(1,752)	-	(10,680)
Reclassification	-	-	59,494	1,492	11,215	(30,834)	41,367
Net exchange differences	-	(4,101)	(68,535)	(1,309)	(16,396)	(553)	(90,894)
Balance on December 31, 2023	$ 2,106,083	$ 1,142,666	$ 4,358,474	$ 62,912	$ 827,400	$ 474,811	$ 8,972,346
Accumulated depreciation and impairment							
Balance on January 1, 2023	$ -	$ 347,599	$ 3,938,621	$ 56,387	$ 565,461	$ -	$ 4,908,068
Depreciation expenses	-	27,047	189,706	4,612	62,762	-	284,127
Disposal	-	-	(383,622)	(8,466)	(27,546)	-	(419,634)
Recognized impairment loss	-	-	159,214	-	2,578	-	161,792
Transferred to held for sale (Note 12)	-	-	(4,815)	-	(292)	-	(5,107)
Net exchange differences	-	(1,722)	(71,050)	(709)	(13,493)	-	(86,974)
Balance on December 31, 2023	$ -	$ 372,924	$ 3,828,054	$ 51,824	$ 589,470	$ -	$ 4,842,272
Net amount on December 31, 2023	$ 2,106,083	$ 769,742	$ 530,420	$ 11,088	$ 237,930	$ 474,811	$ 4,130,074
Cost							
Balance on January 1, 2022	$ 931,300	$ 988,834	$ 4,332,992	$ 68,040	$ 714,947	$ 335,932	$ 7,372,045
Addition	-	778	60,306	7,697	31,587	126,257	226,625
Disposal	-	(35,923)	(92,792)	(8,489)	(18,187)	-	(155,391)
Transferred to held for sale (Note 12)	(65,356)	-	(23,403)	-	51	(4,235)	(92,943)
Reclassification to investment property (Note 17)	-	(381,655)	-	-	-	-	(381,655)
Reclassification	-	750	293,831	-	7,293	(174,498)	127,376
Net exchange differences	-	20,968	142,159	3,787	36,193	(2,964)	200,143
Balance on December 31, 2022	$ 865,944	$ 593,752	$ 4,713,093	$ 71,035	$ 771,884	$ 280,492	$ 7,296,200
Accumulated depreciation and impairment							
Balance on January 1, 2022	$ 19,526	$ 515,028	$ 3,725,374	$ 55,821	$ 505,849	$ -	$ 4,821,598
Depreciation expenses	-	33,120	143,018	5,237	49,277	-	230,652
Disposal	-	(29,338)	(94,172)	(8,489)	(18,140)	-	(150,139)
Recognized impairment loss	-	-	59,338	8	879	-	60,225
Transferred to held for sale (Note 12)	(19,526)	-	(11,218)	-	51	-	(30,693)
Reclassification to investment property (Note 17)	-	(180,092)	-	-	-	-	(180,092)
Net exchange differences	-	8,881	116,281	3,810	27,545	-	156,517
Balance on December 31, 2022	$ -	$ 347,599	$ 3,938,621	$ 56,387	$ 565,461	$ -	$ 4,908,068
Net amount on December 31, 2022	$ 865,944	$ 246,153	$ 774,472	$ 14,648	$ 206,423	$ 280,492	$ 2,388,132

2023

(I) As the Group's Taisic Materials Co. invests in the field of silicon carbide, the revenue has not been significantly shown. The Group expected that the future economic benefits for machinery and equipment, instruments and equipment, office equipment, rental improvements and other equipment used to produce such product would be reduced. The Group appointed an expert to evaluate the fair value of equipment based on the usage of the assets and a recoverable amount of NTD 283,565 thousand was calculated, which was less than the carrying amount. Therefore, the Group recognized an impairment loss of NTD 43,718 thousand in 2023. The impairment loss was stated under other profits and losses in the statement of comprehensive income.

The Group's Taisic Materials determines the recoverable amount of the equipment based on the fair value less disposal cost. The relevant fair value is determined under the cost method. The main assumptions include the economic durability of the fixed assets, physical wear and tear, functional wear and tear, and economic wear and tear of the fixed asset, which is a Level 3 fair value measurement.

(II) In 2023, due to the rapid change of market demand for solar energy and technology, management expects that some of the property, plant and equipment of the Group's VIETNERGY Co., Ltd. may not be economically viable in the future due to the upgrade of product specifications, and the related equipment is expected to be scrapped by the Group. Therefore, an impairment loss of NTD 104,022 thousand was recognized in 2023. The impairment loss was stated under other profits and losses in the consolidated statement of comprehensive income.

(III) The Group anticipated that machinery and equipment previously purchased for production use were idle and thus the recoverable amount was less than the carrying amount, and thus recognized an impairment loss of NTD 14,052 thousand in 2023. The impairment loss was stated under other gains and losses in the consolidated statement of comprehensive income.

2022

(I) As Taisic Materials Co. invests in the field of silicon carbide, the revenue has not yet been significantly shown. Taisic Materials Co. of the Group expected that the future economic benefits for machinery and equipment used to produce such product would be reduced. Taisic Materials Co. appointed an expert to evaluate the fair value of equipment based on the usage of the assets and a recoverable amount of NT$255,529 thousand was calculated, which was less than the carrying amount. Therefore, the

Group recognized an impairment loss of NTD 59,402 thousand in 2022. The impairment loss was stated under other gains and losses in the consolidated statement of comprehensive income. The recoverable amount of this machinery and equipment was determined by the Group's Taisic Materials Co. at fair value less costs of disposal. The relevant fair value was determined by the cost method, which is mainly assumed to be economic depletion and is a Level 3 fair value measurement.

(II) The Group's Vietnergy Co., Ltd. expected that the recoverable amount of machinery and equipment used for production in Vietnam would be less than the carrying amount due to idleness. Therefore, NTD 823 thousand was recognized as an impairment loss in 2022. The impairment loss was stated under other gains and losses in the consolidated statement of comprehensive income.

The depreciation expense was calculated on the straight-line basis over the following useful lives:

Land improvement	20 years
House and building	
Main factory building	20–50 years
Machinery and equipment	
Mechanical & electric power equipment	8–10 years
Engineering system	4–6 years
Solar power system	16 to 20 years
Auto warehouse equipment	16 years
Cleanroom equipment	6–12 years
Boiler equipment	6–13 years
SMT production line	5–9 years
Test equipment	5–10 years
System and equipment construction	3 to 18 years
Solar power equipment	2–10 years
Machine tool/machinery	1–10 years
Instrument	3–8 years
Transport equipment	4–8 years
Other equipment	1–11 years

For the amount of the property, plant and equipment mortgaged as collateral for loans, please refer to Note 38.

XVI. Lease agreement

(I) Right-of-use assets

	December 31, 2023	December 31, 2022
Book value of right-of-use assets		
Land	$ 83,620	$ 86,365
Building	405,675	416,566
Office equipment	201	344
Transport equipment	7,590	-
	$ 497,086	$ 503,275

	2023	2022
Addition of right-of-use assets	$ 47,159	$ 37,863
Lease modification of right-of-use assets	$ 2,346	$ 14,604
Disposal of right-of-use assets	$ 64	$ 7,979
Depreciation expense of right-of-use assets		
Land	$ 2,476	$ 2,644
Building	51,794	25,494
Office equipment	143	83
Transport equipment	1,839	-
	$ 56,252	$ 28,221
Capitalization of depreciation expenses	$ -	$ 18,650

Other than the additions and depreciation expenses recognized listed above, there were no significant subleases or impairments of the right-of-use assets of the Group in 2023 and 2022.

The Group built equipment on the leased right-of-use asset. During construction, depreciation and interest expenses incurred were capitalized to repayment of equipment. For capitalization of interest expenses, please refer to Note 28.

For the right-of-use assets pledged as collateral for loans, please refer to Note 38.

(II) Lease liabilities

	December 31, 2023	December 31, 2022
Book value of lease liabilities		
Current	$ 51,287	$ 35,518
Non-current	285,709	309,551
	$ 336,996	$ 345,069

Range of discount rate for lease liabilities is as follows:

	December 31, 2023	December 31, 2022
Land	2.1%～5.2%	5.2%
Building	1.68%～4.10%	1.68%～5.49%
Office equipment	3.94%	3.94%
Transport equipment	2.10%	-

(III) Important lease activities and terms

The Group also rents several land lots and buildings for plants and offices with a lease term of 1.25–20 years. After the termination of the lease period, the Group is not entitled to a bargain purchase option for the land and buildings rented.

(IV) Other lease information

For the contract of the Group to lease out investment property under operating lease, please refer to Note 17.

	2023	2022
Short-term lease and lease expense of low-value assets	$ 16,958	$ 14,995
Total cash (outflow) amount for lease	($ 67,057)	($ 46,913)

The Group opts to apply the exemption of recognition to the lease of property which is qualified as a short-term lease or a lease of low-value assets, and does not recognize right-of-use assets and lease liabilities with respect to such lease.

XVII. Investment property

	Completed investment property
Cost	
Balance on January 1, 2023	$ 1,745,662
Decrease	(10,156)
Net exchange differences	(32,077)
Balance on December 31, 2023	$ 1,703,429
Accumulated depreciation	
Balance on January 1, 2023	$ 591,353
Depreciation expenses	74,786
Net exchange differences	(12,024)
Balance on December 31, 2023	$ 654,115
Net amount on December 31, 2023	$ 1,049,314

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	Completed investment property
Cost	
Balance on January 1, 2022	$ 1,469,611
Reclassification	381,655
Disposal	(120,036)
Net exchange differences	14,432
Balance on December 31, 2022	$ 1,745,662
Accumulated depreciation	
Balance on January 1, 2022	$ 392,132
Depreciation expenses	78,045
Reclassification	180,092
Disposal	(61,018)
Net exchange differences	2,102
Balance on December 31, 2022	$ 591,353
Net amount on December 31, 2022	$ 1,154,309

The total lease payments to be received in the future for lease-out of investment property under operating leases are as follows:

	December 31, 2023	December 31, 2022
1st year	$ 101,343	$ 98,524
2nd year	90,170	87,809
3rd year	83,439	83,744
4th year	82,915	83,166
5th year	79,713	83,521
Over 5 years	817,741	914,602
	$ 1,255,321	$ 1,351,366

The investment property was depreciated on the straight-line basis over the following useful lives:

House and building	20–26.5 years

The fair values of the investment properties of the Group's Kenmec Mecha-Tronics in 2023 were valuated by Prudential Cross-Strait Real Estate Appraisers Firm on the balance sheet date using Level 3 inputs. The fair value in 2022 was not evaluated by an independent evaluator but only by management of the Group, using an evaluation model commonly used by market participants with Level 3 input value measurement. The evaluation was performed with reference to the market evidence related to the transaction price of similar properties.

The fair value derived from evaluation is as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 756,641	$ 731,772

The fair values of the investment properties of the Group's Guang Yi Company in 2023 were valuated by Prudential Cross-Strait Real Estate Appraisers Firm on the balance sheet date using Level 3 inputs. The fair value in 2022 was not evaluated by an independent evaluator but only by management of the Group, using an evaluation model commonly used by market participants with Level 3 input value measurement on the balance sheet date. The valuation was carried out by referring to a similar cash flow method, and important unobservable inputs used include a discount rate of 1.83%.

The fair value derived from evaluation is as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 674,434	$ 660,706

The fair values of the investment properties of the Group's Tainergy Kunshan in 2023 and 2022 were valuated by Prudential Cross-Strait Real Estate Appraisers Firm on the balance sheet date using Level 3 inputs. The evaluation was performed with reference to the market evidence related to the transaction price of similar properties. The valuated fair value is as follows:

	December 31, 2023	December 31, 2022
Fair value	$ 268,921	$ 307,622

All of the Group's investment properties belong to self-owned equity. For the amount of investment properties pledged as collateral for loans, please refer to Note 38.

XVIII. Other intangible assets

	Patent right	Computer software	Other intangible assets	Total
Cost				
Balance on January 1, 2023	$ 19,048	$ 44,591	$ -	$ 63,639
Acquired separately	-	4,383	-	4,383
Disposal	-	(2,658)	-	(2,658)
Reclassification	-	3,884	-	3,884
Net exchange differences	-	(4)	-	(4)
Balance on December 31, 2023	$ 19,048	$ 50,196	$ -	$ 69,244

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	Patent right	Computer software	Other intangible assets	Total
Accumulated amortization				
Balance on January 1, 2023	$ 19,048	$ 29,207	$ -	$ 48,255
Amortization expenses	-	8,983	-	8,983
Disposal	-	(2,658)	-	(2,658)
Net exchange differences	-	(1)	-	(1)
Balance on December 31, 2023	$ 19,048	$ 35,531	$ -	$ 54,579
Net amount on December 31, 2023	$ -	$ 14,665	$ -	$ 14,665
Cost				
Balance on January 1, 2022	$ 19,048	$ 31,531	$ 12,020	$ 62,599
Acquired separately	-	13,611	-	13,611
Disposal	-	(155)	(12,020)	(12,175)
Net exchange differences	-	(396)	-	(396)
Balance on December 31, 2022	$ 19,048	$ 44,591	$ -	$ 63,639
Accumulated amortization and impairment				
Balance on January 1, 2022	$ 3,810	$ 24,482	$ 12,020	$ 40,312
Amortization expenses	1,905	5,283	-	7,188
Disposal	-	(155)	(12,020)	(12,175)
Recognized impairment loss	13,333	-	-	13,333
Net exchange differences	-	(403)	-	(403)
Balance on December 31, 2022	$ 19,048	$ 29,207	$ -	$ 48,255
Net amount on December 31, 2022	$ -	$ 15,384	$ -	$ 15,384

The amortization expense was calculated on the straight-line basis over the following useful lives:

Patent right	3–10 years
Computer software	1–4 years

Summary of amortization expenses by function:

	2023	2022
Operating costs	$ 3,786	$ 1,798
Marketing expense	849	711
Administrative expense	3,279	1,988
R&D expense	1,069	2,691
	$ 8,983	$ 7,188

XIX. Other assets

	December 31, 2023	December 31, 2022
Current		
Prepayments		
Prepayment for purchase (I)	$ 65,821	$ 78,016
Prepaid expenses	55,470	64,602
Prepaid salaries (VII)	3,023	5,435
Input and refundable tax	71,224	65,118
	$ 195,538	$ 213,171
Other current assets		
Other financial assets (VI) – Current deposit reserve account	$ 186,244	$ 207,193
Construction guarantee deposits paid	55,694	66,920
Others	481	936
	$ 242,419	$ 275,049
Non-current		
Prepayment for equipment (II)	$ 83,430	$ 106,341
Guarantee deposits paid (III)	111,921	32,083
Other non-current assets		
Other financial assets – reserve account (VI)	147,000	149,219
Prepaid investments (IV)	580	493,696
Non-performing loans (V)	64,714	22,312
Loss allowance – overdue receivables	(64,714)	(22,312)
Net defined benefit assets (Note 24)	5,740	4,016
Long-term prepaid salaries (VII)	9,000	12,000
Others	3,450	3,450
	$ 361,121	$ 800,805

(I) Prepayment for purchase

The Group's prepayments for purchase were mainly the prepayments made according to the requirements of the material purchase contracts signed between Tainergy and Sino-American Silicon Products Inc.

As of December 31, 2023 and 2022, an accumulated impairment loss of NTD 154,693 thousand and NTD 164,930 thousand has been appropriated for the prepayment for purchase, respectively. Please refer to the description of Note 39.

A profit of NTD 10,237 thousand and a loss of NTD 2,039 thousand were recognized as a reduction of operating costs from prepayment for purchase impairment

reversal gain and the operating cost in 2023 and 2022, respectively. Please refer to the description of Note 11.

(II) Prepayment for equipment

The Group's prepayments for equipment are the prepayments made for purchasing property, plant and equipment needed for production of the commodities or services to be supplied according to the purchase contracts.

(III) Guarantee deposits paid

1. The contract performance deposit for inventory sale-leaseback loans of the deposits deductible from payments for purchased materials and non-returnable deposits paid according to the requirements of the material purchase contract signed between the Group and Tainergy and SunEdison Products Singapore Pte, Ltd. As of December 31, 2023 and 2022, the balance of the deposits deductible from payments for purchased materials was NTD 0. Please refer to the descriptions in Note 39.
2. As of December 31, 2023 and 2022, the balances of the Group's Tainergy's purchase contracts for materials with other suppliers in 2022 and the deductible purchase deposits paid in accordance with the contracts were NTD 11,054 thousand and NTD 10,253 thousand, respectively.

Please refer to Note 38 for refundable deposits established as collateral.

(IV) Prepayment for investment

The Group's Kenmec Technology entered into a contract with Rong Yao Cultural Tourism Development Group, expecting to jointly establish Anhui Rong Yun Property Development Co., Ltd., with the Company holding 35% of the shares. As of December 31, 2022, as the company was still in the preparatory stage, NTD 493,696 thousand was recorded as prepaid investment. As of 2023, the investment fund was allocated. Therefore, the investment in joint ventures was transferred to the investment under the equity method. Please refer to the description in Note 14.

(V) Overdue receivables

The Group's overdue receivables are the receivables overdue more than 1 year, and 100% of the loss allowance with respect to such overdue receivables are recognized. Please refer to the description in Note 10.

