Stock Code：3050

U-TECH Media Corporation

2023 Annual Report

Printed on Mar 31, 2024

Website: http://www.utechmedia.com.tw/

Market Observation Post System: https://mops.twse.com.tw

Notice to readers

This English-version annual report is a summary translation of theChinese version and is not an official document of the shareholders' meeting. If there is any discrepancy between the English and Chinese versions, the Chinese version shall prevail.

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VI. Website:http://www.utechmedia.com.tw/

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I. Letter To Shareholders

1.1 Business Report:

We hereby present the annual business report for the company's operations in Year 2023:

(1) Implementation results of the business plan:
Total consolidated operating revenue for the year: NT$ 1,136,435 thousand
Operating gross profit: NT$442,327 thousand
Net income for the period: NT$90,045 thousand
Net income attributable to stockholders of the parent: NT$72,497 thousand

(2) Financial income and profitability analysis::

1. Financial income::
Net income for the period: NT$90,045 thousand
Net income attributable to stockholders of the parent: NT$72,497 thousand
Net cash provided by operating activities for the year: NT$325,968 thousand
Net cash used in investing activities for the year: (NT$3,718) thousand
Net cash used in financing activities for the year: (NT$232,355) thousand
Increase in cash and cash equivalents for the period: NT$89,895 thousand
Cash and cash equivalents at the end of the period: NT$1,181,233 thousand
2. Profitability analysis: Please refer to page 66 of this Annual Report for details.

(3) Research and Development Status: Please refer to page 52 of this Annual Report for details.

1.2 Summary of Business Plan 2023:

(1) Business Direction:

1. Discs Industry:
(1) Deepen and widen the existing production lines, maintain the current capacity to sustain the profitability and increase operational efficiency.
(2) Maintain the existing achievements while developing the main product's accessories in order to enhance the product value and profitability.
(3) Focus on exploring higher order volume for blu-ray products.
2. Cultural and Creative Industry:
(1) Concentrate on developing event business at Brickyard 33 3/1 and Old Town.
(2) Supervise the development of Japanese Historical Cultural and Creative Park (Nishiki)
(3) Take initiative to capture expansion opportunities for creative and diversified food and beverage business. Enhance the steady growth of chain shop business returns.
3. Energy Industry:
(1) Continuously expanding/purchasing production facilities.
(2) Developing new business models.
(3) Layout the markets, resource integration, and stabilize existing investment returns.
4. Business Management:
(1) Take steady development approach, enhance efficiency on sectors such as production, financial, organizational, procurement etc.
(2) Improve cost management to increase competitiveness.
(3) Provide a friendly working environment and career development opportunity in order to fulfil corporate social liability.

(2) Sales forecast:

1. The 4 main directions for disc industry illustrated below according to their importance.
(1) Cost forecast according to the overall economic development, industry condition, foreign exchange, and interest rate.
(2) The development of the existing client structure and market share
(3) The statistic of the professional market research institutions regarding the pre-recorded disc in the global market.
(4) Objective anticipation
2. For cultural and creative industry and energy industry, the forecast and evaluation based on the factors of products, scale in the region, progress of the construction contracts, organizational objectives, external environment and policy.

(3) Major Policies for Production and Sales:

Taking care of social responsibilities, customer satisfactory and product quality are our upholding principle.

Sales:

1. Media products CD, DVD and BD: provide integrated services from compressing, formation and packaging. Deepen and widen the pre-recorded products as well as providing all rounded solution

based on the Company's well-established foundation to create business opportunity for non-disc products.
2. Distributed power plant management experts to offer all rounded solar power plant facility solution to clients in order to progress sustainable development goals.
3. Provide diversified cultural and creative leisure venue, holding values of "public nature", "professionalism" and "diversification".

Production:

1. Change business approach from production orientation to client orientation. Not only minimize cost but also maintain rapid response to clients' needs, good quality control, enhance production automatic and efficiency.
2. Fulfill the social responsibility: ensure environmentally friendly production, provide a safe working place and labor rights are well protected.

1.3 Development Strategy and Impact from Competition, Regulations and Overall Business Environment:

(1) Competition:

Consumption pattern shifted in post-pandemic era. Digital media products have largely replaced traditional products as physical pre-recorded products are under pressure of increased raw material cost, logistic cost, labor cost and foreign exchange fluctuation, forcing many competitors out of the market. In view of tackling the problems, the Company had responded swiftly in advance to maintain the quality control, reflect the cost onto the product price and being more competitive against its rivals. In addition, the development of cultural and creative industries is often limited to the attributes, acquisition conditions, and market potential of revitalization projects, resulting in longer development schedules. Creativity and diverse dining options which trend conformity, convenience, and meet consumer demands are considerations in product development. In recent years, there has been an impact from the pandemic. External factors affecting the renewable energy industry are influenced by government energy policies, site acquisition, and the widespread adoption of product prices. Solar power plants are also affected by the scale of factors such as whether the maintenance system is well-established and the investment in new plants. The company continues to improve in these areas.

(2) Environmental Policy:

The production and operation costs have not been eased by environmental policies while responsibilities become harsher. The main issues for the products are (1) intellectual property adherence and protection, (2) product technology licence fees (some is due), (3) Regulations regarding food safety, and 4) regulations regarding energy etc. Main issues for operation are (1) regulations regarding labor force, (2) environmental policy, (3) regulations regarding occupational health and safety, and (4) corporate social liabilities, ethical governance and sustainable development etc. As a public listed company, the Company has obligation to follow the above-mentioned matters and implement internal control, ethical governance as well as fulfilling corporate social responsibilities in order to achieve sustainable development.

(3) Overall Business Environment:

According to Taiwan Economic Forecast 2024 published by National Academy of Taiwan, In 2024, global economic downside risks have increased, with weaker growth performance seen in China, Japan, India, and the United States compared to 2023. Taiwan and South Korea are expected to outperform their 2023 levels. Economies of export-oriented countries are rebounding from the trough, with inflation easing in most countries. The global inflation rate was around 5.60% in 2023, dropping to approximately 4.60% in 2024, with Taiwan's inflation projected to remain below 2.0% in 2024 and 2025. Due to the slowdown in global economic growth, most countries are shifting their monetary policies towards easing (interest rate cute), leading to short-term inflationary data fluctuations. The US dollar index fluctuates, with the Federal Reserve cutting interest rates in the medium to long term and the Bank of Japan (BOJ) withdrawing from negative interest rates. Asian currencies are expected to appreciate. Additionally, geopolitical events (such as the Red Sea incident), oil prices, and inflation trends may experience volatility. Looking ahead to 2024, as inflation and monetary policies loosen, consumer momentum is expected to continue to rise. However, uncertainties in geopolitical developments could still impact foreign trade and investment in Taiwan.

Due to factors such as competition in the industry environment, regulatory constraints, rising operational costs, and overall economic conditions, it is imperative for the company to adhere to its operational policies and proceed with caution in executing its strategies. Facing future developments, enterprises should closely integrate digital information with development strategies, continuously strengthen the integration of supply chains, finances, and sustainable operations, in order to adapt to the constantly changing market environment.

II. Company Profile

2.1 Date of Incorporation: May 19, 1994

2.2 Company History

1994/05	The former name of the Company, Wei Ding Technology Co., Ltd., was established at Da'an District in Taipei City with paid-in capital NT$10,000,000. The main businesses of the company were computing information system design, computing technology consultation, sales of software, hardware and its components, research and development, distribution and trading, trading of electric sound equipment and its components, and distribution, quoting prices and tendering projects.
1995/07	Financed NT$20,000,000 by a carried-out cash capital increase. The business extended to disc, videotape, production of pre-recorded disc, publication and sales.
1999/02	Changed the name to U-Tech Media Co., Ltd. Further expanded the business to plastic daily necessity production, data storage and processing facility production, electronic components production, clerical machinery equipment wholesale, electronic material wholesale, electric goods wholesale, software service, general advertising, rental business, printing, clerical machinery equipment production, domestic product production, software wholesale, clerical machinery equipment retail, general equipment production, plastic material retail, software retail, toy and entertainment products wholesale and retail, electric goods retail, information processing services, electronic information supply services, magazine publishing, book publishing, audio publishing, packaging material wholesale and retail and plant leasing.
1999/04	Financed NT$69,900,000 by a carried-out cash capital increase. The capital amount increased to NT$199,900,000
1999/06	Hwa Ya Factory in Linkou started to construct
1999/08	Joined DVD Forum
1999/09	Joined DVD Club
1999/10	Securities and Futures Management Committee of Ministry of Finance approved the Initial Public Offering application
1999/12	Financed NT$500,100,000 by a carried-out cash capital increase. Paid-in capital adjusted to NT$700,000,000 Obtained the land of Hwa Ya Factory
2000/03	Hwa Ya Factory's construction completed
2000/05	Certified to ISO 9002
2000/08	Financed NT$500,000,000 by a carried-out cash capital increase. Paid-in capital adjusted to NT$1,200,000,000
2000/09	Obtained CSS license
2001/03	Official visit of Alamedaca Government of Silicon Valley, U.S.A.
2001/08	Applied for DVD Forum B Grade and subsequently obtained the grade by the end of the same year.
2001/08	Invented substitute material for silver ally for DVD 9 layers
2001/09	Capital increase out of earnings NT$139,957,800, paid-in capital adjusted to NT$1,339,957,800.
2001/10	Certified to ISO 9001:2000 for research and development quality management system
2001/10	"Multi-Channel Hi-Fi DVD-Audio Invention Project" approved by Industrial Bureau of Ministry of Economic Affairs
2002/02	Awarded Times Elite Award
2002/06	Certified to ISO 1400
2002/08	The first Asian manufacturer certified by International Recording Media Association for its anti-piracy program
2002/10	Publicly listed on Stock Exchange
2002/11	Capital increase out of earnings NT$170,042,200, paid-in capital adjusted to NT$510,000,000
2003/01	The application of the yellow mere type leads, which penetrates the mirror surface of stampers, is approved by The Economic Department Industrial Office in 2003/01
2003/03	U-Tech Australia factory established

2003/07	The Application of "development of electrochemical medical detection platform in SARS detection" is passed in the Economic Department in 2003/07
2003/07	Capital increase out of earnings NT$200,350,000, paid-in capital adjusted to NT$1,713,500,000
2003/11	South Korea factory established
2003/12	"Microstructural Mold Insert Technology" patented in Taiwan
2004/01	Certified to ISO14001:1996 for environmental management system
2004/01	Certified to OHSAS18001:1999 Occupational Health and Safety Assessment Series
2004/02	Issuance of convertible bond NT$121,126,010. Paid-in capital adjusted to NT$1,834,626,010
2004/03	U-Tech becomes Green Partner of Sony
2004/05	Issuance of convertible bond NT$5,246,380. Paid-in capital adjusted to NT$1,839,872,390.
2004/07	Capital increase out of earnings NT$244,081,300, paid-in capital adjusted to NT$2,083,953,690.
2004/12	Awarded Health and Safety Model Award 2004 from Bureau of Industry, Ministry of Economic Affairs
2005/02	Allied with Harper Entertainment Distribution Services in Australia
2005/04	Tokyo Office established for DVD pre-recording business
2005/10	In respond to the global market development, the Company restructured to three divisions: Global production responsible by Chairman Zhang, Zhao Fen, Global Marketing responsible by General Manager Lo, Yi Fu, Corporate Services Center responsible by General Manager Guan, Zheng Zhong
2005/10	Appointed by Council of Labor Affairs of the Executive Yuan to be the Health and Safety Consultation Station
2005/11	Awarded Smoking Free Working Place Award from Department of Public Health of Taoyuan County
2005/11	Awarded Excellent Manufacturer of Clean Production from Bureau of Industry, Ministry of Economic Affairs
2005/11	Capital increase out of earnings NT$208,772,670. Paid-in capital adjusted to NT$2,292,726,36
2005/12	Awarded National Tobacco Hazards Prevention 3 Years Achievement for Working Place Award
2005/12	Awarded "Smoking Free Working Place 2005"from National Health Service, Department of Health, Executive Yuan
2006/01	Tokyo Office became a subsidiary
2006/01	For succession planning, Global Production succeed by General Manager Guan, Zheng Zhong and Corporate Services Center succeed by Assistant General Manager Yan, Fu Quan
2006/03	Certified by International Council of Toy Industries (ICTI) to be the first certified pre-recording media disc manufacturer
2006/11	Established production stations in Los Angeles (USA), San Jose (USA), Nashville of Tennessee (USA), Guadalajara (Mexico), Cheongju (South Korea) and Sydney (Australia), as well as allied with Dyntec in Thailand
2007/07	Carried out treasury stock cancellation NT$58,500,000. Paid-in capital adjusted to NT$2,234,226,360
2007/08	Private placed common stock of NT$96,000,000. Paid-in capital adjusted to NT$2,330,226,360
2007/12	Merged the factories in Los Angels and San Jose and relocate to Milpitas of California to strengthen management and business development
2008/02	Chairman Zhang, Zhao Fen took over Guan, Zheng Zhong's duty due to his resignation
2008/04	Certified to OHSAS18001:2007
2008/11	The Board of Directors resolved to cease the operation of U-Tech Media Australia Pty Ltd.
2008/11	U-Tech passed the Verification Test of the BD first product model
2008/12	Carried out treasury stock cancellation of NT$129,450,000. Paid-in capital adjusted to NT$2,200,776,360
2009/04	U-TECH passed the verification of 50GB Dual Layer Blu-ray Disc from Blu-ray Disc Association (BDA), becoming the first Asian manufacturer who got certified
2009/05	Obtained patent for "Metal Shadow Mask" (China)
2009/11	Employee stock option of NT$9,340,000. Paid-in capital adjusted to NT$2,210,116,360

2009/11	Awarded “5 Stars Labor Health and Safety Excellent Unit 2008”from Council of Labor Affairs
2010/02	Issuance of employee stock option of NT$1,235,000. Paid-in capital adjusted to NT$2,211,351,360
2010/02	Certified to TOSHMS: 2007 Taiwan Occupational Safety and Health Management System Verification (TOSHMS)
2010/03	Certified to ISO 9001: 2008 quality management systems
2010/04	Participated in ”Never too late to be Green” project and take the lead in the industry to launch green discs and Poly Lactic Acid (PLA) paper packaging products
2010/05	Employee stock option of NT$1,722,500. Paid-in capital adjusted to NT$2,213,073,860
2010/06	Obtained patents for “3D Pattern on Structural Surface” and “Matt Structural Surface with Sense of Touch Pattern”
2010/07	Employee stock option of NT$1,102,500. Paid-in capital adjusted to NT$2,214,476,360
2010/10	Certified to Sony Green Partner
2010/11	Employee stock option of NT$910,000. Paid-in capital adjusted to NT$2,215,386,360
2010/12	Authenticated by Content Delivery and Security Association (CDSA)
2011/02	Employee stock option of NT$975,000. Paid-in capital adjusted to NT$2,216,361,360
2012/01	Carried out treasury stock cancellation of NT$50,000,000. Paid-in capital adjusted to NT$2,166,551,360
2012/03	U-Tech Media USA,LLC ceased operation due to unprofitable
2013/01	Carried out treasury stock cancellation of NT$100,000,000. Paid-in capital adjusted to NT$2,066,551,360
2013/08	Carried out treasury stock cancellation of NT$90,000,000. Paid-in capital adjusted to NT$1,976,551,360
2013/12	U-Tech Media USA,LLC liquidation completed
2014/01	Carried out treasury stock cancellation of NT$80,000,000. Paid-in capital adjusted to NT$1,896,551,360
2014/05	Bright Service Ltd. liquidation completed
2014/05	Carried out treasury stock cancellation of NT$32,150,000. Paid-in capital adjusted to NT$1,862,401,360
2014/06	Reinvestment to establish Zhao Fu Construction Development Co., Ltd.
2014/11	Carried out treasury stock cancellation of NT$81,730,000. Paid-in capital adjusted to NT$1,780,671,360
2015/04	Changed the Chinese Name of reinvestment company Dollars Investment Company Limited from Yu De Investment Co., Ltd. to Dollars Co., Ltd.
2015/07	Carried out treasury stock cancellation of NT$100,000,000. Paid-in capital adjusted to NT$1,680,671,360
2015/10	Subsidiary U-Tech Media Korea Co., Ltd. completed capital reduction registration
2015/11	Carried out treasury stock cancellation of NT$70,000,000. Paid-in capital adjusted to NT$1,610,671,360
2015/12	Carried out treasury stock cancellation of NT$90,000,000. Paid-in capital adjusted to NT$1,520,671,360
2016/08	Subsidiary Dollars Investment Co., Ltd. renamed to Dollars Cultural & CreativeCo., Ltd.
2016/09	Subsidiary Zhao Fu Construction Development Co., Ltd. renamed to Chao Fu Co., Ltd.
2017/01	Opening of “Brick Yard 33 1/3 American Soldier Club”
2017/03	Subsidiary Chao Fu Co., Ltd. carried out cash capital increase of NT$4,000,000. Paid-up capital adjusted to NT$5,000,000
2017/07	Carried out treasury stock cancellation of NT$60,826,860. Paid-in capital adjusted to NT$1,459,844,500
2017/11	Chairman Mr. Zhang, Zhao Fen retired. Mr. Yeh, Chwei-Jing elected to be the Chairman of the Company
2018/08	Subsidiary Dollars Cultural & CreativeCo., Ltd. carried out cash capital increase of NT$25,000,000. Paid-in capital adjusted to NT$112,573,430
2018/09	Subsidiary Crystal Investment Services Ltd. completed liquidation
2018/10	Became a shareholder of Formosa Sun Energy Corp.
2019/09	Subsidiary Formosa Sun Energy Corp. completed acquisition of Ritfast Corp. and restructured the company.

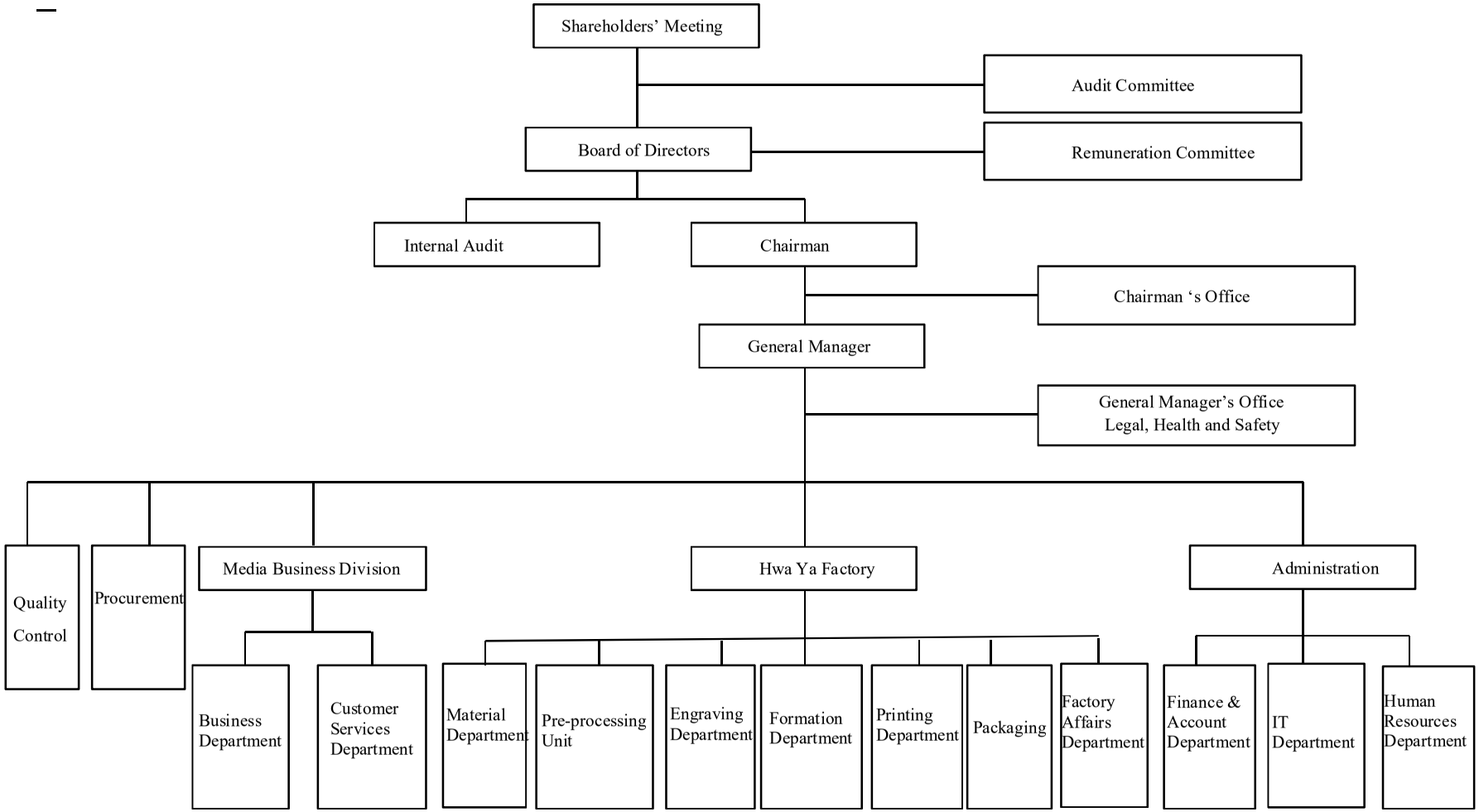
2019/10	Obtained 2,000,000 shares of Ricare Corporation
2019/11	Subsidiary U-Tech Media Korea Co., Ltd. carried out capital reduction of 323,730 shares
2020/02	Certified to ISO45001: 2018
2020/06	Subsidiary Glory Days Services Ltd. and Jade Investment Services Ltd. carried out capital reduction, each reduced 10,000,000 shares respectively.
2020/06	Opening of Jennifer's Kitchen
2020/11	Spokesperson and Head of Accounting Mr.Yan, Fu Quan retired. General Manager Mr. Lo, Yi Fu succeeded as Spokesperson and Ms. Lai, Shu Ping succeeded as Head of Accounting
2021/08	Subsidiary Dollars Cultural & CreativeCo., Ltd. reinvested to establish ShokuRaku Corporation
2021/09	Subsidiary Dollars Cultural & CreativeCo., Ltd. reinvested to obtain part of the shareholding of Ikari Coffee Co., Ltd.
2021/11	Subsidiary U-Tech Media Korea Co., Ltd. completed liquidation
2022/03	Certified to ISO45001:2018, ISO9001:2015 and ISO14001:2015
2022/06	Reinvested to establish Shine Services Inc.
2022/11	Subsidiary Dollars Cultural & CreativeCo., Ltd. reinvested to establish Jingle Hot Pot Co., Ltd.
2023/4	Subsidiary Dollars Cultural & CreativeCo., Ltd. reinvested to establish Foodspace Co., Ltd.
2024/2	Handle share exchange and issue new shares of NT$90,000,000. Paid-in capital adjusted to NT$1,549,844,500.

III.Corporate Governance Report

3.1 Organization

3.1.1 Organizational Chart

U-Tech Media Company Limited Organizational Chart



3.1.2 Major Corporate Functions

Department	Function
Chairman's office	1. Business strategic planning and implementation 2. Formulate policies, monitoring objectives progress and supervise projects 3. Handle issues regarding Board of Directors, Shareholders' Meeting, directors and supervisors, chairman, major shareholders, juridical persons and VIPs.
Internal Audit	1. Plan and implement annual internal audit. Prepare internal audit report and offer advices to rectify the deficiencies. 2. Assess the effectiveness of the internal control system, identify and rectify the deficiencies.
General Manager's Office	1. Formulate mid to long term strategic planning. 2. Monitor and manage departments' operation plans and objective achievement. 3. Construct market information collection system, formulate market and product strategies. 4. Manage and coordinate the operation of the subsidiaries 5. Plan the organizational structure, formulate policies of promotion, rewards and punishments, educational training etc. 6. Maintain good relationships with overseas peer companies in pre-recording industry for production capacity co-operation. 7. Planning the education programs for occupational health and safety and environmental protection. 8. Resolve legal issues.
Media Business Division	1. Implement and coordinate various business units' products. Handle account servicing for re-purchase and manage import and export affairs. 2. Set business plan, sales targets, and formulate market product tactics. 3. Provide quotation, handle orders, delivery, after sale service and complaints 4. Follow up on target achievement, order completion and accounts receivable status. 5. Order management and coordination
Hwa Ya Factory	1. Formulate production plan, capacity plan, production and sales coordination, production standards, and manage and implement quality control 2. Formulate production strategies 3. Formulate and implement budget plan and production objectives for Hwa Ya Factory 4. Facilitate to write and review production plan 5. Identify and rectify material deficiencies during production process. 6. Improve production projects 7. Supervise project implementation 8. Important raw materials evaluation and access control
Quality Control Department	1. Responsible to implement quality control and coordinate quality control warranty integration. 2. Formulate quality control system and quality control plan. 3. Carry out training, improvement and implementation programs to achieve quality control standardization. 4. Raw materials inspection and handle product defects with suppliers. 5. Write and review finished product quality. 6. Analysis deficiencies found in production procedure. Feedback to the relevant units, carry out inspection, and handle clients' complaints. 7. Rectify deficiency and carry out follow-up inspection 8. Formulate regular equipment examination
Procurement Department	1. Responsible to plan, implement, review, control and improve procurement works 2. Purchase raw materials, materials, equipment, spare parts. Invite tenders and quotations, compare prices and negotiate contract conditions for maintenance works. 3. Search and select suppliers as well as manage, evaluate and review their performance 4. Purchase and sale of raw materials and spare parts for subsidiaries. 5. Sales of idling raw materials, assets, equipment, consumable materials
Administration	1. Formulate long-term development of the administrative management events 2. Manage the operation of finance and account, IT, human resources. Sustainable improvement of the Company's management system 3. Formulate organizational structure, staffing structure and development plan pursuant

Department	Function
	to the Company's policies. 4. Manage affiliated companies

3.2 Directors, Supervisors and Management Team

3.2.1 Directors and Supervisors

3.2.1.1 Directors and Supervisors

April 16, 2024

Title	Nationality/ Pace of Incorporation	Name	Gender	Date Elected	Term (Years)	Date First Elected	Shares Held when Elected		Current Shares Held		Spouse & Minor Shares Held		Shares Held by Nominee Arrangement		Experience（Education）	Other Position	Executives, Directors or Supervisors Who are Spouses or within Two Degrees of Kinship		
							Shares	%	Shares	%	Shares	%	Shares	%			Title	Name	Relationship
Director	R.O.C.	U-Tech Media Co., Ltd. Representative:		2021/8/18	3 Years	1994/5/19	32,489,319	22.26%	32,489,319	20.96%	0	0	0	0	—				
	R.O.C.	Yeh, Chwei-Jing	M 61~70	2021/8/18	3 Years	2017/11/7	0	0	769,346	0.50%	100,000	0.06%	0	0	Ritek Corporation Chairman and Chief Executive Officer Master, Stevens Institute of Technolog	Note 1	Director Director	Yang, Wei-Fen Yeh, Chwei-Sheng	Spouse Sibling
	R.O.C.	Yeh, Chwei-Sheng	M 61~70	2021/8/18	3 Years	2002/4/19	0	0	5,040	0.00%	607,029	0.39%	0	0	U-Tech Media Co., Ltd. Vice-Chairman Tunghai University Chemical Engineering and Material Engineering	Note 2	Director Director	Yeh, Chwei-Jing Yang, Wei-Fen	Sibling In-Laws
	R.O.C.	Pan, Yen-Min	M 51~60	2021/8/18	3 Years	2016/2/17	0	0	0	0	0	0	0	0	Ritek Corporation Assistant General Manager Master of Economics, Chinese Culture University	Note 3	None	None	None
Director	R.O.C.	Yang, Wei-Fen	F 51~60	2021/8/18	3 Years	2003/6/17	0	0	100,000	0.06%	769,346	0.50%	0	0	Ritek Corporation Vice-President Master of Operational Management, Business School, National Chengchi University	Note 4	Director Director	Yeh, Chwei-Jing Yeh, Chwei-Sheng	Spouse In-Laws
Independent Director	R.O.C.	Li, Ching-Wen	F 51~60	2021/8/18	3 Years	2015/6/24	0	0	0	0	0	0	0	0	Silks Place Southern Region Vice-President and Tainan Silks Place Hotel General Manager PhD of Business Administration, Macau University of Science and Technology	Note 5	None	None	None
Independent Director	R.O.C.	Wu, Jung-Sheng	M 61~70	2021/8/18	3 Years	2015/6/24	0	0	0	0	0	0	0	0	Standard Chartered Vice-President Bachelor Degree of Corporate Management, Feng Chia University	Note 6	None	None	None
Independent Director	R.O.C.	Hong, Shun-Cing	M 61~70	2021/8/18	3 Years	2021/8/18	0	0	0	0	0	0	0	0	PhD of Marketing, Northwestern University Master of Corporate Management, National Chengchi University, Adjunct Professor of Corporate Management School, National Chengchi University	Note 7	None	None	None

Note1: Also serves as the Corporate Chairman's Representative of the Company, Chairman Executive Officer of Ritek Corporation,Corporate Chairman's Representative and General Manager of Zhong Fu Investment Co., Ltd., Corporate Chairman's Representative and General Manager of Zhong Yuan International Start-Up Investment Co., Ltd., Director of I-Chiun Precision Industry Co., Ltd., Director of Keynes Investment Co., Ltd., Corporate Chairman's Representative of AimCore Technology Co., Ltd., Chairman of PVNext Corporation, Chairman of RiTdisplay Corporation, Chairman of RitFast Corporation, Corporate Chairman's Representative and General Manager of RitEdia Corporation, Corporate Chairman's Representative of RitWin Corporation, Director of Yu Sheng Investment Development Co., Ltd., Corporate Chairman's Representative of Welltech Energy Inc., Corporate Director's Representative of Dingsheng Investment Co., Ltd.,Corporate Chairman's Representative and General Manager of Ritek Group Inc. (Cayman), Corporate Chairman's Representative and General Manager of Score High Group Ltd. (B.V.I.), Corporate Chairman's Representative and General Manager of Max Online Ltd., Corporate Director's Representative of RIC Corp. Ltd. (Vietnam), Corporate Director's Representative of Armor Investment Group Corp, Corporate Chairman's Representative and General Manager of Kingdom Wealth Investment Ltd(B.V.I).

Note 2: Also serves as the Company's Corporate Director's Representative and Vic-Chairman, Corporate Chairman's Representative of Chao Fu Co., Ltd., Corporate.

Note 3: Also serves as the Company's Corporate Director's Representative, Assistant General Manager of Ritek Corporation, Corporate Chairman's Representative

and General Manager of Li Lai Optoelectronics Technology (Yang Zhou) Co., Ltd., Corporate Chairman's Representative of Kun Shan Hu Lai Optoelectronics Technology Co., Ltd., Corporate Director's Representative of RiTdisplay Corporation, Corporate Director's Representative of O-View Technology Co., Ltd., Independent Director and member of Audit Committee and Remuneration Committee of Yield Microelectronics Corporation, Supervisor of Finesil Technology Inc., Corporate Director's Representative of RitFast Corporation, Corporate Director's Representative of AimCore Technology Co., Ltd., Corporate Director's Representative of An Ke Optoelectronics Yang Zhou Co., Ltd., Corporate Director's Representative of Procrit Corporation, Supervisor of Ricare Corporation, , Supervisor of PVNext Corporation ,Corporate Director's Representative of Formosa Sun Energy Corp., Corporate Director's Representative of Jhen Jhuan Co., Ltd., Supervisor of WellTech Energy Inc., and Supervisor of RitWin Corporation.

Note 4: Also serves as the Company's executive director, Director and Deputy Executive Officer of Riteck Corporation, Chairman of Keynes Investment Co., Ltd., Chairman of Yu Sheng Investment Development Co., Ltd., Chairman of Ritek Foundation, Corporate Director's Representative of Ricare Corporation, Corporate Chairman of Lai Gongchang, Corporate Director's Representative of Hakuyukai Group, Corporate Director's Representative of Meng Zhi Hu Co., Ltd., Corporate Chairman's Representative of Dollars Cultural & CreativeCo., Ltd.,, Ltd., Corporate Director's Representative of RiTdisplay Corporation, Corporate Chairman of Hsin Pao Asset Company Co., Ltd., Chairman of Finesil Technology Inc., Corporate Director's Representative of BMB Venture Capital Investment Corporation, Corporate Director's Representative of Procrit Corporation, Corporate Director's Representative of AimCore Technology Co., Ltd., Corporate Director's Representative of An Ke Optoelectronics Yang Zhou Co., Ltd., Corporate Director's Representative of Zhong Yuan International Start-Up Investment Co., Ltd., Corporate Director's Representative of Li Lai Optoelectronics Technology (Yang Zhou) Co., Ltd., Corporate Chairman's Representative of Formosa Sun Energy Corp., Corporate Director's Representative of WellTech Energy Inc., Corporate Director's Representative of Ink Design Space Co., Ltd., Director of Dingsheng Investment Co., Ltd., Corporate Director's Representative of ART Management Ltd.(B.V.I.), Corporate Director's Representative of Jade Investment Services Ltd., Corporate Director's Representative of Glory Days Services Ltd. and Corporate Director's Representative of K.K. RicareJapan.

Note 5: Also serves as CHRO of Silks Place Hotel Group, Southern Region Vice-President and Tainan Silks Place Hotel General Manager, Professor of Hotel Management of Tainan University of Technology.

Note 6: Also serves as Independent Director and member of Audit Committee and Remuneration Committee of I Yuan Precision Industrial Co., Ltd., Director of Laster Tech Co., Ltd. and Independent Director and member of Audit Committee and Remuneration Committee of AimCore Technology Co., Ltd.

Note 7: Also serves as adjunct professor of Corporate Management of National Chengchi University and Independent Director and member of Audit Committee and Remuneration Committee of I-Chiun Precision ndustry Co., Ltd.,

3.2.1.2 Major shareholders of the institutional shareholders

As of April 26, 2024

Name	Major Shareholders	%
Ritek Corporation	Yeh, Chwei-Jing	1.54%
	Banque Pictet & Cie Sa	1.30%
	Vanguard Emerging Markets Stock Index Fund, A Series Of Vanguard International Equity Index Funds	1.27%
	Yang, Wei-Fen	1.25%
	Liao, Ying-Feng	1.18%
	Jpmorgan Chase Bank N.A., Taipei Branch In Custody For Vanguard Total International Stock Index Fund, A Series Of Vanguard Star Funds	1.18%
	Lgt Bank (Singapore) Ltd.	0.95%
	Lin, Ruei-Heng	0.88%
	Emerging Markets Core Equity Portfolio Of Dfa Investment Dimensions Group Inc.	0.71%
	Titan Multi-Asset Fund SPC	0.68%

Note:The top ten shareholders are the shareholders who held more than 10% of shareholding to the Company as of April 26, 2024 listed on Register of Shareholders before the suspension of share transfer.

3.2.1.3 Professional qualifications and independence analysis of directors and upervisors:

Criteria / Name	Professional Qualification and Experience	Independence Criteria	Number of Other Public Companies in Which the Individual is Concurrently Serving as an Independent Director
Yeh, Chwei-Jing	Mr. Yeh holds a master degree of Stevens Institute of Technology. He currently serves as the Company's Representative of the Corporate Chairman. He also serves as Chairman or director of numbers of public listed companies under the same group. Mr. Yeh is a veteran entrepreneur who has been working relentlessly in disc manufacturing industry in the past 36 years. He's also very experienced in commercial and financial affairs. Mr. Yeh is an outstanding leader with fabulous operational and strategic planning capability.	Not been a person of any conditions defined in Article 30 of the Company Law.	0
Yeh, Chwei-Sheng	Mr. Yeh graduated from Tunghai University Chemical Engineering and Material Engineering. He currently serves as the Vice-Chairman and was the Chairman of the Company's Australia subsidiary. Mr. Yeh has more than 5 years' experience on commercial, financial and relevant knowledge of the Company's business with international perspective.	Not been a person of any conditions defined in Article 30 of the Company Law.	0
Pan, Yen-Min	Mr. Pan holds a Master Degree of Economics from Chinese Culture University. He currently serves as the Company's Assistant General Manager and director of numbers of public listed companies. Mr. Pan has more than 5 years' experience on commercial and financial affairs and is specialized in corporate finance and account issues.	Not been a person of any conditions defined in Article 30 of the Company Law.	1
Yang, Wei-Fen	Ms. Yang holds a Master Degree of Operational Management from Business School of National Chengchi University. She currently serves as the Company's director and Deputy Executive Officer. She is also a director of numbers of public listed companies. Ms. Yang has more than 5 years' experience on commercial and financial affairs and is specialized in corporate finance and account issues.	Not been a person of any conditions defined in Article 30 of the Company Law.	0
Independent Director / Audit Committee Member Li, Ching-Wen	Ms. Li holds a PhD of Business Administration from Macau University of Science and Technology and currently serves as Vice-President of Silks Place Southern Region and General Manager of Tainan Silks Place Hotel. Ms. Li has more than 5 years' experience on commercial and financial affairs and is specialized in corporate finance and account issues.	Conditions regarding to independence status that apply to the directors or supervisors during the two years prior to being elected or during the term of office. 1. Not an employee of the company or any of its affiliates. 2. Not a director or supervisor of the company or any of its affiliates 3. Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking in the top 10 in holdings. 4. Not a spouse, relative within the second	0
Independent Director / Audit Committee Member Wu, Jung-Sheng	Mr. Wu holds a Bachelor Degree of Corporate Management from Feng Chia University and was served as Vice-President of Standard Chartered. Mr. Wu is also a director of numbers of public listed companies. He has more than 5 years' experience on commercial and financial affairs and is specialized in corporate finance and account issues.		2
Independent Director / Audit Committee Member	Mr. Hong holds a PhD of Marketing from Northwestern University and concurrently serves as an independent director for Le Yong Construction Co., Ltd. Mr. Hong is		1

Hong, Shun-Cing	also an Adjunct Professor of Corporate Management School in National Chengchi University. Mr. Hong has more than 5 years' experience on commercial and financial affairs and is specialized in marketing affairs.	degree of kinship, or lineal relative within the third degree of kinship, of a managerial officer under subparagraph 1 or any of the persons in the preceding two subparagraphs. 5. Not a director, supervisor, or employee of a corporate shareholder that directly holds five percent or more of the total number of issued shares of the company, or that ranks among the top five in shareholdings, or that designates its representative to serve as a director or supervisor of the company under Article 27, paragraph 1 or 2 of the Company Act. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. 6. If a majority of the company's director seats or voting shares and those of any other company are controlled by the same person: **not** a director, supervisor, or employee of that other company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. 7. If the chairperson, general manager, or person holding an equivalent position of the company and a person in any of those positions at another company or institution are the same person or are spouses: **not** a director (or governor), supervisor, or employee of that other company or institution. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent. 8. Not a director, supervisor, officer, or shareholder holding five percent or more of the shares, of a specified company or institution that has a financial or business relationship with the company. Not apply to independent directors appointed in accordance with the Act or the laws and regulations of the local country by, and concurrently serving as such at, a public company and its parent or subsidiary or a subsidiary of the same parent, if the specified company or institution holds 20 percent or more and no more than 50 percent of the total number of issued shares of the public company. 9. Not a professional individual who, or an owner, partner, director, supervisor, or officer of a sole proprietorship, partnership, company, or institution that, provides auditing services to the company or any affiliate of the company, or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation exceeding NT$500,000, or a spouse thereof; provided, this restriction does not apply to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Act or to the Business Mergers and	

		Acquisitions Act or related laws or regulations. 10. Not having a marital relationship, or a relative within the second degree of kinship to any other director of the Company. 11. Not been a person of any conditions defined in Article 30 of the Company Law. 12. Not a governmental, juridical person or its representative as defined in Article 27 of the Company Law.	

3.2.1.4 Diversification and Independence of Board of Directors:

The Board formed by 7 directors comprising of 3 experienced independent directors from various sectors. For the corporate's governance capability, the board members have the following abilities: (1) operational judgement ability, (2) accounting and financial analysis capability, (3) operation management capability, (4) crisis management capability, (5) knowledge of the industry, (6) international market perspective, (7) leadership, and (8) decision making capability. Three members are in the age range of 50-59 years old, three members are in the age range of 60-69 years old and four members independent directors have been serving in the Company for 9 years and one director for 3 years. The Company respects gender equality, the Board has two female directors out of seven members. The ratio for female director in the Board is 28%. Both of the female directors have satisfied the criterion of independence pursuant to relevant regulations (please refer to (1) Table of Information of Directors and Supervisors for details).

Diversification:

Item / Name	Gender	Operational Judgement and Management	Decision Making / Crisis Management	Relevant Knowledge / International Market Perspective	Finance and Account Analysis Capability
Yeh, Chwei-Jing	M	V	V	V	
Yeh, Chwei-Sheng	M	V	V	V	
Pan, Yen-Min	M	V	V		V
Yang, Wei-Fen	F		V	V	V
Li, Ching-Wen	F	V	V	V	V
Wu, Jung-Sheng	M	V	V		V
Hong, Shun-Cing	M	V		V	V

3.2.2 Management Team

As of April 16, 2024

Title	Nationality	Name	Gender	Date Elected	Shares Held		Shares Held by Spouse & Minor		Shares Held by Nominee Arrangement		Experience (Education)	Other Position	Managers who are Spouse or Within Two Degrees of Kinship			Remarks
					Share	%	Share	%	Share	%			Title	Name	Relationship	
Vice-Chairman	R.O.C.	Yeh, Chwei-Sheng	M	2011/3/22	5,040	0.00	607,029	0.39	0	0.00	Chemical Engineering and Material Engineering of Tunghai University	Note 1	None	None	None	
General Manager	R.O.C.	Lo, Yi-Fu	M	1999/06/23	64,960	0.04	0	0.00	0	0.00	Industrial Management of National Taiwan University of Science and Technology	Note 2	None	None	None	
Assistant General Manager	R.O.C.	Liao, Rong Zheng	M	2006/12/11	0	0.00	0	0.00	0	0.00	Master Degree of International Corporation from Curtin University of Technology	None	None	None	None	
Assistant Manager	R.O.C.	Lu, Zheng Xun	M	2014/1/30	0	0.00	0	0.00	0	0.00	Mechanical Engineering of Lunghwa University of Science and Technology	None	None	None	None	
Assistant Manger	R.O.C.	Lai, Shu Ping	F	2020/11/10	460	0.00	0	0.00	0	0.00	Accounting of School of Management in Ming Chuan University	Note 3	None	None	None	

Note 1: Also serves as Corporate Chairman's Representative of Chao Fu Co., Ltd.
Note 2: Also serves as Corporate Director's Representative of Glory Days Services Ltd., Corporate Director's Representative of Jade Investment Services Ltd., Corporate Director's Representative of Chao Fu Co., Ltd., Corporate Director's Representative of Formosa Sun Energy Corp.,
Note 3: Also serves as Corporate Director's Representative of Chao Fu Co., Ltd.

3.3 Remuneration of Directors, Independent Directors, Supervisors, General Manager and Assistant General Manager

3.3.1 Remuneration of Directors and Independent Directors

Unit: NT$ Thousands

Title	Name	Remuneration								Ratio of Total Remuneration (A+B+C+D) to Net Income (%)		Relevant Remuneration Received by Directors Who are Also Employees								Ratio of Total Compensation (A+B+C+D+E+F+G) to Net Income (%)		Remuneration from ventures other than subsidiaries or from the parent company
		Base Compensation (A) (Note 1)		Severance Pay (B)		Directors Compensation (C)		Allowances (D) (Note 2)				Salary, Bonuses, and Allowances (E) (Note 3)		Severance Pay (F)		Employee Compensation (G)						
																The Company		All Companies in the Consolidated Financial Statements				
		The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	The Company	All Companies in the Consolidated Financial Statements	Cash	Stock	Cash	Stock	The Company	Companies in the Consolidated Financial Statements	
Director	Ritek Corporation	1,500	1,500	0	0	3,819	3,819	576	576	8.13	8.13	6,614	6,914	108	108	456	0	0	0	1803	18.45	3,538
	Ritek Corporation Rep.:Yeh, Chwei-Jing																					
	Ritek Corporation Rep.: Yeh, Chwei-Sheng																					
	Ritek Corporation Rep.:Pan, Yen-Min																					
	Yang, Wei-Fen																					
Independ Director	Li, Ching-Wen																					
	Wu, Jung-Sheng																					
	Hong, Shun-Cing																					

1. The amounts of the remuneration are estimated amounts that pending for resolution in shareholders' meeting.
2. Please describe the policy, system, standard, and structure of remuneration to independent directors, and the correlation between duties, risk, and time input with the amount of remuneration:
3. In addition to the above remuneration, director remuneration shall be disclosed as follows when received from companies included in the consolidated financial statements in the most recent year to compensate directors for their services, such as being independent contractors: None

Note 1: Refers to directors' remuneration of salaries, duty allowances, severance pay, bonuses and incentives.

