Stock Code: 8076

Firich Enterprises Co., Ltd.

2023

Annual report

Printed On April 30, 2024

Firich Annual Report is Available at: http://mops.twse.com.tw/

Company website: http://www.fecpos.com

I. Spokesperson
Name: Ying-Fu Lai
Title: CFO
Tel: (02)2698-1446
E mail: YingFu.Lai@firich.com.tw

II. Deputy Spokesperson
Name: Henry Chen
Title: Special Assistant to the Chairman
Tel: (02)2698-1446
E mail: Henry.Chen@firich.com.tw

III. Contact information of the headquarters, branch offices and factories
Address: 10F., No. 75, Sec. 1, Xintai 5th Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)
Tel: (02)2698-1446
Xizhi Factory: No. 308, Sec. 1, Datong Rd., Xizhi Dist., New Taipei City, Taiwan (R.O.C.)
Tel: (02)2649-5155

IV. Stock Transfer Agency:
Name: The Transfer Agency Department of Mega Securities Co., Ltd.
Address: No. 95, Sec. 2, Zhongxiao E. Rd., Zhongzheng Dist., Taipei City, Taiwan (R.O.C.)
Tel: (02)3393-0898
Website: https://www.megasec.com.tw

V. Contact information of the Certified Public Accountants for the Latest Financial Report:
Name: CPAs Ping-Chun Chih and Tsung-Hsi Lai
Firm: PwC Taiwan
Address: TWTC International Trade Building, 27F., No. 333, Sec. 1, Keelung Rd., Xinyi Dist., Taipei City, Taiwan (R.O.C.)
Tel: (02)2729-6666
Website: https://www.pwc.tw

VI. Overseas trade places for listed negotiable securities: None.
Search method for overseas securities: None

VII. Company Website: https://www.fecpos.com

Table of Contents

One. Letter to Shareholders

2023 Business Report

I. 2023 Business Overview

(I) Business Plan Implementation Outcome and Budget Implementation Status

The Company's 2023 consolidated operating revenue was NT$2,547,887 thousand, decreased by NT$167,084 thousand from the 2022 consolidated operating revenue of NT$2,714,971 thousand. The consolidated gross profit was NT$752,237 thousand, decreased by NT$41,080 thousand from the 2022 consolidated gross profit of NT$793,317 thousand. The net income after tax was NT$53,758 thousand, decreased by NT$271,184 thousand from the 2022 net income after tax of NT$324,942 thousand. The net income after tax attributable to the parent company was NT$42,712, decreased by NT$269,248 thousand from the 2022 net income after tax attributable to the parent company of NT$311,960 thousand.

Unit: NT$ thousand

Item	2023	2022	Increased (Decreased) Amount	% change
Operating revenue	2,547,887	2,714,971	-167,084	-6.15%
Gross profit	752,237	793,317	-41,080	-5.18%
Net income after tax	53,758	324,942	-271,184	-83.46%
Net Profit Attributable to the Parent Company	42,712	311,960	-269,248	-86.31%

Note: The data in the above table are all results of the consolidated financial statements

(II) The analysis of receipts, expenditures, and profitability

1. The capacity of financial revenue and profitability

Unit: NT$ thousand

Item	2023	2022	Increased (Decreased) Amount	% change
Net cash inflow from operating activities	279,172	283,218	-4,046	-1.43%
Net cash inflow (outflow) from investment activities	284,217	(186,300)	470,517	252.56%
Net cash outflow from financing activities	(450,932)	(283,989)	-166,943	-58.79%
The effect upon cash inflow (outflow) from the change in foreign exchange rate	(51,226)	57,698	-108,924	-188.78%
Net cash inflow (outflow)	61,231	(129,373)	190,604	147.33%

2. Profitability

Unit: NT$ thousand

Item \ Year		2023	2022
Basic Financial Information	Current asset	2,672,808	2,773,361
	Current liabilities	1,809,599	2,160,920
	Total liabilities	2,395,393	2,744,540
	Interest expense	33,364	31,345
	Operating revenue	2,547,887	2,714,971
	EPS (NT$)	0.15	1.07
Financial structure (%)	Self-owned capital	62.84%	60.17%
	Long-term capital/ fixed assets	1557.07%	1565.54%
Solvency (%)	Current ratio	147.70%	128.34%
	Interest coverage ratio	3.60	13.44
Profitability (%)	Return on assets	1.21%	5.24%
	Return to equity	1.31%	8.38%
	Net profit ratio	2.11%	11.97%

Note: The ratios are calculated based on the results of the consolidated financial statements

(III) Research and development status

Invest in R&D resources to develop the hardware and equipment required for the new generation of smart stores, build a cloud platform and management tools, and set up a Saas maintenance team.

II. 2024 Business Plan Overview

(I) Operating Principles

As the time advances, the role of digital equipment in business environment becomes more prominent, and in particular, the store meal ordering and management field. Digital transformation equipment includes DIY meal order machine, card reader, kitchen display, QR Code diverse payment equipment, smart sales equipment, unmanned goods mailing/pickup scanner, and diverse and comprehensive bill payment process and equipment. Nevertheless, since equipment tends to be provided by different suppliers without integration, such that store operators are facing great challenges in the management use of the such equipment. Furthermore, the data generated by such equipment may also be stored in different locations and media, such that comprehensive analysis on the customer demands and business operation status is limited. Despite that introduction of digital equipment requires a certain amount of investment cost, insufficient integration and inadequate usage will cause failure in achieving expected benefits.

To overcome the aforementioned issues, we are committed to become a smart store equipment solution provider and focus on assisting new and old customers to accelerate their modern POS system transformation in various types of scenarios and fields. In addition to hardware products, we also provide the SaaS (software as a service) platform services and software management tools while cooperating with the system integrators and end customers, in order to strengthen and implement new business model of digital platform.

(II) Important Production and Sales Policies

Our hardware products include four main categories of POS machines:

Traditional Integrated AIO POS: Designed for catering and retail business customers, focusing on front-end single order type of checkout counter design, equipped with streamline appearance and operation of high efficiency, and particularly suitable to small and medium size of store operators.

Embedded POS: We actively develop applications for different scenarios, including the fields of kitchen order receipt, sales order with number calling for meal pickup, smart sales machine, smart drinking machine, and unmanned goods mailing and pickup logistics, and this type of POS emphasizes smart and multi-functions, which is suitable to the catering, retail and logistics businesses.

Backend Server Type POS: For large chain stores and enterprises, we provide comprehensive data management solution and focus on highly efficient resource management and data analysis function. In addition, the POS performance is also improved continuously, and smart AI function is also introduced, in order to provide comprehensive after-sale service, including equipment maintenance and data analysis support.

Integrated AIO DIY machine: It focuses on the advantages of convenience and cost saving. In addition, comprehensive technical support and training are provided, and customized solution is provided according to the customer demand.

Furthermore, we also provide four main categories of software products:

1. Equipment Management: Internal equipment management solution for stores is provided, including smart equipment configuration management and remote control function, in order to assist store operators to manage all equipment easily and to maintain normal operation.
2. Store Management: Service operator management, store and company organization management, account authority and safety management functions are integrated, in order to provide effective store management and organization structure clarity with controllable user authorities, thereby ensuring data security and compliance.
3. Schedule Update Management: Resources of the system integrators

and service providers are integrated, in order to achieve effective management of store operation scheduling and early warning notification, thereby ensuring the system stability and security.

4. Order Center: Resources of the POS system, service providers and third party application program developers are integrated, in order to provide digital order management, menu and product management, standard connection to third party order delivery platform and order platform functions, thereby increasing the order processing efficiency of store operators and achieving increase of revenue and expansion of business scope.

   Our goal for 2024 is to expand to different business fields, and we particularly focus on the market segmentation, such as hotel and recreation industry, medical and health sector, and additional new distributors will also be established. In addition to hardware products, we will also increase the sale of software products, and particularly, we will develop solutions for catering and logistics operations. We will update the four main software product functions quarterly, and two new products are expected to be released during the 3rd quarter of 2024. We further plans to expand the platform service scale, and the service provision quantity of more than 10,000 units will be increased quarterly.

(III) Company’s Future Development Strategies

The Company's future development strategies include continuous investment in resources related to the development of hardware products for new generation of smart stores, and accelerating the development of software products for the matured and new markets, in order to explore new applications from the existing distributor customers. We will also develop smart IT equipment necessary for future smart stores according to the new applications of stores and development demands of new customers. Moreover, we will also implement lateral integration of platform and service models, in order to create new platform business model and service model, along with the promotion of cloud platform services, thereby establishing the bridging service between the development of cloud platform and application software.

(IV) Impacts of External Competitive Environment, Legal Environment and Overall Operating Environment

With regard to the external competition environment, we will continue to be cautious and pay attention to competitors from the Greater China area and other international markets. Under the severe competition in the market, we are committed to achieve innovation continuously and to improve the competitiveness of our products and services, and to further flexibly adjust strategies in order to cope with the market change. With regard to the regulatory environment, we will actively respond to the reform of environmental protection laws and regulations. In addition, sustainability promotion organization is to be established in order to promote the Company's development in compliance with relevant laws and regulations. Regulatory changes may cause impact on the product design, manufacturing and sales. Accordingly, we will monitor such changes closely and make adjustments timely. In terms of the overall business environment, we will pay attention to market changes and supply chain risks closely, and corresponding response measures will also be established. Instability of the overall business environment may cause fluctuation to the revenue and profit of the Company. Accordingly, we will handle such instability properly with care, in order to maintain sound financial status and business stability.

Two. Company Profile

I. Date of incorporation : January 17, 1995

II. Company History

Year	A brief history of the company
1995	January 17, 1995: Firich Enterprises Co., Ltd. was established with total capital of NT$5 million. The main businesses include the assembly, manufacturing, imports and exports of Point-of-Sales (POS) computers and electronic cash register peripherals. May 1995: Cash capital increase of NT$15 million, which bring about total capital of NT$20 million. Launched products including NETPOS (network system) and C410 CASH DRAWER.
1996	Launched products including PCU-1280 and POS 560 (system).
1997	April 1997: Cash capital increase of NT$5 million, which bring about total capital of NT$25 million. Launched products including PCU-2880 (system).
1998	Launched products including LCD DISPLAY, TP-5710 TOUCH POS 12.1", and TP-6110 TOUCH POS 12.1".
1999	June 1999: Cash capital increase of NT$25 million, which bring about total capital of NT$50 million. Launched products including TP-6112 TOUCH POS 12.1", and C420 Cash Drawer. Obtained ISO-9002 certification.
2000	Launched products including single-screen H700 series Gladius Touch screen POS and Aegis TFT Touch Monitor.
2001	Launched products including the dual-screen H800 series Crossbow Touch POS and KIOSK.
2002	April 2002: Capital increase of NT$6.7 million by surplus earnings and cash capital increase of NT$18.3 million by resolution of the shareholders' meeting, which bring about total capital of NT$75 million. April 2002: Former supervisor Pei-Lin Huang resigned from the Company, and was re-elected as the new supervisor for DS Investment Development Co., Ltd. Launched products including dual-screen H820 electronic scale PC POS to be sold in Europe and the U.S. June 2002: Established Firich International Co., Ltd. October 2002: Transferred to the wholly-owned factory. November 2002: Election of supervisor Tsi-Ying Lu. December 2002: Cash capital increase of NT$45 million, which bring about total capital of NT$120 million. December 2002: Established Kunshen Electronic Trade (Shanghai) Co., Ltd.
2003	January 2003: Appointed Meng-Ching Hsu as the Company's President by resolution of the board of directors. March 2003: Listed on OTC. April 2003: Shih-Chun Hsu Hung-Te Lu and Meng-Ching Hsu were elected as directors, and Wen-Liang Liu was elected as supervisor. May 2003: Capital increase of NT$60 million by surplus earnings (including employee bonus of NT$2.4 million) and capital increase of NT$12 million by paid-in capital, which bring about total capital of NT$192 million. Launched the new product PPM/PPD wall-mounted 15" LCD Monitor. December 15, 2003: Listed on TPEx.
2004	February 2004: Issuance of the 1st domestic unsecured convertible bonds by resolution of the board of directors. March 2004: The issuance of the 1st domestic unsecured convertible bonds at NT$250 million was approved by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan. June 2004: Acquired a factory. June 2004: Launched the new product simple 12" and 15" Glaive POS.
2005	February 2005: The term of office of directors and supervisors expired, and the Company elected Advantech Co., Ltd. as director and Chao-Ping Wang as independent director, while the former independent director Shih-Chun Hsu and former supervisor Wen-Liang Liu have been dismissed. April 2005: Share buyback to be transferred to employees by resolution of the board of directors.

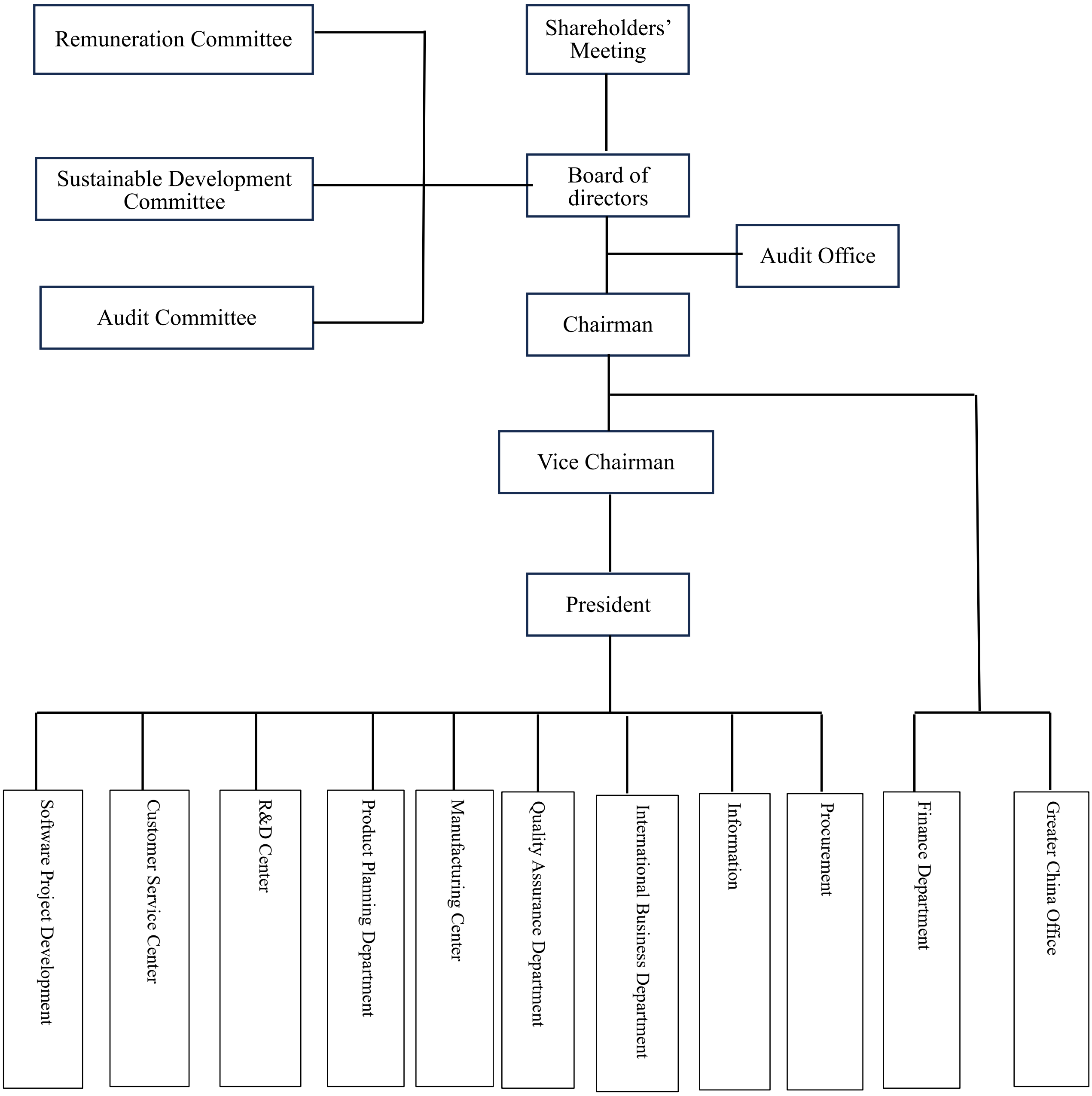
	Buyback period from April 29, 2005 to June 28, 2005. As of December 31, 2005, the total paid-in capital was NT$363.58 million. December 2005: Established Firich USA Inc. and Lotrich Information Co., Ltd.
2006	March 2006: Added 2 factories in Shenkeng. June 2006: Appointed Wen-Hsien Tsai as the Company's supervisor. July 2006: Issuance of the 2nd domestic unsecured convertible bonds by resolution of the board of directors.
2007	January 2007: Established Toprich Co., Ltd. March 2007: Meng-Ching Hsu resigned from his position as the Company's President and Director. March 2007: Chih-Chung Chen was appointed as the Company's President. June 2007: Advantech Co., Ltd. was dismissed from its position as the Company's director. July 2007: The board of directors approved on buying shares from ARMARDA GROUP Ltd., a company listed in Singapore. October 2007: The board of directors approved on selling 60% shareholding of Oasis Rich International Ltd. December 2007: Issued employee stock options.
2008	March 2008: Share buyback to be transferred to employees after approval of the board of directors. March 2008: Repurchase treasury shares to be transferred to employees after approval of the board of directors. June 2008: Established Firich (Hong Kong) International Co., Ltd. September 2008: Share buyback to be transferred to employees after approval of the board of directors. September 2008: Established Tiga Gaming Inc.
2009	March 2009: Launched VIVIPOS products. June 2009: Established Cai Rui Trading (Shanghai) Co., Ltd. November 2009: DS Investment Development Co., Ltd. re-appointed the legal representative Chi-Li Chang.
2010	January 2010: Established Firich Korea Co., Ltd. and Strait Marketing Co., Ltd. March 2010: Chih-Chung Chen resigned from his position as the Company's President. March 2010: Appointed Chi-Han Li as the Company's President. June 2010: Established Cheer Victory Holding Co., Ltd. October 2010: Shenkeng Factory and Xizhi Factory were relocated to the new Xizhi Factory on Datong Road to integrate the two assembly lines. November 2010: Established Gold Brew Wine Business Trade (Shanghai) Co., Ltd.
2011	February 2011: Cancellation of 150,000 treasury shares, with total capital of NT$1,694,538,490 after the capital reduction. March 2011: Chi-Han Li resigned from his position as the Company's President, and Chairman Ming-Che Hsu concurrently served as the President. August 2011: Share buyback to be transferred to employees after approval of the board of directors. September 2011: Sold 100% shareholding of its subsidiary Global Crossing Holdings Ltd. December 2011: Cancellation of 850,000 treasury shares, with total capital of NT$1,686,038,490 after the capital reduction.
2012	March 2012: The board of directors approved on selling 50% shareholding of Beijing Intradak Marketing Development Co.,Ltd. to invest on 20% shareholding of Beijing Intradak Systems Technology Co., Ltd. December 2012: The issuance of the 3rd domestic unsecured convertible bonds at NT$500 million was approved by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.
2013	May 2013: The board of directors approved the investment on 100% shareholding of the subsidiary Firich Information Technology (Private) Co. in India. August 2013: The board of directors approved the investment on 19% shareholding of the subsidiary Oriental Regent Ltd., a casino company in Russia.
2014	April 2014: The board of directors approved the investment on 1% shareholding of Oriental Regent Limited, which bring about a total of 20% shareholding of Oriental Regent Limited. May 2014: The board of directors approved on cash capital increase by issuing 11,000,000 new shares, which bring about total capital of NT$1,969,198,100. September 2014: The board of directors approved the investment on 5% shareholding of Oriental Regent

	Limited, which bring about a total of 25% shareholding of Oriental Regent Limited.
2015	Nov 2015: The invested company Russian casino "Tiger de cristal" was officially opened.
2017	June 2017: Established the Audit Committee. August 2017: Acquired 76% shareholding of AKAM Group B.V. September 2017: Established Firich UK Co., Ltd.
2018	May 2018: The issuance of the 4th domestic unsecured convertible bonds at NT$600 million was approved by the Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan.
2020	February 2020: Share buyback to be transferred to employees after approval of the board of directors. March 2020: Share buyback to be transferred to employees after approval of the board of directors. November 2020: The board of directors approved on the investment on Oriental Regent Limited for cash capital increase.
2021	The Taipei Exchange approved in June 2021 to issue the first domestic secured ordinary convertible bond for NT$500 million.
2024	Cancellation of 3,150,000 treasury shares was completed in January 2024. The paid-in capital after capital reduction was NT$3,014,525,920.

Three. Corporate Governance

I. Organization

(I) Organizational Chart



(II) Department functions

International Business Department:	Responsible for market development, sales promotion, coordination between production and sales, preparation of required materials, and other related businesses in regions such as the U.S., Japan, and Europe.
Greater China Sales Department:	Responsible for market development, sales promotion, coordination between production and sales, preparation of required materials, and other related businesses in Taiwan and China.
Product Planning Department:	Responsible for market research, data collection, planning product launch schedules, life cycle management, as well as affairs related to product launches, marketing, inter-departmental coordination, and other related businesses.
R&D Center:	Responsible for the design, implementation, and results control of product ID, organization, and SI electronic components, as well as integrated programming, implementation and results control of operating systems (OS) and drivers.
Quality Assurance Department:	Responsible for supplier evaluation, incoming quality control (IQC), outsourced material testing, implement the Company’s business objectives, quality improvement measures and objectives, inter-departmental coordination, promoting the ISO quality management system, warehousing of finished products and semi-finished products, inspection on functions and appearance upon product transfer, and other related businesses.
Manufacturing Center:	Responsible for the Company's product manufacturing, quality control, maintenance engineering and inventory control, as well as coordination and handling of deficiencies and abnormal production.
Customer Service Center:	Responsible for customer complaint services, after-sales services and communication, and other related businesses.
Finance Department:	Responsible for accounting, cost, finance, taxation, funding management, financing, human resources, long-term and short-term investment management, stationery, asset management, stock affairs and other related businesses.
Procurement Department:	Responsible for procurement of raw materials, supplies, consumables, equipment and molds, documentation for import and export, domestic sales and export and bills negotiation, as well as cost structure analysis and other related businesses.
Information:	Responsible for the procurement, maintenance, design and development of software and hardware for company computers, network equipment and operating systems.
Audit Office:	Responsible for auditing of sales, finance, property, personnel, documentation, and accounting. Review and evaluation of the internal operating system, provide improvement suggestions, and other related businesses.
Software Project Development：	Responsible for software development.

(III) Succession planning for main board members and core management

The Company emphasizes work capability and personality traits for selecting the successor. We focus on business management and sales abilities for work capability, while personality traits is mainly based on being able to leading colleagues towards a better corporate goal while adhering to corporate culture.

The Company's senior executives are as follows: Chief Strategy Officer Ming-Che Hsu, President He-Feng Peng, Chief Information Security Officer Sheng-Fang Chu, Vice President of Greater China Sales Division Fu-Tsai Liu. Each officer is responsible for management of different aspects such as sales, finance, and product development in each department. The training of top management successors include professionalism, management skills, and individual development planning.

II. Information on the company's directors, supervisors, president, vice presidents, deputy senior managers, and the managers of all the company's divisions and branch units

(I) Information of directors and supervisors

1. Directors and supervisors

March 31, 2024

Title	Nationality or Place of Registration	Name	Gender/age	Date Elected	Term	Date First Elected	Shareholding When Elected		Current Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at The Company and Other Companies	Executives, Directors or Supervisors who are spouses or within two degrees of kinship			Remarks
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chairman	R.O.C.	Hsu Ming-Che	Male/60 ~ 70 years old	2023.06.29	3 years	1995.01.17	26,253,462	8.87%	27,041,065	8.97%	3,785,611	1.26%	0	0	Bachelor of Business Administration, National Chung Hsing University MBA, Pace University Special Assistant of Yeu Tyan Machinery Manufacturing Co., Ltd.	Director of Firich International Co., Ltd. Chairman of Firich Investment Ltd. Chief Strategy Officer of Firich Enterprise Co., Ltd. Chairman of Zenii Information System Co. Director of Lotrich Information Co., Ltd. Chairman and President of Tiga Gaming Inc. Chairman of Aqualab. Inc. Director of Shanghai Shuocai Information Technology Co.,Ltd.	Director	Hsu Lu-Che	Second degree of kinship	More than 50% of the Company's directors are not concurrent employees or managers
Vice Chairman	R.O.C.	Chu Sheng-Fang	Male/60 ~ 70 years old	2023.06.29	3 years	June 13, 2008	91,195	0.03%	93,930	0.03%	0	0	0	0	College of Engineering, Kuang Wu Industry Junior College Huaying Technology Co., Ltd. R&D Vice President of Firich Enterprise Co. Ltd	Director of Firich USA Inc. Director of Firich UK Co.Ltd Director of Wen Feng Investment Co., Ltd. Chairman of Kunshen Electronic Trade (Shanghai) Co., Ltd. Director of Tiga Gaming Inc. Director of AKAM Group B.V.	None	None	None	
Director	R.O.C.	Hsu, Lu-Che	Male/60 ~ 70 years old	2023.06.29	3 years	1995.01.17	3,283,430	1.11%	2,846,812	0.94%	472,764	0.16%	0	0	Master of Civil Engineering, Columbia University Engineer of CECI Engineering Consultants, Inc.	Director of Firich International Co., Ltd. Director of Firich(Hong Kong) International Co., Ltd. Director of Rich Forest Leisure Development Co., Ltd. Supervisor of LeaLea Hotels & Resorts Co., Ltd.	Chairman	Hsu Ming-Che	Second degree of kinship	
Director	R.O.C.	Tai, Li-Ning	Male/80 ~ 90 years old	2023.06.29	3 years	June 13, 2008	0	0	0	0	0	0	0	0	Bachelor of Law, Soochow University Master of Law, National Taiwan University Master of Law, Harvard University Chief of the Finance Department, Ministry of Finance Chief Counselor of the Ministry of Finance Chief of the Insurance Department, Ministry of Finance Minister of the Securities and Futures Commission, Ministry of Finance Permanent secretary of the Ministry of Finance Chairman of Oversea-Chinese Banking Co., Ltd. Adjunct Professor of Law, Soochow University Adjunct Professor of Insurance, Finance and MBA, National Cheng Chi University	Director of Yuan Ze University	None	None	None	
Director (Independent director)	R.O.C.	Fang, Ching-Yueh	Female/50 ~ 60 years old	2023.06.29	3 years	2014.06.18	0	0	0	0	0	0	0	0	PhD of Business Administration, National Taipei University Assistant professor of Takming University of Science and Technology	None	None	None	None	
Director (Independent director)	R.O.C.	Weng Tzu-Lin	Male/50 ~ 60 years old	2023.06.29	3 years	2023.06.29	0	0	0	0	0	0	0	0	Master's degree, Postgraduate Institute of Accounting, Tamkang University	Assistant Vice President of PwC Taiwan Guangxin Yiqun Accounting Firm Partnership CPA	None	None	None	

Note 1: The Company has set up the Auditing Committee in place of the function of supervisor on June 14, 2017.
Note2: The shareholding is calculated based on the Company's paid-in capital of 301,452,592 shares as of March 31, 2024.

2. Major shareholders of institutional shareholders: None.

3. Major shareholders of the Company's major institutional shareholders: None.

4. (1) Disclosure of professional qualifications of directors and supervisors and independence of independent directors

March 31, 2024

Criteria / Name	Professional qualifications and experience	Independence status (Note 1)	Number of Positions as Concurrent Independent Director in Other Public Companies
Hsu Ming-Che (Chairman)	1. For the professional qualifications and experience of the directors, please refer to "Information on Directors and Supervisors" in this annual report (p.11). 2. None of the directors of the Company has the circumstances in Article 30 of the Company Act.	Not applicable.	0
Chu, Sheng-Fang (Vice Chairman)			0
Hsu, Lu-Che (Director)			0
Tai, Li-Ning (Director)			0
Fang, Ching-Yueh (Independent Director)		1. Whether the person, his/her spouse or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated companies: No. 2. The number and proportion of the Company's shares held by the person, his/her spouse or relatives within the second degree (or in the names of others): None. 3. Whether the person is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies): None. 4. The amount of remuneration received for providing business, legal, financial, accounting or other services to the Company or its affiliates in the last two years: None.	0
Weng Tzu-Lin (Independent Director)			0

(2) Diversity and independence of the board of directors

A. Diversity:

Based on Article 20 of the company's Corporate Governance Best-Practice Principles:

The Company's board of directors shall direct company strategies, supervise the management, and be responsible to the company and shareholders. Procedures and arrangements under its system of corporate governance shall be directed to ensuring that the board of directors carries out its functions in compliance with laws and regulations, the articles of incorporation, and the resolutions of the shareholders' meetings.

In structuring its board of directors, the Company shall determine the appropriate number of directors, which shall be at least five, with reference to the scale of corporate development and operations and the shareholdings of the major shareholders, while taking into account practical operational needs.

The composition of the board of directors shall be determined by taking diversity into consideration, and that an appropriate policy on diversity based on the company's business operations, operating dynamics, and development needs be formulated and include, without being limited to, the following two general standards:

I. Basic requirements and values: gender, age, nationality, and culture.

II. Professional knowledge and skills: a professional background (e.g., law, accounting, industry, finance, marketing, or technology), professional skills, and industry experience.

Board members shall have the knowledge, skill, and experience necessary to perform their duties. To realize the ideal of corporate governance, the board of directors as a whole shall possess the following abilities:

I. Ability to make judgments about operations.
II. Ability to perform accounting and financial analysis.
III. Business management ability.
IV. Crisis management ability.
V. Industrial knowledge.
VI. Knowledge of international markets.
VII. Leadership ability.
VIII. Ability to make policy decisions.

The implementation of director diversity is as follows:

Diversification Core Projects / Name of Director	Gender	Age			Whether having the employee status.	Business management	Leadership and decision making	Industry knowledge	Finance and accounting	Law
		51-60	61-70	Over 71						
Hsu Ming-Che	Male		v		v	v	v	v		
Chu Sheng-Fang	Male		v		v	v	v	v		
Hsu Lu-Che	Male		v			v	v			
Tai, Li-Ning	Male			v		v	v		v	v
Fang, Ching-Yueh	Female	v				v			v	
Weng Tzu-Lin	Male	v				v			v	

B. The Company has six directors, of which two are independent directors, accounting for more than one third of the total number of directors; there is no circumstance specified in paragraphs 3 and 4 of Article 26-3 of the Securities and Exchange Act.

(II) Information on the Company's president, vice presidents, deputy senior managers, and the supervisors of all the Company's divisions and branch units

March 31, 2024

Title	Nationality	Name	Gender	Date Elected	Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Experience (Education)	Current Positions at Other Companies	Managers who are spouses or within two degrees of kinship			Remarks
					Shares	%	Shares	%	Shares	%			Title	Name	Relationship	
Chief Strategy Officer	R.O.C.	Hsu Ming-Che	Male	August 2023	27,041,065	8.97%	3,785,611	1.26%	0	0	Bachelor of Business Administration, National Chung Hsing University MBA, Pace University Special Assistant of Yeu Tyan Machinery Manufacturing Co., Ltd.	Director of Firich International Co., Ltd. Chairman of Firich Investment Ltd. Chairman of Firich Enterprise Co., Ltd. Chairman of Zenii Information System Co. Director of Lotrich Information Co., Ltd. Chairman and President of Tiga Gaming Inc. Chairman of Aqualab. Inc. Director of Shanghai Shuocai Information Technology Co.,Ltd.	None	None	None	
President	R.O.C.	Peng, He-Feng	Male	August 2023	156,498	0.05%	8,816	0	0	0	Tunghai University University of South Wales	None	None	None	None	
Deputy Director of Greater China Office	R.O.C.	Fu-Tsai Liu	Male	November 2004	914,944	0.3%	997,465	0.33%	0	0	MBA, National Taiwan University (Priv.) Director of the Sales Department, Acer Inc. Manager of the Sales Department, MiTAC Holdings Corp. Senior Manager of Synnex Corp.	Director of Firich International Co., Ltd. Director of Link Trump Co.Ltd.	None	None	None	
Chief Information Security Officer	R.O.C.	Chu Sheng-Fang	Male	August 2023	93,930	0.03%	0	0	0	0	College of Engineering, Kuang Wu Industry Junior College R&D Manager of Huaying Technology Co., Ltd. R&D Vice President of Firich Enterprise Co. Ltd	Director of Firich USA Inc. Director of Firich UK Co.Ltd Chairman of Kunshen Electronic Trade (Shanghai) Co., Ltd. Director of Tiga Gaming Inc. Director of AKAM Group B.V.	None	None	None	
CFO	R.O.C.	Ying-Fu Lai	Male	July 2002	41,616	0.01%	0	0	0	0	Bachelor of Foreign Languages and Literature, National Sun Yat-sen University MBA, University of Southern California CFO of Zenii Information System Co. CFO of Chinfon Global Corp.	Governor of Firich Korea Co., Ltd. Director of Firich(Hong Kong) International Co., Ltd. Director of Firich Investment Ltd. Chairman of Toprich Co., Ltd. Director of Link Trump Co.Ltd. Director of AKAM Group B.V.	None	None	None	

Note: The shareholding is calculated based on the Company's paid-in capital of 301,452,592 shares as of March 31, 2024.

III. Remuneration paid during the most recent fiscal year to directors, supervisors, the president and vice presidents

(I) Remunerations of Directors and Independent Directors

December 31, 2023 NT$thousand

Title	Name	Remuneration for directors								Ratio of the total of A+B+C+D to net profit after tax		Relevant remuneration received by directors who are also employees								Ratio of the total of A+B+C+D+E+F+G to net profit after tax		Compensation paid to directors from an invested company other than the company's subsidiary
		Base Compensation (A)		Severance Pay (B)		Directors Compensation (C)		Fees for services rendered (D)				Salary, Bonuses and Allowances (E)		Severance Pay (F)		Employee Compensation (G)						
		Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company		All companies in the consolidated financial statement		Company	All companies in the consolidated financial statement	
																Cash	Stock	Cash	Stock			
Chairman	Hsu Ming-Che	0	0	0	0	0	0	0	0	0	0	692	728	0	0	0	0	0	0	692 1.29%	728 1.35%	None
Director	Hsu Lu-Che	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	None
Vice Chairman	Chu, Sheng-Fang	0	0	0	0	0	0	0	0	0	0	2,775	2,775	0	0	0	0	0	0	2,775 6.50%	2,775 6.50%	None
Director	Tai, Li-Ning	0	0	0	0	82	82	0	0	82 0.19%	82 0.19%	0	0	0	0	0	0	0	0	82 0.19%	82 0.19%	
Independent Director	Fang, Ching-Yueh	550	550	0	0	82	82	0	0	632 1.48%	632 1.48%	0	0	0	0	0	0	0	0	632 1.48%	632 1.48%	
Independent Director	Huang, Chun-Hsi (Note 1)	300	300	0	0	0	0	0	0	300 0.70%	300 0.70%	0	0	0	0	0	0	0	0	300 0.70%	300 0.70%	
Independent Director	Lu, Hung-Te (Note 1)	300	300	0	0	0	0	0	0	300 0.70%	300 0.70%	0	0	0	0	0	0	0	0	300 0.70%	300 0.70%	
Independent Director	Weng Tzu-Lin (Note 2)	250	250	0	0	82	82	0	0	332 0.78%	332 0.78%	0	0	0	0	0	0	0	0	332 0.78%	332 0.78%	

1. Please describe the policy, system, standard and structure of independent directors' remuneration, and describe the relationship between the amount of remuneration and factors such as the responsibilities, risks and time invested: The remuneration of independent directors is the travel expenses, the compensation for serving on the Remuneration Committee and the amount of directors' remuneration.
2. Other than the disclosure in the table above, the remuneration for directors for providing services to all companies in the consolidated financial statements (such as non-employee consultants) in the most recent fiscal year are as follows: None.

Note 1: Dismissed upon the end of term of office on 2023/6/29.
Note 2: Newly assumed the term of office on 2023/6/29.

(II) Remunerations of Supervisors

The Company has set up the Auditing Committee in place of the function of supervisor on June 14, 2017.

(III) Remuneration paid to the general manager and assistant general managers

December 31, 2023 NT$thousand

Title	Name	Salary (A)		Severance Pay (B)		Bonus and Allowances (C)		Employee Compensation (D)				Ratio of the total of A+B+C+D to net profit after tax (%)		Compensation paid to directors from an invested company other than the company's subsidiary
		Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company	All companies in the consolidated financial statement	Company		All companies in the consolidated financial statement		Company	All companies in the consolidated financial statement	
								Cash	Stock	Cash	Stock			
President	Peng, He-Feng	3,400	3,400	0	0	0	0	0	0	0	0	3,400 7.96%	3,400 7.96%	None
Chief Strategy Officer	Hsu Ming-Che	692	728	0	0	0	0	0	0	0	0	692 1.62%	728 1.70%	
Deputy Director of the Management Department	Wen-Sheng Hsu (Note 1)	335	335	0	0	0	0	0	0	0	0	335 0.78%	335 0.78%	
Chief Information Security Officer	Chu, Sheng-Fang	2,775	2,775	0	0	0	0	0	0	0	0	2,775 6.50%	2,775 6.50%	
Deputy Director of Greater China Office	Fu-Tsai Liu	1,998	1,998	0	0	0	0	0	0	0	0	1,998 4.68%	1,998 4.68%	
CFO	Ying-Fu Lai	6,051	6,051	0	0	0	0	0	0	0	0	6,051 14.17%	6,051 14.17%	
Chief corporate governance officer	Chia-Chen Hung (Note 2)	682	682	0	0	0	0	0	0	0	0	682 1.60%	682 1.60%	

Note 1: Retired on 2023/2/28.
Note 2: Dismissed on 2023/8/10.

(IV) Names of Managers who Received Employee Compensation and the Distribution Status

Date: December 31, 2023 Unit: NT$Thousand; shares

	Title	Name	Stock	Cash	Total	Ratio of Total Remuneration to Net Income (%)
Managers	President	Peng, He-Feng	0	0	0	0
	Chief Strategy Officer	Hsu Ming-Che				
	Chief Information Security Officer	Chu, Sheng-Fang				
	Deputy Director of Greater China Office	Fu-Tsai Liu				
	CFO	Ying-Fu Lai				
	Deputy Director of the Management Department	Wen-Sheng Hsu (Note 1)				
	Chief corporate governance officer	Chia-Chen Hung (Note 2)				

Note 1: Retired on 2023/2/28.
Note 2: Dismissed on 2023/8/10.

(V) Analyze the proportion of the total remuneration of directors, president and vice presidents of the Company paid by the Company and all companies in the consolidated financial statements to the profit after tax in the individual financial statements of the past two years; also explain the remuneration policies, standards and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure

Unit: NT$ thousand

		2023	2022
Company	Total remuneration	17,579	22,378
	Ratio of net profit after tax	41.16%	7.17%
All companies in the consolidated financial statement	Total remuneration	17,615	22,378
	Ratio of net profit after tax	41.24%	7.17%

Note: The remuneration paid includes base compensation, fees for services rendered, bonuses and allowances, and the remuneration of directors and supervisors in the current fiscal year.

In accordance with Article 22 of the Company’s Articles of Incorporation, if the company earns a profit in the current year, the proportion of the employees’ compensation shall not be less than 5%, and the proportion of the remuneration for directors shall not be higher than 1%. The Company also offers reasonable remuneration packages based on the business achievements and contributions to the Company’s performance. The remuneration for the president and vice presidents is based on the Company’s “Regulations Governing Employee Remuneration”, the remuneration level of industry peers, the level of authority and the contribution to the Company’s operation goals. In addition to referring to the Company's overall business performance, future operational risks and development trends in the industry, the Company also refers to individual achievements and contributions to the company's performance to offer reasonable remuneration packages. Relevant performance evaluation and reasonableness of the remuneration are approved by the Remuneration Committee and the board of directors, with timely reviews on the remuneration system according to the actual operating conditions and relevant laws and regulations.

IV. Status of governance

(I) The state of operations of the board of directors

6 (A) meetings were held by the Board of Directors in the most recent fiscal year, the attendance of directors is shown below:

Title	Name	In-person Attendance (B)	No. of attendance by proxy	In-person Attendance Rate (%) (B/A)	Remarks
Chairman	Hsu Ming-Che	3	3	50%	Re-elected on June 29, 2023
Vice Chairman	Chu, Sheng-Fang	6	0	100%	Re-elected on June 29, 2023
Director	Hsu, Lu-Che	2	0	33%	Re-elected on June 29, 2023
Director	Tai, Li-Ning	3	0	50%	Re-elected on June 29, 2023
Independent Director	Fang, Ching-Yueh	6	0	100%	Re-elected on June 29, 2023
Independent Director	Huang, Chun-Hsi	3	0	100%	Dismissed on 2023.06.29
Independent Director	Lu, Hung-Te	3	0	100%	Dismissed on 2023.06.29
Independent Director	Weng Tzu-Lin	3	0	100%	Newly assumed the position on 2023.06.29

Attendance of independent directors in the Board of Directors Meetings in 2023

○ In-person Attendance △ By Proxy ☆ Non-attendance

Name / Date	Fang, Ching-Yueh	Huang, Chun-Hsi	Lu, Hung-Te	Weng Tzu-Lin
2023.01.05	○	○	○	
2023.03.16	○	○	○	
2023.05.11	○	○	○	
2023.06.29	○			○
2023.08.10	○			○
2023.11.10	○			○

Other matters to be recorded:

I. For matters specified in Article 14.3 of the Taiwan Securities and Exchange Act: The Company has established the Audit Committee; therefore, the provision of Article 14-3 of the Securities and Exchange Act is not applicable.
B. Other Independent Directors who expressed opposition or qualified opinions that were recorded or declared in writing, the meeting date, period, content, qualified opinion and resolution made by any independent director should be specified: None.

II. To avoid conflict of interest among directors, the Director's name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded:
For the proposal for appointment of Remuneration Committee members on

2023.8.10, as Director Ching-Yueh Feng and Director Tzu-Lin Wang recused themselves due to conflict of interest, they did not participate in the discussion and voting of this proposal.

III. The TWSE/TPEx-listed bank shall disclose the appraisal cycle and period, scope of appraisal, method and contents of appraisal about the Board of Directors' self (or peer) performance appraisal:

According to Zheng-Kuei-Jian-No. 10802018342 issued by TPEx on January 2, 2020, the TPEx listed companies shall conduct internal evaluation of the board, self-evaluation by the board members of themselves, an peer evaluation every year, starting from 2020, and report the performance evaluation results before the end of the first quarter, in order to implement corporate governance and strengthen Board functions, and to set forth performance objectives to improve the operation efficiency of the board of directors.

1. Cycle: Once a year
2. Appraisal period
   From January 1 to December 31, 2023.
3. Scope
   The scope of appraisal: Including the overall Board performance and its members, and the evaluation of the functional committees.
4. Method
   Self-evaluations of the directors and members of the functional committees under the board of directors are conducted in accordance with the "Board Performance Self-evaluation Questionnaire", "Director Performance Self-evaluation Questionnaire" and "Functional Committee Performance Self-evaluation Questionnaire".
5. Evaluation indicators in 2023

Performance evaluation of Board of Directors	Self-evaluation of Board members	Evaluation of the functional committees
• Degree of participation in company operations • Improvement in the quality of decision making of the board of directors • Board composition and structure • Election of directors and continuing education • Internal control	• Understanding of company goals and mission • Comprehension of directors 's duties • Degree of participation in company operations • Management of internal relationships and communication • Professionalism and continuing education of directors • Internal control	• Degree of participation in company operations • Comprehension of duties of the Audit Committee/ Remuneration Committee • Improvement in the quality of decision making of the Audit Committee/ Remuneration Committee • Composition and election of members of the Audit Committee/ Remuneration Committee • Internal control
45 evaluation indicators	23 Evaluation indicators	26 Evaluation indicators

6. 2023 evaluation results

Performance evaluation of Board of Directors	Self-evaluation of Board members	Functional Committee Performance Evaluation
Score of 4.82 points	Score of 4.86 points	Audit Committee/ Remuneration Committee Score of 5/5 points

The Board performance evaluation results for 2023 are between 5 points (strongly agree) and 4 points (agree). Most directors strongly agree with various evaluation indicators. Overall, the evaluation results of the Board and functional committees are outstanding, complying with corporate governance, effectively strengthening Board functions, and safeguarding shareholders' rights and interests.

IV. Strengthening the functions of the board in the current and recent fiscal years (e.g. establishing the Audit Committee, promoting information transparency, etc.) and conducting performance assessment:

The Company has set up the Audit Committee, with a total of 2 independent directors. The Company’s audit supervisor also reports the audit status to the independent directors on a monthly basis, so that they can understand the Company's current status. In addition, the Company also disclosed relevant information its official website for better information transparency.

(II) The state of operations of the Audit Committee or the state of participation in board meetings by the supervisors

1. (A) meetings were held by the Audit Committee in the most recent fiscal year, the attendance of independent directors is shown below:

Title	Name	In-person Attendance (B)	No. of attendance by proxy	In-person Attendance Rate (%) (B/A)	Remarks
Independent Director	Fang, Ching-Yueh	5	0	100%	Re-elected on June 29, 2023
Independent Director	Huang, Chun-Hsi	3	0	100%	Dismissed on 2023.06.29
Independent Director	Lu, Hung-Te	3	0	100%	Dismissed on 2023.06.29
Independent Director	Weng Tzu-Lin	2	0	100%	Elected on June 29, 2023

Other matters to be recorded:

I. For board of directors meetings that meet any of the following descriptions, state the date, session, the discussed agenda, independent directors' opinions and how the Company has responded to such opinions:
   (I) Matters under Article 14-5 of the Securities and Exchange Act: Please refer to 3. 2021 Implementation Status
   (II) Other than those described above, any resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors: None.

II. To avoid conflict of interest among independent directors, the Independent Director’s name, meeting content, and reason for avoiding conflict of interest and participation in the voting process must be properly recorded: None.

III. Communication between independent directors and internal/external auditors (e.g. discussions concerning the Company’s financial and business affairs, the method of communication used, and the outcome): The Company’s auditor will submit an audit report to the independent directors on a monthly basis so that they can keep in line with the Company's current status. The CPAs attend the Audit Committee in person to report proposals related to financial statements and corporate governance to independent directors. If independent directors have any questions, they may communicate with the CPAs directly.

2. Key functions of the Audit Committee in 2021: The key functions of the Audit Committee involves assisting the Board in fulfilling its oversight of the quality and integrity of the accounting, auditing, reporting, and financial control practices of the Company.

The Audit Committee is responsible to review the following major matters:

I. Adoption or amendment of an internal control system pursuant to Article 14-1 of the Securities and Exchange Act.

II. Assessment of the effectiveness of the internal control system.

III. Adoption or amendment, pursuant to Article 36-1 of the Securities and Exchange Act, of handling procedures for financial or operational actions of material significance, such as acquisition or disposal of assets, derivatives trading, extension of monetary loans to others, or endorsements or guarantees for others.

IV. A matter bearing on the personal interest of a director or supervisor.

V. A transaction involving material asset or derivatives trading.

VI. A material monetary loan, endorsement, or provision of guarantee.

VII. The offering, issuance, or private placement of any equity-type securities.
VIII. The hiring, dismissal or remuneration of an attesting certified public accountant.
IX. The appointment or dismissal of a financial, accounting, or internal auditing officer.
X. Annual financial reports and second quarter financial reports.
XI. Any other material matter so determined by the company or the competent authority.

3. 2021 Implementation Status

Audit Committee	Motion and follow-up	Matters specified in Article 14.5 of the Taiwan Securities and Exchange Act	Resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors.
12th meeting of the 2nd term Board 2023.01.05	I. Proposal on pre-approval of CPAs, their firm and affiliates to provide non-assurance services to the Company, parent company and subsidiaries.	V	
Resolution of the Audit Committee (January 5, 2023): Passed by all members of the Audit Committee.			
Company's response to Audit Committee's opinions: Motion was passed with no objection from attending directors.			
13th meeting of the 2nd term Board March 16, 2023	I. The accounts receivables from related parties from December 31, 2022 to December 31, 2022 recognized as loan extensions to others. II. The 2022 business report, financial statements and consolidated financial statements. III. The 2022 Statement of Declaration for the Internal Control System. IV. The Company's certifying CPA was changed due to the CPA firm's internal organization adjustment. V. Evaluation of the CPAs' independence and suitability, the appointment and compensation.	V	
Resolution of the Audit Committee (March 16, 2023): Passed by all members of the Audit Committee.			
Company's response to Audit Committee's opinions: Motion was passed with no objection from attending directors.			
14th meeting of the 2nd term Board May 11, 2023	I. Recognition of the accounts receivables from related parties as of March 31, 2023 as loan extensions to others. II. The first quarter 2023 consolidated financial statements III. Capital increase from additional paid-in capital and issuance of new shares in 2022. IV. Amendments to the Company's "Procedures for the Acquisition and Disposal of Assets" V. Amendment to the Company's "Procedures for Loaning of Funds". VI. Amendment to the Company's "Procedures for Endorsement and Guarantee".	V	
Resolution of the Audit Committee (May 5, 2023): Passed by all members of the Audit Committee.			
Company's response to Audit Committee's opinions: Motion was passed with no objection from attending directors.			
1st meeting of the 3rd term Board August 08, 2023	I. Recognition of the accounts receivables from related parties as of June 31, 2023 as loan extensions to others. II. The Second quarter 2023 consolidated financial statements III. Authorization on the ex-dates for rights and dividends, rates of stock and cash dividends to shareholders and related operations.	V	
Resolution of the Audit Committee (August 10, 2023): Passed by all members of the Audit Committee.			
Company's response to Audit Committee's opinions: Motion was passed with no objection from attending directors.			