(VI) Other financial assets

The other financial assets were mainly demand deposits pledged as collateral for promissory notes, demand deposits pledged as collateral for loan repayments, and

pledged demand deposits for project bidding and bank accounts, please refer to Note 38.

(VII) Prepaid wages and long-term prepaid wages

The prepaid salaries and long-term prepaid salaries of the Group are the long-term bonuses paid in advance to the R&D personnel during their tenure of the next five years in accordance with the relevant regulations, and will be amortized and recognized as expenses over the actual tenure of the future.

XX. Borrowings

(I) Short-term loans

	December 31, 2023	December 31, 2022
Secured borrowings (Note 38)		
Bank loans	$ 483,350	$ 298,290
Unsecured loans		
Credit loans	450,000	35,392
	$ 933,350	$ 333,682

The interest rate of working loans on December 31, 2023 and 2022 was 2.1%–4.1% and 3.4%–6.65%, respectively.

(II) Short-term notes payable

	December 31, 2023	December 31, 2022
Commercial paper payable	$ 37,000	$ -

The interest rate of commercial paper as of December 31, 2023 was 2.358%.

(III) Long-term loans

	Maturity date	Material terms	Effective interest rate	December 31, 2023	December 31, 2022
Unsecured loans					
Taiwan Business Bank	February 5, 2026	The loan totals NTD 100,000 thousand for a period of 5 years (non-revolving) without a grace period. It is disbursed on a lump-sum basis or in installments. The interest is paid every month. The installments of the principal is paid in equal each month from the date of automatic repayment of principal.	2.85%	$ 45,478	$ 65,559
Taiwan Business Bank	June 18, 2026	The loan totals NTD 30,000 thousand. The principal and interest are amortized in 60 installments in 1-month intervals starting 1 year after the date of borrowing.	2.75%	19,116	26,407
Taiwan Business Bank	November 30, 2027	The loan totals NTD 80,000 thousand. The interest was amortized from the 1st installment to the 6th installment on a monthly basis from the date of borrowing, and the amortization of the principal and interest began from the 7th installment.	2.595%	10,000	10,000
Taiwan Business Bank	November 30, 2027	The loan totals NTD 10,000 thousand. The principal and interest are amortized on a monthly basis after one year from the date of borrowing.	0.995%	9,797	-
First Commercial Bank	August 25, 2028	The total amount of the loan is NTD 10,000 thousand. From the borrowing date, the principal and interest are repaid in 36 installments every month.	2.1%	9,364	-
Taiwan Business Bank	December 18, 2023	The loan totals NTD 30,000 thousand. The principal and interest are amortized in 30 installments in 1-month intervals starting 1 year after the date of borrowing.	2.375%	-	12,000

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	Maturity date	Material terms	Effective interest rate	December 31, 2023	December 31, 2022
Secured borrowings (Note 38)					
Hua Nan Bank	December 29, 2023	The loan totals NTD 54,000 thousand and is repaid on a monthly basis from January 29, 2011. The interest is paid every month.	2.33%	-	4,718
First Commercial Bank	October 13, 2032	The loan totals NTD 110,000 thousand with a grace period of 1 years. It is disbursed on a lump-sum basis or in installments. The interest is paid every month. The installments of the principal are calculated from the expiry date of the grace period at an interval of 1 month. The principal is amortized in 168 installments.	2.48%	63,142	69,464
First Commercial Bank	October 13, 2032	The loan totals NTD 110,000 thousand with a grace period of 1 years. It is disbursed on a lump-sum basis or in installments. The interest is paid every month. The installments of the principal are calculated from the expiry date of the grace period at an interval of 1 month. The principal is amortized in 168 installments.	1.83%	1,430,000	-
The Shanghai Commercial & Savings Bank	July 27, 2025	The loan totals NTD 90,000 thousand with a grace period of 2 years. It is disbursed on a lump-sum basis or in installments. The interest is paid every month. The installments of the principal are calculated from the expiry date of the grace period at an interval of 3 months. The principal is amortized in 12 installments.	2.63%	52,500	82,500
The Shanghai Commercial & Savings Bank	June 15, 2027	The total loan amount is NTD 3,630 thousand. Interest of the loan is paid monthly and the principal is repayable in 24 equal installments from one month from the date of expiration of the grace period (3 years).	2.095%	3,630	3,630
Bank of Taiwan	June 15, 2024	Total loan amount of NTD 400,000 thousand.	1.83%	$ 400,000	$ 400,000
Taiwan Business Bank	January 10, 2035	The loan totals NTD 260,000 thousand for a period of 15 years (non-revolving) with a grace period of 2 years. It is disbursed on a lump-sum basis. The interest is paid every month. The installments of the principal are calculated from the expiry date of the grace period at an interval of 3 months. The principal is amortized in 52 installments.	2.2%	225,000	245,000
Bank SinoPac	April 28, 2025	The loan totals NTD 48,550 thousand. The principal and interest are amortized on a monthly basis from the date of borrowing.	2.865%	33,070	37,292
Bank SinoPac	July 28, 2027	The loan totals NTD 3,308 thousand. The principal and interest are amortized in 84 installments at an interval of 1 month from the date of borrowing.	2.865%	21,009	24,328
Bank SinoPac	August 28, 2027	The loan totals NTD 4,943 thousand. The principal and interest are amortized in 84 installments at an interval of 1 month from the date of borrowing.	2.865%	7,630	14,702
Bank SinoPac	September 28, 2028	The loan totals NTD 6,592 thousand. The principal and interest are amortized in 138 installments in 1-month intervals starting from the date of borrowing.	2.865%	13,812	16,639
Hua Nan Bank	October 18, 2025	The loan totals NTD 345 thousand. The principal and interest are amortized in 60 installments at an interval of 1 month from the date of borrowing.	2.75%	126	195
Hua Nan Bank	October 18, 2025	The loan totals NTD 1,955 thousand. The principal and interest are amortized in 60 installments at an interval of 1 month from the date of borrowing.	2.75%	717	1,108
Hua Nan Bank	May 3, 2026	The loan totals NTD 7,700 thousand. The principal and interest are amortized in 60 installments at an interval of 1 month from the date of borrowing.	2.75%	3,722	5,262
Taiwan Business Bank	February 8, 2024	The loan totals NTD 10,000 thousand. The principal and interest are amortized in 36 installments at an interval of 1 month from the date of borrowing.	2.16%	-	3,889
Subtotal				2,348,113	1,022,693
Less: Due within one year				(103,735)	(117,252)
Long-term loans				$ 2,244,378	$ 905,441

For information on the Group's provision of guarantee and pledge for the aforementioned long-term loans, please refer to Note 38.

XXI. Notes and accounts payable

	December 31, 2023	December 31, 2022
Notes payable		
From operation	$ -	$ 1,260
Not from operation	-	88
	$ -	$ 1,348
Accounts payable		
From operation	$ 672,228	$ 644,196
Accounts payable – Related parties (Note 37)		
From operation	$ 2,605	$ 2,129

The average credit period for purchasing raw materials, materials and commodities is 30–120 days. Interest is not included in the accounts payable recognized with respect to such purchase. The Group reviews the remaining debts on a regular basis to ensure that all payables can be paid back within the agreed term of credit.

XXII. Other liabilities

	December 31, 2023	December 31, 2022
Current		
Other payables		
Equipment payment payable	$ 73,498	$ 41,984
Expenses payable	403,271	488,313
Others	82,749	7,033
	$ 559,518	$ 537,330
Other payables – Related parties (Note 37)	$ 2,362	$ 3,755
Deferred income		
Deferred income (I)	$ -	$ 1,095,670
Deferred income (II)	47,399	10,990
	$ 47,399	$ 1,106,660
Other liabilities		
Collections	$ 12,963	$ 23,674
Refund liabilities	4,115	5,771
Rent collected in advance	24,644	27,420
Others	242	-
	$ 41,964	$ 56,865
Non-current		
Long-term deferred income		
Government grants (II)	$ 58,665	$ 61,759
Other liabilities		
Guarantee deposits received	$ 46,899	$ 34,536

(I) Due to the requirements of the government's construction project, the Group's Kenmec Mecha-Tronics and Kenmec Technology entered into a house demolition compensation agreement with the local government authority in March 2021. The total price paid was RMB 123,840 thousand and RMB 214,375 thousand, respectively; RMB 99,000 thousand and RMB 172,000 thousand were collected, and RMB 11,691 thousand and RMB 10,745 thousand were paid for demolition and relocation, respectively. The demolition compensation incomes from the Group's Kenmec Mecha-Tronics and Kenmec Technology and reclassified the deferred revenues as compensation income from demolition and relocation. Please refer to Note 28.

(II) For the deferred income generated from the government grants acquired by the Group, please refer to Note 32.

XXIII. Liability reserve

	December 31, 2023	December 31, 2022
Current		
Warranty (I)	$ 43,683	$ 21,584
Rework (II)	2,105	2,079
Onerous contract	192	626
	$ 45,980	$ 24,289
Non-current		
Warranty (I)	$ 2,014	$ 2,063

(I) The warranty liability reserve is the present value of the best estimate estimated for any future outflow of economic benefits due to warranty obligation by the Group's management according to the agreements in contracts for sale of commodities. The estimate is based on the Company's historical warranty experience and adjusted in consideration of new raw materials, procedural changes or other factors that influence the quality of the products.

(II) The rework liability reserve is an estimated cost in case of rework for the goods that have been sold to the customer. It is stated as operating cost in the account. Since no significant effect is expected with the discount, the measured amount of the rework liability reserve is not discounted.

XXIV. Retirement benefit plan

(I) Defined contribution plan

The pension system applicable to the Company and the Group's Kentec and Tainergy according to the "Labor Pension Act" is the defined pension appropriation plan managed by the government. A pension equal to 6% of an employee's monthly wage shall be appropriated to the individual labor pension account at the Bureau of Labor Insurance.

(II) Defined benefit plan

The pension system applicable to the Group, Kentec and Tainergy of the Group according to the "Labor Standards Act" is the defined retirement benefit plan managed by the government. The years of service rendered and the average wage of six months prior to the approved retirement date shall be the reference for calculation of the pension to be paid to the employee. These companies appropriate 2% of the total wage of an employee as the labor pension fund every month and remit the amount to the labor pension reserve funds account at the Bank of Taiwan in the name of the Labor Pension Fund Supervisory Committee. Before the end of each year, if the assessed balance in the account is inadequate to make a full payment of pensions to the employees who may meet the retirement conditions in the next year, we will make up the difference in one appropriation before the end of March the following year. The account is managed by the Bureau of Labor Funds, Ministry of Labor and the Group does not have the right to influence the investment management strategies.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$ 13,435	$ 165,762
Fair value of plan assets	(13,203)	(108,085)
	232	57,677
Add: Net defined benefit assets (Note 19)	5,740	4,016
Net defined benefit liabilities	$ 5,972	$ 61,693

Changes in net defined benefit liabilities are as follows:

	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
January 1, 2023	165,762	(108,085)	57,677
Service cost			
Current service cost	154	-	154
Service cost in the previous period	63	-	63
Gains on settlement	(391)	-	(391)
Interest expense (income)	2,292	(1,501)	791
Recognition in profit or loss	2,118	(1,501)	617
Remeasurement			
Return on plan assets (except for any amount included in net interest)	-	(461)	(461)
Actuarial losses (profit)			
– Changes in financial assumption	130	-	130
– Experience adjustments	2,882	-	2,882
Recognition in other comprehensive income	3,012	(461)	2,551
Contribution by employer	-	(21,785)	(21,785)
Settlement	(19,316)	19,316	-
Payment of benefits	(99,313)	99,313	-
Payments on the Company's account	(38,828)	-	(38,828)
December 31, 2023	$ 13,435	($ 13,203)	$ 232
January 1, 2022	$ 184,664	($ 106,944)	$ 77,720
Service cost			
Current service cost	57	-	57
Interest expense (income)	1,164	(678)	486
Recognition in profit or loss	1,221	(678)	543

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	Present value of defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities
Remeasurement			
Return on plan assets (except for any amount included in net interest)	$ -	($ 8,691)	($ 8,691)
Actuarial losses (profit)			
– Changes in financial assumption	(11,020)	-	(11,020)
– Experience adjustments	246	-	246
Recognition in other comprehensive income	(10,774)	(8,691)	(19,465)
Contribution by employer	-	(1,121)	(1,121)
Payment of benefits	(9,349)	9,349	-
December 31, 2022	$ 165,762	($ 108,085)	$ 57,677

The amounts of the defined benefit plan recognized in profit or loss are summarized by function as follows:

	2023	2022
Operating costs	$ 208	$ 389
Marketing expense	74	7
Administrative expense	250	(7)
R&D expense	85	154
	$ 617	$ 543

The Group is exposed to the following risks due to the pension system under the "Labor Standards Act":

1. Investment risk: The Bureau of Labor Funds, Ministry of Labor separately has invested the labor pension fund in domestic (foreign) equity and debt securities, and bank deposits. The investment is conducted at the discretion of the Bureau or under the mandated management. However, the profit generated from the Group's plan assets shall be calculated with an interest rate not below the interest rate for a 2-year time deposit with local banks.
2. Interest rate risk: A decrease in the interest rates of government bonds and corporate bonds leads to increase the present value of the defined benefit obligation, and the return on debt investment of the plan assets will be increased

accordingly. The net defined benefit liabilities may be partially offset by both increases.

3. Salary risk: The present value of the defined benefit obligation is calculated with reference to the future salary of the plan participants. Therefore, the present value of the defined benefit obligation will be increased due to an increase in the plan participants' salary.

The Group's present value of the defined benefit obligation was calculated actuarially by a qualified actuary. The major assumptions on the date of measurement are as follows:

	December 31, 2023	December 31, 2022
Discount rate	1.25%～1.375%	0.25%
Anticipated salary increase rate	2%～2.75%	2.25%～2.75%

If there were any reasonably possible changes to the major actuarial assumptions separately, the resulting increase (decrease) in the present value of the defined benefit obligation in the situation where all the other assumptions remained the same would be as follows:

	December 31, 2023	December 31, 2022
Discount rate		
Increase by 0.25%	($ 400)	($ 3,414)
Decrease by 0.25%	$ 416	$ 3,525
Anticipated salary increase rate		
Increase by 0.25%	$ 405	$ 3,449
Decrease by 0.25%	($ 390)	($ 3,359)

Since the actuarial assumptions might be correlated to each other, and it was unlikely that the changes were only in a single assumption, the aforesaid sensitivity analysis might not reflect the actual changes in the present value of the defined benefit obligation.

	December 31, 2023	December 31, 2022
Expected contribution within 1 year	$ 90	$ 979
Average maturity of defined benefit obligations	10.4–13.6 years	8.1–13 years

(III) Since B.V.I. – Kenmec International, Kenmec Technology, Kenmec Mecha-Tronics, Kenmec Property Development, B.V.I. – Kenmec Communication, Kenmec Vietnam, SAMOA – Tainergy Tech., Tainergy Kunshan, Kunshan Kunfu Electronic Materials

Co., Ltd., KENMEC THAILAND, and Vietnergy Company Limited of the Group have not established employee retirement regulations and the local government does not formulate mandatory employee retirement regulations, the aforesaid information does not apply.

XXV. Maturity analysis of assets and liabilities

The assets and liabilities of the Group with respect to the construction business are classified as current or non-current with the operating cycle as standard. The related amount recognized based on the amount anticipated to be recovered or reimbursed within a year and more than a year after the balance sheet date is as follows:

	Within 1 year	More than 1 year	Total
December 31, 2023			
Assets			
Contract assets	$ 13,714	$ 491,202	$ 504,916
Liability			
Contract liabilities	$ 39,886	$ 637,664	$ 677,550
December 31, 2022			
Assets			
Contract assets	$ 13,494	$ 440,916	$ 454,410
Liability			
Contract liabilities	$ 180,490	$ 1,098,940	$ 1,279,430

XXVI. Equity

(I) Share capital

Common shares

	December 31, 2023	December 31, 2022
Number of authorized shares (thousand shares)	402,000	402,000
Authorized capital	$ 4,020,000	$ 4,020,000
Number of issued shares and fully paid up (thousand shares)	249,011	249,011
Issued capital	$ 2,490,112	$ 2,490,112

(II) Capital reserves

	December 31, 2023	December 31, 2022
May be used to offset losses, distribute cash or capitalize on share capital (1)		
Stock issuance in excess of par value	$ -	$ 39,206
Treasury stock trading	113,597	72,665
Difference between the actual price for acquisition of equity in subsidiaries and the book value	$ 68,244	$ 68,244
Only available for makeup of loss (2)		
Recognition of changes in equity ownership in subsidiaries	274,884	113,754
	$ 456,725	$ 293,869

1. These capital reserves may be used to make up losses distribute cash dividends or be transferred into the capital if the Company does not incur a loss. However, the amount of the transfer into the capital shall be limited to a certain percentage of the paid-in capital every year.
2. These capital reserves are the equity transaction effects recognized by the Company as a result of the changes of the equity in subsidiaries when the Company does not actually acquire or dispose the equity of the subsidiaries, or the adjustments for the Company to recognize subsidiaries' capital reserves under the equity method.

(III) Retained earnings and dividend policy

According to the Articles of Incorporation, the Company authorizes the Board of Directors to distribute the distributable dividends and bonuses in the form of cash and report at the shareholders' meeting.