Note 2: Refers to operational expenses (including transport expenses, special disbursement, allowances, housing, company cars etc.)

Note 3: Refers to salaries, duty allowances, pension, severance pay, bonuses, incentives, transport expenses, special disbursement, allowances, housing, company cars etc. of directors who are also employed as an employee.

Range of Remuneration

Range of Remuneration	Name of Directors			
	Total of (A+B+C+D)		Total of (A+B+C+D+E+F+G)	
	The company	Companies in the consolidated financial statements (I)	The company	Companies in the consolidated financial statements (J)
Less than NT$ 1,000,000	Yeh, Chwei-Sheng, Pan, Yen-Min, Li, Ching-Wen, Wu, Jung-Sheng, Hong, Shun-Cing Yeh, Chwei-Jing, Yang, Wei-Fen	Yeh, Chwei-Sheng, Pan, Yen-Min, Li, Ching-Wen, Wu, Jung-Sheng, Hong, Shun-Cing Yeh, Chwei-Jing, Yang, Wei-Fen	Pan, Yen-Min, Li, Ching-Wen, Wu, Jung-Sheng, Hong, Shun-Cing	Pan, Yen-Min, Li, Ching-Wen, Wu, Jung-Sheng, Hong, Shun-Cing
NT$1,000,000 ~ NT$1,999,999	Ritek Corporation	Ritek Corporation	Ritek Corporation , Yeh, Chwei-Jing	Ritek Corporation , Yeh, Chwei-Jing
NT$2,000,000 ~ NT$3,499,999	0	0	Yang,Wei-Fen	Yang,Wei-Fen
NT$3,500,000 ~ NT$4,999,999	0	0	Yeh, Chwei-Sheng	Yeh, Chwei-Sheng
NT$5,000,000 ~ NT$9,999,999	0	0	0	0
NT$10,000,000 ~ NT$14,999,999	0	0	0	0
NT$15,000,000 ~ NT$29,999,999	0	0	0	0
NT$30,000,000 ~ NT$49,999,999	0	0	0	0
NT$50,000,000 ~ NT$99,999,999	0	0	0	0
Greater than or equal to NT$100,000,000	0	0	0	0
Total	8	8	8	8

3.3.2 Remuneration of Supervisor (The Company has established Audit Committee)

3.3.3 Remuneration of General Manager and Assistant General Manager

Unit: NT$ Thousands / Share

Title	Name	Salary (A) (Note 1)		Severance Pay (B) (Note 2)		Bonuses and Allowances (C) (Note 3)		Employee Compensation (D) (Note 4)				Ratio of Total Compensation (A+B+C+D) to Net Income (%)		Remuneration From Ventures Other Than Subsidiaries or from the Parent Company
		The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company	Companies in the Consolidated Financial Statements	The Company		Companies in the Consolidated Financial Statements		The Company	Companies in the Consolidated Financial Statements	
								Cash	Stock	Cash	Stock			
Executive Director	Yang, Wei-Fen	7, 284	7, 284	310	310	4, 417	4, 417	916	0	916	0	12, 925 17. 83%	12, 925 17. 83%	1, 390
Vice-Chairman	Yeh, Chwei-Sheng													
General Manager	Lo, Yi Fu													
Assistant General Manager	Liao, Rong Zheng													

Note 1: Refer to salaries, duty allowances and severance pay.

Note 2: The amount of pension is reserved contribution amount

Note 3: Refers to the remuneration of General Manager and Assistant General Manager including bonuses, incentives, transport expenses, special disbursement, allowances, housing, company cars etc. for 2022 fiscal year.

Note 4: Proposed figures

Range of Remuneration

Range of Remuneration	Name of General Manager and Assistant General Manager	
	The company	Companies in the Consolidated Financial Statements
Less than NT$ 1,000,000	0	0
NT$1,000,000 ~ NT$1,999,999	0	0
NT$2,000,000 ~ NT$3,499,999	Yang, Wei-Fen, Lo, Yi Fu, Liao, Rong Zheng	Yang, Wei-Fen, Lo, Yi Fu, Liao, Rong Zheng
NT$3,500,000 ~ NT$4,999,999	Yeh, Chwei-Sheng	Yeh, Chwei-Sheng
NT$5,000,000 ~ NT$9,999,999	0	0
NT$10,000,000 ~ NT$14,999,999	0	0

NT$15,000,000 ~ NT$29,999,999	0	0
NT$30,000,000 ~ NT$49,999,999	0	0
NT$50,000,000 ~ NT$99,999,999	0	0
Greater than or equal to NT$100,000,000	0	0
Total	4	4

3.3.4 Managerial officers with the top five highest remuneration amounts in a TWSE/TPEx-listed company: Not Applicable

3.3.5 The Distribution of the Remuneration:

As of March 31, 2024: Unit: NT$ Thousands

	Title	Name	Employee Compensation in Stock	Employee Compensation in Cash	Total	Ratio of Total Amount to Net Income (%)
Managerial Officers	Executive Directors	Yang, Wei-Fen	0	916	916	1.26%
	Vice Chairman	Yeh, Chwei-Sheng				
	President	Lo, Yi Fu				
	Vice President	Liao, Rong Zheng				

3.3.6 Comparison of Remuneration for Directors, Supervisors, President and Vice Presidents in the Most Recent Two Fiscal Years and Remuneration Policy for Directors, Supervisors, President and Vice Presidents

Unit: NT$ Thousands %

Year / Title	2023				2022			
	Total Remuneration Paid		Ratio of Total Remuneration Paid to Net Income (%)		Total Remuneration Paid		Ratio of Total Remuneration Paid to Net Income (%)	
	The Company	Companies in the Consolidated Financial Statements	The Company (%)	Companies in the Consolidated Financial Statements (%)	The Company	Companies in the Consolidated Financial Statements	The Company (%)	Companies in the Consolidated Financial Statements (%)
Directors	5,895	5,895	8.13	8.13	7,883	7,883	7.65	7.65
President & Vice President	12,927	12,927	17.83	17.83	11,376	11,376	11.04	11.04
Total	18,822	18,822	25.96	25.96	19,259	19,259	18.69	18.69

3.3.6.1 Remuneration for directors including director's remuneration of earnings distribution, income from professional practice. Transport expenses were paid in consideration of their board meeting attendance and the general pay levels in the industry. Director's remuneration of earnings distribution was paid pursuant to Article 32 of the Company's Articles of Incorporation, which stated that the remuneration shall not be more than 5% when there is profit. The Company shall also take into consideration of the evaluation of Board of Directors, the Company's business and financial performance, and the board member's contribution.

3.3.6.2 Remuneration of General Manager and Assistant Manager were paid according to "Compensation Management Methods", taken into account of the general pay levels in the industry, the professional qualification, the Company's business performance, contribution to the financial status and the future's potential risk. The remuneration was proposed by Remuneration Committee and approved by Board of Directors.

3.3.6.3The main consideration of the level of the remuneration were the Company's overall business performance, development of the industry, operational risk and the development trend, as well as the performance of the individuals and their contribution to the Company. Appraisal of the employees and the reasonableness of the remuneration were passed in the Remuneration Committee and Board of Directors. The Company reviews the remuneration system and relevant regulations from time to time in order to seek for the balance between sustainable development and risk control.

3.4 Implementation of Corporate Governance

3.4.1 Implementation of Corporate Governance

A total of 5 meetings of the Board of Directors were held in the most recent fiscal years. The attendance of directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%)【B/A】	Remarks
Chairman	U-Tech Corporation Representative: Yeh, Chwei-Jing	5	0	100	
Director	U-Tech Corporation Representative: Yeh, Chwei-Sheng	5	0	100	
Director	U-Tech Corporation Representative: Pan, Yen-Min	5	0	100	
Director	Yang, Wei-Fen	4	1	80	
Independent Director	Li, Ching-Wen	5	0	100	
Independent Director	Wu, Jung-Sheng	5	0	100	
Independent Director	Hong, Shun-Cing	5	0	100	

Other mentionable items:

1. Matters referred to in Article 14-3 of the Securities and Exchange Act: Please refer to Appendix 1 for details.
2. Recusal of Director to Avoid Conflict of Interest:

Name	Motion	Reason for Recusal	Resolution	Remarks
1.Yeh, Chwei-Jing 2.Yeh, Chwei-Sheng 3.Yang, Wei-Fen	Distribution of remuneration 2023 and year-end bonus 2022 for directors and managerial officers	The motion relating to their year-end bonuses	Withdrawal from their seats during voting to avoid conflict of interest.	2023/1/10
All directors of the Board	Distribution of remuneration for directors	The motion relating to their remuneration distribution	Withdrawal from their seats during voting to avoid conflict of interest.	2023/8/8
Yeh, Chwei-Sheng	Managerial staff remuneration distribution proposal for the fiscal year 2022 of the company	Deliberation on individual employee bonuses.		
1.Yeh, Chwei-Jing 2.Yang, Wei-Fen 3.Pan, Yen-Min	The company intends to issue new shares and cash as consideration for the acquisition of shares in Ricare Corporation.	Directors and supervisors of the target company for the transaction.	Withdrawal from their seats during voting to avoid conflict of interest.	2023/11/7

3. Implementation Status of Board Evaluations:

Evaluation Cycle	Evaluation Period	Scope of Evaluation	Evaluation Method	Evaluation Item
Once a year	2023.1.1~ 2023.12.31	Performance evaluation of the Board of Directors, individual directors and functional committees	Self-assessment by the Board and the individual directors	Performance evaluation of the Board: degree of involvement to company's operation, quality of the Board's decision, composition and structure of the Board, election of directors, continuous education and internal control. Performance evaluation of individual directors: handling of the Company's objectives and duties, recognition of the duties as a Board member, degree of involvement to the Company's operation, internal relationship management and communication, qualification and continuous education, and internal control. Performance evaluation of the functional committee: degree of involvement to the Company's operation, recognition of duties as a member of a functional committee, contribution to the decision making of the committee, composition and election of the committee's members and internal control.

4. Measures taken to strengthen the functionality of the Board in the most recent fiscal year:
   (1) Fully exercise the supervisory responsibility: The Board holds meeting at least once a quarter. The Board held 5 meetings in 2022, the attendance rate was 97%.

(2) The Company established audit committee and remuneration committee. It's a common practice to invite senior management to attend the board meeting to report the latest performance of their departments. The directors would therefore get to know more about the financial status and operation performance of the Company. The Company has formulated "Standard Operation Procedures for Handling Directors' Request" to respond to directors' suggestion and advices.

Appendix 1:

Meeting Date & Period	Content and Follow Up	Items Stated in Securities and Exchange Act 14-3	Independent Director Held Adverse or Reserved Opinion	No. of Independent Director Attended
2023/1/10 9th Meeting of 10 Session	Business plan 2023	V	None	3
	Motion to making of a guarantee / endorsement for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company			
	Transport expenses 2023			
	Remuneration of directors and managerial officers 2023 and year-end bonus for managerial officers 2022			
	Revision of certain articles of the "Board of Directors Meeting Regulations" of the company			
2023/3/14 10th Meeting of 10 Session	Compensation distribution for directors and employees 2022	V	None	3
	Business reports and financial statements 2022			
	Earnings distribution 2022			
	Assessment of the independence and suitability of the company's accountants.			
	Motion to approve financing from a finance institution			
	Motion to making of a guarantee / endorsement for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company			
	Adoption of the effectiveness assessment of the company's internal control system for the fiscal year 2022 and the internal control system statement.			
	Amendment of the Company's "Articles of Incorporation".			
	Annual General Meeting 2023 and the related issues.			
2023/5/9 11th Meeting of 10 Session	Motion to pass the first quarter financial reports 2023.	V	None	3
	Amendment of the Company's "Regulations Governing the Acquisition and Disposal of Assets".			
	Appointment of the company's corporate governance supervisor.			
	Amendment of certain articles of the "Standard Operating Procedures for Handling Director Requests" of the company.			
	Examine a director's motion pursuant to Article 172.1 of Company Act.			
	A.O.B.: Agenda for AGM 2023			
2023/8/8 12th of 10th Session	Motion to pass the second quarter financial reports 2023		None	3
	Motion to approve financing from a finance institution			
	Distribution of remuneration for directors 2022.			
	Distribution of compensation for the managerial officers 2022.			
2023/11/7 13th Meeting of 10th Session	Motion to pass the third quarter financial reports 2023.	V	None	3
	Motion to approve financing from a finance institution.			
	Formulate internal audit plan for 2024			
	Proposal to issue new shares and cash as consideration for the acquisition of shares in Ricare Corporation (hereinafter referred to as the "Strategic Cooperation Proposal"			
	Proposed issuance of new shares for the purpose of the share exchange in the fourth agenda item.			

3.4.2 Implementation Status of Audit Committee:

The Audit Committee is composed of all independent directors in the Board of Directors. Please refer to section 2 of chapter 3 in this Annual Report for their professional qualification and experiences.

Responsibilities of Audit Committee:

1. Whether the financial statements are presented fairly
2. Appoint and discharge CPA and supervise the CPA's independence status and performance
3. Ensure the effectiveness of the Company's internal control.
4. Facilitate the compliance of decrees and regulations.
5. Manage and control the existing and potential risk

Operation of the Audit Committee

A total of 5 Audit Committee meetings were held in the most recent fiscal year. The attendance of

the independent directors was as follows:

Title	Name	Attendance in Person (B)	By Proxy	Attendance Rate (%) (B/A)	Remarks
Independent Director	Li, Ching-Wen	5	0	100	
Independent Director	Wu, Jung-Sheng	5	0	100	
Independent Director	Hong, Shun-Cing	5	0	100	

Other mentionable items:

1. If any of the following circumstances occur, the dates of meetings, sessions, contents of motion, resolutions of the Audit Committee and the Company's response to the Audit Committee's opinion should be specified:

(1) Matters referred to in Article 14-5 of the Securities and Exchange Act

Audit Committee Meeting	Content	Resolution	Board of Directors' Response to the Committee's Advice
2023/1/10 8rd Meeting of 1st Session	Business plan 2023	Passed unanimously	Passed unanimously
	Motion to making of guarantees / endorsements for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company.		
2023/3/14 9th Meeting of 1st Session	Business report and financial statements 2022	Passed unanimously	Passed unanimously
	Earnings distribution 2022		
	Assessment of the independence and suitability of the company's accountants.		
	Motion to approve financing from a finance institution.		
	Motion to making of guarantees / endorsements for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company.		
	Approval of the assessment of the effectiveness of the internal control system for the fiscal year 2022 and the internal control system statement of the company.		
	Amendment of "Articles of Incorporation".		
2023/5/9 10th Meeting of 1st Session	Motion to pass the first quarter financial statements 2023	Passed unanimously	Passed unanimously
	Amendment of the Company's "Regulations Governing the Acquisition and Disposal of Assets".		
2023/8/8 11th Meeting of 1st Session	Motion to pass the second quarter financial reports 2023	Passed unanimously	Passed unanimously
	Motion to approve financing from a finance institution.		
2023/11/7 12th Meeting of 1st Session	Motion to pass the third quarter financial statements 2023	Passed unanimously	Passed unanimously
	Motion to approve financing from a finance institution.		
	Formulate internal audit plan for 2024		
	Proposal to issue new shares and cash as consideration for the acquisition of shares in Ricare Corporation (hereinafter referred to as the "Strategic Cooperation Proposal")		
	Proposed issuance of new shares for the purpose of the share exchange in the fourth agenda item.		

(2) Other matters which were not approved by the Audit Committee but were approved by two-thirds or more of all directors: None

2. If there are independent directors' avoidance of motions in conflict of interest, the directors' names, contents of motion, causes for avoidance and voting should be specified: None

3. Communications between the independent directors, the Company's chief internal auditor and CPAs (e.g. the material items, methods and results of audits of corporate finance or operations, etc.)

(1) Communication between independent directors and internal auditors:

Date	Summary	Conclusion
2023/1/10	Discussed issues concerning the operation implementation report	No objection
2023/3/14	Discussed issues concerning the progress and findings of the internal audit	No objection
2023/5/9	Discussed issues concerning the operation implementation report	No objection
2023/8/8	Discussed issues concerning the operation implementation report	No objection
2023/11/7	Report and communication on the preparation of the annual audit proposal.	No objection

(2)Communication between independent directors and CPA:

Internal Audit Meeting Date	Summary	Implementation Status
2023/3/14	Illustrated and offered advices to the attendees regarding the audited items in financial statements 2021 (financial statements 2021, amendments of securities laws and Article of Incorporation)	Question and answer section arranged in the meeting.
2023/11/7	Communicated the conclusion of the quarterly inspection and the year plan of internal audit.	No objection

3.4.3 Corporate Governance Implementation Status and Deviations from "the Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies"

Evaluation Item	Implementation Status			Deviation from the Principles and Reasons
	Y	N	Abstract Illustration	
1.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 formulated "Corporate Governance Best-Practice Principles" and announced on the Company's website and Market Observation Post System (MOPS).	No Deviation
2.Shareholding structure & shareholders' rights	✓			No Deviation
(1) Does the company establish an internal operating procedure to deal with shareholders' suggestions, doubts, disputes and litigations, and implement based on the procedure?			The Company established spokesperson, deputy spokesperson, stock affairs and legal affairs as well as email inbox to handle shareholders' suggestions , adverse comments or disputes.	
(2) Does the company possess the list of its major shareholders as well as the ultimate owners of those shares?	✓		According to registered shareholder name list, declare change of shareholding and disclose information of shareholders who held shares 5% or above.	No Deviation
(3) Does the company establish and execute the risk management and firewall system within its conglomerate structure?	✓		The Company formulated "Regulations Governing Related Parties Transactions" and "Subsidiary Management Regulations" and reviewed periodically by internal auditors. Distinguish duties between related parties and construct firewall according to risk evaluation.	No Deviation
(4) Does the company establish internal rules against insiders trading with undisclosed information?	✓		The Company has established "Procedures for Prevention of Insider Trading" and "Procedures for Handling Material Inside Information" to regulate insiders for using undisclosed information for the Company's stock.	No Deviation
3. Composition and Responsibilities of the Board of Directors	✓			
(1) Does the Board develop and implement a diversified policy for the composition of its members?			In accordance with Article 20 of the "Corporate Governance Best Practice Principles", composition of the Board of Directors shall be diversified. The Company shall also formulate diversification policy according to its operation, business style and development needs. Board member candidates shall be competent, knowledgeable and good ethical conduct to perform the duty. Please refer to Article 3.2 of this Annual Report for further details.	No Deviation
(2) Does the company voluntarily establish other functional committees in addition to the Remuneration Committee and the Audit Committee		✓	The Company has not established any other functional committee. Other functional committee might be set up according to necessity.	Not Yet Established
(3) Does the company establish a standard to measure the performance of the Board and implement it annually, and are performance evaluation results submitted to the Board of Directors and referenced when determining the remuneration of individual directors and nominations for reelection?	✓		The company has established "Rules for Performance Evaluation of Board of Directors" to evaluate the performance of the board members, remuneration committee, audit committee. The evaluation result has reported to Board of Directors on March 14, 2023. The result will also be the reference to director's remuneration.	No Deviation
(4) Does the company regularly evaluate the independence of CPAs?	✓		The Audit Committee assessed the independence status and the adequacy of the CPAs on March 12, 2024, the CPAs provided Independence Declaration and Audit Quality Indicators (AQIs) and reported to Board of Directors after assessing their standards. The CPAs were considered fulfilling the standards and adequate to take up the duty. Please refer to page 29 for further details.	No Deviation
4.Does the company appoint a suitable number of competent personnel and a supervisor responsible for corporate governance matters (including but not limited to providing information for directors and supervisors to perform their functions, assisting directors and	✓		On May 09, 2023, the Board of Directors appointed Lai Shu Ping as the Head of Corporate Governance, who serves as the highest-ranking executive responsible for governance-related matters in the company. Additionally, dedicated personnel have been assigned to oversee corporate governance affairs. 1. Study and formulate corporate policies 2. Agenda of the board meeting are required to send to the	No Deviation

Evaluation Item	Implementation Status			Deviation from the Principles and Reasons
	Y	N	Abstract Illustration	
supervisors with compliance, handling work related to meetings of the board of directors and the shareholders' meetings, and producing minutes of board meetings and shareholders' meetings)?			directors 7 days prior to the meeting. The directors would, therefore, have sufficient time to get to know the meeting details as well as any conflict-of-interest issues. 3. Announce date of the AGM meeting in accordance with the regulations (date, annual report, agenda and minutes etc.) 4. Register and announce on the Company's website about any regulation amendment and election result resolved in shareholders' meeting.	
5.Does the company establish a communication channel and build a designated section on its website for stakeholders (including but not limited to shareholders, employees, customers, and suppliers), as well as handle all the issues they care for in terms of corporate social responsibilities?	✓		The Company formulated "Reporting System" for stakeholders to follow. The spokesperson and deputy spokesperson are responsible for the external communication. The Company has also established communication channels in the stakeholder section on its website to receive complaints and comments. Please refer to page 29 for further details.	No Deviation
6. Does the company appoint a professional shareholder service agency to deal with shareholder affairs?	✓		The Company appointed The Capital Securities Corp. to handle shareholder affairs.	No Deviation
7. Information Disclosure				
(1) Does the company have a corporate website to disclose both financial standings and the status of corporate governance?	✓		The Company has established an official website and managed by relevant department to disclose information.	No Deviation
(2) Does the company have other information disclosure channels (e.g. building an English website, appointing designated people to handle information collection and disclosure, creating a spokesman system, webcasting investor conferences)?	✓		The Company has appointed specific personnel to disclose financial information on MOPS and announce material information and investor conference details pursuant to the regulations. The Company has also appointed specific personnel as spokesperson and deputy spokesperson.	No Deviation
(3) Does the company announce and report annual financial statements within two months after the end of each fiscal year, and announce and report Q1, Q2, and Q3 financial statements, as well as monthly operation results, before the prescribed time limit?		✓	Currently the Company estimates the annual financial reports cannot be published within two months after the end of the fiscal year. However, the Company is considering, if possible, to publish other quarterly financial reports and monthly operation status earlier.	In Consideration
8. Is there any other important information to facilitate a better understanding of the company's corporate governance practices (e.g., including but not limited to employee rights, employee wellness, investor relations, supplier relations, rights of stakeholders, directors' and supervisors' training records, the implementation of risk management policies and risk evaluation measures, the implementation of customer relations policies, and purchasing insurance for directors and supervisors)?	✓		Employees' Rights and Wellness: Please refer to Article 5.6 for details Investor Relations and Stakeholders' Rights: The Company holds fair and open views to shareholders, and established a comprehensive spokesperson system to communicate with investors as well as uploads complete financial statements and business information on MOPS regularly. Supplier Relationship: The Company keep close contact with the main suppliers. The Company has formulated "Supplier Evaluation System" in order to maintain well-established upper-lower stream relationship to ensure stable material supply. Directors' Continuous Education: Please refer to page 28 Directors & Officers (D&O) Insurance: Insurance Company: Chartis Taiwan Insurance Co., Ltd.; Insured amount: US$ 3 million; Insured period: 2024/1/17~2025/1/17.	No Deviation

9. Please describe improvements that have already been made based on the Corporate Governance Evaluation results released for the most recent fiscal year by the Corporate Governance Center, Taiwan Stock Exchange, and specify the priority enhancement objectives and measures planned for any matters still awaiting improvement. (If the Company was not included among the companies evaluated for the given recent year, this item does not need to be completed.)

NO	Key Indicators	Improvement Proposal
1.15	Whether the company has established and disclosed on the website internal regulations prohibiting directors or employees from trading securities using undisclosed information in the market, including (but not limited to) provisions that directors are prohibited from trading their stocks 30 days before the announcement of annual financial reports and 15 days before the announcement of quarterly financial reports, along with explanations of implementation status?	Translate: "Send an email in advance to remind directors not to trade before the financial report announcement."

3.4.4Composition, Responsibilities and Operations of the Remuneration Committee:

Remuneration Committee comprised of all board members. Operate in accordance with "Remuneration

Committee Organization Regulations". The main responsibilities are:

1. Review the regulations and suggest amendments
2. Formulate and review the standards for the performance evaluation of directors and managerial officers, the compensation policies, system, standards and structure.
3. Review the progress of the objectives of directors and managerial officers regularly. Decide the directors' and managerial officers' remuneration according to their performance evaluation.

(1) Professional Qualifications and Independence Analysis of Remuneration Committee Members

March 31, 2024

Criteria / Title / Name		Professional Qualification and Experience	Independence Status	No. of Other Public Companies in Which the Individual is Concurrently Serving as an Remuneration Committee Member
Convenor	Li, Ching-Wen	Please refer to page 12 to 14 for details	Please refer to page12 to 14 for details	0
Member	Wu, Jung-Sheng			2
Member	Hong, Shun-Cing			0

(2) Implementation of the Remuneration Committee

1. The Committee comprises of three members
2. The term is from August 18, 2021 to August 17, 2024. The committee held 3 meetings (A) in the most recent fiscal year. Their attendance listed as below:

Title	Name	Attend in Person (B)	Attend by Proxy	Attendance (%) (B/A)	Remarks
Convenor	Li, Ching-Wen	3	0	100%	
Member	Wu, Jung-Sheng	3	0	100%	
Member	Hong, Shun-Cing	3	0	100%	

Date/Period	Content	Resolution	The Company's Response to the Remuneration Committee's Opinion
2023/1/10 3st Meeting of 5th Session	Transport expenses 2023 Remuneration of directors and managerial officers 2022 and year-end bonus for managerial officers 2022	Passed unanimously	Passed unanimously
2023/3/14 4st Meeting of 5th Session	Distribution of director's remuneration and employee bonus for the year 2022.	Passed unanimously	Passed unanimously
2023/8/8 5nd Meeting of 5th Session	Remuneration of directors 2022 Remuneration of managerial officers 2022	Passed unanimously	Passed unanimously

Other mentionable items:

1. If the board of directors declines to adopt or modifies a recommendation of the remuneration committee, it should specify the date of the meeting, session, content of the motion, resolution by the board of directors, and the Company's response to the remuneration committee's opinion (e.g., the remuneration passed by the Board of Directors exceeds the recommendation of the remuneration committee, the circumstances and cause for the difference shall be specified): None.
2. Resolutions of the remuneration committee objected to by members or expressed reservations and recorded or declared in writing, the date of the meeting, session, content of the motion, all members' opinions and the response to members' opinion should be specified: None.

(3) Nomination Committee and Its Implementation: The Committee has not been established yet.

3.4.5 Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and the Reasons:

Evaluation Item	Implementation Status			Deviations from "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies" and Reasons
	Y	N	Abstract Illustration	
1. Does the company establish a governance structure to achieve sustainable development, and set up a dedicated (part-time) unit to promote sustainable development, which is authorized by the board of directors to handle senior management, and supervised by the board of directors?	✓		Responsible by general manager's office and finance department: sustainable development report produced regularly	No significant deviation
2. Does the company conduct risk assessments on	✓		The data covers the period from January, 2023 to December 2023, with the risk assessment boundary primarily focused on the	No significant deviation

environmental, social and corporate governance issues related to company operations according to the principle of materiality, and formulate relevant risk management policies or strategies?			company. Environmental Protection: The Company's factories fulfilled ISO14001, which is the strictest requirements in the world for environmental protection. The Company takes proactive approach to save energy, reduce CO2 emission and recycling water resources to protect the environment. Occupation Safety： In 2023, the company completed the verification of the "ISO 45001 Occupation Health and Safety Management System." We conduct regular fire drills and occupation safety education and training every year to cultivate employees' abilities in emergency response and self-safety management. Product Safety： All of products comply with the EU RoHs regulations, and the company has purchased product liability insurance. Labor Relations: It's the Company's principle to accord priority to filling vacancies with adequate internal personal regardless of their race, religion, colour, nationality and gender and it is strictly prohibited to hire child labor. Anti-Corruption: The Company operates in accordance with "The Ethical Corporate Management Best Practice Principles" and "The Ethical Corporate Management Operational Procedures and Guidelines" and 2024/3/12 to Board of Directors regarding the implementation status in the previous year. Compliance: The Company operates in compliance with relevant international regulations and local decrees and respects intellectual property. Moreover, the Company works in accordance with labor laws, human rights, business classification and information security.	
3. Environmental Issues (1) Does the company establish proper environmental management systems based on the characteristics of their industries?	✓		The Company has certified to: 1. Environment Management System（ISO 14001）2015 (2022/3/10~2025/2/23) 2. ISO 45001：2018 occupational health and safety management system certification (2022/3/10~2025/2/23) 3. Introduced Green Partner management procedure, obtained Sony's GP certification	No significant deviation
(2) Does the company endeavor to utilize all resources more efficiently and use renewable materials which have low impact on the environment?	✓		Main raw materials used all complied with European Union's RoHS. The Company has taken the following measures to protect the environment: maximize production efficiency, reduce usage of energy and chemical, reuse and recycle materials, adopt renewable energy facilities (including solar panels), impose energy-saving policy, reduce waste volume 1% each year, recycle used water and install CO2 emission reduction devices for company vehicles.	No significant deviation
(3) Does the company evaluate the potential risks and opportunities in climate change with regard to the present and future of its business, and take appropriate action to counter climate change issues?	✓		To reduce the corporate operational risk, the Company focuses on green energy development and measures the effectiveness of environmental protection and carbon reduction management by checking the statistic in order to understand the implementation status. The Company performs risk evaluation and formulate implementation plan every year on environmental protection issues.	No significant deviation
(4) Does the company take inventory of its greenhouse gas emissions, water consumption, and total weight of waste in the last two years, and implement policies on energy efficiency and carbon dioxide reduction, greenhouse gas reduction, water reduction, or waste management?	✓		Greenhouse Gas: Emission volume in 2022 was 7,107.835 KgCO2e, emission volume in 2023 was 6,154.095KgCO2e, reduced13.42%. Diesel usage was 10,921 liters in 2022 and 8,672 liters in 2023, showing a decrease of 20.59%. The goal is to achieve a yearly reduction of 1%.Electricity is the main energy consumed, the Company changed the electricity circuit, made use of LED bulbs and other energy saving facilities including variable-frequency devices to reduce greenhouse emission. The target of the Company is to annual emission increase rate within 5%. Water Source Management: Usage of Water was 32,890 tons and31,946 tons in 2022 and 2023 respectively. The Company would save the water in tanks and reused for air-condition cooling and gardening. It's aim to reduce 3% water usage by 2026.	No significant deviation

			Disposal Management: Disposed volume was 213 tons and 216 tons in 2022 and 2023 respectively. Recycle rate was8% and4 %. The Company's policy is to recycle all reusable materials. Items that cannot be recycled will be handled by competent contractors.	
4. Social Issues: (1) Does the company formulate appropriate management policies and procedures according to relevant regulations and the International Bill of Human Rights?	✓		The Company has formulated working procedures in accordance with Labor Standards Act and other government decrees and takes no bias views in the events of recruiting, screening test, assessment, promotion etc.	No significant deviation
(2) Does the company have reasonable employee benefit measures (including salaries, leave, and other benefits), and do business performance or results reflect on employee salaries?	✓		The Company has formulated employee benefit measures according to Labor Standards Act and other related regulations and distribute bonus and earnings according to their performance appraisal.	No significant deviation
(3) Does the company provide a healthy and safe working environment and organize training on health and safety for its employees on a regular basis?	✓		The Company is certified to ISO 45001:2018 Occupational Health and Safety Management System, which facilitates the Company to build and operate the safety management system. The Company organizes safety hazard awareness seminars once every quarter, inspect fire extinguishing facilities and organizes drills regularly. Additionally, the Company holds health talks to encourage exercising and weight management.	No significant deviation
(4) Does the company provide its employees with career development and training sessions?	✓		Each department and human resources department would organize training according to vocational needs, staff's specialties and physical and mental health. Staff is encouraged to take continuous education in order to integrate the development of ethics, techniques and performance. The Company also strives to provide a friendly working place to the staff. The KPI of educational training, although affected by the pandemic, was157% in 2023.	No significant deviation
(5) Do the company's products and services comply with relevant laws and international standards in relation to customer health and safety, customer privacy, and marketing and labeling of products and services, and are relevant consumer protection and grievance procedure policies implemented?	✓		Management System: The Company respects client's privacy and intellectual property and signed confidential agreements in order to protect clients' classified information. Below are the protection measures: 1. External System: Personal Data Protection Act, Client Contract (Confidential Clauses) 2. Internal System: "Clients' Intellectual Properties Protection Management Methods" and "Cyber Security Management Act". 3. Provide communication channel in Stakeholder Section.	No significant deviation
(6) Does the company implement supplier management policies, requiring suppliers to observe relevant regulations on environmental protection, occupational health and safety, or labor and human rights? If so, describe the results.	✓		The Company has formulated "Supplier Management and Assessment Methods", which regulates the usage of materials that are prohibited/restricted in "Environmental Protection Agreement". The "Human Resources Policy Agreement" also prohibited suppliers to hire child labor, ensure the protection of labor's rights and carry out social responsibilities.	No significant deviation
5.Does the company reference internationally accepted reporting standards or guidelines, and prepare reports that disclose non-financial information of the company, such as	✓		Please refer to the Corporate Social Responsibilities Reports published in 2022 on the Company's website Please note the reports have not been obtained assurance from a third-party verification unit.	No significant deviation

corporate social responsibility reports? Do the reports above obtain assurance from a third-party verification unit?				

6. Describe the difference, if any, between actual practice and the corporate social responsibility principles, if the company has implemented such principles based on the Corporate Social Responsibility Best Practice Principles for TWSE/TPEx Listed Companies: The Company has formulated “Corporate Social Responsibilities Best Practice Principle” to carry out its responsibilities. There was no significant deviation from “Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies”.

7. Other useful information for explaining the status of corporate social responsibility practices:
For social services, we periodically organize activities to deliver love and kindness to charitable organizations and actively participate in public welfare activities. In May 2023, we sponsored 6,000 CDs for the charitable organization "Taiwan Original Sound Education Association," supporting the sustainable development of indigenous music, and fostering confidence among children in mountain tribes. In October 2023, we fulfilled our social responsibility by donating NT$100,000 to the "Taoyuan Healthy Family Education Association" to help meet the needs of low-income households. Throughout 2023, we organized cultural and historical guided tours, events related to vinyl records, sponsored the use of government facilities, public benefit concerts, and sponsored venues in the Yangmingshan area of Taipei City.

3.4.6 Fulfillment of Ethical Corporate Management and Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies"

Evaluation Item	Implementation Status			Deviations from the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies” and Reasons
	Y	N	Abstract Illustration	
1. Establishment of ethical corporate management policies and programs				
(1) Does the company have a Board-approved ethical corporate management policy and stated in its regulations and external correspondence the ethical corporate management policy and practices, as well as the active commitment of the Board of Directors and management towards enforcement of such policy?	✓		The Board of Directors passed the Company's “Ethical Corporate Management Best-Practice Principles” and “Procedures for Ethical Management and Guidelines” on April 24, 2018. The Principles and Guidelines are disclosed on the Company’s website. The board members and managerial officers uphold the philosophy of ethical operation. The implementation status of the ethical practices has been reported in board meeting on March 12, 2024.	Satisfied
(2) Does the company have mechanisms in place to assess the risk of unethical conduct, and perform regular analysis and assessment of business activities with higher risk of unethical conduct within the scope of business? Does the company implement programs to prevent unethical conduct based on the above and ensure the programs cover at least the matters described in Paragraph 2, Article 7 of the Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?	✓		As stated in “Procedures for Ethical Management and Guidelines”, bribery, offer and receive improper benefits, offer or agree influence peddling, offer illegal political donations, unfair competition practices, improper charity donation or sponsor are strictly prohibited. The Company has formulated prevention measures including educate new staff in orientation training and increase anti-corruption awareness to existing staff from time to time.	Satisfied
(3) Does the company provide clear operating procedures, code of conduct, disciplinary actions, and appeal procedures in the programs against unethical conduct? Does the company enforce the programs above effectively and perform regular reviews and amendments?	✓		The regulations on operation procedures, code of conduct, disciplinary actions, and appeal procedures are illustrated in “Procedures for Ethical Management and Guidelines”. The implementation status was reported in board meeting on March 12, 2024.	Satisfied
2. Fulfill Operations Integrity Policy				
(1) Does the company evaluate business partners’ ethical records and include ethics-related clauses in business contracts?	✓		The Company has formulated “Suppliers Management and Assessment Methods” and “Resell of Raw Materials Management Methods”. Responsibilities and obligations of the Company and the business partners are stated in details in the contracts.	Satisfied
(2) Does the company have a unit responsible for ethical corporate management on a full-time basis under the Board of Directors which reports the ethical corporate management policy and programs against unethical conduct regularly (at least once a year) to the Board of Directors while overseeing such operations?	✓		The Administration Department is appointed to implement the operations integrity policy and reported the implementation status in board meeting on March 12, 2024.	Satisfied
(3) Does the company establish policies to prevent conflicts of interest and provide appropriate communication channels, and implement it?	✓		Excepting reporting to their direct department heads, staff could report directly to General Manager’s Office. Board members would withdraw from the seats should there be any conflict-of-interest issues or motions raised in the board meeting.	Satisfied
(4) Does the company have effective accounting	✓		The Company has formulated effective systems for	Satisfied

Evaluation Item	Implementation Status			Deviations from the "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies" and Reasons
	Y	N	Abstract Illustration	
and internal control systems in place to implement ethical corporate management? Does the internal audit unit follow the results of unethical conduct risk assessments and devise audit plans to audit the systems accordingly to prevent unethical conduct, or hire outside accountants to perform the audits?			accounting system and internal control system. Internal auditors would perform regular inspections to review the internal control system to ensure the system is fully functional. Should there be any special events, the internal auditors are responsible to carry out investigation.	
(5) Does the company regularly hold internal and external educational trainings on operational integrity?	✓		Operational integrity is a subject in the orientation training. The Company also holds educational programs from time to time to raise the awareness of it.	Satisfied
3. Operation of the Integrity Channel (1) Does the company establish both a reward/punishment system and an integrity hotline? Can the accused be reached by an appropriate person for follow-up?	✓		The Company has formulated "Reporting System" and "Ethical Corporate Management Best Practice Principles" and has provided reporting channels on internal and external websites. All complaints will be investigated by General Manager or appointed senior managerial officers. All evidence gathered during the investigation will be kept for further actions. All reports and the identity of the whistleblowers are handled in strict confidence to avoid the whistleblowers being treated unfairly. The Company has not received any report as of the end of fiscal year 2023.	Satisfied
(2) Does the company have in place standard operating procedures for investigating accusation cases, as well as follow-up actions and relevant post-investigation confidentiality measures?	✓			
(3) Does the company provide proper whistleblower protection?	✓			
4. Strengthening information disclosure Does the company disclose its ethical corporate management policies and the results of its implementation on the company's website and MOPS?	✓		The Company has disclosed information such as organizational culture, operation direction etc. on its website. The Company has also dedicated departments to handle information collection and disclosure.	Satisfied
5. If the company has established the ethical corporate management policies based on the Ethical Corporate Management Best-Practice Principles for TWSE/TPEx Listed Companies, please describe any discrepancy between the policies and their implementation: No significant difference				
6. Other important information to facilitate a better understanding of the company's ethical corporate management policies (e.g., review and amend its policies). (1) The Company operates in compliance with Company Act, Securities and Exchange Act, Business Entity Accounting Act etc. as a solid foundation to ethical practice. (2) The Company's "Rules of Procedure for Board of Directors Meetings" stated that directors shall withdraw from the seat should there be any conflict-of-interest issues.				

3.4.7 Corporate Governance Guidelines and Regulations: Please refer to the Company's website http://utechmedia.com.tw/?page_id=370 for further actions.

3.4.8 Other Important Information Regarding Corporate Governance:

1. Head of Internal Audit Wu, Bao Xiu: attended courses of Analysis of Common Problems and Important Internal Control Regulations of Common Internal Control Management Deficiencies and Practical Case Analysis in Enterprises", "Practical Analysis of the Latest Sustainable Development Action Plan and Net Zero Carbon Emissions on Financial Reports", and "Practical Measures for Improving the 'Three Lines of Defense' of Internal Controls".. Altogether completed 18 training hours.
2. Head of Accounting Lai, Shu Ping: Completed 12 training hours of "Continuous Education Course for Accounting Managers of Publisher Securities Firms".
3. Deputy Representative of Accounting Chen, Min Chi: Completed 12 training hours of "Continuous Education Course for Accounting Managers of Publisher Securities Firms".
4. Corporate Governance Officer Lai, Shu Ping: participated in "Discussion on Post-Merger Integration Issues and Establishment of Management Mechanisms" in 2023, "Latest Trends and Responses to International Carbon Tariffs" and "Continuing Education Course for Accounting Managers of Issuers and Securities Firms at Securities Exchanges." Altogether completed 18 training hours.
5. Continuous Education of Directors: The appointed Securities and Futures Institution to organize the course.
   Date: 2023/9/21
   Contents:
   (1) Discussion on Post-Merger Integration Issues and Establishment of Management Mechanisms (3 hours)
   (2) Latest Trends and Responses to International Carbon Tariffs (3 hours)

Number of Personnel Attended: 7
Independent Director: Li, Ching-Wen, Wu, Jung-Sheng, Hong, Shun-Cing
Director: Yeh, Chwei-Jing, Yeh, Chwei-Sheng, Yang, Wei-Fen, Pan, Yen-Min
Director Pan, Yen-Min：2023/10/20 Insider Trading Prevention Advocacy Meeting for 1st half of year 2024 (3 hours)

6. Independent Evaluation Standards for CPA (Audit Committee and Board of Directors Evaluation Standards March 12, 2024)

Evaluation Item	Result	Independent Status
1. Obtained Independence Declaration and Audit Quality Indicators (AQIs)	Satisfied	Satisfied
2. The CPA shall not be entering into a contingent fee arrangement relating to an audit engagement.	Satisfied	Satisfied
3. The CPA and the team members shall not be serving or served in the most recent two years as director, managerial officers or any position that could have significant influence on the audit works.	Satisfied	Satisfied
4. The CPA shall not provide any non-auditing services to the Company that might have direct influence on the auditing works,	Satisfied	Satisfied
5. The CPA shall not intermediate the Company's stock or any securities issues	Satisfied	Satisfied
6. Whether the CPA serves as counsel or representative of the Company to mediate disputes with a third party.	Satisfied	Satisfied
7. Whether the CPA is a family member (spouse, immediate family, immediate in-law or family within two degree of kinship) of a director, managerial officer or any person who has significant influence on the auditing works.	Satisfied	Satisfied
8. Whether the CPA or the CPA's spouse or minors participated in the Company's investment or any activities that could share the financial benefits.	Satisfied	Satisfied
9. Whether the CPA or the CPA's spouse or minors have loan relationship	Satisfied	Satisfied
10. Whether any CPA who served as director, managerial officer or any position that might have significant influence on the auditing works in the Company within one year.	Satisfied	Satisfied
11. Whether the CPA accepted valuable gifts from the Company, its directors or managerial managers.	Satisfied	Satisfied
12. Whether accepted any inadequate request from the Company's management regarding inappropriate option or disclosure in financial statements.	Satisfied	Satisfied
13. Whether the CPA thoroughly discussed the newly imposed significant accounting principles.	Satisfied	Satisfied

7. Stakeholder Relations:

Stakeholder	Items	Communication Channels	Implementation Status
Government and Competent Authorities	1. Compliance 2. Corporate governance 3. Public relations with competent authorities	Participate in government's seminars, talks. Site visit of competent authorities Government questionnaires Establish contact window to maintain good relationship with competent authorities. Contact: Spokesperson shareholder@utechmedia.com.tw	Reply government questionnaires regularly Cooperate with local governments, Department of Statistics of Ministry of Economic, and securities competent authorities for site and written inspection. Proactively participate Government's seminars
Shareholders and Investors	1. Financial performance 2. Corporate governance 3. Participation of shareholders 4. Operation performance	MOPS: Significant messages, financial and commercial information Report and answer questions in shareholders' meetings Spokesperson system to answer enquiries Investor Relations sector on the Company's website Hold shareholder conference Contact: Spokesperson shareholder@utechmedia.com.tw	Hold shareholders' meetings regularly to report business performance and the Company's development (2023/6/26) Announce information through Spokesperson Disclose significant financial information on the Company's website and MOPS. Hold shareholder conference (2023/12/5)
Employees	1. Staff welfare 2. Staff benefits	Orientation training and care for newcomers.	4 employer-employee meetings every year,

	3. Employer-Employee Relationships	Hold employer-employee relationship meeting quarter Staff discussion zone on the Company's website Ombudsman email inbox for complaint of maladministration Contact:: Ms Fan Jiang juno@utechmedia.com.tw	organize staff seminars which provides un-obstacle channels for communication. The Company has not received any complaints as of the end of fiscal year 2023
Clients	1. Cyber security 2. Product quality	Site visits by clients Commercial meetings Stakeholder Relations on the Company's website Contact: Ms. Karen Fan karen.fan@utechmedia.com.tw	Business department holds regular meetings to discuss the issues.
Suppliers	1. Supplier management 2. Sustainability development	Site visit to the suppliers' factories Stakeholder Relations on the Company's website Contact: Ms. He maggie@utechmedia.com.tw	Cooperate with suppliers in order to create a mutual-benefit business development.
Others (Banks, Media etc.)	1. Financial performance 2. Business development	1. Regular visit 2. Telephone communication Contact: Spokesperson shareholder@utechmedia.com.tw	Visit the partner banks regularly for inquiries.