Audit Committee	Motion and follow-up	Matters specified in Article 14.5 of the Taiwan Securities and Exchange Act	Resolutions unapproved by the Audit Committee but passed by more than two-thirds of directors.
2nd meeting of the 3rd term Board 2023.11.10	I. Recognition of the accounts receivables from related parties as of September 31, 2023 as loan extensions to others. II. The third quarter 2023 consolidated financial statements III. Partial amendment of the internal control system.	V	
Resolution of the Audit Committee (November 10, 2023): Passed by all members of the Audit Committee.			
Company's response to Audit Committee's opinions: Motion was passed with no objection from attending directors.			

(III) The state of the company's implementation of corporate governance, any departure of such implementation from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies, and the reason for any such departure

Items	Implementation Status			Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
I. Does the company establish and disclose the Corporate Governance Best Practice Principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	√		The Company has established the Corporate Governance Best Practice Principles and disclosed it on the MOPS.	No difference
II. Shareholding structure & shareholders' rights (I) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure? (II) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares? (III) Does the company establish and execute the risk management and firewall system within its conglomerate structure? (IV) Does the company establish internal rules against insiders trading with undisclosed information?	√		The Company appointed the Spokesman and Deputy Spokesman to communicate with shareholders, and provided contact information including the Company's contact number and e-mail on its official website. The Company's stock agency provides the list of the company's major shareholders as well as the ultimate owners of those shares. The Company has established the "Regulations Governing the Financial and Business Trading Between Stakeholders, Specific Companies and Group Enterprises" as the risk management and firewall system for affiliates. The Company has formulated the "Procedures for Handling Material Inside Information" to regulate insiders on maintaining confidentiality of undisclosed information.	No difference
III. Composition and Responsibilities of the Board of Directors (I) Does the Board develop and implement a diversified policy for the composition of its members?	√		The Company's "Corporate Governance Best Practice Principles" stipulates a diversified policy for the composition of its members. There are currently six directors, including two independent	No difference

Items	Implementation Status			Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
(II) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee? (III) Has the company established a set of policies and assessment tools to evaluate the Board's performance, conducted the performance evaluation regularly at least on an annual basis, and submitted the performance evaluation result to the Board and applied the same as reference for remuneration to individual directors and nomination? (IV) Did the company periodically evaluate the independence of CPAs who perform the audit function?			directors among which one is a woman. The Board members include enterprisers and scholars with various professional backgrounds. The Company has established the Remuneration Committee and Audit Committee in accordance with relevant laws. The Company has established the Measures for the Evaluation of the Board's Performance and conducts the performance evaluation regularly at least on an annual basis. The 2023 performance evaluation result has been submitted to the board meeting on March 14, 2024 and applied as the reference for the remuneration of individual directors and their nomination for re-election. The Company regularly evaluates the independence of CPAs in accordance with the "Regulations Governing the Appointment and Evaluation of Certified Public Accountants". Except for audit fees and taxation costs, the CPAs have no financial or business relationship with the Company, with no independence violations from the CPA's close family member, ensuring the suitability of the audit firm. The Company's board meeting passed the motion on the independence and suitability of CPAs on March 14, 2023.	
IV. Whether the company assigns the adequate number of competent corporate governance officers, and appoints the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, providing directors/supervisors with the information needed to perform their duties, helping directors/ supervisors with compliance, organization of the Board of Directors meetings and shareholders' meetings, and preparation of board meeting and shareholders' meeting minutes, et al.)?	√		The Company appointed dedicated personnel in the finance department to be responsible for corporate governance affairs, and keep in line with changes and trends in laws and regulations related to corporate governance. The finance department has held six Board meetings and one shareholders meeting in 2023. Relevant documentation have been prepared before the meeting, with the minutes of the meetings and various reports after the meeting to comply with relevant laws. The Company has established the position of Corporate Governance Director in accordance with the regulations, and the scope of duties is as follows: I. Handle matters related to board meetings and shareholders'	No difference

Items	Implementation Status			Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
			meetings in accordance with the law. II. Prepare minutes of board meetings and shareholders' meetings. III. Assist in the onboarding and continuing education of directors. IV. Provide information required for the performance of duties by directors. V. Assist in the directors' legal compliance. VI. Other matters stipulated in the Company's Articles of Association or contracts, where the number of hours of further study is scheduled.	
V. Does the Company establish communication channels and dedicate section for stakeholder (including but not limited to the shareholders, employees , clients and suppliers) on its website to respond to important issues of corporate social responsibility concerns?	√		The Company reports relevant information on the MOPS, provides communication channels on the company website, and has appointed the Spokesman and Deputy Spokesman to communicate with stakeholders.	No difference
VI. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	√		The company appointed Mega Securities Co., Ltd. to deal with shareholder affairs.	No difference
VII. Information disclosure (I) Did the company create a website to disclose its financial, operational, and corporate governance information? (II) Did the company use other information disclosure methods (such as set-up of an English website, designation of an employee to gather and disclose bank information, implementation of the regulation on the spokesperson, and provision of the contents of institutional investor conference on the company website, and so on)? (III) Whether the company announces and reports the annual financial report within the time limit prescribed by relevant laws at the end of each fiscal year, and the financial report for Q1, Q2 and Q3 and monthly operation overview before the prescribed time limit?	√		The Company's official website discloses its financial, operational, and corporate governance information. The Company reports relevant information on the MOPS and the company website, designated personnel to be responsible for collection and disclosure of company information, and appointed the Spokesman and Deputy Spokesman to disclose relevant information. The company reports the annual financial report, the financial report for Q1, Q2 and Q3, and monthly operation overview before the time limit prescribed by relevant laws.	No difference

Items	Implementation Status			Deviations from "the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
VIII. Does the company have other information that enables a better understanding of its corporate governance practices (including but not limited to employee rights, employee care, investor relations, stakeholders' rights, continuing education of directors/ supervisors, implementation of risk management policies and risk measurements, implementation of customer policy, insuring against liabilities of directors and supervisors, and donation to political parties, stakeholders and charity organizations)?	√		The Company has formulated comprehensive employee benefits, continuing education, training, retirement systems, and procedures for handling sexual harassment complaints, which shall be implemented in accordance with relevant laws and regulations. The Company has already insured against liabilities of directors and supervisors. The attendance in each Board meeting is in compliance with the Company Act. In addition, the Company has posted related material information on the Company's website for reference.	No difference
IX. Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified. (Not applicable as the Company is not one of the evaluated subjects)	√		In 2023, the Company ranked in the top 66%~80% among the listed companies for the Corporate Governance. The Company's corporate governance team proactively made improvements, including measures such as enhancing transparency of the company website and preparation of clear and understandable annual reports.	No difference

(IV) The composition and operations of the Remuneration Committee or Nomination Committee, if established:

1. Information of the Remuneration Committee Members

Identity	Name (Criteria)	Professional qualifications and experience	Independence status	Number of positions as Remuneration Committee member in other public companies
Independent Director	Fang, Ching-Yueh (Convener)	For the professional qualifications and experience of the directors, please refer to "Information on Directors and Supervisors" in this annual report (p.11).	1. Whether the person, his/her spouse or relatives within the second degree of kinship serve as directors, supervisors or employees of the Company or its affiliated companies: No. 2. The number and proportion of the Company's shares held by the person, his/her spouse or relatives within the second degree (or in the names of others): None. 3. Whether the person is a director, supervisor or employee of a company that has a specific relationship with the Company (refer to the provisions of subparagraphs 5 to 8, paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies): None. 4. The amount of remuneration received for providing business, legal, financial, accounting or other services to the Company or its affiliates in the last two years: None.	0
Independent Director	Weng Tzu-Lin			0
	Wen-Hsien Tsai			3

2. Operations of the Remuneration Committee

(1) The Company's Remuneration Committee consists of 3 members

(2) The term of this Committee is from August 10, 2023 to June 28, 2026. In the most recent year, Remuneration Committee Meetings were convened three times (A). The qualifications of members and their attendance record are as follows:

Title	Name	No. of in-person attendance (B)	No. of attendance by proxy	In-person Attendance Rate (%) (B/A)	Remarks
Convener	Fang, Ching-Yueh	3	0	100%	Re-elected on August 10, 2023
Committee member	Huang, Chun-Hsi	3	0	100%	Dismissed on 2023.8.10
Committee member	Lu, Hung-Te	3	0	100%	Dismissed on 2023.8.10
Committee member	Weng Tzu-Lin	0	0	0%	Elected on August 10, 2023
Committee member	Wen-Hsien Tsai	0	0	0%	Elected on August 10, 2023
Other matters to be recorded: I. In the event where the Remuneration Committee's proposal is rejected or amended by the board of					

directors, please describe the date and session of the meeting, details of the agenda, the board's resolution, and how the Company had handled the Remuneration Committee's proposals (describe the differences and reasons, if any, should the board of directors approve a solution that was more favorable than the one proposed by the Remuneration Committee): None.

II. Should any member object or express qualified opinions to the resolution made by the Remuneration Committee, whether on-record or in writing, please describe the date and session of the meeting, details of the agenda, the entire members' opinions, and how their opinions were addressed: None.

(3) The Discussion and Resolution of the Remuneration Committee, and the Company's Response to Remuneration Committee's Opinions

Remuneration Committee	Motion and follow-up
5th session of the 4th term on January 5, 2023	I. The remuneration of the Company’s managers.
Resolution of the Remuneration Committee: Passed by all members of the Remuneration Committee.	
The Company's response to Remuneration Committee's opinions: Motion was passed with no objection from attending directors.	
6th session of the 4th term on March 16, 2023	I. The remuneration for directors and employee compensation.
Resolution of the Remuneration Committee: Passed by all members of the Remuneration Committee.	
The Company's response to Remuneration Committee's opinions: Motion was passed with no objection from attending directors.	
7th session of the 4th term on May 11, 2023	I. Proposal on the Company’s subsidiary Tiga Gaming Inc. planning to issue employee stock option certificates, and the subjects for receiving the employee stock option certificates include the Company’s managerial officers.
Resolution of the Remuneration Committee: Passed by all members of the Remuneration Committee.	
The Company's response to Remuneration Committee's opinions: Motion was passed with no objection from attending directors.	

(V) Fulfillment of sustainable development, and deviations from the Sustainable Development Best-Practice Principles for TWSE/TPEx listed Companies and reasons

Promotion items	Implementation status (Note)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and reasons
	Yes	No	Description	
I. Has the Company established a governance structure to promote sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, with the senior management authorized by the board meeting to handle its matters; what is the status of supervision by the board of directors?	√		1. On August 11, 2022, the Company's board meeting approved the "Enterprise Sustainable Development Best Practice Principles" and the "Organizational Rules of the Sustainable Development Committee" to establish its sustainable development governance structure to promote the sustainable development of the Company. 2. On August 11, 2022, the Company's board meeting also approved the Sustainable Development Committee in accordance with the above-mentioned measures, and appointed Hsu Ming-Che, the Chairman of the Company (convener), Chu, Sheng-Fang, the Vice Chairman, and Lai, Ying-Fu, CFO, as the Sustainable Development Committee members to promote the sustainable development of the Company. The main responsibility of the Sustainable Development Committee is to assist the board of directors in continuously promoting sustainable development and improving corporate governance, in order to achieve the purpose of sustainable operation. Its responsibilities include the following: I. Develop the sustainable development direction and goals, and formulate relevant management policies and specific promotion plans. II. Advocate and implement the Company's ethical corporate management and risk management related work. III. Track, inspect and revise the implementation and effectiveness of sustainable development. IV. Other matters of the board's resolutions for the Committee to handle. 3. The Company's Sustainable Development Committee convened a total of 5 meetings in 2023, and reported relevant implementation status to the Board of Directors on August 10, 2023.	None.
II. Has the Company conducted risk assessment on environment, society and corporate governance issues related to the Company's operation, and formulated related risk management policies or strategies?	√		1. The Company has conducted a risk assessment on environmental, social and corporate governance issues related to its operations based on the principle of materiality in 2023. The major issues are currently mainly related to the Company, without the inclusion of subsidiaries. 2. Risk assessment criteria, process and results for identifying major issues: Identify major themes based on GRI, and evaluate the frequency and significance of the risks and opportunities; review the impact of each issue on economic, social, environmental, and corporate governance aspects. After discussion between external experts hired by the Company and ESG members, determine the "Impact Degree Score", and accordingly determine major issues of the Company. 3. The Company will continue to focus on the identified major issues of concern in 2024, and make adjustments to the risk management of the parts that can be improved.	None.

III. Environmental issues (I) Did the company create suitable environmental management regulations based on the nature of its industry? (II) Is the company committed to improving the efficiency of all resources and using recycled materials that create low environmental impact? (III) Whether the company assesses the potential risk and opportunity posed by climate changes to the enterprise, now and in the future, and takes responsive measures related to climate issues? (IV) Whether the company gathers the statistics about the annual greenhouse gas emission, water consumption and gross weight of waste for the past two years, and adopts policies for energy conservation and carbon reduction, greenhouse gas reduction, reduction of water consumption or management of exhaust gas and other waste goods?	√		1. The Company has approved the "Enterprise Sustainable Development Best Practice Principles" in 2022, which includes contents related to sustainable development environment. The Company will establish relevant management systems based on actual needs to meet the its environmental goals. 2. The Company has obtained the ISO14001:2015 certificate. The valid period is from 2023.09.14 to 2026.09.14. 3. The Company has appointed dedicated personnel to keep abreast with relevant laws, regulations and information, timely report to relevant personnel of each unit for cooperative planning, and produce and develop related components and recyclable products in accordance with the environmental protection laws and regulations. In addition, all suppliers must provide components or modify the manufacturing process that meet the requirements of green products. 4. To achieve operating efficiency and contribute to the society, the Company requires relevant procurement and management units to develop towards environmental protection, energy saving and carbon reduction, reduce unnecessary waste of resources, and seek waste reduction and recycling technology development. The energy-saving policy includes turning off lights during lunch breaks, restriction of setting air conditioners at low temperatures, and fully adopting LED lighting. The energy-saving policy includes garbage sorting and encouraging employees to bring personal items. 5. The Company expects to release the ESG report during the end of August 2024, which will include a description of the current and future potential risks and opportunities for the company due to climate change, greenhouse gases, water consumption and total weight of waste, as well as the Company's current policies for energy conservation, carbon reduction, greenhouse gas reduction, water consumption reduction or other waste management policies. 6. (1) Energy: Accordingly, the Company monitors energy consumption closely. In 2022, the total energy consumption of the Company was 2296 GJ, and the energy used by the business locations mainly referred to externally purchased electricity, and the externally purchased electricity percentage was 100%. The fossil fuel (gasoline) is used by the company vehicles, and the Company has not introduced the use of renewable energy. In 2022, the energy intensity was 1.16 GJ/NT$ million of revenue. For the 2023 statistics result and report, data collection is expected to be completed in June. To reduce the product and service energy demands, the Company is committed to provide energy-saving green products with low energy consumption, in order to guide customers to participate in the energy-saving plans jointly and to establish an ecological system beneficial to all parties. For the future planning of new products, the Company will adopt the green energy-saving strategy direction, in order to achieve the goal of annual reduction of 10% of energy consumption for new products from the previous year in the future. The specific policies include: 1. Non-use of hazardous and restricted substances and energy-consumption raw materials. 2. Ratio of the use amount of recycled materials over the product weight exceeds 50%. 3. Simplify product structure, and reduce production energy consumption. 4. Establish remote management system in order to assist customers to perform remote maintenance, to reduce customers' demand for dispatching personnel to provide field repair service, and to reduce carbon emissions. (2) Greenhouse gas emissions: In 2023, the Company's total greenhouse gas emissions was 307 tonnes of CO_2e. Among which the Scope 1 greenhouse gas emissions was 21 tonnes of CO_2e, and the emission source referred to the gasoline consumption by the company vehicles, and the gas types of the inventory inspection included carbon dioxide, methane, nitrous oxide. The emission source for Scope 2 greenhouse gas emissions mainly referred to the carbon dioxide emission due to the externally purchased electricity, and the emissions was 286 tonnes of CO_2e, accounted for 93% of the total emissions. The greenhouse gas emissions intensity was 0.16 tonne of CO_2e /NT$ million of revenue.	None.

Carbon Reduction Measures:

1. Replace lighting fixtures, and use LED lighting fixtures to achieve the benefit of energy saving
2. Promote employees to set the air conditioner to medium wind speed.

(3) Water Resource Management:

The Company's water resource consumption comes from employees' domestic water consumption, and the discharge category also refers to domestic wastewater only. 100% of the water withdrawal source comes from tap water plant without any use of surface water, ground water or sea water. Accordingly, the Company's water withdrawal has no significant impact on the water body or community water consumption. In 2023, the Company's total water consumption was 2,980 tons, and the water consumption intensity was 1.5784 tons/NT$ million of revenue.

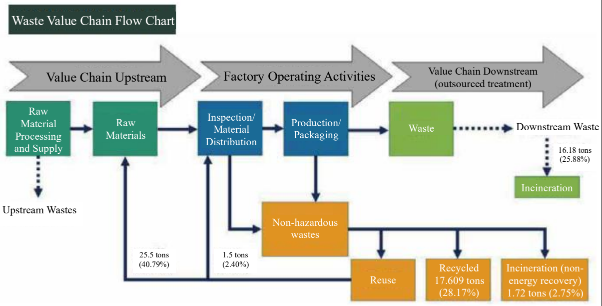
The Company's manufacturing processes does not generate toxic wastewater and wastes, and there is no large consumption of water. The Company will continue to promote the concept of water saving to employees. Furthermore, the installation of additional water-saving touch faucets is also evaluated, in order to reduce any waste of water resource in daily lives.

(4) Waste Management:

The Company's waste management complies with the requirements of the Waste Disposal Act, and FEC has introduced and obtained the ISO14001 certification in 2023. FEC will continue to operate according to the management system. The waste disposal plan proposed has been approved by the competent authority, and for relevant businesses, FEC has also declared the waste output, storage, disposal and treatment volume according to the waste disposal related laws and regulations of the Department of Environmental Protection via the online reporting method.

After solid wastes are classified at the source, they are stored at the waste storage area according to the nature of wastes, following which qualified contractor approved by the Environmental Protection Administration is entrusted to perform waste disposal. The Company also tracks the disposal process of the contractor irregularly in order to ensure that third party contractor handles wastes according to the regulations.

In the future, the Company will continue to exert effort in the reduction of process waste, resource saving, reduction of waste, promotion of resource recycle and reuse, and mitigation of environmental burden, thereby achieving the goal of waste reduction and resource recycle and reuse.



IV. Social issues (I) Did the company draft applicable management policies and procedures based on applicable laws and international human rights agreements? (II) Whether the company adopts and implements reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflects the operating performance or results to the remuneration to employees adequately? (III) Did the company create a safe and healthy work environment for employees and offer periodic safety and health training to employees? (IV) Did the company create effective career competence development plans for employees? (V) Whether the company complies with the related laws and international practices with respect to customers' health and safety, customers' privacy, marketing and labeling for its products and services, and adopts related consumers protection policy and complaints handling procedures? (VI) Whether the company adopts any specific suppliers' management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?		√	1. The Company has approved the "Enterprise Sustainable Development Best Practice Principles" in 2022, which includes contents related to the maintenance of social justice. The Company will establish relevant management systems based on actual needs to meet its environmental goals. 2. The Company provides employees with benefits such as birthday gifts, annual employee travel, festival gifts, wedding gift money, funeral condolence money, year-end dinner, training, childbirth subsidy, scholarship subsidy, senior staff awards, employee stock options and bonuses, year-end bonuses, labor/national/group insurance and health checks. 3. The Company provides employees with a safe and healthy working environment in accordance with the Occupational Safety and Health Act. Number of cases of employee occupational accidents, ratio of number of people involved over total number of employees and relevant improvement measures in 2023: There was no occurrence of occupational accident; the number of fire accident of the entire company in 2023 was 0 case, and the number of deceased or injured people and the ratio of deceased or injured people over total number of employees were 0. 4. The company's website has set up a special stakeholder section as the complaints channel. 5. When selecting suppliers, the Company must go through an appropriate evaluation process, and for other items the Company will continue to set relevant standards based on its needs.	The Company will continue to add and revise relevant operation procedures based on its needs, in order to meet its social issue goals.
V. Does the Company prepare reports disclosing the Company's non-financial information, such as the sustainability report, based on international guidelines or directions for preparation of reports ? Whether said report has been assured or guaranteed by a third party certification unit?	√		The Company is proceeding in accordance with the schedule stipulated in the "Regulations for the Preparation and Filing of the Sustainability Report by TPEx Listed Companies" of the Taipei Exchange, and has completed the Company's 2022 Sustainability Report in 2023.	None.
VI. If the Company has established its own sustainable development code of conducts in accordance with the "Sustainable Development Best-Practice Principles for TWSE/TPEx-Listed Companies", please describe the current practices and any deviations from the said Principles: None.				
VII. Other important information helpful to understand the implementation of the promotion of sustainable development: The Company discloses material information on the official website and annual reports, such as complying with environmental protection regulations, and donations to social welfare organizations. In addition, the Company has no record of penalties due to environmental pollution.				

Note: Stakeholder identity, material issues, communication channels and response measures

Stakeholder identity	Material issues	Communication channels and response measures
Shareholders and investors	＊ Operating performance ＊ Investment results ＊ Corporate image ＊ Products and services	＊ Contact person: Deputy Spokesperson Heng-Li Chen Tel: (02)2698-1446 ＊ Annual Shareholders Meeting ＊ Material information is simultaneously disclosed on the MOPS and company website ＊ Take part or organize the investor conference
Customer	＊ Fair competition ＊ Corporate image	＊ Contact information: sales-mktg@firich.com.tw

Stakeholder identity	Material issues	Communication channels and response measures
	* Product liability and legal compliance * No bribery * Financial status	* Customer satisfaction * Organize or participate in product launch workshops and seminars * Annual credit review
Supplier	* Corporate image * Fair competition * Product liability and legal compliance * No bribery	* Contact person: Hui-Chen Lin, Purchasing Department Tel: (02)2698-1446 * Annual audit of suppliers and contractors * On-site visits and inspections
Employees	* Labor-management relation * Employee health and work safety * No discrimination or forced labor * Legal compliance	* Contact person: Ms. Chou, Human Resources Department Tel: (02)2698-1446 * Provide annual health check-up and consultation for employees * Employee education and training

2. Climate-related information of TWSE/TPEx listed company:

<table>
<tr><th>Item</th><th>Implementation</th></tr>
<tr><td>I. Describe the oversight and governance of the Board and the management on climate-related risks and opportunities.</td><td>To ensure the proper management of climate-related risks and opportunities, the Company’s Board of Directors serves as the highest governance unit in order to perform the identification and management of climate change risks and opportunities. Each department is responsible for the establishment of the goal for its relevant responsible scope and tracking thereof. In addition, risk and opportunity identification result is reported to the Chapman and President during the annual senior officer meeting and control measures are also established, in order to allow the Board of Directors to properly supervise the climate-related topics and to periodically review the climate governance status of the Company.</td></tr>
<tr><td>II. Describe how the climate risks and opportunities identified affect the business, strategy and finance (short-term, medium-term, long-term) of the Company.</td><td rowspan="3">
<table>
<tr><th>Aspect</th><th>Topic</th><th>Impact period</th><th>Impact of risk/opportunity on FEC</th><th>Response strategy</th></tr>
<tr><td>Transformation risk - Policy and regulatory risk</td><td>Increase of greenhouse gas emission pricing</td><td>Medium-term</td><td>To cope with the amendment of the “Climate Change Response Act” passed the third-reading by the Taiwan government, FEC may be listed as the subject for carbon fee collection in the future, such that the corporate cost may be increased. If the Taiwan government implements the Carbon Trade system in the future, it will also cause the Company’s carbon reduction cost to increase or the Company may need to purchase emission quota.</td><td>1. Invest in green energy industry.
2. Actively promote and convey the philosophy of energy saving.
3. Promote carbon inventory inspection project. Through inventory inspection, the current carbon emission status of the Company's operation can be understood, and feasible method and solution can be assessed in order to achieve improvement and to actively establish the goal for emission reduction.</td></tr>
<tr><td>Transformation Risk - Market Risk</td><td>Raw material cost increase</td><td>Medium-term</td><td>Due to the factors of the carbon fee collection mechanism or extreme climate, the production costs of suppliers are increased, and such cost may be transferred to the sales price of the raw materials, resulting in the increase of the production cost of the Company.</td><td>1. The Company plans to increase the ratio of eco-friendly suppliers, in order to reduce the risk of increase of raw material prices of suppliers due to carbon fee collection.
2. The Company plans to add and revise the new supplier evaluation indicators, in order to ensure that suppliers value the topic of environmental protection and to reduce the risk of increase of raw material prices of suppliers due to carbon fee</td></tr>
</table>
</td></tr>
<tr><td>III. Describe the impact of extreme climate event and transformation action on the finance.</td></tr>
<tr><td>IV. Describe how the processes for identifying, assessing, and managing climate risks are integrated into the overall risk management system.</td></tr>
</table>

Item	Implementation				
					collection. 3. The Company monitors the market and environmental change in the supply chain closely, negotiates price adjustment with supplier partners timely, establishes energy saving and carbon reduction measures jointly, develops recycle and reusable materials, promotes circular economic model, and uses low-carbon and continuity technologies, in order to achieve optimal practice and technologies jointly with suppliers.
	Physical Risk	Increase of severity and frequency of extreme climate events	Short-term	Extreme climate can cause damage to the transportation and infrastructure, such that the corporate operation is affected, or supply chain is interrupted and the Company cannot perform production process. The product delivery of the Company may also be affected by the transportation interruption, such that the operating revenue of the Company is affected.	1. Diversity of supply chain. 2. Enhance communication with suppliers to ensure production and logistics progress. 3. Ensure that key suppliers understand the impact of extreme climate events on their operations.
	Physical Risk	Increase of average temperature	Long-term	The power consumption of the suppliers and business locations of the Company may be increased due to the rise of average temperature, such that the operating expense of the Company can be increased.	1. Establish energy-saving management method, and continue to promote various energy-saving measures.
	Opportunity - Product and Service	Develop and/or increase low-carbon products and services	Medium-term	The Company develops low-carbon products (such as energy-saving products or use low-carbon raw materials), and increases the low-carbon service ratio (such as software related services), in order to contribute effort to the climate change and to cope with the market trend along with the improvement of customer recognition, which is also beneficial to the operating revenue of the Company.	1. Continue to implement green product design and R&D, and enhance the promotion of low-carbon products. 2. Increase the ratio of eco-friendly suppliers.
V. If the scenario analysis is used to assess the resilience against the climate change risk, it is necessary to describe the scenario, parameters, assumptions, analysis factors used and the key financial impact.	Presently, the Company has not performed use scenario analysis to assess the resilience against the climate change risk.				
VI. If transformation plan for managing climate-related risk is available, the plan content shall be explained, and the indicators and goals for identifying and managing physical risks and transformation risk shall be described.	Presently, the Company has not established transformation plan for managing climate-related risks.				
VII. If the internal carbon pricing is used as a planning tool, the price establishment basis shall be explained.	Presently, the Company has not implemented the internal carbon pricing.				
VIII. If climate-related goal has been set up, it is necessary to describe the information of activity covered, greenhouse gas emissions scope, plan	None.				

<table>
<tr><th colspan="2">Item</th><th>Implementation</th></tr>
<tr><td></td><td>schedule, annual achievement progress, etc. If carbon offset or renewable energy certificates (RECs) are used to achieve relevant goals, it is necessary to explain the carbon reduction source and quantity for the offset or the quantity of renewable energy certificates (RECs).</td><td></td></tr>
<tr><td>IX.</td><td>Greenhouse Gas Inventory and Assurance Status and Reduction Goal, Strategy and Specific Action Plan.</td><td>The Company plans to introduce the ISO 14064-1:2018 greenhouse gas inventory inspection and third party verification in the future. Through the greenhouse gas inventory inspection, the current carbon emission status related to the operation of the Company can be understood, in order to facilitate the assessment of feasible methods and improvement of solutions.
<table>
<tr><th>Indicator</th><th>Goal</th></tr>
<tr><td>Total electricity consumption</td><td>Continue to promote energy-saving policy, and set the goal of zero carbon emissions by 2050.</td></tr>
<tr><td>Greenhouse gas emissions</td><td>Continue to promote energy-saving policy, set the goal of zero carbon emissions by 2050, and plan to complete the greenhouse gas inventory inspection in 2026.</td></tr>
</table>
In 2022, the Company complied with the government's request that TWSE/TPEx listed companies with capital exceeding NT$2 billion should prepare sustainability report, and for the material identification and analysis, climate change was listed as one of the nine main topics. In 2022, the Company also introduced the TCFD framework for the first time, and the risks associated with the climate change on the Company were assessed, in order to plan possible response measures and to reduce the impact of climate change on the operation of the Company. Furthermore, in 2023, the Company has also obtained the ISO14001 certification and plans to further introduce and obtain various management system certifications of ISO 14064-1, etc. Through the operation of relevant responsible units and management organizations, the Company continues to focus on the management and improvement of the topics of energy, water resource, waste and air pollution. Moreover, education and training are implemented to enhance relevant knowledge of employees, thereby increasing the emergency response capability of the Company, and reducing the risk of operation interruption due to natural disaster, environmental accidents and climate change. The Company sets up the goal of zero carbon emissions by 2050, and carbon reduction goals for every ten years have also been established.</td></tr>
</table>

(VI) The state of the company's implementation of ethical corporate management, any departure of such implementation from the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies, and the reasons for any deviation:

Items	Implementation Status			Deviations from "the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
I. Establishing ethical management policies and measures (I) Did the company expressly provide the policies, methods, and the commitment of the Board and the management of implementing the operation policies in its regulations and documents released to external parties? (II) Has the company establish a risk evaluation mechanism for unethical conduct, analyze and evaluate operating activities involving highly unethical conduct, and formulate policies to prevent unethical conduct, which at least covers the preventative measures under Paragraph 2 of Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies"? (III) Does the company establish policies to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and the commitment to implement the policies, with review and amendments on a regular basis?	√		The Company has established the "Ethical Corporate Management Best Practice Principles" and "Procedures for Ethical Management and Guidelines for Conduct", and provide the policies, methods, the commitment of the Board, and the management of implementing the operation policies. The Company's "Procedures for Ethical Management and Guidelines for Conduct" stipulated provision to prevent unethical conduct with clear statements regarding relevant procedures, guidelines of conduct, punishment for violation, rules of appeal, and implemented the policies. It also stipulates the preventive measures under Paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" or other operating activities involving highly unethical conduct.	No difference
II. Implementation of ethical management (I) Has the Company assess a trading counterpart's ethical management record, and expressly states the ethical management clause in the contract to be signed with the trading counterpart? (II) Does the company have a unit that specializes in business integrity? Does this unit report ethical corporate management policies and preventive measures for unethical conduct to the board of directors on a regular basis (at least once every year), and supervise the implementation status? (III) Has the Company defined any policy against conflict of interest, provides adequate channel thereof, and fulfills the same precisely? (IV) Has the company implemented effective accounting and internal control systems for maintaining business integrity? Did the internal audit unit formulate relevant audit plans based on risk assessment results of unethical conduct, with inspection on the implementation of preventing unethical conduct, or are these systems reviewed by external auditors? (V) Did the company provide internal and external training on ethical operation on a regular basis?	√		Before signing business contracts, the Company will understand the trading counterpart's ethical management record through various methods, and assist the law firm in contract review when necessary to safeguard the Company's rights and interests. The Finance Department of the Company is a dedicated (part-time) unit to promote ethical corporate management of the enterprise. The Company has stipulated provisions against conflict of interest, providing adequate channel thereof in the "Procedures for Ethical Management and Guidelines for Conduct", and fulfills the same precisely. The Company has established a computerized and systemized accounting and internal control system, to effectively implement abnormality management. The auditors regularly assess the operation of the accounting and internal control system, and report to the board of directors. The Company organized education and training courses for new employee, which include ethical corporate management policies.	No difference
III. Status of the Company's complaint system (I) Has the Company defined a specific complaints and rewards system, and established some convenient complaint channel, and assigned competent dedicated personnel to deal with the situation? (II) Has the company implemented any standard procedures, follow-up measures after the inspection, or confidentiality measures for handling reported	√		The Company encourages internal and external personnel to report unethical behavior or misconduct, and stipulates relevant operating procedures for the Company's complaints system in the "Procedures for Ethical Management and Guidelines for Conduct". Including the whistleblower reward system, complaint	No difference

Items	Implementation Status			Deviations from "the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Yes	No	Description	
misconducts? (III) Did the company adopt measures that protect the person who reported from improper treatment due to the report?			channels, investigation procedures, and whistleblower protection measures.	
IV. Enhancing Information Disclosure (I) Has the Company disclosed the Ethical Corporate Management Best Practice Principles and effect of implementation thereof on its website and Market Observation Post System?	√		The Company has already disclosed the Ethical Corporate Management Best Practice Principles and effect of implementation thereof on its website and MOPS.	No difference
V. If the Company has established ethical management principles based on "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies", please describe any discrepancy between the principles and their implementation: No difference.				
VI. Other information material to the understanding of ethical management operation (such as the company's review and revision of the company's ethical operation guidelines): The Company has appointed dedicated personnel to be responsible for negotiations between the company and its business partners, in order to understand the ethical management operation of its business partners. The Company has also formulated the "Procedures for Handling Material Inside Information" which is announced to all employees, managers and directors, in order to avoid violations and insider trading.				

(VII) If the company has established corporate governance principles or other relevant guidelines, references to such principles must be disclosed:
Please refer to the MOPS https://mops.twse.com.tw/ or company website https://www.fecpos.com.

(VIII) Other information material for understanding the company's corporate governance:
Please refer to the MOPS https://mops.twse.com.tw/ or company website https://www.fecpos.com.

(IX) Internal control

1. Declaration of Internal Control Policies:

Firich Enterprises Co., Ltd.

Declaration of Internal Control Policies

Date: March 14, 2024

Based on the findings of a self-assessment with regard to the 2023 internal control system, Firich Enterprises Co., Ltd. hereby declare that:

I. The Company's board of directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system and have already established it. Its purpose is: i. to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); ii. for the reliability, timeliness and transparency of the report; iii. to comply with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing its three stated objectives above. Moreover, the effectiveness of an internal control system may be subject to changes due to extenuating circumstances beyond our control. Nevertheless, our internal control system contains self-monitoring mechanisms, and the Company takes immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and operating effectiveness of its internal control system based on the criteria provided in the Regulations Governing the Establishment of Internal Control Systems by Public Companies (herein below, the Regulations). The assessment items adopted by the Principles for the internal control system are based on the process of management and control, and shall comprise the following constituent elements: 1. control environment, 2. risk assessment, 3. control activities, 4. information and communications, and 5. monitoring activities. Each element contains several items. For the aforementioned items, please refer to the Principles.

IV. The Company has adopted the aforementioned items to assess the design and operating effectiveness of the internal control system.

V. Based on the findings of such evaluation, the Company believes that, on December 31, 2023, it has maintained, in all material respects, an effective internal control system (that includes the supervision and management of our subsidiaries), to provide reasonable assurance over our operational effectiveness and efficiency, reliability, timeliness, transparency of reporting, and compliance with applicable rulings, laws and regulations.

VI. This Statement is an integral part of the Company's 2021 Annual Report and Prospectus, and will be made public. Any falsehood, concealment, or other illegality in the content made public will entail legal liability under Articles 20, 32, 171, and 174 of the Securities and Exchange Act.

VII. This statement was passed by the board of directors in their meeting held on March 14, 2024, with none of the four attending directors expressing dissenting opinions, and the remainder all affirming the content of this Statement.

Firich Enterprises Co., Ltd.

Chairman: Hsu, Ming-Che (signature)

President: Peng, He-Feng (signature)

2. If CPA was engaged to conduct a Special Audit of Internal Control System, Provide Its Audit Report: N/A.

(X) If there has been any legal penalty against the company or its internal personnel, or any disciplinary penalty by the company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the prospectus publication date, where the result of such penalty could have a material effect on shareholder equity or securities prices, the prospectus shall disclose the penalty, the main shortcomings, and the condition of improvement.

(XI) Material resolutions of a shareholders meeting or a board of directors meeting during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report:

Date	Meeting Name	Major Resolutions
2023.01.05	Board of directors	I. The remuneration for the Company’s managers.
March 16, 2023	Board of directors	I. The accounts receivables from related parties from December 31, 2022 to December 31, 2022 recognized as loan extensions to others. II. The remuneration for directors and employee compensation. III. The 2022 business report, financial statements and consolidated financial statements. IV. The 2022 Statement of Declaration for the Internal Control System. V. Election of the 10th term Board of Directors. VI. Nomination of director candidates of the 10th term Board of Directors. VII. Lifting of non-competition restriction on the newly elected directors. VIII. Convening of the 2023 Annual Shareholders Meeting. IX. The Company's certifying CPA was changed due to the CPA firm's internal organization adjustment. X. Evaluation of the CPAs’ independence and suitability, the appointment and compensation. XI. The Company's greenhouse gas inventory and verification schedule planning.

Date	Meeting Name	Major Resolutions
		XII. The group companies' greenhouse gas inventory and verification schedule planning. XIII. Acquisition of a bank credit line Taiwan Cooperative Bank. XIV. Secure banking facilities offered by First Bank.
May 11, 2023	Board of directors	I. Recognition of the accounts receivables from related parties as of March 31, 2023 as loan extensions to others. II. The first quarter 2023 consolidated financial statements III. The earnings distribution for 2022. IV. Capital increase from additional paid-in capital and issuance of new shares in 2022. V. Amendment to the Company’s "Articles of Incorporation". VI. Amendment to the Company’s "Procedures for Handling Material Inside Information". VII. Amendment to the Company’s “Rules of Procedures for Board Meetings”. VIII. Amendments to the Company’s "Procedures for the Acquisition and Disposal of Assets" IX. Amendment to the Company's "Procedures for Loaning of Funds". X. Amendment to the Company's "Procedures for Endorsement and Guarantee". XI. Amendment of the meeting agenda of the Company's 2023 Shareholders' Meeting.
2023.06.29	Board of directors	I. Election of the Company’s Chairman. II. Election of the Company’s Vice Chairman.
2023.08.10	Board of directors	I. Recognition of the accounts receivables from related parties as of June 31, 2023 as loan extensions to others. II. The Company’s 2023 Q2 consolidated financial statements. III. Authorization on the ex-dates for rights and dividends, rates of stock and cash dividends to shareholders and related operations. IV. Appointment of the President of the Company. V. Appointment of the second Sustainable Development Committee members of the Company. VI. Change of the Corporate Governance Officer of the Company. VII. Establishment of the Chief Information Security Officer of the Company. VIII. Establishment of the Chief Strategy Officer of the Company. IX. The appointment of Remuneration Committee members. X. Secured banking facilities offered by O-Bank. XI. Secured banking facilities offered by Shin Kong Bank .
2023.11.10	Board of directors	I. Recognition of the accounts receivables from related parties as of September 31, 2023 as loan extensions to others. II. The third quarter 2023 consolidated financial statements III. The Company’s 2024 Audit Plan. IV. Establishment of the Operation Procedure for Preparation and Verification of Sustainability Report of the Company. V. Partial amendment of the internal control system. VI. Cancellation of the Company’s shares repurchased by the Company from the market in 2018 with alternation registration.
2024.01.10	Board of directors	I. Oriental Regent Limited, an investee of the Company’s subsidiary Firich Investment Limited, plans to sell its 100% of equity of G1 Entertainment LCC held. II. The remuneration for the Company’s managers. III. Secure banking facilities offered by Hua Nan Bank.
2024.03.14	Board of directors	I. The accounts receivables from related parties from October 31, 2023 to December 31, 2023 recognized as loan extensions to others. II. The remuneration for directors and employee compensation. III. The 2023 business report, financial statements and consolidated financial statements. IV. Amendments to the Company’s "Articles of Incorporation" V. Amendment to the Company’s “Rules of Procedures for Board Meetings”. VI. Amendment to the “Audit Committee Charter” of the Company. VII. Re-establishment of the “Rules of Procedure for Shareholders’ Meetings” of the Company. VIII. The 2023 Statement of Declaration for the Internal Control System. IX. Supplemental election of independent directors of the Company and nomination of

Date	Meeting Name	Major Resolutions
		candidates. X. Cancellation of non-compete restriction for new independent directors. XI. Convening of the 2024 Annual Shareholders Meeting. XII. Evaluation of the CPAs' independence and suitability, the appointment and compensation. XIII. Acquisition of a bank credit line Taiwan Cooperative Bank. XIV. Secure banking facilities offered by First Bank.
2024.04.26	Board of directors	I. 2023 Earnings distribution proposal of the Company. II. Cash distribution with capital surplus of the Company. III. The Company's plan to participate in the cash capital increase executed by the investee Li Ming Construction Co., Ltd. IV. Amendment of the meeting agenda of the Company's 2024 Shareholders' Meeting. V. Amendment to parts of the provisions of the "Sustainable Development Committee Charter" of the Company.

Major resolutions of the 2023 shareholders' meeting and the Implementation status:

1. Recognition of 2022 business report and financial statements.
2. Recognition of the Company's 2022 earnings distribution scheme.
   Implementation status: September 4, 2023 has been set as the distribution base date, and cash distribution has been determined according to the resolution of the shareholders' meeting on 2023.10.03.
3. Discussion on approval of the election of the 10th term of directors of the Company.
   Implementation status: Election has been performed according to the resolution of the shareholders' meeting, and the alternation registration has been submitted to the Administration of Commerce, MOEA on 2023.7.14.
4. Lifting of non-competition restriction on the 10th term of the Company's directors.
5. Discussion on approval of the amendment to the Company's "Articles of Incorporation".
   Implementation status: The amended Articles of Association has been submitted to the Administration of Commerce, MOEA for change registration on July 14, 2023, and it has been handled according to the amended Articles of Incorporation.
6. Discussion on approval of the amendment to the "Procedures for the Acquisition and Disposal of Assets" of the Company.
   Implementation status: The amendment has been approved by the shareholders' meeting through resolution, and the amended version has been uploaded to the MOPS website on 2023.7.10, and it has been handled according to the amended procedure.
7. Discussion on approval of the amendment to the "Procedures for Loaning of Funds to Others" of the Company.
   Implementation status: The amendment has been approved by the shareholders' meeting through resolution, and the amended version has been uploaded to the MOPS website on 2023.7.10, and it has been handled according to the amended procedure.
8. Discussion on approval of the amendment to the "Procedures for Making Endorsements and Guarantees" of the Company.
   Implementation status: The amendment has been approved by the shareholders' meeting through resolution, and the amended version has been uploaded to the MOPS website on 2023.7.10, and it has been handled according to the amended procedure.
9. Discussion on approval of the capital increase from capital surplus with issuance of new shares in 2022.
   Implementation status: Issuance of new shares have been completed on 2023.10.3.

(XII) Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, a director or supervisor has expressed a dissenting opinion with respect to a material resolution passed by the board of directors, and said dissenting opinion has been recorded or prepared as a written declaration, disclose the principal content thereof: None.

(XIII) Resignation or dismissal of the Company’s chairman, president, head of accounting, head of finance, chief internal auditor, corporate governance officer or head of R&D in the most recent year up to the printing date of the annual report: The Company’s President Ming-Che Hsu was dismissed on 2023.8.10, and He-Feng Peng assumed the position of President at the same time. The Company’s Corporate Governance Officer, Chia-Chen Hung, was dismissed on 2023.8.10, and Ying-Fu Lai assumed the position of Corporate Governance Officer at the same time.

V. Information of CPA audit fee

Unit: NT$ thousand

CPA Firm	Name of CPA	Audit period	Audit fee	Non Audit fee	Total	Remarks
PwC Taiwan	Ping-Chun Chih	2023.01.01-2023.12.31	11,187	3,692	14,879	The service fee for transfer pricing was NT$500 thousand, the Group's main file fee was NT$700 thousand, sustainability report consultation fee was NT$1,000 thousand, tax consultation fee was NT$645 thousand, tax compliance audit fee was NT$635 thousand, gratuitous share filing fee was NT$90 thousand, alternation registration service fee was NT$85 thousand, and advance payment was NT$36 thousand.
	Tsung-Hsi Lai	2023.01.01-2023.12.31				

(I) The company changes its accounting firm and the audit fees paid for the fiscal year in which such change took place are lower than those for the previous fiscal year: None.

(II) The audit fees paid for the current fiscal year are lower than those for the previous fiscal year by 10 percent or more: None.

VI. Replacement of certified public accountants:

(I) About the previous CPAs

<table>
<tr><td>Date of change</td><td colspan="4">Approved by the Board of Directors through resolution on 2023.03.16</td></tr>
<tr><td>Reason for the change and explanation</td><td colspan="4">Due to the need for internal organizational adjustments at PwC Taiwan, there has been a change in the CPAs since the first quarter of 2023. The former CPAs Hsu, Ming-Chuan and Chin, Ping-Chun were replaced by the new CPAs Chih, Ping-Chun and Lai, Tsung, Hsi.</td></tr>
<tr><td rowspan="3">Explain whether it is the termination or non-acceptance of the appointment by the appointer or the CPAs</td><td colspan="2">Parties involved / Situation</td><td>Certified Public Accountants</td><td>Appointer</td></tr>
<tr><td colspan="2">Pro-active termination of the appointment</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td colspan="2">None (no longer) acceptance of the appointment</td><td>Not applicable.</td><td>Not applicable.</td></tr>
<tr><td>Opinions in the audit reports other than unqualified opinions within the past two years and reasons</td><td colspan="4">1. The 2022 audit report was issued with an unqualified opinion. (Referring to other matters based on the report of another auditor and intending to distinguish the auditor's responsibilities)
2. The 2023 audit report was issued with an unqualified opinion. (Referring to other matters based on the report of another auditor and intending to distinguish the auditor's responsibilities)</td></tr>
<tr><td rowspan="6">Any different opinion from the issuer's</td><td rowspan="4">Yes</td><td></td><td colspan="2">Accounting principles or practices</td></tr>
<tr><td></td><td colspan="2">Disclosures of the financial report</td></tr>
<tr><td></td><td colspan="2">Audit scope or procedures</td></tr>
<tr><td></td><td colspan="2">Others</td></tr>
<tr><td>None</td><td colspan="3">V</td></tr>
<tr><td colspan="4">Explanation: Omitted</td></tr>
</table>

Other disclosures (items to be disclosed according to subparagraph 1-4 to subparagraph 1-7, paragraph 6, Article 10 of the Guidelines)	None

(II) About the succeeding CPAs

Accounting firm	PwC Taiwan
Name of CPA	CPAs Chih, Ping-Chun and Lai, Tsung-Hsi
Date of appointment	CPA Chih, Ping-Chun was appointed on May 11, 2022. CPA Lai, Tsung-Hsi was appointed on March 16, 2023.
Before the appointment, the matters consulted and results concerning the accounting treatment methods or accounting principles of specific transactions, and the possible certification opinion on the financial report.	None
Written records of the different opinions of the succeeding CPAs from those of the previous CPAs	None

(III) Reply of former CPA to Item 1 and Item 2-3 of Subparagraph 6 of Article 10 of these Regulations

The Company holds the same view as the opinion of the former CPA with respect to Item 1 and Item 2-3 of Subparagraph 6 of Article 10 of the Regulations Governing Information to be Published in Annual Reports of Public Companies.

VII. The Chairman, president and/or managerial officers in charge of finance or accounting served at the firm(s) or affiliate(s) of the auditing CPAs in the most recent fiscal year: None.

VIII. Changes in the transfer or pledge of shares by directors, supervisors managers, and shareholders holding over 10% of the outstanding shares in the previous year and up to the date of publication of the annual report

(I) Changes in shares by directors, supervisors managers, and shareholders holding over 10% of the outstanding shares

Units: Shares

Title	Name	2023		Up to April 30 for 2024	
		Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease	Shareholding Increase/ Decrease	Pledged Shares Increase/ Decrease
Chairman	Hsu Ming-Che	787,603	-	-	-
Vice Chairman	Chu, Sheng-Fang	2,735	-	-	-
Director	Hsu Lu-Che	(450,618)	(2,000,000)	(94,000)	-
Director	Tai, Li-Ning	-	-	-	-
Independent Director	Fang, Ching-Yueh	-	-	-	-
Independent Director	Huang, Chun-Hsi (Note 1)	-	-	-	-
Independent Director	Lu, Hung-Te (Note 1)	-	-	-	-
Independent Director	Weng Tzu-Lin	-	-	-	-
President	Peng, He-Feng	4,558	-	-	-
Vice president	Fu-Tsai Liu	106,648	-	-	-
Accounting Manager	Ying-Fu Lai	1,212	-	-	-

Note 1: Dismissed on 2023/6/29.