According to the Company's earnings distribution policy specified in the amendments of the Articles of Incorporation, if the Company has a profit at the year's final accounting, it shall first pay the income tax and make up any cumulative losses in accordance with laws, and then make a 10% contribution of the balance to the legal reserve, and also make provision/reversal of special reserves pursuant to the laws. Any balance thereof shall, together with the accumulated undistributed earnings and the "adjusted amount of the annual undistributed profits," be submitted by the Board of

Directors in the form of an earnings distribution proposal to the shareholders' meeting for ratification. For the distribution policy of employee and director remuneration stipulated in the Company's Articles of Incorporation, please refer to in Note 28 (VII) Remuneration to employees and directors.

The Company's business is currently in the stage of operational growth, requiring profits to be retained as funding necessary for operational growth and investments. Therefore, the Company currently adopts a "balance as dividend" policy, giving consideration to the distribution of a balanced dividend equaling at least 50% of the annual net profits after tax. The Board of Directors may, however, submit a proposal for distribution to the shareholders' meeting for decision after taking into account the actual funding situation of the Company.

Profits may be distributed in the form of a combination of cash and stock dividends, provided that cash dividend is at least 20% of the total dividend. The shareholders' meeting may, however, make adjustment thereto based on future funding plans.

Legal reserves shall be prepared to the amount at which the balance of the legal reserves reaches the total paid-in capital. Legal reserves may be used to make up losses. Where the Company does not sustain loss, the part of the legal reserves that exceeds the total paid-in capital by 25% may be appropriated as capital or distributed by cash.

When the Company provides a special reserve for the net increase in the fair value of the investment property accumulated in the previous period and the net amount of other equity accumulated in the previous period, if the undistributed earnings of the previous period are insufficient to be recognized, the items other than the after-tax net profit of the current period plus the net profit after tax are recognized as the undistributed earnings of the current period.

The Company held an annual general meeting on June 28, 2023 and June 24, 2022. Earnings distribution proposals in 2022 and 2021 approved at the said meetings are as follows:

	2022	2021
Legal reserves	$ 48,011	$ -
Special reserves	($ 22,025)	($ 9,455)
Cash dividend	$ 401,885	$ -
Cash dividends from capital reserves	$ -	$ 395,218
Cash dividend per share (NTD)	$ 1.62	$ -
Cash dividends from capital reserves per share (NTD)	$ -	$ 1.6

The proposal for distribution of earnings in 2023 resolved by the Board of Directors on March 7, 2024 is as follows:

	2023
Legal reserves	$ 64,250
Cash dividend	$ 423,319
Cash dividend per share (NTD)	$ 1.7

The above cash dividends have been distributed by resolution of the Board of Directors, and the rest are yet to be resolved by the shareholders' meeting expected to be held on May 31, 2024.

(IV) Special reserves

	2023	2022
Balance – beginning of the year	$ 319,117	$ 328,572
Reversal of special reserves	(22,025)	(9,455)
Balance – ending of the year	$ 297,092	$ 319,117

The special reserve set aside for the land when IFRSs are applied for the first time may be reversed at the time of disposal or reclassification. The special reserve set aside for the exchange differences from the translation of foreign operations' financial statements (including subsidiaries) is reserved according to the percentage of disposal. It will be completely reversed when the Company loses the significant influence. When earnings are distributed, a special reserve shall be set aside for the difference between the net deduction of other shareholders' equities stated on the end date of the reporting period and the special reserve set aside when IFRSs are applied for the first time. If there is any reversal of the decrease in shareholders' equity, the earnings may be distributed based on the reversal proportion.

(V) Other equity

1. Exchange differences on translation of financial statements of foreign operations

	2023	2022
Balance – beginning of the year	($ 229,740)	($ 256,306)
Amounts incurred in the year		
Exchange differences from foreign operations	(20,795)	18,538
Changes in ownership interests in subsidiaries	(5,204)	-
Disposal of subsidiaries using the equity method	-	7,960
Disposal of part of interests in subsidiaries	-	68
Balance – ending of the year	($ 255,739)	($ 229,740)

2. Unrealized profit/loss on valuation of financial assets measured at fair value through other comprehensive income

	2023	2022
Balance – beginning of the year	($ 11,507)	($ 6,966)
Amounts incurred of the current period		
Unrealized profit/loss		
Equity instruments	3,299	(5,352)
Disposal of part of interests in subsidiaries	-	1
Accumulated gain or loss on disposal of equity instruments transferred to retained earnings	-	810
Balance – ending of the year	($ 8,208)	($ 11,507)

(VI) Non-controlling interests

	2023	2022
Balance – beginning of the year	$ 1,907,084	$ 1,347,238
Current net loss	(148,977)	(26,324)
Cash dividends from subsidiaries	(7,044)	-
Other comprehensive income for the year		
Exchange differences on translation of financial statements of foreign operations	(39,837)	23,848
Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	-	(44)
Remeasurement of defined benefits plans	(37)	774
Organizational reorganization - Disposal of subsidiary KENMEC Communication	34,624	-
Acquisition of partial equity in subsidiary Tainergy	-	(2,615)
Non-controlling interests related to outstanding vested stock options held by Kentec's employees	-	28
Acquired subsidiary Tai Vision	23,479	-
Acquisition of subsidiary Taisic Materials	-	630,000
Acquisition of subsidiary Aptos Technology	-	9,600
Non-controlling interests – increase of capital in Tainergy not according to shareholding ratio	-	1,547
Non-controlling interests – increase of capital in Taisic Materials not according to shareholding ratio	-	(79,727)
Non-controlling interests – increase of capital in Chief Global Logistics not according to shareholding ratio	-	2,759
Non-controlling interests did not increase capital in the affiliate company in proportion to the shareholding	(13)	-
Balance – ending of the year	$ 1,769,279	$ 1,907,084

(VII) Treasury stocks

Cause of repurchase	Transfer of shares to employees (thousand shares)
Number of shares on January 1, 2022	2,000
Increase in the year	2,000
Decrease in the Year	(3,066)
Number of shares on December 31, 2022	934
Number of shares on January 1, 2023	934
Decrease in the Year	(934)
Number of shares on December 31, 2023	-

According to the Securities and Exchange Act, the treasury stock held by the Group may not be pledged and entitled to any dividends or voting rights.

XXVII. Revenue

	2023	2022
Revenue from contracts with customers		
Revenue from sale of products	$ 2,503,018	$ 2,990,511
Project income	2,905,250	2,256,416
Service income	62,345	55,722
Revenue from sale of electricity	18,833	18,884
Lease income	62,044	37,675
	$ 5,551,490	$ 5,359,208

(I) Description of contracts with customers

1. Revenue from sale of commodities

Revenue from sale of commodities is generated from the sales of products. Once the products are delivered to the customer-designated location and accepted by the customer, the customer is entitled to the products' price determination and right of use, has the main responsibility to resell the products, and takes the risk that the products might become outdated. Therefore, the revenue and accounts receivable are recognized at that point in time.

Solar cells and modules were sold to downstream manufacturers in the solar energy sector. The Group sold the products at the price agreed in the contract, quotation or order.

2. Project income

Since the cost of construction is directly related to the percentage of fulfillment of the contractual obligation, the Group measures its progress based on the percentage of the actually invested cost in the estimated total cost. the Group progressively recognizes contract assets during the construction and transfer them to accounts receivable when issuance of bills. If the construction project proceeds received exceed the revenue recognized, the difference is recognized as contract liabilities. Construction retainage retained by customers according to contractual terms and conditions is to ensure that the Group fulfills all the contractual obligation thereof and is recognized as contract assets before the fulfillment of the contract.

If the result of the fulfillment cannot be measured reliably, the contract income is recognized only within the scope of the actually incurred contract fulfillment cost expected to be recovered.

3. Service income

Service income derives from repair of equipment.

With provision of the equipment repair service from the Group, the customer acquires and consumes the benefit from performance of the contract. Related income is recognized when services are completely provided. Since payment is made after completion of the repair as agreed in the contract, the Group recognizes the service income as contract assets when the service is provided and transfer it to account receivable when the repair is completed.

4. Revenue from sale of electricity

The revenue from sale of electricity was calculated based on the actually sold electricity by degree and the rate.

5. Lease income

Rental income is calculated based on the actual rent received and the frequency of use.

(II) Balance of contract amount

	December 31, 2023	December 31, 2022	January 1, 2022
Accounts and notes receivable (Note 10)	$ 514,730	$ 477,916	$ 558,064
Contract assets			
Construction of automated equipment	$ 504,916	$ 454,410	$ 444,997
Contract assets – current	$ 504,916	$ 454,410	$ 444,997
Contract liabilities			
Sale of commodities	$ 7,206	$ 117,305	$ 63,219
Real estate sales	18,100	12,939	36,897
Solar equipment construction	2,763	3,429	3,448
Construction of automated equipment	649,481	1,145,757	1,233,362
Contract liabilities – current	$ 677,550	$ 1,279,430	$ 1,336,926

Changes in loss allowance for contract assets are as follows:

	2023
Balance – beginning of the year	$ -
Add: Impairment loss appropriated in the year	47,553
Less: Actual amount written off in the year	(47,553)
Balance – ending of the year	$ -

(III) Customer contract income breakdown

Please refer to Note 43 for the breakdown of revenue.

XXVIII. Net profit (loss) of continuing operations

(I) Interest income

	2023	2022
Bank deposit	$ 67,855	$ 23,693
Interest income from loaning of funds (Note 37)	1,813	-
	$ 69,668	$ 23,693

(II) Other revenue

	2023	2022
Net income from compensation for demolition and relocation	$ 806,186	$ -
Lease revenue		
Investment property	84,336	70,734
Government grant income (Note 32)	35,088	61,316
Dividend revenue	4,406	2,097
Others	13,934	29,362
	$ 943,950	$ 163,509

Due to the requirements of the government's construction project, the Group's Kenmec Mecha-Tronics and Kenmec Technology (Suzhou) entered into a house demolition compensation agreement with the local government authority in March 2021. The total price was RMB 123,840 thousand and RMB 214,375 thousand, respectively.

The Group's Kenmec Mecha-Tronics and Kenmec Technology have completed the registration process and recognized the net compensation income in 2023 as follows:

	2023
Compensation income for demolition and relocation (RMB 271,000 thousand)	$ 1,194,568
Less: Net current assets held for sale	(98,898)
Demolition and relocation expenditures	(289,484)
Net income from compensation for demolition	$ 806,186

(III) Other gains and losses

	2023	2022
Profit on disposal of property, plants and equipment	$ 98	$ 63,224
Disposal of investment property benefits	-	49,766
Disposal of gains in right-of-use assets	-	37,509
Gain on disposal of non-current assets held for sale (Note 12)	2,221	146,853
Net foreign exchange gains	23,491	32,451
Profit on lease modification	143	-
Gains (losses) on financial assets and financial liabilities		
Financial assets mandatorily measured at fair value through profit or loss	43,947	(3,988)
Impairment loss	(161,792)	(77,793)
Other revenues and expenses	(3,326)	(6,340)
	($ 95,218)	$ 241,682

For the impairment loss recognized by the Group in 2023 and 2022, please refer to the description in Notes 12, 15 and 18.

(IV) Financial costs

	2023	2022
Bank loan interest	$ 47,615	$ 38,235
Interest on lease liabilities	7,238	3,052
	$ 54,853	$ 41,287

Information on capitalization of interest:

	2023	2022
Capitalization of interest – amount	$ 115	$ 5,564
Capitalization of interest – interest rate	4.99%	2.35%～2.99%

(V) Depreciation and amortization

	2023	2022
Summary of depreciation expenses by function		
Operating costs	$ 251,696	$ 213,772
Operating expenses	163,469	123,146
	$ 415,165	$ 336,918
Summary of amortization expenses by function		
Operating costs	$ 3,786	$ 1,798
Operating expenses	5,197	5,390
	$ 8,983	$ 7,188

For the information on the amortization of intangible assets allocated to each line item, please refer to Note 18.

(VI) Employee benefit expense

	2023	2022
Short-term employee benefits	$ 3,991,117	$ 991,555
Retirement benefits		
Defined contribution plan	29,543	25,366
Defined benefit plan (Note 24)	617	543
	30,160	25,909
Share-based payment (Note 31)	40,993	5,600
Total employee benefit expenses	$ 4,062,270	$ 1,023,064
Summarized by function		
Operating costs	$ 1,867,457	$ 526,914
Operating expenses	2,194,813	496,150
	$ 4,062,270	$ 1,023,064

(VII) Remuneration to employees and directors

After deducting the profit before tax of the current year prior to distribution of the remuneration to employees, directors and supervisors, the amount to the percentage of 5%–15% was distributed as remuneration to employees and 1%–3% was distributed as remuneration to employees and directors. The remuneration of employees and directors for 2023 and 2022 was resolved by the Board of Directors on March 7, 2024 and March 10, 2023, respectively, as follows:

Estimated ratio

	2023	2022
Remuneration to employees	7.1%	7.3%
Remuneration to directors	1.4%	1.5%

Amount

	2023	2022
Remuneration to employees	$ 61,886	$ 37,262
Remuneration to directors	$ 11,869	$ 7,657

If there were any changes in the amount after the approval and release date of annual consolidated financial statements, the change was treated as a change in accounting estimate and accounted in the following year.

There was no discrepancy between the actual distribution of remuneration to employees and directors in 2022 and 2021 and the amount recognized in the consolidated financial statements in 2022 and 2021.

The information about remuneration to the employees and directors resolved by the Board of Directors is available at the "MOPS" of TWSE.

(VIII) Foreign exchange (loss) gain

	2023	2022
Total profit from translation of foreign currencies	$ 81,597	$ 187,334
Total loss from translation of foreign currencies	(58,106)	(154,883)
Net gain	$ 23,491	$ 32,451

(IX) Impairment (loss) reversal

	2023	2022
Inventory (incorporated in operating cost)	($ 50,990)	$ 934
Long-term prepayment for purchase (incorporated in operating cost)	10,237	2,039
Property, plant and equipment (included in other gains and losses)	(161,792)	(60,225)
Intangible assets (included in other gains and losses)	-	(13,333)
Contract assets (included in expected credit impairment loss)	(47,553)	-
Non-current assets held for sale (included in other gains and losses)	-	(4,235)
	($ 250,098)	($ 74,820)

XXIX. Income tax of continuing operations

(I) Income tax recognized in profit or loss

The main components of income tax expense are as follows:

	2023	2022
Current income tax		
Tax incurred in the year	$ 63,475	$ 15,305
Adjustments for the previous year	43,743	(5,409)
Deferred income tax		
Tax incurred in the year	106	2,802
Income tax expenses recognized in profit or loss	$ 107,324	$ 12,698

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

	2023	2022
Net profit before tax of continuing operations	$ 754,344	$ 456,448
Income tax profit on net loss or gain before tax calculated at the statutory tax rate	$ 300,892	$ 105,298
Expense and loss not deductible from tax	70,418	109
Non-taxable income	(9,443)	75,180
Unrecognized loss carryforwards	(98,795)	5,708
Unrecognized deductible temporary difference	(193,708)	(186,562)
Repatriation of earnings of subsidiaries	-	18,374
Adjustment to income tax expenses of the previous year in the period	37,960	(5,409)
Income tax expenses recognized in profit or loss	$ 107,324	$ 12,698

(II) Income tax recognized in other comprehensive income

	2023	2022
Deferred income tax		
Amounts incurred in the year		
– Translation from foreign operations	($ 2,317)	$ 1,190
– Remeasurement of defined benefits plans	(581)	3,219
	($ 2,898)	$ 4,409

(III) Current income tax assets and liabilities

	December 31, 2023	December 31, 2022
Current income tax assets		
Income tax refund receivable	$ 9,479	$ 9,878
Current tax liabilities		
Income tax payable	$ 2,148	$ 4,621

(IV) Deferred income tax assets and liabilities

Changes in deferred income tax assets and liabilities are as follows:

2023

	Balance – beginning of the year	Recognition in profit or loss	Recognition in other comprehensive income	Balance – ending of the year
Deferred income tax assets				
Temporary difference				
Defined retirement benefit plan	$ 11,780	$ 9	$ 581	$ 12,370
Exchange differences from foreign operations	10,383	-	2,317	12,700
Others	155,083	511	-	155,594
	$ 177,246	$ 520	$ 2,898	$ 180,664
Deferred income tax liabilities				
Temporary difference				
Land incremental tax	($ 56,108)	$ -	$ -	($ 56,108)
Others	(1,870)	(626)	-	(2,496)
	($ 57,978)	($ 626)	$ -	($ 58,604)

2022

	Balance – beginning of the year	Recognition in profit or loss	Recognition in other comprehensive income	Balance – ending of the year
Deferred income tax assets				
Temporary difference				
Defined retirement benefit plan	$ 15,062	($ 63)	($ 3,219)	$ 11,780
Exchange differences from foreign operations	11,573	-	(1,190)	10,383
Others	161,792	(6,709)	-	155,083
	$ 188,427	($ 6,772)	($ 4,409)	$ 177,246
Deferred income tax liabilities				
Temporary difference				
Land incremental tax	($ 56,108)	$ -	$ -	($ 56,108)
Others	(5,840)	3,970	-	(1,870)
	($ 61,948)	$ 3,970	$ -	($ 57,978)

(V) Amounts of deductible temporary difference of the deferred income tax assets unrecognized in consolidated balance sheet, unused loss carryforwards, and unused investment tax credits

	December 31, 2023	December 31, 2022
Loss carryforwards		
Mature in 2023	$ -	$ 867,670
Mature in 2024	246,159	321,513
Mature in 2025	36,463	309,694
Mature in 2026	342,529	260,867
Mature in 2027	726,332	642,728
Mature in 2028	1,140,838	1,141,414
Mature in 2029	356,724	471,728
Mature in 2030	914,402	1,199,933
Mature in 2031	589,272	370,543
Mature in 2032	376,266	98,391
Mature in 2033	490,819	-
	$ 5,219,804	$ 5,684,481
Deductible temporary difference		
Inventory devaluation loss	$ 39,004	$ 32,857
Allowance for loss	74,674	76,693
Guarantee deposits paid impairment	328,341	328,341
Unrealized exchange gain	15,719	(7,044)
Property, plant and equipment impairment loss	941,269	852,424
Unrealized warranty expense	2,062	2,079
Unrealized project loss	-	471
Others	195,667	195,231
	$ 1,596,736	$ 1,481,052

(VI) Authorization of income tax

The profit-seeking enterprise income tax returns filed by the Company, Tainergy, and Kentec up to 2021 were approved by the tax collection agency.