8. Implementaton status of Climate-related information

Item	Implementation Status
1. Describe the supervision and governance of climate-related risks and opportunities by the Board of Directors and management.	The company has not yet discussed or managed climate change risks with the Board of Directors. However, the management of the company upholds the belief in the co-prosperity of corporate growth and ecological environment. Recognizing the significant financial risks posed by climate change to business operations, the company will gradually establish an internal control management system for managing climate-related risks and develop effective strategies that can be sustainably implemented.
2. Describe how identified climate risks and opportunities affect the business, strategy, and finances of the enterprise (short-term, medium-term, long-term).	Short-term is defined as the next 1-3 years, medium-term as the next 3-5 years, and long-term as beyond 5 years. For major climate risks and opportunities with high impact and likelihood of occurrence, assess the potential financial and operational impacts beforehand, and develop response plans. Taking carbon taxes/fees as an example of short-term climate risk, it is expected to increase indirect costs, as upstream suppliers may pass on their related expenses, leading to increased procurement costs and decreased profits. Short-term climate opportunities, such as participating in renewable energy projects, can help diversify electricity procurement costs and risks, reduce greenhouse gas emissions, and consequently reduce carbon tax/fee expenses
3. Describe the financial impact of extreme weather events and transition actions.	Due to climate change, extreme weather events have increased. Currently, there have been no instances of flooding in factory areas caused by heavy rain/typhoon precipitation, resulting in relatively low impact on company processes and operations.
4. Describe how the process of identifying, assessing, and managing climate risks is integrated into the overall risk management system.	Through existing departmental organizations or units responsible for risk duties, risk management is carried out for their respective operational scopes. Sound internal management methods and operating procedures have been established, and climate change risks have been incorporated into long-term operational risk management for the company.
5. When using scenario analysis to assess resilience to climate change risks, it should explain the scenarios, parameters, assumptions, analysis factors, and major financial impacts use.	Scenario analysis is a strategic planning tool used to assess possible future scenarios and understand their impact on the organization. The company has not yet used scenario analysis for assessment, but is carefully evaluating the use of this tool to enhance resilience to climate change risks.
6. If there is a transformation plan to manage climate-related risks, please explain the content of the plan, as well as the	Actively promoting carbon neutrality to mitigate climate change, advocating for each plant to gradually achieve net-zero emissions by 2050, and setting climate-related targets. This

<table>
<tr><td>indicators and objectives used to identify and manage physical and transitional risks.</td><td>includes reducing greenhouse gas emissions by 10% by 2030, increasing the proportion of renewable energy in electricity generation annually, and achieving a 1% water recycling rate for the entire plant.</td></tr>
<tr><td>7. If internal carbon pricing is used as a planning tool, please explain the basis for price determination.</td><td>Internal carbon pricing was not utilized in 2023.</td></tr>
<tr><td>8. If climate-related goals are set, please provide information on the activities covered, scope of greenhouse gas emissions, planning timeline, annual progress towards achievement, etc. If carbon offsets or Renewable Energy Certificates (RECs) are used to achieve these goals, please explain the source and quantity of the carbon offsets or RECs exchanged.</td><td>Activities related to climate goals:
◎Scope 1：Reduction of process emissions, reduction of process exhaust gases
◎Scope 2：Improve energy efficiency, zero-carbon energy
Net zero emission pathway for 2021~2050
By 2030：Renewable energy for electricity consumption
By 2050：Net zero emission
Greenhouse gas emissions in 2023 were approximately 6,154,095 metric tons of CO2 equivalent, representing a 14% decrease compared to 2021
<table>
<tr><th>Factory</th><th>2021 (base year)</th><th>2023</th></tr>
<tr><td>Scope 1</td><td>95,329</td><td>73,488</td></tr>
<tr><td>Scope 2</td><td>7,072,006</td><td>6,608,607</td></tr>
<tr><td>Total emission</td><td>7,167,335</td><td>6,154,095</td></tr>
</table></td></tr>
<tr><td colspan="2">9. Greenhouse gas inventory and confirmation status, reduction targets, strategies, and specific action plans.
Greenhouse gas inventory and confirmation status in the past two years
(1) Greenhouse gas inventory information:
<table>
<tr><th>Item</th><th>2022</th><th>2023</th></tr>
<tr><td>Scope 1</td><td>875,856</td><td>73,488</td></tr>
<tr><td>Scope 2</td><td>6,231,979</td><td>6,608,607</td></tr>
<tr><td>Total emission（KgCO2e）</td><td>7,107,835</td><td>6,154,095</td></tr>
<tr><td>Greenhouse gas emission intensity</td><td>0.103</td><td>0.104</td></tr>
</table>
(2)Greenhouse gas confirmation informatio：None
(3)Greenhouse gas reduction targets, strategies, and specific action plans：
The main greenhouse gas emissions of the company come from process usage, which accounts for over 90% of Scope 1 and Scope 2 greenhouse gas emissions. Therefore, direct emissions (including process improvements to reduce greenhouse gas usage) and indirect emissions from energy-saving electricity (improving energy efficiency, replacing energy-saving equipment and components) and increasing the use of renewable energy are the main strategies planned. Through energy-saving and carbon reduction strategies and plans in various departments, various reduction plans are implemented, and meetings are held to review and track the execution status, planning to reduce greenhouse gas emissions by 10%, and achieve net zero emissions by 2050.</td></tr>
</table>

3.4.9 Implementation of Internal Control

1. Statement on Internal Control

U-Tech Media Corporation
Statement on Internal Control

The Company states the following with regard to its internal control system during fiscal year 2023, based on the findings of its self-assessment:

1. The Company is fully aware that establishing, operating, and maintaining an internal control system are the responsibility of its Board of Directors and management. The Company has established such a system aimed at providing reasonable assurance of the achievement of objectives in the effectiveness and efficiency of operations (including profits, performance, and safeguard of asset security), the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and applicable laws, regulations, and bylaws.
2. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the three objectives mentioned above. Furthermore, the effectiveness of an internal control system may change along with changes in environment or circumstances. The internal control system of the Company contains self-monitoring mechanisms; however, the Company takes corrective actions as soon as a deficiency is identified.
3. The Company judges 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 Service Enterprises in Securities and Futures Markets (herein below, the "Regulations"). The internal control system judgment criteria adopted by the Regulations divide internal control into five elements based on the process of management control: 1. control environment 2. risk assessment 3. control activities 4. information and communications 5. monitoring activities. Each element further contains several items. Please refer to the Regulations for details.
4. The Company has assessed the design and operating effectiveness of its internal control system according to the aforesaid criteria.
5. Based on the findings of the assessment mentioned in the preceding paragraph, the Company believes that as of December 31, 2023 its internal control system (including its supervision and management of subsidiaries and its overall implementation of information security), encompassing internal controls for understanding the degree of achievement of operational effectiveness and efficiency objectives, the reliability, timeliness, and transparency of reporting, and compliance with applicable norms and the major laws, regulations, and bylaws, is effectively designed and operating, and reasonably assures the achievement of the above-stated objectives.
6. This Statement is a major part of the content of the Company's 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.
7. This Statement has been passed by the Board of Directors Meeting of the Company held on March 12, 2024, where 0 of the 7 attending directors expressed dissenting opinions, and the remainder all affirmed the content of this Statement.

U-Tech Media Corporation

Chairman: Yeh, Chwei-Jing

General Manager: Lo, Yi Fu

2. Auditor's reports shall be disclosed if an auditor is appointed for auditing the internal control system: None

3.4.10 If there has been any legal penalty against the company and 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 publication date of the annual report, where the result of such penalty could have a material effect on shareholder interests or securities prices, the annual report shall disclose the penalty, the main shortcomings, and condition of improvement: None.

3.4.11 Major Resolutions of Shareholders' Meeting and Board Meetings:

1. Board Meeting

Date	Session	Major Items Discussed	Resolution
2023/1/10	9th Meeting of 10th Session	Business Plan 2023	Passed unanimously (some directors and managerial officers withdrew from their seats during the voting of the items that had conflict of interest).
		Motion to making of guarantees / endorsements for Dollar Cultural and Creative Co., Ltd., a subsidiary of the Company.	
		Directors' transport expenses 2023	
		Remuneration of directors and managerial officers 2023 and year-end bonus to managerial officers 2022.	
		Revision of Certain Articles of the "Board Meeting Regulations" of the Company.	
2023/3/14	10th Meeting of 10th Session	Distribution of remuneration to directors and compensation of employees 2022	Passed unanimously
		Business reports and financial statements 2022	
		Earnings distribution 2022	
		Assessment of the Independence and Suitability of the Company's Accountant	
		Motion to approve financing from a finance institution	
		Motion to making of guarantees / endorsements for Dollar Cultural and Creative Co., Ltd., a subsidiary of the Company.	
		Approval of the Annual Internal Control System Effectiveness Assessment and Internal Control System Statement for the Fiscal Year 2022.	
		Amendment of the Company's Articles of Incorporation	
		Agenda of Annual General Meeting 2023 and related issues	
2023/5/9	11th Meeting of 10th Session	Motion to pass first quarter financial reports of 2022	Passed unanimously
		Amendment of the Company's "Regulations Governing the Acquisition and Disposal of Assets"	
		Appointment of the Corporate Governance Officer of the Company	
		Amendment of Certain Articles of the "Standard Operating Procedures for Handling Director Requests" of the Company.	
		Examine a motion according to Article 172.1 of Company Act, which was raised by a shareholder	
		Additional agenda for AGM 2023	
2023/8/8	12th Meeting of 10th Session	Motion to pass second quarter financial reports of 2023	Passed unanimously (some directors and managerial officers withdrew from their seats during the voting of the items that had conflict of interest).
		Motion to approve financing from a finance institution	
		Distribution of remuneration for directors 2022	
		Distribution of remuneration for managerial officers 2022	
2023/11/7	13th Meeting of 10th Session	Motion to pass third quarter financial reports of 2023	Passed unanimously
		Motion to approve financing from a finance institution	
		Formulate internal audit working plan for 2024	
		Purchase real estate property in Japan through Glory Days Services Ltd., a subsidiary of the Company.	
		Proposal to issue new shares and cash as consideration for the acquisition of shares in Ricare Corporation (hereinafter referred to as the "Strategic Cooperation Proposal")	

Date	Session	Major Items Discussed	Resolution
		Proposed issuance of new shares for the purpose of the share exchange in the fourth agenda item.	
2024/1/16	9th Meeting of 10th Session	Business plan 2024	Passed unanimously (some directors and managerial officers withdrew from their seats during the voting of the items that had conflict of interest).
		Motion to approve financing from a finance institution	
		Motion to making of guarantees / endorsements for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company.	
		Establishment of a Subsidiary in Japan through Glory Days Services Ltd.	
		Revision of Certain Articles of the "Insider Trading Prevention Management Procedures" of the Company.	
		Transport expenses 2024	
		Remuneration of directors and managerial officers 2024 and distribution of year-end bonus to managerial officers 2023	
		Convening the year 2024 Annual General Meeting of Shareholders and Matters Related to Proposals and Nomination.	
2024/3/12	10th Meeting of 15th Session	Distribution of remuneration to directors and compensation to employees 2023	Passed unanimously (the CPA withdrew from their seats during the voting of the items that had conflict of interest). Except for the cases of auditor independence and endorsement guarantee, in which the auditor and Director Yang Wei Fen abstained due to conflicts of interest, all other resolutions were passed with the unanimous consent of all directors present.
		Business report and financial statements 2023	
		Earnings distribution 2023	
		CPA independent status and adequacy evaluation	
		Motion to approve financing from a finance institution	
		Motion to making of guarantees / endorsements for Dollars Cultural & CreativeCo., Ltd., a subsidiary of the Company.	
		Motion to pass the effectiveness of the internal control examination and the declaration of the internal control for 2023	
		Expanding the scale of investment in green energy and energy storage	
		The Election of Directors	
		Amendment of “Rules and Procedures of Board Meetings”	
		Amendment of “Audit Committee Charter”	

2. Major Resolutions of Shareholder’s Meeting
   (1) Passed the financial statements 2023
   (2) Passed the earnings distribution 2023
   Implementation Status: Base Date was 2023/7/18. The distribution had been done on 2023/8/8 (NT$0.5 per share)
   (3) Passed to amend the “Articles of Incorporation”
   Implementation Status: Approved and registered by Ministry of Economic Affairs on 2023/6/29 and publicly announced on the Company’s website
   (4) Passed to amend the “Regulations Governing the Acquisition and Disposal of Assets”
   Implementation Status: Publicly announced on the Company’s website and followed the procedures after the amendment.

3.4.12 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

3.4.13 A summary of resignations and dismissals, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, of the company's

chairperson, general manager, chief accounting officer, chief financial officer, chief internal auditor, chief corporate governance officer, and chief research and development office: None

3.5. Information Regarding the Company's Audit Fee

3.5.1 The Company shall disclose the amounts of the audit fees and non-audit fees paid to the attesting CPAs and to the accounting firm to which they belong and to any affiliated enterprises as well as the details of non-audit services:

Audit Fees and Non-Audit Fees Paid

Unit: NT$ Thousands

Accounting Firm	Name of CPA	Period Covered by CPA's Audit	Audit Fee	Non-Audit Fee	Total	Remarks
Ernst & Young	Hsu, Jung Huang	2023/1/1 ~2023/12/31	2,450	475	2,925	Non-audit fee was NT380 thousands for tax stamp, NT$65 thousands for annual report reviews and NT30 thousands for remuneration information inspection
	Chiu,Wan Ju					

3.5.2 When the securities firm changes its accounting firm and the audit fees paid for the financial year in which the change took place are lower than those paid for the financial year immediately preceding the change, the amount of the audit fees before and after the change and the reason shall be disclosed: Not Applicable

3.5.3 When the audit fees paid for the current financial year are lower than those paid for the immediately preceding financial year by 10 percent or more, the amount and percentage of and reason for the reduction in audit fees shall be disclosed: None

3.6 Information on change in CPA: None.

3.7 Where the Company's chairperson, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its auditing CPAs or at an affiliated enterprise of such accounting firm, the name and position of the person, and the period during which the position was held, shall be disclosed. The term "affiliated enterprise" of the accounting firm of the auditing CPAs means an enterprise in which CPAs of the accounting firm to which the auditing CPAs belong hold more than 50 percent of the shares, or of which they hold more than half of the directorships, or any company or institution listed as an affiliated enterprise in the external publications or printed materials of the accounting firm of the auditing CPAs: None

3.8. Where, during the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, change in shareholding of directors, supervisors, managers and major shareholders who held more than 10% of shareholding:

Change in Shareholding of Directors, Supervisors, Managers and Major Shareholders

Unit: Share

Title	Name	2023		As of March 31, 2024	
		Holding Increase (Decrease)	Pledged Holding Increase (Decrease)	Holding Increase (Decrease)	Pledged Holding Increase (Decrease)
Chairman	Ritek Corporation Representative: Yeh, Chwei-Jing	0	0	0	0
Director	Ritek Corporation Representative: Yeh, Chwei-Sheng	0	0	0	0
Director	Ritek Corporation Representative: Pan, Yen-Min	0	0	0	0
Director 10% Major Shareholder	Ritek Corporation	0	0	0	0
Director	Yang, Wei-Fen	0	0	0	0
Independent Director	Li, Ching-Wen	0	0	0	0
Independent Director	Wu, Jung-Sheng	0	0	0	0
Independent Director	Hong, Shun-Cing	0	0	0	0
Manager	Lo, Yi-Fu	0	0	0	0
Manager	Liao, Rong-Zheng	0	0	0	0
Manager	Lu, Zheng-Xun	0	0	0	0
Manager	Lai, Shu-Ping	0	0	0	0

Stock Transaction

Name	Stock Transfer Reason	Transaction Date	Counterparty	Relationship between the Counterparty and the Company, its Directors, Supervisors, Managers and Major Shareholders who held 10% or above shareholding	Share	Transaction Price
None	None	None	None	N/A	N/A	N/A

Pledge of Stock Rights

Name	Reason for the Pledge of Stock Rights	Change Date	Counterparty	Relationship between the Counterparty and the Company, its Directors, Supervisors, Managers and Major Shareholders who held 10% or above shareholding	Share	Shareholding Percentage	Pledge Percentage	Loan (Redemption) Amount
None	None	None	None	N/A	N/A	N/A	N/A	N/A

3.9. Relationships Among the Top Ten Shareholders:

Relationships Among the Top Ten Shareholders

Name	Current Shareholding		Share Held by Spouse / Minors		Share Held by Nominee Arrangement		Name and Relationships Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Ritek Corporation	32,489,319	20.96	—	—	—	—	AimCore Technology RiTdisplay Corporation ProRit Corporation Zhong Yuan International Start-Up Investment Co., Ltd.	Investments Accounted for Using Equity Method	None
Representative: Yeh, Chwei-Jing	769,346	0.50	100,000	0.06	—	—	None	None	None
AimCore Technology	12,862,812	8.30	—	—	—	—	Ritek Corporation RiTdisplay Corporation ProRit Corporation Zhong Yuan International Start-Up Investment Co., Ltd.	Parent Company Associate Company Associate Company Associate Company	None
Representative: Yeh, Chwei-Jing	769,346	0.50	100,000	0.06	—	—	None	None	None
Li, Chun Lai	11,597,000	7.48	—	—	—	—	None	None	None
HSBC (Taiwan) entrusted to manage Hong Kong investmen account of Bitbank	7,417,000	4.79	—	—	—	—	None	None	None
RiTdisplay Corporatio	4,092,560	2.64	—	—	—	—	Ritek Corporation AimCore Technology ProRit Corporation Zhong Yuan International Start-Up Investment Co., Ltd.	Parent Company Associate Company Associate Company Associate Company	None
Representative: Yeh, Chwei-Jing	769,346	0.50	100,000	0.06	—	—	None	None	None
ProRit Corporation	3,778,343	2.44	—	—	—	—	Ritek Corporation RiTdisplay Corporation AimCore Technology Zhong Yuan International Start-Up Investment Co., Ltd.	Parent Company Associate Company Associate Company Associate Company	None

Name	Current Shareholding		Share Held by Spouse / Minors		Share Held by Nominee Arrangement		Name and Relationships Between the Company's Top Ten Shareholders, or Spouses or Relatives Within Two Degrees of Kinship		Remarks
	Shares	%	Shares	%	Shares	%	Name	Relationship	
Representative: Luo, Qing Zhong	0	0	—	—	—	—	—	—	—
Zhong Yuan International Start-Up Investment Co., Ltd.	3,778,343	2.44	—	—	—	—	Ritek Corporation RiTdisplay Corporation AimCore Technology ProRit Corporation	Parent Company Associate Company Associate Company Associate Company	None
Representative: Yeh, Chwei-Jing	769,346	0.50	100,000	0.06	—	—	None	None	None
Yuanta Commercial Bank entrusted to custody the investmen account of Tomoko Araki.	3,600,000	2.32	—	—	—	—	Yuanta Commercial Bank entrusted to custody the investment account of Noriyuki Araki.	Mother-Child	None
Yuanta Commercial Bank entrusted to custody the investmen account of Noriyuki Araki.	3,600,000	2.32	—	—	—	—	Yuanta Commercial Bank entrusted to custody the investment account of Tomoko Araki.	Mother-Child	None
Lai, Zheng Hong	2,520,000	1.63	—	—	—	—	None	None	None

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

Consolidated Shareholding Percentage

Unit: Share ; % March 31, 2024

Investee Enterprise (Note)	Investment by the Company		Investment by the Directors, Supervisors, Managerial Officers and Directly or Indirectly Controlled Entities of the Company		Total Investment	
	Shares	%	Shares	%	Shares	%
Dollars Cultural & Creative Co., Ltd.	16,257,343	100.00%	0	0%	16,257,343	100.00%
Chao Fu Co., Ltd.	500,000	100.00%	0	0%	500,000	100.00%
Formosa Sun Energy Corp.	64,459,035	70.82%	0	0%	64,459,035	70.82%
RiTdisplay Corporation	4,985,689	6.77%	25,318,876	34.38%	30,304,565	41.15%
ProRit Corporation	333,099	0.63%	45,463,947	85.87%	45,797,046	86.50%
Ricare Corporation	18,625,000	88.17%	2,500,000	11.83%	21,125,000	100.00%
Jade Investment Services Ltd.	1,684,678	100.00%	0	0%	1,684,678	100.00%
Glory Days Services Ltd.	0	0%	3,919,678	100.00%	3,919,678	100.00%
RitFast Corporation	0	0%	32,724,683	99.17%	32,724,683	99.17%
Hou Cheng Photoelectricity Co., Ltd.	0	0%	100,000	100.00%	100,000	100.00%
ShokuRaku Corporation	0	0%	1,800,000	85.71%	1,800,000	85.71%
Ikari Coffee Co., Ltd.	0	0%	4,970,002	94.85%	4,970,002	94.85%
Jingle Hot Pot Co., Ltd.	0	0%	1,300,000	86.67%	1,300,000	86.67%
Ink Design Space Co., Ltd.	0	0%	810,250	25.00%	810,250	25.00%
Foodspace Corporation	0	0%	322,000	92.00%	322,000	92.00%
Ricare Services Cprporation	0	0%	50,000	100.00%	50,000	100.00%
Fang Si Advisory	0	0%	50,000	100.00%	50,000	100.00%
HAKUYU Co.,Ltd	0	0%	5	100.00%	5	100.00%
K.K. Ricarejapan	0	0%	1,505	100.00%	1,505	100.00%

Note: Long-term investment by using equity method

IV. Capital Overview

4.1 Capital and Shares

4.1.1 Sources of Capital

Unit: Share :NT$

Year/Month	Par Value	Authorized Capital		Paid-in Capital		Remarks		
		Shares	Amount	Shares	Amount	Source of Capital	Capital Increased by Assets Other Than Cash	Others
1994.05	10	1,000,000	10,000,000	1,000,000	10,000,000	Establishment Capital	None	None
1995.07	10	3,000,000	30,000,000	3,000,000	30,000,000	Cash Capital Increase 20,000,000	None	None
1999.04	10	70,000,000	700,000,000	19,990,000	199,900,000	Cash Capital Increase 169,900,000	None	None
1999.12	10	70,000,000	700,000,000	70,000,000	700,000,000	Cash Capital Increase 500,100,000	None	1999.10.16 Tai-Cai-Certificate No. 89364
2000.08	10	270,000,000	2,700,000,000	120,000,000	1,200,000,000	Cash Capital Increase 500,000,000	None	2000.5.29 Tai-Cai-Certificate No. 46155
2001.09	10	270,000,000	2,700,000,000	133,995,780	1,339,957,800	Capital Increase Out of Earnings 132,000,000 Capital Increase Out of Employee Bonus 7,957,800	None	2001.6.27 Tai-Cai-Certificate No. 140962
2002.11	10	270,000,000	2,700,000,000	151,000,000	1,510,000,000	Capital Increase Out of Earnings 160,794,940 Capital Increase Out of Employee Bonus 9,247,260	None	2002.10.9 Tai-Cai-Certificate No.0910154764
2003.07	10	270,000,000	2,700,000,000	171,350,000	1,713,500,000	Capital Increase Out of Earnings 181,200,000 Capital Increase Out of Employee Bonus 22,300,000	None	2003.7.10 Tai-Cai-Certificate No.0920130750
2004.2	10	270,000,000	2,700,000,000	183,462,601	1,834,626,010	Convertible Corporate Bond 121,126,010	None	2003.7.16 Tai-Cai-Certificate No.0920130763
2004.5	10	270,000,000	2,700,000,000	183,987,239	1,839,872,390	Convertible Corporate Bond 5,246,380	None	2003.7.16 Tai-Cai-Certificate No.0920130763
2004.9	10	270,000,000	2,700,000,000	208,395,369	2,083,953,690	Capital Increase Out of Earnings 220,784,680 Capital Increase Out of Employee Bonus 23,296,620	None	2004.6.30 Tai-Cai-Certificate No.0930128921
2005.8	10	370,000,000	3,700,000,000	229,272,636	2,292,726,360	Capital Increase Out of Earnings 182,290,830 Capital Increase Out of Employee Bonus 26,481,840	None	2005.8.24 Jin-Guan-Certificate No.0940135332
2007.7	10	370,000,000	3,700,000,000	223,422,636	2,234,226,360	Treasury Stock Capital Reduction 58,500,000	None	2007.7.25 Jing-Shou-Shang No.09601170280
2007.8	10	370,000,000	3,700,000,000	233,022,636	2,330,226,360	Private Placement 96,000,000	None	2007.8.14 Jing-Shou-Shang No.09601196910
2008.12	10	370,000,000	3,700,000,000	220,077,636	2,200,776,360	Treasury Stock Capital Reduction 129,450,000	None	2008.12.31 Jing-Shou-Shang No.09701330040
2009.11	10	370,000,000	3,700,000,000	221,011,636	2,210,116,360	Employee Stock Options 9,340,000	None	2009.11.18 Jing-Shou-Shang No.09801263680
2010.2	10	370,000,000	3,700,000,000	221,135,136	2,211,351,360	Employee Stock Options 1,235,000	None	2010.2.11 Jing-Shou-Shang No.09901032500
2010.5	10	370,000,000	3,700,000,000	221,307,386	2,213,073,860	Employee Stock Options 1,722,500	None	2010.5.6 Jing-Shou-Shang No.09901091940
2010.7	10	370,000,000	3,700,000,000	221,447,636	2,214,476,360	Employee Stock Options 1,402,500	None	2010.7.22 Jing-Shou-Shang No.09901165510
2010.11	10	370,000,000	3,700,000,000	221,538,636	2,215,386,360	Employee Stock Options 910,000	None	2010.11.11 Jing-Shou-Shang No.09901250250
2011.2	10	370,000,000	3,700,000,000	221,636,136	2,216,361,360	Employee Stock Options 975,000	None	2011.2.9 Jing-Shou-Shang No.10001023470
2012.1	10	370,000,000	3,700,000,000	216,655,136	2,166,551,360	Treasury Stock Capital Reduction 50,000,000	None	2011.1.17 Jing-Shou-Shang No.10101011270

2013.1	10	370,000,000	3,700,000,000	206,655,136	2,066,551,360	Treasury Stock Capital Reduction 100,000,000	None	2013.1.30 Jing-Shou-Shang No.10201022230
2013.8	10	370,000,000	3,700,000,000	197,655,136	1,976,551,360	Treasury Stock Capital Reduction 90,000,000	None	2013.8.16 Jing-Shou-Shang No.10201169110
2014.1	10	370,000,000	3,700,000,000	189,655,136	1,896,551,360	Treasury Stock Capital Reduction 80,000,000	None	2014.1.22 Jing-Shou-Shang No.10301014350
2014.05	10	370,000,000	3,700,000,000	186,240,136	1,862,401,360	Treasury Stock Capital Reduction 34,150,000	None	2014.5.20 Jing-Shou-Shang No.10301092040
2014.11	10	370,000,000	3,700,000,000	178,067,136	1,780,671,360	Treasury Stock Capital Reduction 81,730,000	None	2014.11.17 Jing-Shou-Shang No. 1030123786
2015.07	10	370,000,000	3,700,000,000	168,067,136	1,680,671,360	Treasury Stock Capital Reduction 100,000,000	None	2015.7.28 Jing-Shou-Shang No.10401155710
2015.11	10	370,000,000	3,700,000,000	161,067,136	1,610,671,360	Treasury Stock Capital Reduction 70,000,000	None	2015.11.17 Jing-Shou-Shang No.10401241400
2015.12	10	370,000,000	3,700,000,000	152,067,136	1,520,671,360	Treasury Stock Capital Reduction 90,000,000	None	2015.12.15 Jing-Shou-Shang No.10401267680
2017.07	10	370,000,000	3,700,000,000	145,984,450	1,459,844,500	Cash Capital Reduction 60,826,860	None	2017.7.31 Jing-Shou-Shang No.10601108570
2024.02	10	370,000,000	3,700,000,000	154,984,450	1,549,844,500	share exchange 9,000,000	None	2024.2.29 Jing-Shou-Shang No. 11330021220

As of April 16, 2024 Unit: Share

Type of Stock	Authorized Capital			Remarks
	Issued Shares	Un-issued Shares	Total	
Common Stock	154,984,450	215,015,550	370,000,000	—

Information for Shelf Registration

Securities Type	Preparing to Issue Amount		Issued Amount		Purpose and Effect for Issued Shares	Issue Period for Unissued Shares	Remarks
	Total Shares	Authorized Amount (NT$ thousands)	Shares	Price			
None	—	—	—	—	—	—	—

4.1.2 Status of Shareholders

April 16, 2024

Shareholder Structure / Quantity	Government Agencies	Financial Institutions	Other Juridical Persons	Domestic Natural Persons	Foreign Institutions & Natural Persons	Total
Number of Shareholders	0	0	158	26,870	50	27,079
Shareholding (shares)	0	412,000	61,722,917	72,057,939	20,791,594	154,984,450
Percentage	0.00%	0.27%	39.83%	46.49%	13.41%	100.00%

4.1.3 Shareholding Distribution Status

April 16, 2024

Class of Shareholding (Share)	Number of Shareholders	Shareholding (Shares)	Percentage
1 ~ 999	20,193	949,048	0.61%
1,000 ~ 5,000	5,195	11,196,691	7.22%
5,001 ~ 10,000	853	6,974,125	4.50%
10,001 ~ 15,000	242	3,108,186	2.01%
15,001 ~ 20,000	177	3,333,941	2.15%
20,001 ~ 30,000	135	3,505,073	2.26%
30,001 ~ 40,000	63	2,281,125	1.47%

Class of Shareholding (Share)	Number of Shareholders	Shareholding (Shares)	Percentage
40,001 ~ 50,000	62	2,855,957	1.84%
50,001 ~ 100,000	71	5,263,657	3.40%
100,001 ~ 200,000	38	5,323,967	3.44%
200,001 ~ 400,000	18	5,634,575	3.64%
400,001 ~ 600,000	12	5,721,696	3.69%
600,001 ~ 800,000	2	1,376,375	0.89%
800,001 ~ 1,000,000	3	2,755,000	1.78%
1,000,001 or over	15	94,705,034	61.10%
Total	27,079	154,984,450	100.00%

Preferred Shares

April 16, 2024

Class of Shareholding (Unit: Share)	Number of Shareholders	Shareholding (Shares)	Percentage
None	—	—	—
Total	—	—	—

4.1.4 List of Major Shareholders

List of Major Shareholders

Shares / Name	Shares Held	Percentage
Ritek Corporation	32,489,319	20.96%
Aimcore Technology Co., Ltd.	12,862,812	8.30%
Li, Chun Lai	11,597,000	7.48%
HSBC (Taiwan) entrusted to manage Goldman Sachs International	7,417,000	4.79%
Ritdisplay Corporation	4,956,000	3.20%
ProRit Corporation	4,092,560	2.64%
Zhong Yuan International Start-Up Investment Co., Ltd.	3,778,343	2.44%
Yuanta Commercial Bank entrusted to custody the investment account of Tomoko Araki	3,600,000	2.32%
Yuanta Commercial Bank entrusted to custody the investment account of Noriyuki Araki	3,600,000	2.32%
Lai,Jheng Hone	2,520,000	1.63%

4.1.5 Market Price, Net Worth, Earnings, and Dividends per Share:

Item / Year		2022	2023	As of March 31, 2024 (Note 1)
Market Price /Share	Highest Market Price	19.80	19.55	25.00
	Lowest Market Price	14.80	13.90	16.85
	Average Market Price	16.98	15.96	19.30
Net Worth / Share	Before Distribution	16.33	16.32	16.18
	After Distribution	15.83	15.79	Not Distributed Yet
Earnings / Share	Weighted Average Shares	145,984 thousand shares	145,984 thousand shares	151,918 thousand shares
	Earnings / Share	0.71	0.5	0.42

Item \ Year			2022	2023	As of March 31, 2024 (Note 1)
Dividends / Share	Cash Dividends		0.50	0.5	N/A
	Stock Dividends	Dividends from Retained Earnings	0	0	N/A
		Dividends from Capital Surplus	0	0	N/A
	Accumulated Undistributed Dividends		0	0	N/A
Return on Investment	P/E Ratio		—	—	N/A
	P/D Ratio		—	—	N/A
	Cash Dividend Yield Rate		—	—	N/A

Note 1: Net worth per share and earnings per share are as of March 31, 2024

4.1.6 Dividend Policy and Implementation Status

4.1.6.1 Dividend Policy:

If earnings are available for distribution at the end of a fiscal year, the Company shall withdraw 3% to 10% for compensation to employees. The Board shall decide the compensation to be given in the form of stock or cash to the employees who satisfied certain conditions while not more than 5% shall be withdrew for directors' remuneration. All of the distributions are subject to approve in shareholders' meeting. If there is accumulated loss, the Company shall first reserve the amount to cover the loss before distributing to employees and directors according to the order mentioned above.

The distribution shall be followed according to the following order:

1. Settle all tax payment
2. Cover accumulated loss
3. Reserve 10% to Legal Reserve from undistributed earnings (net profit after tax added items other than net profit after tax). However not restricted when the legal reserve amount has accumulated to the amount of the Company's paid-in capital.
4. Withdraw in accordance with the decrees or the competent authorities' regulations, or return to Special Reserve. With respect to the book net amount of other deductions from equity (for the cumulative balance of, for example, exchange differences resulting from translating the financial statements of foreign operations, unrealized gains or losses in the fair value of financial assets through other comprehensive income, gains or losses on hedges, revaluation increments) for the period in which it arises, an equivalent amount of special reserve shall be allocated from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. If there remains any insufficiency, it shall be allocated from the undistributed earnings of the previous period.

   Allocate an amount of special reserve equal to the amount allocated to undistributed earnings for the preceding period. If there remains any insufficiency, allocate it from the amount of the after-tax net profit for the period, plus items other than after-tax net profit for the period, that are included in the undistributed earnings of the period. Furthermore, if this method is to be used, it shall be expressly provided in the dividend policy specified in the company's articles of incorporation.
5. The earnings remained shall be added to the undistributed accumulated earnings. The Board of Directors shall formulate a proposal to distribute them as issuing of new share and report to shareholders' meeting for approval.

   The Company distributes all or part of dividends or statutory surplus reserves and capital reserve. If distribute in the form of cash, it shall be approved by half of the attended board members in a meeting which satisfied two-third of quorum and report to shareholders' meeting

   The Company operates in a fast-changing industry. In consideration of the capital needs, long-term financial planning and the surplus growth rate, the distributable earnings in the form of cash would be 10% to 100% of the total of cash dividend while 0% to 90% for stock dividend distribution.

4.1.6.2 Dividend distribution issues resolved in shareholders' meeting: NT$0.5 per share. Total Amount: NT$77,492,225

4.1.6.3 Specify shall there be material change of the dividend distribution policy: Not Applicable

4.1.7 Effect of Any Stock Dividend Distribution Proposed or Adopted at the Most Recent Shareholders' Meeting on Business Performance and Earnings per Share:

Not applicable as no stock dividend was distributed.

4.1.8 Compensation to Employees, Directors and Supervisors:

4.1.8.1 Portion and Scope of Compensation of Employees, Directors and Supervisors in the Articles of Incorporation:

(1) Compensation to employees: 3% to 10%
(2) Directors' remuneration: shall not above 5%

4.1.8.2 The basis for estimating the amount of employee, director, and supervisor compensation, for calculating the number of shares to be distributed as employee compensation, and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: No discrepancy for the current period.

4.1.8.3 Distribution of compensation passed by the Board of Directors:
Directors' remuneration: NT$3,818,616, Compensation to employees: NT$ 3,054,894. All paid in the form of cash and no discrepancy to the estimated amount.

4.1.8.4 Distribution of compensation to employees, directors and supervisors in the previous year:
Directors and Supervisors: NT$6,112,307, Employees: NT$ 4,889,846, the distribution is done and all paid in the form of cash.

4.1.9 Buy-back of **Treasury** Stock: None

4.2 Bonds: None

4.3 Preferred Stock Status: None

4.4 International Depository Receipt Status: None

4.5 Employee Stock Option Status: None

4.6 Restricted Stock Status: None

4.7 Issuance of New Shares in Connection with A Merger or Acquisition or with Acquisition of Shares of Any Other Company:

4.7.1 Those who have completed mergers and acquisitions or issued new shares for the shares received from other companies in the most recent year and as of the annual report publication date shall disclose the following matters:

U-Tech Media Corporation
Transfer shares of other companies and issue new shares
Evaluation opinion letter from the sponsoring underwriter

U-Tech Media Corporation (hereinafter referred to as "U-Tech") completed the acquisition of shares from Ricare Corporation (hereinafter referred to as "Ricare"), issuing 9,000,000 common shares at a par value of NT$10 per share, with a total issuance amount of NT$90,000,000. This transaction was duly reported and effective as of December 18, 2023, under letter No. 1121806050 issued by the Taiwan Stock Exchange Corporation. The exchange date for shares was set as February 1, 2024, and the change of registration was completed on February 29, 2024. Pursuant to Article 9, Paragraph 8 of the "Guidelines for Issuers Conducting Public Offerings and Issuing Securities," U-Tech consulted the lead underwriter regarding the issuance of new shares for the acquisition of Ricare shares. As of the end of the first quarter of 2024, an evaluation opinion was provided regarding the impact on U-Tech's finances, operations, and shareholder equity.

1. Financial Impact:
Ricare was originally a 30.77% equity investment held by U-Tech. Through this share exchange, U-Tech increased its stake in Ricare, making it a consolidated subsidiary with an 80.77% ownership. With Ricare and its subsidiaries demonstrating stable growth in long-term care services and increasing demand in the Taiwan and Japan markets, it is expected to enhance Ricare's overall profitability. This will contribute to the increase in U-Tech's consolidated revenue from Ricare and the net profit attributable to the parent company's shareholders, thereby generating positive benefits for U-Tech's finances.
2. Operational Impact:
The storage media sector previously associated with U-Tech has matured beyond the pre-recorded disc industry and expanded its service core from early pre-recorded media to areas such as catering, green energy sales, etc. In order to transform its business operations and consider industries with positive impacts or development trends on Taiwanese society, U-Tech has integrated Ricare and its subsidiaries to establish a comprehensive long-term care service model. By combining it with U-Tech's "catering culture and community economic projects," besides deepening existing long-term care businesses sustainably, it can also extend other diversified businesses centered around long-term care services, thereby benefiting U-Tech's operations.
3. Impact on Shareholder Equity:
The issuance of 9,000,000 new shares by U-Tech to acquire Ricare shares represents approximately 5.81% of the total number of shares issued by U-Tech, 154,984,450 shares, which does not significantly dilute the holdings of original U-Tech shareholders. Through this transaction, U-Tech has elevated its relationship with Ricare from an investment to a controlling entity, strengthening the cooperation between both parties. Considering the synergies of resource integration and effective

allocation, it is expected to inject operating income, reduce operating costs, and thereby enhance profitability, resulting in positive benefits for shareholder equity.

4. Expected Benefits Realization:
   The share exchange date was set as February 1, 2024, with the change of registration completed on February 29, 2024. Through the sharing of experiences and resource exchanges between both parties, there are positive benefits in terms of finances, operations, and shareholder equity. Therefore, the benefits of this exchange transaction are expected to gradually materialize.4.7.2 For the share issuance in connection with the merger or share transfer from other companies that had been resolved by the Board of Directors in the most recent year and as of the annual report publication date, the implementation status and the basic information of the merged company or the company whose shares are acquired by others should be disclosed

Basic information of the company whose shares are to be acquired

Company Name		Ricare Corporation
Company address		1F., No. 220, Zhongshan Rd., Zhubei City, Hsinchu County 302081 , Taiwan (R.O.C.)
Responsible person		Tomoko Araki
Paid-in capital		211,250 thousands
Main business operation		Long-term care industry management consulting, information software guidance
Main products		Management consulting, information software, daytime care services.
FY2023 Financial Information	Assets	166,801 thousands
	Liabilities	24,288 thousands
	Equity	142,513 thousands
	Operating revenue	46,935 thousands
	Gross profit	1,792 thousands
	Profit from operations	(3,314) thousands
	Net profit for the year 3	9,429 thousands
	EPS	0.725 yuan

4.8 Financing Plans and Implementation: None

V. Operation Highlights

5.1 Business Activities：

5.1.1 Business Scope

1. The business of the company as follows：
   (1) C805030 Plastic Daily Necessities Manufacturing
   (2) C805050 Industrial Plastic Products Manufacturing
   (3) CC01110 Computer and Peripheral Equipment Manufacturing
   (4) CC01080 Electronics Components Manufacturing
   (5) F113050 Wholesale of Computers and Clerical Machinery Equipment
   (6) F119010 Wholesale of Electronic Materials
   (7) F113020 Wholesale of Electrical Appliances
   (8) I301010 Information Software Services
   (9) I401010 General Advertisement Services
   (10)JE01010 Rental and Leasing
   (11)C701010 Printing
   (12)CB01020 Affairs Machine Manufacturing
   (13)CC01030 Electrical Appliances and Audiovisual Electronic Products Manufacturing
   (14)F118010 Wholesale of Computer Software
   (15)F213030 Retail Sale of Computers and Clerical Machinery Equipment
   (16)CE01010 General Instrument Manufacturing
   (17)F207200 Retail Sale of Chemical Feedstock
   (18)F218010 Retail Sales of Computer Software
   (19)F109070 Wholesale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
   (20)F209060 Retail Sale of Culture, Education, Musical Instruments and Educational Entertainment Supplies
   (21)F213010 Retail Sale of Electrical Appliances
   (22)I301020 Data Processing Services
   (23)I301030 Electronic Information Supply Services
   (24)J303010 Magazine (Periodical) Publishing
   (25)J304010 Book Publishing
   (26)J305010 Audio Publishing
   (27)CC01120 Data Storage Media Manufacturing and Duplicating
   (28)F401010 International Trade
   (29)F501030 Beverage Shops
   (30)F501060 Restaurants
   (31)H701010 Housing and Building Development and Rental
   (32)H701020 Industrial Factory Development and Rental
   (33)H703100 Real Estate Leasing
   (34)IZ06010 Tally Packaging
   (35)J399010 Software Publishing
   (36)CF01011 Medical Device Manufacturing
   (37)F108031 Wholesale of Medical Devices
   (38)F208031 Retail Sale of Medical Apparatus
   (39)ZZ99999 All Business activities that are not prohibited or restricted by law, except those that are subject to special approval
2.Business proportion：in year 2023
   (1) Disc product services：approximately 41%
   (2) Other products：approximately 59%
3. Main products of the company：
   (1) Disc products：
      A. Digital Versatile Disc；DVD-Video、DVD-Audio
      B. CD Read-Only Memory；CD-ROM
      C. Video Compact Disc；VCD
      D. Audio Compact Disc；CD-Audio
      E. Blu-ray Disc；BD-Rom
      F. Blu-ray
   (2) Culture and creative industry：
      A. The successful case of collaborating with the Department of Cultural Affairs, Taipei City Government to revitalize and restore old houses through the "Brick Yard 33 1/3" project, focusing on leveraging the historical buildings' cultural characteristics and developing cultural and creative

industries to rejuvenate the old houses.

B. In the 2020, the comprehensive operation of the Yangmingshan American Military Housing included six units which mainly focused on combining cultural and creative concepts with commercial and business operations, promoting cultural preservation efforts and integrating the Yangmingshan American Military Housing with the "Brick Yard 33 1/3" to enhance the economic capacity of the regional cultural and creative development.