Note: The Company has set up the Auditing Committee in place of the function of supervisor on June 14, 2017.

(II) Transfer of shares: There were no transfer of shares by directors, supervisors managers, and shareholders holding over 10% of the outstanding shares.

(III) Pledging of shares: There were no pledging of shares by directors, supervisors managers, and shareholders holding over 10% of the outstanding shares.

IX. Relationship information, if among the company's 10 largest shareholders anyone is a related party or a relative within the second degree of kinship of another

April 21, 2024; unit: share

Name	Shareholding		Spouse & Minor Current Shareholding		Current Shareholding in the name of others		Names and the relationship among the top ten shareholders in the relationship of related parties or spouses, blood relatives within the second degree of kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name (or full name)	Relationship	
Hsu Ming-Che	27,041,065	8.87%	3,785,611	1.26%	—	—	Chao, Feng-Ming Huang, Pei-Lin Hsu Lu-Che Hsu, Hsuan-Ni	Mother Spouse Brother Daughter	
Tsai, Ai-Na	6,352,549	2.11%	—	—	—	—	-	-	
Chao, Feng-Ming	4,793,510	1.59%	—	—	—	—	Hsu Ming-Che Hsu Lu-Che Hsu, Hsuan-Ni	Son Son Granddaughter	
Hsu, Hsuan-Ni	4,338,459	1.44%	—	—	—	—	Chao, Feng-Ming Hsu Ming-Che Huang, Pei-Lin	Grandmother Father Mother	
Huang, Pei-Lin	3,785,611	1.26%	27,041,065	8.87%	—	—	Hsu Ming-Che Hsu, Hsuan-Ni	Spouse Daughter	
Morgan Chase as Custodian for Vanguard Emerging Markets Stock Index Fund	3,290,184	1.09%	—	—	—	—	—	—	
Morgan Chase as Custodian for Advanced Starlight Advanced Aggregate International Stock Index	3,189,652	1.06%	—	—	—	—	—	—	
Hsu, Lu-Che	2,846,812	0.94%	472,764	0.16%	—	—	Chao, Feng-Ming Hsu Ming-Che	Mother Brother	
Chao-Ni Tsai	2,834,362	0.94%	—	—	—	—	—	—	
Gao, Tsai-Lin	2,372,611	0.79%	—	—	—	—	—	—	

X. The total number of shares and total equity stake held in any single enterprise by the company, its directors and supervisors, managers, and any companies controlled either directly or indirectly by the company

December 31, 2023; Unit: Thousand shares

Invested enterprise	Company		Ownership held by directors, supervisors or managers (direct or indirect)		Total investment	
	Shares	%	Shares	%	Shares	%
Firich International Co. Ltd.	68,377	100.00%	—	—	68,377	100.00%
Firich Korea Co., Ltd.	4,018	100.00%	—	—	4,018	100.00%
Firich USA Inc.	5,500	100.00%	—	—	5,500	100.00%
Firich UK Co., Ltd.	825	82.50%	—	—	825	82.50%
Lotrich Information Co., Ltd.	15,030	30.00%			15,030	30.00%
Toprich Co., Ltd.	10,800	100.00%	—	—	10,800	100.00%
Aqualab. Inc.	5,483	24.89%	1,132	5.14%	6,615	30.03%
Tiga Gaming Inc.	13,952	53.00%	459	1.74%	14,411	54.74%
FEC Deutschland GmbH	9	35.00%	—	—	9	35.00%
FEC ITALIA S.r.l.	90	24.50%	—	—	90	24.50%
FEC Japan Co., Ltd.	0.4	26.67%	—	—	0.4	26.67%
Grab and Go Solutions, Inc.	100	33.22%	—	—	100	33.22%
Chia Hua Health Co., Ltd.	13,000	39.39%	—	—	13,000	39.39%
Firich(Hong Kong) International Co. Ltd.	—	—	15,500	100.00%	15,500	100.00%
Firich Investment Ltd.	—	—	51,700	100.00%	51,700	100.00%
Oriental Regent Ltd.			85	20.00%	85	20.00%
Firich Information Technologies PVT	—	—	8,159	100.00%	8,159	100.00%
AKAM Group B.V.	18	100.00%	—	—	18	100.00%
AKAM Netherlands B.V.	—	—	18	100.00%	18	100.00%
AKAM Belgium BVBA	—	—	20.2	100.00%	20.2	100.00%
Link Triumph Co. Ltd.	—	—	- (Note)	100.00%	- (Note)	100.00%
Mcorporation Co. Ltd.	—	—	43	36.75%	43	36.75%
Cai Rui Trading (Shanghai) Co., Ltd.	—	—	- (Note)	100.00%	- (Note)	100.00%
Kunshen Electronic Trade (Shanghai) Co., Ltd.	—	—	- (Note)	100.00%	- (Note)	100.00%
Beijing Intradak Systems Technology Co., Ltd.	—	—	- (Note)	20.00%	- (Note)	20.00%
Shanghai Shuocai Information Technology Co.,Ltd.	—	—	- (Note)	100.00%	- (Note)	100.00%
Xiang Ting Entertainment Co., Ltd.	100	100.00%	—	—	100	100.00%

Note: No shares issued as it is a limited company.

Four. Fundraising

I. Capital and shares

(I) Source of capital

April 21, 2024

Year / month	Par Value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	amount	Shares	amount	Source of capital	Capital Increase by Assets Other Than Cash	Others
January 1995	10	500,000	5,000,000	500,000	5,000,000	Registered capital	None	Note 1
May 1995	10	2,000,000	20,000,000	2,000,000	20,000,000	Capital increase by cash	None	Note 2
April 1997	10	2,500,000	25,000,000	2,500,000	25,000,000	Capital increase by cash	None	Note 3
June 1999	10	5,000,000	50,000,000	5,000,000	50,000,000	Capital increase by cash	None	Note 4
July 2002	10	9,500,000	95,000,000	7,500,000	75,000,000	Capital increase by cash and by surplus earnings	None	Note 5
December 2002	15	15,000,000	150,000,000	12,000,000	120,000,000	Capital increase by cash	None	Note 6
April 2003	10	24,000,000	240,000,000	19,200,000	192,000,000	Capital increase by surplus earnings and paid-in capital	None	Note 7
July 2004	10	45,000,000	450,000,000	27,380,000	273,800,000	Capital increase by surplus earnings	None	Note 8
November 2004	10	45,000,000	450,000,000	27,453,833	274,538,330	Exchange of convertible bonds for new shares	None	Note 9
May 2005	10	45,000,000	450,000,000	27,512,122	275,121,220	Exchange of convertible bonds for new shares	None	Note 10
August 2005	10	45,000,000	450,000,000	28,141,669	281,416,690	Exchange of convertible bonds and stock warrants for new shares	None	Note 11
September 2005	10	45,000,000	450,000,000	35,685,495	356,854,950	Capital increase by surplus earnings and exchange of convertible bonds for new shares	None	Note 12
November 2005	10	45,000,000	450,000,000	36,082,530	360,825,300	Exchange of convertible bonds for new shares	None	Note 13
February 2006	10	45,000,000	450,000,000	36,358,084	363,580,840	Exchange of convertible bonds and stock warrants for new shares	None	Note 14
May 2006	10	45,000,000	450,000,000	37,819,060	378,190,600	Exchange of convertible bonds and stock warrants for new shares	None	Note 15
August 2006	10	45,000,000	450,000,000	37,837,033	378,370,330	Exchange of convertible bonds for new shares	None	Note 16
September 2006	10	100,000,000	1,000,000,000	53,638,457	536,384,570	Capital increase by surplus earnings	None	Note 17
November 2006	10	100,000,000	1,000,000,000	54,259,307	542,593,070	Exchange of convertible bonds and stock warrants for new shares	None	Note 18
February 2007	10	100,000,000	1,000,000,000	54,708,683	547,086,830	Exchange of convertible bonds and stock warrants for new shares	None	Note 19
May 2007	10	100,000,000	1,000,000,000	56,103,633	561,036,330	Exchange of convertible bonds and stock warrants for new shares	None	Note 20
August 2007	10	100,000,000	1,000,000,000	56,151,635	561,516,350	Exchange of convertible bonds and stock warrants for new shares	None	Note 21
August 2007	10	150,000,000	1,500,000,000	100,201,378	1,002,013,780	Capital increase by surplus earnings	None	Note 22
October 2007	10	150,000,000	1,500,000,000	100,523,973	1,005,239,730	Exchange of convertible bonds and stock warrants for new shares	None	Note 23
January 2008	10	150,000,000	1,500,000,000	101,650,158	1,016,501,580	Exchange of convertible bonds and stock warrants for new shares	None	Note 24
May 2008	10	150,000,000	1,500,000,000	101,816,106	1,018,161,060	Exchange of convertible bonds and stock warrants for new shares	None	Note 25
August 2008	10	150,000,000	1,500,000,000	101,816,745	1,018,167,450	Exchange of convertible bonds for new shares	None	Note 26
October 2008	10	150,000,000	1,500,000,000	139,363,462	1,393,634,620	Capital increase by surplus earnings	None	Note 27
November 2008	10	150,000,000	1,500,000,000	139,975,467	1,399,754,670	Exchange of convertible bonds for new shares	None	Note 28

Year / month	Par Value	Authorized capital stock		Paid-in capital		Remarks		
		Shares	amount	Shares	amount	Source of capital	Capital Increase by Assets Other Than Cash	Others
May 2009	10	150,000,000	1,500,000,000	139,983,467	1,399,834,670	Exchange of stock warrants for new shares	None	Note 29
October 2009	10	200,000,000	2,000,000,000	154,075,080	1,540,750,800	Capital increase by surplus earnings	None	Note 30
November 2009	10	200,000,000	2,000,000,000	154,095,283	1,540,952,830	Exchange of convertible bonds for new shares	None	Note 31
October 2010	10	200,000,000	2,000,000,000	169,603,849	1,696,038,490	Capital increase by surplus earnings	None	Note 32
February 2011	10	200,000,000	2,000,000,000	169,453,849	1,694,538,490	Cancellation of treasury shares	None	Note 33
December 2011	10	200,000,000	2,000,000,000	168,603,849	1,686,038,490	Cancellation of treasury shares	None	Note 34
October 2012	10	200,000,000	2,000,000,000	173,557,385	1,735,573,850	Capital increase by surplus earnings	None	Note 35
August 2013	10	200,000,000	2,000,000,000	173,948,895	1,739,488,950	Exchange of convertible bonds for new shares	None	Note 36
October 2013	10	200,000,000	2,000,000,000	182,452,466	1,824,524,660	Capital increase by surplus earnings	None	Note 37
December 2013	10	200,000,000	2,000,000,000	184,723,479	1,847,234,790	Exchange of convertible bonds for new shares	None	Note 38
April 2014	10	200,000,000	2,000,000,000	185,495,727	1,854,957,270	Exchange of convertible bonds for new shares	None	Note 39
August 2014	10	200,000,000	2,000,000,000	196,495,727	1,964,957,270	Capital increase by cash	None	Note 40
October 2014	10	300,000,000	3,000,000,000	214,839,108	2,148,391,080	Capital increase by surplus earnings	None	Note 41
October 2014	10	300,000,000	3,000,000,000	215,265,808	2,152,658,080	Exchange of convertible bonds for new shares	None	Note 42
November 2014	10	300,000,000	3,000,000,000	212,779,808	2,127,798,080	Cancellation of treasury shares	None	Note 43
April 2015	10	300,000,000	3,000,000,000	218,160,816	2,181,608,160	Exchange of convertible bonds for new shares	None	Note 44
October 2015	10	300,000,000	3,000,000,000	235,381,912	2,353,819,120	Capital increase by surplus earnings	None	Note 45
January 2016	10	300,000,000	3,000,000,000	240,321,914	2,403,219,140	Exchange of convertible bonds for new shares	None	Note 46
September 2016	10	300,000,000	3,000,000,000	247,436,922	2,474,369,220	Capital increase by surplus earnings	None	Note 47
September 2017	10	300,000,000	3,000,000,000	254,765,380	2,547,653,800	Capital increase by paid-in capital	None	Note 48
January 2018	10	300,000,000	3,000,000,000	251,610,380	2,516,103,800	Cancellation of treasury shares	None	Note 49
September 2018	10	300,000,000	3,000,000,000	259,158,692	2,591,586,920	Capital increase by paid-in capital	None	Note 50
September 2020	10	300,000,000	3,000,000,000	277,531,538	2,775,315,380	Capital increase by paid-in capital	None	Note 51
September 2022	10	400,000,000	4,000,000,000	296,091,516	2,960,915,160	Capital increase by paid-in capital	None	Note 52
2023.09	10	400,000,000	4,000,000,000	304,602,592	3,046,025,920	Capital increase by paid-in capital	None	Note 53
2024.01	10	400,000,000	4,000,000,000	301,452,592	3,014,525,920	Cancellation of treasury shares	None	Note 54

Note 1: New Construction Office, Taipei City Government: Approved on 1995 Jian-Yi-Zi No. 932437.
Note 2: Department of Construction, Taiwan Provincial Government: Approved on 1995 Jian-San-Gui-Zi No. 337624.
Note 3: Department of Construction, Taiwan Provincial Government: Approved on 1997 Jian-San-Ji-Zi No. 147288.
Note 4: New Construction Office, Taipei City Government: Approved on 1999 Jian-San-Gui-Zi No. 183838.
Note 5: Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan: Approved on 2002 Tai-Cai-Zheng-Yi-Zi No. 127063.
Note 6: Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan: Approved on 2002 Tai-Cai-Zheng-Yi-Zi No. 0910161353.
Note 7: Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan: Approved on 2003 Tai-Cai-Zheng-Yi-Zi No. 0920113238.
Note 8: Securities and Futures Bureau, Financial Supervisory Commission, Executive Yuan: Approved on Tai-Cai-Zheng-Yi-Zi No. 0930116126.
Note 9: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Zhong-Zi No. 09333000180.
Note 10: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Zhong-Zi No. 09432070310.
Note 11: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Zhong-Zi No. 09432735350.
Note 12: Capital increase by surplus earnings and the exchange of convertible bonds for new shares: Approved on Jing-Shou-Zhong-Zi No. 09432755860.
Note 13: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Zhong-Zi No. 09433108080.
Note 14: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Zhong-Zi No. 09531646530.

Note 15: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Zhong-Zi No. 09532098240.
Note 16: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Zhong-Zi No. 09532665460.
Note 17: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 09501211500.
Note 18: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09501246920.
Note 19: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09601027690.
Note 20: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09601095940.
Note 21: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09601187100.
Note 22: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 09601205320.
Note 23: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09601264250.
Note 24: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09701021170.
Note 25: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09701113640.
Note 26: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 09701193370.
Note 27: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 09701255390.
Note 28: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 09701289560.
Note 29: Exchange of stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09801092910.
Note 30: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 09801226420.
Note 31: Exchange of convertible bonds and stock warrants for new shares: Approved on Jing-Shou-Shang-Zi No. 09801255970.
Note 32: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 09901230100.
Note 33: Cancellation of treasury shares and application for capital reduction: Approved on Jing-Shou-Shang-Zi No. 10001026450.
Note 34: Cancellation of treasury shares and application for capital reduction: Approved on Jing-Shou-Shang-Zi No. 10001272570.
Note 35: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 10101212510.
Note 36: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10201178390.
Note 37: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 10201209610.
Note 38: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10201245050.
Note 39: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10301059840.
Note 40: Issuance of new shares from capital increase by cash: Approved on Jing-Shou-Zhong-Zi No. 10301166340.
Note 41: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 10301212590.
Note 42: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10301225000.
Note 43: Cancellation of treasury shares and application for capital reduction: Approved on Jing-Shou-Shang-Zi No. 10301227630.
Note 44: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10401066620.
Note 45: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 10401201140.
Note 46: The exchange of convertible bonds for new shares: Approved on Jing-Shou-Shang-Zi No. 10501017680.
Note 47: Issuance of new shares from capital increase by surplus earnings: Approved on Jing-Shou-Zhong-Zi No. 10501223680.
Note 48: Issuance of new shares from capital increase by paid-in capital: Approved on Jing-Shou-Zhong-Zi No. 10601131510.
Note 49: Cancellation of treasury shares and application for capital reduction: Approved on Jing-Shou-Shang-Zi No. 10701001670.
Note 50: Issuance of new shares from capital increase by paid-in capital: Approved on Jing-Shou-Zhong-Zi No. 10701116740.
Note 51: Issuance of new shares from capital increase by paid-in capital: Approved on Jing-Shou-Zhong-Zi No. 10901173660.
Note 52: Issuance of new shares from capital increase by paid-in capital: Approved on Jing-Shou-Zhong-Zi No. 11101177470.
Note 53: Issuance of new shares from capital increase by paid-in capital: Approved on Jing-Shou-Zhong-Zi No. 11230180460.
Note 54: Cancellation of treasury shares and application for capital reduction: Approved on Jing-Shou-Shang-Zi No. 11230247600.

April 21 2024
Units: Shares

Type of stock	Authorized capital stock			Remarks
	Issued Shares	Un-issued Shares	Total	
Registered common shares	301,452,592(Note)	98,547,408	400,000,000	Shares of TPEx listed companies

Note: 9,239,000 shares of them were treasury shares.

(II) Shareholder structure

Units: person; Shares
April 21, 2024

Shareholder structure / Quantity	Governmental institutions	Financial institutions	Other Juridical Persons	Natural Persons	Foreign Institutions and Foreign Persons	Total
Number of Shareholders	0	7	280	69,438	90	69,815
Shareholding	0	427,336	13,629,180	275,831,645	11,564,431	301,452,592
Holding percentage (%)	0	0.142%	4.521%	91.501%	3.836%	100%

(III) Dispersion of ownership

1. Dispersion of ownership for common stock

Units: person; Shares
NT$10 per share April 21, 2024

Class of Shareholding	Number of Shareholders	Shareholding	%
1~999	44,961	2,778,347	0.92%
1,000~5,000	16,699	35,717,344	11.85%
5,001~10,000	3,999	27,549,599	9.14%
10,001~15,000	1,597	19,232,225	6.38%
15,001~20,000	666	11,568,588	3.84%
20,001~30,000	716	17,249,271	5.72%
30,001~40,000	345	11,825,315	3.92%
40,001~50,000	199	8,860,776	2.94%
50,001~100,000	357	24,594,725	8.16%
100,001~200,000	149	20,389,892	6.76%
200,001~400,000	70	18,206,557	6.04%
400,001~600,000	21	10,550,519	3.50%
600,001~800,000	11	7,548,124	2.50%
800,001~1,000,000	8	7,259,080	2.41%
Over NT$1,000,001	17	78,122,230	25.92%
Total	69,815	301,452,592	100.00%

2. Diffusion of ownership for preferred shares: None.

(IV) Major Shareholders (the shareholders with shareholding of 5% and above or top ten in holdings)

April 21, 2024

Shares / Names of major shareholders	Shareholding (Units: Shares)	Holding percentage (%)
Hsu Ming-Che	27,041,065	8.87%
Tsai, Ai-Na	6,352,549	2.11%
Chao, Feng-Ming	4,793,510	1.59%
Hsu, Hsuan-Ni	4,338,459	1.44%
Huang, Pei-Lin	3,785,611	1.26%
Morgan Chase as Custodian for Vanguard Emerging Markets Stock Index Fund	3,290,184	1.09%
Morgan Chase as Custodian for Advanced Starlight Advanced Aggregate International Stock Index	3,189,652	1.06%
Hsu, Lu-Che	2,846,812	0.94%
Chao-Ni Tsai	2,834,362	0.94%
Gao, Tsai-Lin	2,372,611	0.79%

(V) Share prices for the past 2 fiscal years, together with the company's net worth per share, earnings per share, dividends per share, and related information

Units: NT$; thousand shares

Item / Year			2022	2023	The current year as of December 31, 2024 (note 3)
Market Price Per Share	Highest		37.9	41.40	31.75
	Lowest		24.55	27.60	28.50
	Average		29.81	31.92	30.10
Net Worth Per Share	Before distribution		14.47	13.68	15.16
	After distribution		13.37	(Note 1)	(Note 1)
EPS	Weighted average shares		283,674	292,214	292,214
	EPS	Before adjustment	1.1	0.15	0.78
		After adjustment	1.07	(Note 1)	(Note 1)
Dividend per share	Cash dividends		0.7	0.8	(Note 1)
	Stock Dividends	Stock Dividends Appropriated from Retained Earnings	0	(Note 1)	(Note 1)
		Stock Dividends Appropriated from capital surplus	0.3	(Note 1)	(Note 1)
	Accumulated Undistributed Dividends		-	-	(Note 1)
Return on Investment	P/E ratio (Note 2)		27.86	212.8	38.59
	Price-dividend ratio		42.59	39.9	(Note 1)
	Cash dividend yield (%)		2.35	2.51	(Note 1)

Note 1: The earnings distribution has not yet been approved by the shareholders' meeting.
Note 2: Price/Earnings Ratio = average share market price / earnings per share.
Note 3: Data from the CPA's audit (review) as of the first quarter of 2024.

(VI) Dividend Policy and Implementation

1. Dividend policies:

   The Company is currently at growth stage, and corresponding to the business expansion and funding needs in the future, the board of directors will submit a dividend distribution plan to the shareholders meeting.

   In accordance with Article 240, Paragraph 5 of the Company Act, the Company may, with a resolution adopted by a majority vote at a meeting of the board of directors attended by two-thirds of the total number of directors, distribute dividends and bonuses or all or part of the legal reserve additional paid-in capital as stipulated in Article 241, Paragraph 1 of the Company Act and report the same to the shareholders' meeting. The provisions of the preceding paragraph that shall be resolved by the shareholders' meeting are not applicable.

   If a profit remains in the final annual accounts, it shall be assigned in the following order:

   (I) First, payment of taxes.
   (II) Make up for prior year losses.
   (III) Ten percent to be set aside as a legal reserve.
   (IV) Aside from the aforesaid legal reserve, the Company may, under its articles of incorporation or as required by the government, appropriate a special reserve.

   The balance is to be added to undistributed surplus earnings of previous periods in consideration of capital budgeting and financial planning, with shareholder dividends within the range of 10% to 100% (at least 10% of which will be paid in cash dividends).

2. Distribution of dividend proposed in the current shareholders' meeting:

   The 2023 earnings distribution proposal was approved by the Board meeting on April 26, 2024.

   Shareholders' cash dividends of NT$26,299,224 are to be distributed, and NT$0.09 per share is issued, i.e., NT$90 is distributed per 1,000 shares as dividends.

   In addition, the Board of Directors has reached the resolution on the distribution of cash with the capital surplus at an amount of NT$207,471,651, and NT$0.71 is distributed per share, i.e., NT$710 is distributed per 1,000 shares as dividends.

   For the aforementioned earnings distribution in cash dividends and the cash distribution with capital surplus, a total NT$0.8 per share is distributed.

(VII) Effect upon business performance and earnings per share of any stock dividend distribution proposed or adopted at the most recent shareholders' meeting:

Provisions in Tai-Tsai-Zheng-Zhi-No. 00371 issued on February 1, 2000 is not applicable, as the 2024 financial forecast has not yet been disclosed.

(VIII) Employee compensation and the remuneration for directors

1. The percentage and scope of employee compensation and remuneration for directors as stipulated in the Company's Articles of Incorporation:

   If the company earns a profit in the current year, the proportion of employees' compensation shall not be less than 5%, and the proportion of the remuneration for directors and supervisors shall not be higher than 1%. However, when the Company still has accumulated losses, the compensation amount should be reserved in advance.

   The employee compensation stated in the preceding paragraph is issued to recipients in stock or cash, including employees of affiliated companies who meet certain conditions. The Board of Directors is authorized to handle the determination of such conditions.

2. The estimated amount of compensation for employees, directors, and supervisors for the current period shall be calculated based on number of employee shares of stock considering any accounting discrepancy between the actual distributed amount of employee stock dividend and estimated figure:

   The estimated amount of compensation for employees, directors, and supervisors for the current period shall be calculated based on pre-tax profits, with 5% as the proportion of the employees' compensation, and 0.5% as the proportion of the remuneration for directors and supervisors. However, when the Company still has accumulated losses, the compensation amount should be reserved in advance. Accounting treatment for any discrepancy between the final approved figures from the shareholders' meeting and the estimated figures will be regarded as a change in the accounting estimate and recognized as current profit/ loss.

3. Remuneration distribution approved by the Board:

   (1) The remuneration amount of employees, directors and supervisors distributed in cash or shares. If there are any discrepancies between the proposed value of the employee cash/stock bonuses, and director/ supervisor compensation approved by the board of directors, in relation to the estimated

figures in the period where the expenses are recognized, the discrepant value, its reasons, and its status shall be disclosed

(2) The remuneration amount of employees distributed in shares and the ratio of such amount accounting for the combined number of individual finance report net income and the total remuneration amount of employees.

Unit: NTD thousand

A Employee equity compensation	B Net profit (loss) after tax of the current period	C Total employee compensation	A/B	A/C
0	42,712	2,458	0.00%	0.00%

4. The actual distribution of employee and director/ supervisor remuneration for the previous fiscal year (with an indication of the number, value and stock price of the shares distributed) shall be declared. If there is any discrepancy between the actual distribution and the recognized employee bonuses and director/ supervisor compensation, the discrepancy, its cause, and its status must also be listed:
   In the previous year (2022), the Company distributed employees' remuneration of NT$19,418 thousand, and directors' and supervisors' remuneration of NT$1,942 thousand, which are not different from the estimated amount recognized in the expenses for the year.

(IX) Share buy-back: None.

II. Corporate bonds (including offshore bonds):

April 21, 2024

Corporate bond type		1st domestic secured convertible bond
Date issued		June 15, 2021
Face value		NT$1,000,000
Place of issuance and exchange		R.O.C.
Par Value		100% issuance by denomination
Total		NT$500,000,000
Interest rate		0.62%
Duration		5 year Maturity date: June 15, 2026
Guaranteeing institution		First Commercial Bank Co., Ltd.
Trustee		Hua Nan Commercial Bank Co., Ltd.
Underwriting institution		First Securities Co., Ltd.
Certifying attorney		Not applicable.
Certifying CPA		Not applicable.
Repayment method		The principal is repaid in one go five years from the date of issue.
Outstanding principal balance		NT$500,000,000
Terms for redemption or early repayment		None
Restriction Clause		None
Name of credit rating organization, rating date, bond rating results		None
Other rights of bondholders	As of the report printing date, the conversion of regular shares in dollar amounts	Not applicable.
Issuance and Conversion Regulations		As detailed below.
Possible dilution of equity and impact on equity of existing shareholders		Compared with the issuance of convertible corporate bonds or shares from cash capital increase, the issuance of ordinary corporate bonds will avoid capital inflation and dilution of earnings per share and net worth per share.
Name of commissioned custodial institution for objects exchanged		Not applicable.

Firich Enterprises Co., Ltd.
Measures for the Issuance of the1st Domestic Secured Convertible Bond

I. Bond name: the1st Secured Ordinary Bond of Firich Enterprises Co., Ltd. in 2021 ("the corporate bond")
II. Total Issuance: The total amount of the corporate bond is NT$500 million.
III. Par value: The par value of the corporate bond is NT$1 million.
IV. Issuance price: The corporate bond is issued in full at the face value on the issuance date.
V. Issuance period: The issuance period of the corporate bond is five years, from June 15, 2021 to June 15, 2026.
VI. Coupon rate: The coupon rate of the corporate bond is 0.62%.
VII. Principal repayment method: The principal of the corporate bond will be repaid in one go upon the expiration of five years from the date of issuance.
VIII. Interest calculation and payment method: The interest of the corporate bond is calculated and paid once a year from the date of issuance, at a simple interest rate of the coupon rate. The interest is calculated and paid on the basis of NT$1 million and in a unit of NT$1; an amount less than NT$1 is rounded to the nearest NT$. If the date of repayment of the principal and interest of the corporate bond is a non-banking day of the place of payment, the principal and interest shall be paid on the next business day and no additional interest shall be paid. If the principal and interest are received after the principal and interest repayment date, no additional interest will be paid either.
IX. Guarantee method: First Commercial Bank Co., Ltd. shall perform the corporate bond guarantee according to the guarantor appointment contract.
X. Bond form: The corporate bond is issued in scripless form and registered with the Taiwan Depository and Clearing Corporation.
XI. Trustee: Hua Nan Commercial Bank Co., Ltd. is the trustee of convertible bonds of the Company, and represents the creditors' interest in auditing and supervising the Company's performance related to the issuance matters of the convertible bonds, and establishes the trust deed. Regardless of whether the convertible bond is subscribed at the time of issuance or purchased later, the creditor agrees to the provisions of the fiduciary contract signed by the Company and the trustee, the rights and obligations of the trustee and the issuance and conversion regulations, and no revocation shall be allowed for the full fiduciary powers granted to the trustee. The creditor may view contents of the fiduciary contract at the business premises of the Company or the trustee during business hours.
XII. Principal and interest repayment agency: The Minchuan Branch of First Commercial Bank Co., Ltd. is entrusted for the repayment of principal and interest of the corporate bond, and handles the book transfer of principal and interest in accordance with the information of the bond owner's register provided by Taiwan Depository and Clearing Corporation, and prepares the withholding voucher and send it to the bond owner.
XIII. Underwriting institution: Underwriters are entrusted for public underwriting, and First Securities Co., Ltd. is appointed as the lead underwriter.
XIV. Notification method: Matters related to the corporate bond that should be notified to the creditors, unless otherwise stipulated by laws and regulations, are all announced on the Market Observation Post System (http://mops.twse.com.tw/).
XV. Sales objects: Only professional investors specified in the Foreign Currency-Denominated International Bond Management Regulations of the Taipei Exchange.

III. Preferred stock: None.

IV. Global depositary receipts (GDR): None.

V. Employee stock options/warrants and Restricted stock awards (RSA): None.

VI. Acquisition or transfer of other newly issued shares from other companies: None.

VII. Capital utilization plan: None.

For the period as of the quarter preceding the date of publication of the annual report, with respect to each uncompleted public issue or private placement of securities, and to such issues and placements that were completed in the most recent 3 years but have not yet fully yielded the planned benefits: None.

Five. Operational Highlights

I. Business activities

(I) The scope of business

1. The main operational categories of the company:
The Company's main products include designing, manufacturing and sales of PC Base POS System and peripherals. In addition to POS products, main businesses of each subsidiary include investment holding and liquor trading.
2. The sales proportion of the main products

Units: NT$thousand; %

Item \ Year	2022		2023	
	amount	Percentage	amount	Percentage
Computer and peripherals	2,709,538	99.80%	2,530,809	99.33%
Liquor distributer	5,433	0.20%	17,078	0.67%
Total	2,714,971	100.00%	2,547,887	100.00%

3. The current products and new products under planning
(1) The current main products
A. Various charity lottery and sports lottery vending machines
B. Touch screen POS terminal for the catering industry
C. Touch screen POS terminal for the retail industry
D. Touch screen POS terminal in supermarkets
E. Fanless touch screen POS terminal
F. Touch screen POS terminal for the catering industry
G. POS peripherals
a. Customer display (LCD, VFD)
b. Cash register keyboard
c. Cash register drawer
d. Magnetic stripe reader
e. Touch screen LCD display
f. RFID/ Fingerprint Reader
h. Integrated POS solutions
(2) New products under planning
A. New generation POS terminals
B. New generation lottery vending machines
C. Game console

(II) Industry Overview

1. Industry status and development
Industrial Personal Computer (IPC) is a personal computer mainly for industrial use and as industrial controller. The basic IPC performance

and compatibility are almost the equivalent to those of commercial PCs with the same specification. However, the IPC design of has more protective measures, and attaches importance to its reliability and stability in different working environments, including special requirements such as robustness, shock resistance, temperature and humidity, dust-proof, fault-tolerance, anti-electromagnetic interference, and uninterruptible power supply. Therefore, IPC's features include high level of customization, small but diversified orders, and long product life cycle, which are very different from the standardization and mass production of PCs. As such, the IPC market becomes a niche market as most of the PC and motherboard manufacturers attach great importance on economic scale, and have not tapped into the IPC market. In general, IPC users do not easily change their system structure due to switching costs. Thus, the loyalty of users and product life of IPCs are better compared to PCs.

In the early days, industrial computers were commonly used in various control, monitoring, testing, and production equipment in manufacturing process automation. Nowadays, with the changes in the industrial ecology and technological evolution, as well as the high integration of technologies including optoelectronics, netcom and software design, the original scope of application in industrial businesses has now expanded to industries including the financial, IT, communication, optoelectronic, semiconductor, transportation, entertainment, catering, and health care industry, biotech, national defense and retail industries. The terminal applications include computer telephony integration (CTI), bank ATM, KIOSK information systems, automatic ticket vending system, security monitoring system, Point Of Sales system (POS system), GPS (Global Positioning System), medical electronic equipment, digital signage, in-vehicle computers, lottery tickets, and casino gaming machines. In addition, applications such as smart transportation, smart power grids, and smart homes have been gradually developed along with the rise of IoT, cloud computing, and smart technology, and industrial computer applications can be seen in our everyday life.

Among the fields related the IC industry, the casino gaming market has attracted great attention. Asian countries have developed large-scale gaming casinos, in particular, the countries around China such as the Russian Far East, Kazakhstan, Nepal, Myanmar, Vietnam, and Laos, indicating that the target customers of casinos are mainly Chinese gamblers.

In the past, traditional retailers have no good tools for inventory count, and it was difficult to keep in line with orders and inventory management. In order to understand the inventory status, suppliers had to spend large number of labor to count the number of commodities. As such, some large retailers often have to design many complicated forms for convenient management, which leads to higher costs and operational inefficiency. With the advancement of computer systems, the retail industry start to use computers for merchandise management. Since the establishment of product barcode specifications in the 1970s, the manufacturer directly prints the barcode when the product leaves the factory, and the store can use this barcode for merchandise management, and this is the main function of the POS system. Nowadays, the Electronic Cash Register (ECR) is also known as the first and second generation POS systems.

The third generation POS system starts to introduce PC functions for file processing, inventory, customer data management, card transactions, and verification. Generally, the third generation POS system has a dispersed system structure, which involves a PC as host, plus small display, printer, cash drawer, and POS keyboard, whereas some POS systems integrate the aforementioned equipment in the equipment cabinet. Nowadays, the fourth generation all-in-one touch screen POS system has become the mainstream in the POS market. As the fourth generation POS system integrates touch screens, it has tapped into various applications, including Kiosk stations, gas stations, and self-checkout systems, and the POS system changes its appearance in different application environments. In addition, given that mobile devices and wireless networks become more popular in recent years, it has driven up mobile payment and mobile POS demands.

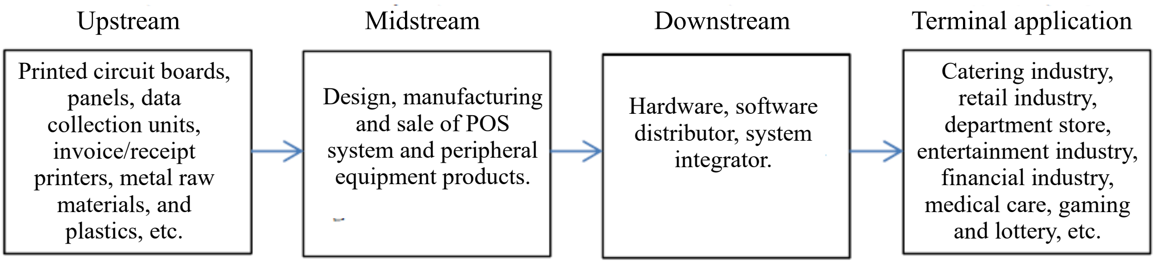
The evolution of POS system functions

Generation	Machine	Features
Zero	Mainframe computer	Logistics management, high cost
I.	Electronic Cash Register (ECR)	Simple arithmetic, invoice printing
II.	Electronic Cash Register (ECR)	Simple arithmetic, printing invoices and statistical reports
III.	Point of Sale System (POS)	Use of PCs, separate between the host and screen
IV.	Point of Sale System (Touch POS)	Use of PCs, combine the host and screen
V.	Unmanned kiosk	Wireless, unmanned counter and unmanned stores

Source: IBT, Wikipedia

2. Industry relevance of upstream, midstream and downstream companies

The Company is a midstream company in the industry which mainly focus on the designing, manufacturing and sales of PC Base POS System and peripherals. The upstream companies include suppliers of electronic components such as panels and printed circuit boards, data collection units, invoice/ receipt printers, metal raw materials, and plastics. The downstream companies include hardware and software distributors, and system integrators, which sell products to end users and provide after-sales services. The industrial structure of upstream, midstream and downstream companies:



Source: First Securities Inc.

3. Macroeconomic, industrial development trends and product competition

The development of industrial computer products occurs in two directions: horizontal and vertical. Vertical development involves platform, module, software development, and overall system assembly. Among them, system assembly has the highest entry barriers, as the assembly plants must have both software and hardware capabilities, understand the trend of end users, and provide immediate services, which may be difficult for small IPC manufacturers. As for horizontal development, IPC applications has gradually tapped into the automation of industrial processes and everyday life. Currently, in addition to manufacturing, IPC applications also include various controls and servers of computer-based automation in the telecom industry, financial industry and public environmental facilities, such as automatic ticket vending machines, EZ-Link card readers, POS, ATM, KTV karaoke machines, highway marquees, computer telephony integration (CTI), smart transportation systems, national defense and navigation systems, environmental monitoring systems, and special measuring equipment. Nowadays, since industrial computers combine the applications of information, communications, consumer electronics, optoelectronics, semiconductors and software, cooperating with system integrators to shorten the time between the placement of an order and delivery (i.e. Time-to-market) will be the key for IPC companies in seizing relevant business opportunities. When the IPC industry formulates product plans in cooperation with the systems integration industry, proficiency in hardware technology is required, with understanding of the operating system, and quick response to structural designs. Structural designing skills are required, as SI companies often request to maintain the same internal motherboard or core components, and only change the external appearance, or install system components involves redesigning the external appearance. Hence, the IPC manufacturer's time-to-market skills become more important. Generally, automatic machines and special instruments attach great importance on time-to-market, developing from technical niche, app market niche, to niche business strategies, which further increase the demand for customized services. In addition, POS systems have incorporated wireless network applications given the recent trend of wireless networks. After the POS system becomes wireless, its applications cover more industries. According to Mercator Advisory Group, the output value of wireless POS system market, including WLAN and WWAN, was US$1 billion, of which the U.S. market covers applications in 12 industries, such as taxis, courts, and sports fields. In the future, we expect that green technology and energy-saving industries will adopt more and more IPC products.

When IPC customers purchase products, they must take into account systems integration and conformity. In addition, since the complexity and price of IPC products are higher compared to general consumer products, it takes a longer time for customer certification. In general, it takes 3-6 months, or even up to 12 months, to develop new customers. However, if the product quality is well-praised by customers, the repurchase rate and customer loyalty will be much higher compared to general consumer electronics. Therefore, after customer certification, follow-up orders will provide stable income for the next 2 to 3 years.

(III) Technology and R&D Overview

1. R&D expenses in the most recent fiscal year and up to the date of publication of the annual report

Unit: NT$ thousand

	2023	As of March 31, 2024
R&D expense	67,570	19,959
Net operating revenue	2,547,887	595,359
Ratio of R&D expense to net operating revenue	2.65%	3.35%

Note 1: The consolidated financial statements for 2023 adopted the International Financial Reporting Standards (IFRS) and has been audited by the CPA.
Note 2: The consolidated financial statements for the first quarter of 2024 adopted the International Financial Reporting Standards (IFRS) and has been audited by the CPA.

2. Product (technology) development accomplishments

2000	Gladius TOUCH POS and Aegis TFT TOUCH MONITOR
2001	Crossbow TOUCH POS (dual screen) and KIOSK
2002	Wincell Scale, Popscan, and Sarissa(dual screen)
2003	PPM/PPD Wall Mount 15" LCD MONITOR
2004	Lotto H820i, Glaive TOUCH POS (Thin Client), USB Aegis
2005	Sports Lotto H800, RichPos
2006	RichPOS3600
2007	MiniPOS(MP-2258)
2008	MEGAPOS MP3275, Eyelot
2009	Catana(AL9700), BP2290
2010	RT-665C, RP-3215
2011	Retail Smart, Gladius Smart, BP-300, BP-325
2012	AP-3615, AP-3625,AP-2535,PP-9617
2013	AerPOS AP-36x7, HYT Chair Terminal, E-baccarat Table
2014	AerPPC PP-9635, Coop Refill Station, HT Android POS, Android System PP-9105
2015	AerPOSII, Panel PC PP-8102, Panel PC PP-8632
2016	AerPOS II PP-1455, PP-1453
2017	KS-2642, Panel PC PP-1635, AP-3665/AP-3675
2018	X-POS Series 15", 15.6",X-POS IO Station, X-POS Monitor Series 8" 10" 15" 15.6",PP-9667/9667R 17" Panel PC
2019	XP-3682W, XP-3687, XP-4685, Xtation Family, KS-2643
2020	PP-1110W/1120W, KS-3682, PP-8122, XM1015W
2021	PP-7122W, PP-9715, PP-8643, XM-1015 Gen II
2022	ST-1130W, PP-1135, PP-9132W, PP-9135W, PP-9745/9745W, PP-9732W, LD-9032, XM-3010W
2023	XC-373 (D112001), XC-574 (D112005), PP-9735L/WL (N112006), PP-9755/W (N112005), PP-9752W (N112004), PP-9732WL (N112003)

(IV) Long and short term business development plans

1. Short term business development plan

A. Europe

The Company strengthen its operating and sales system and market position in Europe by taking advantage of joint ventures in the UK, Italy and Germany.

B. USA

The Company's subsidiary in the U.S. serves as the North American logistics system, maintenance and customer service center to support the distribution system for existing customers, and further cultivate in North American markets to seize new opportunities of distribution channels and projects. In addition, the Company introduced non-standard POS products and lottery vending machines to the U.S. market by projects.

C. Northeast Asia

Product distribution in cooperation with large-scale end-users in Japan, in order to introduce products to other related industries.

D. Greater China

a. Improve the FEC brand image in Greater China.

b. Planning of local production capacity to meet future on-site assembly demands in the Chinese market.

c. Adjust the investments of joint ventures with strategic partners, and cooperate with influential local shareholders for expansion in the Chinese lottery market.

2. Long term business development plan

A. Marketing strategy

a. Develop direct marketing strategies and sales channels for better exposure of FEC brands and products in terminal clients.

b. Actively expand in the developing countries such as India and the Middle East.

c. Cooperate with related manufacturers to introduce integrated solutions, in order to lift customers' burdens and expand its market share.

B. Production strategies and direction of product development

a. Adding unique value for FEC products and strengthen product competitiveness with core technical skills.

b. Keep in line with the environmental protection trend for the R&D of energy-saving products.

c. Expand self-service and casino products.

d. Develop investment projects for casino gaming equipment and participate in operations. The Company has been strengthening its market position as casino gaming equipment suppliers, gradually tapping into the casino gaming industry.

e. Provide products that meet the needs of the new generation retail and distribution industry by use of the Group's ability in integrating software and hardware.

f. Actively promote cloud platform services, and assist customers in controlling POS and peripheral hardware devices, in order to reduce customer maintenance costs and improve operational efficiency. Meanwhile, the Company also developed connection services between cloud platforms and application software to further expand the basis and scope of platform applications.

C. Business scale and financial coordination

a. Financing plans in the financial and capital market to meet the Company's funding needs for future operations.

II. Market, production and sales overview

(I) Market analysis

1. Sales areas of main products

Units: NT$thousand; %

Year / Location	2022	2023
	Sales revenue	Sales revenue
Taiwan	49,986	348,611
Europe and Americas	1,685,652	1,296,200
Mainland China and other areas	979,333	903,076
Total	2,714,971	2,547,887

2. Market share

As the dominating global POS manufacturers such as IBM, Wincor Nixdorf, Toshiba and NCR have successively sold or announced to sell their POS departments, Taiwan POS manufacturers have seized the opportunity to expand their market share. Among major POS manufacturers Toshiba TEC and NCR still lead the market, followed by Flytech, Super Flower and Firich.

3. Market supply and demand situation and future growth

Early industrial computers were mostly used in various control, monitoring, testing, and production equipment in the automated production process of plants. However, in recent years, changes in industrial ecology and technological evolution, coupled with the high integration of information and communication technology such as optoelectronics, Internet, and software design, have led to rapid expansion of IPC applications to our daily lives. In terms of applications, in addition to existing markets such as retail, catering and convenience stores, applications including medical care, casino gaming and lottery will also continue to grow. Meanwhile, the demand for replacing old models with new ones has gradually increased with the rapid evolution of manufacturing processes and technology of semiconductors and electronic components, continuous development of operating systems software, and use of Internet and multimedia.

The POS and lottery vending machine industry related to industrial computers is a closed niche industry, which is different from the general computer industry, it needs to match with application software, peripherals, and cooperate between suppliers and end users. Therefore, its business model, application market, the feature of products, and channels are relatively special, with higher entry barriers and relatively few competitors compared to general PCs, which means that it requires long-term cultivation to develop a niche market for industrial computers. The Company has successfully developed a special POS system for different industries such as catering, retail, supermarkets, and chain stores. In addition, it actively tapped into the lottery vending machine market, and developed more competitive VIVI POS and mobile POS systems, which may bring about higher growth potential compared with domestic and foreign POS peers that only produce a single product.

4. Competitive niche

Given high proportion of customization for POS system and the lottery vending machines, we shall focus on the profitability instead of quantity of products. The price of internal components of the POS system is often specified by the customer, with components costs transferred to customers, while the POS manufacturer is mainly responsible for making products with high stability and long life cycle. The Company is the only domestic manufacturer with a full range of products covering retail, supermarkets, mass merchandise retailers, large shopping malls, restaurants, fast food chains, lottery, and medical care, with advantages in R&D, market research, production testing, marketing and customer service, and good customer relationship. In addition, the Company has a complete component supply network, and thus have better skills on ordering, design and customization compared to industry peers.

5. Favorable development prospects, unfavorable factors and countermeasures

The Company’s development aims at professional marketing, R&D and manufacturing of all hardware related to retail, supermarkets, mass merchandise retailers, large shopping malls, restaurants, fast food chains, lottery, casino gaming, and medical care. In addition to from deeply cultivating in the European, the U.S. and Chinese markets, the Company also actively tapped into the markets of other regions around the world. The products are widely used in retail, supermarkets, mass merchandise retail stores, large shopping malls, restaurants, fast food chains, and lottery. As the scope of IPC application is expanding, the key competitive advantage is to design practical and cost-competitive products that are truly suitable for end users, in order to help strengthen their competitiveness.

(1) Favorable factors

A. Potential market demand

Currently, given that the Company's products only account for low market share in the global market, with its sales also account for low market share in the U.S., Japan, Europe and emerging countries, indicating great growth potential and promising prospects for the future.

B. Outstanding R&D and marketing team

The Company’s marketing covers major markets around the world. It keeps track of development trends through close contact with distributors in various regions, and the R&D team makes full use of limited resources to launch new products to meet market demands in a short period of time. Meanwhile, by cooperating with suppliers, the Company launched products with competitive pricing and meet market demands, in order to help customers to quickly seize market opportunities.

C. Expand the scope of products and applications

Industrial computers are used in a wide range of applications, which not only covers general catering and retail distribution companies, but also public facilities in amusement parks, cultural centers, stations and airports in advanced countries such as Europe, the U.S. and Japan, as well as special markets including national defense, medical services, casino gaming, and lottery. Hence, given good product expansion and business continuity in the IPC industry, there may be a great potential for development in the future. In addition, the Company provides impressive customization and application products in a timely manner, in order to meet customer needs and improve customer loyalty.

D. Mature vertical development of domestic manufacturers

We are optimistic towards the market scale from IPC products. In addition to the basic ability in IPC development, manufacturers also need to have firmware development skills and vertical integration know-how, in order to adopt systems platforms with high performance, integration, and high compatibility in various industries, and provide customers with time-to-market services. Among them, system assembly has the highest entry barriers, as the assembly plants must have the ability to integrate software and hardware, understand the needs of the end users, and provide complete after-sales services to support business promotion. Therefore, it may be difficult for small IPC manufacturers. The Company has experience in the development of system assembly with excellent vertical integration skills, and has a better position in vertical development.

(2) Unfavorable factors

(A) Small company scale, which means that its financial resources, output, distribution bases and after-sales services are not as good as compared with major international companies.

[Countermeasures]

a. Establish a distribution network in regions with great market potential, in order to increase distribution bases, with better quality of after-sales service.

b. The Company strengthens its customization skills. It not only designed products that meet the specifications and functions required by customers, but also shortens the period for product design via improvement of internal processes, in order to match with the customer's product launch schedule.

c. Develop investment projects for casino gaming equipment and participate in operations, in order to meet the needs of casino gaming customers in various regions, and comply with local laws and regulations.

(B) New manufacturers are continuously attracted to the market given high gross margin in the overall industry, which increases price competition.