The subsidiaries domiciled in the British Virgin Islands and Samoa are not subject to tax and, therefore, are not subject to profit-seeking enterprise income tax approved by the authority. As of December 31, 2023, due to the application of local laws and regulations, the estimated payable tax liabilities and income tax expenses had been made.

XXX. Earnings per share

Unit: NTD per share

	2023	2022
Basic earnings per share		
From continuing operations	$ 3.20	$ 1.91
Diluted earnings per share		
From continuing operations	$ 3.19	$ 1.89

The earnings and the weighted average number of common shares used in the computation of earnings per share are as follows:

Net profit for the current year

	2023	2022
Net profit used for calculation of basic earnings per share	$ 795,997	$ 470,074
Net profit used for calculation of diluted earnings per share	$ 795,997	$ 470,074

Number of shares

Unit: thousand shares

	2023	2022
Weighted average number of ordinary shares used to calculate basic share surplus	248,406	246,751
Effect of potential diluted common stocks:		
Remuneration to employees	1,284	1,467
Weighted average number of ordinary shares used to calculate diluted earnings	249,690	248,218

When the Group can select stocks or cash as the remuneration to employees, it is assumed that the employee's remuneration is paid with stocks when the diluted EPS is calculated. The weighted average outstanding common stocks are added when the

potential common stocks have diluting capability to calculate the diluted EPS. The diluting capability of the potential common stocks is referenced in the next year when the Board of Directors resolves to calculate the diluted EPS prior to payment of the employee's remuneration with stocks.

XXXI. Share-based payment arrangement

The Company's Employee Stock Option Plan

(I) On August 4, 2023, the Board of Directors resolved to transfer treasury shares to employees at NTD 43.50 and NTD 44.28 per share, respectively. As of the date of payment of employee stock options, 467 thousand shares and 467 thousand shares were transferred, respectively for a total transfer price of NTD 22,792 thousand. The base date of employee stock options was set on August 9, 2023. The Company recognized a remuneration cost of NTD 40,993 thousand on the date of grant.

On August 4, 2023, the Board of Directors resolved to transfer treasury shares to employees at NTD 43.50 and NTD 44.28 per share, respectively. As of the date of payment of employee stock options, 467 thousand shares and 467 thousand shares were transferred, respectively for a total transfer price of NTD 22,792 thousand. The base date of employee stock options was set on August 9, 2023. The Company recognized a remuneration cost of NTD 40,993 thousand on the date of grant.

The Black-Scholes valuation model was used for the employee stock options granted by the Company in August 2023. The inputs used in the valuation model are as follows:

	August 2023
Price on grant date	NTD 68.30
Exercise price	NTD 24.80/24.02
Stock price volatility	52.16
Lifetime	0.022 years
Risk-free interest rate	0.806

(II) On July 4, 2022, the Board of Directors resolved to transfer treasury shares to employees at NTD 24.80 and NTD 24.02 per share, respectively. As of the date of payment of employee stock options, 1,533 thousand shares and 1,533 thousand shares were transferred, respectively for a total transfer price of NTD 74,841 thousand. The base date of employee stock options was set on July 19, 2022. The Company recognized a remuneration cost of NTD 5,600 thousand on the date of grant.

The Black-Scholes valuation model was used for the employee stock options granted by the Company in July 2022. The inputs used in the valuation model are as follows:

	July 2022
Price on grant date	NTD 24.69
Exercise price	NTD 24.80/24.02
Stock price volatility	42.70
Lifetime	0.088 years
Expected dividend rate	-
Risk-free interest rate	0.5357

Remuneration costs recognized by the Company for 2023 and 2022 were NTD 40,993 thousand and NTD 5,600 thousand, respectively.

XXXII. Government grants

(I) Tainergy Kunshan of the Group established factories in Kunshan Economic and Technological Development Zone (KETD) for the production of solar cells in 2008. To provide preferential investment conditions, the KETD Administration Committee agreed on a one-off subsidy of NTD 155,756 thousand for the construction of infrastructure in consideration of the investment of Tainergy Kunshan and the geology of the land for which the right-of-use had been acquired. The subsidy was subject to amortization in 50 years based on the effective period of the right-of-use of the land. The Board meeting held on October 22, 2021 approved disposing of part of the land use rights; therefore, RMB 9,939 thousand (NTD 43,176 thousand) was directly reclassified to liabilities held for disposal. As at December 31, 2023 and 2022, the balance of the amortization and reclassification was NTD 58,368 thousand (RMB 13,489 thousand) and NTD 61,144 thousand (RMB 13,871 thousand), respectively, and stated as long-term deferred income. NTD 1,678 thousand and NTD 1,683 thousand were recognized in profit in 2023 and 2022, respectively.

(II) Tainergy Kunshan of the Group acquired a one-off equipment subsidy of NTD 3,889 thousand (RMB 859 thousand) from the government in 2015, 2016 and 2017, respectively. The respective subsidy was subject to amortization in 5 to 10 years based on the useful life of the equipment. As of December 31, 2023 and 2022, the balance of the amortization was NTD 128 thousand (RMB 30 thousand) and NTD 615 thousand (RMB 140 thousand), respectively, and stated as long-term deferred income. NTD 482 thousand and NTD 485 thousand were recognized in profit in 2023 and 2022, respectively.

(III) In July 2022, the Company and Taisic Materials Co. of the Group signed a Taiwan Industry Innovation Platform Counseling Project of MOEA with the Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF), receiving a grant for the development of silicon carbide long crystal equipment and critical materials for the period from July 1, 2022 to June 30, 2025. As of 2023, the grant received totaled NTD 49,600 thousand. As of 2023 and 2022, the amortization balance was NTD 14,306 thousand (of which NTD 2,216 thousand was recorded as other receivables) and NTD 10,990 thousand, respectively. In 2023, the income of NTD 24,716 thousand was recognized according to the subsidy plan.

(IV) The Group's Taisic Materials received a one-time government subsidy of NTD 330 thousand for the purchase of equipment in February 2023, which is amortized over four years according to the useful years of the equipment. As of 2023, the balance after amortization was NTD 253 thousand (respectively recorded as deferred revenue of NTD 84 thousand and long-term deferred revenue of NTD 169 thousand). A gain of NTD 77 thousand was recognized in 2023.

(V) The Group's Kentec signed the EMS industry SMT process equipment networking standard and wisdom feedback promotion plan from January 1, 2023 to December 31, 2024 with the Taiwan Small & Medium Enterprise Counseling Foundation (Taiwan SMECF). As of 2023, NTD 1,683 thousand from subsidies were received, and the amortized balance was NTD 225 thousand, which is recorded as deferred income. A gain of NTD 1,458 thousand was recognized in 2023.

(VI) The Group signed a railway industry development subsidy program contract with the Railway Bureau, Ministry of Transportation and Communications, and received a subsidy from July 1, 2023 to September 30, 2024. In 2023, grant income of NTD 6,677 thousand was recognized, of which NTD 4,087 thousand was recorded as other receivables.

(VII) The Group signed a railway industry development subsidy program contract with the Railway Bureau, Ministry of Transportation and Communications, and received a subsidy from July 1, 2023 to September 30, 2024. In 2023, the subsidy received under the subsidy plan amounted to NTD 35,000 thousand and was recorded in the deferred income account. The grant income recognized in 2023 was NTD 0.

XXXIII. Equity transaction with respect to non-controlling interests

In January 2022, the Group did not increase the capital of Tainergy according to its shareholding ratio, resulting in a decrease in shareholding ratio from 27.19% to 27.17%.

In July 2021, the Company and Tainergy of the Group did not increase it shareholdings in Taisic Materials in proportion to their shareholdings, resulting in an increase in their shareholdings from 8.6% to 8.8% and a decrease in their shareholdings from 55.41% to 47.66%, respectively. Equity interest attributable to the non-controlling interest in Tainergy decreased from 40.36% to 34.71%.

In August 2022, the Group did not increase the capital of Chief Global Logistics according to its shareholding ratio, resulting in a decrease in shareholding ratio from 100% to 52%.

	2022
Consideration in cash paid	($ 79,400)
Consideration in cash received	1,547
Amount of book value of subsidiary's net assets to be transferred to non-controlling interests based on changes in relative equity	89,230
Amount of book value of subsidiary's net assets to be transferred in non-controlling interests based on changes in relative equity	68,068
Other comprehensive income attributable to owners of the Company adjusted	
– Exchange differences on translation of financial statements of foreign operations	68
– Unrealized profit/loss from the financial assets measured at fair value through other comprehensive income	1
Difference in transaction of equity	$ 79,514
Adjustment items of difference in transaction of equity	
Capital reserve (changes in ownership of subsidiaries)	$ 89,230
Capital reserve (actually acquired partial equity in subsidiaries)	(9,716)
	$ 79,514

XXXIV. Cash flow information

(I) Non-cash transactions

In addition to those disclosed in other notes, the Group was engaged in the following non-cash investment and financing activities in 2023 and 2022:

1. The Group reclassified NTD 2,895 thousand and NTD 92,954 thousand of contract assets into property, plant and equipment in 2023 and 2022, respectively.
2. The Group reclassified NTD 38,472 thousand and NTD 34,422 thousand of prepayment for equipment into property, plant and equipment in 2023 and 2022, respectively.
3. In 2023 and 2022, the Group's investment receivables receivable from financial instruments at fair value through profit or loss decreased by NTD 3,956 thousand and increased by NTD 10,909 thousand, respectively.
4. The equipment payable of the Group for the purchase of property, plant and equipment in 2023 and 2022 increased by NTD 31,514 thousand and NTD 630 thousand, respectively.
5. The Group reclassified NTD 493,696 thousand prepaid investments to financial assets at fair value through profit or loss – non-current in 2023.
6. In 2023, the Group reclassified contract assets to intangible assets of NTD 3,884 thousand.
7. In 2023, the Group reduced investment properties and accounts payable by NTD 10,516 thousand at the same time.

(II) Changes in liabilities from financing activities

December 31, 2023

			Non-cash change					
	January 1, 2023	Cash flow	New lease	Capitalization	Interest expenses	Lease modification	Profit or loss from translation of foreign currencies	December 31, 2023
Short-term loans	$ 333,682	$ 599,668	$ -	$ -	$ -	$ -	$ -	$ 933,350
Long-term loans	1,022,693	1,325,420	-	-	-	-	-	2,348,113
Guarantee deposits received	34,536	12,363	-	-	-	-	-	46,899
Lease liabilities	345,069	(50,099)	31,755	-	7,238	2,139	894	336,996
	$ 1,735,980	$ 1,887,352	$ 31,755	$ -	$ 7,238	$ 2,139	$ 894	$ 3,665,358

December 31, 2022

			Non-cash change					
	January 1, 2022	Cash flow	New lease	Capitalization	Interest expenses	Lease modification	Profit or loss from translation of foreign currencies	December 31, 2022
Short-term loans	$ 440,070	($ 106,388)	$ -	$ -	$ -	$ -	$ -	$ 333,682
Long-term loans	1,034,466	(11,773)	-	-	-	-	-	1,022,693
Guarantee deposits received	38,485	(3,949)	-	-	-	-	-	34,536
Lease liabilities	351,874	(31,918)	35,639	324	3,052	(14,604)	702	345,069
	$ 1,864,895	($ 154,028)	$ 35,639	$ 324	$ 3,052	($ 14,604)	$ 702	$ 1,735,980

XXXV. Capital risk management

The Group conducts capital management to ensure the companies of the Group can keep operating while maximizing shareholders' return by optimizing the liability and equity balances. The overall strategy of the Group is currently not changed.

The capital structure of the Group is comprised of their net liabilities (i.e. loans minus cash and cash equivalents) and shareholders' equity (i.e. capital stock, capital reserves, retained earnings, other equities, and non-controlling interests).

The Group did not need to adhere to external capital requirements.

The key management of the Group conducts monthly review of the Group's capital structure, including the cost of capital and relevant risks. Observing the suggestions of the key management, the consolidate companies balance the overall capital structure by paying dividends, issuing new stocks, repurchasing stocks, and issuing new corporate bonds, or repaying existing liabilities.

XXXVI. Financial instruments

(I) Fair value information – financial instruments not measured at fair value

As of December 31, 2023 and 2022, the Group did not have any financial assets and liabilities having major differences between book and fair values.

(II) Fair value information – financial instruments measured at fair value on a repetitive basis

1. Fair value hierarchy

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Overseas listed (OTC) stocks	$ 13,034	$ -	$ -	$ 13,034
Domestic non-listed (non-OTC) stocks	-	-	131,797	131,797
Fund beneficiary certificate	337,212	-	-	337,212
Floating-rate financial commodity	-	56,466	-	56,466
Structured deposit	-	50,005	-	50,005
Total	$ 350,246	$ 106,471	$ 131,797	$ 588,514
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
– Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 59,167	$ 59,167
Financial liabilities measured at fair value through profit or loss				
Derivatives	$ -	$ 11	$ -	$ 11

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value through profit or loss				
Overseas listed (OTC) stocks	$ 10,815	$ -	$ -	$ 10,815
Domestic non-listed (non-OTC) stocks	-	-	86,436	86,436
Fund beneficiary certificate	300,180	-	-	300,180
Floating-rate financial commodity	-	273,737	-	273,737
Total	$ 310,995	$ 273,737	$ 86,436	$ 671,168
Financial assets measured at fair value through other comprehensive income				
Investment in equity instruments				
– Domestic non-listed (non-OTC) stocks	$ -	$ -	$ 38,368	$ 38,368

There were no transfers of fair value measurements between Level 1 and Level 2 in 2023 and 2022.

2. Adjustments to the financial instruments measured at Level 3 fair value

2023

Financial assets	Measurement at fair value through profit or loss Equity instruments	Financial assets measured at fair value through other comprehensive income Equity instruments	Total
Balance – beginning of the year	$ 86,436	$ 38,368	$ 124,804
Purchase	11,750	17,500	29,250
Recognition in profit or loss (other gains and losses)	33,611	-	33,611
Recognized in other comprehensive income (unrealized profit/loss from the financial assets measured at fair value through other comprehensive income)	-	3,299	3,299
Balance – ending of the year	$ 131,797	$ 59,167	$ 190,964

2022

Financial assets	Measurement at fair value through profit or loss Equity instruments	Financial assets measured at fair value through other comprehensive income Equity instruments	Total
Balance – beginning of the year	$ 74,100	$ 35,805	$ 109,905
Purchase	-	7,500	7,500
Recognition in profit or loss (other gains and losses)	12,336	-	12,336
Recognized in other comprehensive income (unrealized profit/loss from the financial assets measured at fair value through other comprehensive income)	-	(4,937)	(4,937)
Balance – ending of the year	$ 86,436	$ 38,368	$ 124,804

3. Evaluation technology and inputs of Level 2 fair value measurement

Class of financial instruments	Evaluation technology and inputs
Derivative instruments – forward foreign exchange contract	Cash flow discounting method: With this method, the cash flow in the future is estimated based on the observable forward exchange rate at the end of the period and the exchange rate specified in the contract, and the discount is determined with reference to the discount rate reflecting the credit risk of the counterparty.
Floating-rate financial products	Cash flow discounting method: With this method, the cash flow in the future is estimated based on the observable forward interest rate at the end of the period and the interest rate specified in the contract, and the discount is determined with reference to the discount rate reflecting the credit risk of the counterparty.
Structured deposit mandatorily measured at fair value through profit or loss	As for the fair value, the discount rate curve inferred from the open market quote is used as the parameter for calculation of the cash flow discount value in the future, and this value is used as the basis for the estimation.

4. Evaluation technology and inputs measured at Level 3 fair value

The fair value of non-listed (non-OTC) equity instruments is estimated based on the analysis of the financial status and operating outcome of the investee, the latest transaction price, the quotation of the same equity instruments on active markets, the quotation of similar instruments on active markets, comparable company valuation multiples, and other assumptions that cannot be supported by the observable market price or interest rate. The significant unobservable inputs are as follows. The fair value of the investment increases when the long-term revenue growth rate and pre-tax operating margin increase.