C. Combine with the demand for cultural and creative industry development, the craft brewery has achieved mass production goals. There are plans to establish a self-owned brand for cultural and creative products and continue the OEM/ODM cooperation opportunities.

D. Development of creative, diverse dining experiences, and a chain coffee system.

(3) Energy industry：Solar Photovoltaic System Integration Services. The company possesses extensive experience in Taiwan's solar energy industry supply chain, particularly in the construction and operation of Taiwan's solar energy projects. With a significant involvement in public housing projects in Taiwan, Formosa Sun Energy Corp. is currently ranked among the top 10 companies in terms of public power plant ownership.

(4) Caring Industry: Taiwan's aging population is increasing rapidly, with the number of elderly people and life expectancy continuing to rise. This leads to a significant increase in the demand for long-term care services. The company promotes community-based day care services, advocating for care without leaving employment to reduce the pressure on family caregivers. Technological advancement in caregiving is also actively pursued by the company. It develops its own day care operation system and a family app to share caregiving situations with family members on the same platform, aiming to enhance the quality of care.

4. Planned development of new products：

(1) Planning and expansion of cultural and creative industry

A. The company's approach is to establish successful creative cases and rapidly develop cultural and creative businesses through replication.

B. There is potential for growth in the cultural and creative industry. The company continues to notice and participate in various county and city projects. One ongoing project is the revitalization of a Japanese-style historical building on Hangzhou South Road in Taipei City, which is expected to be completed in 2024. Some areas will also be planned for commercial and business operations.

C. Development and collaboration of multiple brands in creative dining.

(2) Planning and expansion of energy industry

A.Through accumulating rich experience, the company continuously monitors and participates in the construction of various power plant projects in counties and cities, and actively plan for power plant development and construction.

a.The company actively responds to public sector tender announcements to compete for the development of new power plants.

b.The company seeks to renovate and obtain operating rights for orphaned power plants approaching the end of the warranty period in the market.

B.By leveraging the negotiating power in construction volume, the company aims to introduce more competitive modules.

a. The company collaborates with related enterprises to develop more efficient modules for introduction in Taiwan.

b. The company offers products that are more advantageous to self-consumption customers.

C.Leveraging the years of experience in power plant construction, the company expands into the field of construction project engineering.

a.Strive to construct new power plants for large-scale electricity consumers in private enterprises.

b.With strong financial capabilities, the company provides post-sale leaseback solutions.

D.The company integrates group resources and focuses on green circular economy, advancing towards negative carbon technology and circular integration direction.

(3)Caring industry planning and expansion

A. Advocating for the subtraction care model: Utilizing localized subtraction care models to provide alternative options for long-term care services

B.Cross-border talent exchange: Through internships in both locations to learn from each other's service advantages, providing employees with clear career development paths and increasing retention rates.

C.Field verification: Providing cross-domain innovative service or product field verification to assist the development of the long-term caring industry.

5.1.2 Industry Overview：

1. Industrial development and product specification

(1) Pre-recorded media industry：

A. Overview and specification of DVD：

(a) DVD development：

The company's main product is read-only CD, commonly known as pre-recorded media. This product originated from the collaborative efforts of over ten companies, including Sony and Philips, who jointly announced the DVD specification in late 1995. The specification included the DVD-ROM format and video standards. The following year, DVD-ROM and DVD-Video were introduced, followed by the development of DVD-Audio, DVD-R, DVD-RW, DVD+RW, and DVD-RAM. Among them, DVD-RW, DVD+RW, and DVD-RAM are DVD discs rewritable. The applications of DVD discs can be categorized into music discs (CD-Audio and DVD-Audio), video discs (VCD and DVD-Video), and data discs (CD-ROM and DVD-ROM).

Source: PIDA.

(b)DVD categories：

Specification	Product features	Purpose
DVD-Video	Read-only	Video
DVD-ROM	Read-only	Programs, games, multimedia
DVD-Audio	Read-only	Music
DVD-R	Write-once	Data backup
DVD-RW	Rewritable	Data backup
DVD-RAM	Rewritable	Data backup

B. Overview and specification of next generation BD (Blu-ray Disc)：

(a) Development of next generation BD：

In October 2000, the prototype of Blu-ray discs first debuted. The two major group, Pioneer and NEC, unveiled the DVR Blue at the CEA TEC exhibition in Japan, which later became the foundation for BD (Blu-ray Disc). In February 2002, the Blu-ray Disc led by SONY was officially announced with support from nine electronic and information giants. In the same year, in October, Toshiba and other information giants introduced the HD DVD , officially triggering a battle between the two camps. Both camps invested numerous resources and promotional budgets . In January 2008, Warner Bros., a major entertainment tycoon had initially supported both BD and HD DVD, officially announced its withdrawal of support for HD DVD and pledged allegiance to the BD camp. In February of the same year, Toshiba announced the discontinuation of the development and production of HD DVD products and planned to end all related businesses & manufacturing by the end of March. Blu-ray Disc immediately emerged as the sole standard after DVD. A brief mention of the related types, applications, and control mechanisms of this product will be described later.

(b) Next generation BD categories：

Specification	Product features	Purpose
BD-ROM	Read-only	Programs, games, multimedia
BD-R	Write-once	Data backup
BD-RE	Rewritable	Data backup
BD9	Read-only	Programs, games, multimedia

(2) Developments and products of cultural and creative industry of the company：

The so-called cultural and creative industries refer to industries that originate from creativity or cultural accumulation and utilize intellectual property. They have the potential to create wealth and employment opportunities, promote aesthetic literacy among the public, and enhance the living environment. These industries are classified into 16 categories.

Considering the company's long-term dedication to the music industry and has strong mission to preserve and inherit music culture and ideas, there is a desire to continue expanding upon past experiences and provide a creative space for future musicians. In line with the project of Old House Taipei which emphasizes the revitalization of old buildings to preserve and perpetuate the city's texture, history, and culture, it encourages private enterprises and organizations to participate in the restoration and renovation of vacant old houses, incorporating more culture and creativity into neighborhoods and architectural spaces. This innovative urban regeneration mechanism aims to promote urban revitalization and transformation. Through the mediation of the Department of Cultural Affairs, Taipei City Government, the company has taken on the task of rebuilding the Yangmingshan American Military Housing. As the property holds a historical architectural status and is bound by the Cultural Heritage Preservation Act, its usage must comply with the principles outlined in Article 3 of the Cultural and Creative Industries Development Act. The company plans to utilize the building for the development of music-related cultural and creative businesses, falling under the second category defined by the Cultural and Creative Industries Promotion Act, which includes the music and performing arts industry. This endeavor aims to breathe new life into the existing space and introduce new ways of utilization. Similarly, future development projects will be approached and managed in the same manner.

Currently, the main operating products are：

A. Brick Yard 33 1/3, historical buildings

B. Old Town (formerly known as Yangmingshan American Military Housing), historical buildings completed the investment and operations in 2020, with a total of six locations dedicated to the concept of cultural and creative business operations.

C. Japanese-style historical cultural and creative park (Nishiki-Cho)：Under renovation

D. Creative and diverse food and beverage outlets and a chain coffee system.

(3) Renewable energy equipment business：

With the global emphasis on environmental protection, carbon neutrality has become a development goal for governments worldwide in recent years. In Taiwan, the main sources of renewable energy currently include solar power, wind power, hydroelectric power, and landfill gas. Among them, solar power has seen a significant increase in electricity generation due to the government's proactive promotion, gradually becoming one of the primary sources of renewable energy.

In recent years, the company has formally entered the solar energy system business through subsidiaries, focusing on three main aspects: "site development," "ownership of power plants," and "power plant operation and management." Through a group management strategy, the company has established a "one-stop integrated service" tailored to each customer's needs. The company collaborates with strategic partners and integrate upstream and downstream resources to effectively complete tasks at every stage. Currently, solar system equipment installation primarily involves government large-scale projects and, to a lesser extent, private enterprise projects. Operations cover regions across Taiwan, including northern, central, southern, and eastern areas. Nearly 320 energy projects are being implemented according to contracts, and the company is actively pursuing new project developments

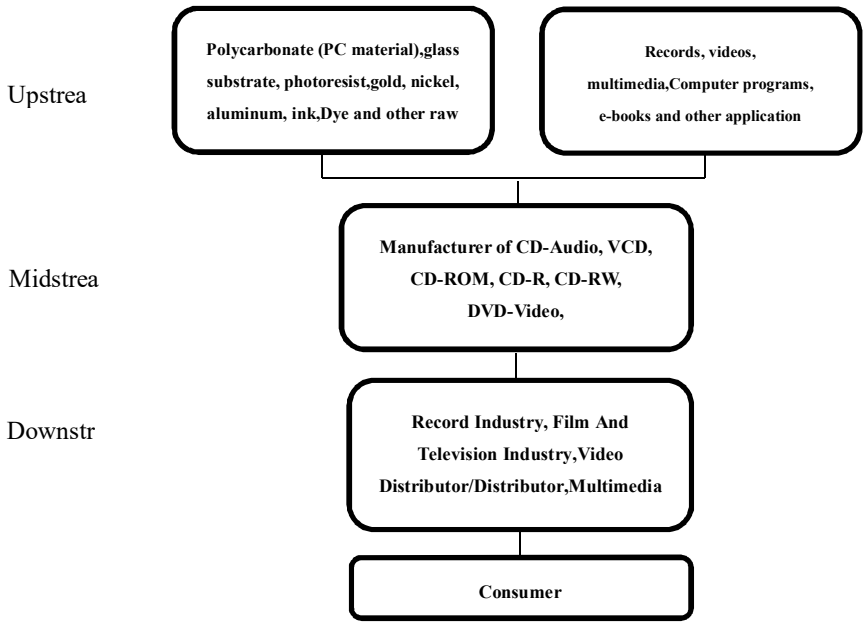
(4) Caring industry：

With aging population, changes in family structure, and increasing female labor force participation, there is a growing demand for long-term care and support services for the elderly. The demand for long-term care services is increasing. The company promotes community-based daytime care to fill the gap in daytime care for the working population, advocating for care without leaving work. The company also actively promotes the technological advancement of care. It has developed its own daytime care operation system and a family app, allowing families to share caregiving information on the same platform, thus improving the quality of care.

2. Interrelationship of the Upstream, Midstream, and Downstream

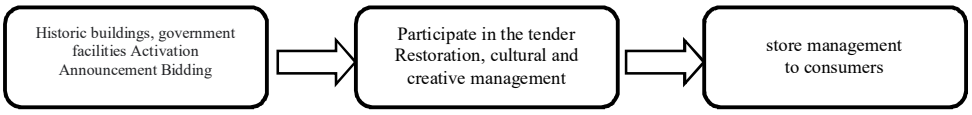
(1) Pre-recorded media industry：

The structure of optical storage media industry categorizes into upstream, midstream, and downstream, the upstream includes material industries such as polycarbonate, glass substrates, dyes, inks, gold, aluminum, nickel, as well as producers and distributors of storage media content such as music records, films, multimedia programs, and computer software. The midstream includes manufacturers of CD-Audio, VCD, CD-ROM, CD-R, CD-RW, DVD-Video, DVD-ROM, DVD-Audio, DVD-R, DVD-Rewritable, and other related products. The downstream comprises record labels, film and television companies, tape distributors/retailers, multimedia and information software companies, and consumers who are the end-users of the optical discs. The interrelationship among the upstream, midstream, and downstream in the disc industry is illustrated in the below table.

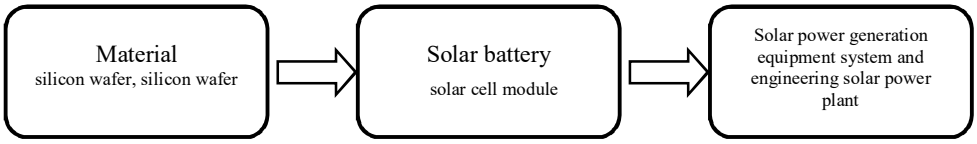


(2) Cultural and Creative&Catering Industry：

At present, the upper, middle and lower reaches of the company's operation：



(3) The relationship between the upper, middle and lower reaches of the solar industry chain：



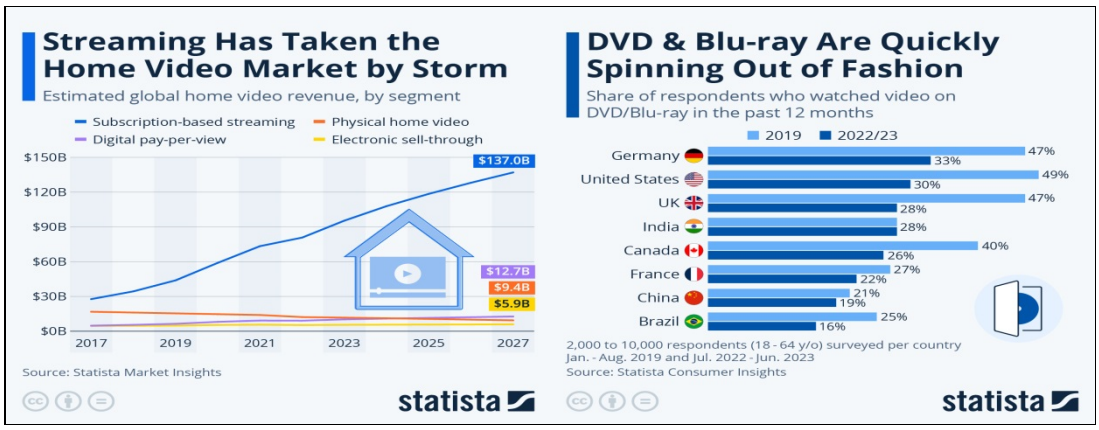
At present, the company's operation belongs to the downstream, responsible for solar power generation equipment system engineering, participating in the solution of solar power plant solutions (self-use equipment) and construction

3. Various development trends and competition of products

(1) Pre-recorded Discs：

A. Industry development trends

According to the statistics on the global home entertainment market from Statista research institute shown in the graph below, digital streaming has seen rapid exponential growth since 2017, especially accelerated during the pandemic. It is projected to reach annual revenue of $137 billion by 2027. On the other hand, revenue from physical home video formats like DVDs and Blu-ray discs is estimated to be around $9.4 billion annually, with a steady decline each year. Another chart illustrates the rapid decline of DVD and Blu-ray consumers by region between 2019 and 2023. The physical home entertainment industry is in a declining trend, with few market competitors remaining due to the decreasing supply in response to reduced demand, resulting in a balance between supply and demand.



B. Competitive Situation:

As the pre-recorded media market declines and competitors continue to exit, there are few players left, leading to a reduction in market supply. However, the company remains committed to providing customers with the highest quality and most sincere service. The company offers a comprehensive Total Solution services to meet the diverse needs of the customers at different stages. The company has obtained certification from the Blu-ray Disc Association (BDA) for the products, including Single Layer 25.0GB discs and BD-ROM Media Dual Layer compliant with Blu-ray Disc Read Only Version 2.0 specifications, enhancing the competitiveness of our products.

(2) Development of culture and creative industry：

A. Industry development trends：

In 2002, the Executive Yuan included the "Cultural and Creative Industries Development Plan" as a major national policy. It jointly established the Cultural and Creative Industries Promotion Group with the Ministry of Economic Affairs, the Council for Cultural Affairs, the Ministry of Education, and the Government Information Office, to coordinate the formulation of Taiwan's cultural and creative industry development strategy. In the early stages of promoting the cultural and creative industries, cultural and creative products were onfe of choices for gifts for the public. By the year

2009, the Executive Yuan proposed the "Creative Taiwan - Cultural and Creative Industry Development Plan," focusing on six emerging industries: television, film, popular music, digital content, design, and crafts. In 2010, the "Cultural and Creative Industries Development Act" was passed, establishing the definition and specific scope of the 13+1 industries. This aimed to strengthen and drive other immature industries based on the existing foundation, thereby establishing the future development and importance of the cultural and creative industries. The establishment of the Cultural Content Promotion Agency in 2019 facilitated the integration of cross-departmental and cross-disciplinary collaboration mechanisms, combining culture, technology, and economy to cultivate Taiwan's cultural content industry ecosystem. This initiative aimed to drive industry investment and innovation momentum, shaping the national brand. Over time, the cultural and creative industry has penetrated into every household, with cultural and creative products becoming essential items in people's daily lives and simultaneously evolving into a new way of life.

The below table illustruates data complied by the Ministry of Finance, as of October 2023, the total number of cultural and creative industries in Taiwan reached 68,498, representing a growth of 2.88% compared to the entire year of 2022. This growth reflects significant expansion across various industries. Additionally, as of October 2023, the total revenue of the cultural and creative industries amounted to NT$815.477 billion, compared to NT$994.207 billion for the entire year of 2022.

Overview of Taiwan’s Cultural and Creative Industry Revenue in 2023

Unit: stores, NT$thousand

Year / Industry	Jan.~Dec., 2022		Jan~Oct., 2023		
	Number of strores	Sales Revenue (NT$ thousand)	Number of strores	Sales Revenue (NT$ thousand)	Average Sales Amount per store
Visual arts	2,938	9,989,147	3,067	8,400,157	2,739
Music and performance arts	5,529	29,165,006	5,855	27,530,334	4,702
Cultural assets and venues	105	1,207,100	110	1,245,954	11,327
Crafts	10,517	88,688,622	10,640	75,206,262	7,068
Film	2,844	31,757,016	3,033	28,701,914	9,463
Broadcasting (radio and television)	2,264	254,655,153	2,362	202,759,615	85,842
Publishing	7,414	102,058,441	7,421	82,940,235	11,176
Advertising and marketing	16,762	201,329,043	17,333	164,115,372	9,468
Popular music and culture	3,630	33,955,718	3,757	32,366,579	8,615
Product design	1,337	43,674,698	1,313	35,085,999	26,722
Visual communication design	2,189	9,252,077	2,333	6,514,429	2,792
Fashion design	2,930	26,358,595	3,009	16,372,364	5,441
Architecture design	4,701	49,017,665	4,911	40,550,583	8,257
Digital content	3,419	113,099,093	3,354	93,687,152	27,933
	66,579	994,207,374	68,498	815,476,949	11,905

Data Source: Public Finance and Trad Statistics, Ministry of Finance

(3) Development and competitive situation of renewable energy industry：

A. Industry development trends：

As the global trend towards jointly curbing global warming gains momentum, each country around the world have proposed strategies to reduce greenhouse gas emissions. Considering energy security, green economy, and environmental sustainability, Taiwan enacted the "Renewable Energy Development Act" in July 2009 to promote renewable energy. To meet the target of renewable energy generation accounting for 20% of total electricity generation by 2025, the Act was amended on May 1, 2019, taking into factors such as the domestic potential for renewable energy development, domestic economy, and stable electricity supply. The amended Act sets a total target of promoting renewable energy generation capacity to over 27 million kilowatts (kW) by 2025, providing clear and stable policy goals to promote the steady development of renewable energy in Taiwan.

In addition, Taiwan is the world's second-largest producer of solar panels, indicating significant industry potential. With the goal of achieving a non-nuclear homeland by 2025, the government has positioned the solar energy industry as one of the green energy technology projects under its "5+2 Industrial Innovation Program." Furthermore, the government has introduced a stable preferential purchase rate for solar power plants for 20 years and provides subsidies for solar communities at all levels of counties and cities. Additionally, assistance for residents in installing solar roofs is offered as incentives, all of which are important factors in promoting the development of solar energy.

As shown in the table below, Taiwan's installed capacity of renewable energy has been steadily growing. In 2022, the overall installed capacity reached 14,132 MW, and by 2023, it reached 17,916 MW. Among these, solar energy installations accounted for 9,724 MW of the total renewable energy installed capacity in 2022, increasing to 12,418 MW by 2023. Based on this estimation, the target for solar installations is 20,000 MW by 2025. Hence, there is still a need to accelerate the construction pace of domestic solar power plants

Historical Renewable Energy Install Capacity and Target Unit: MW,%

Year	Actual						Target	
	2018	2019	2020	2021	2022	2023	2020	2025
Renewable Energy Install Capacity (MW)	6,255	7,798	9,566	11,610	14,132	17,916	10,875	27,426
Annual Grouth Rate %	18.9%	24.7%	22.7%	85.6%	21.7%	26.8%	Complete 88%	Complete 65.3%
Solar Energy Install Capacity (MW)	2,738	4,150	5,817	7,700	9,724	12,418	6,500	20,000
Install Share	43.8%	53.2%	60.8%	66.3%	68.8%	69.3%	Complete 89.5%	Complete 62.1%
Annual Grouth Rate %	54.9%	51.5%	40.2%	181.2%	26.3%	27.7%		

Data Source: Statistical data on renewable energy installed capacity from the Energy Administration, the Ministry of Economic Affairs

B. Competitive Situation:

For the limited land in Taiwan, the company aims to enhance solar energy generation to meet market demand. The management team possesses profound technical and academic expertise, as well as extensive experience in industry management and leadership. Additionally, the company has implemented nearly 320 energy projects, primarily focusing on public housing in Taiwan. With a strategic focus on long-term ownership and operation, the company aims to secure stable electricity revenue for at least 20 years. This demonstrates that the management team has established a professional operational network for decentralized power plants, providing a significant competitive advantage in the market.

5.1.3 Technology and R&D Overview：

1. Recent annual R&D expenses

Unit：NT$ thousand

Year	2022	2023
Net operating revenue	608,394	531,673
R&D expense	0	0
Ratio of R&D expense to net operating revenue	-	-

Note：This is from Individual Financial Statement

2. Successful development of technology or product

A. The disc industry focuses on allocating funds for equipment maintenance to meet customer delivery commitments. There is also an active pursuit of opportunities in digital media-related production and manufacturing.

B. Supporting the cultural and creative industry, a portion of the funds is invested in the transformation of cultural innovation thinking. Successful cases include Brick Yard 33 1/3 and the American military housing (consisting of 2 blocks with 6 units in total), all of which have fully operated before the end of year 2020. The development project emphasizes the business operation based on the concept of cultural and creative industries. The company has promoted it as a major advertising focus on the website of Department of information and tourism, Taipei City Government. It is also connected with the existing Brick Yard 33 1/3 to enhance regional economic effects and maximize the development of the area, turning it into another cultural and creative park in Taipei. Another collaborative project is the historical Japanese-style building on Hangzhou South Road in Taipei City (Nishiki-machi), which is currently under development. It is expected to be put into operation in 2024.

C. In the renewable energy business, the company provides solar power equipment system engineering, participates in solar power plant projects (including self-use equipment), and has completed the construction of nearly 320 project sites. The experience is spread across various locations throughout Taiwan, primarily focusing on Taiwan's public housing. The company possesses professional management capabilities for distributed power plants, and its operations have reached an economic scale. In the future, this will be used to construct an operational network.

D.Caring industry：Long-term care encompasses holistic services for individuals. In the future, it will move towards cross-domain integration, providing field validation to assist in the development of innovative services and products related to long-term care. Collaborating with the Japanese subsidiary, the company will exchange talent training to continuously incorporate Japanese caregiving experiences. Additionally, the company will continue to develop long-term care information systems. Through the optimization of information systems, besides reducing labor costs, we can also enhance the quality of care.

5.1.4 Short and long-term business development plan：

1. Short-term business development plan
   A. Marketing strategy
      (a) Provide customers with a comprehensive Total Solution, including pre-processing, stereotyping, replication, printing, packaging, and distribution, catering to different stages of customer demands.
      (b) Ensure product quality and accurate delivery. Based on market and customer demands, establish the most optimal and competitive products to increase the ratio of high price and high profit orders, thereby enhancing operational performance.
      (c) Implement customer cultivation and expansion efforts to achieve sustained revenue growth. In addition to maintaining existing domestic and international customers, actively participate in the development trends of the international market to increase capacity utilization and smooth out revenue differences between peak and off-peak seasons.
      (d) Continuously strengthen customer relationship management.
      (e) Promote new demands (product strategy) and provide customers with solutions.
      (f) Monitor the progress of new culture and creative projects.
      (g) Develop and manage commercial/business operations.
      (h) Track the progress of diversified culinary expansion and organize the chain system.
      (i) Provide customers with complete solutions for the construction of solar power plants, facilitating the achievement of energy goals.
   B. Production policy
      (a) Strengthen real-time monitoring systems for rapid response and handling.
      (b) Continuously improve products to reduce costs and enhance competitiveness, thereby increasing profitability.
      (c) Improve automatic production to increase efficiency.
      (d) Strengthen the implementation of product education and training.
      (e) Quality, cost, and delivery time are the three key factors for the success of home-made production.
      (f) Customer satisfaction
   C. Product development direction
      (a) Continuously maintain the manufacturing process of disc products, ensure quality and assist customers with solution-oriented approaches, also exploring non-disc product business.
      (b) Invest the cultural and creative industry and establish cultural and creative parks.
      (c) Combine with the cultural and creative industry to expand opportunities of commercial/business operations.
      (d) Combine with the cultural and creative industry to expand creative cuisine and explore trends in chain system operations.
      (e) Implement the company's expertise in distributed power plant management and establish an operational network.
   D. Operational scale and financial coordination
      (a) Adjust organization, strengthen and implement internal control system and establish sound and complete financing channels.
      (b) Adjust the amount of medium and long-term borrowing, establish a solid financial structure and operation..
      (c) Goal management, establish performance indicators and track improvement.
      (d) Proactively building talent, emphasizing selection, development, and retention.
      (e) Establish a lean and flexible organizational structure.
      (f) Integration of resources across departments and companies.
      (g) Assisting various businesses in the development of the cultural and creative industry.
      (h) Space revitalization to create efficiency.
2. Long-term development plan
   A. Marketing strategy
      (a) Safeguard customer intellectual property rights as a business policy.
      (b) Streamline core business operations, continuously expand Japanese market, maintain the European, American, and Australian markets, as well as explore opportunities in other regions.
      (c) Fully understand market dynamics and actively pursue potential business opportunities.
      (d) Fully catch market demands and actively expand into different industry sectors.
      (e) In addition to upstream and downstream integration or alliances, also pursue collaboration with diverse industries to achieve synergy.
   B. Production policy
      (a) Establish a strict production management system, implement the requirements of ISO 9001 quality certification, and continuously strengthen the functionality of quality control supervision to maintain the company's high-quality market image.
      (b) To balance the shipping demands during peak seasons, strengthen strategic alliances with peers to adjust production capacity as needed and enhance the company's operational mechanism.
      (c) Enhance process technology improvements to optimize the utilization of production resources.

(d) Continuously improve products to reduce costs, enhance competitiveness, and increase profitability.
(e) Optimal quality, delivery time, and cost control
(f) Strengthen the environmental management system ISO 14001 and occupational health and safety management system ISO 45001 to achieve zero accidents, zero pollution, and zero occupational hazards objectives.

C. Product development direction
(a) Establish core competencies, create values, difficult to imitate and scalable and possess self-learning capabilities.
(b) Maintain media products with quality and added values.
(c) Cultivate and stimulate innovative capabilities in the cultural and creative industry, and support strategic cutting-edge innovation.
(d) Enrich the cultural industry's content and applications by combining technological innovation with the unique characteristics of the media industry
(e) Build an operational network and participating in large-scale public utility projects through proven partnerships.

D. Operational scale and financial coordination
(a) Strong internal control systems and highly efficient organizational teams.
(b) Committed to innovation and proactive transformation.
(c) Cultivate highly qualified human resources through various professional training programs; implement welfare policies that share the benefits of labor and management cooperation to enhance employee loyalty and engagement.
(d) Utilize various financial products to achieve optimal financial structure and lower financial costs in accordance with the company's operational demands for financial support.
(e) Development and control of performance management systems to enhance efficiency and avoid risk happened.
(f) Establish the culture of employee loyalty and commitment to the company, fostering a proactive and positive work environment.
(g) Implement clear division of responsibilities and cultivate the necessary skills for organizational and target market management.

5.2 Market and Sales Overview

5.2.1 Market analysis:

1、Sales regions of main products：

Year / Region	2022	2023
Taiwan	69.68%	71.78%
America	0.00%	0.31%
Australia	0.06%	0.07%
Asia	30.24%	27.83%
Other	0.02%	0.01%
Total	100.00%	100.00%

2、Market share：

In recent years, global industries have been impacted by COVID-19 pandemic and political events (such as the Russia-Ukraine conflict, tensions in the Middle East, and incidents in the Red Sea). This has led to imbalances in supply and demand and severe constraints in the supply chain. The pre-recorded media industry has faced pressures from raw materials, shipping costs, labor expenses, exchange rates, and more. As competitors struggle to cope with these pressures, many have been forced out of the market, resulting in diminished competition in the domestic pre-recorded optical disc sector. According to import-export data from Taiwanese and Japanese customs, the company's main product, pre-recorded optical discs, has seen its import share in key markets, particularly in Japan, grow from approximately 32% in 2019 to 48% in 2023. This indicates the company's significant presence in the pre-recorded optical disc industry

3、Future demand and supply and growth of the market：

A. Regarding pre-recorded media, according to market reports from relevant research institutions, the global pre-recorded DVD market has entered a mature and declining phase after many years of growth, largely due to the rapid advancement of digital technology. The data indicates a continuous decline in demand for these products, except for a relatively slower decline in BD products. The downward trend in other products is unlikely to change, given the maturity of the industry and increasing competition. This trend has led to a decline in product prices, and companies with weaker capabilities will be forced to exit the market. Therefore, during this phase, the company is essential to continuously improve the manufacturing processes to maintain high-quality services and ensure a certain level of production capacity utilization as a primary focus.

B. Cultural and creative industries are developed based on the roots of local culture, and they cannot be easily replaced by anyone else. They possess a highly competitive advantage. Taiwan's cultural and creative industry is towards diversification and has already established a foundation. Once consumer

awareness becomes more pronounced, the economic effect will be significant. U-Tech has a solid foundation in the development of cultural and creative industries, and in its long-term planning, it supports strategic cutting-edge innovation and participates in the operation of cultural and creative marketplaces (parks). By combining its media industry characteristics with technological innovation, U-Tech enriches the cultural industry's content and promotes its diverse applications. The company also emphasizes corporate social responsibility by addressing public issues.

C. The energy business is a newly ventured market for the company. In addition to its existing expertise in managing distributed power plants, the government's promotion of energy goals in the year 2025 has facilitated the establishment and operation of networks. The company aims to collaborate and participate in large-scale public power plant projects, aligning with its track record and accomplishments.

4、Competitive advantages

A.Comprehensive provision of Total Solution & Turn Key services to customers.

B.High production capacity, high quality, and stable delivery of CD、DVD、BD.

C.Have precision Stamper manufacturing capability.

D.Have one of the few BD production lines in Asia with high entry barriers and relatively low competition.

E.Inherent cultural heritage in the industry (cultural and creative).

F.Professional management capability in distributed power plants (energy).

5、Factors affecting future development, as well as corresponding strategies：

A. Favorable factors

(a)DVD-Video serves as a medium for home entertainment.

(b)The multimedia and gaming software market constantly introduces new offerings.

(c)The demand of high-definition BD is stable.

(d)The cultural and creative industry is thriving in the Taiwanese market.

(e)Government energy policies (energy)

B.Unfavorable factors and countermeasures

(a) Impact of digital technology and online streaming

Countermeasures: Stay informed about the trends of the media market and respond flexibly to market developments.

(b) Influence of cloud technology application

Countermeasures: SafeDisc anti-piracy technology enhance product performance to prevent unauthorized copying and burning.

(C)Intense price competition in the industry

Countermeasures: The cultural and creative industry aims to integratively combine people, culture, location, scenery, and products to create distinctive communities or local cultures.

(d) Industry cost rises continuously.

To mitigate the risk of concentrated procurement, follow the principle of sourcing from two or more suppliers for the same item.

5.2.2 Major purpose and manufacturing process of main products：

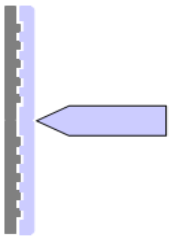
1、Major purpose of main products

Main products		Major purpose and function
Pre-record media	Digital Versatile Disc；DVD)	Storage for high-quality music, high-definition videos, and large-capacity data for cultural dissemination, educational training, and leisure entertainment purposes.
	CD Read-Only Memory；CD-ROM)	Storage for audio and video data for publishing business and software programs.
	Video Compact Disc；VCD)	Use for cultural dissemination, educational training, and leisure entertainment purposes.
	Audio Compact Disc；CD-Audio)	Use for storing audio data such as music and songs.

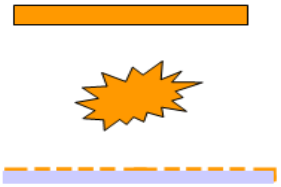
2、Manufacturing process

A. 預錄型 CD 光

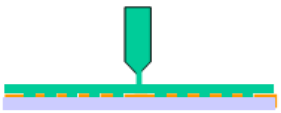
a. 塑膠射出，複製母



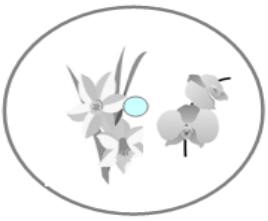
b. 透明基版反



c. 保護膠塗佈



d. 碟片標示圖案



e. 碟片包裝入庫

B. Read-only pre-recorded DVD

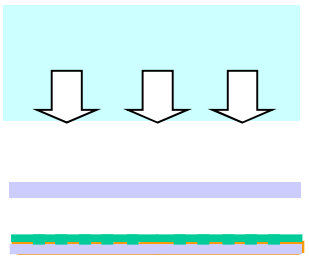
a. Plastic injection, duplicating the data on the master

b. Sputtering of reflective layer on transparent

c. Bonding of two substrates and UV hardening

d. Bonding of two substrates and UV hardening

e. Disc packaging and storage



5.2.3 Supply situation of major materials：

Major material	Supplier	Original	Supply situation
PC	A、B companies	Taiwan/Hongkong	Good
Protective coating	C、D company	Taiwan	Good
Ink	E、F、G、H companies	Taiwan /Japan	Good
Adhesive	I、C、G、D companies	Taiwan /Japan	Good
Target	J、K、L、M companies	Taiwan / Germany	Good

5.2.4 Main customers for sales and purchases：

5.2.4.1 Major customers who accounted for more than 10% of the total purchase amount and percentages for the recent 2 fiscal years：

Unit：NT$ thousand；%

	2022				2023				As of March 31.2024			
Item	Name	Amount	Percentage of annual net purchase〔%〕	Relationship with the issuer	Name	Amount	Percentage of annual net purchase〔%〕	Relationship with the issuer	Name	Amount	Percentage of annual net purchase〔%〕	Relationship with the issuer
1	A	40,676	14.41	No	A	31,106	11.07	No	A	6,942	13.92	No
2	B	40,461	14.34	No	B	910	0.32	No	B	610	1.22	No
	Other	201,048	71.25	-	Other	248,899	88.61	-	Other	42,312	84.86	-
	Net purchase	282,185	100.00	-	Net purchase	280,915	100.00	-	Net purchase	49,864	100.00	-

Main reasons for changes：The changes in the company's suppliers are primarily due to adjustments in response to production scheduling demands

5.2.4.2 Major customers who accounted for more than 10% of the total sales amount and percentages for the recent 2 fiscal year：

Unit：NT$ thousand；%

	2022				2023				As of March 31.2024			
Item	Name	Amount	Percentage of annual net sales〔%〕	Relationship with the issuer	Name	Amount	Percentage of annual net sales〔%〕	Relationship with the issuer	Name	Amount	Percentage of annual net sales〔%〕	Relationship with the issuer
1	A	115,813	10.41	No	A	126,205	11.11	No	A	34,021	11.13	
	Other	997,007	89.59	-	Other	1,010,230	88.89	-	Other	271,711	88.87	
	Net sales	1,112,820	100.00	-	Net sales	1,136,435	100.00	-	Net sales	305,732	100.00	-

Main reasons for changes：No change

5.2.5 Production volume and value in the most recent 2 fiscal years：

Unit：NT$ thousand，thousand pieces

Volume / Amount — Year / Main products or department	2022			2023		
	Capacity	Volume	Amount	Capacity	Volume	Amount
Disc product service	121,800	64,197	383,333	117,000	55,331	332,705
Others	-	-	348,958	-	-	396,658
Total	121,800	64,197	732,291	117,000	55,331	729,363

5.2.6 Sales volume and value in the most recent 2 fiscal years：

Unit：NT$ thousand，thousand pieces

Sales — Year / Main products or department)	2022				2023			
	Local		Export		Local		Export	
	Volume	Amount	Volume	Amount	Volume	Amount	Volume	Amount
Disc product service	30,857	176,872	36,648	336,018	23,460	140,496	33,892	319,916
Others	-	598,535	-	1,395	-	675,203	-	820
Total	30,857	775,407	36,648	337,413	23,460	815,699	33,892	320,736

5.3 Human Resources：

Year		2022	2023	As of 31 March 2024
Number of Employees	Direct Personnel	141	130	130
	Indirect Personnel	66	63	61
	Total	207	193	191
Average Age		43.87	44.79	45.20
Average Years of Service		13.86	15.08	15.35
Education	Ph.D.	0.48%	0.52%	0.52%
	Masters	1.45%	1.55%	1.56%
	Bachelor’s Degree	63.77%	66.32%	67.19%
	Senior High School	31.40%	28.50%	27.6%
	Below Senior High School	2.90%	3.11%	3.13%

5.4 Environmental Protection Expenditure：

5.4.1 Losses incurred due to environmental pollution in the current fiscal year and up to the date of the annual report printing：No

5.4.2 Environmental protection expenditure in the current year：

1. Sewage and wastewater treatment fees NT$134,506
2. Waste disposal fee NT$737,562

5.4.3 Response measures：

The company adheres to the spirit of ISO 14001 Environmental Management System certification and ISO 45001 Occupational Health and Safety Management. External assessments are conducted regularly every year to ensure that environmental and occupational health and safety operations meet the requirements for continuous improvement of management systems.

Employee working environment and safety：

1. Conduct hazard awareness campaigns on actual cases every three months in the workplace.
2. Clearly define preventive measures such as personal characteristics, excessive workloads, maternal health, and unlawful infringements. Conduct assessments as required by job requirements to prevent occupational injuries.
3. To encourage employees to report false alarms and prevent accidents, the company establish an incentive mechanism for reporting incidents. In 2023, a total of 9 false alarm incidents and safety improvement proposals were reported.
4. Conduct environmental monitoring twice a year, including carbon dioxide, lighting, noise, and chemical substances, to ensure the safety of the working environment for employees. In 2023, all requirements of regulations were met.
5. Conduct fire drills and training twice a year.
6. Employee health checks are conducted every two years, and health promotion activities such as weight loss and walking are carried out annually.
7. Health services with a resident doctor are provided twice a month, offering health consultations and educational guidance.
8. Establish nursery rooms for breastfeeding employees.

In terms of environmental protection：

1. The products comply with the European Union's RoHS.
2. The company has obtained the SONY Green Partner Management System standard requirements.
3. The factory is equipped with air and water pollution prevention and control facilities, and personnel are on a 24-hour rotation to monitor any incidents of environmental pollution or violations. No such incidents were reported in 2023.
4. For water pollution management, dedicated personnel are responsible for the operation and regular maintenance of the wastewater treatment equipment in the factory. Reports are submitted every six months, and there were no abnormal water quality reports in 2023. The Park Management Center conducts weekly water quality tests on discharged water to assist and supervise to ensure compliance with the management center's standards. To conserve water resources, recycled water is utilized for supplementary purposes such as air conditioning cooling water and landscape irrigation in the factory.

Item	2022	2023
Water consumption (ton/year)	32,890	31,946

5. Waste disposal prioritizes recycling and reuse. If waste cannot be recycled or reused, it is entrusted to legal cleaning organizations for incineration or landfill disposal. To ensure proper control of waste flow, personnel are dispatched to audit waste removal and disposal companies to ensure that all waste is legally handled to prevent secondary environmental pollution. In terms of waste management, a goal was set in 2024 to achieve a 1% annual reduction in waste volume.

Item	2022	2023
Total weight of waste（ton）	213	216
Weight of recycle & reuse（ton）	18	10
Percentage of recycle & reuse in relation to total weight（%）	8%	4%

6. In response to climate change and the responsibility to protect the Earth, although greenhouse gas has not been implemented yet, we actively seek to understand the greenhouse gas emissions of the company. We voluntarily calculate the greenhouse gas emissions and the total emissions for the past two years are as follows：

Item	2022	2023
Category 1	875,856	73,488
Category 2	6,231,979	6,080,607
Total greenhouse gas emissions（KgCO2e）	7,107,835	6,154,095

7. The main source of greenhouse gas emissions is the purchased electricity. In order to promote energy conservation and carbon reduction, the company has implemented various energy-saving measures, with the following performance：

Year	Implemented measures	Performance
2022	Installation of variable frequency drives in the hot water circulation system	Save electricity 152,880 degree
2023	Replacement of LED lights in basement parking lot	Save electricity 440 degree

5.5 Labor Relations：

Employee Welfare Measures, Retirement System, and Implementation Status, and Social Responsibility Fulfillment

5.5.1 Employee welfare measures

(1) Social insurance and physical and mental safety maintenance

In compliance with the Labor Standards Act, Labor Insurance regulations, Employee Welfare and related regulations, employees are entitled to labor insurance, national health insurance, and group insurance from the date of employment. Every two years, a comprehensive health examination is conducted for all employees, and employee health tracking and promotion of employee self-management activities are implemented.

(2) Employee care benefits

Implement various measures to take care of our employees, such as providing assistance for marriage, funeral, and emergencies, distributing holiday gift vouchers, operating an employee cafeteria and parking lot, having a resident professional doctor, organizing family days and year-end banquet events. The company also offers special benefits for elderly family members, such as discounted day care services. Additionally, we have a dedicated Employee Welfare Committee to handle related welfare matters, including birthday and childbirth congratulatory cash gifts, hospital visitations, employee trips, and partnering with numerous contracted stores to provide shopping discounts.

(3) Employee Stock Options System

To let all employees in the company's operations and growth, through the Employee Stock Option System, employees have the opportunity to enjoy stock options, enabling them to participate actively and share in the profits.

(4) Profit sharing for all employees

Based on annual earnings, the company distributes year-end bonuses and provides departmental performance bonuses based on operational achievements. The company also plans for annual salary adjustments accordingly.

(5) Employee education and training

The company has established a comprehensive training system for talent development and regularly reviews education and training plans to adapt to organizational growth and external environmental changes. The company conducts various educational and training programs, including pre-employment training, safety and health, on-the-job training for professional skills, production technology, management knowledge, as well as self-development training. These programs integrate organizational development, career planning, lifelong learning, and work-life balance, contributing to the robust development of our human resources

To encourage continuous learning among colleagues, the company has established a policy for on-the-job education subsidies, providing support for language learning, language proficiency incentives, and other forms of professional and career enhancement.

In recent years, the company has also emphasized the importance of employee well-being and actively organized health and leisure courses. We encourage employees to combine career planning with self-development training, lifelong learning, and maintaining a healthy work-life balance. In 2023, the achievement rate for employee training and development reached157%.

5.5.2 Retirement system and implementation status

(1) In order to care the employees' post-retirement career planning, the company sets the retirement reserves annually in accordance with legal requirements. Actuary is engaged each year to ensure the adequacy of retirement benefit liabilities.
(2) In compliance with the Labor Pension Regulation, employees are entitled to a retirement pension contribution of 6% of their salary from their date of employment. These contributions are deposited into their individual accounts with the Bureau of Labor Insurance.
(3) Implementation status：Good

5.5.3 Agreement between labor and management

Regular hold the labor-management meetings to ensure smooth communication channels between both parties. The interaction between labor and management is positive.

5.5.4 Labor disputes

In the past five years, the company has not incurred any losses due to labor disputes.

5.5.5Fulfilling social responsibilities

The company has established a social responsibility policy and developed an employee manual, a code of conduct, and relevant management guidelines as behavioral standards for employees in their work.

(1) In addition to complying with the law, the company adheres to international labor rights standards, prohibiting all forms of employment discrimination. The company has never discriminated against employees based on race, ideology, religion, political affiliation, birthplace, gender, sexual orientation, marital status, appearance, or disabilities in terms of rewards, punishments, promotions, or any other considerations. We also ensure the freedom of association for the employees and encourage their participation in or establishment of lawful organizations and associations. As a result, the company has had no complaints or incidents of gender-related issues, human rights violations, or discrimination that could affect our business operations over the years.
(2) To pursue excellent business performance and maintain a culture of integrity, the company has established a code of conduct that all employees must adhere to while engaging in their respective duties.
(3) In order to uphold gender equality in the workplace and provide employees with a work environment free from sexual harassment, the company has implemented measures to prevent and address sexual harassment, including a formal complaint and disciplinary procedure, which all employees are required to follow.
(4) Support for female employees：the company provides maternity benefits, regardless of gender or number of pregnancies, which are granted as a lump sum upon application. The company also offers flexible working hours, maternity check-up leave, paternity/parental leave, pregnancy-related leave, maternity leave, family care leave, and childcare leave to ensure equal compensation conditions and equal opportunities for promotion for employees of all genders. Female employees account for an average of 44.56% of workforce, while female managers account for an average of 36%.
(5) Computers are essential tools for the employees. To regulate the use of electronic devices by employees, the company has established cyber security and network security management measures that all employees must follow.
(6) We have mailboxes and a dedicated email section for employee feedback and suggestions within the company, providing a platform for employees to express their concerns and opinions.