[Countermeasures]

a. The Company simplifies the product manufacturing process and strengthens computerized operations to prevent a waste of labor resources, with employee education and training in the aim to effectively reduce tangible and intangible costs, and thereby improve its long-term competitiveness.

b. The Company actively maintains cooperative relationships with suppliers, and strictly controls the procurement cost of raw materials, in order to achieve effective management of production costs without affecting product quality.

c. The market pays great attention to casino gaming in terms of future development trend of the IPC industry. The Company will continue cultivate in the POS system industry, and has invested in the casino in Vladivostok, Russia, with the hope to seize business opportunities in the casino gaming industry.

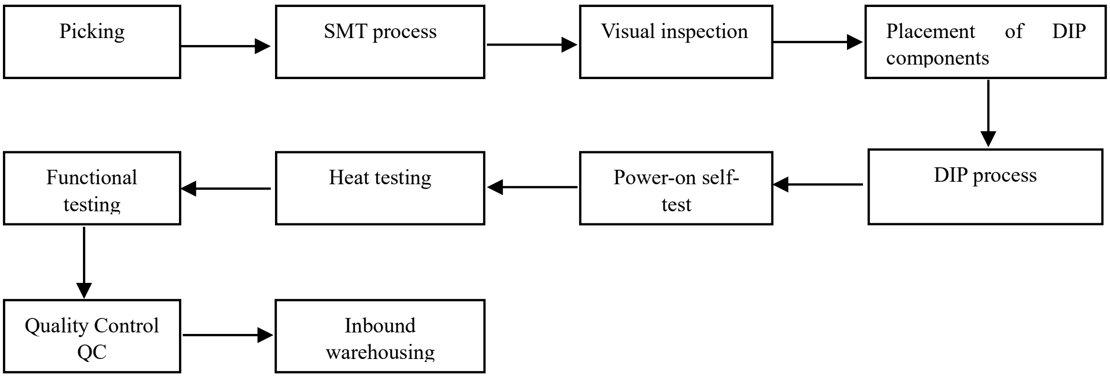
(II) Main products' important functions and production process

1. Main products' important functions

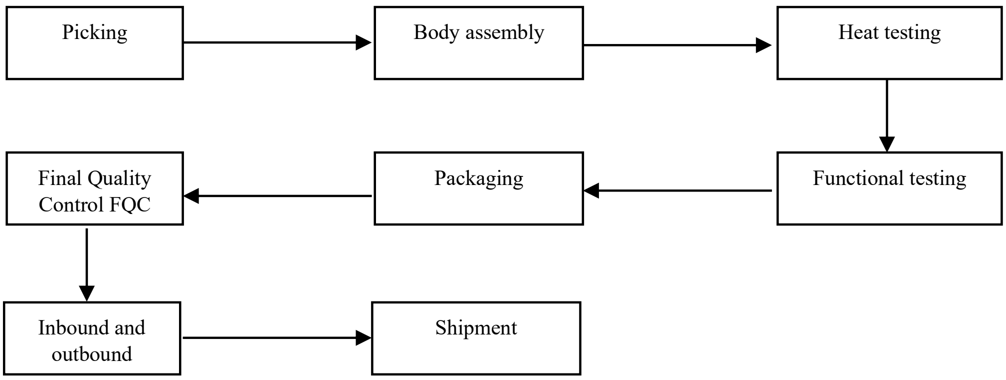
Product Name	Function
POS system	Computer equipment that record and summarize daily transactions by using touch screen or keyboard as input interface.
POS system and peripherals	Including peripheral products such as cash drawers, price display, keyboards and LCD screens, which effectively enhance its service value when it is matched with the POS system.

2. Main products' production process

(1) Semi-finished products by in-house and outsource production



(2) The host of the production system by in-house and outsource production:



3. Supply of main products:

The main raw materials of the Company's products are classified into electronic, structural, and packaging materials. Except for some imported IC semiconductors, most electronic materials are obtained by domestic sourcing, while most of the structural and packaging materials are self-designed and obtained by domestic sourcing. The Company has stable source of materials and good balance between supply and demand.

4. A list of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years, the amounts bought from (sold to) each, the percentage of total procurement (sales) accounted for by each, and an explanation of the reason for increases or decreases in the above figures:

(1) Information of major suppliers for the last two years

Unit: NT$ thousand

	2022				2023				As of March 31, 2024			
Item	Name	Amount	Annual net purchase (%)	Relationship with issuer	Name	Amount	Annual net purchase (%)	Relationship with issuer	Name	Amount	Annual net purchase (%)	Relationship with issuer
1	AUO Display Plus Corporation	174,878	10.50	None	AUO Display Plus Corporation	137,725	10.26	None	AUO Display Plus Corporation	47,626	13.27	None
2	Others	1,491,388	89.50		Others	1,204,792	89.74		Others	311,267	86.73	
3												
	Net import	1,666,266	100.00			1,342,517	100.00			358,893	100.00	

(2) Major sales from customers in the last two years

Unit: NT$ thousand

	2022				2023				As of March 31, 2024			
Item	Name	Amount	Annual net sales (%)	Relationship with issuer	Name	Amount	Annual net sales (%)	Relationship with issuer	Name	Amount	Annual net sales (%)	Relationship with issuer
1	A	279,211	10.28	None	A	300,839	11.81	None	Others	595,359	100	
2	Others	2,435,760	89.72		Others	2,247,048	88.19					
3												
	Net sale	2,714,971	100.00		Net Sales	2,547,887	100.00		Net Sales	595,359	100.00	

5. Production value in the last two years

Production value in the last two years

Units: NT$thousand; Set

Year / Output volume and value / Main products	2022			2023		
	Capacity	Output	Output Value	Capacity	Output	Output Value
Computer and peripherals	100,000	82,430	1,282,042	100,000	67,180	1,150,442
Total	100,000	82,430	1,282,042	100,000	67,180	1,150,442

Note: Excluding outsourced production.

6. Sales value for the last two years

Sales value for the last two years

Units: NT$thousand; Set

Year / Sales volume and value / Main products	2022				2023			
	Domestic sales		Export		Domestic sales		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Computer and peripherals	2,127	49,986	213,154	2,659,552	14,242	348,611	158,135	2,182,198
Liquor distributer	-	-	4,358	5,433	-	-	18,137	17,078
Total	2,127	49,986	217,512	2,664,985	14,242	348,611	176,272	2,199,276

III. Employee Profile

The number of employees employed for the 2 most recent fiscal years, and during the current fiscal year up to the date of publication of the annual report, their average years of service, average age, and education levels:

April 30, 2024; Unit: person

Year		2022	2023	Up to April 30, 2024 for the current year
Number of Employees	Production	107	112	114
	R&D	57	62	52
	Business	89	91	88
	Manage	67	67	67
	Total	320	332	321
Average age		43.53	43.7	43.61
Average length of service		11.54	11.56	11.65
Education level distribution ratio	Masters and above	10%	9%	10%
	University (College)	67%	70%	68%
	High school	19%	17%	18%
	Below junior high school (included)	4%	4%	4%

IV. Information on environmental protection expenditure

(I) Any loss suffered by the Company in the most recent fiscal year and up to the annual report publication date due to environmental pollution incidents (including any compensation paid and violation of environmental protection laws or regulations found in environmental inspection; specify the sanction date, sanction reference number, the article of law violated, and the content of the sanctions): None.

(II) Estimated amount and response measures for present and future possible events: Not applicable.

V. Labor-management relations

(I) Employee benefit plans, continuing education, training, retirement systems, and the status of their implementation, and the status of labor-management agreements and measures for preserving employees' rights and interests:

1. Employee benefit plans and its implementation status
   ①Birthday gifts
   ②Annual employee travel
   ③Festival gifts, wedding and funeral condolences
   ④Year-end festival
   ⑤Uniform
   ⑥Education and Training
   ⑦Childbirth subsidy, scholarship subsidy and senior staff awards
   ⑧Employee stock warrants, dividends, year-end bonus
   ⑨Labor insurance/ health insurance/group insurance, and health check-up
2. Continuing education and training and its implementation status
   The Company's education and training include two types: external training and internal training. Employees shall fill in the report for their experience after they have completed the training courses. In addition to organizing various training courses and respond to the feedback of trainees, the Company will also refer to the education background and training experiences of employees for future promotions and job rotations.

December 31, 2023

Item	Session	Total number of participants	Total training hours	Total expense (NT$)
New employee training	23	30	153	0
Professional training	20	13	120.5	67,800
Total	43	43	273.5	67,800

3. The company’s retirement system and its implementation status
   The Company handles employee pension in accordance with relevant laws. The employees selecting the new labor retirement system, and new employees that joined the Company after the implementation of new labor retirement system, shall be subject to the retirement system under the Labor Pension Act, and we contribute 6% of the employee’s salary to the Bureau of Labor Insurance every month. The seniority of employees selecting the old labor retirement system, and the employees selecting the new labor retirement system shall be included, and the pension reserve shall be calculated according to standards for workers' pension payment.

Currently, the implementation status is good, and no disputes have occurred.

4. Labor-management agreements
The Company encourages employees to express their opinions by communicating with relevant personnel, and requests quick response from supervisors and relevant departments. The supervisors shall be proactive in their management style, and implement two-way communication by actively keep in track of the work status of employees. No major labor disputes have occurred as both labor and management respect for human rights and labor practices.
5. Measures for preserving employees' rights and interests
Each of the Company’s department has established comprehensive operating processes, and the rights and responsibilities of all employees are in compliance with relevant laws and regulations and internal control regulations. In addition, the Company provides good communication mechanism, and attaches great importance on the exchange of opinions between employees and supervisors, making the most appropriate decisions to protect the rights and interests of employees and the Company.
6. Employee payroll system
According to Article 22 of the Company’s Articles of Association:
If the company earns a profit in the current year, the proportion of the employees’ compensation shall not be less than 5%, and the proportion of the remuneration for directors shall not be higher than 1%. However, when the Company still has accumulated losses, the compensation amount should be reserved in advance.
The preceding paragraph's employee compensation is issued to recipients in stock or cash, including employees of affiliated companies who meet certain conditions. The Board of Directors is authorized to handle the determination of such conditions.

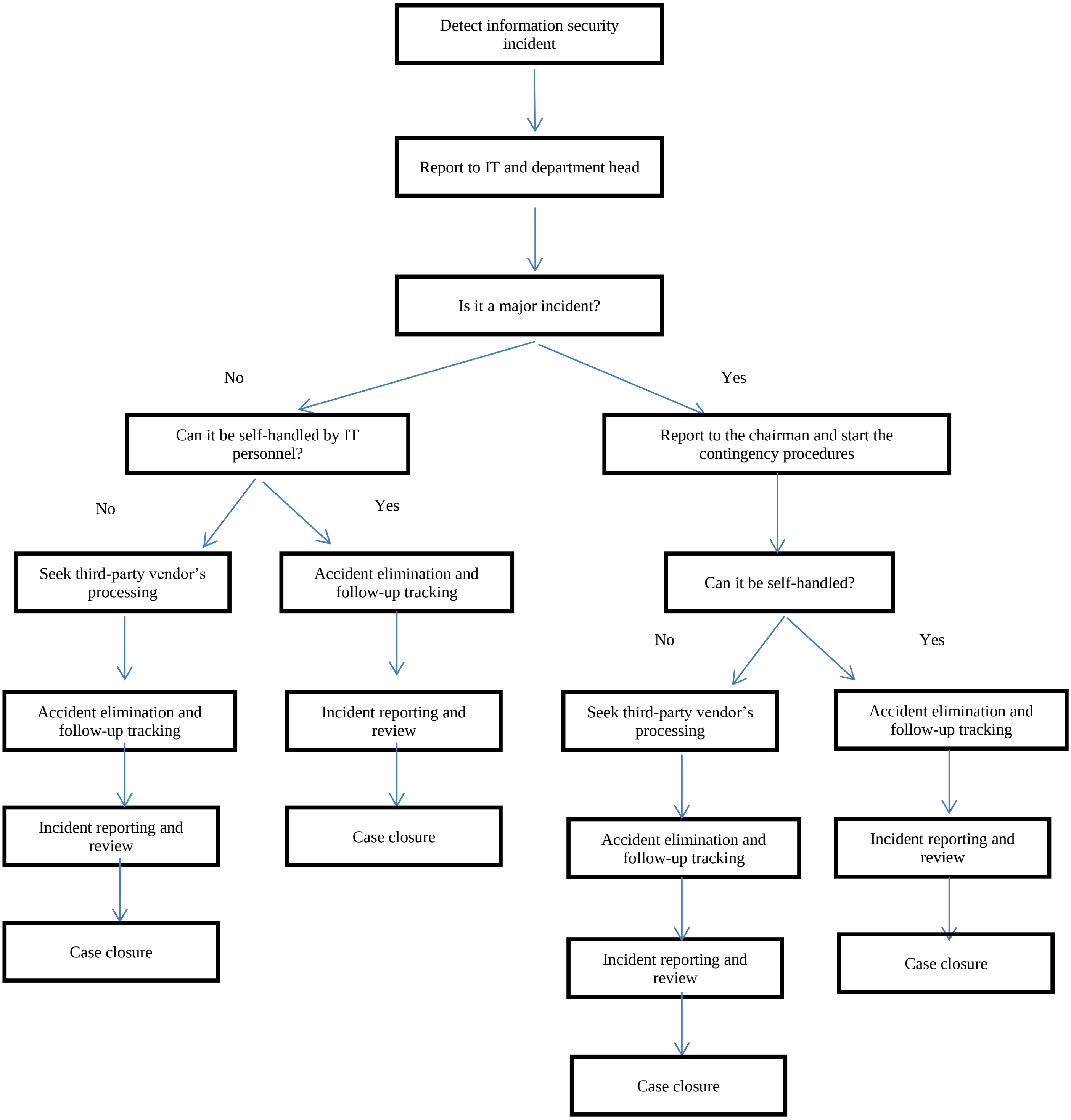
(II) Losses suffered by the company in the most recent 2 fiscal years and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and disclosing an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken:
There were no labor disputes as of the publication date of the annual report, and it is less likely that the company may suffer losses from labor

disputes in the future. In addition, since the Company's establishment, we attach great importance to the harmony between labor and management. Therefore, apart from improving employee welfare, benefits, skills and improving the working environment, we also maintain smooth communications to understand the challenges faced by employees and their needs, so that all problems can be solved by the assistance of managers at all levels.

VI. Infocomm Security Management:

(I) Infocomm security risk management framework, infocomm security policy, specific management plan and resources invested in infocomm security management.

1. Infocomm security risk management framework



2. Cyber security policy, specific management plans and resources invested:

(1) Goals of infocomm security policy

Ensure the security of the Company's network communications and the normal operation of hardware and software equipment, and reduce human error or deliberate theft or sabotage.

(2) Contents of infocomm security policy

(a) Implementation of infocomm security training from time to time, and promotion of the information security policy and regulations.

(b) Regular maintenance and inspection of the IT machine room.

(c) Regular inspection of the Company’s IT equipment and implementation of disaster simulation drills.

(d) Important company information storage and off-site backup.

(e) User authority classification of the network system to prevent unauthorized access.

(f) Formulation of an internal audit plan for the information security management system, and regular review of the implementation of information security management.

(g) Management of internal-to-external transmission channels, including emails, portable storage devices, cloud drives and communication software to prevent data leakage.

(3) Resources invested in infocomm security management

(a) Firewall establishment.

(b) Installation and update of antivirus software.

(c) Personnel training and further study

(II) Losses due to major information security incidents in the most recent year and as of the date of publication of the annual report, possible impacts and countermeasures: None.

VII. Important contracts: None

Six. An Overview of the Company's Financial Status

I. Financial information of the past five years

(I) Condensed balance sheet - Consolidated

Units: NT$thousand

Item \ Year		Financial information of the past five years					Financial information as of March 31, 2024
		2019	2020	2021	2022	2023	
Current asset		3,174,715	2,947,650	3,023,106	2,773,361	2,672,808	2,673,942
Property, Plant and Equipment		364,811	350,212	340,033	301,910	297,476	300,488
Intangible assets		247,924	234,507	186,801	177,577	167,865	167,311
Other assets		2,545,221	2,800,719	2,931,805	3,637,077	3,307,870	3,876,786
Total assets		6,332,671	6,333,088	6,481,745	6,889,925	6,446,019	7,018,527
Current liabilities	Before distribution	1,555,978	2,630,327	2,334,461	2,160,920	1,809,599	1,938,530
	After distribution	1,620,531	2,762,598	2,414,004	2,359,512	Note 2	Note 2
Non-current liabilities		707,646	27,073	535,299	583,620	585,794	582,540
Total liabilities	Before distribution	2,263,624	2,657,400	2,869,760	2,744,540	2,395,393	2,521,070
	After distribution	2,328,177	2,789,671	2,949,303	2,943,132	Note 2	Note 2
Equity attributable to owners of parent		3,994,420	3,644,327	3,585,196	4,104,222	3,997,714	4,429,882
Share capital		2,591,587	2,775,315	2,775,315	2,960,915	3,014,526	3,014,526
Paid-in capital		1,635,421	1,454,004	1,325,054	1,115,833	1,013,244	1,013,258
Retained earnings	Before distribution	1,217,475	938,980	1,086,889	1,350,179	1,141,224	1,363,958
	After distribution	1,152,922	938,980	1,033,860	1,151,587	Note 2	Note 2
Other equity interest		(1,336,383)	(1,135,340)	(1,213,430)	(950,227)	(893,507)	(684,087)
Treasury shares		(113,680)	(388,632)	(388,632)	(372,478)	(277,773)	(277,773)
Non-controlling interest		74,627	31,361	26,789	41,163	52,912	67,575
Total equity	Before distribution	4,069,047	3,675,688	3,611,985	4,145,385	4,050,626	4,497,457
	After distribution	4,004,494	3,543,417	3,532,442	3,946,793	Note 2	Note 2

Note 1: As of March 31, 2024, the financial statements have already been reviewed and approved by certified accountants.
Note 2: The 2023 earnings distribution has not yet been approved by resolution of the shareholders' meeting.

Condensed balance sheet - independent

Units: NT$thousand

Item		Financial information of the past five years 2019	2020	2021	2022	2023	Financial information as of March 31, 2024
Current asset		1,572,777	1,688,078	1,915,365	1,637,736	1,906,941	-
Property, Plant and Equipment		254,905	249,511	240,167	237,730	238,845	-
Intangible assets		1,203	1,110	1,798	2,009	1,403	-
Other assets		4,068,829	3,943,688	3,867,478	4,610,439	3,947,990	-
Total assets		5,897,714	5,882,387	6,024,808	6,487,914	6,095,179	-
Current liabilities	Before distribution	1,207,275	2,218,123	1,920,795	1,866,405	1,582,142	-
	After distribution	1,271,828	2,350,394	2,000,338	2,064,997	Note 2	-
Non-current liabilities		696,019	19,937	518,817	517,287	515,323	-
Total liabilities	Before distribution	1,903,294	2,238,060	2,439,612	2,383,692	2,097,465	-
	After distribution	1,967,847	2,370,331	2,519,155	2,582,284	Note 2	-
Share capital		2,591,587	2,775,315	2,775,315	2,960,915	3,014,526	-
Paid-in capital		1,635,421	1,454,004	1,325,054	1,115,833	1,013,244	-
Retained earnings	Before distribution	1,217,475	938,980	1,086,889	1,350,179	1,141,224	-
	After distribution	1,152,922	938,980	1,033,860	1,151,587	Note 2	-
Other equity interest		(1,336,383)	(1,135,340)	(1,213,430)	(950,227)	(893,507)	-
Treasury shares		(113,680)	(388,632)	(388,632)	(372,478)	(277,773)	-
Non-controlling interest		-	-	-	-	-	-
Total equity	Before distribution	3,994,420	3,644,327	3,585,196	4,104,222	3,997,714	-
	After distribution	3,929,867	3,512,056	3,505,653	3,905,630	Note 2	-

Note 1: As of March 31, 2024, the Company has only prepared consolidated financial statements that have been reviewed and approved by certified accountants.
Note 2: The 2023 earnings distribution has not yet been approved by resolution of the shareholders' meeting.

(II) Condensed income statement - consolidated

Units: NT$thousand

Item \ Year	Financial information of the past five years (Note 1)					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	3,130,115	2,243,920	2,554,581	2,714,971	2,547,887	595,359
Gross profit	959,001	618,891	755,139	793,982	721,442	177,452
Net operating income	279,990	25,080	137,349	127,400	138,287	16,557
Non-operating income and expenses	58,011	(89,895)	43,212	262,526	(51,422)	234,437
Profit before tax	338,001	(64,815)	180,561	389,926	86,865	250,994
Net profit for continuing operations	266,058	(83,297)	139,917	324,942	53,758	230,961
Loss from discontinued operation	0	0	0	0	0	0
Current net profit (loss)	266,058	(83,297)	139,917	324,942	53,758	230,961
Other comprehensive income (net after tax)	(165,900)	40,588	(74,670)	268,490	58,064	209,676
Total profit and loss – current	100,158	(42,709)	65,247	593,432	111,822	440,637
Net profit attributable to equity holders of the Company	263,193	(68,518)	146,115	311,960	42,712	226,615
Net profit attributable to equity holders of the Company	2,865	(14,779)	(6,198)	12,982	11,046	4,346
Total comprehensive income attributable to equity holders of the Company	92,965	(26,157)	71,877	579,522	99,574	436,035
Total comprehensive income attributable to non-controlling interests	7,193	(16,552)	(6,630)	13,910	12,248	4,602
EPS (Note 2)	0.87	(0.23)	0.50	1.07	0.15	0.78

Note 1: As of March 31, 2024, the financial statements have already been reviewed and approved by certified accountants.

Note 2: Retrospective adjustments as at December 31, 2023.

Condensed income statement - independent

Units: NT$thousand

Item \ Year	Financial information of the past five years (Note 1)					Financial information as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating revenue	2,194,273	1,519,235	1,895,900	1,977,189	1,887,768	-
Gross profit	653,468	369,626	472,674	504,667	512,480	-
Net operating income	324,555	101,328	216,451	183,320	248,603	-
Non-operating income and expenses	(6,868)	(157,655)	(41,444)	183,682	(202,155)	-
Profit before tax	317,687	(56,327)	175,007	367,002	46,448	-
Net profit for continuing operations	263,193	(68,518)	146,115	311,960	42,712	-
Loss from discontinued operation	0	0	0	0	0	-
Current net profit (loss)	263,193	(68,518)	146,115	311,960	42,712	-
Other comprehensive income (net after tax)	(170,228)	42,361	(74,238)	267,562	56,862	-
Total profit and loss – current	92,965	(26,157)	71,877	579,522	99,574	-
EPS (Note 2)	0.87	(0.23)	0.50	1.07	0.15	-

Note 1: As of March 31, 2024, the Company has only prepared consolidated financial statements that have been reviewed and approved by certified accountants.

Note 2: Retrospective adjustments as at December 31, 2023.

(III) The names of appointed certified accountants and their audit opinions in the last 5 years

1. The names of appointed certified accountants and their audit opinions in the last 5 years:

Year	Accounting firm	Name of CPA	Audit Opinion
2019	PwC Taiwan	Ming-Chuan Hsu, Chao-Hsien Chiu	Unqualified opinions (referring to other matters based on the report of another auditor and intending to distinguish the auditor’s responsibilities)
2020	PwC Taiwan	Ming-Chuan Hsu, Chao-Hsien Chiu	Unqualified opinions (referring to other matters based on the report of another auditor and intending to distinguish the auditor’s responsibilities)
2021	PwC Taiwan	Ming-Chuan Hsu, Chao-Hsien Chiu	Unqualified opinions (referring to other matters based on the report of another auditor and intending to distinguish the auditor’s responsibilities)
2022	PwC Taiwan	Ming-Chuan Hsu, Ping-Chun Chih	Unqualified opinions (referring to other matters based on the report of another auditor and intending to distinguish the auditor’s responsibilities)
2023	PwC Taiwan	Ping-Chun Chih, Tsung-Hsi Lai	Unqualified opinions (referring to other matters based on the report of another auditor and intending to distinguish the auditor’s responsibilities)

2. Reason for change of CPAs:

The CPA firm’s adjustment of internal organization.

II. Financial analysis of the past five years

(I) Financial analysis - International Financial Reporting Standards (consolidated)

Item	Year	Financial analysis of the past five years					As of March 31, 2024
		2019	2020	2021	2022	2023	
Financial structure (%)	Debts Ratio	35.75	41.96	44.27	39.83	37.16	35.92
	Long term Funds to Property, Plant and Equipment Ratio	1309.36	1057.29	1222.61	1565.54	1557.07	1689.08
Solvency (%)	Current ratio	204.03	112.06	129.50	128.34	147.70	137.94
	Quick Ratio	146.63	83.87	86.46	84.35	110.40	104.10
	Interest coverage ratio	9.56	(1.05)	7.41	13.44	3.60	33.90
Operating Performance	Average Collection Turnover (Times)	3.45	3.08	3.60	3.75	3.19	2.83
	Average number of days	105.8	118.51	101.39	97.33	114.42	128.98
	Inventory Turnover (Times)	1.94	1.67	1.73	1.68	1.90	2.12
	Average Payment Turnover (Times)	7.72	7.27	5.71	5.06	5.75	5.43
	Average sales days	188.14	218.56	210.98	217.26	192.11	172.17
	Property, Plant and Equipment Turnover (Times)	8.39	6.28	7.40	8.46	8.50	7.97
	Total Assets Turnover (Times)	0.47	0.354	0.399	0.406	0.382	0.354
Profitability	Return on assets (%)	4.49	(0.92)	2.54	5.24	1.21	3.52
	Return to equity (%)	6.44	(2.15)	3.84	8.38	1.31	5.40
	Pre-tax net profit to paid-in capital ratio (%)	13.04	(2.34)	6.51	13.17	2.88	8.33
	Net profit ratio (%)	8.5	(3.71)	5.48	11.97	2.11	38.79
	EPS (NT$)	0.87	(0.23)	0.50	1.07	0.15	0.78
Cash Flow	Cash Flow Ratio (%)	39.23	11.46	6.31	13.11	15.43	23.46
	Cash Flow Adequacy Ratio (%)	213.49	230.43	198.10	208.50	171.09	208.54
	Cash Flow Reinvestment Ratio (%)	9.03	7.97	4.62	4.62	1.68	8.66
Leverage	Operating Leverage	1.25	4.31	1.61	1.49	1.68	1.94
	Financial Leverage	1.16	(3.82)	1.26	1.33	1.32	1.85

Analysis of significant changes in financial ratios over the last two years (20% change):

1. Increase of the quick ratio was mainly due to the decrease of inventories.
2. Decrease of times interest earned, return on assets, return on equity, profit before tax to paid-in capital ratio, net profit ratio and earnings per share was mainly due to the Company's decline of revenue and impairment loss of affiliated enterprises recognized under equity method in 2023.
3. Decrease of cash reinvestment ratio was mainly due to the decline of profit in 2023.

Note 1: As of March 31, 2024, the financial statements have already been reviewed and approved by certified accountants.

Note 2: EPS after retrospective adjustments.

Note 3: The formula is as follows:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/total assets
   (2) Long term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Solvency
   (1) Current Ratio = Current Assets / Current Liabilities
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance

(1) Receivables (including accounts receivable and notes receivable arising from business operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period
(2) Average collection days for receivables = 365 / receivables turnover rate
(3) Inventory turnover rate = cost of sales / Average inventory
(4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period
(5) Average days of sale = 365 / Inventory turnover rate
(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
(7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability
(1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets
(2) Return on Equity = Net Income / Average Equity
(3) Net Margin = Net Income / Net Sales
(4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent Preferred Stock Dividend) / Weighted Average Number of Sha res Outstanding (Note 4)

5. Cash Flow
(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities
(2) Cash Flow Adequacy Ratio = Five year Sum of Cash from Operations / Five year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend
(3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities Cash Dividends)/ (Gross Property, Plant and Equipment + Long term Investments + Other Noncurrent Assets + Working Capital) (Note 5)

6. Leverage:
(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations (Note 6)
(2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

Financial analysis - International Financial Reporting Standards (independent)

Item		2019	2020	2021	2022	2023	As of March 31, 2024
	Year	Financial analysis of the past five years					
Financial structure (%)	Debts Ratio	32.27	38.05	40.49	36.74	34.41	-
	Long term Funds to Property, Plant and Equipment Ratio	1840.07	1468.58	1708.82	1942.98	1889.53	-
Solvency (%)	Current ratio	130.27	76.10	99.72	87.75	120.53	-
	Quick Ratio	94.55	60.05	68.84	59.19	97.47	-
	Interest coverage ratio	15.69	(1.27)	9.48	17.97	2.76	-
Operating Performance	Average Collection Turnover (Times)	2.98	3.12	3.86	4.18	3.62	-
	Average number of days	122.48	116.99	94.56	87.32	100.83	-
	Inventory Turnover (Times)	3.4	2.82	2.96	2.69	3.16	-
	Average Payment Turnover (Times)	7.87	8.12	5.80	5.11	6.20	-
	Average sales days	107.35	129.43	123.31	135.69	115.51	-
	Property, Plant and Equipment Turnover (Times)	8.68	6.02	7.74	8.28	7.92	-
	Total Assets Turnover (Times)	0.36	0.26	0.32	0.32	0.30	-
Profitability	Return on assets (%)	4.59	(0.83)	2.73	5.26	1.01	-
	Return to equity (%)	6.46	(1.79)	4.04	8.11	1.05	-
	Pre-tax net profit to paid-in capital ratio (%)	12.26	(2.03)	6.31	12.39	1.54	-
	Net profit ratio (%)	11.99	(4.51)	7.71	15.78	2.26	-
	EPS (NT$)	0.87	(0.23)	0.50	1.07	0.15	-
Cash Flow	Cash Flow Ratio (%)	46.47	8.23	6.07	16.65	9.37	-
	Cash Flow Adequacy Ratio (%)	253.61	234.56	322.68	232.43	157.07	-
	Cash Flow Reinvestment Ratio (%)	7.72	3.73	2.78	5.45	-1.10	-
Leverage	Operating Leverage	1.02	1.25	1.15	1.09	1.10	-
	Financial Leverage	1.07	1.32	1.11	1.13	1.12	-

Analysis of significant changes in financial ratios over the last two years (20% change):

1. Increase of current ratio and quick ratio was mainly due to the increase of accounts receivable in 2023.
2. Decrease of times interest earned, return on assets, return on equity, profit before tax to paid-in capital ratio, net profit ratio and earnings per share was mainly due to the Company's decline of revenue and impairment loss of affiliated enterprises recognized under equity method in 2023.
3. Decrease of cash flow ratio, cash flow adequacy ratio and cash reinvestment ratio was mainly due to the decline of profit in 2023.

Note 1: As of March 31, 2024, the Company has only prepared consolidated financial statements that have been reviewed and approved by certified accountants.

Note 2: EPS after retrospective adjustments.

Note 3: The formula is as follows:

1. Financial structure
   (1) Liabilities to assets ratio = total liabilities/total assets
   (2) Long term Fund to Property, Plant and Equipment Ratio = (Shareholders' Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Solvency
   (1) Current Ratio = Current Assets / Current Liabilities
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating Performance
   (1) Receivables (including accounts receivable and notes receivable arising from business

operations) turnover rate = net sales / average receivables (including accounts receivable and notes receivable arising from business operations) for each period

(2) Average collection days for receivables = 365 / receivables turnover rate

(3) Inventory turnover rate = cost of sales / Average inventory

(4) Payables (including accounts payable and notes payable arising from business operations) turnover rate = cost of sale / average payables (including accounts payable and notes payable arising from business operations) for each period

(5) Average days of sale = 365 / Inventory turnover rate

(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment

(7) Total Assets Turnover = Net Sales / Average Total Assets

4. Profitability

(1) Return on Total Assets = (Net Income + Interest Expenses * (1 - Effective Tax Rate)) / Average Total Assets

(2) Return on Equity = Net Income / Average Equity

(3) Net Margin = Net Income / Net Sales

(4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent Preferred Stock Dividend) / Weighted Average Number of Sha res Outstanding (Note 4)

5. Cash Flow

(1) Cash Flow Ratio = Net Cash Provided by Operating Activities / Current Liabilities

(2) Cash Flow Adequacy Ratio = Five year Sum of Cash from Operations / Five year Sum of Capital Expenditures, Inventory Additions, and Cash Dividend

(3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities Cash Dividends)/ (Gross Property, Plant and Equipment + Long term Investments + Other Noncurrent Assets + Working Capital) (Note 5)

6. Leverage:

(1) Operating Leverage = (Net Sales - Variable Cost) / Income from Operations (Note 6)

(2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

III. Audit Committee Report on the 2021 financial statements:

Firich Enterprises Co., Ltd.
Audit Committee's Review Report

The Board of Directors has prepared the Company's 2023 business report, financial statements and earnings distribution proposal. The financial statements have been audited by CPAs Chih, Ping-Chun Chih and Tsung-Hsi Lai of PwC Taiwan, and the Independent Auditors' Audit Report has been issued accordingly. The aforementioned reports have been reviewed and determined to be correct and accurate by the Audit Committee members with this report issued in accordance with the Company Act and the Securities and Exchange Act.

Firich Enterprises Co., Ltd.

Audit Committee Convener

April 26, 2024

IV. 2023 financial statement

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Firich Enterprises Co., Ltd.

Opinion

We have audited the accompanying consolidated balance sheets of Firich Enterprises Co., Ltd. and its subsidiaries (the "Firich Group") as at December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Firich Group as at December 31, 2023 and 2022, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Group's 2023 consolidated financial statements are stated as follows:

A.Valuation of allowance for inventory valuation losses

<u>Description</u>

For the description of accounting policy on inventory valuation, please refer to Note 4(13). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(5). As of December 31, 2023, the Group's inventories and allowance for inventory valuation losses amounted to NT$798,724 thousand and NT$149,764 thousand, respectively.

Since the industry involves rapidly changing technology and was affected by market price, there was higher risk of incurring inventory valuation losses or having obsolete inventory. The Group's inventories were measured at the lower of cost and net realisable value, and measured the net realisable value in accordance with historical data of inventory clearance in order to provide losses for inventories that were over a certain age. The Group's determination of net realisable value for inventories on balance sheet date involves subjective judgements and estimates which have a material effect on the financial statements. As a result, we determined the valuation of allowance for inventory valuation losses as one of the key audit matters for this year's audit.

How our audit addressed the matter

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

1. Assessed the reasonableness of provision policies and procedures in relation to allowance for inventory valuation losses based on our understanding of the Group's operation and industry.
2. Verified the appropriateness of system logic in inventory aging analysis report and net realised value report by using the system, and confirmed whether the report information was consistent with its policies.
3. Checked the appropriateness of estimate basis that was adopted for each net realised value, re-verified the information that we obtained like market price, purchase price, and historical information of inventory clearance, and recalculated and evaluated the reasonableness of the information used by management in determining allowance for inventory valuation losses.

B.Impairment assessment of subsidiaries' investmets using the equity method

Description

For the description of accounting policy on investments using the equity method and impairment of non-financial assets, please refer to Note 4 (15). For accounting estimates and assumptions of uncertainty for investments using the equity method, please refer to Note 5. For the details of investments using the equity method, please refer to Note 6(6). The Group indirectly invested in Oriental Regent Ltd. through its subsidiary Firich International Co., Ltd. and the balance of the investment using the equity method is NT$882,439 thousand, constituting 13.69% of the total assets.In accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures", management should assess the investment immediately when there are signs of impairment that

indicate that an investment using the equity method may have been impaired to the point where the carrying amount cannot be recovered.
The management assessed the recoverable amount based on the prices generated by market transactions of comparable companies. As of December 31,2023, the assessed recoverable amount was less than the book value, and as a result, an impairment loss of NT$252,042 thousand was recognized (classified as "7020 Other gains and losses ").
Since these major assumptions involve subjective judgments by management and may be affected by future market or economic climate, the estimates are highly uncertain.
Thus, we determined that the estimates of the investment impairment of subsidiaries using the equity method as one of the key audit matters for this year's audit.

How our audit addressed the matter

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

1. Understand management's internal process for asset impairment assessment.
2. Obtain the appraisal report issued by the external expert appointed by the management and perform the following audit procedures.

- Review the qualifications of experts to assess their independence, objectivity and competence.
- Assess that the methods used by experts are generally adopted and appropriate.
- Confirm that there is no significant difference between the comparison target used in the appraisal report and the business of the invested company.
- Evaluate the relevance and reasonableness of the significant assumptions used by experts.
- Review the sensitivity analysis performed on the above significant assumptions and parameters to confirm their impact on the impairment assessment results.

Other matter – Reference to the audits of other independent auditors

We did not audit the financial statements of certain subsidiaries and investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, insofar as it relates to the amounts included in respect of these subsidiaries and associates, is based solely on the reports of the other auditors. Total assets of the subsidiaries and the balances of these investments accounted for under the equity method amounted to NT$802,694 thousand and NT2,304,906 thousand, constituting 12.5% and 33.5% of consolidated total assets as at December 31, 2023 and 2022, respectively, and the operating revenue of NT$375,457 thousand and NT$325,314 thousand, constituting 14.7% and 12.0% of consolidated total operating revenue for the years then ended, respectively. Share of profit(loss) of associates and joint ventures accounted for using the equity method amounted to NT$(7,579) thousand and NT$68,703 thousand, constituting (6.8%) and 11.6% of consolidated total comprehensive income for the years ended December 31, 2023 and 2022, respectively.

Other matter - Parent company only financial statements

We have audited and expressed an unqualified opinion with other matter section on the parent company only financial statements of Firich Enterprises Co., Ltd. as at and for the years ended December 31, 2023 and 2022.

Responsibilities of management and those charged with governance for the consolidated financial statements

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

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

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

Auditors' responsibilities for the audit of the consolidated financial statements

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

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

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

controls.

2. Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Firich Group's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Firich Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Firich Group to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Firich Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Chih, Ping-Chiun Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan

March 14, 2024

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

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

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 1,281,892	20	$ 1,220,661	18
1150	Notes receivable, net	6(4)	57	-	557	-
1170	Accounts receivable, net	6(4)	338,559	5	478,570	7
1180	Accounts receivable - related parties	6(4) and 7	347,909	6	33,828	-
1200	Other receivables		15,632	-	26,932	-
1210	Other receivables - related parties	7	12,802	-	24,422	-
1220	Current tax assets	6(29)	516	-	488	-
130X	Inventories, net	6(5)	648,960	10	887,031	13
1410	Prepayments		26,041	-	63,674	1
1460	Non-current assets classified as held for sale, net	6(12)	-	-	36,549	1
1470	Other current assets		440	-	649	-
11XX	**Current Assets**		2,672,808	41	2,773,361	40
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	761,535	12	500,753	7
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	495,351	8	471,570	7
1550	Investments accounted for using the equity method	6(6)(11)	1,712,238	27	2,371,709	35
1600	Property, plant and equipment, net	6(7) and 8	297,476	5	301,910	4
1755	Right-of-use assets	6(8) and 7	84,710	1	77,123	1
1780	Intangible assets, net	6(10)(11)	167,865	3	177,577	3
1840	Deferred income tax assets	6(29)	222,249	3	160,217	2
1900	Other non-current assets	6(13)	31,787	-	55,705	1
15XX	**Non-current assets**		3,773,211	59	4,116,564	60
1XXX	**Total assets**		$ 6,446,019	100	$ 6,889,925	100

(Continued)

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(14) and 8	$ 1,202,000	19	$ 1,426,271	21
2130	Current contract liabilities	6(22)	52,724	1	42,213	1
2170	Accounts payable		300,062	5	323,913	5
2180	Accounts payable - related parties	7	-	-	150	-
2200	Other payables		146,181	2	155,762	2
2220	Other payables - related parties	7	4,925	-	7,975	-
2230	Current income tax liabilities	6(29)	45,568	1	37,824	-
2280	Current lease liabilities	7	20,102	-	13,003	-
2300	Other current liabilities		38,037	-	153,809	2
21XX	**Current Liabilities**		1,809,599	28	2,160,920	31
	Non-current liabilities					
2530	Bonds payable	6(15)	500,000	8	500,000	8
2570	Deferred income tax liabilities	6(29)	4,502	-	2,471	-
2580	Non-current lease liabilities	7	65,708	1	64,506	1
2600	Other non-current liabilities	6(16)	15,584	-	16,643	-
25XX	**Non-current liabilities**		585,794	9	583,620	9
2XXX	**Total Liabilities**		2,395,393	37	2,744,540	40
	Equity attributable to owners of parent					
	Share capital	6(17)(18)(19)				
3110	Share capital - common stock		3,014,526	47	2,960,915	43
	Capital surplus	6(19)				
3200	Capital surplus		1,013,244	16	1,115,833	16
	Retained earnings	6(20)				
3310	Legal reserve		220,802	3	189,170	3
3320	Special reserve		844,690	13	842,691	12
3350	Unappropriated retained earnings		75,732	1	318,318	5
	Other equity interest	6(21)				
3400	Other equity interest		(893,507)	(14)	(950,227)	(14)
3500	Treasury stocks	6(17)(18)	(277,773)	(4)	(372,478)	(6)
31XX	**Equity attributable to owners of the parent**		3,997,714	62	4,104,222	59
36XX	Non-controlling interest		52,912	1	41,163	1
3XXX	**Total equity**		4,050,626	63	4,145,385	60
	Significant contingent liabilities and unrecognised contract commitments	9				
	Significant events after balance sheet date	11				
3X2X	**Total liabilities and equity**		$ 6,446,019	100	$ 6,889,925	100

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Sales revenue	6(22) and 7	$ 2,547,887	100	$ 2,714,971	100
5000	Operating costs	6(5)(7)(10)(17)(27)(28) and 7	(1,795,650)	(71)	(1,921,654)	(71)
5900	Operating margin		752,237	29	793,317	29
5910	Unrealised profit from sales		(31,430)	(1)	(635)	-
5920	Realised profit from sales		635	-	1,300	-
5950	Net operating margin		721,442	28	793,982	29
	Operating expenses	6(7)(8)(9)(10)(16)(17)(27)(28)				
6100	Selling expenses		(188,798)	(7)	(216,969)	(8)
6200	General and administrative expenses		(308,832)	(12)	(348,492)	(13)
6300	Research and development expenses		(67,570)	(3)	(73,815)	(2)
6450	Expected credit impairment losses	12(2)	(17,955)	(1)	(27,306)	(1)
6000	Total operating expenses		(583,155)	(23)	(666,582)	(24)
6900	Operating profit		138,287	5	127,400	5
	Non-operating income and expenses					
7100	Interest income	6(23)	16,901	1	6,509	-
7010	Other income	6(24)	29,437	1	9,120	-
7020	Other gains and losses	6(2)(11)(25)	22,352	1	196,842	7
7050	Finance costs	6(26)	(33,364)	(1)	(31,345)	(1)
7055	Expected credit impairment losses	12(2)	(22,847)	(1)	(3,593)	-
7060	Share of (loss) profit of associates and joint ventures accounted for using the equity method	6(6)	(63,901)	(3)	84,993	3
7000	Total non-operating income and expenses		(51,422)	(2)	262,526	9
7900	**Profit before income tax**		86,865	3	389,926	14
7950	Income tax expense	6(29)	(33,107)	(1)	(64,984)	(2)
8200	**Profit for the year**		$ 53,758	2	$ 324,942	12

(Continued)

The accompanying notes are an integral part of these consolidated financial statements.

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amounts)

	Items	Notes	Year ended December 31 2023 AMOUNT	%	2022 AMOUNT	%
	Other comprehensive income (loss) (Net)					
	Components of other comprehensive income (loss) that will not be reclassified to profit or loss					
8311	Gains on remeasurements of defined benefit plans	6(16)	$ 177	-	$ 4,001	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(21)	23,780	1	22,955	1
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(21)(29)	5,438	-	(2,332)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		29,395	1	24,624	1
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations		28,669	1	243,866	9
8360	Components of other comprehensive income that will be reclassified to profit or loss		28,669	1	243,866	9
8300	**Other comprehensive income for the year**		$ 58,064	2	$ 268,490	10
8500	**Total comprehensive income for the year**		$ 111,822	4	$ 593,432	22
	Profit , attributable to:					
8610	Owners of the parent		$ 42,712	2	$ 311,960	12
8620	Non-controlling interest		11,046	-	12,982	-
			$ 53,758	2	$ 324,942	12
	Comprehensive income attributable to:					
8710	Owners of the parent		$ 99,574	4	$ 579,522	21
8720	Non-controlling interest		12,248	-	13,910	1
			$ 111,822	4	$ 593,432	22
	Earnings per share					
9750	Basic earnings per share	6(30)	$ 0.15		$ 1.07	
9850	Diluted earnings per share	6(30)	$ 0.15		$ 1.06	

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Equity attributable to owners of the parent										
				Retained earnings			Other equity interest					
	Notes	Share capital - common stock	Capital surplus, additional paid-in capital	Legal reserve	Special reserve	Unappropriated retained earnings	Financial statements translation differences of foreign operations	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total	Non-controlling interest	Total equity
Year ended December 31, 2022												
Balance at January 1, 2022		$ 2,775,315	$ 1,325,054	$ 174,380	$ 764,600	$ 147,909	($ 721,971)	($ 491,459)	($ 388,632)	$ 3,585,196	$ 26,789	$ 3,611,985
Profit for the year		-	-	-	-	311,960	-	-	-	311,960	12,982	324,942
Other comprehensive income	6(21)	-	-	-	-	3,201	242,938	21,423	-	267,562	928	268,490
Total comprehensive income		-	-	-	-	315,161	242,938	21,423	-	579,522	13,910	593,432
Distribution of 2021 retained earnings	6(20)											
Legal reserve		-	-	14,790	-	(14,790)	-	-	-	-	-	-
Special reserve		-	-	-	78,091	(78,091)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(53,029)	-	-	-	(53,029)	-	(53,029)
Cash dividends from capital surplus	6(19)	-	(26,514)	-	-	-	-	-	-	(26,514)	-	(26,514)
Stock dividends from capital surplus	6(21)	185,600	(185,600)	-	-	-	-	-	-	-	-	-
Treasury stocks transferred to employees	6(19)	-	2,893	-	-	-	-	-	16,154	19,047	464	19,511
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)(21)	-	-	-	-	1,158	-	(1,158)	-	-	-	-
Balance at December 31, 2022		$ 2,960,915	$ 1,115,833	$ 189,170	$ 842,691	$ 318,318	($ 479,033)	($ 471,194)	($ 372,478)	$ 4,104,222	$ 41,163	$ 4,145,385
Year ended December 31, 2023												
Balance at January 1, 2023		$ 2,960,915	$ 1,115,833	$ 189,170	$ 842,691	$ 318,318	($ 479,033)	($ 471,194)	($ 372,478)	$ 4,104,222	$ 41,163	$ 4,145,385
Profit for the year		-	-	-	-	42,712	-	-	-	42,712	11,046	53,758
Other comprehensive income	6(21)	-	-	-	-	142	27,467	29,253	-	56,862	1,202	58,064
Total comprehensive income		-	-	-	-	42,854	27,467	29,253	-	99,574	12,248	111,822
Distribution of 2022 retained earnings	6(20)											
Legal reserve		-	-	31,632	-	(31,632)	-	-	-	-	-	-
Special reserve		-	-	-	1,999	(1,999)	-	-	-	-	-	-
Cash dividends		-	-	-	-	(198,592)	-	-	-	(198,592)	-	(198,592)
Stock dividends from capital surplus	6(19)	85,111	(85,111)	-	-	-	-	-	-	-	-	-
Subsidiary issues employee stock option certificates	6(19)(32)	-	28	-	-	-	-	-	-	28	129	157
Changes in net equity value of affiliated companies	6(19)	-	(4,270)	-	-	-	-	-	-	(4,270)	-	(4,270)
Transactions with non-controlling interests	6(32)	-	-	-	-	(3,248)	-	-	-	(3,248)	(628)	(3,876)
Cancellation of treasury shares		(31,500)	(13,236)	-	-	(49,969)	-	-	94,705	-	-	-
Balance at December 31, 2023		$ 3,014,526	$ 1,013,244	$ 220,802	$ 844,690	$ 75,732	($ 451,566)	($ 441,941)	($ 277,773)	$ 3,997,714	$ 52,912	$ 4,050,626

The accompanying notes are an integral part of these consolidated financial statements.