(III) Type of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Measurement at fair value through profit or loss		
Mandatory measurement at fair value through profit or loss	$ 588,514	$ 671,168
Financial assets measured at amortized cost (Note 1)	3,202,208	3,525,776
Financial assets measured at fair value through other comprehensive income		
Investment in equity instruments	59,167	38,368
Financial liabilities		
Measurement at fair value through profit or loss		
Held for trading	11	-
Measurement at amortized cost (Note 2)	4,602,075	2,579,669

Note 1: The balance includes financial assets measured at amortized cost such as cash and cash equivalents, investment in liability instruments, notes and accounts receivable, other receivables, guarantee deposits paid and other financial assets.

Note 2: The balance includes short-term borrowings, short-term notes payable, notes payable, accounts payable, other payables, long-term liabilities maturing within one year, guarantee deposits received, long-term loans, and other financial liabilities.

(IV) Financial risk management purpose and policy

The Group's main financial instruments include investments in equity and liability instruments, accounts receivable, accounts payable, borrowings, and lease liabilities. The Group's financial management department is responsible for provision of services for business units, planning and coordination of investments in domestic and international financial markets, analysis of internal risk exposure based on the risk level and scope, and reporting, supervision, and management of the financial risks related to the Group's operations. The said risks include the market risk (such as exchange rate risk, interest rate risk and other price risks), credit risk and liquidity risk.

The Group uses derivative financial instruments to avoid risk exposure and mitigate the impact of such risks. Derivative financial instruments are subject to the policies adopted at the meeting of the Board of Directors of the Group. These policies include the exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and the written current funds investment principle. Internal reviewers review the compliance of the policies and the exposure limits on an ongoing basis. The Group does not conduct transactions of financial instruments (including derivative financial instruments) for speculation purposes.

The finance management department reports to the Risk Management Committee of the Group every quarter. The Committee is an independent organization dedicated to monitoring risks and implementing policies to mitigate risk exposure.

1. Market risk

The major financial risks that the operating activities imposed on the Group are exchange rate fluctuation risk (see (1) below), interest rate fluctuation risk (see (2) below), and other price risks (see (3) below). The Group is engaged in various derivative financial instruments to manage the imposed foreign exchange rate and interest rate risk, including:

A. Forward exchange contracts or exchange rate options for avoidance of the exchange rate risk due to difference of currencies in collection, payment, and purchase of (raw) materials;

B. Maintenance of an adequate portfolio of fixed and variable interest rates to mitigate the fluctuation risk of cash flow and fair value.

The Group does not change the risk exposure on the financial instrument market or the methods for management and measurement of such exposure.

(1) Exchange rate risk

The Group is engaged in sales and purchases transactions in foreign currency. These transactions expose the Group to exchange rate fluctuation risk. About 44% of the sales amount of the Group is not valuated in the functional currency of the Group's individual entities engaging in the transactions. About 59% of the cost amount is not valuated in the functional currency of the Group's individual entities engaging in the transactions. The Group uses forward foreign exchange contracts or exchange rate options to manage the exchange rate risk within the policies.

Refer to Note 41 for the book value of the monetary assets and liabilities of the Group valued with non-functional currencies on the balance sheet date (including the monetary items valued with non-functional currencies and written off on the consolidated financial statements) and the book value of the derivative instruments exposed to exchange rate risk.

Sensitivity analysis

The Group is affected primarily by the fluctuation in the exchange rate of USD and RMB.

The sensitivity analysis of the Group in the exchange rate of NTD (functional currency) to any related foreign currencies increasing or decreasing by 3% is described in the following table. This 3% is the sensitivity ratio used by the Group when reporting the exchange rate risk to the key management. It also indicates the assessment of management on the reasonable potential fluctuation of the exchange rate. The sensitivity analysis only included the outstanding foreign currency items. The translation thereof at the end of the year is adjusted by an increase or decrease of 3% in the exchange rate. The sensitivity analysis includes the loans that are not valued with the functional currency of the creditor or borrower. The positive numbers in the table below represent the increase in net income or decrease in net loss after income taxes or equity that would result from a 3% weakening of the New Taiwan dollar relative to the respective currencies. A 3% appreciation of the New Taiwan dollar against the respective currencies would have a negative impact on net profit or loss after tax or equity for the same amount.

	Effect of USD		Effect of RMB	
	2023	2022	2023	2022
Profit or loss	$ 22,497 (i)	$ 18,098 (i)	$ 3,459 (i)	$ 8,230 (i)

(i) The profit or loss was mainly generated from the Group's accounts receivable, accounts payable and loan valued in USD and RMB which were outstanding on the balance sheet date and were not hedged against the cash flow risk.

The sensitivity of the Group to USD exchange rate increased this year because the accounts payable in USD decreased; the sensitivity to RMB

exchange rate decreased because of the reduced accounts receivable in RMB. Management found that the sensitivity analysis could not represent the inherent risk of the exchange rate, as the foreign currency risk exposure on the balance sheet date could not reflect the exposure in the year.

(2) Interest rate risk

The interest rate risk exposure occurred as the Group's entities borrowed funds at floating rates at the same time. The Group maintains an adequate portfolio of fixed interest rate to manage the interest rate risk. The Group assesses hedging activities on a regular basis to keep consistent in their opinions on interest rate and their given risk preference to ensure adoption of most cost-efficient hedging strategies.

The book value of the financial assets and liabilities of the Group exposed to the interest rate risk on the balance sheet date are as follows:

	December 31, 2023	December 31, 2022
With fair value interest rate risk		
– Financial assets	$ 371,459	$ 381,798
– Financial liabilities	336,996	345,069
With cash flow interest rate risk		
– Financial assets	2,023,688	2,459,707
– Financial liabilities	3,318,463	1,356,375

The Group is exposed to cash flow interest rate risk due to holding bank loans at variable interest rate. This conforms to the policy of the Group to reduce the interest rate fair value risk by maintaining the loans at floating interest rate. The cash flow interest rate risk of the Group is primarily due to the fluctuated benchmark interest rate of the loans valued in NTD.

Sensitivity analysis

The following sensitivity analysis is based on the interest rate risk exposure of the derivative instruments and non-derivative instruments on the balance sheet date. As for the liabilities at floating interest rate, the analysis is made with the assumption that the outstanding liability amount on the balance sheet date is completely in circulation during the reporting

period. The variable interest rate used by the Group when reporting the interest rate to the key management is the interest rate plus or minus 1%. It also indicates the assessment of management on the reasonable potential fluctuation of the interest rate.

If the interest rate increased/decreased by 1%, and all other variables remained unchanged, the Group's net income after tax for 2023 and 2022 would have decreased/increased by NTD 10,358 thousand and increased/decreased by NTD 8,827 thousand, respectively. This was mainly due to the exposure to the interest rate risk of the bank deposit.

(3) Other price risks

The Group sustains exposure to equity securities price risk due to investment in publicly offered equity securities and beneficiary certificates. The Group's management manages risk by holding different risk investment portfolios. The Group designates responsible teams to monitor the price risk and assess when the hedging position shall be increased for the risk.

Sensitivity analysis

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

If the equity price increased/decreased by 3%, the profit or loss after tax in 2023 and 2022 increased/decreased by NTD 4,345 thousand and NTD 2,918 thousand, respectively, due to increases/decreases of the fair value of the financial assets measured at fair value through profit or loss. Other comprehensive income after tax in 2023 and 2022 increased/decreased by NTD 1,775 thousand and NTD 1,151 thousand, respectively, due to changes in the fair value of the financial assets measured at fair value through other comprehensive income.

The sensitivity of the Group to the price risk increased in the current period due to an increase in the investment in equity securities.

2. Credit risk

The credit risk refers to the risk of the financial loss of the Group due to the counterparty delays in the fulfillment of the contractual obligations. Up to the balance sheet date, the Group's potential highest credit risk exposure due to failure of the counterparty to fulfill its obligations and the financial loss brought

about by the financial guarantee that the Group provided was mainly derived from the book value of the financial assets recognized in the consolidated balance sheet.

According to the policy, the Group only trades with counterparties that are rated equivalent to the investment level or higher in brand awareness. Full guarantees are required if necessary to reduce the risk of financial losses due to default. In addition, the Group rates customers with reference to open financial information as well as mutual trading records. The Group monitors the credit risk exposure and the credit rating of the counterparties on an ongoing basis. The account of the customers is checked before the shipment to make sure there is no overdue payment and how the collection status is in the recent period, and the internal personnel of the Group supervises the release in order to minimize the potential credit risk. In addition, the Group reviews the recoverable amount of accounts receivable separately on the balance sheet date to make sure that the appropriate impairment loss of the accounts receivable that cannot be recovered is recognized. Therefore, management of the Group finds that the credit risk of the Group is reduced significantly.

Receivables are to be collected from many customers. They belong to different industries and are located in different geographic areas. The Group continuously assesses the financial status of the customers from which receivables shall be recovered.

3. Liquidity risk

The Group manages and maintains sufficient cash and cash equivalents to support the Group's business operation and reduce the effect of the fluctuating cash flow. Management of the Group monitors the use of financing facility and ensures compliance with the terms of the loan contract.

For the Group, bank loans are one of the important sources of liquidity. For the financing facility that the Group has not used, refer to relevant descriptions in (3) below.

(1) Liquidity and interest rate risks of non-derivative financial liabilities

The remaining contractual maturity analysis of the non-derivative financial liabilities is compiled based on the earliest repayment date required to the Group and the non-discounted cash flow of the financial liabilities (including the principal and estimated interest). Hence, the bank

loan which the Group may be requested to repay immediately is listed in the earliest period on the table without consideration of the possibility of the bank to exercise this right immediately; the maturity analysis of other non-derivative financial liabilities is compiled based on the agreed repayment date.

For the cash flow of the interest paid at floating rate, the non-discounted interest amount is derived from the yield curve on the balance sheet date.

December 31, 2023

	Weighted average effective interest rate (%)	Less than 1 year	1–3 years	4–5 years	Over 5 years
Non-derivative financial liability					
Non-interest-bearing liabilities					
Accounts payable		$ 674,833	$ -	$ -	$ -
Other payables		561,880	-	-	-
Guarantee deposits received		46,899	-	-	-
Floating interest rate instruments					
Short-term loans	2.81%	959,653	-	-	-
Long-term loans	1.96%	104,754	573,288	166,304	1,689,691
Lease liabilities		60,890	58,501	42,219	200,407
		$ 2,408,909	$ 631,789	$ 208,523	$ 1,890,098

More information on the maturity analysis of lease liabilities:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years
Lease liabilities	$ 60,890	$161,610	$101,984	$ 68,683	$ 22,854	$ 6,886

December 31, 2022

	Weighted average effective interest rate (%)	Less than 1 year	1–3 years	4–5 years	Over 5 years
Non-derivative financial liability					
Non-interest-bearing liabilities					
Notes payable		$ 1,348	$ -	$ -	$ -
Accounts payable		646,325	-	-	-
Other payables		541,085	-	-	-
Guarantee deposits received		34,536	-	-	-
Floating interest rate instruments					
Short-term loans	4.66	349,245	-	-	-
Long-term loans	2.18	118,533	590,483	118,177	256,161
Lease liabilities		29,364	48,159	40,726	263,849
		$ 1,720,436	$ 638,642	$ 158,903	$ 520,010

More information on the maturity analysis of lease liabilities:

	Less than 1 year	1–5 years	5–10 years	10–15 years	15–20 years	Over 20 years
Lease liabilities	$ 29,364	$ 88,885	$101,816	$101,413	$ 52,264	$ 6,356

(2) Liquidity and interest rate risks of derivative financial liabilities

As for the liquidity analysis of derivative financial instruments, the undiscounted contractual net cash inflow and outflow are used as the basis of compilation for derivative instruments under net settlement, while the undiscounted gross cash inflow and outflow are used as the basis of compilation for derivative instruments under gross settlement. When the amount of payable or receivable is not fixed, the amount of disclosure is determined based on the expected interest rate estimated from the yield curve on the balance sheet date.

December 31, 2023

	Repaid immediately or within less than 1 months	1–3 months	3 months to 1 year	1–5 years	Over 5 years
Settle net = Net settlement					
Forward exchange contract	$ 11	$ -	$ -	$ -	$ -

(3) Financing facility

	December 31, 2023	December 31, 2022
Unsecured bank overdraft facility (reviewed annually)		
– Employed capital	$ 148,913	$ 153,407
– Unemployed capital	980,972	778,514
	$ 1,129,885	$ 931,921
Secured bank loan limit (extension possible under mutual agreement)		
– Employed capital	$ 3,558,363	$ 2,299,356
– Unemployed capital	756,397	1,290,718
	$ 4,314,760	$ 3,590,074
Unsecured other loan limit		
– Employed capital	$ -	$ -
– Unemployed capital	80,000	50,000
	$ 80,000	$ 50,000

XXXVII. Related party transaction

Since all the transactions, account balances, profits and expenses/losses between the Company and the subsidiaries (namely, the Company's related parties) were removed after the merger, they were not disclosed in the Note. In addition to those disclosed in other notes, transactions between the Group and other related parties are described as follows:

(I) Names of related parties and their relationship

Name of Related Party	Relationship with the Group
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	Associate
Star Solar New Energy Co., Ltd.	Associate
Anhui Rongyun Property Development Co., Ltd.	Associate
Qie-Yi Co., Ltd.	De facto related party
Long-Zi Co., Ltd.	De facto related party
CHING-FU HSIEH	The Company's Chairman

(II) Operating revenue

Account Title	Type of Related Party	2023	2022
Sales revenue (Note)	Associate	$ -	$ 63,106

Note: There is no significant difference between the Company's other customers in the trading conditions and credit period applicable to the sale of goods between the Group and related parties.

(III) Purchase

Type of Related Party	2023	2022
Associate	$ 627	$ 4,837

There is no significant difference between the Company's other suppliers in the trading conditions and credit period applicable to the purchase of goods between the Group and related parties.

(IV) Subsequent recovered amount of

Account Title	Type of Related Party	December 31, 2023	December 31, 2022
Notes receivable	KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ -	$ 61,718
Accounts receivable	KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ -	$ 13,104
Other receivables	KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ -	$ 4,822
	Star Solar New Energy Co., Ltd.	289	22
	Anhui Rongyun Property Development Co., Ltd.	158	-
		$ 447	$ 4,844

No guarantee was requested for the outstanding accounts receivable from related parties. No loss allowance was set aside for the accounts receivable from related parties in 2023 and 2022.

(V) Payables to related parties

Account Title	Type of Related Party	December 31, 2023	December 31, 2022
Accounts payable	KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ 2,605	$ 2,129
Other payables	KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ -	$ 2,184
	Star Solar New Energy Co., Ltd.	2,362	1,571
		$ 2,362	$ 3,755

The outstanding balance of the accounts payable to related parties was not guaranteed.

(VI) Acquisition of property, plant and equipment

Type/Name of Related Party	Acquisition Price	
	2023	2022
Associate	$ -	$ 1,828

(VII) Lease agreement

Type of Related Party	2023	2022
Lease expense		
De facto related party	$ 2,290	$ 4,579

2023

Type of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
De facto related party	No. 21, Xindu Rd., Qianzhen Dist., Kaohsiung City	2023.01.01～2023.6.30	Negotiation	$ 196
De facto related party	No. 12, Xinda Rd., Qianzhen Dist., Kaohsiung City	2023.01.01～2023.6.30	Negotiation	186

2022

Type of Related Party	Premises	Lease Period	Determination of Rent	Monthly Rental
De facto related party	No. 21, Xindu Rd., Qianzhen Dist., Kaohsiung City	2022.01.01～2022.12.31	Negotiation	$ 196
De facto related party	No. 12, Xinda Rd., Qianzhen Dist., Kaohsiung City	2022.01.01～2022.12.31	Negotiation	186

(VIII) Loans to related parties

Type/Name of Related Party	December 31, 2023	December 31, 2022
Associate		
Star Solar New Energy Co., Ltd.	$ 65,000	$ 65,000
Anhui Rongyun Property Development Co., Ltd.	$ 17,395	$ -

Interest income

Type/Name of Related Party	December 31, 2023	December 31, 2022
Associate		
Star Solar New Energy Co., Ltd.	$ 1,651	$ 22
Anhui Rongyun Property Development Co., Ltd.	$ 162	$ -
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	$ -	$ 861

The Group has provided short-term loans to Star Solar New Energy and obtained a deposit of NTD 6,500 thousand from the company, with an interest rate close to the market interest rate.

The Group's loan to Kentec Intelligent is an unsecured loan with an interest rate close to the market interest rate. These loans are expected to be collected within one year. After evaluation, there are no expected credit losses.