5.6 Cyber Security Management：

5.6.1 Framework of Cyber Security Management

5.6.1.1 The Information Department is responsible for cyber security within the company, tasked with planning, executing, and promoting cyber security management policies, as well as raising awareness of cyber security. The Audit Department serves as the supervisory unit for cyber security oversight. If any deficiencies are found during internal audits, outsourced audits, or ISO9001 audits conducted annually, the audited unit is required to submit related improvement plans to the board of directors and regularly track the effectiveness of these improvements to mitigate internal cyber security risks.

5.6.1.1.2 Policy for Cyber Security

The company's statement of cyber security policy is: "Implementing cyber security is everyone's responsibility." Through the collective efforts of all colleagues, we aim to achieve the following objectives:

A. Ensure the confidentiality, integrity, and availability of information assets.
B. Ensure data access based on departmental permissions and prevent unauthorized modification or use of data and systems.
C. Ensure uninterrupted operation of information systems.
D. Prevent hacking, various virus intrusions, and unauthorized and unlawful use.
E. Regularly conduct security audit operations to ensure the implementation of cyber security.

5.6.1.1.3 Specific Management Proposal

A. Network Security Gateway Protection (Firewall, IPS, APP Control...
B.Endpoint Protection
C. Email Security Control
D. Authentication, System Access Control

E. Equipment Security Management and Data Backup

5.6.1.1. 4 Resource Allocation for Cyber Security Management

The company employs one full-time cyber security personnel who conduct annual cyber security training. Continuous investment is made in cyber security equipment and antivirus software updates. Additionally, biannual backup and recovery drills are conducted to ensure the security of critical system data.

5.6.2 As of the date of printing of the annual report, there have been no significant cyber and communication technology incidents.

5.7 Important Contracts：

Contract	Parties	Contract start and end date	Main content	Limited clauses
Technology licensing agreement	Company A	From Jan.01, 2001	DVD licensing agreement	No
Technology licensing agreement	Company B	From Jun.01, 2001	DVD licensing agreement	No
Technology licensing agreement	Company C	Jul.01, 2004 to Oct.01, 2029	DVD licensing agreement	No
Technology licensing agreement	Company D	From Dec.01, 2012	BD ROM Discs Technology licensing agreement	No
Technology licensing agreement	Company E	From Jan.01, 2011	BD ROM Discs Technology licensing agreement	No
Technology licensing agreement	Company F	From Mar.12, 2014	BD ROM Discs Technology licensing agreement	No
Loan contract	Taiwan Cooperative Bank	Mar.24, 2022 to Mar.24, 2029	Secured loan	No
Loan contract	CTBC Bank Co., Ltd	Aug.4, 2023 to Aug.4, 2026	Secured loan	No
Loan contract	Far Eastern International Bank Co., Ltd	Mar.27, 2023 to Mar.27, 2025	Non-secured loan	No
Loan contract	O-Bank	May.24, 2023 to May.23, 2025	Non-secured loan	No

VI、Financial Information

6.1 Five-Year Financial Summary

6.1.1 Concise Balance Sheet and Statements of Comprehensive Income

6.1.1.1 Concise Balance Sheet (Consolidated)

Unit：NT$ thousand

Item \ Year		Financial Information for Most Recent 5 Fiscal Year					As of Mar.31, 2024 (Note)
		2019	2020	2121	2022	2023	
Current assets		1,700,747	1,821,238	1,571,819	1,498,874	1,590,944	1,559,173
Property, plant and equipment		2,617,316	2,600,615	2,582,581	2,526,808	2,438,775	2,587,352
Intangible assets		0	0	37,417	34.070	27,170	76,481
Other assets		1,132,574	1,064,138	1,050,824	1,017,766	969,416	1,157,826
Total assets		5,450,637	5,485,991	5,242,641	5,077,518	5,026,305	5,380,832
Current liabilities	Before distribution	924,054	1,036,299	952,152	672,495	760,497	967,351
	After distribution	997,046	1,123,889	1,039,742	745,487	837,989	Undistributed
Non-current liabilities		1,930,773	1,830,482	1,601,240	1,684,001	1,552,443	1,512,543
Total liabilities	Before distribution	2,854,827	2,866,781	2,553,392	2,356,496	2,312,940	2,479,894
	After distribution	2,927,819	2,954,371	2,640,982	2,429,488	2,3960,432	Undistributed
Equity attributable to owners of the parent company		2,306,436	2,305,956	2,354,668	2,384,590	2,333,030	2,508,033
Share capital		1,459,845	1,459,845	1,459,845	1,459,845	1,459,845	1,549,845
Capital surplus		520,515	520,257	529,308	532,017	531,482	576,627
Retained earnings	Before distribution	339,392	379,385	416,534	440,972	439,585	425,582
	After distribution	266,400	291,795	328,944	367,980	362,093	Undistributed
Other equity		(13,316)	(53,531)	(51,019)	(48,244)	(47,882)	(44,021)
Treasury share		0	0	0	0	0	0
Prior equity under joint control		0	0	0	0	0	0
Non-controlling interests		289,374	313,254	334,581	336,432	330,335	392,905
Total equity	Before distribution	2,595,810	2,619,210	2,689,249	2,721,022	2,713,365	2,900,938
	After distribution	2,522,818	2,531,620	2,601,659	2,648,030	2,635,873	Undistributed

Note： Except for the financial data audited by CPA as of March 31, 2024, the remaining financial data has been reviewed and certified by CPA.

6.1.1.2 Concise Balance Sheet (Individual)

Unit：NT$ thousand

Item \ Year		2019	2020	2121	2022	2023
Current Assets		841,917	1,120,254	781,118	715,135	761,982
Property, plant and equipment		764,551	750,013	732,161	712,114	697,360
Intangible assets		0	0	0	0	0
Other Assets		1,884,071	1,578,621	1,567,702	1,626,071	1,567,514
Total Assets		3,490,539	3,448,888	3,080,981	3,053,320	3,026,856
Current liabilities	Before distribution	574,875	709,913	440,997	257,535	292,142
	After distribution	647,867	797,503	528,587	330,527	369,634
Non-current liabilities		609,228	433,019	285,316	411,195	351,684
Total Liabilities	Before distribution	1,184,103	1,142,932	726,313	668,730	643,826
	After distribution	1,257,095	1,230,522	813,903	741,722	721,318
Equity attributable to owners of the parent company		2,306,436	2,305,956	2,354,668	2,384,590	2,383,030
Share capital		1,459,845	1,459,845	1,459,845	1,459,845	1,459,845
Capital surplus		520,515	520,257	529,308	532,017	531,482
Retained earnings	Before distribution	339,392	379,385	416,534	440,972	439,585
	After distribution	266,400	291,795	328,944	367,980	362,093
Other equity		(13,316)	(53,531)	(51,019)	(48,244)	(47,882)
Treasury share		0	0	0	0	0
Prior equity under joint control		0	0	0	0	0
Non-controlling interests		0	0	0	0	0
Total equity	Before distribution	2,306,436	2,305,956	2,354,668	2,384,590	2,383,030
	After distribution	2,233,444	2,218,366	2,267,078	2,311,598	2,305,538

Note：Above financial data has been reviewed and certified by CPA.

6.1.1.3 Concise Statement of Comprehensive Income (Consolidated)

Unit：NT$ thousand

Item \ Year	Financial Information for Most Recent 5 Fiscal Years（Note 1）					As of Mar.31, 2024 (Note)
	2019	2020	2121	2022	2023	
Operating revenue	1,020,063	964,940	1,013,446	1,112,820	1,136,435	305,731
Gross profit	423,814	380,742	347,252	402,389	442,327	107,147
Operating income	203,039	182,854	112,744	117,290	111,489	7,159
Non-operating income and expenses	(63,690)	(29,926)	60,306	4,032	(10,768)	63,733
Profit before income tax	139,349	152,928	173,050	121,322	100,721	70,892
Net income for the period from continuing operations	121,074	140,564	155,698	121,033	90,045	65,022
Loss from discontinued operations	0	0	0	0	0	0
Net income (loss) for the period	121,074	140,564	155,698	121,033	90,045	65,022
Other comprehensive income (loss) for the period (net of income tax)	15,963	(42,194)	(4,033)	13,600	(1,443)	3,861
Total comprehensive income for the period	137,037	98,370	151,665	134,633	88,602	68,883
Net income attributable to owners of parent	110,201	116,454	131,882	103,031	72,497	63,550
Net income (loss) attributable to Prior equity under joint control	(3,992)	0	0	0	0	0
Net income (loss) attributable to non-controlling interests	14,865	24,110	23,816	18,002	17,548	1,472
Total comprehensive income attributable to owners of parent	126,164	74,260	127,841	114,435	71,050	67,411
Total comprehensive income, attributable to non-controlling interests	(3,992)	0	0	0	0	0
Net income (loss) attributable to non-controlling interests	14,865	24,110	23,824	20,198	17,552	1,472
Earnings per share	0.75	0.80	0.90	0.71	0.50	0.42

Note： Except for the financial data reviewed by CPA as of March 31, 2024, the rest of the financial information has been audited and certified by CPA.

6.1.1.4 Concise Statement of Comprehensive Income (Individual)

Unit：NT$ thousand

Item \ Year	2019	2020	2121	2022	2023
Operating revenue	686,973	611,703	622,103	608,394	531,673
Gross profit	230,650	170,848	129,410	133,844	134,872
Operating income	98,737	38,600	(5,529)	21,262	31,949
Non-operating income and expenses	10,166	73,759	139,931	89,982	37,550
Profit before income tax	108,903	112,359	134,402	111,244	69,499
Net income for the period from continuing operations	106,209	116,454	131,882	103,031	72,497
Loss from discontinued operations	0	0	0	0	0
Net income (loss) for the period	106,209	116,454	131,882	103,031	72,497
Other comprehensive income (loss) for the period (net of income tax)	15,963	(42,194)	(4,041)	11,404	(1,447)
Total comprehensive income for the period	122,172	74,260	127,841	114,435	71,050
Net income attributable to owners of parent	110,201	116,454	131,882	103,031	72,497
Net income (loss) attributable to Prior equity under joint control	(3,992)	0	0	0	0
Net income (loss) attributable to non-controlling interests	126,164	74,260	127,841	114,435	71,050
Total comprehensive income attributable to owners of parent	(3,992)	0	0	0	0
Total comprehensive income, attributable to non-controlling interests	0.75	0.80	0.90	0.71	0.50

Note：Above financial information has been audited and certified by CPA.

6.1.2 Accountant's name and audit opinions for the past five year

6.1.2.1 Accountant's name and audit opinions

Year	CPAs	Name of accountant	Audit opinion
2019	EY Taiwan	Hsu Jung Huang、Tu Chia Ling	Unqualified opinions
2020	EY Taiwan	Hsu Jung Huang、Tu Chia Ling	Unqualified opinions
2021	EY Taiwan	Hsu Jung Huang、Tu Chia Ling	Unqualified opinions
2022	EY Taiwan	Hsu Jung Huang、Chiu Wan Ju	Unqualified opinions
2023	EY Taiwan	Hsu Jung Huang、Chiu Wan Ju	Unqualified opinions

6.1.2.2 Change of accountants：None.

6.2 Five-Year Financial Analysis

6.2.1 Financial Analysis (Consolidated)

Item \ Year		Financial information for the Most Recent 5 Years					As of Mar.31, 2024
		2019	2020	2121	2022	2023	
Financial structure (%)	Debt to assets ratio	52.38	52.26	48.70	46.41	46.02	46.09
	Ratio of long-term capital to property, plant and equipment	172.95	171.10	166.13	174.33	174.92	170.58
Solvency (%)	Current ratio	184.05	175.74	165.08	222.88	209.20	161.18
	Quick ratio	175.58	169.95	154.71	209.56	196.04	153.34
	Times interest earned	3.85	3.57	4.45	3.36	2.90	7.55
Operating Ability	Accounts receivable turnover (times)	7.84	7.82	7.46	8.03	8.77	8.59
	Average collection days	46.55	46.67	48.92	45.45	41.61	42.49
	Inventory turnover (times)	9.92	10.08	9.83	8.67	9.52	13.29
	Accounts payable turnover (times)	12.90	12.65	11.52	11.53	12.95	16.06
	Average days in sales	36.79	36.21	37.13	42.09	38.34	27.46
	Property, plant and equipment turnover (times)	0.41	0.37	0.39	0.44	0.46	0.49
	Total asset turnover (times)	0.20	0.18	0.19	0.22	0.22	0.24
Profitability	Return on total assets (%)	2.92	2.86	3.10	2.68	2.13	1.42
	Return on equity (%)	4.35	4.47	4.97	3.81	2.67	2.32
	Ratio of income before tax to paid-in capital(%)	8.80	8.82	10.22	7.08	5.70	4.57
	Net profit margin (%)	10.80	12.07	13.01	9.26	6.38	21.27
	Earnings per share (NT$)	0.75	0.80	0.90	0.71	0.50	0.42
Cash Flow	Cash flow ratio (%)	36.80	17.02	37.12	49.48	42.82	1.80
	Cash flow adequacy ratio (%)	71.31	62.46	74.58	85.40	118.14	104.38
	Cash reinvestment ratio (%)	4.13	1.45	4.13	3.72	4.02	0.27
Leverage	Operating leverage	1.68	1.87	2.53	2.75	2.87	8.69
	Financial leverage	1.29	1.38	1.62	1.60	1.65	(1.95)

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%.)

(1) Return on assets, return on equity, net profit margin, earnings per share: The decrease is primarily due to the decrease in net profit for the current period of the year 2023.

(2) Cash flow adequacy ratio: The increase is primarily due to the decrease in capital expenditures in the year 2023.

6.2.1 Financial Analysis (Individual)

Item \ Year			Financial information for the Most Recent 5 Years				
			2019	2020	2021	2022	2023
Financial structure（%）	Debt to assets ratio		33.92	33.14	23.57	21.90	21.27
	Ratio of long-term capital to property, plant and equipment		381.36	365.19	360.57	392.60	392.15
Solvency%	Current ratio		146.45	157.80	177.13	277.68	260.83
	Quick ratio		134.72	151.13	158.60	251.44	241.86
	Times interest earned		9.39	9.02	15.12	14.51	8.89
Operating performance	Accounts receivable turnover (times)		6.90	6.28	5.98	5.87	5.52
	Average collection days		52.88	58.13	61.01	62.17	66.09
	Inventory turnover (times)		8.82	8.02	7.93	6.57	6.77
	Accounts payable turnover (times)		11.53	12.02	12.47	13.59	14.43
	Average days in sales		41.39	45.53	46.03	55.57	53.93
	Property, plant and equipment turnover (times)		0.89	0.81	0.84	0.84	0.75
	Total asset turnover (times)		0.20	0.18	0.19	0.20	0.17
Profitability	Return on total assets（%）		3.53	3.68	4.27	3.57	2.62
	Return on equity（%）		4.77	5.05	5.66	4.35	3.04
	Ratio of income to paid-in capital（%）	Operating profit	6.76	2.64	(0.38)	1.46	2.19
		Income before tax	7.73	7.70	9.21	7.62	4.76
	Net profit margin (%)		16.04	19.04	21.20	16.93	13.64
	Earnings per share (NT$)		0.75	0.80	0.90	0.71	0.50
Cash flow	Cash flow ratio (%)		36.82	5.96	28.21	12.45	31.79
	Cash flow adequacy ratio (%)		140.61	103.30	113.82	93.25	112.17
	Cash reinvestment ratio (%)		3.37	（0.64）	0.80	(1.19)	0.45
Leverage	Operating leverage		1.26	1.64	（3.64）	2.10	1.63
	Financial leverage		1.16	1.57	0.37	1.63	1.38

Please explain the causes of changes in the financial ratios in the most recent 2 fiscal years. (Analysis is not required if the increase or decrease is less than 20%)

(1) Interest Coverage Ratio: The decrease primarily due to the decrease in net profit before income tax and interest expenses in 2023.

(2) Return on equity、Return on equity、Income before tax Ratio of income to paid-in capital、margin per share：The decrease is primarily due to the decrease in pre-tax net profit in 2023.

(3) Ratio of operating profit to paid-in capital：The increase is primarily due to the increase in operating net profit in 2023.

(4) Cash flow ratio、cash flow adequacy ratio、cash reinvestment ratio：The increase was mainly due to the increase in net cash flow from operating activities in 2023.

(5) Operating leverage、financial leverage：The increase is primarily due to the increase in operating profit in 2023.

Note 1：The following formula should be listed at the end of the statement：

1. Financial Structure
   (1) Debt to asset ratio = Total liabilities/Total assets
   (2) Long term capital to property, plant and equipment ratio =（Total equity＋non-current 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) Interest coverage ratio = net profit before income tax and interest expense/net Interest expense
3. Operating capacity
   (1) Receivable (including trade receivables and notes receivables of operation) turnover rate (times) = Net Sales / Average balance of receivables
   (2) Average cash recovery day = 365 / Receivable turnover rate
   (3) Inventory turnover = cost of sales / average inventory
   (4) Payable (including payables and notes payable of operation) turnover rate = cost of sales / average balance of payables
   (5) Days sales outstanding = 365 / Inventory turnover。
   (6) Property, plant and equipment turnover rate =（net sales / average net Property, plant and equipment
   (7) Total asset turnover rate = net sales / average total assets
4. Profitability
   (1) Return on assets =（〔profit after tax＋Interest expenses×（1-tax rate）〕/ average total assets
   (2) Return on equity =profit after tax / average total equity
   (3) Net profit rate = profit after tax / net sales
   (4)Earnings per share =（Interests attributable to parent company owner－preferred stock dividend）/ Weighted average number of issued shares（Note 2）
5. Cash flow
   (1) Cash flow ratio = net cash flow from operating activities / current liabilities
   (2) Cash flow adequacy ratio = (net cash flow from operating activities within five years / (capital expenditure + inventory increase +cash dividend) within five year
   (3) Cash reinvestment ratio = (net cash flow from operating activities－cash dividend) / (gross Property, plant and equipment＋long-term investment＋Other noncurrent assets＋working capital) (Note 3)
6. Leverage:
   (1) Operating leverage = (net operating revenue－variable operating costs and expenses) /operating income
   (2) Financial leverage = operating income / (operating income－Interest expense)

Note2：Above calculation of earnings per share should be paid attention to the following：

1. Take the weighted average number of ordinary shares outstanding, rather than the number of shares issued at the end of the year.
2. For cash capital increase or treasury stock transactions, the weighted average number of shares should be calculated taking into account their circulation period.
3. For increase capital by earnings or capital surplus, the earnings per share of previous years and semi-annual periods should be adjusted retroactively according to the capitalization ratio, without considering the period of the capital increase.
4. If the preferred stock is non-convertible cumulative preferred stock, its dividends for the year (whether distributed or not) should be deducted from or added to the net income after tax. If the preferred stock is non-cumulative, in the case of net income after tax, the preferred stock dividends should be deducted from net income after tax; if there is a loss, no adjustment is necessary.

Note3：Pay attention to the following when measuring cash flow analysis：

1. Net cash flow from operating activities is the net cash inflow from operating activities in the statement of cash flows.
2. Capital expenditures is the cash outflow for capital investment each year
3. The increase in inventory should only be included if the end-of-period balance is greater than the beginning-of-period balance. If the inventory decreases at the end of the year, it should be calculated as zero.
4. Cash dividends include cash dividends for both common and preferred shares.
5. Gross property, plant, and equipment is the total amount of property, plant, and equipment before deducting accumulated depreciation.

6.3 Supervisors' or Audit Committee's Report in the Most Recent Year

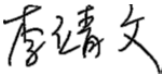
Audit Committee's Review Report

The financial statements (including consolidated and individual financial statements) for the year 2023, prepared by the Board of Directors of the Company, have been audited by the certified accountants, Hsu Jung Huang and Chiu Wan Ju from EY Taiwan. They have expressed their opinion that the financial statements fairly present the financial position, operating results and cash flows of the Company. The Audit Committee has reviewed the financial statements and found no discrepancies. Therefore, in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit the above report for your reference.

Sincerely

2024 Shareholder's meeting of the Company

U-Tech Media Corporation

Audit Committee Convener：Li, Ching-Wen 

Date: Mar.12, 2024

6.4 Latest Financial Report：Please refer page 70 to page 172

6.5 Latest Individual Financial Report Undergone Certification by Accountants：Please refer page 173 to page 256

6.6 If the Company and Its Affiliates Encounter Any Financial Difficulties in the Past Year and as of the Date of Publication of the Annual Report, the Impact on the Company's Financial Status Shall Be Listed：**None**

English Translation of the Representation Letter Originally Issued in Chinese

MANAGEMENT REPRESENTATION LETTER

The companies that are required to be included in the combined financial statements of U-Tech Media Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10 "Consolidated Financial Statements". In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, U-Tech Media Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

Very truly yours,

U-Tech Media Corporation

By

Yeh, Chwei-Jing
Chairman
March 12, 2024

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To U-Tech Media Corporation:

Audit Opinion

We have audited the accompanying consolidated balance sheets of U-Tech Media Corporation (the "Company") and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the consolidated financial statements, including the summary of material accounting policies (together "the consolidated financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter - Making Reference to the Audits of Component Auditors section of our report), the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial positions of the Company and its subsidiaries as of December 31, 2023 and 2022, and their consolidated financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China.

Basis for Opinion

We conducted our audits in accordance with the Regulations Governing Financial Statement Audit and Attestation Engagements of Certified Public Accountants and the Standards on Auditing of the Republic of China Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Company and its subsidiaries in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 consolidated financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The main source of revenue of the Company and its subsidiaries is the sales of pre-recorded optical discs and electricity, which amounted to $1,136,435 thousand for the year ended December 31, 2023. Because of the characteristics of the market industry and the needs of customers, different types of transaction conditions are involved. Therefore, we need to judge and determine the performance obligations and the point at which they are satisfied, so the recognition of contract revenue is determined to be a key audit matter.

Our audit procedures included (but were not limited to) evaluating the appropriateness of management's accounting policies for revenue recognition and perform transaction flow understanding of the revenue recognition process for identified performance obligations; evaluating and testing the effectiveness of the design and implementation of internal controls related to the timing of revenue recognition for performance obligations; performing analytical procedures on selling price, sales volume, cost and gross margin for each product category, and perform analytical procedures for the top ten sales vendors and customers; performing test of details of transaction on selected samples and reviewing the transaction terms in the orders and related sales documents to confirm the appropriateness of the timing of revenue recognition when performance obligations are satisfied; performing revenue cutoff testing and verifies the related certificates for a period before and after the balance sheet date to determine the appropriate period for revenue recognition; performing general journal entry testing.

We have also evaluated the appropriateness of related disclosure in Notes 4 and 6 to the consolidated financial statements.

Allowance for Accounts Receivable

The accounts receivable of the Company and its subsidiaries as of December 31, 2023 amounted to $117,583 thousand, and had a significant impact on the consolidated financial statements. Since the amount of allowance for accounts receivable is measured by the lifetime expected credit losses, the measurement process shall appropriately distinguish groups of accounts receivable, and judge and analyze the application of related assumptions in the measurement process, including the consideration of appropriate account aging interval, loss rate of each account aging interval and its forward-looking information. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net accounts receivable, we therefore considered this a key audit matter. Our audit procedures included (but were not limited to) confirming whether customer groups with significantly different loss patterns are appropriately grouped; checking the management’s evaluation procedure of loss allowance, and randomly selecting delivery orders to check against the account receivable aging schedule to verify the correctness of the account receivable aging interval while performing the internal control review; and testing the preparation matrix, including evaluating whether the determination of each group’s aging interval was reasonable and checking the correctness of the original voucher based on the basic information; testing the relevant statistical information of loss rate calculated by roll rate; considering the reasonableness of the forward-looking information included in the loss rate evaluation; evaluating whether the forward-looking information affected the loss rate; in addition, analytical procedure review was performed to evaluate whether there were material abnormality between the comparative changes of the turnover rate for two periods of the accounts receivable. reviewing the subsequent period collection of receivables with respect to clients with higher accounts receivable at end of period and assessing the recoverability of accounts receivable. We have also evaluated the appropriateness of related disclosure in Notes 5, 6 and 12 to the consolidated financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of other auditors. These associates under equity method amounted to $8,516 thousand and $8,885 thousand, both representing 0% of consolidated total assets as of December 31, 2023 and 2022. The related shares of profit (loss) of associates and joint ventures accounted for using the equity method amounted to $1,040 thousand and $782 thousand, both representing 1% of the consolidated income before income tax for the years ended December 31, 2023 and 2022, respectively.

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 requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

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

Those charged with governance, including audit committee, are responsible for overseeing the financial reporting process of the Company and its subsidiaries.

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 control.

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

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 ability to continue as a going concern of the Company and its subsidiaries. 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 Company and its subsidiaries to cease to continue as a going concern.

5. Evaluate the overall presentation, structure and content of the consolidated financial statements, including the accompanying notes, 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 Company and its subsidiaries to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

Other

We have audited and expressed an unqualified opinion including an other matter paragraph on the parent company only financial statements of the Company as of and for the years ended December 31, 2023 and 2022.

Hsu, Jung-Huang

Chiu, Wan-Ju

Ernst & Young, Taiwan
March 12, 2024

Notice to Readers

The accompanying consolidated financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such consolidated financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying consolidated financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation and Subsidiaries

Consolidated Balance Sheets

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Assets			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 & 6.(1)	$1,181,233	23	$1,091,338	21
1110	Financial assets at fair value through profit or loss - current	4 & 6.(2)	147,888	3	123,676	3
1136	Financial assets measured at amortized cost - current	4, 6.(4) & 8	7,357	-	6,557	-
1150	Notes receivable, net	4 & 6.(5)	667	-	2,876	-
1170	Accounts receivable, net	4 & 6.(6)	116,647	2	135,679	3
1180	Accounts receivable - related parties, net	4, 6.(6) & 7	936	-	2,236	-
1197	Financing lease payments receivable, net	4, 6.(7) & 8	2,931	-	2,669	-
1220	Current tax assets	4	65	-	16	-
130X	Inventories	4 & 6.(8)	69,808	1	75,891	2
1470	Other current assets	4 & 7	63,412	1	57,936	1
11XX	Total current assets		1,590,944	30	1,498,874	30
	Non-current assets					
1510	Financial assets at fair value through profit or loss - non-current	4 & 6.(2)	-	-	12,933	-
1517	Financial assets at fair value through other comprehensive income - non-current	4 & 6.(3)	105,546	2	103,939	2
1535	Financial assets measured at amortized cost - non-current	4, 6.(4) & 8	145,323	3	185,640	3
1550	Investments accounted for using the equity method	4 & 6.(9)	185,528	4	206,404	4
1600	Property, plant and equipment	4, 6.(10), 7 & 8	2,438,775	50	2,526,808	50
1755	Right-of-use assets	4 & 6.(21)	268,412	5	240,212	5
1760	Investment property, net	4 & 6.(11)	144,115	3	146,186	3
1780	Intangible assets	4 & 6.(12)	27,170	-	34,070	-
1840	Deferred tax assets	4 & 6.(26)	43,405	1	42,758	1
1900	Other non-current assets	4 & 7	40,690	1	40,426	1
194D	Long-term financing lease payments receivable, net	4, 6.(7) & 8	36,397	1	39,268	1
15XX	Total non-current assets		3,435,361	70	3,578,644	70
1XXX	Total assets		$5,026,305	100	$5,077,518	100

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation and Subsidiaries

Consolidated Balance Sheets (Continued)

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Code	Liabilities and equity Accounts	Notes	December 31, 2023 Amount	 %	December 31, 2022 Amount	 %
	Current liabilities					
2100	Short-term borrowings	4, 6.(14) & 8	$161,633	3	$55,000	1
2110	Short-term notes and bills payable	4, 6.(15) & 8	-	-	9,935	-
2150	Notes payable	4	2,193	-	2,192	-
2170	Accounts payable	4	52,384	1	46,231	1
2180	Accounts payable - related parties	4 & 7	2,330	-	1,827	-
2200	Other payables	4	148,813	2	143,261	3
2220	Other payables - related parties	4 & 7	2,069	-	12,172	-
2230	Current tax liabilities	4	6,383	-	1,750	-
2280	Lease liabilities - current	4 & 6.(21)	50,405	1	40,009	1
2300	Other current liabilities	4, 6.(19) & 7	46,915	1	44,941	1
2322	Current portion of long-term borrowings	4, 6.(16) & 8	287,372	6	315,177	6
21XX	Total current liabilities		760,497	14	672,495	13
	Non-current liabilities					
2540	Long-term borrowings	4, 6.(16) & 8	1,201,528	25	1,355,367	27
2570	Deferred tax liabilities	4 & 6.(26)	80,488	2	79,316	2
2580	Lease liabilities - non-current	4 & 6.(21)	227,788	5	206,649	4
2600	Other non-current liabilities		17,772	-	17,729	-
2640	Net defined benefit liabilities - non-current	4 & 6.(17)	24,867	-	24,940	-
25XX	Total non-current liabilities		1,552,443	32	1,684,001	33
2XXX	Total liabilities		2,312,940	46	2,356,496	46
31XX	Equity attributable to the parent company					
3100	Capital					
3110	Common stock	6.(18)	1,459,845	29	1,459,845	29
3200	Capital Surplus	6.(18)	531,482	10	532,017	10
3300	Retained earnings	6.(18)				
3310	Legal reserve		87,515	2	76,313	2
3320	Special reserve		48,244	1	51,019	1
3350	Unappropriated earnings		303,826	6	313,640	6
	Total retained earnings		439,585	9	440,972	9
3400	Other equity	4				
3410	Exchange differences resulting from translating the financial statements of foreign operations		(976)	-	(23)	-
3420	Unrealized losses from equity instrument investments measured at fair value through other comprehensive income		(46,906)	(1)	(48,221)	(1)
36XX	Non-controlling interests	6.(18)	330,335	7	336,432	7
3XXX	Total equity		2,713,365	54	2,721,022	54
	Total liabilities and equity		$5,026,305	100	$5,077,518	100

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation and Subsidiaries

Consolidated Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.(19) & 7	$1,136,435	100	$1,112,820	100
5000	Operating costs	6.(8), 6.(17), 6.(21), 6.(22) & 7	(694,108)	(61)	(710,431)	(64)
5900	Gross profit		442,327	39	402,389	36
6000	Operating expenses	6.(17), 6.(21), 6.(22) & 7				
6100	Sales and marketing expenses		(45,020)	(4)	(59,632)	(5)
6200	General and administrative expenses		(285,459)	(25)	(222,432)	(20)
6300	Research and development expenses		(359)	-	(3,009)	-
6450	Expected credit losses	4 & 6.(20)	-	-	(26)	-
	Total operating expenses		(330,838)	(29)	(285,099)	(25)
6900	Operating income		111,489	10	117,290	11
7000	Non-operating income and expenses	4, 6.(21), 6.(23), 6.(25) & 7				
7100	Interest income		21,155	2	7,564	1
7010	Other income		36,684	3	34,932	3
7020	Other gains and losses		(13,467)	(1)	1,210	-
7050	Finance costs		(43,737)	(4)	(43,828)	(4)
7060	Share of profit or loss of associates and joint ventures accounted for using the equity method	4 & 6.(9)	(11,403)	(1)	4,154	-
	Total non-operating income and expenses		(10,768)	(1)	4,032	-
7900	Income before income tax		100,721	9	121,322	11
7950	Income tax expense	4 & 6.(26)	(10,676)	(1)	(289)	-
8200	Net income		90,045	8	121,033	11
8300	Other comprehensive income	4 & 6.(24)				
8310	Not to be reclassified to profit or loss in subsequent periods					
8311	Remeasurements of defined benefit plan		(812)	-	3,647	-
8316	Unrealized gains from equity instrument investments measured at fair value through other comprehensive income		1,107	-	9,429	1
8320	Share of other comprehensive income of associates and joint ventures accounted for using the equity method - not reclassified to profit or loss	4 & 6.(9)	(785)	-	755	-
8360	To be reclassified to profit or loss in subsequent periods					
8361	Exchange differences resulting from translating the financial statements of foreign operations		(1,191)	-	(289)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	4 & 6.(26)	238	-	58	-
	Total other comprehensive (loss) income, net of tax		(1,443)	-	13,600	1
8500	Total comprehensive income		$88,602	8	$134,633	12
8600	Net income attributable to:					
8610	Stockholders of the parent		$72,497		$103,031	
8620	Non-controlling interests		17,548		18,002	
			$90,045		$121,033	
8700	Total comprehensive income attributable to:					
8710	Stockholders of the parent		$71,050		$114,435	
8720	Non-controlling interests		17,552		20,198	
			$88,602		$134,633	
	Earnings per share (in New Taiwan Dollars)	6.(27)				
9750	Basic earnings per share		$0.50		$0.71	
9850	Diluted earnings per share		$0.50		$0.70	

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation and Subsidiaries

Consolidated Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Code	Items	Equity attributable to the parent company								Non-controlling interests	Total equity
				Retained earnings			Other equity				
		Capital	Capital Surplus	Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	Total		
		3100	3200	3310	3320	3350	3410	3420	31XX	36XX	3XXX
A1	Balance as at January 1, 2022	$1,459,845	$529,308	$63,839	$53,531	$299,164	$208	$(51,227)	$2,354,668	$334,581	$2,689,249
	Appropriation and distribution of 2021 retained earnings:										
B1	Legal reserve	-	-	12,474	-	(12,474)	-	-	-	-	-
B3	Special reserve	-	-	-	(2,512)	(87,590)	-	-	(87,590)	-	(87,590)
B5	Cash dividends	-	-	-	-	2,512	-	-	-	-	-
	Other changes in capital surplus:										
C7	Changes in associates and joint ventures accounted for using the equity method	-	3,478	-	-	368	-	-	3,846	-	3,846
C17	Other changes in capital surplus	-	147	-	-	-	-	-	147	-	147
D1	Net income for the year ended December 31, 2022	-	-	-	-	103,031	-	-	103,031	18,002	121,033
D3	Other comprehensive income (loss), net of tax for the year ended December 31, 2022	-	-	-	-	4,317	(231)	7,318	11,404	2,196	13,600
D5	Total comprehensive income (loss)	-	-	-	-	107,348	(231)	7,318	114,435	20,198	134,633
M5	The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(916)	-	-	-	-	-	(916)	916	-
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(19,263)	(19,263)
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	4,312	-	(4,312)	-	-	-
Z1	Balance as at December 31, 2022	$1,459,845	$532,017	$76,313	$51,019	$313,640	$(23)	$(48,221)	$2,384,590	$336,432	$2,721,022
A1	Balance as at January 1, 2023	$1,459,845	$532,017	$76,313	$51,019	$313,640	$(23)	$(48,221)	$2,384,590	$336,432	$2,721,022
	Appropriation and distribution of 2022 retained earnings:										
B1	Legal reserve	-	-	11,202	-	(11,202)	-	-	-	-	-
B5	Cash dividends	-	-	-	-	(72,992)	-	-	(72,992)	-	(72,992)
B17	Special reserve reversed	-	-	-	(2,775)	2,775	-	-	-	-	-
	Other changes in capital surplus:										
C7	Changes in associates and joint ventures accounted for using the equity method	-	474	-	-	917	-	-	1,391	-	1,391
C17	Other changes in capital surplus	-	40	-	-	-	-	-	40	-	40
D1	Net income for the year ended December 31, 2023	-	-	-	-	72,497	-	-	72,497	17,548	90,045
D3	Other comprehensive income (loss), net of tax for the year ended December 31, 2023	-	-	-	-	(1,809)	(953)	1,315	(1,447)	4	(1,443)
D5	Total comprehensive income (loss)	-	-	-	-	70,688	(953)	1,315	71,050	17,552	88,602
M5	The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(1,049)	-	-	-	-	-	(1,049)	1,049	-
O1	Decrease in non-controlling interests	-	-	-	-	-	-	-	-	(24,698)	(24,698)
Z1	Balance as at December 31, 2023	$1,459,845	$531,482	$87,515	$48,244	$303,826	$(976)	$(46,906)	$2,383,030	$330,335	$2,713,365

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Yeh, Chwei-Jing

General Manager: Lo, Yi-Fu

Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation and Subsidiaries

Consolidated Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Code	Items	2023 Amount	2022 Amount	Code	Items	2023 Amount	2022 Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	$100,721	$121,322	B00010	Acquisition of financial assets at fair value through other comprehensive income	(500)	(500)
A20000	Adjustments to reconcile profit (loss):			B00030	Proceeds from capital return of financial assets at fair value through other comprehensive income	-	6,679
A20010	Income and expense adjustments:			B00040	Acquisition of financial assets measured at amortized cost	(800)	(13,173)
A20100	Depreciation and other losses	205,597	201,694	B00050	Disposal of financial assets measured at amortized cost	40,317	11,297
A20200	Amortization	3,026	3,026	B00100	Acquisition of financial assets at fair value through profit or loss	(5,000)	(50,000)
A20300	Expected credit losses	-	26	B00200	Proceeds from disposal of financial assets at fair value through profit or loss	36,114	80,672
A20400	Net (gain) loss of financial assets and liabilities at fair value through profit or loss	(4,382)	22,629	B01800	Acquisition of investments accounted for using the equity method	-	(7,000)
A20900	Interest expense	43,737	43,828	B02700	Acquisition of property, plant and equipment	(85,107)	(101,774)
A21200	Interest income	(21,155)	(7,564)	B02800	Disposal of property, plant and equipment	1,328	333
A21300	Dividend income	(55)	(922)	B03700	Increase in refundable deposits	(1,621)	-
A22300	Share of profit or loss of associates joint ventures	11,403	(4,154)	B03800	Decrease in refundable deposits	-	18,665
A22500	Losses on disposal of property, plant and equipment	3,476	2,726	B06100	Decrease in long-term financing lease payments receivable	2,609	2,377
A22600	Property, plant and equipment transferred to expenses	11,716	-	B07600	Dividends received	8,942	10,920
A23700	Impairment losses on non-financial assets	4,612	1,059	BBBB	Net cash used in investing activities	(3,718)	(41,504)
A29901	Losses (gain) on lease modification	48	(1,971)				
A30000	Changes in operating assets and liabilities:			CCCC	Cash flows from financing activities:		
A31115	Decrease in financial assets mandatorily measured at fair value through profit or loss	(38,011)	(34,020)	C00100	Increase in short-term borrowings	106,633	-
A31130	Decrease (increase) in notes receivable	2,209	(1,560)	C00200	Decrease in short-term borrowings	-	(5,000)
A31150	Decrease (increase) in accounts receivable	19,032	(2,442)	C00600	Decrease in short-term notes and bills payable	(9,935)	(10,039)
A31160	Decrease (increase) in accounts receivable - related parties	1,300	(453)	C01600	Increase in long-term borrowings	411,042	350,217
A31200	Decrease in inventories	6,083	12,001	C01700	Repayments of long-term borrowings	(592,686)	(457,402)
A31240	(Increase) decrease in other current assets	(5,639)	58,843	C03000	Increase in deposits received	193	-
A31990	Decrease in other non-current assets	619	404	C03100	Decrease in deposits received	-	(3,771)
A32130	Increase (decrease) increase in notes payable	1	(1,042)	C04020	Cash payments for principal portion of the lease liabilities	(49,952)	(46,952)
A32150	Increase (decrease) in accounts payable	6,153	(17,732)	C04500	Cash dividends	(72,992)	(87,590)
A32160	Increase (decrease) in accounts payable - related parties	503	(3,916)	C05800	Changes in non-controlling interests	(24,698)	(19,263)
A32180	Increase (decrease) in others payables	5,187	(23,741)	C09900	Recovery of unclaimed dividends	40	147
A32190	(Decrease) increase in others payables - related parties	(10,103)	11,916	CCCC	Net cash used in financing activities	(232,355)	(279,653)
A32230	Increase (decrease) in other current liabilities	1,974	(12,843)				
A32240	Decrease in defined benefit liabilities	(885)	(1,084)	EEEE	Net increase in cash and cash equivalents	89,895	11,602
A32990	Increase in other non-current liabilities	400	150	E00100	Cash and cash equivalents at beginning of period	1,091,338	1,079,736
A33000	Cash inflow generated from operations	347,567	366,180	E00200	Cash and cash equivalents at end of period	$1,181,233	$1,091,338
A33100	Interest received	20,989	7,149				
A33300	Interest paid	(37,589)	(37,999)				
A33500	Income tax paid	(4,999)	(2,571)				
AAAA	Net cash provided by operating activities	325,968	332,759				

(The accompanying notes are integral part of the consolidated financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

1. History and Organization

U-Tech Media Corporation (the "Company") was established on May 19, 1994. On October 16, 1999, the Company was approved by the competent authorities for a public offering of its shares. The Company's shares were approved for trading on the Taiwan Stock Exchange (TWSE) on October 29, 2002. Its registered office and principal place of business is at No. 222, Huaya 2nd Road, Guishan District, Taoyuan City 333411, Taiwan (R.O.C.). The Company's business is mainly the manufacture and sale of pre-recorded optical discs.

Ritek Corporation is the parent company of the Company and is the ultimate controller of the group to which the Company belongs.

2. Date and Procedure of Authorization of Financial Statements for Issue

The consolidated financial statements of the Company and its subsidiaries (hereinafter referred to as "the Group") for the years ended December 31, 2023 and 2022 were authorized for issue by the Company's board of directors (hereinafter "the Board of Directors") on March 12, 2024.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Group applied for the first-time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The adoption of these new standards and amendments had no material impact on the Group.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standard Board ("IASB") which are endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

C. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024, and have no material impact on the Group.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, but not yet adopted by the Group as at the end of the reporting period are listed below.

New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB but have not yet endorsed by FSC at the date when the Group's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The application of these new or amended standards and interpretations have no material impact on the Group.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The consolidated financial statements of the Group for the years ended December 31, 2023 and 2022 have been prepared in accordance with Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations"), IFRSs, IASs, IFRIC and SIC, which are endorsed by FSC (TIFRSs).

(2) Basis of preparation

The consolidated financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The consolidated financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Basis of consolidation

Preparation principle of consolidated financial statement

Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

A. power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)

B. exposure, or rights, to variable returns from its involvement with the investee

C. the ability to use its power over the investee to affect its returns

When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

A. the contractual arrangement with the other vote holders of the investee.

B. rights arising from other contractual arrangements

C. the Group's voting rights and potential voting rights

The Group re-assesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Subsidiaries are fully consolidated from the acquisition date, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using uniform accounting policies. All intra-group balances, income and expenses, unrealized gains and losses and dividends resulting from intra-group transactions are eliminated in full.

A change in the ownership interest of a subsidiary, without a change of control, is accounted for as an equity transaction.

Total comprehensive income of the subsidiaries 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.

If the Group loses control of a subsidiary, it:

A. derecognizes the assets (including goodwill) and liabilities of the subsidiary;

B. derecognizes the carrying amount of any non-controlling interest;

C. recognizes the fair value of the consideration received;

D. recognizes the fair value of any investment retained;

E. reclassifies the parent's share of components previously recognized in other comprehensive income to profit or loss, or transfer directly to retained earnings if required by other IFRSs; and

F. recognizes any resulting difference in profit or loss.

The consolidated entities are listed as follows:

Investor	Subsidiary	Main business	Percentage of ownership December 31, 2023	Percentage of ownership December 31, 2022	Note
The Company	Dollars Cultural & Creative Company Limited	Catering	100.00%	100.00%	Note 1
The Company	Jade Investment Services Ltd.	Investment holdings	100.00%	100.00%	
The Company	Chao Fu Co., Ltd.	Wine making	100.00%	100.00%	
The Company	Formosa Sun Energy Corporation	Renewable energy self-powered equipment	70.82%	70.82%	
Dollars Cultural & Creative Company Limited	ShokuRaku Corporation	Catering	85.71%	70.00%	Note 2
Dollars Cultural & Creative Company Limited	Ikari Coffee Co., Ltd.	Catering	94.85%	94.85%	Note 3
Dollars Cultural & Creative Company Limited	Jingle Hot Pot Corporation	Catering	86.67%	100.00%	Note 4
Dollars Cultural & Creative Company Limited	Foodspace Corporation	Catering	92.00%	-	Note 5
Jade Investment Services Ltd.	Glory Days Services Ltd.	Investment holdings	100.00%	100.00%	
Formosa Sun Energy Corporation	Hou Cheng Photoelectricity Corporation	Renewable energy self-powered equipment	100.00%	100.00%	
Formosa Sun Energy Corporation	RitFast Corporation	Renewable energy self-powered equipment	99.17%	99.17%	
Glory Days Services Ltd.	Shine Services Inc.	Real estate leasing business	100.00%	100.00%	Note 6

Note 1: On May 25, 2022, the cash capital increase was resolved by Dollars Cultural & Creative Company Limited's board of directors to issue 5,000 thousand shares in the amount of $50,000 thousand.