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 86,865	$ 389,926
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation and amortization	6(7)(8)(9)(10)(27)	63,805	63,448
Expected credit impairment loss	12(2)	40,802	30,899
Provision for decline in market value and obsolescence of inventories	6(5)	72,306	21,941
Share-based payments compensation costs	6(17)	157	3,360
Gains on financial assets at fair value through profit or loss	6(2)(25)	(116,756)	(177,405)
Losses on disposal of investments	6(25)	49,180	-
Share of loss (profit) of associates and joint ventures accounted for using the equity method	6(6)	63,901	(84,993)
(Gain) loss on disposal of property, plant and equipment	6(25)	(197,288)	77
Gain on lease modification	6(8)	-	(471)
Impairment loss	6(6)(11)(25)	252,042	69,703
Interest income	6(23)	(16,901)	(6,509)
Interest expense	6(26)	33,364	31,345
Dividends income	6(24)	(21,306)	(2,201)
Unrealised profit from sales		31,430	635
Realised profit from sales		(635)	(1,300)
Changes in operating assets and liabilities			
Changes in operating assets			
Notes receivable, net		500	(557)
Accounts receivable, net		124,229	15,163
Accounts receivable, net - related parties		(314,542)	17,159
Other receivables		11,300	18,651
Other receivables - related parties		(129)	198
Inventories		202,582	42,777
Prepayments		34,422	(14,720)
Other current assets		209	7,114
Changes in operating liabilities			
Current contract liabilities		10,511	2,914
Accounts payable		(23,851)	(108,947)
Accounts payable - related parties		(150)	(3,164)
Other payables		(9,581)	7,419
Other payables - related parties		(3,050)	(2,965)
Other current liabilities		(278)	93
Cash inflow generated from operations		373,138	319,590
Interest received	6(23)	16,901	6,509
Interest paid		(29,901)	(29,373)
Income tax paid		(80,966)	(13,508)
Net cash flows from operating activities		279,172	283,218

(Continued)

FIRICH ENTERPRISES CO., LTD. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
decrease (Increase) in other receivables due from related parties	7	$ 12,301	($ 11,695)
Increase in non-current financial assets at fair value through profit or loss		(144,027)	(7,663)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		-	64,557
Increase in non-current financial assets at fair value through other comprehensive income		-	(768)
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	-	1,668
Acquisition of investments accounted for using the equity method	6(6)	(36,000)	(337,800)
Proceeds from capital reduction or liquidation of investments accounted for using the equity method	6(7)	322,050	-
Acquisition of property, plant and equipment	6(7)	(16,253)	(13,816)
Proceeds from disposal of property, plant and equipment		118,253	2
Acquisition of intangible assets	6(10)	(432)	(1,334)
(Increase) decrease in refundable deposits		3,181	(2,588)
Increase in prepayments for business facilities		(1,770)	-
Increase in advance receipts-disposal of assets		-	115,874
Dividends received		26,914	7,263
Net cash flows from (used in) investing activities		284,217	(186,300)
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(14)(31)	(223,267)	(203,089)
Decrease in lease liabilities	6(31)	(24,315)	(17,587)
Acquisition of ownership interests in subsidiaries	6(32)	(3,876)	-
Proceeds from treasury stocks acquired by employees	6(17)	-	16,151
Cash dividends paid	6(20)	(198,592)	(53,029)
Cash dividends from capital surplus	6(19)	-	(26,514)
(Decrease) increase in other non-current liabilities		(882)	79
Net cash flows used in financing activities		(450,932)	(283,989)
Effect of exchange rate changes on cash and cash equivalents		(51,226)	57,698
Net increase (decrease) in cash and cash equivalents		61,231	(129,373)
Cash and cash equivalents at beginning of year	6(1)	1,220,661	1,350,034
Cash and cash equivalents at end of year	6(1)	$ 1,281,892	$ 1,220,661

The accompanying notes are an integral part of these consolidated financial statements.

FIRICH ENTERPRISES CO., LTD AND SUBSIDIARIES
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 and 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

1. HISTORY AND ORGANISATION

Firich Enterprises Co., Ltd. (the “Company”) was incorporated as a company limited by shares under the provisions of the Company Act of the Republic of China (R.O.C.). The Company and its subsidiaries (collectively referred herein as the “Group”) mainly engages in the assembly, manufacture, import and export of business oriented computer and its peripheral equipment.

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

These consolidated financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

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

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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

The consolidated financial statements of the Group have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers", International Financial Reporting Standards, International Accounting Standards, IFRIC® Interpretations, and SIC® Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRS").

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

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

B. The preparation of financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 5.

(3) Basis of consolidation

A. Basis for preparation of consolidated financial statements:

(a) All subsidiaries are included in the Group's consolidated financial statements. Subsidiaries are all entities (including structured entities) controlled by the Group. The Group controls an entity when the Group is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Consolidation of subsidiaries begins from the date the Group obtains control of the subsidiaries and ceases when the Group loses control of the subsidiaries.

(b) Inter-company transactions, balances and unrealised gains or losses on transactions between companies within the Group are eliminated. Accounting policies of subsidiaries have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

(c) Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

(d) Changes in a parent's ownership interest in a subsidiary that do not result in the parent losing control of the subsidiary (transactions with non-controlling interests) are accounted for as equity transactions, i.e. transactions with owners in their capacity as owners. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity.

(e) When the Group loses control of a subsidiary, the Group remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Group loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

B. Subsidiaries included in the consolidated financial statements:

			Ownership (%)		
Name of investor	Name of subsidiary	Main business activities	December 31, 2023	December 31, 2022	Description
Firich Enterprises Co., Ltd.	Firich International Co., Ltd.	Investment holdings of overseas companies	100	100	
Firich Enterprises Co., Ltd.	AKAM Group B.V.	Supply of information software and electronic information and wholesale of computer and business machinery equipment	100	100	
Firich International Co., Ltd.	Firich (Hong Kong) International Co., Ltd.	Investment holdings of overseas companies	100	100	
Firich (Hong Kong) International Co., Ltd.	Crimson Technology (Shanghai) Inc.	International and entrepot trade	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Crimson Technology (Shanghai) Inc.	Shanghai Lisi Trading Co., Ltd.	Supply of information software and electronic information and wholesale and retail of computer and business machinery equipment	100	100	
Firich International Co., Ltd.	Cai Rui Trading Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	100	100	
Firich International Co., Ltd.	Firich Investment Ltd.	Investment holdings of overseas companies	100	100	
Firich Investment Ltd.	Firich Information Technologies PVT Ltd.	Research and development of software and sale of computer peripherals	100	100	
AKAM Group B.V.	AKAM Netherlands B.V.	Supply of information software and electronic information and wholesale of computer and business machinery equipment	100	100	
AKAM Group B.V.	AKAM Belgium BVBA	Supply of information software and electronic information and wholesale of computer and business machinery equipment	99	99	
AKAM Netherlands B.V.	AKAM Belgium BVBA	Supply of information software and electronic information and wholesale of computer and business machinery equipment	1	1	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Firich Enterprises Co., Ltd.	Firich USA Inc.	International and entrepot trade	100	100	
Firich Enterprises Co., Ltd.	Firich UK Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	82.50	82.50	
Firich Enterprises Co., Ltd.	TopRich Co., Ltd.	International and entrepot trade	100	100	
Firich Enterprises Co., Ltd.	Tiga Gaming Inc.	Wholesale and retail of information software	53.00	52.22	Note 1
TopRich Co., Ltd.	Tiga Gaming Inc.	Wholesale and retail of information software	1.74	1.74	
Tiga Gaming Inc.	Tiga Rus LLC	Information software service, wholesale and retail of computer and business machinery equipment	-	100	Note 2
Tiga Gaming Inc.	Link Triumph Co., Ltd.	Investment holdings of overseas companies	100	100	
Link Triumph Co., Ltd.	Dazhe Information Technology Co., (Shanghai) Ltd.	Supply of information software and electronic information and wholesale and retail of computer and business machinery equipment	-	100	Note 3
Crimson Technology (Shanghai) Inc.	Shuo Cai Technologies Corp.	Supply of information software and electronic information and wholesale and retail of computer and business machinery equipment	100	100	

Name of investor	Name of subsidiary	Main business activities	Ownership (%) December 31, 2023	Ownership (%) December 31, 2022	Description
Firich Enterprises Co., Ltd.	Firich Korea Co., Ltd.	Import and export of inventory, entrepot trade, sale of electronic products and consulting	100	100	
Firich Enterprises Co., Ltd.	Xiang Ting Entertainment Co., Ltd.	Book publishing industry, audio publishing industry, film production industry and radio program production industry	100	-	Note 4

Note 1: The company purchased an additional 0.78% of the issued shares of Tiga Gaming Inc. in batches from February 8 to April 26, 2023, reducing non-controlling equity by $628 and owner's equity attributable to the parent company by $3,248. Please refer to Note 6(32).

Note 2: Tiga Rus LLC applied for dissolution on September 19, 2023, and the liquidation was completed on February 15, 2024. The Group lost control of the company from the date of dissolution, and stopped including the company in the group's consolidated financial statements.

Note 3: Dazhe Information Technology Co., (Shanghai) Ltd. resolved to dissolve on August 24, 2023, and was liquidated on October 13, 2023. The Group lost control of the company from the date of its dissolution and stopped including the company in the Group's consolidated financial statements.

Note 4: Xiang Ting Entertainment Co., Ltd. is a newly established subsidiary in 2023.

Certain non-significant subsidiaries included in consolidated financial statements were based on the financial statements which were audited by other independent auditors. Total assets of these subsidiaries amounted to $671,122 and $672,148 as of December 31, 2023 and 2022, respectively, and net operating revenue of these subsidiaries amounted to $375,457 and $325,314 for the years then ended, respectively.

C. Subsidiaries not included in the consolidated financial statements: None.

D. Adjustments for subsidiaries with different balance sheet dates: None.

E. Significant restrictions: None.

F. Subsidiaries that have non-controlling interests that are material to the Group:

As of December 31, 2023 and 2022, the non-controlling interest amounted to $52,913 and $41,163, respectively. The information of non-controlling interest and respective subsidiaries is as follows:

		Non-controlling interest December 31, 2023		Non-controlling interest December 31, 2022	
Name of subsidiary	Principal place of business	Amount	Ownership(%)	Amount	Ownership(%)
Tiga Gaming Inc.	Taiwan	$ 45,126	45.26	$ 34,441	46.04

Summarised financial information of the subsidiaries:

Balance sheets

	Tiga Gaming Inc.	
	December 31, 2023	December 31, 2022
Current assets	$ 126,618	$ 101,854
Non-current assets	9,960	7,764
Current liabilities	(34,847)	(34,088)
Non-current liabilities	(2,028)	(723)
Total net assets	$ 99,703	$ 74,807

Statements of comprehensive income

	Tiga Gaming Inc.	
	Year ended December 31, 2023	Year ended December 31, 2022
Revenue	$ 96,240	$ 99,567
Profit before income tax	$ 23,029	$ 26,725
Profit for the year	$ 22,977	$ 26,723
Other comprehensive (loss) income, net of tax	($ 328)	$ 2,077
Total comprehensive income for the year	$ 22,649	$ 28,800

Statements of cash flows

	Tiga Gaming Inc.	
	Year ended December 31, 2023	Year ended December 31, 2022
Net cash provided by operating activities	$ 27,098	$ 30,447
Net cash provided by (used in) investing activities	6	(71)
Net cash used in financing activities	(787)	(905)
Effect of exchange rates on cash and cash equivalents	(1,043)	2,074
Increase in cash and cash equivalents	25,274	31,545
Cash and cash equivalents, beginning of year	82,688	51,143
Cash and cash equivalents, end of year	$ 107,962	$ 82,688

(4) Foreign currency translation

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in New Taiwan Dollars, which is the Company's functional and the Group's presentation currency.

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the group entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Group retains partial interest in the former foreign associate or joint arrangement after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangement, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Group retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(d) Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing exchange rates at the balance sheet date.

(5) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

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

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

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

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

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

A. Financial assets at fair value through other comprehensive income comprise equity securities which are not held for trading, and for which the Group has made an irrevocable election at initial recognition to recognise changes in fair value in other comprehensive income.

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

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

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

(9) Accounts and notes receivable

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

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

(10) Impairment of financial assets

For accounts receivable that do not contain a significant financing component, the Group recognises the impairment provision for lifetime expected credit losses at each reporting date.

(11) Derecognition of financial assets

The Group derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor)-operating leases

Lease income from an operating lease (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

(14) Non-current assets held for sale

Non-current assets are classified as assets held for sale when their carrying amount is to be recovered principally through a sale transaction rather than through continuing use, and a sale is considered highly probable. They are stated at the lower of carrying amount and fair value less costs to sell.

(15) Investments accounted for using the equity method - associates

A. Associates are all entities over which the Group has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

B. The Group’s share of its associates’ post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the Group does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

C. When changes in an associate’s equity do not arise from profit or loss or other comprehensive income of the associate and such changes do not affect the Group’s ownership percentage of the associate, the Group recognises the Group’s share of change in equity of the associate in ‘capital surplus’ in proportion to its ownership.

D. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Group.

E. In the case that an associate issues new shares and the Group does not subscribe or acquire new shares proportionately, which results in a change in the Group’s ownership percentage of the associate but maintains significant influence on the associate, then ‘capital surplus’ and ‘investments accounted for using the equity method’ shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Group’s ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

F. Upon loss of significant influence over an associate, the Group remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

G. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

H. When the Group disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

I. When assessing impairment, the Company treats the entire carrying amount of the investment as a single asset, compares the recoverable amount (the higher of value in use or fair value less costs of sale) and the carrying amount, conducts impairment testing, and recognizes impairment losses that will be included in the carrying amount of the investment. The reversal of any impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(16) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost.

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

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

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

Buildings and structures	30 ~ 50 years
Machinery and equipment	2 ~ 7 years
Office equipment	2 ~ 5 years
Others	2 ~ 8 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Group subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

(18) Investment property

An investment property is stated initially at its cost and measured subsequently using the cost model. Except for land, investment property is depreciated on a straight-line basis over its estimated useful life of 20 years.

(19) Intangible assets

A. Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3~5 years.

B. Customer relationship acquired in a business combination are recognised at fair value at acquisition date. Customer relationship is an assets with useful life, and are amortised on a straight-line basis over their finite useful lives of 5 years.

C. Goodwill arises in a business combination accounted for by applying the acquisition method.

(20) Impairment of non-financial assets

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

B. The recoverable amounts of goodwill are evaluated periodically. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. Impairment loss of goodwill previously recognised in profit or loss shall not be reversed in the following years.

C. For the purpose of impairment testing, goodwill acquired in a business combination is allocated to each of the cash-generating units, or groups of cash-generating units, that is/are expected to benefit from the synergies of the business combination. Each unit or group of units to which the goodwill is allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes. Goodwill is monitored at the operating segment level.

(21) Borrowings

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

(22) Accounts payable

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

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

(23) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(24) Derecognition of financial liabilities

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

(25) Provisions

Provisions (including warranties, etc.) are recognised when the Group has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(26) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Group in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligations.

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

C. Employees' compensation and directors' remuneration

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

(27) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(28) Income tax

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

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

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

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

(29) Share capital

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

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(30) Dividends

Cash dividends are recorded as liabilities resolved by the Board of Directors in accordance with Article 240 of the amended Company Act and the Articles of Incorporation. Stock dividends are recorded in the Company’s financial statements in the period in which they are resolved by the Company’s shareholders and are reclassified to ordinary shares on the effective date of new shares issuance.

(31) Revenue recognition

A. Sales of goods

(a) The Group manufactures and sells business oriented computer and peripherals and wholesale and retail of liquor. Sales are recognised when control of the products has transferred, being when the products are delivered to the wholesaler, the wholesaler has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the wholesaler’s acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the wholesaler, and either the wholesaler has accepted the products in accordance with the sales contract, or the Group has objective evidence that all criteria for acceptance have been satisfied.

(b) The Group’s obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

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

B. Services providing

(a) The Group provides services relating to business oriented computer support and maintenance, information software and electronic information supply. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the period of actual service used relative to the total period of service to be provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include multiple deliverables, such as the installation of hardware and software. In most cases, the installation is simple, does not include an integration service and could be performed by another supplier. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. Where these are not directly observable, they are estimated based on expected cost plus margin. If contracts include the sales of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

(c) The Group's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances. Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

(32) <u>Operating segments</u>

Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision-Maker. The Group's Chief Operating Decision-Maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

5. <u>CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND KEY SOURCES OF ASSUMPTION UNCERTAINTY</u>

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

(1) <u>Critical judgements in applying the Group's accounting policies</u>

None.

(2) <u>Critical accounting estimates and assumptions</u>

A. Evaluation of inventories

Inventories are stated at the lower of cost and net realizable value. For inventory which is saleable and obsolete inventory that is checked item by item, the net realizable value are determined based on past experience on industry. Management's judgement on determining net realizable value involves material judgement.

B. Impairment assessment of investments accounted for using equity method

The Group assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on prices generated by market transactions of comparable companies and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 4,281	$ 4,345
Checking accounts and demand deposits	1,203,370	1,176,777
Time deposits	54,702	39,539
Deposit in transit	19,539	-
	$ 1,281,892	$ 1,220,661

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

B. The Group has no cash and cash equivalents pledged to others.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 122,850	$ -
Emerging stocks	-	97,422
Unlisted stocks	82,598	-
Open-end fund	36,000	-
	241,448	97,422
Valuation adjustment	520,087	403,331
	$ 761,535	$ 500,753

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss		
Equity instruments	$ 116,756	$ 177,405

B. The Group has no financial assets at fair value through profit or loss pledged to others as collateral.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	$ 705,882	$ 651,119
Emerging stocks	5,979	60,742
Unlisted and unemerging stocks	299,132	299,132
	1,010,993	1,010,993
Valuation adjustment	(515,642)	(539,423)
	$ 495,351	$ 471,570

A. The Group has elected to classify Summit Ascent Holding Limited and other equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $495,351 and $471,570 as at December 31, 2023 and 2022, respectively.

B. Aiming to satisfy the operating capital needs, the Group sold $0 and $1,668, respectively, of equity instruments at fair value and resulted in cumulative gains on disposal of $0 and $1,158, respectively, during the years ended December 31, 2023 and 2022.

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

Equity instruments at fair value through other comprehensive income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Fair value change recognised in other comprehensive income	$ 23,780	$ 22,955
Cumulative gains reclassified to retaind earnings due to derecognition	$ -	$ 1,158
Dividend income recognised in profit or loss held at end of period	$ 8,400	$ 840

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

(4) Notes and accounts receivable

A. Non-related parties

	December 31, 2023	December 31, 2022
Notes receivable	$ 57	$ 557
Less: Allowance for doubtful accounts	-	-
	$ 57	$ 557

	December 31, 2023	December 31, 2022
Accounts receivable	$ 522,326	$ 653,292
Less: Allowance for doubtful accounts	(183,767)	(174,722)
	$ 338,559	$ 478,570

B. Related parties

	December 31, 2023	December 31, 2022
Accounts receivable - related parties	$ 348,454	$ 33,912
Less: Allowance for doubtful accounts	(545)	(84)
	$ 347,909	$ 33,828

C. The ageing analysis of notes and accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 544,058	$ 331,915
Past due		
Up to 30 days	65,731	74,017
31 to 90 days	20,483	8,304
91 to 180 days	7,458	9,350
Over 181 days	48,795	89,369
	$ 686,525	$ 512,955

The above ageing analysis was based on past due date.

D. As of December 31, 2023 and 2022, accounts receivable (including related parties) and notes receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables (including related parties) from contracts with customers and notes receivable amounted to $572,235.

E. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents are notes and accounts receivable (including related parties) by the Group was $686,525 and $512,955, respectively.

F. The Group does not hold any collateral as security.

G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 417,660	($ 47,895)	$ 369,765
Finished goods	381,064	(101,869)	279,195
	$ 798,724	($ 149,764)	$ 648,960

	December 31, 2022		
	Cost	Allowance for valuation loss	Book value
Raw materials	$ 627,233	($ 46,846)	$ 580,387
Finished goods	465,864	(159,220)	306,644
	$ 1,093,097	($ 206,066)	$ 887,031

Allowance for inventory valuation loss had decreased as the Group continued to dispose obsolete inventories.

The cost of inventories recognised as expense for the period:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of goods sold	$ 1,715,194	$ 1,892,591
Loss on decline in market value	72,306	21,941
Loss(gain) on physical inventory	120	(228)
Cost of goods sold	$ 1,787,620	$ 1,914,304

(6) Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Associates:		
Oriental Regent Ltd.	$ 1,045,231	$ 1,121,078
Mcorporation Co., Ltd.(Note)	409,156	430,000
Beijing Intradak Systems Technology Co., Ltd.	190,356	183,378
LotRich Information Co., Ltd.	133,029	163,859
JIA HUA KANG JIAN Co., Ltd.	124,753	97,022
FEC Italia S.r.l.	17,515	14,418
FEC Deutschland Gmbh	6,007	5,870
FEC Japan Co., Ltd.	5,492	5,492
AquaLab Inc.	6,819	6,755
Grab and Go Solutions, Inc.	193	690
	1,938,551	2,028,562
Receivables for investments in associates -		
Associates :		
Oriental Regent Ltd.	259,561	582,058
	2,198,112	2,610,620
Less: Accumulated impairment	(485,874)	(238,911)
	$ 1,712,238	$ 2,371,709

Note: The Group originally held 18% equity interest of Mcorporation Co., Ltd. and recorded as non-current financial assets at fair value through profit or loss. The Group additionally purchased 18.75% equity interest in the fourth quarter of 2022 and therefore directly held 36.75% equity interest. The Group is the single largest shareholder of Mcorporation Co., Ltd. Given that two other large shareholders (non-related parties) hold more shares than the Group, which indicates that the Group has no current ability to direct the relevant activities of Mcorporation Co., Ltd., the Group has no control, but only has significant influence, over the investee and accounted for the investee using the equity method.

For the years ended December 31, 2023 and 2022, share of profit (loss) of associates and joint ventures accounted for using the equity method is as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Associates:		
Oriental Regent Ltd.	($ 75,264)	$ 71,517
Mcorporation Co., Ltd.	(3,644)	-
Beijing Intradak Systems Technology Co., Ltd.	10,995	10,273
LotRich Information Co., Ltd.	5,804	6,231
JIA HUA KANG JIAN Co., Ltd.	(3,999)	(2,978)
FEC Italia S.r.l.	2,397	2,815
FEC Deutschland GmbH	243	(2,719)
FEC Japan Co., Ltd.	-	-
AquaLab Inc.	64	164
Grab and Go Solutions, Inc.	(497)	(310)
	($ 63,901)	$ 84,993

A. Associates

(a) The basic information of the associates that are material to the Group is as follows:

		Shareholding ratio			
Company name	Principal place of business	December 31, 2023	December 31, 2022	Nature of relationship	Method of measurement
Oriental Regent Ltd.	Hong Kong	20%	20%	Financial investment	Equity method
Mcorporation Co., Ltd.	Korea	36.75%	36.75%	〃	〃
LotRich Information Co., Ltd.	Taiwan	30%	30%	Financial investment and lottery machine distributor	〃
Beijing Intradak Systems Technology Co., Ltd.	Mainland China	20%	20%	〃	〃

(b) The summarised financial information of the associates that are material to the Group is as follows:

Balance sheet

	Oriental Regent Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 244,616	$ 3,111,661
Non-current assets	3,537,137	2,862,465
Current liabilities	(348,069)	(185,520)
Non-current liabilities	-	(101,710)
Non-controlling interests	-	(8,874)
Total net assets	$ 3,433,684	$ 5,678,022
Share in associate's net assets	$ 822,439	$ 1,252,188
Concession	422,353	450,948
Accumulated impairment	(422,353)	(174,155)
Carrying amount of the associate	$ 822,439	$ 1,528,981

	Mcorporation Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 147,313	$ 260,147
Non-current assets	529,045	133,851
Current liabilities	(51,551)	(14,442)
Non-current liabilities	(316,622)	(59,909)
Total net assets	$ 308,185	$ 319,647
Share in associate's net assets	$ 113,258	$ 121,363
Intangible assets	15,989	21,746
Goodwill	279,909	286,891
Carrying amount of the associate	$ 409,156	$ 430,000

	LotRich Information Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 1,299,737	$ 436,343
Non-current assets	201,283	201,185
Current liabilities	(953,227)	(91,331)
Non-current assets	(943)	-
Total net assets	$ 546,850	$ 546,197
Share in associate's net assets	$ 164,055	$ 163,859
Unrealized gain from sale	(31,026)	-
Carrying amount of the associate	$ 133,029	$ 163,859

	Beijing Intradak Systems Technology Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 511,929	$ 426,434
Non-current assets	24,613	19,638
Current liabilities	(126,018)	(86,544)
Non-current liabilities	(4,811)	(333)
Total net assets	$ 405,713	$ 359,195
Share in associate's net assets	$ 81,143	$ 71,839
Goodwill	109,213	111,539
Accumulated impairment	(58,029)	(59,264)
Carrying amount of the associate	$ 132,327	$ 124,114

Statement of comprehensive income

	Oriental Regent Ltd.	
	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	$ 1,469,955	$ 1,418,916
(Loss) profit for the year from continuing operations	($ 231,518)	$ 496,215
Total comprehensive (loss) income	($ 231,518)	$ 496,215

	Mcorporation Co., Ltd.	
	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	$ 361,897	$ 209,437
Profit for the year from continuing operations	$ 1,324	$ 41,056
Total comprehensive income	$ 1,324	$ 41,056

	LotRich Information Co., Ltd.	
	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	$ 211,445	$ 215,202
Profit for the year from continuing operations	$ 19,347	$ 20,770
Total comprehensive income	$ 19,347	$ 20,770
Dividends received from the associate	$ 5,608	$ 5,062

	Beijing Intradak Systems Technology Co., Ltd.	
	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	$ 395,882	$ 398,591
Profit for the year from continuing operations	$ 54,976	$ 51,366
Total comprehensive income	$ 54,976	$ 51,366

(c) The carrying amount of the Group's interests in all individually immaterial associates and the Group's share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Group's individually immaterial associates amounted to $155,287 and $124,755, respectively.

	For the year ended December 31, 2023	For the year ended December 31, 2022
Loss for the year from continuing operations	($ 1,792)	($ 3,028)
Other comprehensive income (net value after tax)	362	895
Total comprehensive loss	($ 1,430)	($ 2,133)

(d) Receivables for investments in associates are based on investment agreements. Loans to Oriental Regent Ltd. are based on the shareholding ratio of each shareholder and do not bear interest. The duration of the loans are 3 years and are renewable for another 3 years at the end of the term. If loans are not repaid at the end of the term, they are converted to ordinary shares based on the shareholding ratio of each shareholder. The conversion price is based on the consolidated net asset of the financial statements after adoption of IFRS. If shares are transferred during the life of loans, the loans should be transferred to the transferee based on the transfer ratio. Thus, the loans are considered as part of the long-term equity investments. As of December 31, 2023, the ratio of shareholder loans issued by Oriental Regent Ltd. that is held by the Group is 25%.

(e) For the years ended December 31, 2023 and 2022, the Group's associate, Oriental Regent Ltd., recognised assumed interest expense amounting to HK$15,920 thousand and HK$26,970 thousand for the abovementioned borrowings from shareholders, respectively. Nevertheless, the Group did not recognise interest expense given that the borrowings from shareholders were part of long-term equity investment. Meanwhile, the Group made adjustments to decrease relevant interest expense based on the Group's accounting policies when recognising the share of profit (loss) of associates and joint ventures accounted for using the equity method of Oriental Regent Ltd. A total of $322,050 (US$10,500 thousand) was recovered in 2023. As of December 31, 2023, the Group had received those borrowings lent to shareholders amounting to $810,602 (US$ 26,000 thousand).

(f) The Group acquired the licence which is recognised by the associate, Oriental Regent Ltd., amounting to US$21,364 thousand, and the Group amortised the licence over the casino licence's estimated useful life. For the years ended December 31, 2023 and 2022, amortisation on licence both amounted to US$929 thousand.

(g) The Group has assessed the value of its investee accounted for using the equity method, FEC Japan Co., Ltd. for the prior year, as impaired and the possibility for recovery was remote. Thus, accumulated impairment loss both of $5,492 was recognised as of December 31, 2023 and 2022.

(h) The Group has assessed the value of its investee accounted for using equity method, Beijing Intradak Systems Technology Co., Ltd. for the years ended December 31, 2023 and 2022. As the recoverable amount is less than the carrying amount, an impairment loss was recognised. As of December 31, 2023 and 2022, the accumulated impairment loss of $58,029 and $59,264 was recognised, respectively.

(i) The Group's associate - Oriental Regent Ltd., decided to dispose of its main business in December 2023. The Group assessed that its recoverable amount was less than its carrying amount, so it recognized an impairment loss of $252,042 (shown as“7020 Other benefits and losses”), for the year ended December 31, 2023. As of December 31, 2023, the accumulated impairment amount was $422,353.

(j) The Group has assessed the value of its investee accounted for using equity method, Oriental Regent Ltd. for the year ended December 31, 2022. As the recoverable amount is less than the carrying amount, an impairment loss was recognised. As of December 31, 2023 and 2022, the accumulated impairment loss of $55,533 (shown as“7020 Other benefits and losses”) and $174,155 was recognised, respectively.

B. For the years ended December 31, 2023 and 2022, the Group’s investee company accounted for using the equity method was based on the investee’s financial statements audited by other independent auditors. The share of profit of associates and joint ventures accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to ($7,579) and $68,703, respectively. As of December 31, 2023 and 2022, the related investment balance accounted for under the equity method was stated at $540,728 and $2,062,758, respectively.

(7) Property, plant and equipment

	Land	Buildings and structures	Machinery	Office equipment	Others		
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Total
At January 1, 2023							
Cost	$ 129,839	$ 189,263	$ 231,215	$ 87,579	$ 68,475	$ 4,044	$ 710,415
Accumulated depreciation	-	(63,285)	(214,712)	(71,862)	(55,178)	(3,468)	(408,505)
	$ 129,839	$ 125,978	$ 16,503	$ 15,717	$ 13,297	$ 576	$ 301,910
2023							
Opening net book amount as at January 1	$ 129,839	$ 125,978	$ 16,503	$ 15,717	$ 13,297	$ 576	$ 301,910
Additions	-	-	6,532	5,074	4,647	-	16,253
Disposals - cost	-	-	(53,156)	(1,254)	(398)	(1,358)	(56,166)
Disposals - accumulated depreciation	-	-	53,156	1,201	398	1,358	56,113
Reclassifications	-	-	-	-	3,400	1,458	4,858
Reclassification - accumulated depreciation	-	-	-	-	(189)	-	(189)
Depreciation charge	-	(4,205)	(9,150)	(7,182)	(2,860)	(783)	(24,180)
Net exchange differences	(734)	(764)	179	8	188	-	(1,123)
Closing net book amount as at December 31	$ 129,105	$ 121,009	$ 14,064	$ 13,564	$ 18,483	$ 1,251	$ 297,476
At December 31, 2023							
Cost	$ 129,105	$ 188,148	$ 185,625	$ 91,200	$ 76,286	$ 4,144	$ 674,508
Accumulated depreciation	-	(67,139)	(171,561)	(77,636)	(57,803)	(2,893)	(377,032)
	$ 129,105	$ 121,009	$ 14,064	$ 13,564	$ 18,483	$ 1,251	$ 297,476

	Land	Buildings and structures	Machinery	Office equipment	Others		
	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Owner-occupied	Lease	Total
At January 1, 2022							
Cost	$ 129,105	$ 271,285	$ 216,081	$ 82,655	$ 68,289	$ 4,021	$ 771,436
Accumulated depreciation	-	(111,209)	(199,249)	(64,036)	(54,038)	(2,871)	(431,403)
	$ 129,105	$ 160,076	$ 16,832	$ 18,619	$ 14,251	$ 1,150	$ 340,033
2022							
Opening net book amount as at January 1	$ 129,105	$ 160,076	$ 16,832	$ 18,619	$ 14,251	$ 1,150	$ 340,033
Additions	-	-	9,799	3,382	635	-	13,816
Disposals - cost	-	-	-	(648)	(542)	(255)	(1,445)
Disposals - accumulated depreciation	-	-	-	623	488	255	1,366
Reclassifications(Note)	-	(28,636)	-	-	-	278	(28,358)
Depreciation charge	-	(6,794)	(10,330)	(6,634)	(1,528)	(852)	(26,138)
Net exchange differences	734	1,332	202	375	(7)	-	2,636
Closing net book amount as at December 31	$ 129,839	$ 125,978	$ 16,503	$ 15,717	$ 13,297	$ 576	$ 301,910
At December 31, 2022							
Cost	$ 129,839	$ 189,263	$ 231,215	$ 87,579	$ 68,475	$ 4,044	$ 710,415
Accumulated depreciation	-	(63,285)	(214,712)	(71,862)	(55,178)	(3,468)	(408,505)
	$ 129,839	$ 125,978	$ 16,503	$ 15,717	$ 13,297	$ 576	$ 301,910

Note : The reclassifications of buildings and structures refer to transfers to non-current assets held for sale.

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Group leases various assets including buildings and business vehicles. Rental contracts are typically made for periods of 24 to 120 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Short-term leases with a lease term of 12 months or less comprise of office premises. On December 31, 2023 and 2022, the Group had no payments of lease commitments for short-term leases.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Buildings	$ 78,626	$ 77,123
Transportation equipment (Business vehicles)	6,084	-
Total	$ 84,710	$ 77,123

	For the year ended December 31, 2023	For the year ended December 31, 2022
	Depreciation charge	Depreciation charge
Buildings	$ 20,824	$ 17,448
Transportation equipment (Business vehicles)	3,082	-
	$ 23,906	$ 17,448

D. For the years ended December 31, 2023 and 2022, the addition to right-of-use assets was $29,262 and $64,594, respectively.

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 3,463	$ 1,972
Expense on short-term lease contracts	$ 12,947	$ 16,760
Profit from lease modification	$ -	$ 471

F. For the years ended December 31, 2023 and 2022, the Group's total cash outflow for leases was $37,490 and $34,347, respectively.

(9) Investment property

	Buildings and structures
At January 1, 2023	
Cost	$ -
Accumulated depreciation	-
	$ -
2023	
Opening net book amount as at January 1	$ -
Reclassifications(Note)	-
Depreciation charge	-
Net exchange differences	-
Closing net book amount as at December 31	$ -
At December 31, 2023	
Cost	$ -
Accumulated depreciation	-
	$ -

	Buildings and structures
At January 1, 2022	
Cost	$ 23,245
Accumulated depreciation	(14,646)
	$ 8,599
2022	
Opening net book amount as at January 1	$ 8,599
Reclassifications(Note)	(8,032)
Depreciation charge	(739)
Net exchange differences	172
Closing net book amount as at December 31	$ -
At December 31, 2022	
Cost	$ -
Accumulated depreciation	-
	$ -

Note: The reclassifications refer to transfers to non-current assets held for sale.

Rental income from the investment property and direct operating expenses arising from the investment property are shown below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Rental income from the investment property	$ -	$ 1,658
Direct operating expenses arising from the investment property that generated rental income during the year	$ -	$ 739

(10) Intangible assets

	Software	Goodwill	Customer relationship	Total
At January 1, 2023				
Cost	$ 132,689	$ 152,908	$ -	$ 285,597
Accumulated amortisation	(108,020)	-	-	(108,020)
	$ 24,669	$ 152,908	$ -	$ 177,577
2023				
Opening net book amount as at January 1	$ 24,669	$ 152,908	$ -	$ 177,577
Additions	432	-	-	432
Disposals - cost	(40,412)	-	-	(40,412)
Disposals - accumulated amortisation	40,412	-	-	40,412
Amortisation charge	(15,719)	-	-	(15,719)
Net exchange differences	(81)	5,656	-	5,575
Closing net book amount as at December 31	$ 9,301	$ 158,564	$ -	$ 167,865
At December 31, 2023				
Cost	$ 91,674	$ 158,564	$ -	$ 250,238
Accumulated amortisation	(82,373)	-	-	(82,373)
	$ 9,301	$ 158,564	$ -	$ 167,865

	Software		Goodwill		Customer relationship		Total
At January 1, 2022							
Cost	$	181,373	$	146,686	$	31,624	$	359,683
Accumulated amortisation	(	144,818)		-	(	28,064)	(	172,882)
	$	36,555	$	146,686	$	3,560	$	186,801
2022								
Opening net book amount as at January 1	$	36,555	$	146,686	$	3,560	$	186,801
Additions		1,334		-		-		1,334
Disposals - cost	(	59,698)		-		-	(	59,698)
Disposals - accumulated amortisation		59,698		-		-		59,698
Amortisation charge	(	15,561)		-	(	3,562)	(	19,123)
Net exchange differences		2,341		6,222		2		8,565
Closing net book amount as at December 31	$	24,669	$	152,908	$	-	$	177,577
At December 31, 2022								
Cost	$	132,689	$	152,908	$	-	$	285,597
Accumulated amortisation	(	108,020)		-		-	(	108,020)
	$	24,669	$	152,908	$	-	$	177,577

Details of amortisation on intangible assets are as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
Operating costs	$	950	$	995
Selling expenses		3,801		3,673
General and administrative expenses		4,959		8,346
Research and development expenses		6,009		6,109
	$	15,719	$	19,123

Goodwill is allocated as follows to the Group's cash-generating units identified according to operating segment:

	December 31, 2023		December 31, 2022	
Computers and its peripherals	$	158,564	$	152,908

(11) Impairment of assets

A. The Group recognised impairment loss for the years ended December 31, 2023 and 2022. Details of such loss are as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Recognised in profit or loss		Recognised in profit or loss	
Impairment loss - investments accounted for using the equity method	$	252,042	$	69,703

B. The impairment loss reported by operating segments is as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Recognised in profit or loss		Recognised in profit or loss	
Computers and its peripherals	$	252,042	$	69,703

C. The recoverable amounts of the Group's investments accounted for using the equity method, Oriental Regent Ltd. was lower than their carrying amounts under the Group's assessment, therefore, the Group recognised impairment loss amounting to $252,042 and $69,703, respectively, for the years ended December 31, 2023 and 2022.

D. For the years ended December 31, 2023 and 2022, the above recoverable amount was determined based on the fair value. The calculation was based on the income approach and considered using pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates of 2.00% and 20.31% , respectively.

E. The recoverable amount on December 31, 2023 is measured based on fair value and calculated using the market method. The main assumption used to calculate the recoverable amount is that the enterprise value to pre-tax, interest, depreciation, amortization and advance benefit ratio multiplier is 5.50.

F. The Group's goodwill is allocated to cash-generating units identified according to operating segment and tested annually for impairment. The recoverable amount was determined based on value-in-use calculations. These calculations use pre-tax cash flow projections based on financial budgets approved by the management covering a five-year period. The recoverable amount of all cash-generating units calculated using the value-in-use on December 31, 2023 and 2022 exceeded their carrying amount, so goodwill was not impaired. The key assumptions used for value-in-use calculations are as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
	Discount rate	Discount rate
Computers and its peripherals	9.18%	8.79%

(12) Non-current assets held for sale

On September 9, 2022, the Group's Board of Directors approved to sell property, plant and equipment and investment property. The transaction was expected to be completed on January 10, 2023. Please refer to Note 6(25) for details on the disposal benefits. The carrying amount of the non-current assets held for sale on December 31, 2023 and 2022 amounted to $0 and $36,549, respectively.

A. Non-current assets held for sale:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ -	$ 28,543
Investment property	-	8,006
	$ -	$ 36,549

B. There was no impairment loss that was recognised as a result of the remeasurement of the non-current assets held for sale at the lower of it's carrying amount or fair value less costs to sell.

(13) Other non-current assets

	December 31, 2023	December 31, 2022
Overdue receivables	$ 13,921	$ 36,428
Refundable deposits	16,096	19,277
Prepayments for equipment	1,770	-
	$ 31,787	$ 55,705

A. The Group's subsidiary, Firich International Co., Ltd., sold its 100% reinvested subsidiary, Global Crossing Holding Ltd. to Crystal Advantage Co., Ltd. in September 2011 at an estimated selling price based on Global Crossing's latest financial statements audited by other independent auditors and appraisal reports by valuation experts. Based on the transaction price, the selling price was US$24 million and loss on disposal of US$360 thousand was recognised. Starting from December 15, 2012 to December 15, 2017, the proceeds from the sale shall be collected in 6 installments and is recorded as 'other non-current assets' and 'other receivables'. As of December 31, 2023, Firich International Co., Ltd. had collected US$19,700 thousand, and outstanding balance was US$4,300 thousand.

B. The uncollected accounts receivable mentioned in item B was US$4,300 thousand. On March 20, 2017 and December 20, 2018, the Group signed supplementary agreements with Crystal Advantage Co., Ltd through the subsidiary, Firich International Co., Ltd.

The agreements stated that both parties agreed to extend to collect the balance of aforementioned accounts receivable before December 31, 2020. Crystal Advantage Co., Ltd. provided foreign listed stocks as collaterals for the accounts receivable in full amount, and the Group shall sell the collateral in separate times to recover the remaining accounts receivable. As of December 31, 2023, the Group had assessed the outstanding amount of $132,032, which was reclassified to overdue receivables to collect and manage continuously and recorded an allowance for loss of $118,111. The remaining amount of $13,921 was secured by full collateral.

C. Details of installment accounts receivable incurred from aforementioned disposal are as follows:

	December 31, 2023	December 31, 2022
Overdue receivables	$ 132,032	$ 132,053
Less: Allowance for uncollectible accounts (shown as "other non-current assets")	(118,111)	(95,625)
	$ 13,921	$ 36,428

D. Information relating to credit risk on long-term installment accounts receivable is provided in Note 12(2).

(14) Short-term borrowings

Type of borrowings	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings			
Taiwan	$ 900,000	1.750%~2.304%	None
Others	12,000	5.629%	〃
Secured borrowings			
Taiwan	290,000	1.750%~1.800%	Note
	$ 1,202,000		

Type of borrowings	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured borrowings			
Taiwan	$ 790,000	1.601%~2.164%	None
Others	166,271	3.038%~6.606%	〃
Secured borrowings			
Taiwan	470,000	1.775%~1.990%	Note
	$ 1,426,271		

Note: Property, plant and equipment - land and buildings.

(15) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 500,000	$ 500,000
Less：Discount on bonds payable	-	-
	$ 500,000	$ 500,000

The terms of the first-time secured corporate bond in 2021 issued by the Company are as follows:

The Company issued $500,000, 0.62% first domestic secured corporate bonds, as approved by the regulatory authority. The bonds mature five years from the issue date (June 15, 2021 ~ June 15, 2026) and will be redeemed in cash at face value at the maturity date.

(16) Pensions

A. (a) The Company and its domestic subsidiaries have a defined benefit pension plan in accordance with the Labor Standards Act, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Labor Pension Act. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company and its domestic subsidiaries would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company and its domestic subsidiaries will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 25,468)	($ 26,418)
Fair value of plan assets	17,469	18,242
Net defind benefit liability	($ 7,999)	($ 8,176)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	($ 26,418)	$ 18,242	($ 8,176)
Current service cost	(73)	-	(73)
Interest (expense) income	(321)	219	(102)
	(26,812)	18,461	(8,351)
Remeasurements:			
Return on plan assets	-	163	163
Change in demographic assumptions	9	-	9
Change in financial assumptions	(239)	-	(239)
Experience adjustments	244	-	244
	14	163	177
Pension fund contribution	-	175	175
Paid pension	1,330	(1,330)	-
Balance at December 31	($ 25,468)	$ 17,469	($ 7,999)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance at January 1	($ 28,791)	$ 16,614	($ 12,177)
Current service cost	(72)	-	(72)
Interest (expense) income	(190)	107	(83)
	(29,053)	16,721	(12,332)
Remeasurements:			
Return on plan assets	-	1,366	1,366
Change in demographic assumptions	2	-	2
Change in financial assumptions	1,608	-	1,608
Experience adjustments	1,025	-	1,025
	2,635	1,366	4,001
Pension fund contribution	-	155	155
Balance at December 31	($ 26,418)	$ 18,242	($ 8,176)

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

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Discount rate	1.20%	1.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022. Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 589)	$ 609	$ 597	($ 580)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 630)	$ 653	$ 640	($ 621)

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

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

(f) Expected contributions to the defined benefit pension plans of the Group for the year ending December 31, 2024 amount to $584.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$	619
1-2 year(s)		892
2-5 years		6,196
Over 5 years		20,705
	$	28,412

B. (a) Effective July 1, 2005, the Company and its domestic subsidiaries have established a defined contribution pension plan (the "New Plan") under the Labor Pension Act (the "Act"), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company and its domestic subsidiaries contribute monthly an amount based on 6% of the employees' monthly salaries and wages to the employees' individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) Crimson Technology (Shanghai) Inc., Cai Rui Trading Co., Ltd., Dazhe Information Technology Co., (Shanghai) Ltd. and Shuo Cai Technologies Corp. have a defined contribution plan. Monthly contributions to an independent fund administered by the government in accordance with the pension regulations in the People's Republic of China (PRC) are based on certain percentage of employees' monthly salaries and wages. The contribution percentage for the years ended December 31, 2023 and 2022 were both 16%~20%. Other than the monthly contributions, the Group has no further obligations.

(c) Firich Korea Co., Ltd., FEC UK CO., Ltd., AKAM Group B.V., AKAM Netherlands B.V., Firich USA Inc. and Tiga Rus LLC have a defined contribution plan. Monthly contributions to an independent fund administered by The National Pension Service of Korea, Aviva plc, Nationale-Nederlanden Levensverzekering Maatschappij N.V., Automatic Data Processing Inc. and Government of the Russian Federation in accordance with local pension regulations are based on certain percentage of employees' monthly salaries and wages. Other than the monthly contributions, the Group has no further obligations.

(d) The pension costs under the defined contribution pension plan of the Group for the years ended December 31, 2023 and 2022 were $17,152 and $15,856, respectively.

(17) Share-based payment

A. For the year ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stocks transferred to employees	January 14, 2022	600,000	Not applicable	Vested immediately
Employee share purchase plan of Tiga Gaming Inc.	June 19, 2024	1,000,000	7 years	50% vested after two years of service 100% vested after three years of service

(a) Tiga Gaming Inc. a subsidiary of the Company, issued employee stock option certificates to the company's employees. The share-based payment arrangements above are settled by equity.

(b) The Company's share-based payment agreement in 2023 was settled by equity.

B. Details of the share-based payment arrangements are as follows:

	2023	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -
Options granted	1,000	21
Options exercised	-	-
Options outstanding at December 31	1,000	$ 21
Options exercisable at December 31	-	$ 21

	2022	
	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -
Options granted	600,000	27
Options exercised	(600,000)	27
Options outstanding at December 31	-	$ -
Options exercisable at December 31	-	$ -

C. The weighted-average stock price of stock options at exercise dates for the year ended

December 31, 2022 was $32.34 (in dollars). There were no stock options that have been exercised in 2023.

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2023		December 31, 2022	
Issue date approved	Expiry date	No. of shares (in thousands)	Exercise price (in dollars)	No. of shares (in thousands)	Exercise price (in dollars)
June 19, 2023	June 18, 2030	1,000	$ 21	-	$ -

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price (in dollars)	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Treasury stocks transferred to employees	January 14, 2022	$ 33	$ 27	34.97%	0.09 year	-	0.02%	$ 5.60
Employee share purchase plan of Tiga Gaming Inc.	June 19, 2023	$ 12.91	$ 21	33.26%	2.5 years	-	1.03%	$0.8714

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

F. Expenses incurred on share-based payment transactions are shown below:

	Year ended December 31, 2023	Year ended December 31, 2022
Equity-settled	$ 157	$ 3,360

(18) Share capital

A. As of December 31, 2023, the Company's authorised capital was $4,000,000, consisting of 400 million shares of ordinary stock, and the paid-in capital was $3,014,256 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023 (Note)	2022 (Note)
At January 1	283,703	264,543
Treasury stocks transferred to employees	-	600
Capitalisation of capital surplus	8,511	18,560
At December 31	292,214	283,703

Note: Each unit refers to one thousand shares.

B. Treasury stock

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	9,239 thousand	$ 277,773

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	12,389 thousand	$ 372,478

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(e) The Company has canceled 3,150 thousand treasury shares that have not been transferred to employees and completed the change registration on January 16, 2024.

(19) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	For the year ended December 31, 2023						
	Share premium	Expired stock options	Treasury share transactions	Recognition of ownership changes in subsidiaries	Net change in equity of associates	Other	Total
At January 1	$ 1,090,875	$ 14,534	$ 2,893	-	$ 7,215	$ 316	$ 1,115,833
Capitalisation of capital surplus	(85,111)	-	-	-	-	-	(85,111)
Subsidiary issues employee stock options	-	-	-	28	-	-	28
Recognition of changes in equity of affiliated enterprises based on shareholding ratio	-	-	-	-	(4,270)	-	(4,270)
Cancellation the treasury stock	(10,343)	-	(2,893)	-	-	-	(13,236)
At December 31	$ 995,421	$ 14,534	$ -	$ 28	$ 2,945	$ 316	$ 1,013,244

	For the year ended December 31, 2022						
	Share premium	Expired stock options	Treasury share transactions	Recognition of ownership changes in subsidiaries	Net change in equity of associates	Other	Total
At January 1	$ 1,302,989	$ 14,534	$ -	$ -	$ 7,215	$ 316	$ 1,325,054
Treasury stocks transferred to employees	-	-	2,893	-	-	-	$ 2,893
Capitalisation of capital surplus	(185,600)	-	-	-	-	-	(185,600)
Capital surplus used to issue cash to shareholders	(26,514)	-	-	-	-	-	(26,514)
At December 31	$ 1,090,875	$ 14,534	$ 2,893	$ -	$ 7,215	$ 316	$ 1,115,833

On June 29, 2023, the shareholders of the Company during their meeting resolved to issue 8,511 thousand common shares from capital surplus in the amount of $85,111 ($0.3 (in dollars) per share).

On June 29, 2022, the shareholders of the Company during their meeting resolved to issue 18,560 thousand common shares from capital surplus in the amount of $26,514 ($0.1 (in dollars) per share) and convert capital surplus of $185,600 into capital to issue 18,560 thousand new shares (0.7 (in dollars) per share).