(IX) Endorsements/Guarantees

Acquisition of endorsements/Guarantees

Type/Name of Related Party	December 31, 2023	December 31, 2022
The Company's Chairman		
CHING-FU HSIEH		
Amount guaranteed	$ 1,583,420	$ 941,328
Drawdown	$ 457,602	$ 355,811

(X) Related party transactions

Others

Account Title	Type/Name of Related Party	2023	2022
Manufacturing expense – repair expense	Associate	$ 8,819	$ 5,698
Manufacturing expense – processing expense	Associate	$ -	$ 27,843
Manufacturing expense – others	Associate	$ 342	$ 636
Repair cost	Associate	$ 262	$ 3,468
Miscellaneous expenses	Associate	$ 78	$ -
Other revenue	Associate	$ -	$ 16

(XI) Remuneration to key management

	2023	2022
Short-term employee benefits	$ 142,562	$ 187,329
Retirement benefits	951	729
Share-based Payment	635	636
	$ 144,148	$ 188,694

The remuneration to the directors and key management was decided by the Remuneration Committee subject to personal performance and market trend.

XXXVIII. Pledged and mortgaged assets

The following assets were provided as collaterals for bank loans, purchase or import of equipment, litigation, and performance bond under construction contracts. The details are as follows:

	December 31, 2023	December 31, 2022
Pledged C/D (stated as financial assets measured at amortized cost – current)	$ 54,437	$ 62,687
Pledged C/D (stated as other financial assets – current)	-	4,408
Notes receivable	125	-
Other financial assets – current	186,244	202,785
Property, plant and equipment		
Land and land improvement	2,102,770	865,945
Building equipment	684,829	164,005
Machinery and equipment	113,101	194,304
Investment property	183,463	411,222
Construction deposits paid (recognized in other assets – current)	55,694	-
Guarantee deposits paid	110,752	44,171
Pledged C/D (stated as financial assets measured at amortized cost – non-current)	73,700	76,609
Right-of-use of land (Stated as right-of-use assets)	-	75,385
Other financial assets – Non-current	147,000	149,219
	$ 3,712,115	$ 2,250,740

XXXIX. Significant contingent liabilities and unrecognized contractual commitments

In addition to those described in other notes, the Group's significant commitments and contingencies on the balance sheet date are as follows:

(I) Significant commitments

1. The amount under the letters of guarantee that the Group authorized banks to issue for performance of construction contracts or warranty of works and the balance of the unused letters of credit are as follows:

	December 31, 2023	December 31, 2022
Issuance of letters of guarantee		
NTD	$ 1,114,952	$ 1,065,626
Unused opened letter of credit		
JPY	-	10,700

2. The total price of the contract entered into by Tainergy of the Group for completion and purchase of unfinished construction and equipment and the amount unpaid are as follows:

	December 31, 2023	December 31, 2022
Purchase of unfinished construction and equipment		
Total contract price	$ 193,497	$ 131,265
Amount paid	(115,982)	(54,081)
Amount unpaid	$ 77,515	$ 77,184

3. As of December 31, 2023 and 2022, the amount of the guarantee notes issued by the Group's Tainergy for loans was NTD 130,000 thousand and NTD 85,000 thousand, respectively. As for the amount of the endorsement/guarantee provided for loans, please refer to Table 2 in Note 42.

(II) Contingency

1. Material purchase agreement between the Company and SunEdison Products Singapore Pte, Ltd. (hereinafter referred to as SunEdison)

Material purchase agreement

The Group's Tainergy entered into a material purchase agreement with SunEdision on July 9, 2008. According to the agreement, the Group's Tainergy should purchase solar wafers for no less than USD 3.4 billion from SunEdison from September 1, 2008 to August 31, 2018, and should provide a performance bond amount to about USD 10,500 thousand to 66,500 thousand every year during the period of the agreement.

In April 2016, SunEdison announced the application for restructuring. The Group's Tainergy comprehensively evaluated the possibility of recovery and recorded an impairment loss of NTD 307,800 thousand and NTD 6,835 thousand for 2017 and 2021, respectively, for the related other accounts receivable and refundable deposits.

As of December 31, 2023 and 2022, the balance of the guarantee deposits paid that Tainergy of the Group recognized was NTD 0.

2. The silicon wafer purchase agreement between Tainergy of the Group and Sino-American Silicon Products Inc. (hereinafter referred to as Sino-American Silicon)

   Commitment to material purchase agreement

   The Group's Tainergy entered into a material purchase agreement with Sino-American Silicon in September 2007. The parties agreed on an annual purchase of solar wafers to the quantity, at the price, and amounting to no less than USD 44,388 thousand and EUR 85,518 thousand as specified in the agreement from January 1, 2008 to December 31, 2010 and from January 1, 2009 to December 31, 2019, respectively. The prepayments were not returnable, and the prepayment of the Group's Tainergy totaled EUR 7,470 thousand.

   Renewal of the agreement

   The Group's Tainergy and Sino-American Silicon Products Inc. agreed to continue to fulfill the contract before and after December 31, 2024 in accordance with the contents of the bilateral agreement. As of December 31, 2023 and 2022, the Group's Tainergy estimated that the cost of prepayments would be higher than the expected economic benefits from the contract, and the accumulated impairment loss of prepayments of NTD 154,693 thousand and NTD 164,930 thousand, respectively have been set aside.

3. Chen Chun-Ming sued the Company for the refund of a loan of RMB 15,000 thousand. The case was ruled in favor of the Company by the local court on May 26, 2023. However, the other party appealed and protested against the verdict of the first instance. On April 11, 2024, the court convened again for the additional lawsuit filed by Chen Chun-Ming.

XL. Significant subsequent events: None.

XLI. Information on foreign currency assets and liabilities with significant effect

The following information is summarized and stated based on the foreign currencies other than the functional currency of the Group's individual entities. The disclosed exchange rate represents the exchange rate of such foreign currency to the functional currency. Information on foreign currency assets and liabilities with significant effect is as follows:

December 31, 2023

	Foreign currency (thousand)	Exchange rate		Book value
Foreign currency assets				
Monetary items				
USD	$ 27,817	30.7050	(USD : NTD)	$ 854,137
USD	7,650	24,564	(USD : VND)	234,879
VND	1,885,236	0.00125	(VND : NTD)	2,357
JPY	10,193	0.2172	(JPY : NTD)	2,214
EUR	44	33.9800	(EUR : NTD)	1,524
RMB	165,815	4.3270	(RMB : NTD)	717,483
				$ 1,812,594
Non-monetary items				
VND	$10,427,044	0.00125	(VND : NTD)	$ 13,034
Foreign liabilities				
Monetary items				
USD	1,610	30.7050	(USD : NTD)	$ 49,445
USD	87	7.0827	(USD : RMB)	2,672
USD	3,241	24,564	(USD : VND)	99,517
JPY	83,684	0.2172	(JPY : NTD)	18,177
EUR	3,196	33.9800	(EUR : NTD)	108,609
RMB	132,505	4.3270	(RMB : NTD)	573,349
				$ 851,769

December 31, 2022

	Foreign currency (thousand)	Exchange rate		Book value
Foreign currency assets				
Monetary items				
USD	$ 37,035	30.71	(USD : NTD)	$ 1,137,367
USD	8,239	23,806	(USD : VND)	253,023
VND	1,806,684	0.0013	(VND : NTD)	2,330
JPY	23,789	0.2324	(JPY : NTD)	5,528
EUR	165	32.72	(EUR : NTD)	5,406
RMB	85,261	4.408	(RMB : NTD)	375,829
				$ 1,779,483
Non-monetary items				
VND	8,383,542	0.00129	(VND : NTD)	$ 10,815
Foreign liabilities				
Monetary items				
USD	14,998	30.71	(USD : NTD)	$ 460,597
USD	126	6.9646	(USD : RMB)	3,881
USD	5,595	23,806	(USD : VND)	171,808
JPY	35,760	0.2324	(JPY : NTD)	8,311
EUR	2,047	32,72	(EUR : NTD)	66,969
RMB	7,462	4,408	(RMB : NTD)	32,892
				$ 744,458

The profit and loss from translation of foreign currency (including realized and unrealized) in 2023 and 2022 was NTD 23,491 thousand and NTD 32,451 thousand, respectively. However, it is not feasible to disclose the exchange loss and gain of each significant foreign currency because of the numerous functional currencies used by each entity of the Group and in foreign currency transactions.

XLII. Disclosures of notes

(I) Major transaction matters:

1. Loaning of funds to others. (Table 1)
2. Making endorsements/guarantees for others. (Table 2)
3. Marketable securities held at the end of the period (excluding investments in subsidiaries, associate companies, and joint ventures). (Table 3)
4. The cumulative amount of the same securities purchased or sold reaches NTD 300 million or 20% of the paid-in capital. (Table 4)

5. Acquisition of real estate reaching NTD 300 million or more than 20% of the paid-in capital. (Table 5)
6. Disposal of real estate reaching NTD 300 million or more than 20% of the paid-in capital. (None)
7. Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of the paid-in capital. (Table 6)
8. Accounts receivable from related parties reaching NTD 100 million or more than 20% of the paid-in capital. (Table 7)
9. Trading in derivative instruments. (Note 7)
10. Others: The business relationship and important transactions between the parent company and its subsidiaries, and between subsidiaries. (Table 8)

(II) Information on investees (Table 9)

(III) Information on investments in Mainland China:

1. Information about investees in Mainland China, such as the name, main business operations, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment profit/loss, investment book value at the end of the period, profit or loss received from investments, and limit on the amount of investment in Mainland China. (Table 10)
2. Any of the following significant transactions with investees in Mainland China, either directly or indirectly through a third area, and their prices, payment conditions, and unrealized profit/loss: (None)
   (1) The amount and percentage of purchases and the balance and percentage of the related payables at the end of the period.
   (2) The amount and percentage of sales and the balance and percentage of the related receivables at the end of the period.
   (3) The amount of property transactions and the amount of resulting profits or losses.
   (4) The balance of negotiable instrument endorsements or guarantees or pledges of collateral at the end of the period and the purposes.
   (5) The highest balance, the end-of-period balance, the interest rate range, and total current interest with respect to financing of funds.
   (6) Other transactions that have a material effect on the profit or loss of the period or on the financial position, such as the rendering or receiving of services.

(IV) Information on major shareholders: The name, shareholding, and shareholding ratio of the shareholders with an equity ratio of 5% or more. (Table 11)

XLIII. Segment information

(I) Basic information on operating segments

1. Classification of operating segments

The information was provided for the chief operating decision maker to distribute resources and evaluate the performance of each department. It focused on the type of each batch of products or services delivered or provided. The reportable segments of the Group are as follows:

(1) Automation segment

Responsible for automated flow line equipment and supporting equipment for T.F.T. process equipment, semiconductor process equipment, industrial conveying machinery, and automated storage equipment; parking tower and mechanical parking equipment, incinerator and other environmental facilities; electronic anti-static products; production, sale, installation, and lease of window-cleaning equipment and hanging platforms.

(2) Manufacture of solar power system, parts and components

Responsible for manufacture of power generation, transmission and distribution equipment as well as cable and wireless communication machines and devices.

(3) Electronic parts and components segment

Responsible for manufacture of electronics parts and components

(4) Other segments

Responsible for the business of solar water heater and real estate business.

2. Principles in measurement of operation segment's profits, losses, assets and liabilities

The accounting policy of the operating segments is the same as the important accounting policies stated in Note 4. The profit or loss of the Group's operating segments is measured based on the operating profit or loss controllable to the segment manager. It is used as a basis for evaluation of management performance. Debts are allocated in consideration of the capital cost and movement of funds of the Group as a whole. Since debts are not controllable

separately to the manager of each operating segment, they are not used as a basis for evaluation of the management performance.

(II) Segment revenue and operating result

The revenue and operation outcome of the Group's continuing operations are analyzed by reportable segment as follows:

	2023					
	Automation 1	Automation 2	Solar power system, parts and components	Electronic parts and components	Others (Vietnam, Kenmec Property, Aptos Technology, Hua-Xia, Automation)	Total
Revenue from external customers	$ 2,619,895	$ 386,307	$ 2,144,751	$ 237,275	$ 163,262	$ 5,551,490
Inter-segment income	163,615	220,430	372	-	467	384,884
Segment income	2,783,510	606,737	2,145,123	237,275	163,729	5,936,374
Internal write-off	(163,615)	(220,430)	(372)	(-)	(467)	(384,884)
Consolidated revenue	$ 2,619,895	$ 386,307	$ 2,144,751	$ 237,275	$ 163,262	$ 5,551,490
segment profit or loss	$ 231,872	$ 229,537	($ 190,784)	($ 46,155)	$ 494,309	$ 718,779
Dividend revenue						4,406
Net gains on disposal of property, plants and equipment						98
Gains on disposal of non-current assets held for sale						2,221
Share of profit or loss of affiliated companies under equity method						(15,107)
Profit or loss on valuation of financial assets measured at fair value through profit or loss						43,947
Net profit before tax						$ 754,344

	2022					
	Automation 1	Automation 2	Solar power system, parts and components	Electronic parts and components	Others (Vietnam, Fraternity, Fuqing, Kenmec Property, Aptos Technology, Hua-Xia, Automation)	Total
Revenue from external customers	$ 2,119,408	$ 460,784	$ 2,221,436	$ 519,897	$ 37,683	$ 5,359,208
Inter-segment income	205,526	275,927	-	65,340	2,795	549,588
Segment income	2,324,934	736,711	2,221,436	585,237	40,478	5,908,796
Internal write-off	(205,526)	(275,927)	-	(65,340)	(2,795)	(549,588)
Consolidated revenue	$ 2,119,408	$ 460,784	$ 2,221,436	$ 519,897	$ 37,683	$ 5,359,208
segment profit or loss	$ 372,318	($ 206,078)	($ 119,220)	$ 83,893	$ 14,248	$ 145,161
Dividend revenue						2,097
Profit on disposal of property, plants and equipment						63,224
Disposal of investment property benefits						49,766
Disposal of gains in right-of-use assets						37,509
Gains on disposal of non-current assets held for sale						146,853
Share of profit/loss of associates under the equity method						15,826
Profit or loss on valuation of financial assets measured at fair value through profit or loss						(3,988)
Net profit before tax						$ 456,448

The segment profit or loss is the earnings or loss of each segment excluding the administration costs of the head office to be shared and the compensation of the

directors and supervisors, dividend income, the portion of affiliates accounted for under the equity method, loss and gain from disposal of property, plant and equipment, loss and gain from disposal of investment property, loss and gain of disposal of non-current assets held for sale, and financial tool valuation gain (loss). These estimated amounts were provided for the chief operating decision maker to distribute resources to departments and evaluate their performance.

(III) Segment total assets

Segment assets	December 31, 2023	December 31, 2022
Continuing operations		
Automation segment	$ 6,549,488	$ 5,341,953
Manufacture of solar power system, parts and components	1,904,291	2,289,692
Electronic parts and components segment	328,417	1,244,709
Other segments	425,992	140,283
Total segment assets	9,208,188	9,016,637
Unallocated assets (Note)	2,451,840	2,078,351
Total consolidated assets	$ 11,660,028	$ 11,094,988

Note: These include financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, investment property, investments under the equity method, and deferred income tax assets.

Purpose of monitoring segment performance and distributing resources to segments:

Except for unallocated assets, all the assets are allocated to reportable segments. The assets shared by reportable segments are allocated based on the revenue of each reportable segment.

(IV) Information by territory

The Group has three main operation bases – Taiwan, China and Vietnam.

The Group's revenue from continuing operations of external clients and the non-current assets were classified respectively by operation base and location. Relevant information is listed as follows:

	Income from external clients		Non-current assets	
	2023	2022	December 31, 2023	December 31, 2022
Taiwan	$ 3,095,033	$ 2,480,534	$ 5,116,599	$ 3,089,606
USA/Canada	1,248,036	1,532,451	-	-
Mainland China	468,503	793,962	861,935	1,248,275
Hong Kong	495,009	193,386	-	-
Others	244,909	358,875	73,726	524,024
	$ 5,551,490	$ 5,359,208	$ 6,052,260	$ 4,861,905

Non-current assets do not include the financial assets measured at fair value through profit or loss, financial assets measured at fair value through other comprehensive income, financial assets measured at amortized cost, investments under the equity method, and deferred income tax assets.