Note 2: On February 2022, Dollars Cultural & Creative Company Limited acquired 4,900 thousand shares of additional capital from ShokuRaku Corporation, accounting for 70% of ownership in the amount of $4,900 thousand; therefore, on April 21, 2023, ShokuRaku Corporation's board of directors resolved to issue 1,100 thousand shares for capital increase. Dollars Cultural & Creative Company Limited participated in the cash capital increase of ShokuRaku Corporation, and acquired 1,100 thousand shares in the amount of $11,000 thousand, increasing its shareholding ratio to 85.71%.

Note 3: On April 13, 2022, Ikari Coffee Co., Ltd.'s board of directors resolved to issue 4,520 thousand shares for capital increase. Dollars Cultural & Creative Company Limited did not acquire new shares in proportionate to percentage of ownership, and acquired 4,520 thousand shares in the amount of $45,200 thousand, increasing its shareholding ratio to 94.85%. In addition, Ikari Coffee Co., Ltd.'s meeting resolved to reduce the capital to make good the loss of $40,800 thousand in Jane 8, 2022.

Note 4: On November 8, 2022, Jingle Hot Pot Corporation completed the incorporation procedures and issued 100 thousand shares. Dollars Cultural & Creative Company Limited held 100% ownership of Jingle Hot Pot Corporation at a price of $1,000 thousand and gained substantial control over Jingle Hot Pot Corporation. In addition, Jingle Hot Pot Corporation's board of directors resolved to issue 1,400 thousand shares for capital increase in December 28, 2022. Dollars Cultural & Creative Company Limited did not acquire new shares in proportionate to percentage of ownership, and acquired 1,200 thousand shares in the amount of $12,000 thousand, decreasing its shareholding ratio to 86.67%.

Note 5: On April 20, 2023, Foodspace Corporation completed the incorporation procedures and issued 350 thousand shares. Dollars Cultural & Creative Company Limited held 92% ownership of Foodspace Corporation at a price of $3,220 thousand and gained substantial control over Foodspace Corporation.

Note 6: Shine Services Inc. completed the incorporation process on June 24, 2022, and no shares have been issued as of the date of adoption of the financial report.

(4) Foreign currency transactions

The Group's consolidated financial statements are presented in NT$, which is also the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(5) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and

B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(6) Current and non-current distinction

An asset is classified as current when:

A. The Group expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

B. The Group holds the asset primarily for the purpose of trading

C. The Group expects to realize the asset within twelve months after the reporting period

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Group expects to settle the liability in its normal operating cycle

B. The Group holds the liability primarily for the purpose of trading

C. The liability is due to be settled within twelve months after the reporting period

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

All other liabilities are classified as non-current.

(7) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments (including time deposits that have maturity within 12 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(8) Financial instruments

Financial assets and financial liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: recognition and measurement

The Group accounts for regular way purchase or sales of financial assets on the trade date.

The Group classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Group's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described as below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Group applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Group applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Group made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its accumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on abovementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Group recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Group measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measured as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Group measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Group measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Group needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for more details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.

(b) The Group has transferred the asset and substantially all the risks and rewards of the asset have been transferred.

(c) The Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Group classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(9) Derivative instrument

The Group uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(10) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(11) Inventories

Inventories are valued at lower of cost and net realizable value item by item.

Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost on a weighted-average method

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(12) Investments accounted for using the equity method

The Group's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Group has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Group's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Group and the associate are eliminated to the extent of the Group's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Group's percentage of ownership interests in the associate, the Group recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro rata basis.

When the associate issues new stock, and the Group's interest in an associate is reduced or increased as the Group fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in capital surplus and investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Group disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Group. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

The Group determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Group calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Group estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate, the Group measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(13) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria is met. 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 is depreciated separately.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Group recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3-50 years
Machinery and equipment	1-22 years
Transportation equipment	3-6 years
Office equipment	1-10 years
Other equipment	1-10 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(14) Investment property

The Group's owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	25 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition. The Group transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(15) Leases

The Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Group assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and

B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price charged by the lessor, or a similar supplier, would charge the Group for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Group estimates the stand-alone price, maximizing the use of observable information.

The Group as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Group recognizes right-of-use asset and lease liability for all leases which the Group is the lessee of those lease contracts.

At the commencement date, the Group measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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

C. amounts expected to be payable by the lessee under residual value guarantees;

D. the exercise price of a purchase option if the Group is reasonably certain to exercise that option; and

E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Group measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Group measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;

B. any lease payments made at or before the commencement date, less any lease incentives received;

C. any initial direct costs incurred by the lessee

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

For subsequent measurement of the right-of-use asset, the Group measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Group measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Group by the end of the lease term or if the cost of the right-of-use asset reflects that the Group will exercise a purchase option, the Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Group applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Group accounted for as short-term leases or leases of low-value assets, the Group presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Group elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

For the rent concession arising as a direct consequence of the Covid-19 pandemic, the Group elected not to assess whether it is a lease modification but accounted it as a variable lease payment and the practical expedient has been applied to such rent concessions.

The Group as a lessor

At inception of a contract, the Group classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Group recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Group allocates the consideration in the contract applying IFRS 15.

The Group recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(16) Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is its fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in profit or loss for the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed as either finite or indefinite.

Intangible assets with finite lives are amortized over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life is reviewed at least at the end of each financial year. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates.

Intangible assets with indefinite useful lives are not amortized, but are tested for impairment annually, either individually or at the cash-generating unit level. The assessment of indefinite life is reviewed annually to determine whether the indefinite life continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are recognized in profit or loss when the asset is derecognized.

Trademark rights

Trademark rights are acquired in accordance with the law and are amortized by the straight-line method over the term of the trademark rights (10 years) as a result of a business combination.

Customer relationships

The customer relationships are acquired through a business combination and are amortized on a straight-line basis over the estimated benefit period (9 years).

(17) Impairment of non-financial assets

The Group assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

A cash generating unit, or groups of cash-generating units, to which goodwill has been allocated is tested for impairment annually at the same time, irrespective of whether there is any indication of impairment. If an impairment loss is to be recognized, it is first allocated to reduce the carrying amount of any goodwill allocated to the cash generating unit (group of units), then to the other assets of the unit (group of units) pro rata on the basis of the carrying amount of each asset in the unit (group of units). Impairment losses relating to goodwill cannot be reversed in future periods for any reason.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(18) Provisions

Provisions are recognized when the Group has a present obligation (legal or constructive) as a result of a past event, it is probably that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Where the Group expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Provision for decommissioning, restoration and rehabilitation costs

The provision for decommissioning, restoration and rehabilitation costs arises on construction of a property, plant and equipment. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of that particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

(19) Revenue recognition

The Group's revenue arising from contracts with customers are primarily related to sale of goods. The accounting policies are explained as follows:

Sale of goods

The Group manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Group are pre-recorded optical discs, sales of electricity and catering; the revenue is recognized based on the consideration stated in the contract.

The credit period of the Group's sale of goods is 30-150 day terms. For most of the contracts, when the Group transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Group usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Group has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Group measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arose.

(20) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(21) Government grants

Government grants are recognized where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the grant relates to an asset, it is recognized as deferred income and released to income in equal amounts over the expected useful life of the related asset. When the grant relates to an expense item, it is recognized as income over the period necessary to match the grant on a systematic basis to the costs that it is intended to compensate.

(22) Post-employment benefits

All regular employees of the Company and its domestic subsidiaries are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company and its domestic subsidiaries, therefore, fund assets are not included in the Group's consolidated financial statements. Pension benefits for employees of the overseas subsidiaries are provided in accordance with the respective local regulations.

For the defined contribution plan, the Company and its domestic subsidiaries will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due. Overseas subsidiaries make contribution to the plan based on the requirements of local regulations.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and

B. the date that the Group recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(23) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

A. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination ; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss ; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of taxable temporary differences associated with investments in subsidiaries and associates, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

A. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination ; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

B. In respect of deductible temporary differences associated with investments in subsidiaries and associates, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Group’s consolidated financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

De facto control without a majority of the voting rights in the investee company

The Group is the largest shareholder of certain investee with less than 50% shareholdings. The Company has no de facto control but only significant influence on certain investee after judgement. Please refer to Note 6.(9) for more details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources for estimating uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next fiscal year are discussed below.

A. Fair value of financial instruments categorized within Level 3

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Trade receivables - estimate of impairment loss

The Group estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$3,768	$2,542
Demand deposits	767,543	639,996
Deposit in transit	6	-
Time deposits	409,916	448,800
Total	$1,181,233	$1,091,338

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:		
Stocks	$-	$24,447
Funds	147,888	112,162
Total	$147,888	$136,609
Current	$147,888	$123,676
Non-current	-	12,933
Total	$147,888	$136,609

None of the abovementioned financial assets at fair value through profit or loss was pledged as collateral.

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

	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed company stocks	$2,580	$1,882
Unlisted company stocks	102,966	102,057
Total	$105,546	$103,939
Current	$-	$-
Non-current	105,546	103,939
Total	$105,546	$103,939

The Group classified certain of its financial assets as financial assets at fair value through other comprehensive income. None of the abovementioned financial assets was pledged as collateral.

The Group's investments in equity instruments measured at fair value through other comprehensive income were partially reduced partially sold for the years ended December 31, 2022, resulting in accumulated gains of $4,312 thousand, which was transferred from other equity to retained earnings.

(4) Financial assets measured at amortized cost

	December 31, 2023	December 31, 2022
Restricted deposits	$152,680	$192,197
Current	$7,357	$6,557
Non-current	145,323	185,640
Total	$152,680	$192,197

Please refer to Note 8 for more details on financial assets measured at amortized cost under pledge and Note 12 for more details on credit risk management.

(5) Notes receivable

	December 31, 2023	December 31, 2022
Notes receivable arising from operating activities (total carrying amount)	$667	$2,876
Less: loss allowance	-	-
Total	$667	$2,876

None of the abovementioned notes receivable was pledged as collateral.

Please refer to Note 6.(20) for more details on the Group's assessment of impairment and loss allowance information in accordance with IFRS 9 and Note 12 for more details on credit risk management.

(6) Accounts receivable and accounts receivable - related parties

	December 31, 2023	December 31, 2022
Accounts receivable (total carrying amount)	$116,924	$137,183
Less: loss allowance	(277)	(1,504)
Subtotal	116,647	135,679
Accounts receivable from related parties (total carrying amount)	936	2,236
Less: loss allowance	-	-
Subtotal	936	2,236
Total	$117,583	$137,915

None of the abovementioned accounts receivable and accounts receivable - related parties was pledged as collateral.

Accounts receivable are generally on 30-150 day terms. The total carrying amounts as at December 31, 2023 and 2022 were $117,860 thousand and $139,419 thousand, respectively. Please refer to Note 6.(20) for more details on loss allowance for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details on credit risk management.

(7) Financing lease payments receivable, net

	December 31, 2023	December 31, 2022
Total investment in leases		
Not later than one year	$8,255	$8,338
Later than one year but not later than five years	39,761	40,163
Later than five years	21,228	29,022
Total	69,244	77,523
Less: unearned finance income	(29,916)	(35,586)
Present value of receivable on minimum lease payments	$39,328	$41,937
Financing lease payments receivable		
Current	$2,931	$2,669
Non-current	36,397	39,268
Present value of receivable on minimum lease payments	$39,328	$41,937

The Group has entered into finance lease agreements for certain rental equipment, all of which are denominated in New Taiwan dollars and have an average finance lease term of 20 years. Financing lease payments receivable are discounted by the net cash flows expected to be generated from rental operations.

As of December 31, 2023, the Group's assessed financing lease payments receivables were neither past due nor impaired. Please refer to Note 6.(20) for more details on loss allowance information for the years ended December 31, 2023 and 2022.

Please refer to Note 8 for financial lease payments receivable under pledge.

(8) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$48,105	$58,403
Work in progress	8,894	3,643
Finished goods	12,742	13,634
Merchandises	67	211
Inventories in transit	-	-
Total	$69,808	$75,891

The Group's cost of inventories recognized as expense for the years ended December 31, 2023 and 2022 were $492,999 thousand and $524,406 thousand, respectively, including gain from price recovery of inventories in the amount of $91 thousand and $0 thousand, respectively.

The abovementioned gain from price recovery of inventories is due to the fact that some of the inventory whose valuation declined has been scrapped.

None of the abovementioned inventories was pledged as collateral.

(9) Investments accounted for using the equity method

The investments accounted for using the equity method are as follows:

	December 31, 2023		December 31, 2022	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in associates:				
Unlisted companies				
Pvnext Corporation	$-	-	$-	13.88
ProRit Corporation	7,058	0.63	7,098	0.63
Ricare Corporation	43,851	30.77	42,152	30.77
Ink Design Space Co., Ltd.	8,516	25.00	8,885	25.00
Listed companies				
RiTdisplay Corporation	126,103	6.77	148,269	6.77
Total	$185,528		$206,404	

On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10 thousand.

On February 22, 2022, Ink Design Space Co., Ltd. shareholders' meeting resolved to issue 1,270 thousand shares of new capital. On May 26, 2022, Dollars Cultural & Creative Company Limited acquired 700 thousand shares of new capital by cash from Ink Design Space Co., Ltd. with 25% ownership in the amount of $7,000 thousand. In addition, on June 30, 2022, Ink Design Space Co., Ltd. shareholders' meeting resolved to distribute $4,410 thousand in common stock dividends, with a par value of $10 per share, divided into 441 thousand shares. The ex-dividend date was September 26, 2022, and the change was approved and registered by the competent authorities. The Group's shareholding ratio remained unchanged.

RiTdisplay Corporation issued 832 thousand shares and 21 thousand shares on March 24, 2022 and June 28, 2022, respectively, due to the conversion of convertible bonds, thus reducing the Group's shareholding ratio to 6.77%.

Judgments of significant influence only: Although the Group holds 30.77% of the voting rights of Ricare Corporation, three other investors each holds 20%, 20% and 10% of the voting rights of Ricare Corporation. The cooperation of these three investors is sufficient to prevent the Group from controlling the relevant activities of Ricare Corporation. Therefore, the Group has no control over Ricare Corporation, but only has significant influence.

The Group's investments in affiliated companies are not material to the Group. The aggregate carrying amounts of the Group's investments in affiliated companies as of December 31, 2023 and 2022 were $185,528 thousand and $206,404 thousand, respectively, and the aggregated financial information based on the Group's share is presented below:

	2023	2022
(Loss) profit from continuing operations	$(11,403)	$4,154
Other comprehensive income (post-tax)	208	755
Total comprehensive income	$(11,195)	$4,909

The associates had no contingent liabilities or capital commitments and investment in associates were not pledged as at December 31, 2023, and 2022.

On November 7, 2023, the Company's board of directors resolved to issue 9,000 thousand new shares and pay $25,000 thousand as a consideration, to receive 6,500 thousand common shares. On the record date, February 1, 2024, the number of common shares held by the Company were exchanged for the common shares held by Ricare Corporation at a ratio of one share to 0.609375 share. Please refer to Note 11 for relevant subsequent events information.

(10) Property, plant and equipment

	December 31, 2023	December 31, 2022
Owner occupied property, plant and equipment	$2,438,775	$2,526,808

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Construction in progress and equipment awaiting examination	Total
Cost:								
January 1, 2023	$521,754	$906,221	$3,624,549	$21,714	$17,800	$178,229	$49,319	$5,319,586
Additions	-	1,390	3,369	709	1,500	16,035	77,513	100,156
Disposals	-	(5,613)	(281,024)	(1,436)	(4,319)	(57,198)	-	(349,590)
Transfers	-	-	33,702	-	-	8,810	(42,512)	-
Other changes	-	-	924	-	-	-	(26,765)	(25,841)
December 31, 2023	$521,754	$901,998	$3,381,520	$20,987	$14,981	$145,876	$57,195	$5,044,311
January 1, 2022	$521,754	$931,780	$3,545,818	$38,460	$17,899	$167,772	$122,771	$5,346,254
Additions	-	-	7,759	403	410	11,287	81,915	101,774
Disposals	-	(25,559)	(81,871)	(17,149)	(509)	(5,124)	-	(130,212)
Transfers	-	-	151,073	-	-	4,294	(155,367)	-
Exchange differences	-	-	1,770	-	-	-	-	1,770
December 31, 2022	$521,754	$906,221	$3,624,549	$21,714	$17,800	$178,229	$49,319	$5,319,586
Depreciation and impairment:								
January 1, 2023	$-	$728,848	$1,921,682	$19,406	$15,291	$107,551	$-	$2,792,778
Depreciation	-	7,925	118,617	1,063	1,131	27,884	-	156,620
Disposals	-	(5,614)	(281,024)	(1,426)	(3,748)	(52,974)	-	(344,786)
Other changes	-	-	924	-	-	-	-	924
December 31, 2023	$-	$731,159	$1,760,199	$19,043	$12,674	$82,461	$-	$2,605,536
January 1, 2022	$-	$746,359	$1,886,610	$35,085	$13,727	$81,892	$-	$2,763,673
Depreciation	-	8,048	115,173	1,470	2,073	27,724	-	154,488
Disposals	-	(25,559)	(81,871)	(17,149)	(509)	(2,065)	-	(127,153)
Exchange differences	-	-	1,770	-	-	-	-	1,770
December 31, 2022	$-	$728,848	$1,921,682	$19,406	$15,291	$107,551	$-	$2,792,778
Net carrying amount as at:								
December 31, 2023	$521,754	$170,839	$1,621,321	$1,944	$2,307	$63,415	$57,195	$2,438,775
December 31, 2022	$521,754	$177,373	$1,702,867	$2,308	$2,509	$70,678	$49,319	$2,526,808

Please refer to Note 8 for the property, plant and equipment under pledge.

(11) Investment property

The Group's investment properties includes both owned investment properties and investment properties held by the Group as right-of-use assets. The Group has entered into commercial property leases on its owned investment properties with terms of 2 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Total
Cost:			
January 1, 2023	$110,110	$51,783	$161,893
Additions from acquisitions	-	-	-
Additions from subsequent expenditure	-	-	-
December 31, 2023	$110,110	$51,783	$161,893
January 1, 2022	$110,110	$51,783	$161,893
Additions from acquisitions	-	-	-
Additions from subsequent expenditure	-	-	-
December 31, 2022	$110,110	$51,783	$161,893
Depreciation and impairment:			
January 1, 2023	$-	$15,707	$15,707
Depreciation	-	2,071	2,071
December 31, 2023	$-	$17,778	$17,778
January 1, 2022	$-	$13,636	$13,636
Depreciation	-	2,071	2,071
December 31, 2022	$-	$15,707	$15,707
Net carrying amount as at:			
December 31, 2023	$110,110	$34,005	$144,115
December 31, 2022	$110,110	$36,076	$146,186

	2023	2022
Rental income from investment property	$2,302	$2,346
Less:		
Direct operating expenses from investment property not generating rental income	(2,071)	(2,071)
Direct operating expenses from investment property not generating rental income	-	-
Total	$231	$275

None of the abovementioned investment property was pledged.

The Group's investment properties are not measured at fair value for which the fair value is disclosed, instead. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties both amounted to $171,760 thousand as at December 31, 2023 and 2022. The fair value has been determined based on the estimates of Actual Price Registration of Real Estate Transactions registration of Ministry of Interior, and valuations performed by an independent valuer. The determination of fair value by external appraisal experts is based on market evidence, and the valuation methods used are the income approach and the comparative approach with weighted average calculation, in which the main input value is the income capitalization rate.

(12) Intangible assets

	Trademark	Customer relationship	Goodwill	Total
Cost:				
January 1, 2023	$16,617	$5,635	$15,737	$37,989
Acquired through business combinations	-	-	-	-
December 31, 2023	$16,617	$5,635	$15,737	$37,989
January 1, 2022	$16,617	$5,635	$15,737	$37,989
Acquired through business combinations	-	-	-	-
December 31, 2022	$16,617	$5,635	$15,737	$37,989
Amortization and impairment:				
January 1, 2023	$2,076	$784	$1,059	$3,919
Amortization	1,663	625	-	2,288
Impairment losses	-	-	4,612	4,612
December 31, 2023	$3,739	$1,409	$5,671	$10,819
January 1, 2022	$415	$157	$-	$572
Amortization	1,661	627	-	2,288
Impairment losses	-	-	1,059	1,059
December 31, 2022	$2,076	$784	$1,059	$3,919
Net carrying amount as at:				
December 31, 2023	$12,878	$4,226	$10,066	$27,170
December 31, 2022	$14,541	$4,851	$14,678	$34,070

Amortization expense of intangible assets under the statements of comprehensive income:

	2023	2022
Sales and marketing expenses	$625	$627
General and administrative expenses	$1,663	$1,661

(13) Impairment testing of goodwill with indefinite lives

Goodwill acquired through business combinations have been allocated to the cash-generating unit, the catering department.

The carrying amount of goodwill allocated to the cash-generating unit:

	Catering department cash-generating unit	
	December 31, 2023	December 31, 2023
Goodwill	$10,066	$14,678

Cash-generating unit - catering department

The recoverable amount of the catering department a cash-generating unit, was $10,066 thousand in December 31, 2023, has been determined based on a value in use and calculated by using cash flow projections from financial budgets approved by management within a five-year period. The projected cash flows have been updated to reflect the change in demand for products and services. The discount rate applied to cash flow projections were both 12.86% as at December 31, 2023 and June 30, 2022. As a result of this analysis, management has recognized an impairment loss of $4,612 thousand against goodwill previously carried at $14,678 thousand.

Key assumptions used in value-in-use calculations

The calculation of value-in-use for catering department cash-generating unit is most sensitive to the following assumptions:

A. Gross margin

B. Discount rates

C. Growth rate used to extrapolate revenue beyond the budget period

Gross margins - Gross margins are estimated based on average values in the recent years preceding the start of the budget period and with reference to future market trends.

Discount rates - Discount rates reflect assessment of the risks specific to each cash generating unit (including the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted) in the current market. The discount rate was estimated based on the weighted average cost of capital (WACC) for the Group, taking into account the particular situations of the Group and its operating segments. The WACC includes both the cost of liabilities and cost of equities. The cost of equities is derived from the expected returns of the Group's investors on capital, where the cost of liabilities is measured by the interest-bearing loans that the Group has obligation to settle.

Estimate of revenue growth rate - The growth rate is based on historical experience, and the Company's estimated long-term average growth rate has been adjusted to take into account the rate of product innovation and the overall economic environment.

Sensitivity to changes in assumptions

With regard to the assessment of value-in-use of the cash-generating unit, the Company believes that no reasonably possible change in any of the above key assumptions would cause the carrying value of the unit to materially exceed its recoverable amount.

(14) Short-term borrowings

	December 31, 2023	December 31, 2022
Unsecured bank loans	$161,633	$55,000
Interest rate interval (%)	1.851-2.090	1.830-2.030

The Group's unused short-term lines of credits amounted to $413,077 thousand and $437,660 thousand as at December 31, 2023 and 2022, respectively.

Please refer to Note 8 for more details on property, plant and equipment pledged as security for short-term borrowings.

(15) Short-term notes and bills payable

Guarantee agency	December 31, 2023	December 31, 2022
Commercial paper issued book value	$-	$10,000
Less: discounts on short-term notes and bills payable	-	(65)
Net	$-	$9,935
Interest rate interval (%)	-	2.750

The Group's unused short-term lines of credits amounted to $0 thousand and $800 thousand as at December 31, 2023 and 2022, respectively.

Please refer to Note 8 for more details for short-term notes and bills payable.

(16) Long-term borrowings

	December 31, 2023	December 31, 2022
Financial institutions borrowings	$1,488,900	$1,670,544
Less: current portion	(287,372)	(315,177)
Net	$1,201,528	$1,355,367
Interest rate interval (%)	1.853-2.4532	1.601-2.845

(a) In May 2023, the Company entered into a line of credit and commitment agreement with O-Bank in the amount of $150,000 thousand. The main commitments under the above credit facility are that the annual and semi-annual consolidated financial statements shall not have (1) net tangible value less than $2.2 billion and (2) financial liabilities/net tangible worth greater than 100%.

(b) In March 2023, the Company entered into a credit line and commitment agreement with Far Eastern International Bank in the amount of $100,000 thousand. The main commitments under the above credit facility are that the semi-annual consolidated financial statements shall not have (1) the current ratio lower than 120% and (2) the debt ratio more than 150%.

(c) In May 2023, the Company entered into a credit line and commitment agreement with CTBC Bank Co., Ltd. in the amount of $100,000 thousand. The main commitments under the above credit facilities are that the quarterly consolidated financial statements shall not have (1) net tangible value less than $2.15 billion, (2) current ratio lower than 150%, and (3) total liabilities/net tangible value more than 100%.

(d) The Group's borrowings are repayable by instalments from 2014 to 2036.

(e) Please refer to Note 8 for more details on long-term borrowings.

(17) Post-employment benefits

Defined contribution plan

The defined contribution plan adopted by the Company and its domestic subsidiaries is in accordance with the "Labor Standards Act of the R.O.C." According to the Labor Pension Act, the Company and its domestic subsidiaries' will make monthly contributions of no less than 6% of the employees' monthly salaries. The Company and its domestic subsidiaries appropriate 6% of their employees' salaries to the personal pension accounts at the Labor Insurance Bureau each month in accordance with the Labor Pension Act.

The Group's other foreign subsidiaries make pension contributions to the related pension management business in accordance with local laws and regulations.

Pension expenses under the defined contribution plan for the years ended 2023 and 2022 were $11,803 thousand and $11,474 thousand, respectively.

Defined benefits plan

The Company and its domestic subsidiaries adopt a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company and its domestic subsidiaries contribute an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company and its domestic subsidiaries assess the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company and its domestic subsidiaries will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandatary, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With the regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Group expects to contribute $1,197 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The average duration of the defined benefits plan obligation as at December 31, 2023 and 2022 were 6-15.5 years and 8-17.7 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	2023	2022
Current service cost	$-	$-
Net interest on the net defined benefit liabilities (assets)	313	216
Total	$313	$216

The reconciliation to the present value of defined benefit obligation and the fair value of planned assets are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$58,357	$59,220
Fair value of plan assets	(33,490)	(34,280)
Other non-current liabilities - Net defined benefit liabilities	$24,867	$24,940

Reconciliation to the net defined benefit liabilities (assets):

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2022	$61,397	$(31,726)	$29,671
Current service cost	-	-	-
Net interest expense (income)	446	(230)	216
Subtotal	61,843	(31,956)	29,887
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gain or loss arising from change in demographic assumptions	-	-	-
Actuarial gain or loss arising from change in financial assumptions	(2,508)	-	(2,508)
Experience adjustments	1,209	-	1,209
Remeasurements of the defined benefit assets	-	(2,348)	(2,348)
Subtotal	(1,299)	(2,348)	(3,647)
Payments from the plan	(1,324)	1,324	-
Contributions by employer	-	(1,300)	(1,300)
December 31, 2022	59,220	(34,280)	24,940
Current service cost	-	-	-
Net interest expense (income)	745	(432)	313
Subtotal	59,965	(34,712)	25,253
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gain or loss arising from change in demographic assumptions	45	-	45
Actuarial gain or loss arising from change in financial assumptions	222	-	222
Experience adjustments	694	-	694
Remeasurements of the defined benefit assets	-	(149)	(149)
Subtotal	961	(149)	812
Payments from the plan	(2,569)	2,569	-
Contributions by employer	-	(1,198)	(1,198)
December 31, 2023	$58,357	$(33,490)	$24,867

The following main assumptions are used to determine the defined benefit plan of the Group:
U-Tech Media Corporation

	December 31, 2023	December 31, 2022
Discount rate	1.20%	1.26%
Expected rate of salary increases	1.00%	1.00%

Subsidiary Ikari Coffee Co., Ltd.

	December 31, 2023	December 31, 2022
Discount rate	1.25%	1.25%
Expected rate of salary increases	2.00%	2.00%

Sensitivity analysis of each significant actuarial assumption:

	2023		2022	
	Increase in defined benefit obligation	Decrease in defined benefit obligation	Increase in defined benefit obligation	Decrease in defined benefit obligation
Discount rate increased by 0.5%	$-	$(1,811)	$-	$(2,144)
Discount rate decreased by 0.5%	1,979	-	2,345	-
Expected salary increased by 0.5%	1,974	-	2,343	-
Expected salary decreased by 0.5%	-	(1,822)	-	(2,157)

The sensitivity analysis above is to analyze the possible effect on the benefit obligations under the assumption that a single actuarial assumption (such as discount rate or expected salary) reasonably changes while other assumptions remain unchanged. Because some actuarial assumptions are related to each other, in practice there are few circumstances where only one single actuarial assumption changes, so this analysis has its limitations.

The method and assumption used in this sensitivity analysis are not different from those in the previous period.

(18) Equity

A. Common stock

The Company's authorized and issued capital were both $3,700,000 thousand and $1,459,845 thousand as of December 31, 2023 and 2022, divided into 370,000 thousand and 145,984 thousand shares with par value of $10 per share. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital	$151,652	$151,652
Treasury share transactions	329,746	329,746
Share of changes in net assets of associates and joint ventures accounted for using the equity method	44,949	44,475
Difference between consideration given/received and carrying amounts of interests in subsidiaries	2,897	3,946
Other - unclaimed dividends	2,238	2,198
Total	$531,482	$532,017

According to the Company Act, the capital surplus shall not be used except for offsetting prior years' operating losses of the company. When a company incurs no losses, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues;

(b) Offset prior years' operation losses;

(c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve, unless such reserve has reached the paid-in capital of the company;

(d) Set aside or reverse special reserve in accordance with law and regulations; and

(e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

According to the Company's Articles of Incorporation, the industry environment in which the Company operates is changing rapidly. Considering the Company's future capital needs, long-term financial planning and the growth of the Company's earnings, when dividends are distributed to shareholders, they are based on the above retained earnings with cash dividends distributed at 10% to 100% of the total dividends and stock dividends distributed at 0% to 90% of the total dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributes earnings, it shall set aside special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Jin-Guan-Cheng-Fa-Zi-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the Company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent uses, disposal or reclassification of related assets, the Company may reverse the special reserve in proportion to the special reserve set aside.

The Company did not incur any special reserve upon the first-time adoption of IFRSs.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board meeting and shareholders' meeting on March 12, 2024 and June 26, 2023, respectively, were as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$7,161	$11,203		
Special reserve	(362)	(2,775)		
Common stock - cash dividends	77,492	72,992	$0.50	$0.50

Note : As stipulated in the Articles of Incorporation, a special resolution was passed at a Board of Directors meeting held on March 14, 2023, to distribute the 2022 common stock dividend in cash amounted to $72,992 thousand, which was included in shareholders' meeting.

Please refer to Note 6.(22) for more details on employees' compensation and remuneration to directors and supervisors.

D. Non-controlling interests

	2023	2022
Beginning balance	$336,432	$334,581
Profit attributable to non-controlling interests	17,548	18,002
Other comprehensive income, attributable to non-controlling interests, net of tax:		
Remeasurements of defined benefit plans	4	8
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	-	2,188
Non-controlling interest measured on the establishment of subsidiaries	280	-
Subsidiaries' cash capital increase	2,000	2,100
Cash dividends	(26,978)	(21,363)
Others	1,049	916
Ending balance	$330,335	$336,432

(19) Operating revenue

	2023	2022
Revenue from contracts with customers		
Sale of goods	$460,412	$512,890
Revenue from electricity sales	317,664	315,055
Catering revenue	308,638	259,485
Others	49,721	25,390
Total	$1,136,435	$1,112,820

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 were as follows:

A. Disaggregation of revenue

	2023	2022
Sale of goods	$460,412	$512,890
Electricity sales	317,664	315,055
Catering	308,638	259,485
Other revenue	49,721	25,390
Total	$1,136,435	$1,112,820
Timing of revenue recognition:		
At a point in time	$1,136,435	$1,112,820

B. Contract balances

Contract liabilities – current

	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$44,491	$43,046	$50,772

The significant changes in the Group's balances of contract liabilities for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
The opening balance transferred to revenue	$(70,957)	$(48,938)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	75,489	41,212

C. Assets recognized from costs to fulfil a contract

None.

(20) Expected credit (losses) gains

	2023	2022
Operating expenses - expected credit (losses) gains		
Notes receivable	$-	$-
Accounts receivable	-	(26)
Financing lease payments receivable	-	-
Total	$-	$(26)

Please refer to Note 12 for more details on credit risk management.

The Group measures the loss allowance of its receivables (including notes receivable, accounts receivable and financing lease payments receivable) at an amount equal to lifetime expected credit losses. The Group considers the grouping of trade receivables by the counterparties' geographical region, credit rating and industry sector and its loss allowance is measured by using a provision matrix. The assessment of the Group's loss allowance is as follows:

December 31, 2023

	Not yet due	Overdue					
	(note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$157,204	$207	$201	$18	$21	$204	$157,855
Loss rate (%)	-	1	2	5	10	20-100	
Lifetime expected credit losses	(66)	(2)	(2)	(1)	(2)	(204)	(277)
Carrying amount	$157,138	$205	$199	$17	$19	$-	$157,578

December 31, 2022

	Not yet due	Overdue					
	(note)	<=30 days	31-60 days	61-90 days	91-120 days	>=91 days	Total
Gross carrying amount	$180,069	$218	$2,514	$-	$-	$1,431	$184,232
Loss rate (%)	-	1	2	5	10	20-100	
Lifetime expected credit losses	(21)	(2)	(50)	-	-	(1,431)	(1,504)
Carrying amount	$180,048	$216	$2,464	$-	$-	$-	$182,728

Note: Neither the Group's notes receivable nor financing lease payments receivable was overdue.

The movement in the provision for impairment of notes receivable, accounts receivable and financing lease payments receivable for the years ended December 31, 2023 and 2022 were as follows:

	Notes receivable	Accounts receivable	Financing lease payments receivable
January 1, 2023	$-	$1,504	$-
Addition/(reversed) for the current period	-	-	-
Write-off	-	(1,227)	-
December 31, 2023	$-	$277	$-

	Notes receivable	Accounts receivable	Financing lease payments receivable
January 1, 2022	$-	$1,485	$-
Addition/(reversed) for the current period	-	26	-
Write-off	-	(7)	-
December 31, 2022	$-	$1,504	$-

(21) Leases

A. The Group as a lessee

The Group leases various properties, including real estates such as land, buildings and other equipment. The lease terms range from 1 to 20 years.

The Group's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2023	December 31, 2022
Land	$77,414	$52,143
Buildings	188,614	181,422
Machinery and equipment	708	5,150
Transportation equipment	1,676	1,497
Total	$268,412	$240,212

The significant changes in the Group's balances of right-of-use assets for the years ended December 31, 2023 and 2022 were $78,093 thousand and $78,482 thousand, respectively.

ii. Lease liabilities

	December 31, 2023	December 31, 2022
Lease liabilities	$278,193	$246,658
Current	$50,405	$40,009
Non-current	227,788	206,649

Please refer to Note 6.(23)D. for the interest on lease liabilities recognized for the years ended December 31, 2023 and 2022 and refer to Note 12.(5) on liquidity risk management for the maturity analysis for lease liabilities.

(b) Amounts recognized in the statement of comprehensive income

Depreciation for right-of-use assets

	2023	2022
Land	$11,291	$10,222
Buildings	34,677	34,368
Machinery and equipment	354	354
Transportation equipment	584	191
Total	$46,906	$45,135

(c) Profit and losses relating to leasing activities

	2023	2022
The expenses relating to short-term leases	$13,802	$5,664

As at December 31, 2023 and 2022, the portfolio of short-term leases committed at the end of the reporting period was similar to the lease expenses of short-term leases disclosed above.

For the year ended December 31, 2022, the rent concessions arising as a direct consequence of the Covid-19 pandemic amounted to $2,068 thousand, which were recognized in other income to reflect the variable lease payment resulting from the application of the practical expedient.

(d) Cash outflows relating to leasing activities

For the years ended December 31, 2023 and 2022, the Group's total cash outflows for leases amounted to $63,754 thousand and $52,616 thousand, respectively.

(e) Other information relating to leasing activities

i. Variable lease payments

Some of the Group's property rental agreements contain variable payment terms that are linked to certain percentages of sales generated from the leased stores, which is very common in the industry of the Group.

As such variable lease payments do not meet the definition of lease payments, those payments are not included in the measurement of the assets and liabilities. The Group expects that, for every sales increase of $100 thousand for the years ended December 31, 2023 and 2022, the rental payments will both increase by $1 to $26 thousand.

ii. Extension and termination options

Some of the Group's property rental agreements contain extension and termination options. In determining the lease terms, the non-cancellable period for which the Group has the right to use an underlying asset, together with both periods covered by an option to extend the lease if the Group is reasonably certain to exercise that option and periods covered by an option to terminate the lease if the Group is reasonably certain not to exercise that option. These options are used to maximize operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Group.

After the commencement date, the Group reassesses the lease term upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and affects whether the Group is reasonably certain to exercise an option not previously included in its determination of the lease term, or not to exercise an option previously included in its determination of the lease term.

B. The Group as a lessor

Please refer to Note 6.(11) for details on the Group's owned investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$21,450	$21,150

For operating leases entered by the Group, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Not later than one year	$20,122	$21,892
Later than one year but not later than two years	7,775	21,727
Later than two years but not later than three years	1,909	7,810
Later than three years but not later than four years	1,152	1,744
Later than four years but not later than five years	9	1,116
Later than five years	-	-
Total	$30,967	$54,289

(22) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2023 and 2022:

	2023				2022			
	Operating costs	Operating expenses	Non-operating expenses	Total amount	Operating costs	Operating expenses	Non-operating expenses	Total amount
Employee benefits expense								
Salaries	$131,828	$120,225	$-	$252,053	$138,945	$93,444	$-	$232,389
Labor and health insurance	14,665	9,459	-	24,124	15,113	9,020	-	24,133
Pension	6,400	5,716	-	12,116	6,792	4,898	-	11,690
Other employee benefits expense	6,460	4,529	-	10,989	6,471	3,854	-	10,325
Depreciation	139,182	56,600	9,815	205,597	138,829	51,036	11,829	201,694
Amortization	-	3,026	-	3,026	-	3,026	-	3,026

According to the Company's Articles of Incorporation, when there is profit in current year, the Company shall set 3% to 10% of the profit as employees' compensation, which shall be distributed in shares or cash by the board resolution to employees who meet certain criteria. The Company may set aside no more than 5% of the profit as remuneration to directors and supervisors by resolution. The employees' compensation and remuneration to directors and supervisors should be reported to the shareholders' meeting. However, profit should be used to offset any accumulated deficit prior to the aforementioned compensation and remuneration. Information on the board's resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the year ended December 31, 2023, based on the Company's profitability, the employees' compensation and remuneration to directors and supervisors were estimated at 4% and 5%, respectively, and the employees' compensation and remuneration to directors and supervisors amounted to $3,055 thousand and $3,819 thousand, respectively, which were recognized as employee benefits expense. If the Board of Directors resolves to distribute employees' compensation in shares, the closing price on the day before the date of the Board's resolution is used as the basis for calculating the number of shares to be distributed. On March 12, 2024, the Board of Directors resolved to distribute employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 in the amount of $3,055 thousand and $3,819 thousand in cash, respectively, which were not materially different from the amount recorded as expenses in the financial statements for the year ended December 31, 2023.

On March 14, 2023, the Board of Directors resolved to pay employees' compensation and remuneration to directors and supervisors in the amount of $4,890 thousand and $6,112 thousand in cash, respectively, which were not materially different from the amounts recorded as expenses in the financial statements for the year ended December 31, 2022.

No material differences existed between the estimated amount and the actual distribution of employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

(23) Non-operating income and expenses

A. Interest income

	2023	2022
Financial assets measured at amortized cost	$21,155	$7,564

B. Other income

	2023	2022
Rental income	$21,450	$21,150
Dividend income	55	922
Others	15,179	12,860
Total	$36,684	$34,932

C. Other gains and losses

	2023	2022
Losses on disposal of property, plant and equipment	$(3,126)	$(2,726)
Gains on disposal of investments	10	-
Foreign exchange (losses) gains, net	(3,327)	40,738
Impairment losses - goodwill	(4,612)	(1,059)
Gains (losses) on financial assets at fair value through profit or loss (note)	7,393	(22,629)
Others	(9,805)	(12,754)
Total	$(13,467)	$1,210

Note: The balances arose from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs

	2023	2022
Interest on bank borrowings	$37,954	$37,963
Interest on lease liabilities	5,783	5,865
Total finance costs	$43,737	$43,828

(24) Components of other comprehensive income (loss)

For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (expense)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	$(812)	$-	$(812)	$-	$(812)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	1,107	-	1,107	-	1,107
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	(785)	-	(785)	-	(785)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,191)	-	(1,191)	238	(953)
Total	$(1,681)	$-	$(1,681)	$238	$(1,143)

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (expense)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurement of defined benefit plans	$3,647	$-	$3,647	$-	$3,647
Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income	9,429	-	9,429	-	9,429
Share of other comprehensive income of associates and joint ventures accounted for using the equity method	755	-	755	-	755
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(289)	-	(289)	58	(231)
Total	$13,542	$-	$13,542	$58	$13,600

(25) Government grants

For the year ended December 31, 2022, the Group received the marketing subsidies and basic wage subsidies in the amount of $132 thousand and $1,326 thousand (recorded as other income etc.), respectively, in accordance with the "Regulations of the Ministry of Economic Affairs for the Relief and Revitalization of Industrial and Business Enterprises Affected by Severe and Special Infectious Pneumonia" and the "Regulations of the Ministry of Economic Affairs for the Relief and Revitalization of Industrial and Business Enterprises Affected by Severe and Special Infectious Pneumonia."