(20) Retained earnings

A. The Company is currently in the stage of corporate growth. In the future, in accordance with its business expansion and capital needs, the Board of Directors will draw up a distribution plan, which will be distributed after the resolution at the shareholders' meeting.

In accordance with Article 240 paragraph 5 of the Company Act, the Company authorized that the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

The annual net earnings after final account, if any, shall be apportioned in the following order:

(a) Payment of taxes and duties;

(b) Covering prior years' accumulated deficit, if any;

(c) Set aside 10% of the remaining amount as legal reserve and

(d) Set aside a certain amount as special reserve, if any.

The remaining amount plus prior years' retained earnings shall be distributed as stockholders' bonus for 10% to 100% (including cash dividends that shall account for at least 10%), taking into account the capital budget and financial plan.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

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

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. On June 29, 2023, the shareholders have resolved the appropriation of earnings for the year ended December 31, 2022 as follows:

	For the year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Appropriation of legal reserve	$ 31,632	
Appropriation of special reserve	1,999	
Cash dividends	198,592	$ 0.70
	$ 232,223	

C. On June 29, 2022, the shareholders have resolved the appropriation of earnings for the year ended December 31, 2021 as follows:

	For the year ended December 31, 2021	
	Amount	Dividends per share (in dollars)
Appropriation of legal reserve	$ 14,790	
Appropriation of special reserve	78,091	
Cash dividends	53,029	$ 0.20
	$ 145,910	

(21) Other equity interest

	For the year ended December 31, 2023		
	Unrealised (losses) gains on valuation	Currency translation	Total
At January 1	($ 471,194)	($ 479,033)	($ 950,227)
Revaluation	23,780	-	23,780
Revaluation - tax	5,473	-	5,473
Currency translation differences	-	(19,464)	(19,464)
Revaluation transferred to retained earnings, net	-	46,931	46,931
At December 31	($ 441,941)	($ 451,566)	($ 893,507)

	For the year ended December 31, 2022		
	Unrealised (losses) gains on valuation	Currency translation	Total
At January 1	($ 491,459)	($ 721,971)	($ 1,213,430)
Revaluation	22,955	-	22,955
Revaluation - tax	(1,532)	-	(1,532)
Revaluation transferred to retained earnings, net	(1,158)	-	(1,158)
Currency translation differences	-	242,938	242,938
At December 31	($ 471,194)	($ 479,033)	($ 950,227)

(22) Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from contracts with customers	$ 2,547,887	$ 2,714,971

A. Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services over time and at a point in time in the following major product lines and geographical regions：

	Taiwan	Europe and America region	Mainland China and other Asia region			
	Computers and its peripherals	Computers and its peripherals	Computers and its peripherals	Liquor wholesale	Eliminated by consolidation	Total
2023						
Revenue from external customer contracts	$ 348,611	$ 1,296,200	$ 1,001,017	$ 17,078	($ 115,019)	$ 2,547,887
Inter-segment revenue	63,980	272,798	12,952	11,696	(361,426)	-
Total segment revenue	$ 412,591	$ 1,568,998	$ 1,013,969	$ 28,774	($ 476,445)	$ 2,547,887
Timing of revenue recognition						
At a point in time	$ 357,724	$ 1,550,687	$ 1,005,033	$ 28,774	($ 442,407)	$ 2,499,811
Over time	54,867	18,311	8,936	-	(34,038)	48,076
	$ 412,591	$ 1,568,998	$ 1,013,969	$ 28,774	($ 476,445)	$ 2,547,887

	Taiwan	Europe and America region	Mainland China and other Asia region			
	Computers and its peripherals	Computers and its peripherals	Computers and its peripherals	Liquor wholesale	Eliminated by consolidation	Total
2022						
Revenue from external customer contracts	$ 49,986	$ 1,685,652	$ 1,055,803	$ 5,433	($ 81,903)	$ 2,714,971
Inter-segment revenue	69,358	328,507	50,910	5,432	(454,207)	-
Total segment revenue	$ 119,344	$ 2,014,159	$ 1,106,713	$ 10,865	($ 536,110)	$ 2,714,971
Timing of revenue recognition						
At a point in time	$ 63,811	$ 1,986,694	$ 1,094,833	$ 10,865	($ 494,890)	$ 2,661,313
Over time	55,533	27,465	11,880	-	(41,220)	53,658
	$ 119,344	$ 2,014,159	$ 1,106,713	$ 10,865	($ 536,110)	$ 2,714,971

B. Contract liabilities

(a) Revenue recognised that was included in the contract liability balance at the beginning of the year

	For the year ended December 31, 2023	For the year ended December 31, 2022
Contract liabilities - advanced sales receipts	$ 40,542	$ 38,566

(b) The Group has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - advanced sales receipts	$ 52,724	$ 42,213	$ 39,299

(23) Interest income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income from bank deposits	$ 16,894	$ 6,212
Other interest income	7	297
	$ 16,901	$ 6,509

(24) Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Dividend income	$ 21,306	$ 2,201
Rental revenue	-	1,658
Other income	8,131	5,261
	$ 29,437	$ 9,120

(25) Other gains and losses

	For the year ended December 31, 2023	For the year ended December 31, 2022
Gains on financial assets at fair value through profit	$ 116,756	$ 177,405
Foreign exchange gains	10,760	90,601
Gain(losses) on disposal of property, plant and equipment	197,288	(77)
Impairment losses	(252,042)	(69,703)
Losses on disposal of investments	(49,180)	-
Other losses	(1,230)	(1,384)
	$ 22,352	$ 196,842

(26) Finance costs

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest expense :		
Bank borrowings	$ 26,801	$ 26,273
Corporate bonds	3,100	3,100
Lease liabilities	3,463	1,972
	$ 33,364	$ 31,345

(27) Expenses by nature

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee benefit expenses	$ 394,650	$ 419,091
Depreciation charges on property, plant and equipment	24,180	26,138
Depreciation charges on right-of-use assets	23,906	17,448
Amortisation charges on intangible assets	15,719	19,123
Depreciation expense of investment property	-	739

(28) Employee benefit expense

	For the year ended December 31, 2023	For the year ended December 31, 2022
Wages and salaries	$ 335,528	$ 364,484
Labor and health insurance fees	29,619	29,229
Pension costs	17,327	16,011
Other personnel expenses	12,176	9,367
	$ 394,650	$ 419,091

A. In accordance with the Articles of Incorporation of the Company, when distributing earnings, the Company shall distribute bonus to the employees and pay remuneration to the directors and supervisors. The ratio shall not be lower than 5% for employees' compensation and shall not be higher than 1% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved.

B. For the years ended December 31, 2023 and 2022, employees' compensation was accrued at $2,458 and $19,418, respectively; while directors' remuneration was accrued at $246 and $1,942, respectively. The aforementioned amounts were recognised in salary expenses.

For the year ended December 31, 2023, the employees' compensation and directors' remuneration were estimated and accrued based on 5% and 0.5% of distributable profit of current year as of the end of reporting period. The employees' compensation and directors' remuneration resolved by the Board of Directors were $2,458 and $246, and the employees' compensation will be distributed in the form of cash.

Employees' compensation and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

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

(29) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
Current tax:				
Current tax on profits for the year	$	66,642	$	50,313
Tax on undistributed surplus earnings		3,815		-
Prior year income tax (over)underestimation	(	611)		4,954
Land value added tax		17,824		-
Total current tax	$	87,670	$	55,267
Deferred tax:				
Origination and reversal of temporary differences	(	54,563)		9,717
Income tax expense	$	33,107	$	64,984

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

	For the year ended December 31, 2023		For the year ended December 31, 2022	
Changes in fair value of financial assets at fair value through other comprehensive income	($	5,473)	$	1,532
Remeasurement of defined benefit obligations		35		800
	($	5,438)	$	2,332

B. Reconciliation between income tax expense and accounting profit or loss

	For the year ended December 31, 2023	For the year ended December 31, 2022
Tax calculated based on profit or loss before tax and statutory tax rate (Note)	$ 39,341	$ 58,859
Effects from items disallowed by tax regulation	(5,531)	1,752
Tax exempt income by tax regulation	(28,497)	(21,513)
Prior year income tax (over)underestimation	(611)	4,954
Assessment of realisation of deferred tax assets	(22,427)	(8,705)
Separate taxation	17,824	-
Temporary differences not recognised as deferred tax assets	11,472	4,729
Taxable loss not recognised as deferred tax assets	14,423	24,803
Tax on undistributed surplus earnings	3,815	-
Effect from Alternative Minimum Tax Impact of change in the tax rate on temporary differences between current year and the year realised	-	105
others	3,298	-
Income tax expense	$ 33,107	$ 64,984

Note: The basis for computing the applicable tax rate are the rates applicable in the respective countries where the Group entities operate.

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

	For the year ended December 31, 2023				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Effect of exchange rate changes	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for obsolescence and market value decline	$ 2,630	$ 426	$ -	$ -	$ 3,056
Over provision of allowance for doubtful accounts	14,374	(499)	-	-	13,875
Unrealised gross profit - Group	1,806	(761)	-	-	1,045
Unrealised gross profit - Subsidiaries	11,651	2,481	-	-	14,132
Unrealised expenses	3,812	4	(35)	-	3,781
Unrealised foreign exchange loss	-	2,450	-	-	2,450
Overseas investment losses	13,667	52,507	-	-	66,174
Unrealised loss on financial instruments	108,226	-	5,473	-	113,699
Deferred revenue	3,209	(14)	-	-	3,195
Others	842	-	-	-	842
	160,217	56,594	5,438	-	222,249
	$ 160,217	$ 56,594	$ 5,438	$ -	$ 222,249
-Deferred tax assets:					
Unrealised foreign exchange gain	($ 2,471)	($ 2,031)	$ -	$ -	($ 4,502)

	For the year ended December 31, 2022				
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	Recognised in equity	December 31
Temporary differences:					
-Deferred tax assets:					
Allowance for obsolescence and market value decline	$ 6,097	($ 3,467)	$ -	$ -	$ 2,630
Over provision of allowance for doubtful accounts	18,773	(4,399)	-	-	14,374
Unrealised gross profit - Group	-	1,806	-	-	1,806
Unrealised gross profit - Subsidiaries	11,178	473	-	-	11,651
Unrealised expenses	4,603	10	(800)	(1)	3,812
Unrealised foreign exchange loss	1,877	(1,877)	-	-	-
Overseas investment losses	12,761	906	-	-	13,667
Unrealised loss on financial instruments	109,758	-	(1,532)	-	108,226
Deferred revenue	3,907	(698)	-	-	3,209
Others	842	-	-	-	842
	169,796	(7,246)	(2,332)	(1)	160,217
	$ 169,796	($ 7,246)	($ 2,332)	($ 1)	$ 160,217
Unrealised gain on financial instruments (valuation adjustment)	$ -	($ 2,471)	$ -	$ -	($ 2,471)

D. Expiration dates of unused tax losses are as follows:

December 31, 2023				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014	28,334	28,334	28,334	2024
2015	62,338	62,338	62,338	2025
2016	15,080	15,080	15,080	2026
2017	278	278	278	2027
2020	52,003	21,112	21,112	2030
2021	34,899	34,899	34,899	2031

December 31, 2022				
Year incurred	Amount filed / assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2014	28,334	28,334	28,334	2024
2015	62,338	62,338	62,338	2025
2016	15,080	15,080	15,080	2026
2017	278	278	278	2027
2020	52,003	21,112	21,112	2030
2021	34,899	34,899	34,899	2031

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

F. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 528,566	$ 509,618

(30) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 42,712	292,214	$ 0.15
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 42,712	292,214	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	218	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 42,712	292,432	$ 0.15

	For the year ended December 31, 2022		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 311,960	292,185	$ 1.07
Diluted earnings per share			
Profit attributable to ordinary shareholders of the parent	$ 311,960	292,185	
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	764	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 311,960	292,949	$ 1.06

(31) Changes in liabilities from financing activities

	For the year ended December 31, 2023			
	Short-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 1,426,271	$ 500,000	$ 77,509	$ 2,003,780
Changes in cash flow from financing activities	(223,267)	-	(24,315)	(247,582)
Impact of changes in foreign exchange rate	(1,004)	-	947	(57)
Interest expense	-	-	3,463	3,463
Additions	-	-	28,206	28,206
Profit from lease modification	-	-	-	-
At December 31	$ 1,202,000	$ 500,000	$ 85,810	$ 1,787,810

	For the year ended December 31, 2022			
	Short-term borrowings	Bonds payable	Lease liabilities	Liabilities from financing activities-gross
At January 1	$ 1,625,528	$ 500,000	$ 25,392	$ 2,150,920
Changes in cash flow from financing activities	(203,089)	-	(17,587)	(220,676)
Impact of changes in foreign exchange rate	3,832	-	3,609	7,441
Interest expense	-	-	1,972	1,972
Additions	-	-	64,594	64,594
Profit from lease modification	-	-	(471)	(471)
At December 31	$ 1,426,271	$ 500,000	$ 77,509	$ 2,003,780

(32) Transactions with non-controlling interest

A. Acquisition of additional equity interest in a subsidiary

On February 8 to April 26, 2023, the Group acquired an additional 0.78% of shares of its subsidiary— Tiga Gaming Inc. for a total cash consideration of $3,876. This transaction resulted in a decrease in the non-controlling interest by $628 and a decrease in the equity attributable to owners of the parent by $3,248. The effect of changes in interests in Tiga Gaming Inc. on the equity attributable to owners of the parent for the year ended December 31, 2023 is shown below:

	Year ended December 31, 2023
Carrying amount of non-controlling interest acquired	$ 628
Consideration paid to non-controlling interest	(3,876)
Difference between proceeds on actual acquisition of or disposal of equity interest in a subsidiary and its carrying amount shown as retained earnings	($ 3,248)

B. Subsidiary employee stock option plan

The Group's Tiga Gaming Inc. issued employee stock options on June 19, 2023. This transaction increased non-controlling equity by $129; in addition, because the employee stock options included employees of the company, the capital surplus recognized changes in all equity in subsidiaries increased by $28.

C. The Group did not conduct any transaction with non-controlling interest in 2022.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Group
LotRich Information Co., Ltd. (LotRich)	Associate
AquaLab Inc. (AquaLab)	〃
FEC Deutschland GmbH (FEC Deutschland)	〃
FEC Japan Co., Ltd. (FEC Japan)	〃
FEC ITALIA S.r.l. (FEC ITALIA)	〃
Oriental Regent Ltd. (ORL)	〃
G1 Entertainment LLC (G1)	〃
Beijing Intradak Systems Technology Co., Ltd. (Intradak)	〃
Grab and Go Solutions, Inc.(Grab)	〃
Jia Hua Kang Jian Co., Ltd. (Jia Hua)	〃
Zenii Information System Co., Ltd. (Zenii)	Other related party
FANA Management B.V. (FANA)	〃
Software Solution Systems Ltd. (3S)	〃

(2) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
Sales of goods:		
Associates		
LotRich	$ 299,713	$ 1,977
Other	75,430	90,755
Other related parties	12,699	19,025
Sales of services:		
Associates	1,145	707
Other:		
Associates	95	49
	$ 389,082	$ 112,513

The sales prices of goods and services for LotRich have no similar transactions to compare with. The sales prices of goods and services are approximately the same as those with third-parites.

The collection terms are determined in accordance with mutual agreement.

B. Purchases

	For the year ended December 31, 2023	For the year ended December 31, 2022
Purchases of goods:		
Associates	$ 87	$ 730
Purchases of services:		
Other related parties	17,615	-
	$ 17,702	$ 730

Goods purchased arise from lottery machine and peripheral products. Transaction price has no similar transaction to compare with. Payment period is based on mutual agreement.

C. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Associates		
LotRich	$ 312,816	$ 296
FEC Deutschland	16,877	11,954
FEC ITALIA	10,794	13,275
Other	4,305	6,265
Other related parties		
3S	3,662	2,122
Less: Allowance for doubtful accounts	(545)	(84)
	347,909	33,828
Other receivables - others:		
Other related parties	598	469
Other receivables - transferred from accounts receivable		
Associates		
FEC Deutschland	12,682	24,983
Less: Allowance for doubtful accounts	(478)	(1,030)
	12,204	23,953
	$ 360,711	$ 58,250

(a) Receivables due from related parties arise mainly from sale transactions, receipts under custody and payment on behalf of others. The receivables are unsecured in nature and bear no interest, and the receivables due from related parties have no provisions.

(b) On December 31, 2023 and 2022, the Group reclassified overdue accounts receivable to other receivables in the amount of $12,204 and $23,953, respectively. The amounts of ageing past due that were 121~180 days and 181 days over the credit terms of non-related parties amounted to $0, $12,204, $1,018 and $22,935, respectively.

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Associates		
Grab	$ -	$ 143
Other	-	7
	-	150
Other payables:		
Other related parties:		
FANA	4,925	7,975
	4,925	7,975
	$ 4,925	$ 8,125

The accounts payable to related parties arise mainly from purchase transactions which were based on the agreed contracts, and the payables bear no interest. Other payables arise mainly from management service fees payable.

E. Lease transactions-lessee

(a) The Group leases buildings from 3S. Rental contracts are made for periods from September 2022 to September 2032. Rents are paid every quarter.

(b) Lease liability

i. Outstanding balance:

	December 31, 2023	December 31, 2022
Other related parties	$ 17,460	$ 18,208

ii. Interest expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Other related parties	$ 584	$ 200

F. Endorsements and guarantees provided by related parties

Financing guarantee provided by related parties

As of December 31, 2023 and 2022, financing guarantees provided by key management were $2,070,000 and $2,120,000, respectively.

G. Property transactions:

(a) The Group had no related property transactions in 2022.

(b) The Group's financial asset transactions from related parties in 2023 are as follows:

			Year ended December 31, 2023	
	Accounts	No. of shares	Objects	Consideration
Associates				
Jia Hua	Investments accounted for using the equity method	3,000 thousand	Common shares of Jia Hua	$ 36,000

(3) Key management compensation

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term employee benefits	$ 17,333	$ 20,436

8. PLEDGED ASSETS

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

	Book value		
Pledged asset	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment:			
Land	$ 111,478	$ 111,478	Note
Buildings and structures	103,602	106,898	〃
	$ 215,080	$ 218,376	

Note: Short-term loan guarantee

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 3,361	$ -

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 10, 2024, the Group approved the sale of its main business through the indirect investment of the Group through its subsidiary Firich International Co., Ltd. - Oriental Regent Ltd.; however, on February 20, 2024, the Group received notification from the buyer of the aforementioned transaction, that the transaction was unilaterally canceled. Please refer to Note 6(6) for related information.

12. OTHERS

(1) Capital management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Group monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the consolidated balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the consolidated balance sheet plus net debt.

During 2023, the Group's strategy, which was unchanged from 2022, was to collectively consider the environment the Group was in, the growth stage, capital needs for future significant investment plans and the long-term financial plan.

The gearing ratios at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 1,702,000	$ 1,926,271
Less: Cash and cash equivalents	(1,281,892)	(1,220,661)
Net debt	420,108	705,610
Total equity	4,050,626	4,145,385
Total capital	$ 4,470,734	$ 4,850,995
Gearing ratio	9.4%	14.55%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Finance assets mandatorily measured at fair value through profit or loss	$ 761,535	$ 500,753
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	495,351	471,570
Financial assets at amortised cost		
Cash and cash equivalents	1,281,892	1,220,661
Notes receivable	57	557
Accounts receivable (including related parties)	686,468	512,398
Other receivables (including related parties)	28,434	51,354
Overdue receivables	13,921	36,428
Guarantee deposits paid	16,096	19,277
	$ 3,283,754	$ 2,812,998

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial assets at amortised cost		
Short-term borrowings	$ 1,202,000	$ 1,426,271
Accounts payable (including related parties)	300,062	324,063
Other payables (including related parties)	151,106	163,737
Corporate bonds payable	500,000	500,000
Guarantee deposits received	7,585	8,467
	$ 2,160,753	$ 2,422,538
Lease liabilities	$ 85,810	$ 77,509

B. Financial risk management policies

(a) The Group's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Group operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from recognised assets and liabilities.

ii. The Group has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arising from the net assets of the Group's foreign operations.

iii. The Group's businesses involve some non-functional currency operations (the Company's and certain subsidiaries' functional currency: NTD; other certain subsidiaries' functional currency: USD, KRW, RMB, RUB, INR, GBP and EUR). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations are as follows:

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	19,843	30.705	$ 609,279
KRW: NTD	5,476,038	0.024	131,425
GBP: NTD	159	39.150	6,225
RMB: NTD	15,197	4.327	65,757
HKD: USD	398	0.128	1,564
RMB: USD	1,658	0.141	7,178
GBP: USD	304	1.275	11,901
USD: EUR	133	0.903	4,081
USD: GBP	25	0.784	767
Non-monetary items			
SGD: NTD	4	23.290	88
HKD: NTD	3,600	3.929	14,145
KRW: NTD	23,068,500	0.024	553,644
HKD: USD	1,585,334	0.128	622,878
USD: NTD	42,265	30.705	1,297,740
EUR：NTD	8,593	33.980	291,991
GBP：NTD	762	39.150	29,821
INR：USD	55,450	0.012	20,431
RMB：USD	85,432	0.141	369,869
Financial liabilities			
Monetary items			
USD: NTD	2,577	30.705	79,127
USD: RMB	4,500	7.104	138,326
USD: EUR	860	0.903	26,388
USD: GBP	429	0.784	13,168

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	20,954	30.710	$ 643,497
KRW: NTD	5,342,023	0.025	133,551
HKD: NTD	710	3.938	2,796
GBP: NTD	128	37.090	4,748
RMB: NTD	16,032	4.408	70,669
EUR: USD	99	1.065	3,238
HKD: USD	396	0.128	1,557
RMB: USD	1,657	0.144	7,328
GBP: USD	301	1.208	11,166
USD: GBP	49	0.828	1,505
Non-monetary items			
SGD: NTD	24	22.880	543
HKD: NTD	11,333	3.938	44,628
KRW: NTD	22,494,120	0.025	562,353
HKD: USD	170,162	0.128	670,130
USD: NTD	75,126	30.710	2,307,121
EUR：NTD	7,703	32.720	252,148
GBP：NTD	761	37.090	28,232
RUB：NTD	18,117	0.437	7,917
INR：USD	56,068	0.012	20,662
RMB：USD	76,669	0.014	313,219
Financial liabilities			
Monetary items			
USD: NTD	3,508	30.710	107,731
USD: RMB	8,000	6.957	245,332
USD: EUR	1,142	0.939	35,087

iv. The total exchange (loss) gain, including realised and unrealised arising from significant foreign exchange variation on the monetary items held by the Group for the years ended December 31, 2023 and 2022, amounted to $10,760 and $90,601, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 4,874	$ -
KRW: NTD	1%	1,051	-
GBP: NTD	1%	50	-
RMB: NTD	1%	526	-
HKD: USD	1%	13	-
RMB: USD	1%	57	-
GBP: USD	1%	95	-
USD: EUR	1%	31	-
USD: GBP	1%	6	-
Non-monetary items			
USD: NTD	1%	633	-
USD: RMB	1%	1,037	-
USD: EUR	1%	198	-
USD: GBP	1%	105	-

	For the year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	1%	$ 5,148	$ -
KRW: NTD	1%	1,068	-
HKD: NTD	1%	22	-
GBP: NTD	1%	38	-
RMB: NTD	1%	565	-
EUR: USD	1%	26	-
HKD: USD	1%	12	-
RMB: USD	1%	59	-
GBP: USD	1%	89	-
USD: GBP	1%	12	-
Financial liabilities			
Monetary items			
USD: NTD	1%	862	-
USD: RMB	1%	1,840	-
USD: EUR	1%	263	-

Price risk

i. The Group's equity securities, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio. Diversification of the portfolio is done according to the limits set by the Group. The Group is not exposed to the commodity price risk.

ii. The Group's investments in equity securities comprise of shares issued by the domestic listed and emerging companies and open-end funds. The prices of financial instruments would be effected by the changes of the future value of investee companies. If the prices of these financial instruments had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $31,942 and $25,038 respectively, as a result of gains/losses on equity securities classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $20,941 and $18,685, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Group's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Group to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. Borrowings issued at fixed rates expose the Group to fair value interest rate risk. During the years ended December 31, 2023 and 2022, the Group's borrowings at variable rate were denominated in NTD, USD and KRW.

ii. If the borrowing interest rate of NTD, USD, RMB and KRW dollars had increased/decreased by 0.1% with all other variables held constant, profit, net of tax for the years ended December 31, 2023 and 2022 would have increased/decreased by $961 and $1,133, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Group arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Group manages their credit risk taking into consideration the entire group's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Group’s credit policy, each local entity in the Group is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Group adopts the assumptions under IFRS 9, whereby the default occurs when the contract payments are past due over 90 days.

iv. The Group adopts following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Group classifies customers’ accounts receivable in accordance with credit rating of customer. The Group applies the simplified approach using provision matrix, loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganization due to their financial difficulties;

(ii) Default or delinquency in interest or principal repayments;

(iii) Adverse changes in national or regional economic conditions that are expected to cause a default.

vii. The Group used the forecastability to adjust historical and timely information to assess the default possibility of notes receivable, accounts receivable and other receivables (including related parties). On December 31, 2023 and 2022, the provision matrix is as follows:

	December 31, 2023		
Notes and accounts receivable (including related parties)	Expected loss rate	Total book value	Loss allowance
Not past due	0.09%~0.35%	$ 545,104	$ 1,046
Past due			
Up to 30 days	0.05%~10%	69,215	3,484
31 to 90 days	2%~30%	22,542	2,059
91 to 180 days	2%~50%	10,196	2,738
Over 181 days	2%~100%	223,780	174,985
		$ 870,837	$ 184,312

	December 31, 2023		
Other receivables (including related parties) (Note)	Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.09%~100%	$ 16,230	$ -
Over 120 days	0.09%~100%	152,102	125,977
		$ 168,332	$ 125,977

Notes and accounts receivable (including related parties)	December 31, 2022 Expected loss rate	Total book value	Loss allowance
Not past due	0.08%~0.35%	$ 332,168	$ 253
Past due			
Up to 30 days	0.05%~10%	77,543	3,526
31 to 90 days	2%~30%	8,829	525
91 to 180 days	2%~50%	11,799	2,449
Over 181 days	2%~100%	257,422	168,053
		$ 687,761	$ 174,806

Other receivables (including related parties) (Note)	December 31, 2022 Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.08%~100%	$ 27,401	$ -
Over 120 days	0.08%~100%	164,455	104,074
		$ 191,856	$ 104,074

Note : Overdue receivables.

viii. Movements in relation to the Group applying the simplified approach to provide loss allowance for notes receivable, accounts receivable and other receivables (including related parties) are as follows:

	For the year ended December 31, 2023 Notes and accounts receivable (including related parties)	Other receivables (including related parties) (Note)
At January 1	$ 174,806	$ 104,074
Provision for impairment	17,955	22,847
Accounts receivable transferred to other receivables	552	(552)
Write-offs	(6,737)	-
Effect of foreign exchange	(2,264)	(392)
At December 31	$ 184,312	$ 125,977

	For the year ended December 31, 2022	
	Notes and accounts receivable (including related parties)	Other receivables (including related parties) (Note)
At January 1	$ 148,723	$ 92,079
Provision for impairment	27,306	3,593
Accounts receivable transferred to other receivables	(1,030)	1,030
Write-offs	(1,432)	(2,353)
Effect of foreign exchange	1,239	9,725
At December 31	$ 174,806	$ 104,074

Note: include overdue receivables

(c) Liquidity risk

i. Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Group treasury. Group treasury invests surplus cash in interest bearing current accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2023 and 2022, the Group held money market positions of $1,281,892 and $1,220,661, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

ii. The Group has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 370,000	$ 350,000

iii. The table below analyses the Group's non-derivative financial liabilities and net-settled or gross-settled derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date for non-derivative financial liabilities. The amounts disclosed in the table are the contractual undiscounted cash flows:

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,202,000	$ -	$ -	$ -	$ 1,202,000
Accounts payable	300,062	-	-	-	300,062
Other payables (including related parties)	151,106	-	-	-	151,106
Lease liabilities (including current and non-current)	20,102	19,320	22,955	23,433	85,810
Bonds payable	3,100	3,100	503,100	-	509,300

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,426,271	$ -	$ -	$ -	$ 1,426,271
Accounts payable (including related parties)	324,063	-	-	-	324,063
Other payables (including related parties)	163,738	-	-	-	163,738
Lease liabilities (including current and non-current)	14,928	12,936	27,580	31,194	86,638
Bonds payable	3,100	3,100	506,200	-	512,400

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Group's investment in convertible bonds and most derivative instruments is included in Level 2.

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

B. Fair value information of investment property at cost is provided in Note 6(9).

C. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, notes receivable, accounts receivable (including related parties), other receivables (including related parties), short-term borrowings, accounts payable (including related parties), other payables (including related parties), lease liabilities and bonds payable are approximate to their fair values.

D. The related information of financial and non-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 is as follows:

(a) The related information of natures of the assets and liabilities is as follows:

	Level 1	Level 2	Level 3	Total
December 31, 2023				
Assets				
Recurring fair value measurements				
Financial assets at fair value through profit or loss - Equity securities	$ 638,834	$ -	$ 122,701	$ 761,535
Financial assets at fair value through other comprehensive income - Equity securities	421,665	-	73,686	495,351
	$ 1,060,499	$ -	$ 196,387	$ 1,256,886

	Level 1	Level 2	Level 3	Total
December 31, 2022				
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss -Equity securities	$ 500,753	$ -	$ -	$ 500,753
Financial assets at fair value through other comprehensive income - Equity securities	382,739	-	88,831	471,570
	$ 883,492	$ -	$ 88,831	$ 972,323

(b) The methods and assumptions the Group used to measure fair value are as follows:

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

	Listed shares and emerging stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the consolidated balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, for example, interest rate swap contracts, foreign exchange swap contracts and options, the Group adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Group must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)J.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Group’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Group’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the consolidated balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Group takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Group's credit quality.

E. As the stocks of Summit Ascent Holding Ltd. were temporarily suspended for trading in the HKEX market during the period from May 12, 2022 to July 7, 2022, the Company transferred the fair value from Level 1 to Level 2 for the period when the event occurred and transferred the fair value from Level 2 back to Level 1 after the stocks were traded in the market again. For the year ended December 31, 2023, there was no transfer between Level 1 and Level 2.

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

	For the years ended December 31	
	2023	2022
	Non-Derivative equity instrument	Non-Derivative equity instrument
At January 1	$ 88,831	$ 941,405
Gains recognised in profit or loss (Note 1)	4,103	82,074
Gains recognised in other comprehensive income or loss (Note 2)	(15,145)	(35,586)
Acquired in the year	118,598	-
Transfers out from Level 3	-	(909,829)
Effect of exchange rate changes	-	10,767
At December 31	$ 196,387	$ 88,831

Note 1: Recorded as other gains and losses.

Note 2: Recorded as unrealised valuation gain or loss of financial assets.

G. As the stocks of J&V Energy Technology Co., Ltd. has been traded in the emerging stock market in January 2022, the Company transferred the fair value from Level 3 to Level 1 for the period when the event occurred. For the year ended December 31, 2023, there was no transfer into or out from Level 3.

H. The Group originally held 18% equity interest of Mcorporation Co., Ltd. and recorded as non-current financial assets at fair value through profit or loss. The Group additionally purchased 18.75% equity interest in the fourth quarter of 2022 and therefore directly held 36.75% equity interest and accounted for using the equity method.

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

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

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	$ 68,036	Market comparable companies	Price to book ratio multiple	1.01	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	5,404	〃	Price to book ratio multiple	1.43	〃
			Discount for lack of marketability	40%	
Sanhe Health Co., Ltd.	81,251	〃	Price to book ratio multiple	1.19	〃
			Discount for lack of marketability	40%	
Weisheng Environmental Technology Co., Ltd.	5,450	〃	Price to book ratio multiple	2.61	〃
			Discount for lack of marketability	20%	
Others	36,246				

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	$ 82,651	Market comparable companies	Price to book ratio multiple	1.14	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	5,934	〃	Price to book ratio multiple	1.56	〃
			Discount for lack of marketability	40%	
Others	246				

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

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ 1,227	($ 1,227)	$ 737	($ 737)

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ -	$ -	$ 888	($ 888)

13. SUPPLEMENTARY DISCLOSURES

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

I. Derivative financial instruments undertaken during the reporting periods: None.

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

(4) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

(1) General information

Management has determined the reportable operating segments based on the reports reviewed by the Chief Operating Decision-Maker that are used to make strategic decisions.

The Chief Operating Decision-Maker considers the business from product type perspective; the reportable operating segments are as follows:

A. Computers and its peripherals：Mainly engaged in POS system hardware and software developments, manufacturing, sales and related after-sales services and maintenance services.

B. Other segments：Mainly engaged in wholesale of liquor, etc.

The Group's organisation, basis of department segmentation and principles for measurement of segment information for the period were not significantly changed.

(2) Measurement of segment information

The Group's operating segment profit or loss is measured by post-tax and is used as the basis for performance evaluation.

The Group does not provide the information about segment assets and liabilities to the Chief Operating Decision-Maker, thus, the amounts are disclosed as zero.

(3) Information about segment profit or loss, assets and liabilities

The segment information provided to the Chief Operating Decision-Maker for the reportable segments is as follows:

For the year ended December 31, 2023	Computers and its peripherals	Other operating segments	Eliminated by consolidation (Note)	Total
Revenue from external customers	$ 2,645,828	$ 17,078	($ 115,019)	$ 2,547,887
Inter-segment revenue	349,730	11,696	(361,426)	-
Total segment revenue	$ 2,995,558	$ 28,774	($ 476,445)	$ 2,547,887
Segment income (loss)	$ 58,170	($ 4,012)	($ 400)	$ 53,758
Segment (loss) income included:				
Interest income	$ 16,880	$ 21	$ -	$ 16,901
Interest expense	(33,035)	(329)	-	(33,364)
Impairment loss	(252,042)	-	-	(252,042)
Depreciation and amortisation	(57,101)	(6,704)	-	(63,805)
Income tax expense	(33,107)	-	-	(33,107)
Investment (loss) income under the equity method	(406,047)	-	342,146	(63,901)

For the year ended December 31, 2022	Computers and its peripherals	Other operating segments	Eliminated by consolidation (Note)	Total
Revenue from external customers	$ 2,791,441	$ 5,433	($ 81,903)	$ 2,714,971
Inter-segment revenue	448,775	5,432	(454,207)	-
Total segment revenue	$ 3,240,216	$ 10,865	($ 536,110)	$ 2,714,971
Segment income (loss)	$ 356,714	($ 6,725)	($ 25,047)	$ 324,942
Segment (loss) income included:				
Interest income	$ 6,472	$ 37	$ -	$ 6,509
Interest expense	(31,170)	(175)	-	(31,345)
Impairment loss	(69,703)	-	-	(69,703)
Depreciation and amortisation	(57,618)	(5,830)	-	(63,448)
Income tax expense	(64,984)	-	-	(64,984)
Investment (loss) income under the equity method	106,478	-	(21,485)	84,993

Note: Inter-segment revenue and profit (loss) are offset.

(4) Information on products and services

	For the year ended December 31, 2023	For the year ended December 31, 2022
Computers and its peripherals revenue	$ 2,530,809	$ 2,709,538
Liquor wholesale revenue	17,078	5,433
	$ 2,547,887	$ 2,714,971

(5) Geographical information

Geographical information for the years ended December 31, 2023 and 2022 are as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
	Revenue	Non-current assets	Revenue	Non-current assets
Taiwan	$ 348,611	$ 406,183	$ 49,986	$ 394,777
European and American regions	1,296,200	77,719	1,685,652	88,357
China and other regions	903,076	67,920	979,333	73,476
	$ 2,547,887	$ 551,822	$ 2,714,971	$ 556,610

(6) Major customer information

Major customer information of the Group for the years ended December 31, 2023 and 2022 is as follows:

	Year ended December 31, 2023		Year ended December 31, 2022	
	Revenue	Segment	Revenue	Segment
A	$ 300,839	Taiwan	$ 2,634	Taiwan
B	241,850	Taiwan	279,211	Taiwan
	$ 542,689		$ 281,845	

V. 2023 individual financial statement certified by a CPA

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Firich Enterprises Co., Ltd.

Opinion

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

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

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

A.Valuation of allowance for inventory valuation losses

Description

For the description of accounting policy on inventory valuation, please refer to Note 4(13). For accounting estimates and assumption uncertainty in relation to inventory valuation, please refer to Note 5(2). For the details of inventory, please refer to Note 6(5). As of December 31, 2023, the inventories of the Company and allowance for inventory valuation losses amounted to NT$356,340 thousand and NT$15,277 thousand, respectively.

Since the industry involves rapidly changing technology and was affected by market price, there was higher risk of incurring inventory valuation losses or having obsolete inventory. The Company's inventories were measured at the lower of cost and net realisable value, and measured the net realisable value in accordance with historical data of inventory clearance in order to provide losses for inventories that were over a certain age. The Company's determination of net realisable value for inventories at the balance sheet date involves subjective judgements and estimates which have a material effect on the financial statements. As a result, we determined the estimates of the allowance for inventory valuation losses as one of the key audit matters for this year's audit.

How our audit addressed the matter

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

1. Assessed the reasonableness of provision policies and internal control procedures in relation to allowance for inventory valuation losses based on our understanding of the Company's operation and industry.
2. Verified the appropriateness of system logic in inventory aging analysis report and net realised value report by using the system, and confirmed whether the report information was consistent with its policies.
3. Checked the appropriateness of estimate basis that was adopted for each net realised value, re-verified the information that we obtained like market price, purchase price, and historical information of inventory clearance, and recalculated and evaluated the reasonableness of the information used by management in determining allowance for inventory valuation losses.

B. Impairment assessment of subsidiaries' investment using the equity method

Description

For the description of accounting policy on investments using the equity method and

impairment of non-financial assets, please refer to Note 4 (14). For accounting estimates and assumptions of uncertainty for investments using the equity method, please refer to Note 5. For the details of investments using the equity method, please refer to Note 6(6).
The Group indirectly invested in Oriental Regent Ltd. through its subsidiary Firich International Co., Ltd. and the balance of the investment using the equity method is NT$882,439 thousand, constituting 14.48% of the total assets. In accordance with the provisions of IAS 28 "Investments in Associates and Joint Ventures", management should assess the investment immediately when there are signs of impairment that indicate that an investment using the equity method may have been impaired to the point where the carrying amount cannot be recovered.
The management assessed the recoverable amount based on the prices generated by market transactions of comparable companies. As of December 31,2023, the assessed recoverable amount was less than the book value, and as a result, an impairment loss of NT$252,042 thousand was recognized (classified as "7020 Other gains and losses "). Since these major assumptions involve subjective judgments by management and may be affected by future market or economic climate, the estimates are highly uncertain. Thus, we determined that the estimates of the investment impairment of subsidiaries using the equity method as one of the key audit matters for this year's audit.

<u>How our audit addressed the matter</u>
We performed the following audit procedures on the above key audit matter:
1. Understand management's internal process for asset impairment assessment.
2. Obtain the appraisal report issued by the external expert appointed by the management and perform the following audit procedures.
   - Review the qualifications of experts to assess their independence, objectivity and competence.
   - Assess that the methods used by experts are generally adopted and appropriate.
   - Confirm that there is no significant difference between the comparison target used in the appraisal report and the business of the invested company.
   - Evaluate the relevance and reasonableness of the significant assumptions used by experts.
   - Review the sensitivity analysis performed on the above significant assumptions and parameters to confirm their impact on the impairment assessment results.

Other matter – Reference to the audits of other auditors
We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein,

insofar as it relates to the amounts and information which was disclosed in Note 13 included in respect of these associates, is based solely on the reports of the other auditors. The balance of these investments accounted for using the equity method amounted to NT$685,216 thousand and NT$2,195,111 thousand, constituting 11.2% and 33.8% of the total assets as at December 31, 2023 and 2022, respectively, and the share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method amounted to NT($26,126) thousand and NT$154,188 thousand, constituting (26.2%) and 26.6% of the total comprehensive income for the years then ended, respectively.

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

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

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

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

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

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Chih, Ping-Chiun Lai, Chung-Hsi

For and on behalf of PricewaterhouseCoopers, Taiwan
March 14, 2024

The accompanying parent company only financial statements are not intended to present the financial position and results of operations and cash flows in accordance with accounting principles generally accepted in countries and jurisdictions other than the Republic of China. The standards, procedures and practices in the Republic of China governing the audit of such financial statements may differ from those generally accepted in countries and jurisdictions other than the Republic of China. Accordingly, the accompanying parent company only financial statements and independent auditors' report are not intended for use by those who are not informed about the accounting principles or auditing standards generally accepted in the Republic of China, and their applications in practice.
As the financial statements are the responsibility of the management, PricewaterhouseCoopers cannot accept any liability for the use of, or reliance on, the English translation or for any errors or misunderstandings that may derive from the translation.

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

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 774,462	13	$ 762,724	12
1170	Accounts receivable, net	6(4)	116,041	2	185,418	3
1180	Accounts receivable, net - related parties	6(4) and 7	429,226	7	104,784	1
1200	Other receivables		5,786	-	10,104	-
1210	Other receivables - related parties	7	216,144	3	41,048	1
130X	Inventories, net	6(5)	341,063	6	491,958	7
1410	Prepayments	7	23,792	-	41,065	1
1470	Other current assets		427	-	635	-
11XX	**Total current assets**		1,906,941	31	1,637,736	25
	Non-current assets					
1510	Non-current financial assets at fair value through profit or loss	6(2)	717,021	12	493,769	8
1517	Non-current financial assets at fair value through other comprehensive income	6(3)	467,611	8	434,327	7
1550	Investments accounted for using the equity method	6(6)	2,537,290	41	3,521,933	54
1600	Property, plant and equipment, net	6(7) and 8	238,845	4	237,730	4
1755	Right-of-use assets	6(8)	1,211	-	-	-
1780	Intangible assets	6(9)	1,403	-	2,009	-
1840	Deferred income tax assets	6(26)	221,301	4	159,274	2
1900	Other non-current assets	6(10)	3,556	-	1,136	-
15XX	**Total non-current assets**		4,188,238	69	4,850,178	75
1XXX	**Total assets**		$ 6,095,179	100	$ 6,487,914	100

(Continued)

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

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2100	Short-term borrowings	6(11) and 8	$ 1,190,000	20	$ 1,260,000	19
2130	Current contract liabilities	6(19)	28,193	-	35,954	1
2170	Accounts payable		219,566	4	198,885	3
2180	Accounts payable - related parties	7	9,117	-	11,944	-
2200	Other payables		80,670	1	84,908	1
2220	Other payables - related parties	7	-	-	234,116	4
2230	Current income tax liabilities	6(26)	39,473	1	28,723	1
2280	Current lease liabilities		535	-	-	-
2300	Other current liabilities		14,588	-	11,875	-
21XX	**Total current liabilities**		1,582,142	26	1,866,405	29
	Non-current liabilities					
2530	Corporate bonds payable	6(12)	500,000	8	500,000	8
2570	Deferred income tax liabilities	6(26)	-	-	2,471	-
2580	Non-current lease liabilities		684	-	-	-
2600	Other non-current liabilities	6(13)	14,639	-	14,816	-
25XX	**Total non-current liabilities**		515,323	8	517,287	8
2XXX	**Total Liabilities**		2,097,465	34	2,383,692	37
	Equity					
	Share capital	6(14)(15)(16)				
3110	Common shares		3,014,526	50	2,960,915	46
	Capital surplus	6(16)				
3200	Capital surplus		1,013,244	16	1,115,833	17
	Retained earnings	6(17)				
3310	Legal reserve		220,802	4	189,170	3
3320	Special reserve		844,690	14	842,691	13
3350	Unappropriated retained earnings		75,732	1	318,318	5
	Other equity interest	6(18)				
3400	Other equity interest		(893,507)	(14)	(950,227)	(15)
3500	Treasury stocks	6(14)(15)	(277,773)	(5)	(372,478)	(6)
3XXX	**Total equity**		3,997,714	66	4,104,222	63
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 6,095,179	100	$ 6,487,914	100

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

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

	Items	Notes	2023 AMOUNT	2023 %	2022 AMOUNT	2022 %
4000	Operating revenue	6(19) and 7	$ 1,887,768	100	$ 1,977,189	100
5000	Operating costs	6(5)(7)(9)(14)(24)(25) and 7	(1,362,883)	(72)	(1,470,157)	(75)
5900	Gross profit		524,885	28	507,032	25
5910	Unrealised profit from sales		(70,658)	(4)	(58,253)	(3)
5920	Realised profit from sales		58,253	3	55,888	3
5950	Net gross profit		512,480	27	504,667	25
	Operating expenses	6(7)(8)(9)(13)(14)(24)(25) and 7				
6100	Selling expenses		(101,079)	(5)	(123,603)	(6)
6200	General and administrative expenses		(106,486)	(6)	(142,021)	(7)
6300	Research and development expenses		(56,788)	(3)	(58,751)	(3)
6450	Expected credit impairment gains	12(2)	476	-	3,028	-
6000	Total operating expenses		(263,877)	(14)	(321,347)	(16)
6900	Operating profit		248,603	13	183,320	9
	Non-operating income and expenses					
7100	Interest income	6(20)	11,119	-	3,373	-
7010	Other income	6(21)	24,514	1	3,509	1
7020	Other gains and losses	6(2)(22)	127,153	7	197,227	10
7050	Finance costs	6(23)	(26,396)	(1)	(21,630)	(1)
7070	Share of (loss) profit of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	(338,545)	(18)	1,203	-
7000	Total non-operating income and expenses		(202,155)	(11)	183,682	10
7900	**Profit before income tax**		46,448	2	367,002	19
7950	Income tax expense	6(26)	(3,736)	-	(55,042)	(3)
8200	**Profit for the year**		$ 42,712	2	$ 311,960	16

(Continued)

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

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
	Other comprehensive income (loss) (Net)					
	Other comprehensive income that will not be reclassified to profit or loss					
8311	Gains on remeasurements if defined benefit plans	6(13)	$ 177	-	$ 4,001	-
8316	Unrealised gains from investments in equity instruments measured at fair value through other comprehensive income	6(3)(18)	33,284	2	34,214	2
8330	Share of other comprehensive loss of subsidiaries, associates and joint ventures accounted for using the equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(18)	(9,504)	-	(11,259)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(18)(26)	5,438	-	(2,332)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		29,395	2	24,624	1
	Other comprehensive income that will be reclassified to profit or loss					
8361	Financial statements translation differences of foreign operations	6(18)	27,467	1	242,938	12
8360	Components of other comprehensive income that will be reclassified to profit		27,467	1	242,938	12
8300	**Other comprehensive income for the year, net of tax**		$ 56,862	3	$ 267,562	13
8500	**Total comprehensive income for the year**		$ 99,574	5	$ 579,522	29
	Basic earnings per share					
9750	Basic earnings per share		$ 0.15		$ 1.07	
9850	Diluted earnings per share		$ 0.15		$ 1.06	

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

FIRICH ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

				Retained Earnings			Other equity interest			
	Notes	Common share	Total capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings (accumulated deficit)	Cumulative translation differences	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Treasury stocks	Total equity
Year ended December 31, 2022										
Balance at January 1, 2022		$ 2,775,315	$ 1,325,054	$ 174,380	$ 764,600	$ 147,909	($ 721,971)	($ 491,459)	($ 388,632)	$ 3,585,196
Profit for the year		-	-	-	-	311,960	-	-	-	311,960
Other comprehensive income	6(18)	-	-	-	-	3,201	242,938	21,423	-	267,562
Total comprehensive income		-	-	-	-	315,161	242,938	21,423	-	579,522
Distribution of 2021 retained earnings	6(17)									
Legal reserve		-	-	14,790	-	(14,790)	-	-	-	-
Special reserve		-	-	-	78,091	(78,091)	-	-	-	-
Cash dividends		-	-	-	-	(53,029)	-	-	-	(53,029)
Cash dividends from capital surplus	6(16)	-	(26,514)	-	-	-	-	-	-	(26,514)
Stock dividends from capital surplus	6(16)	185,600	(185,600)	-	-	-	-	-	-	-
Treasury stocks transferred to employees	6(14)(15)(16)	-	2,893	-	-	-	-	-	16,154	19,047
Proceeds from disposal of financial assets at fair value through other comprehensive income	6(3)(18)	-	-	-	-	1,158	-	(1,158)	-	-
Balance at December 31, 2022		$ 2,960,915	$ 1,115,833	$ 189,170	$ 842,691	$ 318,318	($ 479,033)	($ 471,194)	($ 372,478)	$ 4,104,222
Year ended December 31, 2023										
Balance at January 1, 2023		$ 2,960,915	$ 1,115,833	$ 189,170	$ 842,691	$ 318,318	($ 479,033)	($ 471,194)	($ 372,478)	$ 4,104,222
Profit for the year		-	-	-	-	42,712	-	-	-	42,712
Other comprehensive income	6(18)	-	-	-	-	142	27,467	29,253	-	56,862
Total comprehensive income		-	-	-	-	42,854	27,467	29,253	-	99,574
Distribution of 2022 retained earnings	6(17)									
Legal reserve		-	-	31,632	-	(31,632)	-	-	-	-
Special reserve		-	-	-	1,999	(1,999)	-	-	-	-
Cash dividends		-	-	-	-	(198,592)	-	-	-	(198,592)
Stock dividends from capital surplus	6(16)	85,111	(85,111)	-	-	-	-	-	-	-
Subsidiary issues employee stock option certificates	6(16)	-	28	-	-	-	-	-	-	28
Changes in net equity value of affiliated companies	6(16)	-	(4,270)	-	-	-	-	-	-	(4,270)
Changes in equity of subsidiaries		-	-	-	-	(3,248)	-	-	-	(3,248)
Cancellation of treasury shares	6(15)(16)	(31,500)	(13,236)	-	-	(49,969)	-	-	94,705	-
Balance at December 31, 2023		$ 3,014,526	$ 1,013,244	$ 220,802	$ 844,690	$ 75,732	($ 451,566)	($ 441,941)	($ 277,773)	$ 3,997,714

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

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

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 46,448	$ 367,002
Adjustments			
Adjustments to reconcile profit (loss)			
Gains on financial assets at fair value through profit	6(2)(22)	(115,226)	(93,226)
Expected credit impairment gain	12(2)	(476)	(3,028)
Share-based payments compensation costs	6(14)	62	2,352
Provision for decline in market value and obsolescence of inventories	6(5)	11,803	4,921
Share of loss (profit) of subsidiaries, associates and joint ventures accounted for using the equity method	6(6)	338,545	(1,203)
Depreciation and amortization	6(7)(8)(9)(24)	13,575	13,965
Interest income	6(20)	(11,119)	(3,373)
Interest expense	6(23)	26,396	21,630
Dividends income	6(21)	(21,126)	(2,183)
Unrealised gain from sales		70,658	58,253
Realised gain from sales		(58,253)	(55,888)
Changes in operating assets and liabilities			
Changes in operating assets			
Accounts receivable, net		69,762	20,291
Accounts receivable, net - related parties		(324,903)	83,753
Other receivables		4,318	7,167
Inventories		139,092	60,862
Prepayments		17,273	(5,778)
Other current assets		208	(635)
Changes in operating liabilities			
Current contract liabilities		(7,761)	3,007
Accounts payable		20,681	(153,068)
Accounts payable - related parties		(2,827)	(1,055)
Other payables		(4,238)	9,557
Other payables - related parties		-	(319)
Other current liabilities		2,713	3,785
Cash inflow generated from operations		215,605	336,789
Interest received	6(20)	11,119	3,373
Interest paid		(26,377)	(21,630)
Income tax paid		(52,046)	(7,774)
Net cash flows from operating activities		148,301	310,758
CASH FLOWS FROM INVESTING ACTIVITIES			
Decrease in other receivables - related parties - financing	7	35,092	18,224
Increase in non-current financial assets at fair value through profit or loss		(108,026)	(7,663)
Proceeds from disposal of non-current financial assets at fair value through profit or loss		-	61,189
Proceeds from disposal of non-current financial assets at fair value through other comprehensive income	6(3)	-	1,668
Acquisition of investments accounted for using the equity method	6(6)	(122,139)	(360,266)
Proceeds of investments accounted for using the equity method		316,227	150,008
Acquisition of property, plant and equipment	6(7)	(13,248)	(10,404)
Increase in prepayments for equipment	6(10)	(1,770)	-
Acquisition of intangible assets	6(9)	(432)	(1,335)
(Increase) decrease in refundable deposits	6(10)	(650)	3
Dividends received		27,390	7,364
Net cash flows from (used in) investing activities		132,444	(141,212)

(Continued)

FIRICH ENTERPRISES CO., LTD.
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM FINANCING ACTIVITIES			
Decrease in short-term borrowings	6(11)(28)	($ 70,000)	($ 160,000)
Capital surplus used to issue cash to shareholders	6(16)	-	(26,514)
Proceeds from treasury stocks acquired by employees	6(14)	-	16,151
Cash dividends paid	6(17)	(198,592)	(53,029)
Lease liability principal repayment	6(28)	(415)	-
Net cash flows used in financing activities		(269,007)	(223,392)
Net increase (decrease) in cash and cash equivalents		11,738	(53,846)
Cash and cash equivalents at beginning of year	6(1)	762,724	816,570
Cash and cash equivalents at end of year	6(1)	$ 774,462	$ 762,724

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

FIRICH ENTERPRISES CO., LTD.

NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS

FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022

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

1. HISTORY AND ORGANIZATION

Firich Enterprises Co., Ltd. (the “Company”) was incorporated in January 1995 under the provisions of the Company Law of the Republic of China (R.O.C.) as a company limited by shares. The Company mainly engages in the assembly, manufacture, import and export of business oriented computers and its peripheral equipment. The shares of the Company have been listed in the Taipei Exchange (TPEx) market since December 2003.

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

The parent company only financial statements were authorised for issuance by the Board of Directors on March 14, 2024.

3. APPLICATION OF NEW STANDARDS, AMENDMENTS AND INTERPRETATIONS

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

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

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

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

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

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

New Standards, Interpretations and Amendments	Effective date by International Accounting Standards Board
Amendments to IFRS 16, 'Lease liability in a sale and leaseback'	January 1, 2024
Amendments to IAS 1, 'Classification of liabilities as current or	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

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

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

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

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

4. SUMMARY OF MATERIAL ACCOUNTING POLICIES

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

(1) Compliance statement

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

(2) Basis of preparation

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

(a) Financial assets and financial liabilities (including derivative instruments) at fair value through profit or loss.

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

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

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

(3) Reorganisation

A. Reorganisation is accounted for at the book value (the amount after assessing impairment loss) of the Group's investments in the subsidiaries accounted for using the equity method (book value method). The difference between the book value and the transaction consideration shall be adjusted in 'capital surplus'. If the capital surplus is insufficient, 'retained earnings' will be decreased. The difference between the initial investment cost and the net equity value will be accounted for by the reorganised entities.

B. The Company purchased 100% equity interest of its original second-tier subsidiary, AKAM Group B.V., from its wholly-owned subsidiary, Firich International Co., Ltd., on December 31, 2022. The aforementioned transaction pertains to a reorganisation and is accounted for using the book value method.

(4) Foreign currency translation

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

A. Foreign currency transactions and balances

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

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

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

(d) All foreign exchange gains and losses are presented in the statement of comprehensive income within 'other gains and losses'.

B. Translation of foreign operations

(a) The operating results and financial position of all the Company entities, associates and joint arrangements that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

i. Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

ii. Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

iii. All resulting exchange differences are recognised in other comprehensive income.

(b) When the foreign operation partially disposed of or sold is an associate or joint arrangement, exchange differences that were recorded in other comprehensive income are proportionately reclassified to profit or loss as part of the gain or loss on sale. In addition, even when the Company still retains partial interest in the former foreign associate or joint arrangements after losing significant influence over the former foreign associate, or losing joint control of the former joint arrangements, such transactions should be accounted for as disposal of all interest in these foreign operations.

(c) When the foreign operation partially disposed of or sold is a subsidiary, cumulative exchange differences that were recorded in other comprehensive income are proportionately transferred to the non-controlling interest in this foreign operation. In addition, even when the Company still retains partial interest in the former foreign subsidiary after losing control of the former foreign subsidiary, such transactions should be accounted for as disposal of all interest in the foreign operation.

(5) <u>Classification of current and non-current items</u>

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(6) Cash equivalents

Cash equivalents refer to short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held for the purpose of meeting short-term cash commitments in operations are classified as cash equivalents.

(7) Financial assets at fair value through profit or loss

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

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

C. At initial recognition, the Company measures the financial liabilities at fair value. All related transaction costs are recognised in profit or loss. The Company subsequently measures these financial liabilities at fair value with any gain or loss recognised in profit or loss.

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

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

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

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

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

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

(9) Accounts and notes receivable

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

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

(10) Impairment of financial assets

For accounts receivable that do not contain a significant financing component, at each reporting date, the Company recognises the impairment provision for the lifetime expected credit losses (ECLs).

(11) Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to receive the cash flows from the financial asset expire.

(12) Leasing arrangements (lessor) – operating leases

Lease income from an operating lease (net of any incentives given to the leases) is recognised in profit or loss on a straight-line basis over the lease term.

(13) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted-average method. The cost of finished goods and work in progress comprises raw materials, direct labour, other direct costs and related production overheads (allocated based on normal operating capacity). It excludes borrowing costs. The item by item approach is used in applying the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

(14) Investments accounted for using the equity method - subsidiaries, associates and joint ventures

A. Subsidiaries are all entities (including structured entities) controlled by the Company. The Company controls an entity when the Company is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

B. Unrealised profit (loss) from the transactions between the Company and subsidiaries have been offset. The accounting policies of the subsidiaries have been adjusted to be consistent with the Company's accounting policies.

C. The Company's share of its subsidiaries' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in a subsidiary equals or exceeds its interest in the subsidiary, the Company continues to recognise losses proportionate to its ownership.

D. If changes in the Company's shares in subsidiaries do not result in loss in control (transactions with non-controlling interest), transactions shall be considered as equity transactions, which are transactions between owners. Difference of adjustment of non-controlling interest and fair value of consideration paid or received is recognised in equity.

E. When the Company loses control of a subsidiary, the Company remeasures any investment retained in the former subsidiary at its fair value. That fair value is regarded as the fair value on initial recognition of a financial asset or the cost on initial recognition of the associate or joint venture. Any difference between fair value and carrying amount is recognised in profit or loss. All amounts previously recognised in other comprehensive income in relation to the subsidiary are reclassified to profit or loss on the same basis as would be required if the related assets or liabilities were disposed of. That is, when the Company loses control of a subsidiary, all gains or losses previously recognised in other comprehensive income in relation to the subsidiary should be reclassified from equity to profit or loss, if such gains or losses would be reclassified to profit or loss when the related assets or liabilities are disposed of.

F. Associates are all entities over which the Company has significant influence but not control. In general, it is presumed that the investor has significant influence, if an investor holds, directly or indirectly 20 percent or more of the voting power of the investee. Investments in associates are accounted for using the equity method and are initially recognised at cost.

G. The Company's share of its associates' post-acquisition profits or losses is recognised in profit or loss, and its share of post-acquisition movements in other comprehensive income is recognised in other comprehensive income. When the Company's share of losses in an associate equals or exceeds its interest in the associate, the Company does not recognise further losses, unless it has incurred legal or constructive obligations or made payments on behalf of the associate.

H. When changes in an associate's equity that are not recognised in profit or loss or other comprehensive income of the associate and such changes do not affect the Company's ownership percentage of the associate, the Company recognises the Company's share of change in equity of the associate in 'capital surplus' in proportion to its ownership.

I. Unrealised gains on transactions between the Company and its associates are eliminated to the extent of the Company's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been adjusted where necessary to ensure consistency with the policies adopted by the Company.

J. In the case that an associate issues new shares and the Company does not subscribe or acquire new shares proportionately, which results in a change in the Company's ownership percentage of the associate but maintains significant influence on the associate, then 'capital surplus' and 'investments accounted for using the equity method' shall be adjusted for the increase or decrease of its share of equity interest. If the above condition causes a decrease in the Company's ownership percentage of the associate, in addition to the above adjustment, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately on the same basis as would be required if the relevant assets or liabilities were disposed of.

K. Upon loss of significant influence over an associate, the Company remeasures any investment retained in the former associate at its fair value. Any difference between fair value and carrying amount is recognised in profit or loss.

L. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate, are reclassified to profit or loss, on the same basis as would be required if the relevant assets or liabilities were disposed of. If it retains significant influence over this associate, the amounts previously recognised in other comprehensive income in relation to the associate are reclassified to profit or loss proportionately in accordance with the aforementioned approach.

M. When the Company disposes its investment in an associate and loses significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss. If it retains significant influence over this associate, the amounts previously recognised as capital surplus in relation to the associate are transferred to profit or loss proportionately.

N. Pursuant to the "Regulations Governing the Preparation of Financial Reports by Securities Issuers," profit (loss) of the current period and other comprehensive income in the parent company only financial statements shall be equal to the amount attributable to owners of the parent in the parent company only financial statements. Owners' equity in the parent company only financial statements shall be equal to equity attributable to owners of the parent in the parent company only financial statements.

O. When assessing impairment, the Company treats the entire carrying amount of the investment as a single asset, compares the recoverable amount (the higher of value in use or fair value less costs of sale) and the carrying amount, conducts impairment testing, and recognizes impairment losses that will be included in the carrying amount of the investment. The reversal of any impairment loss is recognized to the extent that the recoverable amount of the investment subsequently increases.

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

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

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

Buildings	35 ~ 50 years
Machinery and equipment	2 ~ 7 years
Office equipment	2 ~ 5 years
Other equipment	2 ~ 8 years

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

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

B. Lease liabilities include the net present value of the remaining lease payments at the commencement date, discounted using the incremental borrowing interest rate. Lease payments are comprised of fixed payments, less any lease incentives receivable.

The Company subsequently measures the lease liability at amortised cost using the interest method and recognises interest expense over the lease term. The lease liability is remeasured and the amount of remeasurement is recognised as an adjustment to the right-of-use asset when there are changes in the lease term or lease payments and such changes do not arise from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the amount of the initial measurement of lease liability.

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

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 3~4 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Accounts payable

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

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

(21) Bonds payable

Ordinary corporate bonds issued by the Group are initially recognised at fair value less transaction costs. Any difference between the proceeds (net of transaction costs) and the redemption value is presented as an addition to or deduction from bonds payable, which is amortised to profit or loss over the period of bond circulation using the effective interest method as an adjustment to 'finance costs'.

(22) Derecognition of financial liabilities

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

(23) Provisions

Provisions (including warranties) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated.

(24) Employee benefits

A. Short-term employee benefits

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

B. Pensions

(a) Defined contribution plans

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

(b) Defined benefit plans

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services with the Company in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of government bonds (at the balance sheet date) of a currency and term consistent with the currency and term of the employment benefit obligation.

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

C. Employees' compensation and directors' remuneration

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

(25) Employee share-based payment

For the equity-settled share-based payment arrangements, the employee services received are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period, with a corresponding adjustment to equity. The fair value of the equity instruments granted shall reflect the impact of market vesting conditions and non-vesting conditions. Compensation cost is subject to adjustment based on the service conditions that are expected to be satisfied and the estimates of the number of equity instruments that are expected to vest under the non-market vesting conditions at each balance sheet date. Ultimately, the amount of compensation cost recognised is based on the number of equity instruments that eventually vest.

(26) Income tax

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

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

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

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

(27) Share capital

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

B. Where the Company repurchases the Company's equity share capital that has been issued, the consideration paid, including any directly attributable incremental costs (net of income taxes) is deducted from equity attributable to the Company's equity holders. Where such shares are subsequently reissued, the difference between their book value and any consideration received, net of any directly attributable incremental transaction costs and the related income tax effects, is included in equity attributable to the Company's equity holders.

(28) Dividends

Cash dividends are recorded as liabilities in the Company's financial statements in the period in which they are special resolved by the Board of Directors in accordance with Article 240 of the amended Company Act and the Articles of Incorporation. Stock dividends are recorded as stock dividends to be distributed in the Company's financial statements in the period in which they are resolved by the Company's shareholders, and are reclassified to ordinary shares on the effective date of new shares issuance.

(29) Revenue recognition

A. Sales of goods

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

(b) The Company's obligation to provide a refund for faulty products under the standard warranty terms is recognised as a provision.

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

B. Services providing

(a) The Company provides business oriented computer support and maintenance services. Revenue from providing services is recognised in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognised based on the actual service provided to the end of the reporting period as a proportion of the total services to be provided. This is determined based on the period of actual service used relative to the total period of service to be provided. The customer pays at the time specified in the payment schedule. If the services rendered exceed the payment, a contract asset is recognised. If the payments exceed the services rendered, a contract liability is recognised.

(b) Some contracts include multiple deliverables, such as the installation of hardware and software. In most cases, the installation is simple, does not include an integration service and could be performed by another supplier. It is therefore accounted for as a separate performance obligation. In this case, the transaction price will be allocated to each performance obligation based on the stand-alone selling prices. If contracts include the sales of hardware, revenue for the hardware is recognised at a point in time when the hardware is delivered, the legal title has passed and the customer has accepted the hardware.

(c) The Company's estimate about revenue, costs and progress towards complete satisfaction of a performance obligation is subject to a revision whenever there is a change in circumstances.

Any increase or decrease in revenue or costs due to an estimate revision is reflected in profit or loss during the period when the management become aware of the changes in circumstances.

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

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

(1) Critical judgements in applying the Company's accounting policies

None.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

Inventories are stated at the lower of cost and net realizable value. For inventory which is saleable and obsolete inventory that is checked item by item, the net realizable value are determined based on past experience on industry. Management's judgement on determining net realizable value involves material judgement.

B. Impairment assessment of investments accounted for using equity method

The Group assesses the impairment of an investment accounted for using equity method as soon as there is any indication that it might have been impaired and its carrying amount cannot be recovered. The Group assesses the recoverable amounts of an investment accounted for under the equity method based on prices generated by market transactions of comparable companies and analyses the reasonableness of related assumptions.

6. DETAILS OF SIGNIFICANT ACCOUNTS

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$ 173	$ 218
Checking accounts and demand deposits	708,692	731,796
Time deposits	46,058	30,710
Deposit in transit	19,539	-
	$ 774,462	$ 762,724

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

B. The Company has no cash and cash equivalents pledged to others.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Listed stocks	$ 121,050	$ -
Emerging stocks	-	95,622
Unlisted and unemerging stocks	82,598	-
Valuation adjustment	513,373	398,147
	$ 717,021	$ 493,769

A. Amounts recognised in profit or loss in relation to financial assets at fair value through profit or loss are listed below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Financial assets mandatorily measured at fair value through profit or loss	$ 115,226	$ 93,226

B. The Company has no financial assets at fair value through profit or loss pledged to others as collateral.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Equity instruments		
Listed stocks	$ 671,902	$ 617,139
Emerging stocks	5,979	60,742
Unlisted and unemerging stocks	203,448	203,448
Valuation adjustment	(413,718)	(447,002)
	$ 467,611	$ 434,327

A. The Company has elected to classify Summit Ascent Holding Limited and other equity instruments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $467,611 and $434,327 as at December 31, 2023 and 2022, respectively.

B. Aiming to satisfy the operating capital needs, the Company sold $0 and $1,668 of equity instruments at fair value and resulted in cumulative gains on disposal of $0 and $1,158 during the years ended December 31, 2023 and 2022, respectively.

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Equity instruments at fair value through other comprehensive income		
Fair value change recognised in other comprehensive income	$ 33,284	$ 34,214
Cumulative gains reclassified to retained earnings due to derecognition	$ -	$ 1,158
Dividend income recognised in profit or loss		
Held at end of period	$ 8,400	$ 840

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

(4) Accounts receivable

A. Non-related parties

	December 31, 2023	December 31, 2022
Accounts receivable	$ 184,411	$ 255,344
Less: Allowance for doubtful accounts	(68,370)	(69,926)
	$ 116,041	$ 185,418

B. Related parties

	December 31, 2023	December 31, 2022
Accounts receivable - related parties	$ 429,771	$ 104,868
Less: Allowance for doubtful accounts	(545)	(84)
	$ 429,226	$ 104,784

C. The aging analysis of accounts receivable (including related parties) that were past due but not impaired is as follows:

	December 31, 2023	December 31, 2022
Not past due	$ 468,414	$ 207,588
Past due		
Up to 30 days	46,652	61,665
31 to 90 days	23,287	18,209
91 to 180 days	5,697	1,431
Over 181 days	1,217	1,309
	$ 545,267	$ 290,202

The above aging analysis was based on past due date.

D. As of December 31, 2023 and 2022, accounts receivable were all from contracts with customers. And as of January 1, 2022, the balance of receivables from contracts with customers amounted to $390,188.

E. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the

Company's accounts receivable (including related parties) was $545,267 and $290,202, respectively.

F. The Company does not hold any collateral as security.

G. Information relating to credit risk of accounts receivable is provided in Note 12(2).

(5) Inventories

	December 31, 2023		
	Cost	Allowance for valuation	Book value
Raw materials	$ 310,638	($ 10,300)	$ 300,338
Finished goods	45,702	(4,977)	40,725
	$ 356,340	($ 15,277)	$ 341,063

	December 31, 2022		
	Cost	Allowance for valuation	Book value
Raw materials	$ 464,231	($ 8,450)	$ 455,781
Finished goods	40,875	(4,698)	36,177
	$ 505,106	($ 13,148)	$ 491,958

The cost of inventories recognised as expense for the year:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Cost of goods sold	$ 1,317,154	$ 1,424,245
Loss on decline in market value	11,803	4,921
Loss (gain) on physical inventory	120	(228)
	$ 1,329,077	$ 1,428,938

(6) Investments accounted for using the equity method

	December 31, 2023	December 31, 2022
Subsidiaries:		
Firich International Co., Ltd.	$ 1,280,660	$ 2,316,921
Firich Korea Co., Ltd.	553,644	562,353
AKAM Group B.V.	268,469	231,860
Tiga Gaming Inc.	52,718	38,903
TopRich Co., Ltd.	46,758	56,206
Firich UK Co., Ltd.	29,821	28,232
Firich USA Inc.	17,071	(10,053)
Xiang Ting Entertainment Co., Ltd.(Note)	1,000	-
Add: Credit balance in long-term investments of Firich USA Inc. (recorded as a deduction item to other receivables - related parties)	-	10,053
Subtotal	2,250,141	3,234,475
Associates:		
LotRich Information Co., Ltd.	133,029	163,859
Jia Hua Kang Jian Co., Ltd.	124,753	97,022
FEC ITALIA S.r.l.	17,515	14,418
FEC Deutschland GmbH	6,007	5,870
AquaLab Inc.	5,652	5,599
FEC Japan Co., Ltd.	5,492	5,492
Grab and Go Solutions, Inc.	193	690
Less: Accumulated impairment	(5,492)	(5,492)
Subtotal	287,149	287,458
Total	$ 2,537,290	$ 3,521,933

Note：Investments of the Company newly added during the third quarter of 2023.

For the years ended December 31, 2023 and 2022, share of profit (loss) of subsidiaries and associates accounted for using the equity method are as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Subsidiaries:		
Firich International Co., Ltd.	($ 339,972)	($ 91,527)
Firich Korea Co., Ltd.	(22,191)	85,485
AKAM Group B.V.	21,938	-
Tiga Gaming Inc.	12,132	13,955
TopRich Co., Ltd.	681	729
Firich UK Co., Ltd.	2,829	3,198
Firich USA Inc.	(17,963)	(13,812)
Xiang Ting Entertainment Co., Ltd.	-	-
Associates:		
LotRich Information Co., Ltd.	5,804	6,231
Jia Hua Kang Jian Co., Ltd.	(3,999)	(2,978)
FEC ITALIA S.r.l.	2,397	2,815
FEC Deutschland GmbH	243	(2,719)
AquaLab Inc.	53	136
FEC Japan Co., Ltd.	-	-
Grab and Go Solutions, Inc.	(497)	(310)
	($ 338,545)	$ 1,203

A. Subsidiaries

(a) Details of the Company's subsidiaries are provided in Note 4(3) of the Company's 2023 consolidated financial statements.

(b) For the Investment deduction assessment using the equity method of the Company's subsidiaries are provided in Note 6(11) of the Company's 2023 consolidated financial statements.

B. The financial information of the Company's principal associates is summarised below:

(a) The basic information of the associates that are material to the Company is as follows:

Company name	Principal place of business	Shareholding ratio December 31, 2023	Shareholding ratio December 31, 2022	Nature of relationship	Methods of measurement
LotRich Information Co., Ltd.	Taiwan	30%	30%	Financial investment and lottery machine distributor	Equity method

(b) The summarised financial information of the associates that are material to the Company is as follows:

Balance sheet

	LotRich Information Co., Ltd.	
	December 31, 2023	December 31, 2022
Current assets	$ 1,299,737	$ 436,343
Non-current assets	201,283	201,185
Current liabilities	(953,227)	(91,331)
Non-current liabilities	(943)	-
Total net assets	$ 546,850	$ 546,197
Carrying amount of the associate	$ 133,029	$ 163,859

Statement of comprehensive income

	LotRich Information Co., Ltd.	
	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue	$ 211,445	$ 215,202
Profit for the year from continuing operations	$ 19,347	$ 20,770
Total comprehensive income	$ 19,347	$ 20,770
Dividends received from the associate	$ 5,608	$ 5,062

(c) The carrying amount of the Company's interests in all individually immaterial associates and the Company's share of the operating results are summarised below:
As of December 31, 2023 and 2022, the carrying amount of the Company's individually immaterial associates amounted to $154,120 and $123,599, respectively.

	For the year ended December 31, 2023	For the year ended December 31, 2022
Loss for the year from continuing operations	($ 1,803)	($ 3,056)
Others comprehensive income (net value after tax)	362	895
Total comprehensive loss	($ 1,441)	($ 2,161)

C. The Company has assessed the value of its investee accounted for using the equity method, FEC Japan Co., Ltd. for the prior year, as impaired and the possibility for recovery was remote. Thus, accumulated impairment loss of $5,492 was recognised as of December 31, 2023.

D. For the years ended December 31, 2023 and 2022, the Company's investee company accounted for using the equity method was based on the investee's financial statements audited by other auditors. The share of profit (loss) of subsidiaries, associates and joint ventures accounted for using the equity method for the years ended December 31, 2023 and 2022 amounted to ($26,126) and $154,188, respectively. As of December 31, 2023 and 2022, the related investment balance accounted for under the equity method was stated at $685,216 and $2,195,111, respectively.

(7) Property, plant and equipment

			Machinery	Office equipment	Others	
At January 1, 2023	Land	Buildings and structures	Owner -occupied	Owner -occupied	Owner -occupied	Total
Cost	$ 111,478	$ 161,406	$ 173,343	$ 14,121	$ 47,702	$ 508,050
Accumulated depreciation	-	(54,508)	(161,728)	(12,967)	(41,117)	(270,320)
	$ 111,478	$ 106,898	$ 11,615	$ 1,154	$ 6,585	$ 237,730
2023						
Opening net book amount as at January 1	$ 111,478	$ 106,898	$ 11,615	$ 1,154	$ 6,585	$ 237,730
Additions	-	-	6,531	3,900	2,817	13,248
Disposals - Cost	-	-	(949)	-	-	(949)
Disposals - Accumulated depreciation	-	-	949	-	-	949
Depreciation charge	-	(3,296)	(7,854)	(529)	(454)	(12,133)
Closing net book amount as at December 31	$ 111,478	$ 103,602	$ 10,292	$ 4,525	$ 8,948	$ 238,845
At December 31, 2023						
Cost	$ 111,478	$ 161,406	$ 178,925	$ 18,021	$ 50,519	$ 520,349
Accumulated depreciation	-	(57,804)	(168,633)	(13,496)	(41,571)	(281,504)
	$ 111,478	$ 103,602	$ 10,292	$ 4,525	$ 8,948	$ 238,845

			Machinery	Office equipment	Others	
At January 1, 2022	Land	Buildings and structures	Owner -occupied	Owner -occupied	Owner -occupied	Total
Cost	$ 111,478	$ 161,406	$ 163,544	$ 14,030	$ 47,188	$ 497,646
Accumulated depreciation	-	(51,212)	(152,605)	(12,679)	(40,983)	(257,479)
	$ 111,478	$ 110,194	$ 10,939	$ 1,351	$ 6,205	$ 240,167
2022						
Opening net book amount as at January 1	$ 111,478	$ 110,194	$ 10,939	$ 1,351	$ 6,205	$ 240,167
Additions	-	-	9,799	91	514	10,404
Depreciation charge	-	(3,296)	(9,123)	(288)	(134)	(12,841)
Closing net book amount as at December 31	$ 111,478	$ 106,898	$ 11,615	$ 1,154	$ 6,585	$ 237,730
At December 31, 2022						
Cost	$ 111,478	$ 161,406	$ 173,343	$ 14,121	$ 47,702	$ 508,050
Accumulated depreciation	-	(54,508)	(161,728)	(12,967)	(41,117)	(270,320)
	$ 111,478	$ 106,898	$ 11,615	$ 1,154	$ 6,585	$ 237,730

Information about the property, plant and equipment that were pledged to others as collaterals is provided in Note 8.

(8) Leasing arrangements－lessee

A. The Company leases buildings and business vehicles. Rental contracts are typically made for 12~36 months. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be used as security for borrowing purposes.

B. Buildings that the Company leases were not included in the right-of-use assets as their leasing terms are 12 months or less.

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

	December 31, 2023	For the year ended December 31,2023	December 31, 2022	For the year ended December 31,2022
	Carrying amount	Depreciation charge	Carrying amount	Depreciation charge
Transportation equipment (Business vehicles)	$ 1,211	$ 404	$ -	$ -

D. For the years ended December 31, 2023 and 2022, the additions to right-of-use assets were $1,615 and $0, respectively.

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Items affecting profit or loss		
Interest expense on lease liabilities	$ 19	$ -
Expense on short-term lease contracts	$ 6,622	$ 6,573

F. For the years ended December 31, 2023 and 2022, the Company's total cash outflow for leases amounted to $7,037 and $6,573, respectively.

(9) Intangible assets

	Software
At January 1, 2023	
Cost	$ 18,297
Accumulated amortisation	(16,288)
	$ 2,009
2023	
Opening net book amount as at January 1	$ 2,009
Additions	432
Amortisation charge	(1,038)
Closing net book amount as at December 31	$ 1,403
At December 31, 2023	
Cost	$ 18,729
Accumulated amortisation	(17,326)
	$ 1,403

		Software
At January 1, 2022		
Cost	$	16,962
Accumulated amortisation	(	15,164)
	$	1,798
2022		
Opening net book amount as at January 1	$	1,798
Additions		1,335
Amortisation charge	(	1,124)
Closing net book amount as at December 31	$	2,009
At December 31, 2022		
Cost	$	18,297
Accumulated amortisation	(	16,288)
	$	2,009

Details of amortisation on intangible assets are as follows:

	For the year ended December 31, 2023		For the year ended December 31, 2022	
Operating costs	$	950	$	995
Administrative expenses		3		34
Research and development expenses		85		95
	$	1,038	$	1,124

(10) Other non-current assets

	December 31, 2023		December 31, 2022	
Refundable deposits	$	1,786	$	1,136
Prepayments for business facilities		1,770		-
	$	3,556	$	1,136

(11) Short-term borrowings

Type of borrowings	December 31, 2023		Interest rate range	Collateral
Bank borrowings				
Unsecured borrowings	$	900,000	1.75%~2.3%	None
Secured borrowings		290,000	1.75%~1.8%	Note
	$	1,190,000		

Type of borrowings	December 31, 2022		Interest rate range	Collateral
Bank borrowings				
Unsecured borrowings	$	790,000	1.60%~2.16%	None
Secured borrowings		470,000	1.78%~1.99%	Note
	$	1,260,000		

Note: Property, plant and equipment – land, buildings and structures.

(12) Bonds payable

	December 31, 2023	December 31, 2022
Bonds payable	$ 500,000	$ 500,000
Less: discount on bonds payable	-	-
	$ 500,000	$ 500,000

The terms of the first-time secured corporate bonds issued by the Company in year 2021 are as follows: The Company issued $500,000, 0.62% fixed coupon rate, first-time secured corporate bonds in year 2021, as approved by the regulatory authority in June 3, 2021. The bonds mature 5 years from the issue date (June 15, 2021 ~ June 15, 2026), and will be redeemed in cash at face value at the maturity date.

(13) Pensions

A. (a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company contributes monthly an amount equal to 2% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labour pension reserve account by the end of December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method, to the employees expected to be qualified for retirement next year, the Company will make contributions to cover the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	($ 25,468)	($ 26,418)
Fair value of plan assets	17,469	18,242
Net defined benefit liability	($ 7,999)	($ 8,176)

(c) Movements in net defined benefit liabilities are as follows:

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2023			
Balance at January 1	($ 26,418)	$ 18,242	($ 8,176)
Current service cost	(73)	-	(73)
Interest (expense) income	(321)	219	(102)
	(26,812)	18,461	(8,351)
Remeasurements:			
Return on plan assets	-	163	163
Change in demographic assumptions	9	-	9
Change in financial assumptions	(239)	-	(239)
Experience adjustments	244	-	244
	14	163	177
Pension fund contribution	-	175	175
Paid pension	1,330	(1,330)	-
Balance at December 31	($ 25,468)	$ 17,469	($ 7,999)

	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
2022			
Balance at January 1	($ 28,791)	$ 16,614	($ 12,177)
Current service cost	(72)	-	(72)
Interest (expense) income	(190)	107	(83)
	(29,053)	16,721	(12,332)
Remeasurements:			
Return on plan assets	-	1,366	1,366
Change in demographic assumptions	2	-	2
Change in financial assumptions	1,608	-	1,608
Experience adjustments	1,025	-	1,025
	2,635	1,366	4,001
Pension fund contribution	-	155	155
Balance at December 31	($ 26,418)	$ 18,242	($ 8,176)

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

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

	For the year ended December 31, 2023	For the year ended December 31, 2022
Discount rate	1.20%	1.30%
Future salary increases	3.00%	3.00%

Assumptions regarding future mortality experience are set based on the 6th Taiwan Standard Ordinary Experience Mortality Table for the years ended December 31, 2023 and 2022.

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

	Discount rate		Future salary increases	
	Increase by 0.25%	Decrease by 0.25%	Increase by 0.25%	Decrease by 0.25%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 589)	$ 609	$ 597	($ 580)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 630)	$ 653	$ 640	($ 621)

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

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

(f) Expected contributions to the defined benefit pension plans of the company for the year ending December 31, 2024 amount to $584.

(g) As of December 31, 2023, the weighted average duration of that retirement plan is 9 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 619
1-2 year(s)	892
2-5 years	6,196
Over 5 years	20,705
	$ 28,412

B. (a) Effective July 1, 2005, the Company has established a defined contribution pension plan (the “New Plan”) under the Labor Pension Act (the “Act”), covering all regular employees with R.O.C. nationality. Under the New Plan, the Company contributes monthly an amount based on 6% of the employees’ monthly salaries and wages to the employees’ individual pension accounts at the Bureau of Labor Insurance. The benefits accrued are paid monthly or in lump sum upon termination of employment.

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $7,948 and $7,755, respectively.

(14) Share-based payment

A. For the years ended December 31, 2023 and 2022, the Company's share-based payment arrangements were as follows:

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Treasury stock transferred to employees	January 14, 2022	600,000	Not applicable	Vested immediately
Employee share purchase plan of Tiga Gaming Inc.	June 19, 2023	1,000,000	7 years	50% vested after two years of service 100% vested after three years of service

(a) Tiga Gaming Inc. a subsidiary of the company, issued employee stock option certificates to the company's employees. The share-based payment arrangements above are settled by equity.

(b) The Company's share-based payment agreement in 2023 was settled by equity.

B. Details of the share-based payment arrangements are as follows:

	2023		2022	
	No. of options	Weighted-average exercise price (in dollars)	No. of options	Weighted-average exercise price (in dollars)
Options outstanding at January 1	-	$ -	-	$ -
Options granted	1,000	21	600,000	27
Options exercised	-	-	(600,000)	27
Options outstanding at December 31	1,000	$ 21	-	$ -
Options exercisable at December 31	-	$ 21	-	$ -

C. The weighted-average stock price of stock options at exercise dates for the year ended December 31, 2022 was $32.34(in dollars). There were no stock options that have yet to be exercised in 2023.

D. The expiry date and exercise price of stock options outstanding at balance sheet date are as follows:

		December 31, 2023		December 31, 2022	
approved	Expiry date	No. of shares thousands)	Exercise price (in dollars)	No. of shares thousands)	Exercise price (in dollars)
June 19, 2023	June 18, 2030	1,000	$ 21	-	$ -

E. The fair value of stock options granted on grant date is measured using the Black-Scholes option-pricing model. Relevant information is as follows:

Type of arrangement	Grant date	Stock price	Exercise price (in dollars)	Expected price volatility	Expected option life	Expected dividends	Risk-free interest rate	Fair value per unit (in dollars)
Treasury stock transferred to employees	January 14, 2022	$ 33	$ 27	34.97%	0.09 year	-	0.02%	$ 5.60
Employee stock purchase plan of Tiga Gaming Inc.	June 19,2023	12.91	21	33.62%	2.5 year	-	1.03%	0.8714

Note: Expected price volatility rate was estimated by using the stock prices of the most recent period with length of this period approximate to the length of the stock options' expected life, and the standard deviation of return on the stock during this period.

F. Expenses incurred on share-based payment transactions are shown below:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Equity-settled	$ 62	$ 2,352

(15) Share capital

A. As of December 31, 2023, the Company's authorised capital was $4,000,000, consisting of 400 million shares of ordinary stock, and the paid-in capital was $3,014,526 with a par value of $10 (in dollars) per share.

Movements in the number of the Company's ordinary shares outstanding are as follows:

	2023 (Note)	2022 (Note)
At January 1	283,703	264,543
Treasury stock transferred to employees	-	600
Capitalisation of capital surplus	8,511	18,560
At December 31	292,214	283,703

Note: Each unit refers to one thousand shares.

B. Treasury stocks

(a) Reason for share reacquisition and movements in the number of the Company's treasury shares are as follows:

		December 31, 2023	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	9,239 thousand	$ 277,773

		December 31, 2022	
Name of company holding the shares	Reason for reacquisition	Number of shares	Carrying amount
The Company	To be reissued to employees	12,389 thousand	$ 372,478

(b) Pursuant to the R.O.C. Securities and Exchange Act, the number of shares bought back as treasury shares should not exceed 10% of the number of the Company's issued and outstanding shares and the amount bought back should not exceed the sum of retained earnings, paid-in capital in excess of par value and realised capital surplus.

(c) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should not be pledged as collateral and is not entitled to dividends before it is reissued.

(d) Pursuant to the R.O.C. Securities and Exchange Act, treasury shares should be reissued to the employees within five years from the reacquisition date and shares not reissued within the five-year period are to be retired.

(e) The Company has canceled 3,150 thousand treasury shares that have not been transferred to employees and completed the change registration on January 16, 2024.

(16) Capital surplus

Pursuant to the R.O.C. Company Act, capital surplus arising from paid-in capital in excess of par value on issuance of common stocks and donations can be used to cover accumulated deficit or to issue new stocks or cash to shareholders in proportion to their share ownership, provided that the Company has no accumulated deficit. Further, the R.O.C. Securities and Exchange Act requires that the amount of capital surplus to be capitalised mentioned above should not exceed 10% of the paid-in capital each year. Capital surplus should not be used to cover accumulated deficit unless the legal reserve is insufficient.

	For the year ended December 31, 2023						
	Share premium	Expired stock options	Treasury share transactions	Recognition of ownership changes in subsidiaries	Net change in equity of associates	Others	Total
At January 1	$1,090,875	$ 14,534	$ 2,893	$ -	$ 7,215	$ 316	$1,115,833
Capitalisation of capital surplus	(85,111)	-	-	-	-	-	(85,111)
Subsidiary issues employee stock options	-	-	-	28	-	-	28
Recognized based on shareholding ratio to statement of changes in equity of affiliated enterprises	-	-	-	-	(4,270)	-	(4,270)
Reissue the treasury stock	(10,343)	-	(2,893)	-	-	-	(13,236)
At December 31	$ 995,421	$ 14,534	$ -	$ 28	$ 2,945	$ 316	$1,013,244

	For the year ended December 31, 2022						
	Share premium	Expired stock options	Treasury share transactions	Net change in equity of associates	Stock options	Others	Total
At January 1	$1,302,989	$ 14,534	$ -	$ 7,215	$ -	$ 316	$1,325,054
Treasury stock transferred to employees	-	-	2,893	-	-	-	2,893
Capitalisation of capital surplus	(185,600)	-	-	-	-	-	(185,600)
Capital surplus used to issue cash to shareholders	(26,514)	-	-	-	-	-	(26,514)
At December 31	$1,090,875	$ 14,534	$ 2,893	$ 7,215	$ -	$ 316	$1,115,833

On June 29, 2023, the shareholders of the Company during their meeting resolved to issue 8,511 thousand common shares from capital surplus in the amount of $85,111 ($0.3 in dollars per share).

On June 29, 2022, the shareholders of the Company during their meeting resolved to issue cash to shareholders from capital surplus in the amount of $26,514 ($ 0.1 in dollars per share) and 185,600 thousand common shares from capital surplus in the amount of $185,600 ($ 0.7 in dollars per share).

(17) Retained earnings

A. The Company is currently in the stage of corporate growth. In the future, in accordance with its business expansion and capital needs, the Board of Directors will draw up a distribution plan, which will be distributed after the resolution at the shareholders' meeting.

In accordance with Article 240 paragraph 5 of the Company Act, the Company authorizes the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting. The aforesaid requirement that resolution shall be resolved at the shareholders' meeting is not applicable.

The annual net earnings after final account, if any, shall be apportioned in the following order:

(a) Payment of taxes and duties;

(b) Covering prior years' accumulated deficit, if any;

(c) Set aside 10% of the remaining amount as legal reserve; and

(d) Set aside a certain amount as special reserve, if any.

The remaining amount plus prior years' retained earnings shall be distributed as stockholders' bonus for 10% to 100% (including cash dividends that shall account for at least 10%), taking into account capital budget and financial plan.

B. Except for covering accumulated deficit or issuing new stocks or cash to shareholders in proportion to their share ownership, the legal reserve shall not be used for any other purpose. The use of legal reserve for the issuance of stocks or cash to shareholders in proportion to their share ownership is permitted, provided that the distribution of the reserve is limited to the portion in excess of 25% of the Company's paid-in capital.

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

(b) The amounts previously set aside by the Company as special reserve on initial application of IFRSs in accordance with Financial-Supervisory-Securities-Corporate-No. 1010012865, dated April 6, 2012, shall be reversed proportionately when the relevant assets are used, disposed of or reclassified subsequently. Such amounts are reversed upon disposal or reclassified if the assets are investment property of land, and reversed over the use period if the assets are investment property other than land.

D. The appropriation of 2022 earnings had been resolved at the stockholders' meeting on June 29, 2023. Details are summarised below:

	For the year ended December 31, 2022	
	Amount	Dividends per share (in dollars)
Appropriation of legal reserve	$ 31,632	
Appropriation of special reserve	1,999	
Cash dividends	198,592	$ 0.70
	$ 232,223	

E. The appropriation of 2021 earnings had been resolved at the stockholders' meeting on June 29, 2022. Details are summarised below:

	For the year ended December 31, 2021			
		Amount		Dividends per share (in dollars)
Appropriation of legal reserve	$	14,790		
Appropriation of special reserve		78,091		
Cash dividends		53,029	$	0.20
	$	145,910		

(18) Other equity items

	For the year ended December 31, 2023					
		Unrealised gains (losses) on valuation		Currency translation		Total
At January 1	($	471,194)	($	479,033)	($	950,227)
Revaluation - the Company		33,284		-		33,284
Revaluation - subsidiaries	(	9,504)		-	(	9,504)
Revaluation - tax		5,473		-		5,473
Currency translation differences		-	(	19,464)	(	19,464)
Reclassification adjustment to profit and loss		-		46,931		46,931
At December 31	($	441,941)	($	451,566)	($	893,507)

	For the year ended December 31, 2022					
		Unrealised gains (losses) on valuation		Currency translation		Total
At January 1	($	491,459)	($	721,971)	($	1,213,430)
Revaluation - the Company		34,214		-		34,214
Revaluation - subsidiaries	(	11,259)		-	(	11,259)
Revaluation - tax	(	1,532)		-	(	1,532)
Revaluation transferred to retained earnings, net	(	1,158)		-	(	1,158)
Currency translation differences		-		242,938		242,938
At December 31	($	471,194)	($	479,033)	($	950,227)

(19) Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
Revenue from contracts with customers	$ 1,887,768	$ 1,977,189

A. Disaggregation of revenue from contracts with customers

The Company derives revenue from the transfer of goods and services over time and at a point in time in the following geographical regions：

	Taiwan	China and other regions in Asia	Europe and America	Total
2023				
Revenue from external customers' contracts	$ 310,037	$ 502,015	$ 767,835	$ 1,579,887
Inter-segment revenue	29,282	5,801	272,798	307,881
Total segment revenue	$ 339,319	$ 507,816	$ 1,040,633	$ 1,887,768
Timing of revenue recognition				
At a point in time	$ 333,348	$ 498,880	$ 1,022,322	$ 1,854,550
Over time	5,971	8,936	18,311	33,218
	$ 339,319	$ 507,816	$ 1,040,633	$ 1,887,768

	Taiwan	China and other regions in Asia	Europe and America	Total
2022				
Revenue from external customers' contracts	$ 10,138	$ 557,959	$ 1,025,699	$ 1,593,796
Inter-segment revenue	27,103	27,783	328,507	383,393
Total segment revenue	$ 37,241	$ 585,742	$ 1,354,206	$ 1,977,189
Timing of revenue recognition				
At a point in time	$ 36,486	$ 573,862	$ 1,326,741	$ 1,937,089
Over time	755	11,880	27,465	40,100
	$ 37,241	$ 585,742	$ 1,354,206	$ 1,977,189

B. Contract liabilities - current

(a) Revenue recognised that was included in the contract liability balance at the beginning of the period

	For the year ended December 31, 2023	For the year ended December 31, 2022
Contract liabilities - advance sales receipts	$ 34,628	$ 32,663

(b) The Company has recognised the following revenue-related contract liabilities:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities:			
Contract liabilities - advance sales receipts	$ 28,193	$ 35,954	$ 32,947

(20) Interest income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest income from bank deposits	$ 11,112	$ 3,168
Other interest income	7	205
	$ 11,119	$ 3,373

(21) Other income

	For the year ended December 31, 2023	For the year ended December 31, 2022
Dividend income	$ 21,126	$ 2,183
Other income	3,388	1,326
	$ 24,514	$ 3,509

(22) Other gains and losses

	For the year ended December 31, 2023	For the year ended December 31, 2022
Foreign exchange gains	$ 12,507	$ 104,157
Gains on financial assets at fair value through profit or loss	115,226	93,226
Other losses	(580)	(156)
	$ 127,153	$ 197,227

(23) Finance costs

	For the year ended December 31, 2023	For the year ended December 31, 2022
Interest expense:		
Bank borrowings	$ 23,277	$ 18,530
Corporate bonds	3,100	3,100
Lease liabilities	19	-
	$ 26,396	$ 21,630

(24) Expenses by nature

	For the year ended December 31, 2023	For the year ended December 31, 2022
Employee benefit expense	231,354	267,978
Depreciation charges on property, plant and equipment	12,133	12,841
Amortisation charges on intangible assets	1,038	1,124
Depreciation charges on right-of-use asset	404	-

(25) Employee benefit expense

	For the year ended December 31, 2023	For the year ended December 31, 2022
Wages and salaries	$ 200,188	$ 237,599
Labor and health insurance fees	18,511	18,148
Pension costs	8,123	7,910
Other personnel expenses	4,532	4,321
	$ 231,354	$ 267,978

A. According to the Articles of Incorporation of the Company, when distributing earnings, the Company shall pay remuneration to the employees and directors. The ratio shall not be lower than 5% for employees' remuneration and shall not be higher than 1% for directors' remuneration. If the Company has accumulated deficit, earnings should be reserved.

B. For the years ended December 31, 2023 and 2022, employees' remuneration was accrued at $2,458 and $19,418, respectively; directors' remuneration was accrued at $246 and $1,942, respectively. The aforementioned amounts were recognised in salary expenses.

The employees' and directors' remuneration were estimated and accrued based on 5% and 0.5% of distributable profit of current year as of the end of reporting period. The employees' and directors' remuneration resolved by the Board of Directors were $2,458 and $246, respectively, and the employees' remuneration will be distributed in the form of cash.

Employees' and directors' remuneration of 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements.