(V) Information on major customers

The single customer from which the income earned reached more than 10% of the Group's total income:

2023			2022		
Customer ID	Amount	As a percentage of revenue (%)	Customer ID	Amount	As a percentage of revenue (%)
CF company	$ 753,312	14	CF 公司	$ 750,530	14
Company AA	481,527	9	CH 公司	668,496	12

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Loans to Others

2023

Table 1

Unit: NTD and foreign currency (thousand)

No. (Note 1)	Lending company	Borrowing company	Current account	Related party	Maximum balance in current period	Balance – ending of the period	Drawdown	Range of interest rates %	Nature of loaning of funds	Transaction amount	Reasons for the need of short-term financing	Appropriated allowance for bad debt	Collateral		Ceiling of loans to a single borrower (Notes 2 to 10)	Ceiling of total loaning of funds (Notes 2 to 10)
													Name	Value		
0	KENMEC MECHANICAL ENGINEERING CO., LTD.	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Other receivables	Y	$ 576,030	$ 86,540	$ -	3.65%	Needs for short-term financing	$ -	Working funds	$ -	-	$ -	$ 802,274	$ 1,604,548
		Hua-Xia Construction Co., Ltd.	Other receivables	Y	30,000	-	-	2.625%	〃	-	〃	-	-	-	802,274	1,604,548
1	KENMEC AUTOMATION ENGINEERING (KUNSHAN)	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Other receivables	Y	97,790 RMB 22,000	95,194 RMB 22,000	95,194 RMB 22,000	3.55%	〃	-	〃	-	-	-	175,146 RMB 40,478	175,146 RMB 40,478
2	KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	Suzhou Kenmec Property Development Ltd.	Other receivables	Y	85,956 RMB 19,500	34,616 RMB 8,000	34,616 RMB 8,000	3.65%	〃	-	〃	-	-	-	243,515 RMB 56,278	243,515 RMB 56,278
		Anhui Rongyun Property Development Co., Ltd.	Other receivables	Y	17,776 RMB 4,020	17,395 RMB 4,020	17,395 RMB 4,020	3.45%	〃	-	〃	-	-	-	243,515 RMB 56,278	243,515 RMB 56,278
3	Tainergy Tech. Co., Ltd.	TAISIC MATERIALS CO.	Other receivables	Y	150,000	150,000	150,000	2.75%~5.00%	〃	-	〃	-	-	-	422,466	844,932
		Star Solar New Energy Co., Ltd.	Other receivables	Y	130,000	65,000	65,000	2.75%~5.00%	〃	-	〃	-	Guarantee deposits	6,500	422,466	844,932
		VIETNERGY COMPANY LIMITED	Other receivables	Y	64,970	61,410	-	5.64%	〃	-	〃	-	-	-	422,466	844,932
4	Tainergy Technology (Kunshan) Co., Ltd.	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Other receivables	Y	301,035	294,236	294,236	3.65%	〃	-	〃	-	-	-	324,355	324,355
		Suzhou Kenmec Property Development Ltd.	Other receivables	Y	110,200	25,962	25,962	3.65%	〃	-	〃	-	-	-	324,355	324,355
		Kunshan Kunfu Electronic Materials Co., Ltd.	Other receivables	Y	2,204	-	-	3.65%~4.35%	〃	-	〃	-	-	-	324,355	324,355
5	KENTEC INC.	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Other receivables	Y	110,556	86,540	86,540	3.65%	〃	-	〃	-	-	-	205,210	410,421
		VIETNERGY COMPANY LIMITED	Other receivables	Y	64,850	-	-	5.24%	〃	-	〃	-	-	-	205,210	410,421
		Chief Global Logistics Co., Ltd.	Other receivables	Y	30,000	-	-	2.625%	〃	-	〃	-	-	-	205,210	410,421
		TAISIC MATERIALS CO.	Other receivables	Y	100,000	100,000	100,000	2.750%	〃	-	〃	-	-	-	205,210	410,421

Note 1: Number column description:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: KENMEC MECHANICAL ENGINEERING CO., LTD.'s limit of loans to others is calculated as follows:

Ceiling of loans to particular borrower: 20% of the Company's net value: $4,011,371×20%＝802,274

Ceiling of total loaning of funds: 40% of the Company's net value: $4,011,371×40%＝1,604,548

Note 3: KENMEC AUTOMATION ENGINEERING (KUNSHAN)'s limit of loans to others is calculated as follows:

Ceiling of loans to a single borrower: 40% of the Company's net value: RMB 40,478×40%＝RMB 16,191

The limit of total loaning of funds: 40% of the Company's net value: RMB 40,478×40%＝RMB 16,191

For the loaning of funds between the foreign companies that belong to the same parent company as the Company and whose 100% voting shares are held by the Company directly and indirectly, its amount is not subject to 40% of the net value.

Ceiling of loans to a single borrower: 100% of the Company's net value: RMB 40,478×100%＝RMB 40,478

The limit of total loaning of funds: 100% of the Company's net value: RMB 40,478×100%＝RMB 40,478

Note 4: KENMEC TECHNOLOGY (SUZHOU) CO., LTD.'s limit of loans to others is calculated as follows:

Ceiling of loans to a single borrower: 40% of the Company's net value: 140,694×40%＝RMB 56,278

The limit of total loaning of funds: 40% of the Company's net value: RMB 140,694×40%＝RMB 56,278

Note 5: Tainergy Tech. Co., Ltd.'s limit of loans to others is calculated as follows:

Ceiling of loans to particular borrower: 20% of the Company's net value: 2,112,330×20%＝422,466

Ceiling of total loaning of funds: 40% of the Company's net value: 2,112,330×40%＝844,932

Note 6: Tainergy Technology (Kunshan) Co., Ltd.'s limit of loans to others is calculated as follows:

Ceiling of loans to a single borrower: 40% of the Company's net value: 187,402×40%＝RMB 74,961

The limit of total loaning of funds: 40% of the Company's net value: RMB 187,402×40%＝RMB 74,961

Note 7: KENTEC INC.'s limit of loans to others is calculated as follows:

Ceiling of loans to particular borrower: 20% of the Company's net value: $1,026,052×20%＝205,210

Ceiling of total loaning of funds: 40% of the Company's net value: $1,026,052×40%＝410,421

Note 8: The net value is determined based on the financial statements audited and certified by CPAs in the most recent year.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Endorsements/Guarantees for Others

2023

Table 2

Unit: NTD thousand

No. (Note 1)	Endorser/guarantor	Endorsee/guarantee		Limits on individual endorsements/ guarantees	Current maximum endorsement/ guarantee balance	Current endorsement/ guarantee balance – ending	Drawdown	Endorsement/ guarantee amount secured with property	Ratio of the cumulative endorsement/ guarantee amount to the net worth in the most recent financial statements (%)	Maximum endorsement/ guarantee limit	Endorsements /guarantees made by the parent company for subsidiaries	Endorsements /guarantees made by the subsidiaries for parent company	Endorsements/ guarantees made for the operations in Mainland China
		Company name	Relationship (Note 2)										
0	KENMEC MECHANICAL ENGINEERING CO., LTD.	KENTEC INC.	(2)	$ 3,209,097 (Note 3)	$ 100,000	$ 30,000	$ -	$ -	0.75%	$ 3,209,097 (Note 4)	Y	N	N
1	Tainergy Tech. Co., Ltd.	VIETNERGY COMPANY LIMITED	(2)	1,689,864 (Note 7)	147,408	107,468	62,211	-	5.09%	1,689,864 (Note 8)	Y	N	N

Note 1: The number column is completed in the following manners:

(1) 0 is reserved for issuer.

(2) Each invested company is numbered in sequential order starting from 1.

Note 2: The relationship between the endorser/guarantor and endorsee/guarantee is classified into six categories as follows. It is only necessary to mark the type:

(1) A company which the Company has business dealings with.

(2) The company with the majority shareholdings of voting rights held by the Company directly and indirectly.

(3) The company holds the majority shareholdings of voting rights of the Company directly and indirectly,

(4) The company with more than 90% shareholdings of voting rights held by the Company directly and indirectly.

(5) The company needing mutual guarantee pursuant to an agreement in the same industry for undertaking engineering projects.

(6) The company received endorsements/guarantees from the shareholders proportionally to their shareholding due to a joint venture relationship.

(7) Escrow and joint and several guarantee of the contracts in the same industry that involve the transaction of pre-sale houses according to the Consumer Protection Act.

Note 3: Limits on individual endorsements/guarantees: No more than 80% of the Company's net value on December 31, 2023: $4,011,371×80%=3,209,097

Note 4: Maximum endorsement/guarantee limit: No more than 80% of the Company's net value on December 31, 2023: $4,011,371×80%=3,209,097

Note 5: Limits on individual endorsements/guarantees: No more than 80% of Tainergy Tech. Co. Ltd.'s net value on December 31, 2023: 2,112,330×80%=1,689,864

Note 6: Maximum endorsement/guarantee limit: No more than 80% of Tainergy Tech Co. Ltd.'s net value on December 31, 2023: 2,112,330×80%=1,689,864

Note 7: The net value is determined based on the financial statements audited and certified by CPAs in the most recent year.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Securities Held at the End of the Period

2023

Table 3

Unit: NTD and foreign currency (thousand)

Holding company	Type and name of securities	Relationship with the Issuer of Securities	Account title	At the end of the period				Remarks
				Number of shares	Book value	Shareholding percentage	Fair value	
KENMEC MECHANICAL ENGINEERING CO., LTD.	Fund beneficiary certificate							
	KGI Victory Money Market Fund	None	Financial assets mandatorily measured at fair value through profit or loss – current	4,633,407.42	$ 55,124		$ 55,124	
	TCB Money Market Fund	〃	〃	5,761,335.48	60,000		60,000	
	FSITC Taiwan Money Market	〃	〃	3,120,935.10	49,119		49,119	
					$ 164,243		$ 164,243	
	Overseas listed (OTC) stocks							
	EBS	〃	〃	39,800	$ 622		$ 622	
	SDT	〃	〃	33,120	174		174	
	PAN	〃	〃	64,687	1,633		1,633	
	SC5	〃	〃	34,848	828		828	
	HRC	〃	〃	35,000	2,406		2,406	
	HAC	〃	〃	93	1		1	
	IPA	〃	〃	370,800	7,370		7,370	
					$ 13,034		$ 13,034	
	Domestic non-listed (non-OTC) stocks							
	TeraSolar Energy Materials Corp.	The Company is a corporate director of the company	Financial assets mandatorily measured at fair value through profit or loss – non-current	1,776,637	$ 22,972	10.01%	$ 22,972	
	Tao Garden Hotel Co., Ltd.	〃	〃	5,000,000	61,150	16.64%	61,150	
	TMY Technology Inc.	None	〃	871,421	47,675	1.91%	47,675	
					$ 131,797		$ 131,797	
	United Information System Service Co., Ltd.	The Company is a corporate director of the company	Investment in equity instruments measured at fair value through other comprehensive income – non-current	780,000	$ 33,267	14.29%	$ 33,267	
	Ecatch Automation Co., Ltd.	〃	〃	90,000	900	15.00%	900	
	Meng-Lue Venture Investment Limited Partnership	None	〃	-	15,000	8.33%	15,000	
	Wonder Automation Co., Ltd.	None	〃	197,722	10,000	9.74%	10,000	
					$ 59,167		$ 59,167	
KENTEC INC.	Domestic non-listed (non-OTC) stocks							
	3EGREEN TECHNOLOGY, INC.	〃	Investment in equity instruments measured at fair value through other comprehensive income – non-current	139,096	$ -	6.45%	$ -	
	International non-listed stocks							
	Cognito Health International Inc.	〃	〃	1,333,333	$ -	2.42%	$ -	

(Next page)

(Continued from previous page)

Holding company	Type and name of securities	Relationship with the Issuer of Securities	Account title	At the end of the period				Remarks
				Number of shares	Book value	Shareholding percentage	Fair value	
Hua-Xia Construction Co., Ltd.	Fund beneficiary certificate							
	FSITC Taiwan Money Market	None	Financial assets mandatorily measured at fair value through profit or loss – current	10,990,199.40	$ 172,969		$ 172,969	
TAISIC MATERIALS CO.	Floating-rate financial products							
	President DSU TWD 100% Principal Guaranteed Structured Product	〃	〃		$ 50,005		$ 50,005	
Tainergy Technology (Kunshan) Co., Ltd.	Floating-rate financial products							
	Kunshan Rural Commercial Bank Sharing – Ririgin net worth financial commodity	〃	〃		$ 8,654		$ 8,654	
	Kunshan Rural Commercial Bank Sharing – Yueying GX001D net worth financial commodity	〃	〃		45,434		45,434	
Kunshan Kunfu Electronic Materials Co., Ltd.	Kunshan Rural Commercial Bank Sharing – Tientienjin net worth financial commodity	〃	〃		2,378		2,378	
					$ 56,466		$ 56,466	

Note: For more information on the investment in subsidiaries, affiliates and joint ventures, please refer to Table 8 and Table 9.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Aggregate Purchases or Sales of the Same Securities Reaching NTD 300 Million or More Than 20% of the Paid-in Capital

2023

Table 4

Unit: NTD thousand unless otherwise specified

Trading company	Type and name of securities	Account title	Counterparty	Relationship	At the beginning of the period		Purchase		Sale				At the end of the period	
					Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Amount	Number of shares (thousand shares)	Selling price	Book cost	Losses and gains on disposal	Number of shares (thousand shares)	Amount
KENMEC MECHANICAL ENGINEERING CO., LTD.	TCB Taiwan Money Market	Financial assets measured at fair value through profit or loss – current	-	-	4,855	$ 50,011	43,943	$ 455,000	43,037	$ 445,300	$ 445,000	$ 300	5,761	$ 60,000
〃	KGI Victory Money Market Fund	〃	-	-	15,487	182,071	40,950	484,000	51,804	611,969	611,000	969	4,633	55,124
〃	FSITC Taiwan Money Market	〃	-	-	3,216	50,012	32,407	508,000	32,502	509,803	508,932	871	3,121	49,119

Note 1: Securities mentioned in this table refer to stocks, bonds, beneficiary certificates and marketable securities derived from the above items.

Note 2: Investors whose securities are accounted for using the equity method are required by filling in these two fields, and the remainder can be left blank.

Note 3: The cumulative amount of purchases and sales should be separately calculated according to the market price to determine whether it reaches NTD 300 million or 20% of the paid-in capital.

Note 4: Paid-in capital refers to the parent company's paid-in capital. In the case of an issuer whose shares have no par value or a par value other than NTD 10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Acquisition of real estate reaching NTD 300 million or more than 20% of the paid-in capital.

2023

Table 5

Unit: NTD thousand unless otherwise specified

Companies with real properties acquired	Name of property	Date of occurrence	Transaction Amount	Status of payment	Counterparty	Relationship	If the trading counterparty is a related party, the information of the previous transfer				Reference basis upon which the price was determined	Purpose of acquisition and utilization	Other special stipulations
							Owner	Relationship with the issuer	Date of transfer	Amount			
KENMEC MECHANICAL ENGINEERING CO., LTD.	The building and the land at No. 5, Gongye 3rd Road, Pingzhen District, Taoyuan City (Land Nos. 368, 369, 371, Shanziding Section, Pingzhen District, Taoyuan City)	2023/4/26	$ 1,800,000	First installment (10%) – check payable on the signing date on April 26, 2023. The second installment (10%) will be paid within 3 business days after the competent authority issues the land increment tax and deed tax for the subject of sale, and receives the proof from the land administrator. The third installment (80%) – to be paid after the transfer of ownership.	Jvan An International Co., Ltd.	—	Not applicable	Not applicable	Not applicable	Not applicable	The appraised amount was NTD 1,844,139 thousand by HB Real Estate Appraisers Firm The appraised amount was NTD 1,844,139 thousand by Prudential Cross-Strait Real Estate Appraisers Firm	In order to develop the long-term production base and office environment while increasing rental income	Sale and leaseback

Note 1: If the acquired assets are subject to appraisal according to regulations, the appraisal result should be indicated in the “Reference for Price Determination” column.

Note 2: Paid-in capital refers to the parent company’s paid-in capital. In the case of an issuer whose shares have no par value or a par value other than NTD 10 per share, the requirement of 20% of paid-in capital for transaction amount shall be calculated based on 10% of the equity attributable to the owners of the parent company on the balance sheet.

Note 3: The date of occurrence refers to the date of contract signing, date of payment, date of consignment trade, date of transfer, date of resolution of the Board of Directors, or other date that can confirm the counterpart and amount of the transaction, whichever date is earlier.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Purchases or sales of goods from and to related parties reaching NTD 100 million or more than 20% of the paid-in capital

2023

Table 6

Unit: NTD thousand unless otherwise specified

Purchaser/seller	Counterparty	Relationship	Transaction				Trading conditions different from those of regular transactions and reasons thereof (Note 1)		Notes/accounts receivable (payable)		Remarks (Note 2)
			Purchase (sale)	Amount	Percentage in total purchases (sales)	Loan period	Unit price	Loan period	Balance	Percentage in total notes/accounts receivable (payable)	
Tainergy Tech. Co., Ltd.	VIETNERGY COMPANY LIMITED	Subsidiary	Processing fee (Note 4)	$ 647,018	29.02%	T/T 30 days upon invoice date	—	—	($ 26,339)	63.67%	

Note 1: If the conditions of trading with related parties are different from those of regular transactions, the difference and the reasons thereof shall be indicated in the “price” and “loan period” columns.

Note 2: In case of receipts in advance or prepayments, the reasons, agreed terms and conditions, amount, and the different from regular transactions shall be indicated in the “Remark” column.

Note 3: Cost of raw materials for processing has been written off.

Note 4: Related transactions and period end balances were removed from the consolidated financial statements.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Accounts Receivable from Related Parties Reaching NTD 100 Million or More Than 20% of Paid-in Capital

December 31, 2023

Table 7

Unit: NTD and foreign currency (thousand)

Company Booking Accounts Receivable	Counterparty	Relationship	Balance of Accounts Receivable from Related Parties	Turnover Rate	Overdue Accounts Receivable from Related Parties		Subsequent Recovered Amount of Accounts Receivable from Related Parties	Appropriated allowance for loss
					Amount	Treatment		
KENTEC INC.	KENMEC MECHANICAL ENGINEERING CO., LTD.	Parent company	Other receivables $ 489,237 RMB 113,066	(Note 1)	$ -	—	$	$ -
KENTEC INC.	TAISIC MATERIALS CO.	Fellow subsidiary	Other receivables 100,049	(Note 1)	-	—	-	-
Tainergy Tech. Co., Ltd.	TAISIC MATERIALS CO.	Subsidiary	Other receivables 150,848	(Note 1)	-	—	-	-
Tainergy Technology (Kunshan) Co., Ltd.	KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	Fellow subsidiary	Other receivables 298,578 RMB 69,004	(Note 1)	-	—	-	-

Note 1: This is the amount from loaning of funds, its interest is recognized in other receivables and not incorporated in the calculation of turnover rate.