(26) Income tax

The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

Income tax expense recognized in profit or loss

	2023	2022
Current income tax expense:		
Current income tax charge	$8,306	$3,078
Adjustments in respect of current income tax of prior periods	1,606	(292)
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	764	(2,497)
Total income tax expense	$10,676	$289

Income tax related to components of other comprehensive income (loss)

	2023	2022
Deferred tax income:		
Exchange differences resulting from translating the financial statements of foreign operations	$(238)	$(58)
Income tax related to components of other comprehensive income (loss)	$(238)	$(58)

The amount of income tax expense and accounting profit multiplied by the applicable income tax rate are adjusted as follows:

	2023	2022
Net profit before tax from continuing operations	$100,721	$121,322
Income tax payable at the statutory rate applied to the parent company	$20,144	$24,264
Tax effect of tax-exempted income	(53,208)	(4,322)
Tax effect of non-deductible expenses for tax purposes	2,439	4,378
Tax effect of deferred tax assets/liabilities	32,193	(29,786)
Profit-seeking enterprise income surtax on undistributed retained earnings	8,306	1,681
Effects of different tax rates applicable to individuals operating in other tax jurisdictions	(1,326)	3,890
Adjustment in respect of current income tax of prior periods	1,606	(292)
Other adjustments according to the tax law	522	476
Total income tax expenses recognized in profit or loss	$10,676	$289

Balance of deferred income tax assets (liabilities) related to:

For the year ended December 31, 2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Ending balance
Temporary differences				
Loss allowance for inventory valuation and obsolescence	$712	$(18)	$-	$694
Loss allowance for office supplies valuation and obsolescence	1,074	(2)	-	1,076
Depreciation difference for tax purpose	(68,129)	(5,663)	-	(73,792)
Unrealized asset impairment losses	3,063	(114)	-	2,949
Exchange differences resulting from translating the financial statements of foreign operations	15,909	-	238	16,147
Unrealized foreign exchange gains or losses	(4,034)	4,507	-	473
Unused tax losses	22,000	65	-	22,065
Gain recognized in bargain purchase	(3,276)	-	-	(3,276)
Fair value adjustments resulting from business combination	(3,877)	458	-	(3,419)
Deferred tax expenses (income)		$(763)	$238	
Net deferred income tax assets (liabilities)	$(36,558)			$(37,083)
The information presented on the balance sheet is as follows:				
Deferred tax assets	$42,758			$43,405
Deferred tax liabilities	$(79,316)			$(80,488)

For the year ended December 31, 2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Ending balance
Temporary differences				
Loss allowance for inventory valuation and obsolescence	$712	$-	$-	$712
Loss allowance for office supplies valuation and obsolescence	1,075	(1)	-	1,074
Depreciation difference for tax purpose	(55,206)	(12,923)	-	(68,129)
Impairment loss of unrealized assets	3,248	(185)	-	3,063
Exchange differences resulting from translating the financial statements of foreign operations	15,851	-	58	15,909
Unrealized foreign currency exchange gains or losses	2,818	(6,852)	-	(4,034)
Unused tax losses		22,000	-	22,000
Gain recognized inbargain purchase	(3,276)	-	-	(3,276)
Fair value adjustments resulting from business combination	(4,335)	458	-	(3,877)
Deferred tax expenses (income)		$2,497	$58	
Net deferred income tax assets (liabilities)	$(39,113)			$(36,558)
The information presented on the balance sheet is as follows:				
Deferred tax assets	$23,704			$42,758
Deferred tax liabilities	$(62,817)			$(79,316)

The following table contains information of the unused tax losses of the Group:

U-Tech Media Corporation

		Unused tax losses as at		
Year	Tax losses for the period	December 31, 2023	December 31, 2022	Expiration year
2013	$42,790	$37,676	$37,676	2023
2014	3,363	3,363	3,363	2024
2017	44,682	44,682	44,682	2027
2018	389,149	389,149	389,149	2028
2023	196,234	196,234	-	2033
Total		$671,104	$474,870	

Subsidiary - Dollars Cultural & Creative Company Limited

Year	Tax losses for the period	Unused tax losses as at December 31, 2023	Unused tax losses as at December 31, 2022	Expiration year
2016	$3,783	$1,807	$1,807	2026
2017	4,392	4,392	4,392	2027
2018	3,216	3,216	3,216	2028
2019	5,275	5,275	5,275	2029
2021	5,878	5,878	5,878	2031
2022	9,664	9,664	9,664	2032
2023	20,323	20,323	-	2033
Total		$50,555	$30,232	

Subsidiary - Ikari Coffee Co., Ltd.

Year	Tax losses for the period	Unused tax losses as at December 31, 2023	Unused tax losses as at December 31, 2022	Expiration year
2016	$22,133	$22,133	$22,133	2026
2017	9,350	9,350	9,350	2027
2018	8,598	8,598	8,598	2028
2019	22,669	22,669	22,669	2029
2020	42,499	42,499	42,499	2030
2021	29,614	29,614	29,614	2031
2022	30,912	30,912	30,912	2032
2023	17,433	17,433	-	2033
Total		$183,228	$165,795	

Subsidiary - ShokuRaku Corporation

Year	Tax losses for the period	Unused tax losses as at December 31, 2023	Unused tax losses as at December 31, 2022	Expiration year
2021	$139	$139	$139	2031
2022	7,123	7,457	7,123	2032
2023	1,110	1,110	-	2033
Total		$8,706	$7,262	

Subsidiary - RitFast Corporation

Year	Tax losses for the period	Unused tax losses as at December 31, 2023	Unused tax losses as at December 31, 2022	Expiration year
2013	$133,762	$-	$133,761	2023
2014	227,601	227,601	227,601	2024
2015	202,405	202,405	202,405	2025
2016	168,792	168,792	168,792	2026
2017	160,907	160,906	160,906	2027
2018	381,544	381,544	381,544	2028
2019	52,311	52,311	52,311	2029
2020	5,294	5,294	5,294	2030
2021	1,182	1,182	1,182	2031
Total		$1,200,035	$1,333,796	

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the Group's unrecognized deferred tax assets totaled $383,479 thousand and $282,647 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company and its domestic subsidiaries was as follows:

	The assessment of income tax returns
The Company	Assessed and approved up to 2021
Subsidiary - Dollars Cultural & Creative Company Limited	Assessed and approved up to 2021
Subsidiary - Ikari Coffee Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Chao Fu Co., Ltd.	Assessed and approved up to 2021
Subsidiary - Formosa Sun Energy Corporation	Assessed and approved up to 2021
Subsidiary - Hou Cheng Photoelectricity Corporation	Assessed and approved up to 2021
Subsidiary - RitFast Corporation	Assessed and approved up to 2021

(27) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the parent entity by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the parent entity (after adjusting for interest on convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the parent entity (in thousands)	$72,497	$103,031
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,984	145,984
Basic earnings per share (in NT$)	$0.50	$0.71

	2023	2022
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the parent entity (in thousands)	$72,497	$103,031
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,984	145,984
Effect of dilution:		
Employees' compensation - stock (in thousands)	248	360
Weighted average number of ordinary shares outstanding after dilution (in thousands)	146,232	146,344
Diluted earnings per share (in NT$)	$0.50	$0.70

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

(28) Changes in the Group's ownership interests in subsidiaries

Acquisition of new shares in a subsidiary not in proportionate to shareholding ratio

Ikari Coffee Co., Ltd. issued new shares on April 13, 2022. The Group purchased all of the new shares of Ikari Coffee Co., Ltd. and increased its shareholding ratio by 32.35%. The Group acquired additional capital in the amount of $0 thousand, and the carrying amount of net assets (originally acquired and excluding goodwill) of Ikari Coffee Co., Ltd. was $28,992 thousand. The increase in the Group's equity in Ikari Coffee Co., Ltd., including non-controlling interests, was as follows:

Additional cash received from the issuance of new shares	$-
Increase to non-controlling interests	(916)
Difference recognized in capital surplus within equity	$(916)

Jingle Hot Pot Corporation issued new shares on December 28, 2022. The Group purchased part of the new shares of Jingle Hot Pot Corporation and decreased its shareholding ratio by 13.33%. The Group acquired additional capital in the amount of $2,000 thousand, and the carrying amount of net assets of Jingle Hot Pot Corporation was $12,953 thousand. The increase in the Group's equity in Jingle Hot Pot Corporation, including non-controlling interests, was as follows:

Additional cash received from the issuance of new shares	$2,000
Increase to non-controlling interests	(1,873)
Difference recognized in capital surplus within equity	$127

ShokuRaku Corporation issued new shares on April 11, 2023. The Group purchased all of the new shares of ShokuRaku Corporation and increased its shareholding ratio by 15,71%. The Group acquired additional capital in the amount of $0 thousand, and the carrying amount of net assets of ShokuRaku Corporation was $13,483 thousand. The increase in the Group's equity in ShokuRaku Corporation., including non-controlling interests, was as follows:

Additional cash received from the issuance of new shares	$-
Increase to non-controlling interests	(1,176)
Difference recognized in capital surplus within equity	$(1,176)

7. Related Party Transactions

Information of the related parties that had transactions with the Group during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Ritek Corporation	Parent
RiTdisplay Corporation	Associate
ProRit Corporation	Associate
Ricare Corporation	Associate
AimCore Technology Co., Ltd.	Investment accounted for using the equity method
Ritwin Corporation	Same chairman as the Company
Welltech Energy Inc.	Same chairman as the Company
Rih Rih Sin Company	The Company's director is the same as the principal of the company
Newrit Asset Co,.Ltd.	The Company's director is the same as the chairman of the company
Ritek Foundation	The Company's director is the same as the chairman of the foundation
Cashido Corporation	Same director as the Company
Finesil Technology Inc.	Same director as the Company
Ink Design Space Co., Ltd.	Same director as the Company
Taiwan Truewin Technology Co., Ltd.	Investee company of the Company's related party
Li,Xue-Jin	Second degree relatives of the Company's director

Significant transactions with the related parties

(1) Sales

	2023	2022
Parent	$2,322	$4,589
Associates		
RiTdisplay Corporation	729	628
Ricare Corporation	6,873	5,982
Other related parties		
Newrit Asset Co,.Ltd.	4,603	205
Others	710	879
Total	$15,237	$12,283

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 90 days, while the terms for overseas sales were approximately 90-120 days from FOB shipping point. The collection period for third party domestic sales was month-end 30-150 days, while the terms for overseas sales were 30-150 days from FOB shipping point. The outstanding balances as at December 31, 2023 and 2022 were unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchases

	2023	2022
Parent	$19,213	$4,717
Other related parties		
Others	63	39
Total	$19,276	$4,756

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers and were between 1-4 months.

(3) Accounts receivable - related parties, net

	December 31, 2023	December 31, 2022
Parent	$261	$1,008
Associates		
RiTdisplay Corporation	134	245
Ricare Corporation	414	712
Other related parties		
AimCore Technology Co., Ltd.	50	113
Newrit Asset Co,.Ltd.	53	141
Others	24	17
Net	$936	$2,236

(4) Other current assets (non-financing)

	December 31, 2023	December 31, 2022
Parent	$1,725	$1,402
Other related parties		
Others	3	-
Total	$1,728	$1,402

(5) Refundable deposits (recorded as other non-current assets)

	December 31, 2023	December 31, 2022
Associate		
Ricare Corporation	$240	$240

(6) Accounts payable - related parties

	December 31, 2023	December 31, 2022
Parent	$2,330	$1,827

(7) Other payables - related parties (non-financing)

	December 31, 2023	December 31, 2022
Parent	$584	$11,957
Associate		
Ricare Corporation	51	80
Other related parties		
Newrit Asset Co,.Ltd.	1,333	-
Finesil Technology Inc.	-	135
Ink Design Space Co., Ltd.	101	-
Total	$2,069	$12,172

(8) Other current liabilities

	December 31, 2023	December 31, 2022
Parent	$-	$18
Associates		
RiTdisplay Corporation	27	20
Other related parties		
Welltech Energy Inc.	-	5
Newrit Asset Co,.Ltd.	11	4
Total	$38	$47

(9) Property transactions

Property, plant and equipment

Assets of related parties acquired by the Group

	Account details	2023	2022
Parent	Machinery equipment	$1,890	$33,634
	Other equipment	82	-
	Construction in progress(Note)	(4,485)	25,560
Other related parties			
Rih Rih Sin Company	Catering equipment	800	-
Newrit Asset Co,.Ltd.	Catering equipment	1,905	-
Ink Design Space Co., Ltd.	Other equipment	10,919	344
Li,Xue-Jin	Transportation equipment	1,500	-
Total		$12,611	$59,538

Note: The Group purchased assets from the parent company in 2022, and incurred a discount of $4,958 thousand in March 2023.

Assets disposed of by the Group to related parties

	Account details	2023	2022
Associates			
RiTdisplay Corporation	Machinery equipment	$5	$-
Other related parties			
Finesil Technology Inc.	Machinery equipment	-	142
Ritwin Corporation	Other equipment	60	-
Total		$65	$142

Equity trading

On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10 thousand.

(10) Operating costs

	Account details	2023	2022
Parent	Repairment and maintenance expense and miscellaneous fees	$56	$529
Other related parties			
Ritwin Corporation	Miscellaneous expenses	7	3
Others	Consumption fees and miscellaneous fees	23	-
Total		$86	$532

(11) Operating expenses

	Account details	2023	2022
Parent	Professional service fees and miscellaneous fees	$2,703	$1,920
Associate			
Ricare Corporation	Miscellaneous fees	304	247
Other related parties			
Ritek Foundation	Donations	3,600	5,000
Others	Sundry purchases, entertainment expenses and miscellaneous fees	356	377
Total		$6,963	$7,544

(12) Lease - related parties

Rental income

	Account details	2023	2022
Associate			
Ricare Corporation	Buildings	$1,116	$1,116

The lease term and rent collection method are based on the contract. Generally, the lease term was 2 to 3.7 years, and the rent was mainly charged on a monthly basis.

Rental expenses

	Account details	2023	2022
Parent	Office equipment	$130	$2
	Buildings	359	
Associate			
Ricare Corporation	Buildings	499	403
Other related party			
Newrit Asset Co,.Ltd.	Buildings	-	265
Total		$988	$670

The lease term and rent collection method are based on the contract. Generally, the lease term was 2.5 years, and the rent was mainly charged on a monthly basis.

(13) Non-operating income and expenses - other income

	2023	2022
Parent	$400	$105
Associate		
Ricare Corporation	259	84
Other related parties		
Others	76	2
Total	$735	$191

(14) Key management personnel compensation

	2023	2022
Short-term employee benefits	$32,499	$32,952
Post-employment benefits	494	552
Total	$32,993	$33,504

8. Assets Pledged as Security

The following table lists assets of the Group pledged as security:

Items	Carrying amount		Secured liabilities
	December 31, 2023	December 31, 2022	
Financial assets measured at amortized cost (including non-current)	$152,680	$192,197	Lease deposits, tariff bonds, long-term borrowings, undertaking collateral and trust property funds
Financing lease payments receivable (including non-current)	39,328	41,937	Long-term borrowings and undertaking collateral
Property, plant and equipment - land and buildings	689,409	696,557	Long-term and short-term borrowings
Property, plant and equipment - machinery equipment	1,618,893	1,661,954	Short-term notes and bills payable, long-term borrowings and undertaking collateral
Total	$2,500,310	$2,592,645	

9. Commitments and Contingencies

(a) The issued guarantee notes are as follows:

Currency	December 31, 2023	Applications
NTD	$2,357,888	Long-term and short-term borrowings, letter of credit loans, commercial paper and financial instruments transactions
USD	1,098	

(b) The option premium contracts signed by the Group for the production of CD-Audio, VIDEO CD DISC and DVD DISCS are listed below:

Object	Items	Contract period	Royalty calculation method
Company A	DVD DISCS technical license	January 1, 2001 onwards	Quantity of products sold according to the contracted specifications
Company B	DVD DISCS technical license	June 1, 2001 onwards	Quantity of products sold according to the contracted specifications
Company C	DVD DISCS technical license	From July 1, 2004 to October 1, 2029	Quantity of products sold according to the contracted specifications
Company D	BD ROM DISCS technical license	December 1, 2012 onwards	Quantity of products sold according to the contracted specifications
Company E	BD ROM DISCS technical license	January 1, 2011 onwards	Quantity of products sold according to the contracted specifications
Company F	BD ROM DISCS technical license	March 12, 2014 onwards	Quantity of products sold according to the contracted specifications

(c) The amounts guaranteed by banks for the Group's import of raw materials are listed below:

	December 31, 2023
Imported material guarantee	$3,000

10. Losses due to Major Disasters

None.

11. Significant Subsequent Events

On November 7, 2023, the Compamy's board of directors resolved to issue new shares as a consideration to receive the shares held by Ricare Corporation, and the record date was set on February 1, 2024. The change registration was completed on February 29, 2024.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$147,888	$136,609
Financial assets at fair value through other comprehensive income	105,546	103,939
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding the cash on hand)	1,177,465	1,088,796
Financial assets measured at amortized cost	152,680	192,197
Notes receivable	667	2,876
Accounts receivable (including related parties)	117,583	137,915
Financing lease payments receivable (including non-current)	39,328	41,937
Other receivables (recorded as other current assets)	2,973	1,443
Subtotal	1,490,696	1,465,164
Total	$1,744,130	$1,705,712

Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities at amortized cost:		
Short-term borrowings	$161,633	$55,000
Short-term notes and bills payable	-	9,935
Notes payable	2,193	2,192
Accounts payable (including related parties)	54,714	48,058
Other payables (including related parties)	150,882	155,433
Long-term borrowings (including due within one year)	1,488,900	1,670,544
Lease liabilities	278,193	246,658
Total	$2,136,615	$2,187,820

(2) Financial risk management objectives and policies

The Group's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Group identifies measures and manages the aforementioned risks based on the Group's policy and risk appetite.

The Group has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Group complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take the interdependencies between risk variables into account.

Foreign currency risk

The Group's exposure to the risk of changes in foreign exchange rates relates primarily to the Group's operating activities (when revenue or expense are denominated in a different currency from the Group's functional currency) and the Group's net investments in foreign subsidiaries.

The Group has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Group also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Group.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Group's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Group's foreign currency risk is mainly related to the volatility in the exchange rates for USD and JPY. The information of the sensitivity analysis is as follows:

A. When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by $3,256 thousand and $3,326 thousand, respectively, the equity is decreased/increased by $3,256 thousand and $3,326 thousand, respectively.

B. When NTD strengthens/weakens against JPY by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by $1,760 thousand and $1,246 thousand, respectively, the equity is decreased/increased by $1,760 thousand and $1,246 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Group manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to increase/decrease by $1,498 thousand and $1,543 thousand, respectively.

Equity price risk

The fair value of the Group's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Group's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. The Group manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Group's senior management on a regular basis. The Group's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Group's profit for the years ended December 31, 2023 and 2022 by $1,479 thousand and $1,366 thousand, respectively.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instrument investments measured at fair value through other comprehensive income could have an effect of $26 thousand and $19 thousand on the equity attributable to the Group for the years ended December 31, 2023 and 2022, respectively.

Please refer to Note 12.(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Group is exposed to credit risk from operating activities (primarily for accounts and notes receivable and financing lease payments receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Group's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Group's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023 and 2022, trade receivables from top ten customers accounted for 78% and 80% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant as well.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Group's treasury in accordance with the Group's policy. The Group only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Group adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

The Group makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Group will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Group's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2-3 years	4-5 years	> 5 years	Total
December 31, 2023					
Borrowings	$533,985	$451,866	$466,829	$202,862	$1,655,542
Short-term notes and bills payable	-	-	-	-	-
Trade and other payables	207,789	-	-	-	207,789
Lease liabilities	56,125	86,356	56,833	112,449	311,763

	Less than 1 year	2-3 years	4-5 years	> 5 years	Total
December 31, 2022					
Borrowings	$394,221	$608,315	$549,959	$249,751	$1,802,246
Short-term notes and bills payable	9,935	-	-	-	9,935
Trade and other payables	205,683	-	-	-	205,683
Lease liabilities	45,973	75,062	47,196	113,044	281,275

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including due within one year)	Other liabilities	Leases liabilities	Total liabilities from financing activities
January 1, 2023	$55,000	$9,935	$1,670,544	$6,241	$246,658	$1,988,378
Cash flows	106,633	(9,937)	(181,644)	193	(49,952)	(134,707)
Amortization of interest expense	-	2	-	-	5,783	5,785
Non-cash changes	-	-	-	-	75,703	75,703
December 31, 2023	$161,633	$-	$1,488,900	$6,434	$278,192	$1,935,159

Reconciliation of liabilities for the year ended December 31, 2022:

	Short-term borrowings	Short-term notes and bills payable	Long-term borrowings (including due within one year)	Other liabilities	Leases liabilities	Total liabilities from financing activities
January 1, 2022	$60,000	$19,948	$1,777,729	$10,012	$248,976	$2,116,665
Cash flows	(5,000)	(10,039)	(107,185)	(3,771)	(46,952)	(172,947)
Amortization of interest expense	-	26	-	-	5,865	5,891
Non-cash changes	-	-	-	-	38,769	38,769
December 31, 2022	$55,000	$9,935	$1,670,544	$6,241	$246,658	$1,988,378

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Group to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade and other receivables, restricted assets and trade and other payables approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates and bonds etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information.

(d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument.

B. Fair value of financial instruments measured at amortized cost

The Group’s financial assets and liabilities measured at amortized cost whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments

Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Group.

(8) Derivative financial instruments

As of December 31, 2023 and 2022, the Group did not hold any derivative instruments that not qualified for hedge accounting and not yet settled.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 - Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Group's assets and liabilities

The Group does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Group's assets and liabilities measured at fair value on a recurring basis is as follows:

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$-	$-	$-	$-
Funds	147,888	-	-	147,888
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	2,580	-	102,966	105,546

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$24,447	$-	$-	$24,447
Funds	112,162	-	-	112,162
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	1,882	-	102,057	103,939

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Details of changes in the third level of the measured at fair value on a recurring basis

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2023	$102,057
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	409
Acquisition/issues for the year ended December 31, 2023	500
Disposal/settlements for the year ended December 31, 2023	-
Proceeds from capital reduction	-
Transfer in/(out) of Level 3	-
Ending balances as at December 31, 2023	$102,966

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2022	$135,420
Total gains and losses recognized for the year ended December 31, 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	10,316
Acquisition/issues for the year ended December 31, 2022	500
Disposal/settlements for the year ended December 31, 2022	(37,500)
Proceeds from capital reduction	(6,679)
Transfer in/(out) of Level 3	-
Ending balances as at December 31, 2022	102,057

Total gains and losses recognized in profit or loss for the years ended December 31, 2023 and 2022 in the table above contained gains and losses related to assets on hand as at December 31, 2023 and 2022 in the amount of $409 thousand and $10,316 thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:
December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's equity by $1,287 thousand

December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Group's equity by $1,269 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Group's investment department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Group's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Group's assets and liabilities not measured at fair value but for which the fair value is disclosed

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties, net (please refer to Note 6)	$-	$-	$171,760	$171,760

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties, net (please refer to Note 6)	$-	$-	$171,760	$171,760

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$10,684	30.7100	$328,107
JPY	812,063	0.2169	176,148
Financial liabilities			
Monetary items:			
USD	82	30.7100	2,511
JPY	604	0.2169	131

	December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$10,857	30.6600	$332,891
JPY	539,253	0.2314	124,856
Financial liabilities			
Monetary items:			
USD	9	30.6600	283
JPY	$879	0.2314	$203

As the Group has a large variety of foreign currencies, it is not possible to disclose the foreign currency exchange gains or losses information of monetary financial assets and financial liabilities on each foreign currency's exposure to major impact. The Group's foreign exchange losses (gains) for the years ended December 31, 2023 and 2022 were $3,327 thousand and $(40,378) thousand, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital Management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Notes for Disclosures

(1) Information related to significant transactions

A. Financings provided to others: None.

B. Endorsements/guarantees provided to others: Table 1.

C. Marketable securities held: Table 2.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: None.

H. Receivables due from related parities amounting to at least NTD 100 million or 20% of the paid-in capital: None.

I. Derivative instruments transactions: None.

J. Business, relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: None.

(2) Information on investees

A. Financings provided to others: None.

B. Endorsements/guarantees provided to others: Table 1.

C. Marketable securities held: Table 3.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: None.

H. Receivables due from related parities amounting to at least NTD 100 million or 20% of the paid-in capital: None.

I. Derivative instruments transactions: None.

J. Name of investee company, location and other related information: Table 4.

(3) Information on investments in Mainland China: None.

(4) Information on major shareholders: Table 5.

14. Segment information

For management purposes, the Group is organized into business units based on their geographical regions and business operations. After performing quantitative threshold tests, the Group has the following three reportable operating segments:

(1) Media storage segment: Engaged in the manufacture, processing and sales of optical discs.

(2) Electricity sales segment: Transmission of electricity to the substation of Taiwan Power Company.

(3) Catering segment: Engaged in the catering business.

(4) Other segment: Engaged in other businesses such as investment transfer.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss and is measured based on accounting policies consistent with those in the consolidated financial statements. However, income taxes are managed on a group basis and are not allocated to operating segments.

Transfer prices between operating segment are on an arm's length basis in a manner similar to transactions with third parties.

A. Information on segment profit and loss, assets and liabilities to be reported.

For the year ended December 31, 2023

	Media storage department	Electricity sales department	Catering department	Reporting department subtotal	Other segments	Adjustment and elimination	Total
Revenue							
External customer	$460,412	$317,664	$308,638	$1,086,714	$49,721	$-	$1,136,435
Inter-segment	-	17,130	69,914	87,044	244	(87,288)	-
Total revenue	$460,412	$334,794	$378,552	$1,173,758	$49,965	$(87,288)	$1,136,435
Interest income	$17,571	$3,033	$509	$21,113	$42	$-	$21,155
Interest expenses	8,810	31,127	3,800	43,737	-	-	43,737
Depreciation, amortization and other losses	20,054	124,059	59,542	203,655	536	159	204,350
Segment profit (losses)	$84,926	$91,963	$(57,507)	$119,382	$12,022	$(41,359)	$90,045
Assets							
Investments accounted for using the equity method	$1,361,468	$383,501	$49,941	$1,794,910	$-	$(1,609,382)	$185,528
Capital expenditure on non-current assets	3,799	48,240	63,194	115,233	-	(30)	115,203
Segment assets	$3,336,394	$2,804,225	$453,061	$6,593,680	$315,100	$(1,882,475)	$5,026,305
Segment liabilities	$643,827	$1,323,189	$346,681	$2,313,697	$5	$(762)	$2,312,940

For the year ended December 31, 2022

	Media storage department	Electricity sales department	Catering department	Reporting department subtotal	Other segments	Adjustment and elimination	Total
Revenue							
External customer	$512,890	$315,055	$259,485	$1,087,430	$25,390	$-	$1,112,820
Inter-segment	10	19,618	93,339	112,967	285	(113,252)	-
Total revenue	$512,900	$334,673	$352,824	$1,200,397	$25,675	$(113,252)	$1,112,820
Interest income	$6,200	$1,216	$142	$7,558	$6	$-	$7,564
Interest expenses	8,233	32,506	3,091	43,830	-	(2)	43,828
Depreciation, amortization and other losses	23,442	120,699	58,064	202,205	536	1,979	204,720
Segment profit (losses)	$129,790	$134,917	$(57,814)	$206,893	$26,673	$(112,533)	$121,033
Assets							
Investments accounted for using the equity method	$1,420,630	$407,035	$55,772	$1,883,437	$-	$(1,677,033)	$206,404
Capital expenditure on non-current assets	1,015	71,042	29,747	101,804	-	(30)	101,774
Segment assets	$3,350,686	$2,977,615	$387,328	$6,715,629	$303,344	$(1,941,455)	$5,077,518
Segment liabilities	$668,731	$1,448,018	$250,439	$2,367,188	$14	$(10,706)	$2,356,496

Inter-segment revenue is eliminated on consolidation and recorded under the "adjustment and elimination;" all other adjustments and eliminations are disclosed below.

B. Adjustments of reporting department revenue, profit and loss, asset, liability and other significant items

(a) Revenue

	2023	2022
Total revenue for reportable segments	$1,173,758	$1,200,397
Other segment revenue	49,965	25,675
Elimination of inter-segment revenue	(87,288)	(113,252)
Group revenue	$1,136,435	$1,112,820

(b) Profit and loss

	2023	2022
Total profit for reportable segments	$130,515	$207,638
Other segment profit	12,022	26,673
Elimination of inter-segment profit	(41,816)	(112,989)
Profit before tax from continuing operations	$100,721	$121,322

(c) Assets

	December 31, 2023	December 31, 2022
Total assets for reportable segments	$6,593,680	$6,715,629
Other segment assets	315,100	303,344
Elimination of inter-segment assets	(1,882,475)	(1,941,455)
Group assets	$5,026,305	$5,077,518

(d) Liabilities

	December 31, 2023	December 31, 2022
Total liabilities for reportable segments	$2,313,697	$2,367,188
Other segment liabilities	5	14
Elimination of inter-segment liabilities	(762)	(10,706)
Group liabilities	$2,312,940	$2,356,496

(e) Other significant items

For the year ended December 31, 2023

	Total for reportable segments	Other segments	Adjustment and elimination	Total for Group
Interest income	$21,113	$42	$-	$21,155
Interest expenses	43,737	-	-	43,737
Capital expenditure on non-current assets	115,233	-	(30)	115,203
Depreciation, amortization and other losses	203,655	536	159	204,350

For the year ended December 31, 2022

	Total for reportable segments	Other segments	Adjustment and elimination	Total for Group
Interest income	$7,558	$6	$-	$7,564
Interest expenses	43,830	-	(2)	43,828
Capital expenditure on non-current assets	101,804	-	(30)	101,774
Depreciation, amortization and other losses	202,205	536	1,979	204,720

C. Information by region

Revenue from external customers:

	2023	2022
Taiwan	$815,699	$775,407
Americas	3,528	-
Australia	846	696
Asia	316,289	336,526
Other regions	73	191
Total	$1,136,435	$1,112,820

Revenue is classified based on the region of the customer.

Non-current assets:

	December 31, 2023	December 31, 2022
Taiwan	$3,374,254	$3,517,279
Other countries	61,107	61,365
Total	$3,435,361	$3,578,644

D. Important customer information

	2023	2022
Customer A	$318,052	$315,055
Customer B	126,205	115,813
Customer C	67,263	82,914
Other customers (less than 10%)	624,915	599,038
Total	$1,136,435	$1,112,820

Table1: Endorsements/guarantees provided to others

No.	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 1)	Maximum Balance Accumulated up to the End of This Month	Ending Balance	Actual Amount Drawn Down	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Relationship (Note 2)										
0	U-Tech Media Corporation	Dollars Cultural & Creative Company Limited	2	$357,455	$160,000	$110,000	$70,000	$-	4.62%	$714,909	Y	N	N

Note 1：The total amount of guarantee provided is 30% of the current net value. For each company, the total amount of guarantee provided is 15% of the current net value.
For each company, the total amount of guarantee provided is 15% of the current net value.

Note 2：The relationship between the collaterals/guarantee provider and the counter-party is as follows:
1.The company with business transaction.
2.The company owns directly or indirectly over 50% ownership of the investee company.
3.The investee company owns directly or indirectly over 50% ownership of the company.
4.The company owns directly or indirectly over 90% ownership of the investee company.
5.Companies that guarantee each other in accordance with the provisions of the contract between its peers or co-creators based on the needs of undertaking works.
6.Company that guaranteed by all the contributing shareholders according to the shareholding ratio due to the joint investment relationship.
7.In accordance with the consumer protection law, the joint guarantee of performance for the sale contract of pre-sale houses among peers.

Table 2: Marketable securities held

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2022				Note
				Shares/Units (in thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
U-Tech Media Corporation	CTBC Hua Win Money Market Fund	None	Financial assets at fair value through profit or loss - current	451	$5,105	-	$5,105	
	TCB Taiwan Money Market Fund	〃		4,872	50,735	-	50,735	
	UPAMC Taiwan High Dividend and Growth Fund-ACC	〃	〃	500	5,490	-	5,490	
	Total				$61,330		$61,330	
	Chang Hong Energy Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	20	$-	0.41%	$-	
	BMB Venture Capital Investment Corporation	〃	〃	4,852	38,672	14.09%	38,672	
	AimCore Technology Co., Ltd.	Investment accounted for using the equity method	〃	113	2,580	0.17%	2,580	
	Total				$41,252		$41,252	

Table 3: Marketable securities held:

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2022				Note
				Shares/Units (in thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
Formosa Sun Energy Corporation	Cathay Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,014	$51,235	-	$51,235	
RITFAST CORPORATION	Allianz Global Investors Taiwan Money Market Fund	〃	〃	2,741	$35,323	-	$35,323	
Glory Days Services Ltd.	Legend Crown Investment Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	2,352	$61,107	9.80%	$61,107	
Dollars Cultural & Creative Company Limited	Universe Stars Co., Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	338	$2,774	15.00%	$2,774	
	Fournicorn Co., Ltd.	〃	〃	100	413	25.00%	413	
	Total				$3,187		$3,187	

Table 4: Name of investee company, location and other related information:

Investor Company	Investee Company	Location	Main Business Activities	Initial Investment Amount		Held by the Company			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2023	As of December 31, 2022	Shares (in thousands)	Percentage (%)	Carrying Value			
U-Tech Media Corporation	Dollars Cultural & Creative Company Limited	Taipei	Catering	$195,500	$195,500	16,257	100.00%	$84,971	$(31,258)	$(26,646)	
〃	Pvnext Corporation	Hsinchu	Solar cell manufacturing	-	290,000	-	-	-	(33,961)	-	Note 1
〃	ProRit Corporation	Miaoli	Electronics industry	23,653	23,653	333	0.63%	7,058	2,933	18	
〃	RiTdisplay Corporation	Hsinchu	Manufacture of related OLED products	36,111	36,111	4,986	6.77%	126,103	(226,908)	(15,362)	
〃	Chao Fu Co., Ltd.	Taoyuan	Wine making	5,000	5,000	500	100.00%	2,410	(321)	(321)	
〃	Formosa Sun Energy Corporation	Taoyuan	Renewable energy self-powered equipment	642,860	642,860	64,459	70.82%	785,158	66,163	46,852	
〃	Jade Investment Services Ltd.	B.V.I.	Investment holdings	106,501	106,501	1,685	100.00%	311,917	12,374	12,374	
〃	Ricare Corporation	Taoyuan	Management consulting industry	40,000	40,000	4,000	30.77%	43,851	9,429	2,901	
	Total							$1,361,468		$19,816	
Dollars Cultural & Creative Company Limited	ShokuRaku Corporation	Taipei	Catering	18,000	7,000	1,800	85.71%	$10,675	$(1,117)	$(949)	Note 2
〃	Ikari Coffee Co., Ltd.	Taoyuan	Catering	75,200	75,200	4,970	94.85%	21,487	(17,453)	(16,554)	
〃	Ink Design Space Co., Ltd.	Taipei	Landscape and interior design	7,000	7,000	810	25.00%	8,516	4,159	1,040	
〃	Jingle Hot Pot Corporation	Taipei	Catering	13,000	1,000	1,300	86.67%	7,915	(5,645)	(4,989)	Note 3
〃	Foodspace Corporation	Taoyuan	Catering	3,220	-	322	92.00%	1,348	(2,035)	(1,872)	Note 4
	Total							$49,941		$(23,324)	
Formosa Sun Energy Corporation	Hou Cheng Photoelectricity Corporation	Taoyuan	Renewable energy self-powered equipment	1,000	1,000	100	100.00%	$767	$(31)	$(22)	
〃	RitFast Corporation	Hsinchu	Renewable energy self-powered equipment	346,888	346,888	32,725	99.17%	382,734	25,800	18,120	
	Total							$383,501		$18,098	

Note 1: On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10

Note 2: Dollars Cultural & Creative Company Limited participated in the cash capital increase of ShokuRaku Corporation, and acquired 1,100 thousand shares in the amount of $11,000 thousand, increasing its shareholding ratio to 85.71%.

Note 3: On December 28, 2022, Jingle Hot Pot Corporation's board of directors resolved to issue 1,400 thousand shares for capital increase. Dollars Cultural & Creative Company Limited participated in the cash capital decrease of Jingle Hot Pot Corporation, and acquired 1,200 thousand sha in the amount of $12,000 thousand, decreasing its shareholding ratio to 86.67%.

Note 4: On April 20, 2023, Foodspace Corporation completed the incorporation procedures and issued 350 thousand shares.
Dollars Cultural & Creative Company Limited held 92% ownership of Foodspace Corporation at a price of $3,220 thousand and gained substantial control over Foodspace Corporation.

Table 4-1: Name of investee company, location and other related information:

Investor	Investee	Business Location	Main Business Activities	Original Investment Amount		Held by the Company			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31,	As of December 31,	Shares (in thousands)	Percentage (%)	Carrying Value			
Jade Investment Services Ltd.	Glory Days Services Ltd.	B.V.I.	Investment holdings	$186,981	$186,981	3,920	100.00%	$309,337	$12,430	$12,430	
Glory Days Services Ltd.	Shine Services Inc.	USA	Real estate leasing business	-	-	-	100.00%	$-	-	$-	Note 5

Note 5: Shine Services Inc. completed the incorporation process on June 24, 2022, and no shares have been issued as of the date of adoption of the financial report.

Table 5: Information on major shareholders (In Share)

Name	Shares	
	Number of Shares	Percentage (%)
Ritek Corporation	32,489,319	22.26%
Li, Chun Lai	8,693,867	5.96%
AimCore Technology Co., Ltd.	7,963,812	5.46%
Custodianship of bitbank investment account by HSBC in Hong Kong	7,661,000	5.25%

English Translation of a Report Originally Issued in Chinese

Independent Auditors' Report

To U-Tech Media Corporation:

Audit Opinion

We have audited the accompanying parent-company-only balance sheets of U-Tech Media Corporation (the "Company") as of December 31, 2023 and 2022, and the related parent-company-only statements of comprehensive income, changes in equity and cash flows for the years ended December 31, 2023 and 2022, and notes to the parent-company-only financial statements, including the summary of material accounting policies (together "the parent-company-only financial statements").

In our opinion, based on our audits and the reports of other auditors (please refer to the Other Matter - Making Reference to the Audits of Component Auditors section of our report), the parent-company-only financial statements referred to above present fairly, in all material respects, the parent-company-only financial positions of the Company as of December 31, 2023 and 2022, and its financial performance and cash flows for the years ended December 31, 2023 and 2022, in conformity with the requirements of 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 the Standards on Auditing of the Republic of China. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Norm of Professional Ethics for Certified Public Accountant of the Republic of China (the "Norm"), and we have fulfilled our other ethical responsibilities in accordance with the Norm. 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 parent-company-only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent-company-only financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Revenue Recognition

The main source of revenue of the Company is the sales of pre-recorded optical discs, which amounted to $531,673 thousand for the year ended December 31, 2023. Because of the characteristics of the market industry and the needs of customers, different types of transaction conditions are involved. Therefore, we need to judge and determine the performance obligations and the point at which they are satisfied, so the recognition of contract revenue is determined to be a key audit matter.

Our audit procedures included (but were not limited to) evaluating the appropriateness of management's accounting policies for revenue recognition and perform transaction flow understanding of the revenue recognition process for identified performance obligations; evaluating and testing the effectiveness of the design and implementation of internal controls related to the timing of revenue recognition for performance obligations; performing analytical procedures on selling price, sales volume, cost and gross margin for each product category, and perform analytical procedures for the top ten sales vendors and customers; performing test of details of transaction on selected samples and reviewing the transaction terms in the orders and related sales documents to confirm the appropriateness of the timing of revenue recognition when performance obligations are satisfied; performing revenue cutoff testing and verifies the related certificates for a period before and after the balance sheet date to determine the appropriate period for revenue recognition; performing general journal entry testing.

We have also evaluated the appropriateness of related disclosure in Notes 4 and 6 to the parent-company-only financial statements.

Allowance for Accounts Receivable

The accounts receivable of the Company as of December 31, 2023 amounted to $85,039 thousand, and had a significant impact on the parent-company-only financial statements. Since the amount of allowance for accounts receivable is measured by the lifetime expected credit losses, the measurement process shall appropriately distinguish groups of accounts receivable, and judge and analyze the application of related assumptions in the measurement process, including the consideration of appropriate account aging interval, loss rate of each account aging interval and its forward-looking information. As the measurement of expected credit loss involves making judgment, analysis and estimates, and the result will affect the net accounts receivable, we therefore considered this a key audit matter. Our audit procedures included (but were not limited to) confirming whether customer groups with significantly different loss patterns are appropriately grouped; checking the management’s evaluation procedure of loss allowance, and randomly selecting delivery orders to check against the account receivable aging schedule to verify the correctness of the account receivable aging interval while performing the internal control review; and testing the preparation matrix, including evaluating whether the determination of each group’s aging interval was reasonable and checking the correctness of the original voucher based on the basic information; testing the relevant statistical information of loss rate calculated by roll rate; considering the reasonableness of the forward-looking information included in the loss rate evaluation; evaluating whether the forward-looking information affected the loss rate; in addition, analytical procedure review was performed to evaluate whether there were material abnormality between the comparative changes of the turnover rate for two periods of the accounts receivable. reviewing the subsequent period collection of receivables with respect to clients with higher accounts receivable at end of period and assessing the recoverability of accounts receivable. We have also evaluated the appropriateness of related disclosure in Notes 5, 6 and 12 to the parent-company-only financial statements.

Other Matter - Making Reference to the Audits of Component Auditors

We did not audit the financial statements of certain associates accounted for under the equity method. Those financial statements were audited by other auditors, whose reports thereon have been furnished to us, and our opinions expressed herein are based solely on the audit reports of other auditors. These associates under equity method amounted to $8,516 thousand and $8,885 thousand, both representing 0% of total assets as of December 31, 2023 and 2022. The related shares of profit (loss) of associates and joint ventures accounted for using the equity method amounted to $1,040 thousand and $782 thousand, representing both 1% of the income before income tax for the years ended December 31, 2023 and 2022.

Responsibilities of Management and Those Charged with Governance for the Parent-Company-Only Financial Statements

Management is responsible for the preparation and fair presentation of the parent-company-only financial statements in accordance with the requirements of the Regulations Governing the Preparation of Financial Reports by Securities Issuers and International Financial Reporting Standards, International Accounting Standards, Interpretations developed by the International Financial Reporting Interpretations Committee or the former Standing Interpretations Committee as endorsed and became effective by Financial Supervisory Commission of the Republic of China and for such internal control as management determines is necessary to enable the preparation of parent-company-only financial statements that are free from material misstatement, whether due to fraud or error.

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

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

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

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

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 ability to continue as a going concern of the Company. 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 accompanying notes, 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 group audit. We remain solely responsible for our audit opinion.

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

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

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

Hsu, Jung-Huang

Chiu, Wan-Ju

Ernst & Young, Taiwan
March 12, 2024

Notice to Readers

The accompanying parent-company-only financial statements are intended only to present the financial position and results of operations and cash flows in accordance with accounting principles and practices generally accepted in the Republic of China and not those of any other jurisdictions. The standards, procedures and practices to audit such parent-company-only financial statements are those generally accepted and applied in the Republic of China.

Accordingly, the accompanying parent-company-only financial statements and report of independent accountants are not intended for use by those who are not informed about the accounting principles or the Standards on Auditing of the Republic of China, and their applications in practice. As the financial statements are the responsibility of the management, Ernst & Young 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.