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

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Current tax:		
Current tax on profits for the year	$ 57,326	$ 40,827
Tax on undistributed surplus earnings	3,815	-
Prior year income tax underestimation	1,655	4,487
Total current tax	62,796	45,314
Deferred tax:		
Origination and reversal of temporary differences	(59,060)	9,728
Income tax expense	$ 3,736	$ 55,042

(b) The income tax (charge)/credit relating to components of other comprehensive income are as follows:

	For the year ended December 31, 2023	For the year ended December 31, 2022
Changes in fair value of financial assets at fair value through other comprehensive income	($ 5,473)	$ 1,532
Remeasurement of defined benefit obligations	35	800
	($ 5,438)	$ 2,332

B. Reconciliation between income tax expense and accounting profit

	For the year ended December 31, 2023	For the year ended December 31, 2022
Tax calculated based on profit before tax and statutory tax rate	$ 9,290	$ 73,400
Effects from items disallowed by tax regulation	1,044	(281)
Tax exempt income by tax regulation	(25,667)	(21,513)
Prior year income tax under estimation	1,655	4,487
Change in assessment of realisation of deferred tax assets	-	(3,155)
Temporary differences not recognised as deferred tax assets	13,599	2,104
Tax on undistributed surplus earnings	3,815	-
Income tax expense	$ 3,736	$ 55,042

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

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Allowance for obsolescence and market value decline	$ 2,630	$ 426	$ -	$ 3,056
Over provision of allowance for doubtful accounts	14,374	(499)	-	13,875
Unrealised gross profit - Investments accounted for using the equity method	11,651	2,481	-	14,132
Unrealised gross profit - the Company	1,806	(762)	-	1,044
Unrealised expenses	3,711	-	(35)	3,676
Unrealised foreign exchange loss	-	2,451	-	2,451
Overseas investment losses	13,667	52,506	-	66,173
Unrealised loss on financial instruments	108,226	-	5,473	113,699
Deferred revenue	3,209	(14)	-	3,195
	159,274	56,589	5,438	221,301
-Deferred tax liabilities:				
Unrealised foreign exchange gain	(2,471)	2,471	-	-
	$156,803	$ 59,060	$ 5,438	$ 221,301

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Temporary differences:				
-Deferred tax assets:				
Allowance for obsolescence and market value decline	$ 6,097	($ 3,467)	$ -	$ 2,630
Over provision of allowance for doubtful accounts	18,775	(4,401)	-	14,374
Unrealised gross profit - Investments accounted for using the equity method	11,177	474	-	11,651
Unrealised gross profit - the Company	-	1,806	-	1,806
Unrealised expenses	4,511	-	(800)	3,711
Unrealised foreign exchange loss	1,877	(1,877)	-	-
Overseas investment losses	12,761	906	-	13,667
Unrealised loss on financial instruments	109,758	-	(1,532)	108,226
Deferred revenue	3,907	(698)	-	3,209
	168,863	(7,257)	(2,332)	159,274
-Deferred tax liabilities:				
Unrealised foreign exchange gain	-	(2,471)	-	(2,471)
	$168,863	($ 9,728)	($ 2,332)	$ 156,803

D. The amounts of deductible temporary difference that are not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary differences	$ 273,988	$ 205,994

E. The Company's income tax returns through 2021 have been assessed and approved by the Tax Authority.

(27) Earnings per share

	For the year ended December 31, 2023		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 42,712	292,214	$ 0.15
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 42,712	292,214	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ remuneration	-	218	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 42,712	292,432	$ 0.15

	For the year ended December 31, 2022		
	Amount after tax	Weighted-average number of ordinary shares outstanding (shares in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 311,960	292,185	$ 1.07
Diluted earnings per share			
Profit attributable to ordinary shareholders of the Company	$ 311,960	292,185	
Assumed conversion of all dilutive potential ordinary shares			
Employees’ remuneration	-	764	
Profit attributable to ordinary shareholders of the Company plus assumed conversion of all dilutive potential ordinary shares	$ 311,960	292,949	$ 1.06

(28) Changes in liabilities from financing activities

	2023			
	Short-term borrowings	Long-term borrowings (Note)	Bonds payable	Liabilities from financing activities-gross
At January 1	$ 1,260,000	$ -	$ 500,000	$ 1,760,000
Changes in cash flow from financing activities	(70,000)	(415)	-	(70,415)
Additions	-	1,615	-	1,615
Interest expense	-	19	-	19
At December 31	$ 1,190,000	$ 1,219	$ 500,000	$ 1,691,219

	2022			
	Short-term borrowings	Long-term borrowings (Note)	Bonds payable	Liabilities from financing activities-gross
At January 1	$ 1,420,000	$ -	$ 500,000	$ 1,920,000
Changes in cash flow from financing activities	(160,000)	-	-	(160,000)
At December 31	$ 1,260,000	$ -	$ 500,000	$ 1,760,000

Note: Include current liabilities and non-current liabilities.

7. RELATED PARTY TRANSACTIONS

(1) Names of related parties and relationship

Names of related parties	Relationship with the Company
Firich International Co., Ltd. (Firich International)	Subsidiaries
Firich USA Inc. (Firich USA)	〃
Firich UK Co., Ltd. (Firich UK)	〃
Tiga Gaming Inc. (Tiga Gaming)	〃
Firich Korea Co., Ltd. (Firich Korea)	〃
Crimson Technology (Shanghai) Inc. (Crimson)	〃
AKAM Group B.V.(AKAM Group)	〃
AKAM Netherlands B.V. (AKAM Netherlands)	〃
LotRich Information Co., Ltd. (LotRich)	Associates
FEC Deutschland GmbH (FEC Deutschland)	〃
FEC ITALIA S.r.l. (FEC ITALIA)	〃
Grab and Go Solutions, Inc. (Grab and Go Solutions)	〃
Jia Hua Kang Jian Co., Ltd. (Jia Hua)	〃
Zenii Information System Co., Ltd. (Zenii)	Other related party

(2) Significant related party transactions and balances

A. Operating revenue

	For the year ended December 31, 2023	For the year ended December 31, 2022
Sales of goods:		
Subsidiaries	$ 307,161	$ 382,276
Associates		
LotRich	299,713	1,977
Others	74,106	83,763
	680,980	468,016
Sales of sevices:		
Subsidiaries		
Firich Korea	322	359
Others	369	682
	691	1,041
Associates		
LotRich	1,126	657
Others	20	50
	1,146	707
	1,837	1,748
Others:		
Subsidiaries	29	76
Associates	95	49
	124	125
	$ 682,941	$ 469,889

The sales prices of goods and services are similar with general sales prices. The collection terms are determined in accordance with mutual agreement.

B. Purchases of goods

	For the year ended December 31, 2023	For the year ended December 31, 2022
Purchases of goods:		
Subsidiaries	$ 6,197	$ 2,605
Associates	3	136
Purchases of services:		
Subsidiaries	34,698	42,255
	$ 40,898	$ 44,996

The purchases of goods have no similar transaction to compare with. Payment term is 60 days from the first day of the month following the month of delivery.

C. Prepayments

	December 31, 2023	December 31, 2022
Other prepayments:		
Subsidiaries		
Tiga Gaming	$ 16,315	$ 16,509

The other prepayments are prepayments for the purchases of goods. The purchase prices have no similar transactions to compare with.

D. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
Subsidiaries		
AKAM Netherlands	$ 24,979	$ 24,907
Firich USA	21,346	11,854
Firich UK	19,414	28,435
Others	23,545	15,546
	89,284	80,742
Associates		
LotRich	312,816	296
FEC Deutschland	16,877	11,954
FEC ITALIA	10,794	11,876
Less: Allowance for doubtful accounts	(545)	(84)
	429,226	104,784
Other receivables-transferred from accounts receivable		
Subsidiaries		
Firich USA	-	26,410
Others	4,357	738
Associates		
FEC Deutschland	12,682	24,983
Less: Allowance for doubtful accounts	(478)	(1,030)
	16,561	51,101
Other receivables-credit balance of long-term investments		
Subsidiaries		
Firich USA	-	(10,053)
Other receivables-proceeds from capital reduction		
Subsidiaries		
Firich International	199,583	-
	$ 645,370	$ 145,832

(a) Overdue accounts receivable, those aged over due date compared to normal credit terms for non-related parties, amounting to $16,561 and $51,101 as of December 31, 2023 and 2022, respectively, were reclassified to other receivables.

(b) As of December 31, 2023, the aging of the accounts receivable that were 121~180 days, 181~365 days and over 365 days amounted to $0, $16,521 and $40, respectively. As of December 31, 2022, the aging of the accounts receivable that were 121~180 days, 181~365 days and over 365 days amounted to $6,265, $44,246 and $590, respectively.

(c) The aforementioned receivables are unsecured in nature and bear no interest.

E. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
Subsidiaries		
Tiga Gaming	$ 9,117	$ 9,196
Crimson	-	2,605
Associates	-	143
	9,117	11,944
Other payables:		
Subsidiaries		
Firich International	-	234,116
	$ 9,117	$ 246,060

The payables to related parties arise mainly from purchase transactions and the payment term is 60 days from the first day of the month following the month of delivery. The payables bear no interest. Other payables to related parties arise mainly from the investment funds and service fee.

F. Endorsements and guarantees provided to related parties

(a) Financing guarantee provided by the Company:

	December 31, 2023	December 31, 2022
Subsidiaries	$ -	$ 153,550

(b) Financing guarantee provided by related parties:

As of December 31, 2023 and 2022, financing guarantees provided by key management were $2,070,000 and $2,120,000, respectively.

G. Property transactions

Acquisition of financial assets

	Accounts	No. of shares	Objects	Year ended December 31, 2023 Consideration
Subsidiaries				
Firich Korea	Investments accounted for using the equity method	300 thousand	Common shares of Firich Korea	$ 35,339
Firich USA	Investments accounted for using the equity method	1,500 thousand	Common shares of Firich USA	45,924
Associates				
Jia Hua	Investments accounted for using the equity method	3,000 thousand	Common shares of Jia Hua	36,000
				$ 117,263

	Accounts	No. of shares	Objects	Year ended December 31, 2022 Consideration
Subsidiaries				
Firich Korea	Investments accounted for using the equity method	2,240 thousand	Common shares of Firich Korea	$ 259,266
Firich International	Investments accounted for using the equity method	18 thousand	Common shares of AKAM Group	234,116
				$ 493,382

(3) Key management compensation

	For the year ended December 31, 2023	For the year ended December 31, 2022
Short-term employee benefits	$ 17,333	$ 20,436

8. PLEDGED ASSETS

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

Items	December 31, 2023	December 31, 2022	Purpose
Property, plant and equipment :			
Land	$ 111,478	$ 111,478	Note
Buildings and structures	103,602	106,898	〃
	$ 215,080	$ 218,376	

Note: For short-term borrowings.

9. SIGNIFICANT CONTINGENT LIABILITIES AND UNRECOGNISED CONTRACT COMMITMENTS

(1) Contingencies

None.

(2) Commitments

A. Please refer to Note 7 for details of the guarantees provided by the Company for its subsidiaries as of December 31, 2023 and 2022.

B. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 3,661	$ -

10. SIGNIFICANT DISASTER LOSS

None.

11. SIGNIFICANT EVENTS AFTER THE BALANCE SHEET DATE

On January 10, 2024, the Company passed a resolution of the Board of Directors and approved the Company's indirect investment in Oriental Regent Ltd. through its subsidiary Firich International Co., Ltd. to sell its main business; however, on February 20, 2024, the Company received a notice from the buyer of the aforementioned transaction, that the transaction was unilaterally cancelled. For related information, please refer to Note 6 (6) of the consolidated financial statements.

12. OTHERS

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, issue new shares or sell assets to reduce debt. The Company monitors capital on the basis of the gearing ratio. This ratio is calculated as net debt divided by total capital. Net debt is calculated as total borrowings (including 'current and non-current borrowings' as shown in the parent company only balance sheet) less cash and cash equivalents. Total capital is calculated as 'equity' as shown in the parent company only balance sheet plus net debt.

During 2023, the Company's strategy, which was unchanged from 2022, was to collectively consider the environment the Company was in, the growth stage, capital needs for future significant investment plan and long-term financial plan.

The gearing ratios at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 1,690,000	$ 1,760,000
Less: cash and cash equivalents	(774,462)	(762,724)
Net debt	915,538	997,276
Total equity	3,997,714	4,104,222
Total capital	$ 4,913,252	$ 5,101,498
Gearing ratio	18.63%	19.55%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ 717,021	$ 493,769
Financial assets at fair value through other comprehensive income		
Designation of equity instrument	467,611	434,327
Financial assets at amortised cost		
Cash and cash equivalents	774,462	762,724
Accounts receivable (including related parties)	545,267	290,202
Other receivables (including related parties)	221,930	51,152
Guarantee deposits paid	1,786	1,136
	$ 2,728,077	$ 2,033,310

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Short-term borrowings	$ 1,190,000	$ 1,260,000
Accounts payable (including related parties)	228,683	210,829
Other payables (including related parties)	80,670	319,024
Corporate bonds payable (including current portion)	500,000	500,000
Guarantee deposits received	6,640	6,640
	$ 2,005,993	$ 2,296,493
Lease liability	$ 1,219	$ -

B. Financial risk management policies

(a) The Company's activities expose it to a variety of financial risks: market risk (including foreign exchange risk, interest rate risk and price risk), credit risk and liquidity risk.

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

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to foreign exchange risk arising from the transactions of the Company and its subsidiaries used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities.

ii. The Company has certain investments in foreign operations, whose net assets are exposed to foreign currency translation risk. Currency exposure arise from the net assets of the Company's foreign operations.

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

	December 31, 2023		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 19,289	30.705	$ 592,269
KRW: NTD	5,451,221	0.024	130,829
RMB: NTD	15,197	4.327	65,757
GBP: NTD	159	39.150	6,225
Non-monetary items			
SGD: NTD	4	23.290	88
HKD: NTD	3,000	3.929	11,788
USD: NTD	42,264	30.705	1,297,731
KRW: NTD	23,068,500	0.024	553,644
EUR: NTD	8,593	33.980	291,991
GBP: NTD	762	39.150	29,821
Financial liabilities			
Monetary items			
USD: NTD	2,577	30.705	79,127

	December 31, 2022		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 21,098	30.710	$ 647,920
KRW: NTD	5,317,227	0.025	132,931
RMB: NTD	16,032	4.408	70,669
GBP: NTD	128,220	37.090	4,755,680
Non-monetary items			
SGD: NTD	24	22.880	543
HKD: NTD	9,692	3.938	38,167
USD: NTD	75,118	30.710	2,306,868
KRW: NTD	22,494,120	0.025	562,353
EUR: NTD	7,706	32.720	252,148
GBP: NTD	761	37.090	28,232
Financial liabilities			
Monetary items			
USD: NTD	11,132	30.710	341,864

iv. The total exchange gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for the years ended December 31, 2023 and 2022, amounted to $12,507 and $104,157, respectively.

v. Analysis of foreign currency market risk arising from significant foreign exchange variation:

	For the year ended December 31, 2023		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 4,738	$ -
KRW: NTD	1%	1,047	-
RMB: NTD	1%	526	-
GBP: NTD	1%	50	-
Financial liabilities			
Monetary items			
USD: NTD	1%	633	-

	For the year ended December 31, 2022		
	Sensitivity analysis		
	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 5,183	$ -
KRW: NTD	1%	1,063	-
RMB: NTD	1%	565	-
GBP: NTD	1%	38,045	-
Financial liabilities			
Monetary items			
USD: NTD	1%	2,735	-

Price risk

i. The Company's financial instruments, which are exposed to price risk, are the held financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income. To manage its price risk arising from investments in financial instruments, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company. The Company is not exposed to commodity price risk.

ii. The Company's investments in equity securities comprise of shares issued by the foreign and domestic listed and emerging companies and open-end funds. The prices of these financial assets would change due to the change of the future value of investee instruments. If the prices of these financial assets had increased/decreased by 5% with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $31,516 and $24,688, respectively, as a result of gains/losses on financial assets classified as at fair value through profit or loss. Other components of equity would have increased/decreased by $20,847 and $18,427, respectively, as a result of other comprehensive income classified as financial assets at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

i. The Company's interest rate risk arises from long-term and short-term borrowings. Borrowings issued at variable rates expose the Company to cash flow interest rate risk which is partially offset by cash and cash equivalents held at variable rates. During the years ended December 31, 2023 and 2022, the Company's borrowings at variable rate were denominated in NTD.

ii. If the borrowing rates had increased/decreased by 0.1% with all other variables held constant, the impact on post-tax profit would be a maximum decrease or increase of $952 and $1,008 for the years ended December 31, 2023 and 2022, respectively. The change in interest expense is due to borrowings issued at variable rates.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the clients or counterparties of financial instruments on the contract obligations. The main factor is that counterparties could not repay in full the accounts receivable based on the agreed terms.

ii. The Company manages their credit risk taking into consideration the entire Company's concern. For banks and financial institutions, only independently rated parties with a minimum rating of 'A' are accepted. According to the Company's credit policy, each local entity in the Company is responsible for managing and analysing the credit risk for each of their new clients before standard payment and delivery terms and conditions are offered. Internal risk control assesses the credit quality of the customers, taking into account their financial position, past experience and other factors. Individual risk limits are set based on internal or external ratings in accordance with limits set by the Board of Directors. The utilisation of credit limits is regularly monitored.

iii. The Company adopts the assumptions under IFRS 9, the default occurs when the contract payments are past due over 90 days.

iv. The Company adopts the following assumptions under IFRS 9 to assess whether there has been a significant increase in credit risk on that instrument since initial recognition:

If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition.

v. The Company classifies customers' accounts receivable in accordance with credit rating of customer. The Company applies the simplified approach using a provision matrix based on the loss rate methodology to estimate expected credit loss under the provision matrix basis.

vi. The following indicators are used to determine whether the credit impairment of debt instruments has occurred:

(i) It becomes probable that the issuer will enter bankruptcy or other financial reorganisation due to their financial difficulties;

(ii) The disappearance of an active market for that financial asset because of financial difficulties;

(iii) Default or delinquency in interest or principal repayments;

vii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable (including related parties) and other receivables (including related parties). On December 31, 2023 and 2022, the provision matrix is as follows:

December 31, 2023			
Accounts receivable (including related parties)	Expected loss rate	Total book value	Loss allowance
Not past due	0.09%	$ 469,431	$ 1,017
Up to 30 days	0.05%~10.00%	48,117	1,465
31 to 90 days	2.00%~30.00%	23,806	519
91 to 180 days	2.00%~50.00%	5,969	272
Over 181 days	2.00%~100%	66,859	65,642
		$ 614,182	$ 68,915

December 31, 2023			
Other receivables (including related parties) (Note)	Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.09%~100%	$ 205,368	$ -
Over 120 days	0.09%~100%	17,039	478
		$ 222,407	$ 478

December 31, 2022			
Accounts receivable (including related parties)	Expected loss rate	Total book value	Loss allowance
Not past due	0.08%	$ 207,752	$ 164
Up to 30 days	0.05%~10.00%	64,126	2,461
31 to 90 days	2.00%~30.00%	18,348	139
91 to 180 days	2.00%~50.00%	2,013	582
Over 181 days	2.00%~100.00%	67,973	66,664
		$ 360,212	$ 70,010

December 31, 2022			
Other receivables (including related parties) (Note)	Expected loss rate	Total book value	Loss allowance
Up to 120 days	0.08%~100.00%	$ 51	$ -
Over 120 days	0.08%~100.00%	52,131	1,030
		$ 52,182	$ 1,030

Note: Including other receivables transferred from accounts receivable.

viii. Movements in relation to the Company applying the simplified approach to provide loss allowance for accounts receivable and other receivables (including related parties) are as follows:

	2023	
	Accounts receivable	Other receivables
At January 1	$ 70,010	$ 1,030
Reversal of impairment	(476)	-
Accounts receivable transferred to other receivables	552	(552)
Write-offs	(1,171)	-
At December 31	$ 68,915	$ 478

	2022	
	Accounts receivable	Other receivables
At January 1	$ 74,068	$ -
Reversal of impairment	(3,028)	-
Accounts receivable transferred to other receivables	(1,030)	1,030
At December 31	$ 70,010	$ 1,030

(c) Liquidity risk

i.Surplus cash held by the operating entities over and above balance required for working capital management are transferred to the Company treasury. Company treasury invests surplus cash in interest bearing current accounts and money market deposits, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the abovementioned forecasts. As at December 31, 2023 and 2022, the Company held money market positions of $774,462 and $762,724, respectively, that are expected to readily generate cash inflows for managing liquidity risk.

ii.The Company has the following undrawn borrowing facilities:

	December 31, 2023	December 31, 2022
Floating rate:		
Expiring within one year	$ 370,000	$ 350,000

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

Non-derivative financial liabilities:

December 31, 2023	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,190,000	$ -	$ -	$ -	$ 1,190,000
Accounts payable (including related parties)	228,683	-	-	-	228,683
Other payables (including related parties)	80,670	-	-	-	80,670
Bonds payable (including current portion)	3,100	3,100	503,100	-	509,300
Lease liabilities	554	554	140	-	1,248

Non-derivative financial liabilities:

December 31, 2022	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
Short-term borrowings	$ 1,260,000	$ -	$ -	$ -	$ 1,260,000
Accounts payable (including related parties)	210,829	-	-	-	210,829
Other payables (including related parties)	319,024	-	-	-	319,024
Bonds payable (including current portion)	3,100	3,100	506,200	-	512,400

(3) Fair value information

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

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

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of the Company's investment in convertible bonds and most derivative instruments is included in Level 2.

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

B. Financial instruments not measured at fair value

The carrying amounts of cash and cash equivalents, accounts receivable, other receivables, short-term borrowings, accounts payable, other payables and bonds payable are approximate to their fair values.

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

(a) The related information of natures of the assets and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss - Equity securities	$ 630,320	$ -	$ 86,701	$ 717,021
Financial assets at fair value through other comprehensive income - Equity securities	419,308	-	48,303	467,611
	$ 1,049,628	$ -	$ 135,004	$ 1,184,632

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets:				
Recurring fair value measurements				
Financial assets at fair value through profit or loss - Equity securities	$ 493,769	$ -	$ -	$ 493,769
Financial assets at fair value through other comprehensive income - Equity securities	376,278	-	58,049	434,327
	$ 870,047	$ -	$ 58,049	$ 928,096

(b) The methods and assumptions the Company used to measure fair value are as follows:

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

	Listed shares and emerging stocks	Open-end fund
Market quoted price	Closing price	Net asset value

ii. Except for financial instruments with active markets, the fair value of other financial instruments is measured by using valuation techniques or by reference to counterparty quotes. The fair value of financial instruments measured by using valuation techniques can be referred to current fair value of instruments with similar terms and characteristics in substance, discounted cash flow method or other valuation methods, including calculated by applying model using market information available at the parent company only balance sheet date (i.e. yield curves on the Taipei Exchange, average commercial paper interest rates quoted from Reuters).

iii. When assessing non-standard and low-complexity financial instruments, for example, debt instruments without active market, interest rate swap contracts, foreign exchange swap contracts and options, the Company adopts valuation technique that is widely used by market participants. The inputs used in the valuation method to measure these financial instruments are normally observable in the market.

iv. For high-complexity financial instruments, the fair value is measured by using self-developed valuation model based on the valuation method and technique widely used within the same industry. The valuation model is normally applied to derivative financial instruments, debt instruments with embedded derivatives or securitised instruments. Certain inputs used in the valuation model are not observable at market, and the Company must make reasonable estimates based on its assumptions. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)I.

v. The output of valuation model is an estimated value and the valuation technique may not be able to capture all relevant factors of the Company’s financial and non-financial instruments. Therefore, the estimated value derived using valuation model is adjusted accordingly with additional inputs, for example, model risk or liquidity risk and etc. In accordance with the Company’s management policies and relevant control procedures relating to the valuation models used for fair value measurement, management believes adjustment to valuation is necessary in order to reasonably represent the fair value of financial and non-financial instruments at the parent company only balance sheet. The inputs and pricing information used during valuation are carefully assessed and adjusted based on current market conditions.

vi. The Company takes into account adjustments for credit risks to measure the fair value of financial and non-financial instruments to reflect credit risk of the counterparty and the Company’s credit quality.

D. As the stocks of Summit Ascent Holding Ltd. were temporarily suspended for trading in the HKEX market during the period from May 12, 2022 to July 7, 2022, the Company transferred the fair value from Level 1 to Level 2 for the period when the event occurred, and transferred the fair value from Level 2 back to Level 1 after the stocks were traded in the market again.

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

	2023	2022
	Non-derivative equity instrument	Non-derivative equity instrument
At January 1	$ 58,049	$ 802,250
Gains recognised in profit or loss (Note 1)	4,103	-
Gains recognised in other comprehensive income (Note 2)	(9,746)	(22,618)
Acquired during the period	82,598	-
Transfers out from Level 3	-	(721,583)
At December 31	$ 135,004	$ 58,049

Note 1: Recorded as other gains and losses.

Note 2: Recorded as unrealised valuation gain or loss of financial assets.

F. As the stocks of J&V Energy Technology Co., Ltd. has been traded in the emerging stock market in January 2022, the Company transferred the fair value from Level 3 to Level 1 for the period when the event occurred.

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

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

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	$ 42,899	Market comparable companies	Price to book ratio multiple	1.01	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	5,404	〃	Price to book ratio multiple	1.43	〃
			Discount for lack of marketability	40%	
Sanhe Health Co., Ltd.	81,251	〃	Price to book ratio multiple	1.19	〃
			Discount for lack of marketability	40%	
Weisheng Environmental Technology Co., Ltd.	5,450	〃	Price to book ratio multiple	2.61	〃
			Discount for lack of marketability	20%	

	Fair value at December 31, 2022	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares					
Lealeahotel Co., Ltd.	$ 52,115	Market comparable companies	Price to book ratio multiple	1.14	The higher the multiple, the higher the fair value
			Discount for lack of marketability	30%	The higher the discount for lack of marketability, the lower the fair value
Asia Renewable Energy (Cayman) Ltd.	5,934	〃	Price to book ratio multiple	1.56	〃
			Discount for lack of marketability	40%	

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

			December 31, 2023			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ 867	($ 867)	$ 483	($ 483)

	Input	Change	December 31, 2022 Recognised in profit or loss Favourable change	Unfavourable change	Recognised in other comprehensive income Favourable change	Unfavourable change
Financial assets						
Equity instrument	Discount for lack of marketability	±1%	$ -	$ -	$ 580	($ 580)

(4) Other information

None.

13. SUPPLEMENTARY DISCLOSURES

(I) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

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

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

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

G. Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 4.

H. Receivables from related parties reaching NT$100 million or 20% of paid-in capital or more: Please refer to table 5.

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

J. Significant inter-company transactions during the reporting periods: Please refer to table 6.

(II) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 7.

(III) Information on investments in Mainland China

A. Basic information: Please refer to table 8.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 9.

(IV) Major shareholders information

Major shareholders information: Please refer to table 10.

14. SEGMENT INFORMATION

Not applicable.

VI. If the company and its affiliates have experienced financial difficulties in the most recent fiscal year and up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the company's financial situation: None.

Seven. Review of Financial Position and Financial Performance Analysis and risk management

I. Financial status

(I) Financial position

Unit: NTD Thousand

Item \ Year	December 31, 2022	December 31, 2023	Difference	
			Amount	%
Current asset	2,773,361	2,672,808	(100,553)	(3.63)
Property, Plant and Equipment	301,910	297,476	(4,434)	(1.47)
Intangible assets	177,577	167,865	(9,712)	(5.47)
Other assets	3,637,077	3,307,870	(329207)	(9.05)
Total assets	6,889,925	6,446,019	(443,906)	(6.44)
Current liabilities	2,160,920	1,809,599	(351,321)	(16.26)
Non-current liabilities	583,620	585,794	2,174	0.37
Total liabilities	2,744,540	2,395,393	(349,147)	(12.72)
Equity attributable to owners of parent	4,104,222	3,997,714	(106508)	(2.60)
Share capital	2,960,915	3,014,526	53,611	1.81
Paid-in capital	1,115,833	1,013,244	(102,589)	(9.20)
Retained earnings	1,350,179	1,141,224	(208,955)	(15.48)
Other equity interest	(950,227)	(893,507)	56,720	5.97
Total equity	4,145,385	4,050,626	(94,759)	(2.29)

II. Financial performance

(I) Financial position

Unit: NTD thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Operating revenue	2,714,971	2,547,887	(167,084)	(6.15)
Gross profit	793,982	721,442	(72,540)	(9.14)
Net operating income	127,400	138,287	10,887	8.55
Non-operating income and expenses	262,526	(51,422)	(313,948)	(119.59)
Profit (loss) before tax	389,926	86,865	(303,061)	(77.72)
Profit (loss) from continuing operations	324,942	53,758	(271,184)	(83.46)
Profit (loss) of the period	324,942	53,758	(271,184)	(83.46)
Other comprehensive income (net after tax)	268,490	58,064	(210,426)	(78.37)
Total profit and loss – current	593,432	111,822	(481,610)	(81.16)

Main causes of differences:

Decrease of non-operating income and expense, profit (loss) before tax, profit (loss) from continuing operations of the current period was mainly due to the impairment loss of affiliated enterprises recognized under equity method.

Decrease of other comprehensive income (net after tax) for the current period, total profit and loss of current period was mainly due to the decrease of exchange gain from fluctuation in foreign currency exchange rate.

III. Cash Flow

(I) Cash flow analysis for recent years

Unit: NTD thousand

Item \ Year	2022	2023	Difference	
			Amount	%
Net cash inflow from operating activities	283,218	279,172	(4,046)	(1.43)
Net cash inflow (outflow) from investment activities	(186,300)	284,217	470,517	252.56
Net cash inflow (outflow) from financing activities	(283,989)	(450,932)	(166,943)	(58.79)

Analysis of changes in cash flow:

1. Net cash inflow from investing activities was mainly due to the proceeds from the Company's disposal of investments under the equity method.
2. Net cash outflow from financing activities was mainly due to the Company's distribution of cash dividends.

(II) Cash flow forecast analysis (2021)

Unit: NTD thousand

Beginning cash balance	Cash flow from operating activities	Expected cash outflow for the year	Net cash flow balance	Cash shortage contingency plan	
				Investment plan	Financing plan
774,462	407,954	470,159	712,257	-	-

Analysis of changes in cash flow over the next year:

For 2024, the net cash inflow from operating activities is estimated to be NT$407,954 thousand, and the net cash outflow from investment and financing activities is NT$470,159 thousand for long-term equity investment, purchase of equipment and payment of cash dividends.

IV. Influence of major capital expenditure on financial position and operation in the most recent fiscal year

(I) Major capital expenditures and sources of funds during the most recent fiscal year: None.

(II) Expected benefits: None.

V. Investment policy for the most recent fiscal year and the main reasons for the profits or losses

(I) Investment policy
The Company has formulated the Regulations Governing Long- and Short-term Investments, and has established the directions for management of subsidiaries in the investment cycle for daily transactions with the invested company in the future.

(II) Investment policies, main causes of profit or loss and improvement plans, and investment plans in the next year
The Company's investment businesses recognized gains and loss, of which losses are mainly due to lower-than-expected market expansion. In the future, the Company plans to strengthen management and make improvements on the main causes of losses of the invested companies. In the next year, it will make relevant investments based on its operating plans and needs.

VI. Risk analysis for the most recent fiscal year and up to the date of publication of the annual report

(I) The effect upon the company's profits (losses) of interest and exchange rate fluctuations and changes in the inflation rate, and response measures to be taken in the future

1. The effect on the company's income

Item	2023 (NT$thousand; %)
Interest Income (Expense)	(16,463)
Foreign Exchange Gain (Loss)	10,760
Ratio of Interest Income (Expense) to Net Operating Revenue	(0.65%)
Ratio of Interest Income (Expense) to Pre-Tax Profit	(18.95%)
Ratio of Foreign Exchange Gain (Loss) to Net Operating Revenue	(0.42%)
Ratio of Foreign Exchange Gain (Loss) to Pre-Tax Profit	(12.39%)

2. The Company recognized interest income of NT$16,901 thousand and interest expense of NT$33,364 thousand for the most recent fiscal year, with limited impact on the Company's profits. The Company has dedicated efforts to maintain low debt ratio and stringent control of the cost of capital, in order to avoid possible adverse effects caused by changes in interest rates. It anticipates that the funding demand will increase along with increasing operating scale. Currently, the Company has applied to financial institutions for a line of credit as a source of funds for future turnover. Therefore, the changes in interest rates will have a certain degree of impact on the Company’s profit and loss. However, the Company will assess bank

borrowing rates on an irregular basis, and maintain good relationships with banks for more favorable interest rates. The use of funds will be timely adjusted based on changes in interest rates, and thereby mitigate the impact of interest rates on the Company's profit and loss.

3. The Company's products are not general consumer products as these are developed for the needs of specific customers. The rising costs due to inflation are reflected in the ASP.
4. To avoid possible adverse effects caused by Forex fluctuations, the Company plans to adopt the following response measures:
   (1) Collect relevant Forex information and maintain close contact with correspondent banks. Refer to Forex information and suggestions provided by banks on an irregular basis, in order to keep in line with Forex fluctuations and predict the future and long-term trends.
   (2) Provide Forex data via the computer database as reference for sales staff to maintain reasonable operating profits when receiving orders.
   (3) The sales balance is deposited in the foreign currency account, and the foreign currency position shall be adjusted according to the actual funding needs and Forex fluctuations, with reasonable hedging based on the foreign currency asset position.

(II) The company's policy regarding high risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/ losses generated thereby; and response measures to be taken in the future

1. Up to the end of April 2024, the Company has not provided any endorsement or guarantee to others. In addition, according to (93)-Ji-Mi-Zi No. 167 Letter, if the Company’s normal loan term with the invested enterprise or related parties significantly exceeds the normal loan term with non-related parties, the funds shall be recognized as other receivables, and the information related to the loaning of funds to others shall be disclosed. Therefore, up to the end of April 2024, the funds loaned to FEC Deutschland GmbH and Firich Korea Co., Ltd. were NT$10,870 thousand and NT$10,797 thousand respectively.
2. Up to the end of April 2024, the loan provided by the Company’s subsidiary Firich International Co., Ltd. to Kunshen Electronic Trade (Shanghai) Co., Ltd. was NT$146,453 thousand.
3. In accordance with laws and regulations, the Company has

formulated the "Procedures for Acquisition or Disposal of Assets", "Procedures for Loaning of Funds to Others", "Procedures for Endorsements/ Guarantees", which were approved by resolution of the shareholders meeting as the codes of conduct.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work

1. Research and development work to be carried out in the future
   Invest in R&D resources to develop the hardware and equipment required for the new generation of smart stores, build a cloud platform and management tools, and set up a Saas maintenance team.
2. Further expenditures expected for research and development work
   Invest in R&D resources to develop the hardware and equipment required for the new generation of smart stores, build a cloud platform and management tools; the expected investment in R&D in 2024 is NT$50 million.

(IV) Effect on the company's financial operations of important policies adopted and changes in the legal environment at home and abroad, and measures to be taken in response: None.

(V) Effect of development in technology and industrial changes on the Company's financial operations and countermeasures:

As the technology advances continuously, such as AI development application, mobilization service, unmanned store with DIY service, cloud software service and other innovative applications, the Company also makes adjustments to the products progressively according to the latest innovative application development. With regard to the information security, the Company has established mail firewall, encryption protection for confidential files and information asset scrap management measures. In addition, the Company also assesses information security risk items and organizes information security education and training for employees annually. In 2023, there was no occurrence of major abnormal event. In view of the above, the Company has not been subject to any impact on the financial business due to technology change (including information security risk) and industrial change in the most recent year and up to the printing date of the annual report.

(VI) Effect on the company's crisis management of changes in the company's corporate image, and measures to be taken in response:

As of the date of publication of the annual report, no major incidents that damage corporate image have occurred.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: None.

(VIII) Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Company's main raw materials are imported from several suppliers to maintain its flexibility and diversify risks. In addition, the risks are limited as the sales weight of terminal point customers is not too high.

(X) Effect upon and risk to the company in the event a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and mitigation measures being or to be taken:

There were no major shareholders holding more than 10 percent stake in the Company. The Company keeps track of the changes in stake of directors. In the most recent year up to the printing date of the annual report, there were no major quantity of shares belonging to a director that has been transferred or changed hands and affected the Company.

(XI) Effect upon and risk to company associated with any change in governance personnel or top management, and mitigation measures being or to be taken:

There were no change in governance personnel or top management.

(XII) Litigious and non-litigious matters:

As of the date of publication of the annual report, there were no litigious and non-litigious matters that involve the directors, supervisors, presidents, any person with actual responsibility for the firm, and any major shareholder holding a stake of greater than 10 percent.

(XIII) Other important risks, an d mitigation measures being or to be taken: None.

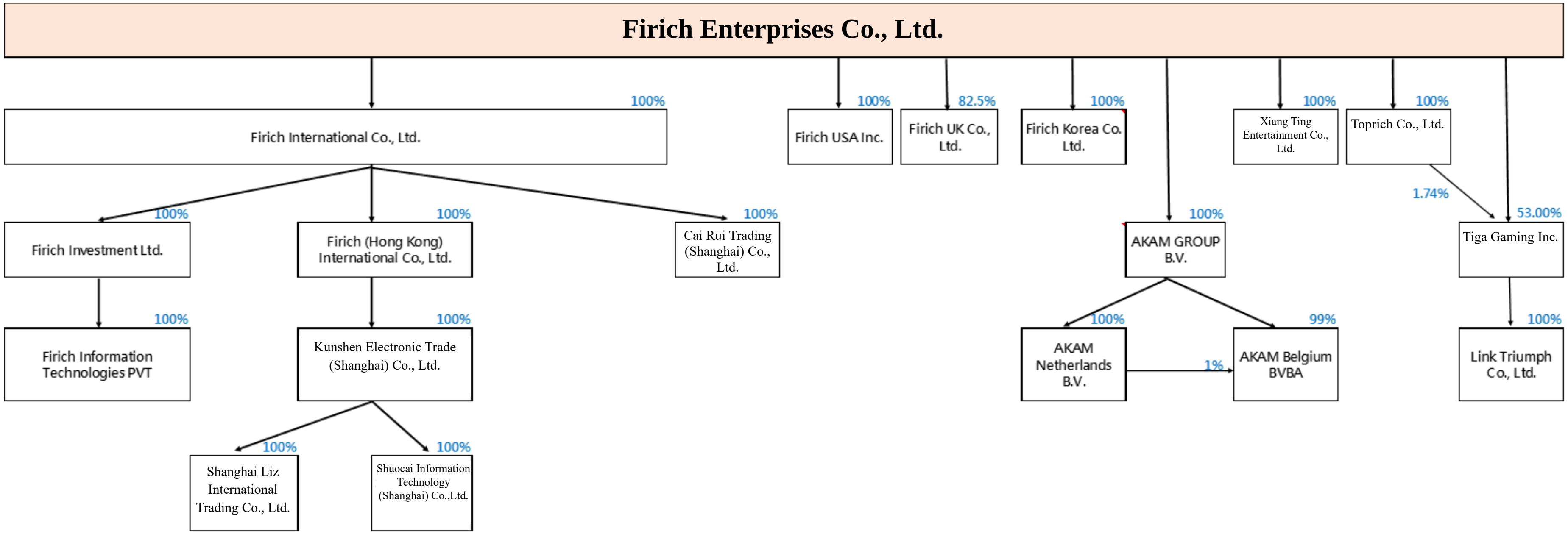
VII. Other important matters: None.

Eight. Special Disclosure

I. Information of affiliates

(I) Consolidated business report of affiliates

1. Organizational Chart of affiliates (as of December 31, 2023)



2. Basic Information of affiliates

Unit: Denominated in the domestic currencies of the listed countries

Company Name	Date of incorporation	Address	Paid in Capital (December 31, 2023)		Type of business
			Currency	Amount	
Firich International Co., Ltd.	2002.06.24	Mauritius	USD	68,376,541	Investment Holdings
Firich Korea Co., Ltd.	2010.01.27	South Korea	WON	20,090,000,000	Sales & maintenance of industrial PCs
Firich USA Inc.	2005.08.30	USA	USD	5,500,000	Sales & maintenance of industrial PCs
Shanghai Shuocai Information Technology Co.,Ltd.	2018.04.25	China	CNY	6,000,000	Information software wholesale & retail
Toprich Co., Ltd.	2007.01.26	Taiwan	NTD	108,000,000	Investment
Firich (Hong Kong) International Co., Ltd.	2008.06.10	Hong Kong	USD	15,500,000	Investment Holdings
Kunshen Electronic Trade (Shanghai) Co., Ltd.	2002.12.02	China	CNY	118,662,431	Sales of industrial PCs
Cai Rui Trading (Shanghai) Co., Ltd.	2009.06.03	China	CNY	6,461,488	Import & export and intermediary trade
Tiga Gaming Inc.	2008.09.09	Taiwan	NTD	263,240,000	Software development and sales & maintenance of industrial PCs
Link Triumph Co., Ltd.	2015.01.14	Samoa	USD	147,427	Investment Holdings
Shanghai Liz International Trading Co., Ltd.	2013.02.07	China	CNY	10,100,000	Technological development, consulting, and services for industrial PCs
Firich Investment Ltd.	2013.03.20	Mauritius	USD	51,700,000	Investment Holdings
Firich Information Technologies PVT	2013.05.08	Indi	INR	81,586,260	Software development and sales of computer peripherals
Firich UK Co., Ltd.	2017.04.21	UK	GBP	1,000,000	Sales & maintenance of industrial PCs
AKAM Group B.V.	2005.11.24	Netherlands	EUR	18,000	Investment Holdings
AKAM Belgium BVBA	2005.11.24	Belgium	EUR	20,405	Sales & maintenance of industrial PCs
AKAM Netherlands B.V.	2005.11.25	Netherlands	EUR	18,000	Sales & maintenance of industrial PCs
Xiang Ting Entertainment Co., Ltd.	2023.09.26	Taiwan	NTD	1,000,000	Book publication, audio tape and record publication, motion picture production and broadcasting production

3. Affiliates presumed to have a relationship of control and subordination under Article 369-3 of the Company Act: None.
4. The industries covered by the business operated by the affiliates overall and division of work among such affiliates:
   (1) Firich International Co., Ltd., Firich (Hong Kong) International Co., Ltd., Firich Investment Ltd., AKAM Group B.V., Link Triumph Co., Ltd.: Overseas investment holding company.
   (2) Firich Korea Co., Ltd.、Firich USA Inc.、Firich UK Co., Ltd. AKAM Belgium BVBA, AKAM Netherlands B.V., Kunshen Electronic Trading (Shanghai) Co., Ltd., Shanghai Shuocai Information Technology Co.,Ltd.: Responsible for the sales and maintenance of hardware or software of industrial computers for local or individual projects.
   (3) Toprich Co., Ltd.: Mainly responsible for the management of non-core business reinvestment.
   (4) Tiga Gaming Inc.: R&D and sales of POS software, and development, design and manufacturing of software and hardware for casino slot machines.
   (5) Cai Rui Trading (Shanghai) Co., Ltd.: Import & export and intermediary trade
   (6) Shanghai Liz International Trading Co., Ltd.: Technology development, consulting and services for industrial computers.
   (7) Firich Information Technologies PVT: Sales of lottery vending machines, and promotions and services of lottery business in India.
   (8) Xiang Ting Entertainment Co., Ltd.: Book publication, audio and tape publication, motion picture production. Operation and broadcasting production.

5. Information on directors, supervisors and presidents of affiliates

Date: December 31, 2023

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
Firich International Co., Ltd.	Director	Firich Enterprises Co., Ltd. Representative: Hsu, Ming-Che	68,376,541	100%
	Director	Firich Enterprises Co., Ltd. Representative: Hsu, Lu-Che	68,376,541	100%
	Director	Firich Enterprises Co., Ltd. Representative: Liu, Fu-Tsai	68,376,541	100%
Firich Korea Co., Ltd.	Director	Firich Enterprises Co., Ltd. Representative: Kwon Soon Ju	4,018,000	100%
	Director	Firich Enterprises Co., Ltd. Representative: Lai, Ying-Fu	4,018,000	100%
	Supervisor	Firich Enterprises Co., Ltd. Representative: Lee Geun Ho	4,018,000	100%
Firich USA Inc.	Director	Firich Enterprises Co., Ltd. Representative: Chu, Sheng-Fang	5,500,000	100%
Toprich Co., Ltd.	Chairman	Firich Enterprises Co., Ltd. Representative: Lai, Ying-Fu	10,800,000	100%
Firich(Hong Kong) International Co., Ltd.	Director	Firich International Co., Ltd. Representative: Hsu, Lu-Che	15,500,000	100%
	Director	Firich International Co., Ltd. Representative: Lai, Ying-Fu	15,500,000	100%
Kunshen Electronic Trade (Shanghai) Co., Ltd.	Chairman	Firich (Hong Kong) International Co., Ltd. Representative: Chu, Sheng-Fang	—	100%
Tiga Gaming Inc.	Chairman	Firich Enterprises Co., Ltd. Representative: Hsu, Ming-Che	13,952,121	53.00%
	Director	Liang, Wen-Yi	463,000	1.76%
	Director	Hsu, Shang-Yi	51,881	0.2%
	Director	Syncmold Enterprise Corp. Representative: Huang, Yi-Hsiang	1,332,132	5.06%
	Independent Director	Hu, Tung-Lai Hu	0	0%
	Independent Director	Yang, Ching-Hsiang	0	0%
	Independent Director	Peng, Hsiu-Juan	0	0%
Cai Rui Trading (Shanghai) Co., Ltd.	Chairman	Kunshen Electronic Trade (Shanghai) Co., Ltd. Representative: Hsu, Rong-Liang	—	100%
	Supervisor	Kunshen Electronic Trade (Shanghai) Co., Ltd. Representative: Li, Chan-Nan	—	100%
Shanghai Liz International Trading Co., Ltd.	Chairman	Li, Hsiao-Chun	—	100%
Firich Investment Ltd.	Director	Firich International Co., Ltd. Representative: Hsu, Ming-Che	51,700,000	100%
	Director	Firich International Co., Ltd. Representative: Lai, Ying-Fu	51,700,000	100%
Firich Information Technologies PVT	Director	I.S.Gandhi	0	0%
	Director	Ying-Fu Lai	0	0%
	Director	Sun, Yang-Hsien	0	0%

Company Name	Title	Name or Representative	Shareholding	
			Shares	%
Firich UK Co., Ltd.	Chairman	Firich Enterprises Co., Ltd. Representative: Chu, Sheng-Fang	825,000	82.5%
	Director	Firich Enterprises Co., Ltd. Representative: Hsu, Hsuan-Ni	825,000	82.5%
	Director	SALIB, Emad Habib	175,000	17.5%
AKAM Group B.V.	Director	Firich Enterprises Co., Ltd. Representative: Chu, Sheng-Fang	18,000	100%
	Director	Firich Enterprises Co., Ltd. Representative: Lai, Ying-Fu	18,000	100%
AKAM Belgium BVBA	Director	AKAM Group B.V. Representative: P.Duin	20,200	99.00%
	Director	AKAM Netherlands B.V. Representative: P.Duin	205	1.00%
AKAM Netherlands B.V.	Director	AKAM Group B.V. Representative: J. van de Klift	18,000	100.00%
Shanghai Shuocai Information Technology Co.,Ltd.	Director	Tiga Gaming Inc. Representative: Hsu, Ming-Che	-	0%
Link Triumph Co., Ltd.	Director	Ying-Fu Lai	-	0%
	Director	Fu-Tsai Liu	-	0%
Xiang Ting Entertainment Co., Ltd.	Chairman	Liang, Wen-Yi	100,000	100.00%

6. Operating status of affiliates

Unit: NTD thousand

Company Name	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Net operating income	Net income after tax of the current period	EPS (LPS) (NT$)
Firich International Co., Ltd.	2,078,089	1,491,286	199,583	1,291,703	-	(9,899)	(339,972)	(4.97)
Firich Korea Co., Ltd.	491,691	671,706	117,437	554,269	375,457	(14,058)	(22,191)	(5.52)
Firich USA Inc.	168,493	55,142	31,528	23,614	45,282	(17,833)	(17,963)	(3.27)
Firich UK Co.,Ltd.	39,808	108,821	64,812	44,009	115,302	4,675	3,429	3.43
AKAM GROUP B.V.	589	160,502	30,905	129,597	18,302	458	21,938	1,218.78
Toprich Co., Ltd.	108,000	46,911	153	46,758	-	(1,496)	681	0.06
Tiga Gaming Inc.	263,240	136,578	36,875	99,703	94,789	25,613	22,977	0.87
Xiang Ting Entertainment Co., Ltd.	1,000	1,000	-	1,000	-	-	-	-
Firich (Hong Kong) International Co., Ltd.	475,928	288,811	-	288,811	-	-	68,571	4.42
Firich Investment Ltd.	1,587,449	918,862	199,583	719,279	-	(853)	(371,796)	(7.19)
Cai Rui Trading (Shanghai) Co., Ltd.	173,080	85,256	4,198	81,058	17,078	(6,150)	(4,012)	NA
Kunshen Electronic Trade (Shanghai) Co., Ltd.	513,452	465,300	176,489	288,811	119,661	(105,760)	68,571	NA
Shanghai Liz International Trading Co., Ltd.	43,703	134,905	5,076	129,829	-	(403)	10,592	NA
Shanghai Shuocai Information Technology Co.,Ltd.	25,962	11,632	6,597	5,035	15,576	(11,025)	(10,368)	NA
Firich Information Technologies PVT	30,105	20,556	125	20,431	-	(150)	(150)	(0.02)
AKAM Netherlands B.V.	612	247,399	120,056	127,343	367,545	28,428	21,560	1,197.78
AKAM Belgium BVBA	693	3,029	2,355	674	10,224	(1,088)	(1,024)	(50.69)
Link Triumph Co., Ltd.	4,691	9	-	9	-	-	(290)	NA

Note 1: No shares are issued as it is a limited company.

(II) Consolidated financial statements of affiliates: Please refer to p. 91.

(III) Affiliation report: None.

II. Private placement in the most recent fiscal year and up to the date of publication of the annual report: None.

III. Holding or disposal of shares in the company by the company's subsidiaries during the most recent fiscal year and up to the date of publication of the annual report: None.

IV. Other matters that require additional description: None.

V. Events with material impacts on equity or stock price as specified in item 2, paragraph 3, Article 36 of the Securities and Exchange Act in the most recent fiscal year and up to the date of publication of the annual report: None.

Firich Enterprises Co., Ltd.

Chairman: Hsu Ming-Che