Note 2: Related transactions and period end balances were removed from the consolidated financial statements.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

The business relationship and important transactions between the parent company and its subsidiaries, and between subsidiaries.

2023

Table 8 Unit: NTD thousand

No. (Note 1)	Name of Trader	Counterparty	Relationship with counterparty (Note 2)	Transaction			Percentage of consolidated total operating revenue or total assets (Note 3)
				Title	Amount	Trading conditions	
0	The Company	Kenmec Mecha-Tronics	1	Accounts payable	$ 80,271	No significant difference from general manufacturers	0.69%
		Kenmec Mecha-Tronics	1	Cost of sales	48,839	No significant difference from general manufacturers	0.88%
		Kentec	1	Other payables	489,237	No significant difference from general manufacturers	4.20%
		Taisic Materials	1	Project income	52,563	No major difference from regular customers	0.95%
		Taisic Materials	1	Contract liabilities	139,335	No major difference from regular customers	1.19%
		Hua-Xia Construction	1	Contract liabilities	100,126	No major difference from regular customers	0.86%
		Hua-Xia Construction	1	Project income	110,310	No major difference from regular customers	1.99%
1	Kenmec Mecha-Tronics	Kenmec Mechanical	2	Contract liabilities	144,614	No major difference from regular customers	1.24%
		Automation Kunshan	3	Contract liabilities	82,563	No major difference from regular customers	0.71%
		Automation Kunshan	3	Sales revenue	142,235	No major difference from regular customers	2.56%
		Automation Kunshan	3	Other payables	96,736	Interest rate 3.55%	0.83%
2	Automation Kunshan	Kenmec Mecha-Tronics	3	Contract liabilities	103,331	No major difference from regular customers	0.89%
3	Kentec	Kenmec Mecha-Tronics	3	Other receivables	86,890	Interest rate 3.65%	0.75%
		Taisic Materials	3	Other receivables	100,049	Interest rate 2.75%	0.86%
4	Tainergy	VIETNERGY COMPANY LIMITED	3	Cost of sales	647,018	No significant difference from general manufacturers	11.65%
		VIETNERGY COMPANY LIMITED	3	Sales revenue	56,130	No major difference from regular customers	1.01%
		Taisic Materials	3	Other receivables	150,848	Interest rate 2.75–5.00%	1.29%
5	Tainergy Kunshan	Kenmec Mecha-Tronics	3	Other receivables	298,578	Interest rate 3.65%	2.56%

Note 1: The business transactions between the parent company and its subsidiaries shall be indicated in the “No.” column. This column shall be completed as follows:

1. 0 is reserved for the parent company.
2. Each subsidiary is numbered in sequential order starting from 1.

Note 2: The relationship with the related parties is classified into three categories as follows. It is only necessary to mark the type. (Repeated disclosure is not necessary for the same transaction between the parent company and its subsidiaries or between the subsidiaries. In case of the transaction in the form of parent company to a subsidiary, for example, if the parent company has disclosed the transaction, the subsidiary is not necessary to disclose the same repeatedly; In case of the transaction in the form of subsidiary to subsidiary, if a subsidiary has disclosure the transaction, the other subsidiary is not necessary to disclose the same.)

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

Note 3: For calculating the percentage of the transaction amount in total consolidated operating revenue or assets, the share of the balance at ending of the period in the consolidated total assets is used as the basis of the calculation under the title of assets/liabilities; the share of the interim accumulated amount in the total consolidated operating revenue is used as the basis for the calculation under the title of profit/loss.

Note 4: Related transactions and period end balances were removed from the consolidated financial statements.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Name and Territory of Investees and Other Relevant Information

2023

Table 9

Unit: NTD and foreign currency (thousand)

Name of investor	Name of investee	Territory	Main business operation	Original investment amount		Held at the end of the period			Current profit (loss) of investee	Profit (loss) from investments recognized in the current period	Remarks
				End of current period	End of last year	Number of shares	Ratio (%)	Book value			
KENMEC MECHANICAL ENGINEERING CO., LTD.	Kenmec International Holding (BVI) Co., Ltd.	Wickhams Cay 1 P.O. BOX 362 Road Town Tortola British Virgin Islands	Investment holding business	$ 1,168,764 USD 38,039	$ 1,168,764 USD 38,039	38,038,752	100	$ 188,303	$ 185,216	$ 185,021	Subsidiary
	Kenmec Communication Holding (BVI) Co., Ltd.	Wickhams Cay 1 P.O. BOX 3444 Road Town Tortola British Virgin Islands	Investment holding business	498,622 CNY 113,066	- CNY -	16,852,121	60	365,298	365,470	230,230	〃
	Tainergy Tech. Co., Ltd.	No. 5, Ziqiang 1st Rd., Zhongli Industrial Park Service Center, Fuxing Vil., Zhongli Dist., Taoyuan City, Taiwan	Research, design, manufacture and sale of solar cells and module-related systems	1,942,337	1,942,337	61,132,856	27.17	554,656	(28,577)	(9,259)	〃
	KENMEC VIETNAM COMPANY LIMITED	Plant B, Thach That – Quoc Oai Industrial Zone, Hanoi City, Vietnam	Manufacturing of electric water heaters, engineering machinery	122,347 USD 3,800	122,347 USD 3,800	-	100	104,647	2,651	2,651	〃
	KENTEC INC.	No. 385-3, Hongzhen Road, Pingzhen District, Taoyuan City	Manufacture of electronics parts and components	1,724,554	1,724,554	47,252,154	89.16	914,528	92,482	83,201	〃
	TAISIC MATERIALS CO.	No. 5, Ziqiang 1st Rd., Zhongli Industrial Park Service Center, Fuxing Vil., Zhongli Dist., Taoyuan City, Taiwan	Manufacturing and sales of electronic parts and components	107,000	107,000	4,400,000	8.80	(10,381)	(308,827)	(27,136)	〃
	Chief Global Logistics Co., Ltd.	5F, No. 95, Nangang Sec., Nangang Dist., Taipei City	Warehousing	10,400	10,400	1,040,000	52.00	13,896	(5,228)	(2,717)	〃
	Hua-Xia Construction Co., Ltd.	4F., No. 76, Sec. 2, Nanjing E. Rd., Zhongshan Dist., Taipei City	Comprehensive Construction	200,980	30,980	20,000,000	100	187,929	9,534	9,534	〃
	KENMEC AUTOMATION ENGINEERING (THAILAND) Co., Ltd.	No.654/1, Samyan Business Town, Soi Chinda Thawin 10, Rama 4 Road, Maha Phruetharam Sub-district, Bangrak District, Bangkok	Manufacturing, sales and maintenance of automation equipment and components	22,725 THB 25,000	- THB -	249,999	99.9996	21,205	(1,337)	(1,337)	〃
KENTEC INC.	Kenmec Communication Holding (BVI) Co., Ltd.	Wickhams Cay 1 P.O. BOX 3444 Road Town Tortola British Virgin Islands	Investment holding business	431,714 USD 11,235	930,336 USD 28,087	11,234,747	40	243,533	365,470	135,240	〃
Tainergy Tech. Co., Ltd.	Tainergy Tech Holding (Samoa) Co., Ltd.	TrustNet Chambers Lotemau Centre, P.O. BoX 1225, Apia, Samoa.	Investment business	2,211,921 RMB 456,201	2,211,921 RMB 456,201	-	100	810,915	5,256	5,256	〃
	VIETNERGY COMPANY LIMITED	Plant B, Thach That – Quoc Oai Industrial Zone, Quoc Oai District, Ha Noi City, Vietnam	Manufacture of high-tech solar cells and related cell components	1,465,491 USD 46,500	1,465,491 USD 46,500	-	100	449,082	(19,105)	(6,316)	〃
	Star Solar New Energy Co., Ltd.	11F.-8, No. 398, Huanbei Rd., Neighborhood 11, Xinjie Vil., Zhongli Dist., Taoyuan City	Solar power generation and sale of solar power systems	5,000	5,000	500,000	35.71	3,902	(26)	8	Associate
	TAISIC MATERIALS CO.	No. 5, Ziqiang 1st Rd., Zhongli Industrial Park Service Center, Fuxing Vil., Zhongli Dist., Taoyuan City, Taiwan	Manufacturing and sales of electronic parts and components	238,280	238,280	23,828,000	47.656	154,538	(308,827)	(147,174)	Subsidiary
	TAI VISION CO., LTD.	No. 5, Gongye 3rd Rd., Pingzhen Dist., Taoyuan City	Wholesale and retail of contact lens	24,000	-	2,400,000	80	23,526	(592)	(474)	Subsidiary

Note 1: For more information on the investees in Mainland China, please refer to Table 10.

Note 2: Related transactions and period end balances were removed from the consolidated financial statements.

Kenmec Mechanical Engineering Co., Ltd. and Subsidiaries

Information on investments in Mainland China

2023

Table 10

Unit: NTD and foreign currency (thousand)

1. Information about investees in Mainland China, such as the name, main business operations, paid-in capital, method of investment, inward and outward remittance of funds, shareholding ratio, investment profit/loss, book value of investment, investment gain or loss having been remitted back:

Name of Chinese investees	Main business operation	Paid-in capital	Method of investment (Note 1)	Accumulated amount of investments from Taiwan at the beginning of the current period	Amount of investments remitted or recovered in current period		Accumulated amount of investments from Taiwan at the end of current period	Current profit (loss) of investee	The Company's shareholding of direct or indirect investment (%)	Profit (loss) from investments recognized in the current period (Note 2)	Book value of investment at ending	Profit received from investments as of end of current period	Remarks
					Remittance	Return							
KENMEC MECHA-TRONICS (SUZHOU) CO., LTD.	T.F.T. process equipment, semiconductor process equipment, industrial conveying machinery, and automatic storage equipment.	1,198,618 USD 38,800 (Note 3)	(2)-(1)	$ 1,076,543 USD 34,900	$ -	-	$ 1,076,543 USD 34,900	$ 233,524 RMB 53,129	100	$ 233,524 RMB 53,129 (2)-B	$ 16,845 RMB 3,893	$ -	
Suzhou Kenmec Property Development Ltd.	Real estate business	1,157,582 RMB 252,000 (Note 4)	(2)-(3)	-	-	-	-	(16,436) (RMB 3,762)	76.88	(13,706) (RMB 3,120) (2)-B	572,516 RMB 132,312	-	
KENMEC AUTOMATION ENGINEERING (KUNSHAN)	Automated flow line equipment and supporting equipment, display production equipment, semiconductor production equipment, etc.	266,914 RMB 60,000 (Note 5)	(2)-(1)	266,914 RMB 60,000		-	266,914 RMB 60,000	(47,594) (RMB 10,828)	100	(47,594) (RMB 10,828)	175,146 RMB 40,478	-	
KENTEC ELECTRONICS (SUZHOU) CO., LTD.	New electronic components (chip components), digital sounds, etc.	43,921 RMB 10,000 (Note 8)	(2)-(7)	-	-	-	-	26,654 RMB 5,953	34.51	9,669 RMB 2,209	14,701 RMB 3,397	-	
KENMEC TECHNOLOGY (SUZHOU) CO., LTD.	New electronic components (chip components), digital sounds, etc.	855,358 USD 26,800 (Note 6)	(2)-(4)	666,701 USD 20,700	-		666,701 USD 20,700	374,243 RMB 83,583	96.13	360,858 RMB 80,594	585,249 RMB 135,255	-	
Anhui Rongyun Property Development Co., Ltd.	Real estate development	1,369,658 RMB 310,000	(2)-(8)	-	-		-	(61,945) (RMB 13,835)	39.59	(23,672) (RMB 5,287)	520,176 RMB 117,236	-	
Tainergy Technology (Kunshan) Co., Ltd.	R&D, design, production of high-tech green cells (solar cells) and their components	2,206,989 USD 70,000	(2)-(5)	2,206,989 USD 70,000	-	-	2,206,989 USD 70,000	5,255 RMB 1,194	27.17	1,428 RMB 324 (2)-B	220,318 RMB 50,917	-	
Kunshan Kunfu Electronic Materials Co., Ltd.	Sales and manufacture of electronic materials and parts	19,242 RMB 4,500	(2)-(6)	-	-	-	-	31 RMB 7	27.17	8 RMB 2 (2)-B	1,154 RMB 267	- -	
Kunshan Jichang Energy Technology Co., Ltd.	Sale of solar power-related products	-	(2)-(6)	-	-	-	-	-		-	-	-	

Note 1: Investment is carried out through the following three means:

(1) Engaged in direct investment in Mainland China.

(2)-(1) Invested in Mainland China through Kenmec International Holding (BVI) Co., Ltd.

(2)-(2) Invested in Mainland China through Ample Assets Holdings Ltd.

(2)-(3) Invested in Mainland China jointly through Kenmec Mecha-Tronics (Suzhou) Co., Ltd. and Tainergy Technology (Kunshan) Co., Ltd.

(2)-(4) Invested in Mainland China through Kenmec Communication Holding (BVI) Co., Ltd.

(2)-(5)Invested in Mainland China through Tainergy Tech Holding (Samoa) Co., Ltd.

(2)-(6) Invested in Mainland China through Tainergy Technology (Kunshan) Co., Ltd.

(2)-(7) Direct investment in Mainland China companies through KENTEC INC.

(2)-(8) Invested in Mainland China through KENMEC TECHNOLOGY (SUZHOU) CO., LTD.

(3) Other means.

Note 2: In the "Profit (loss) from investments recognized in the current period" column:

(1) An indication is needed if the investment is under preparation and there is no profit or loss.

(2) There are following three profit/loss recognition bases. The appropriate one must be indicated.

A. The financial statements audited and approved by an international accounting firm that has collaboration relationship with an accounting firm in the Republic of China.

B. The financial statements audited and approved by a CPA of the parent company in Taiwan.

C. Others (the unaudited financial statements of the aforesaid investees for the same period).

Note 3: The earnings of the liquidated invested KENMEC Automation Engineering (Suzhou) Co., Ltd. Amounting to USD 3.90 million were used for capital increase.

Note 4: The operating funds of the invested KENMEC MECHA-TRONICS (SUZHOU) CO., LTD. were used for reinvestment amounting to RMB 172 million and the operating funds of the invested Tainergy Technology (Kunshan) Co., Ltd. were used for investment amounting to RMB 80 million.

Note 5: The operating funds of the invested Tainergy Technology (Kunshan) Co., Ltd. were used for reinvestment amounting to RMB 4.5 million.

Note 6: In June 2021, Kenmec Technology (Suzhou) Co., Ltd. reduced its capital and refunded USD 15.2 million in shares.

Note 7: Registration for Kunshan Jichang Energy Technology Co., Ltd. was canceled on February 7, 2023.

Note 8: In November 2023, the Group underwent an organizational reorganization and transferred the shares of the Group from the Company to KENMEC AUTOMATION ENGINEERING (KUNSHAN)

2. Limit on the amount of investments in Mainland China:

Unit: foreign currency thousand/NTD thousand

Accumulated amount of investments from Taiwan to Mainland China at the end of current period (Note 9)	Investment amount approved by the Investment Commission, MOEA	Limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA (Note 10)
$ 4,217,147 (USD 125,600、RMB 60,000)	$ 5,113,407 (USD 149,200、RMB 123,000) (Exchange rate: USD 30.705; RMB 4.327)	$ 3,468,390

Note 9: Including Huang Pin Electronics (Suzhou) Co Ltd. after its liquidation in February 2012, the accumulated amount of investments from Taiwan that had not been remitted back was NTD 23,395 thousand (USD 657 thousand).

Note 10: The Company recognizes the loss on the investment in Tainergy Tech. Co., Ltd. and KENTEC INC. under the equity method and exceeds the limit on the amount of investments in Mainland China specified by the Investment Commission, MOEA.

KENMEC MECHANICAL ENGINEERING CO., LTD.

Information on Major Shareholders

December 31, 2023

Table 11

Names of major shareholders	Shares	
	Number of shares held	Shareholding percentage
Wei-Xin Investment Co., Ltd.	20,000,000	8.03%
CHING-FU HSIEH	14,253,707	5.72%
Zhao-Cheng Investment Co., Ltd.	13,000,000	5.22%

Note 1: The information on major shareholders is acquired from the data of Taiwan Depository & Clearing Corporation with respect to the shareholders holding aggregately 5% or more of the common and special stocks of the Company that have been registered and delivered in dematerialized form (including treasury stocks) on the last business day at the end of the current year. The capital stock stated in the consolidated financial reports of the Company may be different from the number of stocks that have been actually registered and delivered in dematerialized form due to different bases of compilation and calculation.

Note 2: In case any shareholder who transferred their stocks to a trustee, the information on such shareholder was disclosed based on the account of the principal subject to the trust account opened by the trustee. As for a shareholder who declares insider shares of more than 10% shareholdings pursuant to the securities and exchange regulations, the number of shares held includes the shares of the shareholder and the shares that he/she transferred to a trustee and for which he/she has the right to determine the application of the trust property. For more information on the declaration of insider shares, refer to the MOPS.