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation

Parent-Company-Only Balance Sheets

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Assets			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current assets					
1100	Cash and cash equivalents	4 & 6.(1)	$551,784	18	$464,692	15
1110	Financial assets at fair value through profit or loss - current	4 & 6.(2)	61,330	2	66,735	2
1150	Notes receivable, net	4 & 6.(4)	667	-	2,876	-
1170	Accounts receivable, net	4 & 6.(5)	85,039	3	103,398	4
1180	Accounts receivable - related parties, net	4 & 6.(5) & 7	-	-	563	-
130X	Inventories	4 & 6.(6)	51,869	2	65,389	2
1470	Other current assets	4 & 7	11,293	-	11,482	-
11XX	Total current assets		761,982	25	715,135	23
	Non-current assets					
1517	Financial assets at fair value through other comprehensive income - non-current	4 & 6.(3)	41,252	1	39,271	1
1550	Investments accounted for using the equity method	4 & 6.(7)	1,361,468	45	1,420,630	47
1600	Property, plant and equipment	4, 6.(8), 7 & 8	697,360	23	712,114	23
1760	Investment property, net	4 & 6.(9)	144,115	5	146,186	5
1840	Deferred tax assets	4 & 6.(20)	18,389	1	17,694	1
1900	Other non-current assets		2,290	-	2,290	-
15XX	Total non-current assets		2,264,874	75	2,338,185	77
1XXX	Total assets		$3,026,856	100	$3,053,320	100

(The accompanying notes are integral part of the parent-company-only financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation

Parent-Company-Only Balance Sheets (Continued)

December 31, 2023 and December 31, 2022

(Expressed in thousands of New Taiwan Dollars)

Liabilities and equity			December 31, 2023		December 31, 2022	
Code	Accounts	Notes	Amount	%	Amount	%
	Current liabilities					
2100	Short-term borrowings	4, 6.(10) & 8	$75,000	2	$20,000	1
2150	Notes payable	4	706	-	1,648	-
2170	Accounts payable	4	28,891	1	21,084	1
2180	Accounts payable - related parties	4 & 7	2,311	-	359	-
2200	Other payables	4	76,911	3	82,094	3
2220	Other payables - related parties	4 & 7	246	-	9,645	-
2230	Current tax liabilities	4	1,201	-	1,286	-
2300	Other current liabilities	4 & 6.(14)	1,376	-	4,779	-
2322	Current portion of long-term borrowings	4, 6.(11) & 8	105,500	3	116,640	4
21XX	Total current liabilities		292,142	9	257,535	9
	Non-current liabilities					
2540	Long-term borrowings	4, 6.(11) & 8	314,500	10	370,000	12
2570	Deferred tax liabilities	4 & 6.(20)	3,276	-	7,310	-
2600	Other non-current liabilities		9,085	-	9,085	-
2640	Net defined benefit liabilities - non-current	4 & 6.(12)	24,823	1	24,800	1
25XX	Total non-current liabilities		351,684	11	411,195	13
2XXX	Total liabilities		643,826	20	668,730	22
31XX	Equity					
3100	Capital					
3110	Common stock	6.(13)	1,459,845	48	1,459,845	48
3200	Capital Surplus	6.(13)	531,482	19	532,017	18
3300	Retained earnings	6.(13)				
3310	Legal reserve		87,515	3	76,313	2
3320	Special reserve		48,244	2	51,019	2
3350	Unappropriated earnings		303,826	10	313,640	10
	Total retained earnings		439,585	15	440,972	14
3400	Other equity	4				
3410	Exchange differences resulting from translating the financial statements of foreign operations		(976)	-	(23)	-
3420	Unrealized gains (losses) from equity instrument investments measured at fair value through other comprehensive income		(46,906)	(2)	(48,221)	(2)
3XXX	Total equity		2,383,030	80	2,384,590	78
	Total liabilities and equity		$3,026,856	100	$3,053,320	100

(The accompanying notes are integral part of the parent-company-only financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation

Parent-Company-Only Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Accounts	Notes	2023		2022	
			Amount	%	Amount	%
4000	Operating revenue	4, 6.(14) & 7	$531,673	100	$608,394	100
5000	Operating costs	6.(6), 6.(12), 6.(17) & 7	(396,801)	(75)	(474,550)	(78)
5900	Gross profit		134,872	25	133,844	22
6000	Operating expenses	6.(12), 6.(16), 6.(17) & 7				
6100	Sales and marketing expenses		(36,681)	(8)	(57,030)	(10)
6200	General and administrative expenses		(66,242)	(12)	(55,538)	(9)
6450	Expected credit losses	4 & 6.(15)	-	-	(14)	-
	Total operating expenses		(102,923)	(20)	(112,582)	(19)
6900	Operating income (loss)		31,949	5	21,262	3
7000	Non-operating income and expenses	4, 6.(18) & 7				
7100	Interest income		5,512	1	2,657	-
7010	Other income		34,536	6	35,078	6
7020	Other gains and losses		(13,505)	(3)	(12,113)	(2)
7050	Finance costs		(8,810)	(2)	(8,233)	(1)
7070	Share of profit or loss of subsidiaries, associates and joint ventures accounted for using the equity method		19,817	4	72,593	12
	Total non-operating income and expenses		37,550	6	89,982	15
7900	Income before income tax		69,499	11	111,244	18
7950	Income tax profit	4 & 6.(20)	2,998	1	(8,213)	(1)
8200	Net income		72,497	12	103,031	17
8300	Other comprehensive loss (income)	4 & 6.(19)				
8310	Not to be reclassified to profit or loss in subsequent periods					
8311	Remeasurements of defined benefit plan		(894)	-	3,504	1
8316	Unrealized gains from equity instrument investments measured at fair value through other comprehensive income		1,981	-	1,582	-
8330	Share of other comprehensive income of subsidiaries, associates and joint ventures - not reclassified to profit or loss		(1,581)	-	6,549	1
8360	To be reclassified to profit or loss in subsequent periods					
8361	Exchange differences resulting from translating the financial statements of foreign operations		(1,191)	-	(289)	-
8399	Income tax relating to components of other comprehensive income that will be reclassified to profit or loss	4 & 6.(20)	238	-	58	-
	Total other comprehensive loss (income), net of tax		(1,447)	-	11,404	2
8500	Total comprehensive income		$71,050	12	$114,435	19
	Earnings per share (in New Taiwan Dollars)	6.(21)				
9750	Basic earnings per share		$0.50		$0.71	
9850	Diluted earnings per share		$0.50		$0.70	

(The accompanying notes are integral part of the parent-company-only financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

U-Tech Media Corporation

Parent-Company-Only Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in thousands of New Taiwan Dollars)

Code	Items	Capital	Capital Surplus	Retained earnings			Other equity		Total equity
				Legal reserve	Special reserve	Unappropriated earnings	Exchange differences resulting from translating the financial statements of foreign operations	Unrealized gains (losses) on financial assets at fair value through other comprehensive income	
		3100	3200	3310	3320	3350	3410	3420	3XXX
A1	Balance as at January 1, 2022	$1,459,845	$529,308	$63,839	$53,531	$299,164	$208	$(51,227)	$2,354,668
	Appropriation and distribution of 2021 retained earnings:								
B1	Legal reserve	-	-	12,474	-	(12,474)	-	-	-
B5	Cash dividends	-	-	-	-	(87,590)	-	-	(87,590)
B17	Special reserve reversed	-	-	-	(2,512)	2,512	-	-	-
	Other changes in capital surplus:								
C7	Changes in associates and joint ventures accounted for using the equity method	-	3,478	-	-	368	-	-	3,846
C17	Other changes in capital surplus	-	147	-	-	-	-	-	147
D1	Net income for the year ended December 31, 2022	-	-	-	-	103,031	-	-	103,031
D3	Other comprehensive income (loss), net of tax for the year ended December 31, 2022	-	-	-	-	4,317	(231)	7,318	11,404
D5	Total comprehensive income (loss)	-	-	-	-	107,348	(231)	7,318	114,435
M5	The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(916)	-	-	-	-	-	(916)
Q1	Disposal of equity instrument investments measured at fair value through other comprehensive income	-	-	-	-	4,312	-	(4,312)	-
Z1	Balance as at December 31, 2022	$1,459,845	$532,017	$76,313	$51,019	$313,640	$(23)	$(48,221)	$2,384,590
A1	Balance as at January 1, 2023	$1,459,845	$532,017	$76,313	$51,019	$313,640	$(23)	$(48,221)	$2,384,590
	Appropriation and distribution of 2022 retained earnings:								
B1	Legal reserve	-	-	11,202	-	(11,202)	-	-	-
B5	Cash dividends	-	-	-	-	(72,992)	-	-	(72,992)
B17	Special reserve reversed	-	-	-	(2,775)	2,775	-	-	-
	Other changes in capital surplus:								
C7	Changes in associates and joint ventures accounted for using the equity method	-	474	-	-	917	-	-	1,391
C17	Other changes in capital surplus	-	40	-	-	-	-	-	40
D1	Net income for the year ended December 31, 2023	-	-	-	-	72,497	-	-	72,497
D3	Other comprehensive loss (income), net of tax for the year ended December 31, 2023	-	-	-	-	(1,809)	(953)	1,315	(1,447)
D5	Total comprehensive income (loss)	-	-	-	-	70,688	(953)	1,315	71,050
M5	The differences between the fair value of the consideration paid or received from acquiring or disposing subsidiaries and the carrying amounts of the subsidiaries	-	(1,049)	-	-	-	-	-	(1,049)
Z1	Balance as at December 31, 2023	$1,459,845	$531,482	$87,515	$48,244	$303,826	$(976)	$(46,906)	$2,383,030

(The accompanying notes are integral part of the parent-company-only financial statements)

Chairman: Yeh, Chwei-Jing

General Manager: Lo, Yi-Fu

Chief Accounting Officer: Lai, Shu-Ping

English Translation of Financial Statements Originally Issued in Chinese

E-Tech Media Corporation

Parent-Company-Only Statements of Cash Flows

For the year ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

Code	Items	2023 Amount	2022 Amount	Code	Items	2023 Amount	2022 Amount
AAAA	Cash flows from operating activities:			BBBB	Cash flows from investing activities:		
A10000	Net income before tax	$69,499	$111,244	B00030	Proceeds from capital return of financial assets at fair value through other comprehensive income	-	6,679
A20000	Adjustments to reconcile profit (loss):			B00050	Disposal of financial assets measured at amortized cost	-	840
A20010	Income and expense adjustments:			B00100	Acquisition of financial assets at fair value through profit or loss	(5,000)	(50,000)
A20100	Depreciation and other losses	20,053	23,443	B00200	Disposal of financial assets at fair value through profit or loss	14,787	183
A20300	Expected credit losses	-	14	B01800	Acquisition of investments accounted for using the equity method	-	(50,000)
A20400	Net (profit) loss of financial assets and liabilities as measured at fair value in other comprehensive gains or losses	(7,393)	15,892	B02700	Acquisition of property, plant and equipment	(3,799)	(1,015)
A20900	Interest expense	8,810	8,233	B02800	Disposal of property, plant and equipment	876	-
A21200	Interest income	(5,512)	(2,657)	B03800	Decrease in refundable deposits	-	550
A21300	Dividend income	-	(312)	B07600	Dividends received	71,938	61,876
A22400	Share of profit of subsidiaries, associates and joint ventures accounted for using the equity method	(19,817)	(72,593)	BBBB	Net cash provided by (used in) investing activities	78,802	(30,887)
A22500	Gains on disposal of property, plant and equipment	(305)	-				
A23700	Impairment losses on non-financial assets	4,612	1,059	CCCC	Cash flows from financing activities:		
A30000	Changes in operating assets and liabilities:			C00100	Increase in short-term borrowings	55,000	10,000
A31115	Decrease in financial assets mandatorily measured at fair value through profit or loss	3,011	-	C01600	Increase in long-term borrowings	110,000	205,000
A31130	Decrease (increase) in notes receivable	2,209	(1,560)	C01700	Repayments of long-term borrowings	(176,640)	(214,880)
A31150	Decrease (increase) in accounts receivable	18,359	(4,628)	C03000	Decrease in deposits received	-	(1,965)
A31160	Decrease (increase) in accounts receivable - related parties	563	(254)	C04020	Cash payments for principal portion of the lease liabilities	-	(315)
A31200	Decrease in inventories	13,520	13,708	C04500	Cash dividends	(72,992)	(87,590)
A31240	(Increase) decrease in other current assets	(102)	3,571	C09900	Recovery of unclaimed dividends	40	147
A32130	Decrease in notes payable	(942)	(943)	CCCC	Net cash used in financing activities	(84,592)	(89,603)
A32150	Increase (decrease) in accounts payable	7,807	(19,102)				
A32160	Increase (decrease) in accounts payable - related parties	1,952	(3,626)	EEEE	Net increase (decrease) in cash and cash equivalents	87,092	(88,422)
A32180	Decrease in others payables	(5,154)	(24,777)	E00100	Cash and cash equivalents at beginning of period	464,692	553,114
A32190	(Decrease) increase in others payables - related parties	(9,399)	1,108	E00200	Cash and cash equivalents at end of period	$551,784	$464,692
A32230	Decrease in other current liabilities	(3,403)	(8,690)				
A32240	Decrease in defined benefit liabilities	(871)	(1,046)				
A33000	Cash inflow generated from operations	97,497	38,084				
A33100	Interest received	5,474	2,525				
A33300	Interest paid	(8,839)	(8,396)				
A33500	Income tax paid	(1,250)	(145)				
AAAA	Net cash provided by operating activities	92,882	32,068				

(The accompanying notes are integral part of the parent-company-only financial statements)

Chairman: Yeh, Chwei-Jing General Manager: Lo, Yi-Fu Chief Accounting Officer: Lai, Shu-Ping

English Translation of Parent-Company-Only Financial Statements Originally Issued in Chinese

U-Tech Media Corporation

Notes to Parent-Company-Only Financial Statements

For the Years Ended December 31, 2023 and 2022

(Amounts are expressed in thousands of New Taiwan Dollars unless otherwise stated)

1. History and Organization

U-Tech Media Corporation (the "Company") was established on May 19, 1994. On October 16, 1999, the Company was approved by the competent authorities for a public offering of its shares. The Company's shares were approved for trading on the Taiwan Stock Exchange (TWSE) on October 29, 2002. Its registered office and principal place of business is at No. 222, Huaya 2nd Road, Guishan District, Taoyuan City 333411, Taiwan (R.O.C.). The Company's business is mainly the manufacture and sale of pre-recorded optical discs.

Ritek Corporation is the parent company of the Company and is the ultimate controller of the company to which the Company belongs.

2. Date and Procedure of Authorization of Financial Statements for Issue

The parent-company-only financial statements of the Company for the years ended December 31, 2023 and 2022 were authorized for issue by the Company's board of directors (hereinafter "the Board of Directors") on March 12, 2024.

3. Newly Issued or Revised Standards and Interpretations

(1) Changes in accounting policies resulting from applying for the first-time certain standards and amendments

The Company applied for the first-time International Financial Reporting Standards, International Accounting Standards, and Interpretations issued, revised or amended which are recognized by Financial Supervisory Commission ("FSC") and become effective for annual periods beginning on or after January 1, 2023. The application of these new standards and amendments had no material impact on the Company.

(2) Standards or interpretations issued, revised or amended, by International Accounting Standards Board ("IASB") which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

Items	New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
a	Classification of Liabilities as Current or Non-current – Amendments to IAS 1	January 1, 2024
b	Lease Liability in a Sale and Leaseback – Amendments to IFRS 16	January 1, 2024
c	Non-current Liabilities with Covenants – Amendments to IAS 1	January 1, 2024
d	Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7	January 1, 2024

A. Classification of Liabilities as Current or Non-current – Amendments to IAS 1

These are the amendments to paragraphs 69-76 of IAS 1 Presentation of Financial statements and the amended paragraphs related to the classification of liabilities as current or non-current.

B. Lease Liability in a Sale and Leaseback – Amendments to IFRS 16

The amendments add seller-lessees additional requirements for the sale and leaseback transactions in IFRS 16, thereby supporting the consistent application of the standard.

C. Non-current Liabilities with Covenants – Amendments to IAS 1

The amendments improved the information companies provide about long-term debt with covenants. The amendments specify that covenants to be complied within twelve months after the reporting period do not affect the classification of debt as current or non-current at the end of the reporting period.

D. Supplier Finance Arrangements – Amendments to IAS 7 and IFRS 7

The amendments introduced additional information of supplier finance arrangements and added disclosure requirements for such arrangements.

The abovementioned standards and interpretations were issued by IASB and endorsed by FSC so that they are applicable for annual periods beginning on or after January 1, 2024, and have no material impact on the Company.

(3) Standards or interpretations issued, revised or amended, by IASB which are not endorsed by FSC, and not yet adopted by the Company as at the end of the reporting period are listed below.

New, Revised or Amended Standards and Interpretations	Effective Date issued by IASB
IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures	To be determined by IASB
IFRS 17 “Insurance Contracts”	January 1, 2023
Lack of Exchangeability – Amendments to IAS 21	January 1, 2025

A. IFRS 10 “Consolidated Financial Statements” and IAS 28 “Investments in Associates and Joint Ventures” - Sale or Contribution of Assets between an Investor and its Associate or Joint Ventures

The amendments address the inconsistency between the requirements in IFRS 10 Consolidated Financial Statements and IAS 28 Investments in Associates and Joint Ventures, in dealing with the loss of control of a subsidiary that is contributed to an associate or a joint venture. IAS 28 restricts gains and losses arising from contributions of non-monetary assets to an associate or a joint venture to the extent of the interest attributable to the other equity holders in the associate or joint ventures. IFRS 10 requires full profit or loss recognition on the loss of control of the subsidiary. IAS 28 was amended so that the gain or loss resulting from the sale or contribution of assets that constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized in full.

IFRS 10 was also amended so that the gains or loss resulting from the sale or contribution of a subsidiary that does not constitute a business as defined in IFRS 3 between an investor and its associate or joint venture is recognized only to the extent of the unrelated investors’ interests in the associate or joint venture.

B. IFRS 17 “Insurance Contracts”

IFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects (including recognition, measurement, presentation and disclosure requirements). The core of IFRS 17 is the General (building block) Model, under this model, on initial recognition, an entity shall measure a group of insurance contracts at the total of the fulfilment cash flows and the contractual service margin. The carrying amount of a group of insurance contracts at the end of each reporting period shall be the sum of the liability for remaining coverage and the liability for incurred claims.

Other than the General Model, the standard also provides a specific adaptation for contracts with direct participation features (the Variable Fee Approach) and a simplified approach (Premium Allocation Approach) mainly for short-duration contracts.

IFRS 17 was issued in May 2017 and it was amended in 2020 and 2021. The amendments include deferral of the date of initial application of IFRS 17 by two years to annual beginning on or after January 1, 2023 (from the original effective date of January 1, 2021); provide additional transition reliefs; simplify some requirements to reduce the costs of applying IFRS 17 and revise some requirements to make the results easier to explain. IFRS 17 replaces an interim Standard - IFRS 4 Insurance Contracts - from annual reporting periods beginning on or after January 1, 2023.

C. Lack of Exchangeability – Amendments to IAS 21

These amendments specify whether a currency is exchangeable into another currency and, when it is not, to determining the exchange rate to use and the disclosures to provide. The amendments apply for annual reporting periods beginning on or after January 1, 2025.

The abovementioned standards and interpretations issued by IASB have not yet endorsed by FSC at the date when the Company's financial statements were authorized for issue, the local effective dates are to be determined by FSC. The application of these new or amended standards and interpretations have no material impact on the Company.

4. Summary of Material Accounting Policies

(1) Statement of compliance

The parent-company-only financial statements of the Company for the years ended December 31, 2023 and 2022 have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers ("the Regulations").

(2) Basis of preparation

The Company prepared parent-company-only financial statements in accordance with Article 21 of the Regulations, which provided that the profit or loss and other comprehensive income for the period presented in the parent-company-only financial statements shall be the same as the profit or loss and other comprehensive income attributable to stockholders of the parent presented in the consolidated financial statements for the period, and the total equity presented in the parent-company-only financial statements shall be the same as the equity attributable to the parent company presented in the consolidated financial statements. Therefore, the Company accounted for its investments in subsidiaries using the equity method and, accordingly, made necessary adjustments.

The parent-company-only financial statements have been prepared on a historical cost basis, except for financial instruments that have been measured at fair value. The parent-company-only financial statements are expressed in thousands of New Taiwan Dollars ("NT$") unless otherwise stated.

(3) Foreign currency transactions

The Company's parent-company-only financial statements are presented in NT$, which is also the Company's functional currency.

Transactions in foreign currencies are initially recorded by the Company at the functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency closing rate of exchange ruling at the reporting date. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

All exchange differences arising on the settlement of monetary items or on translating monetary items are taken to profit or loss in the period in which they arise except for the following:

A. Exchange differences arising from foreign currency borrowings for an acquisition of a qualifying asset to the extent that they are regarded as an adjustment to interest costs are included in the borrowing costs that are eligible for capitalization.

B. Foreign currency items within the scope of IFRS 9 Financial Instruments are accounted for based on the accounting policy for financial instruments.

C. Exchange differences arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation is recognized initially in other comprehensive income and reclassified from equity to profit or loss on disposal of the net investment.

When a gain or loss on a non-monetary item is recognized in other comprehensive income, any exchange component of that gain or loss is recognized in other comprehensive income. When a gain or loss on a non-monetary item is recognized in profit or loss, any exchange component of that gain or loss is recognized in profit or loss.

(4) Translation of financial statements in foreign currency

The assets and liabilities of foreign operations are translated into NT$ at the closing rate of exchange prevailing at the reporting date and their income and expenses are translated at an average rate for the period. The exchange differences arising on the translation are recognized in other comprehensive income. On the disposal of a foreign operation, the cumulative amount of the exchange differences relating to that foreign operation, recognized in other comprehensive income and accumulated in the separate component of equity, is reclassified from equity to profit or loss when the gain or loss on disposal is recognized. The following partial disposals are accounted for as disposals:

A. when the partial disposal involves the loss of control of a subsidiary that includes a foreign operation; and

B. when the retained interest after the partial disposal of an interest in a joint arrangement or a partial disposal of an interest in an associate that includes a foreign operation is a financial asset that includes a foreign operation.

On the partial disposal of a subsidiary that includes a foreign operation that does not result in a loss of control, the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is re-attributed to the non-controlling interests in that foreign operation. In partial disposal of an associate or joint arrangement that includes a foreign operation that does not result in a loss of significant influence or joint control, only the proportionate share of the cumulative amount of the exchange differences recognized in other comprehensive income is reclassified to profit or loss.

Any goodwill and any fair value adjustments to the carrying amounts of assets and liabilities arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and expressed in its functional currency.

(5) Current and non-current distinction

An asset is classified as current when:

A. The Company expects to realize the asset, or intends to sell or consume it, in its normal operating cycle

B. The Company holds the asset primarily for the purpose of trading

C. The Company expects to realize the asset within twelve months after the reporting period

D. The asset is cash or cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

A. The Company expects to settle the liability in its normal operating cycle

B. The Company holds the liability primarily for the purpose of trading

C. The liability is due to be settled within twelve months after the reporting period

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

All other liabilities are classified as non-current.

(6) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and short-term, highly liquid investments (including time deposits that have maturity within 12 months) that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

(7) Financial instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities within the scope of IFRS 9 Financial Instruments are recognized initially at fair value plus or minus, in the case of investments not at fair value through profit or loss, directly attributable transaction costs.

A. Financial instruments: recognition and measurement

The Company accounts for regular way purchase or sales of financial assets on the trade date.

The Company classified financial assets as subsequently measured at amortized cost, fair value through other comprehensive income or fair value through profit or loss considering both factors below:

(a) the Company's business model for managing the financial assets and

(b) the contractual cash flow characteristics of the financial asset.

Financial assets measured at amortized cost

A financial asset is measured at amortized cost if both of the following conditions are met and presented as notes receivable, accounts receivable, financial assets measured at amortized cost and other receivables etc., on balance sheet as at the reporting date:

(a) the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and

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

Such financial assets are subsequently measured at amortized cost (the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus or minus the cumulative amortization using the effective interest method of any difference between the initial amount and the maturity amount and adjusted for any loss allowance) and is not part of a hedging relationship. A gain or loss is recognized in profit or loss when the financial asset is derecognized, through the amortization process or in order to recognize the impairment gains or losses.

Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

(a) purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

(b) financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

Financial assets at fair value through other comprehensive income

A financial asset is measured at fair value through other comprehensive income if both of the following conditions are met:

(a) the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and

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

Recognition of gain or loss on a financial asset measured at fair value through other comprehensive income are described below:

(a) A gain or loss on a financial asset measured at fair value through other comprehensive income recognized in other comprehensive income, except for impairment gains or losses and foreign exchange gains and losses, until the financial asset is derecognized or reclassified.

(b) When the financial asset is derecognized the cumulative gain or loss previously recognized in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment.

(c) Interest revenue is calculated by using the effective interest method. This is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for:

i. Purchased or originated credit-impaired financial assets. For those financial assets, the Company applies the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition.

ii. Financial assets that are not purchased or originated credit-impaired financial assets but subsequently have become credit-impaired financial assets. For those financial assets, the Company applies the effective interest rate to the amortized cost of the financial asset in subsequent reporting periods.

In addition, for certain equity investments within the scope of IFRS 9 that is neither held for trading nor contingent consideration recognized by an acquirer in a business combination to which IFRS 3 applies, the Company made an irrevocable election to present the changes of the fair value in other comprehensive income at initial recognition. Amounts presented in other comprehensive income shall not be subsequently transferred to profit or loss (when disposal of such equity instrument, its accumulated amount included in other components of equity is transferred directly to the retained earnings) and these investments should be presented as financial assets measured at fair value through other comprehensive income on the balance sheet. Dividends on such investment are recognized in profit or loss unless the dividends clearly represent a recovery of part of the cost of investment.

Financial assets at fair value through profit or loss

Financial assets were classified as measured at amortized cost or measured at fair value through other comprehensive income based on aforementioned criteria. All other financial assets were measured at fair value through profit or loss and presented on the balance sheet as financial assets measured at fair value through profit or loss.

Such financial assets are measured at fair value, the gains or losses resulting from remeasurement is recognized in profit or loss which includes any dividend or interest received on such financial assets.

B. Impairment of financial assets

The Company recognizes a loss allowance for expected credit losses on debt instrument investments measured at fair value through other comprehensive income and financial asset measured at amortized cost. The loss allowance on debt instrument investments measured at fair value through other comprehensive income is recognized in other comprehensive income and not reduce the carrying amount in the balance sheet.

The Company measures expected credit losses of a financial instrument in a way that reflects:

(a) an unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes;

(b) the time value of money; and

(c) reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

The loss allowance is measures as follows:

(a) At an amount equal to 12-month expected credit losses: the credit risk on a financial asset has not increased significantly since initial recognition or the financial asset is determined to have low credit risk at the reporting date. In addition, the Company measures the loss allowance at an amount equal to lifetime expected credit losses in the previous reporting period, but determines at the current reporting date that the credit risk on a financial asset has increased significantly since initial recognition is no longer met.

(b) At an amount equal to the lifetime expected credit losses: the credit risk on a financial asset has increased significantly since initial recognition or financial asset that is purchased or originated credit-impaired financial asset.

(c) For trade receivables or contract assets arising from transactions within the scope of IFRS 15, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

(d) For lease receivables arising from transactions within the scope of IFRS 16, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

At each reporting date, the Company needs to assess whether the credit risk on a financial asset has increased significantly since initial recognition by comparing the risk of a default occurring at the reporting date and the risk of default occurring at initial recognition. Please refer to Note 12 for further details on credit risk.

C. Derecognition of financial assets

A financial asset is derecognized when:

(a) The rights to receive cash flows from the asset have expired.

(b) The Company has transferred the asset and substantially all the risks and rewards of the asset have been transferred.

(c) The Company has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

On derecognition of a financial asset in its entirety, the difference between the carrying amount and the consideration received or receivable including any cumulative gain or loss that had been recognized in other comprehensive income, is recognized in profit or loss.

D. Financial liabilities and equity

Classification between liabilities or equity

The Company classifies the instrument issued as a financial liability or an equity instrument in accordance with the substance of the contractual arrangement and the definitions of a financial liability, and an equity instrument.

Equity Instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. The transaction costs of an equity transaction are accounted for as a deduction from equity (net of any related income tax benefit) to the extent they are incremental costs directly attributable to the equity transaction that otherwise would have been avoided.

Financial Liabilities

Financial liabilities within the scope of IFRS 9 Financial Instruments are classified as financial liabilities measured at amortized cost upon initial recognition.

Financial liabilities at amortized cost

Financial liabilities measured at amortized cost include interest bearing loans and borrowings that are subsequently measured using the effective interest rate method after initial recognition. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the effective interest rate method amortization process.

Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or transaction costs.

Derecognition of financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified (whether or not attributable to the financial difficulty of the debtor), such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

E. Offsetting of financial assets and liabilities

Financial assets and financial liabilities are offset and the net amount reported in the balance sheet if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the assets and settle the liabilities simultaneously.

(8) Derivative instrument

The Company uses derivative instruments to hedge its foreign currency risks and interest rate risks. A derivative is classified in the balance sheet as financial assets or liabilities at fair value through profit or loss except for derivatives that are designated as and effective hedging instruments which are classified as financial assets or liabilities for hedging.

Derivative instruments are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently remeasured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative. The changes in fair value of derivatives are taken directly to profit or loss, except for the effective portion of hedges, which is recognized in either profit or loss or equity according to types of hedges used.

When the host contracts are either non-financial assets or liabilities, derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not designated at fair value though profit or loss.

(9) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

A. In the principal market for the asset or liability, or

B. In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

(10) Inventories

Inventories are valued at lower of cost and net realizable value item by item.
Costs incurred in bringing each inventory to its present location and condition are accounted for as follows:

Raw materials - Purchase cost on a weighted-average method

Finished goods and work in progress - Cost of direct materials and labor and a proportion of manufacturing overheads based on normal operating capacity but excluding borrowing costs.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

(11) Investments accounted for using the equity method

The Company's investment in its associate is accounted for using the equity method other than those that meet the criteria to be classified as held for sale. An associate is an entity over which the Company has significant influence.

Under the equity method, the investment in the associate is carried in the balance sheet at cost and adjusted thereafter for the post-acquisition change in the Company's share of net assets of the associate. After the interest in the associate is reduced to zero, additional losses are provided for, and a liability is recognized, only to the extent that the Company has incurred legal or constructive obligations or made payments on behalf of the associate. Unrealized gains and losses resulting from transactions between the Company and the associate are eliminated to the extent of the Company's related interest in the associate.

When changes in the net assets of an associate occur and not those that are recognized in profit or loss or other comprehensive income and do not affect the Company's percentage of ownership interests in the associate, the Company recognizes such changes in equity based on its percentage of ownership interests. The resulting capital surplus recognized will be reclassified to profit or loss at the time of disposing the associate on a pro rata basis.

When the associate issues new stock, and the Company's interest in an associate is reduced or increased as the Company fails to acquire shares newly issued in the associate proportionately to its original ownership interest, the increase or decrease in the interest in the associate is recognized in capital surplus and investment accounted for using the equity method. When the interest in the associate is reduced, the cumulative amounts previously recognized in other comprehensive income are reclassified to profit or loss or other appropriate items. The aforementioned capital surplus recognized is reclassified to profit or loss on a pro rata basis when the Company disposes the associate.

The financial statements of the associate are prepared for the same reporting period as the Company. Where necessary, adjustments are made to bring the accounting policies in line with those of the Company.

The Company determines at each reporting date whether there is any objective evidence that the investment in the associate is impaired in accordance with IAS 28 Investments in Associates and Joint Ventures. If this is the case the Company calculates the amount of impairment as the difference between the recoverable amount of the associate and its carrying value and recognizes the amount in the 'share of profit or loss of an associate' in the statement of comprehensive income in accordance with IAS 36 Impairment of Assets. In determining the value in use of the investment, the Company estimates:

A. Its share of the present value of the estimated future cash flows expected to be generated by the associate, including the cash flows from the operations of the associate and the proceeds on the ultimate disposal of the investment; or

B. The present value of the estimated future cash flows expected to arise from dividends to be received from the investment and from its ultimate disposal.

Because goodwill that forms part of the carrying amount of an investment in an associate is not separately recognized, it is not tested for impairment separately by applying the requirements for impairment testing goodwill in IAS 36 Impairment of Assets.

Upon loss of significant influence over the associate, the Company measures and recognizes any retaining investment at its fair value. Any difference between the carrying amount of the associate upon loss of significant influence and the fair value of the retaining investment and proceeds from disposal is recognized in profit or loss.

(12) Property, plant and equipment

Property, plant and equipment is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of dismantling and removing the item and restoring the site on which it is located and borrowing costs for construction in progress if the recognition criteria is met. 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 is depreciated separately.

When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognized such parts as individual assets with specific useful lives and depreciation, respectively. The carrying amount of those parts that are replaced is derecognized in accordance with the derecognition provisions of IAS 16 Property, plant and equipment. When a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	3-50 years
Machinery and equipment	1-10 years
Transportation equipment	3-5 years
Office equipment	3-8 years
Other equipment	1-6.7 years

An item of property, plant and equipment and any significant part initially recognized is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset is recognized in profit or loss.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(13) Investment property

The Company’s owned investment properties are measured initially at cost, including transaction costs. The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property. Subsequent to initial recognition, other than those that meet the criteria to be classified as held for sale (or are included in a disposal group that is classified as held for sale) in accordance with IFRS 5 Non-current Assets Held for Sale and Discontinued Operations, investment properties are measured using the cost model in accordance with the requirements of IAS 16 Property, plant and equipment for that model. If investment properties are held by a lessee as right-of-use assets and is not held for sale in accordance with IFRS 5, investment properties are measured in accordance with the requirements of IFRS 16.

Depreciation is calculated on a straight-line basis over the estimated economic lives of the following assets:

Buildings	25 years

Investment properties are derecognized when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

The Company transfers to or from investment properties when there is a change in use for these assets.

Properties are transferred to or from investment properties when the properties meet, or cease to meet, the definition of investment property and there is evidence of the change in use.

(14) Leases

The Company assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset for a period of time, the Company assesses whether, throughout the period of use, has both of the following:

A. the right to obtain substantially all of the economic benefits from use of the identified asset; and

B. the right to direct the use of the identified asset.

For a contract that is, or contains, a lease, the Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract. For a contract that contains a lease component and one or more additional lease or non-lease components, the Company allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components. The relative stand-alone price of lease and non-lease components shall be determined on the basis of the price charged by the lessor, or a similar supplier, would charge the Company for that component, or a similar component, separately. If an observable stand-alone price is not readily available, the Company estimates the stand-alone price, maximizing the use of observable information.

The Company as a lessee

Except for leases that meet and elect short-term leases or leases of low-value assets, the Company recognizes right-of-use asset and lease liability for all leases which the Company is the lessee of those lease contracts.

At the commencement date, the Company measures the lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses its incremental borrowing rate. At the commencement date, the lease payments included in the measurement of the lease liability comprise the following payments for the right to use the underlying asset during the lease term that are not paid at the commencement date:

A. fixed payments (including in-substance fixed payments), less any lease incentives receivable;

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

C. amounts expected to be payable by the lessee under residual value guarantees;

D. the exercise price of a purchase option if the Company is reasonably certain to exercise that option; and

E. payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

After the commencement date, the Company measures the lease liability on an amortized cost basis, which increases the carrying amount to reflect interest on the lease liability by using an effective interest method; and reduces the carrying amount to reflect the lease payments made.

At the commencement date, the Company measures the right-of-use asset at cost. The cost of the right-of-use asset comprises:

A. the amount of the initial measurement of the lease liability;

B. any lease payments made at or before the commencement date, less any lease incentives received;

C. any initial direct costs incurred by the lessee; and

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

For subsequent measurement of the right-of-use asset, the Company measures the right-of-use asset at cost less any accumulated depreciation and any accumulated impairment losses. That is, the Company measures the right-of-use applying a cost model.

If the lease transfers ownership of the underlying asset to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Company will exercise a purchase option, the Company depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Company depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The Company applies IAS 36 Impairment of Assets to determine whether the right-of-use asset is impaired and to account for any impairment loss identified.

Except for those leases that the Company accounted for as short-term leases or leases of low-value assets, the Company presents right-of-use assets and lease liabilities in the balance sheet and separately presents lease-related interest expense and depreciation charge in the statement of comprehensive income.

For short-term leases or leases of low-value assets, the Company elects to recognize the lease payments associated with those leases as an expense on either a straight-line basis over the lease term or another systematic basis.

The Company as a lessor

At inception of a contract, the Company classifies each of its leases as either an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. At the commencement date, the Company recognizes assets held under a finance lease in its balance sheet and present them as a receivable at an amount equal to the net investment in the lease.

For a contract that contains lease components and non-lease components, the Company allocates the consideration in the contract applying IFRS 15.

The Company recognizes lease payments from operating leases as rental income on either a straight-line basis or another systematic basis. Variable lease payments for operating leases that do not depend on an index or a rate are recognized as rental income when incurred.

(15) Impairment of non-financial assets

The Company assesses at the end of each reporting period whether there is any indication that an asset in the scope of IAS 36 Impairment of Assets may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's ("CGU") fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the Company estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been an increase in the estimated service potential of an asset which in turn increases the recoverable amount. However, the reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years.

An impairment loss of continuing operations or a reversal of such impairment loss is recognized in profit or loss.

(16) Revenue recognition

The Company's revenue arising from contracts with customers are primarily related to sale of goods and rendering of services. The accounting policies are explained as follows:

Sale of goods

The Company manufactures and sells goods. Sales are recognized when control of the goods is transferred to the customer and the goods are delivered to the customers. The main products of the Company are pre-recorded optical discs and revenue is recognized based on the consideration stated in the contract.

The credit period of the Company's sale of goods is 30-150 day terms. For most of the contracts, when the Company transfers the goods to customers and has a right to an amount of consideration that is unconditional, these contracts are recognized as accounts receivable. The Company usually collects the payments shortly after transfer of goods to customers; therefore, there is no significant financing component to the contract. For some of the contracts, the Company has transferred the goods to customers but does not have a right to an amount of consideration that is unconditional, these contacts should be presented as contract assets. Besides, in accordance with IFRS 9, the Company measures the loss allowance for a contract asset at an amount equal to the lifetime expected credit losses.

The period between the transfers of contract liabilities to revenue is usually within one year, thus, no significant financing component arose.

(17) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective assets. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

(18) Post-employment benefits

All regular employees of the Company are entitled to a pension plan that is managed by an independently administered pension fund committee. Fund assets are deposited under the committee's name in the specific bank account and hence, not associated with the Company, therefore, fund assets are not included in the Company's financial statements.

For the defined contribution plan, the Company will make a monthly contribution of no less than 6% of the monthly wages of the employees subject to the plan. The Company recognizes expenses for the defined contribution plan in the period in which the contribution becomes due.

Post-employment benefit plan that is classified as a defined benefit plan uses the Projected Unit Credit Method to measure its obligations and costs based on actuarial assumptions. Re-measurements, comprising of the effect of the actuarial gains and losses, the effect of the asset ceiling (excluding net interest) and the return on plan assets, excluding net interest, are recognized as other comprehensive income with a corresponding debit or credit to retained earnings in the period in which they occur. Past service costs are recognized in profit or loss on the earlier of:

A. the date of the plan amendment or curtailment, and

B. the date that the Company recognizes restructuring-related costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset, both as determined at the start of the annual reporting period, taking account of any changes in the net defined benefit liability (asset) during the period as a result of contribution and benefit payment.

(19) Income taxes

Income tax expense (income) is the aggregate amount included in the determination of profit or loss for the period in respect of current tax and deferred tax.

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period. Current income tax relating to items recognized in other comprehensive income or directly in equity is recognized in other comprehensive income or equity and not in profit or loss.

The income tax for undistributed earnings is recognized as income tax expense in the subsequent year when the distribution proposal is approved by the shareholders' meeting.

Deferred tax

Deferred tax is provided on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

i. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized, except:

i. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination; at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and at the time of the transaction, does not give rise to equal taxable and deductible temporary differences.

ii. In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date. The measurement of deferred tax assets and deferred tax liabilities reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities. Deferred tax relating to items recognized outside profit or loss is recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity. Deferred tax assets are reassessed at each reporting date and are recognized accordingly.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

According to the temporary exception in the International Tax Reform – Pillar Two Model Rules (Amendments to IAS 12), information about deferred tax assets and liabilities related to Pillar Two income tax will neither be recognized nor be disclosed.

5. Significant Accounting Judgements, Estimates and Assumptions

The preparation of the Company's parent-company-only financial statements require management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumption and estimate could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

(1) Judgment

De facto control without a majority of the voting rights in the investee company

The Company is the largest shareholder of certain investee with less than 50% shareholdings. The Company has no de facto control but only significant influence on certain investee after judgement. Please refer to Note 6.(8) for more details.

(2) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

A. Fair value of financial instruments categorized within Level 3

Where the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be derived from active markets, they are determined using valuation techniques including the income approach (for example the discounted cash flows model) or market approach. Changes in assumptions about these factors could affect the reported fair value of the financial instruments. Please refer to Note 12 for more details.

B. Trade receivables - estimate of impairment loss

The Company estimates the impairment loss of trade receivables at an amount equal to lifetime expected credit losses. The credit loss is the present value of the difference between the contractual cash flows that are due under the contract (carrying amount) and the cash flows that expects to receive (evaluate forward looking information). However, as the impact from the discounting of short-term receivables is not material, the credit loss is measured by the undiscounted cash flows. Where the actual future cash flows are lower than expected, a material impairment loss may arise. Please refer to Note 6 for more details.

6. Contents of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand	$327	$509
Demand deposits	380,286	293,067
Time deposits	171,171	171,116
Total	$551,784	$464,692

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

	December 31, 2023	December 31, 2022
Mandatorily measured at fair value through profit or loss:		
Stocks	$-	$11,514
Funds	61,330	55,221
Total	$61,330	$66,735
Current	$61,330	$66,735
Non-current	-	-
Total	$61,330	$66,735

None of the abovementioned financial assets at fair value through profit or loss was pledged as collateral.

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

	December 31, 2023	December 31, 2022
Equity instrument investments measured at fair value through other comprehensive income:		
Listed company stocks	$2,580	$1,882
Unlisted company stocks	38,672	37,389
Total	$41,252	$39,271
Current	$-	$-
Non-current	41,252	39,271
Total	$41,252	$39,271

The Company classified certain of its financial assets as financial assets at fair value through other comprehensive income. None of the abovementioned financial assets was pledged as collateral.

The Company's dividend income related to equity instrument investments measured at fair value through other comprehensive income were not recognized for the years ended December 31, 2023 and 2022.

The Company's investments in equity instruments measured at fair value through other comprehensive income were partially reduced by the return of shares and partially sold for the years ended December 31, 2022, resulting in accumulated losses of $1,000 thousand, respectively, which were transferred from other equity to retained earnings.

(4) Notes receivable

	December 31, 2023	December 31, 2022
Notes receivable arising from operating activities (total carrying amount)	$667	$2,876
Less: loss allowance	-	-
Total	$667	$2,876

None of the abovementioned notes receivable was pledged as collateral.

Please refer to Note 6.(15) for more details on the Company's assessment of impairment and loss allowance information in accordance with IFRS 9 and Note 12 for more details on credit risk management.

(5) Accounts receivable and accounts receivable - related parties

	December 31, 2023	December 31, 2022
Accounts receivable (total carrying amount)	$85,088	$103,447
Less: loss allowance	(49)	(49)
Subtotal	85,039	103,398
Accounts receivable from related parties (total carrying amount)	-	563
Less: loss allowance	-	-
Subtotal	-	563
Total	$85,039	$103,961

None of the abovementioned accounts receivable and accounts receivable - related parties was pledged as collateral.

Accounts receivable are generally on 30-150 day terms. The Company's total carrying amounts as at December 31, 2023 and 2022 were $85,088 thousand and $104,010 thousand, respectively. Please refer to Note 6.(15) for details of loss allowance information for the years ended December 31, 2023 and 2022. Please refer to Note 12 for more details of credit risk management.

(6) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$36,754	$47,954
Work in progress	2,306	3,590
Finished goods	12,742	13,634
Merchandises	67	211
Total	$51,869	$65,389

The Company's cost of inventories recognized as expense for the years ended December 31, 2023 and 2022 were $327,233 thousand and $381,278 thousand, respectively, including gain from price recovery of inventories in the amount of $91 thousand and $0 thousand, respectively.

The abovementioned gain from price recovery of inventories is due to the fact that some of the inventory whose valuation declined has been scrapped.

None of the abovementioned inventories was pledged as collateral.

(7) Investments accounted for using the equity method

The investments accounted for using the equity method are as follows:

	December 31, 2023		December 31, 2022	
Investees	Carrying amount	Percentage of ownership (%)	Carrying amount	Percentage of ownership (%)
Investments in subsidiaries:				
Dollars Cultural & Creative Company Limited	$84,971	100.00	$117,813	100.00
Jade Investment Services Ltd.	311,917	100.00	299,802	100.00
Chao Fu Co., Ltd.	2,410	100.00	2,731	100.00
Formosa Sun Energy Corporation	785,158	70.82	802,765	70.82
Subtotal	1,184,456		1,223,111	
Investments in associates:				
Unlisted companies:				
Pvnext Corporation	-	-	-	13.88
ProRit Corporation	7,058	0.63	7,098	0.63
Ricare Corporation	43,851	30.77	42,152	30.77
Listed company:				
RiTdisplay Corporation	126,103	6.77	148,269	6.77
Subtotal	177,012		197,519	
Total	$1,361,468		$1,420,630	

On May 25, 2022, the cash capital increase was resolved by Dollars Cultural & Creative Company Limited's board of directors to issue 5,000 thousand shares in the amount of $50,000 thousand.

On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10 thousand.

RiTdisplay Corporation issued 832 thousand shares and 21 thousand shares on March 24, 2022 and June 28, 2022, respectively, due to the conversion of convertible bonds, thus reducing the Company's shareholding ratio to 6.77%.

Judgments of significant influence only: Although the Company holds 30.77% of the voting rights of Ricare Corporation, three other investors each holds 20%, 20% and 10% of the voting rights of Ricare Corporation. The cooperation of these three investors is sufficient to prevent the Company from controlling the relevant activities of Ricare Corporation. Therefore, the Company has no control over Ricare Corporation, but only has significant influence.

A. Investment in subsidiaries

These investments were expressed as "Investments accounted for using the equity method" in the parent-company-only financial report with necessary evaluation and adjustment made.

B. Investments in associates

The Company's investments in affiliated companies are not material to the Company. The aggregate carrying amounts of the Company's investments in affiliated companies as of December 31, 2023 and 2022 were $177,012 thousand and $197,519 thousand, respectively, and the aggregated financial information based on the Company's share is presented below:

	2023	2022
(Loss) profit from continuing operations	$(12,443)	$3,372
Other comprehensive income (post-tax)	(632)	755
Total comprehensive income	$(13,075)	$4,127

The associates had no contingent liabilities or capital commitments as at December 31, 2023 and 2022.

On November 7, 2023, the Company's board of directors resolved to issue 9,000 thousand new shares and pay $25,000 thousand as a consideration, to receive 6,500 thousand common shares. On the record date, February 1, 2024, the number of common shares held by the Company were exchanged for the common shares held by Ricare Corporation at a ratio of one share to 0.609375 share. Please refer to Note 11 for relevant subsequent events information.

(8) Property, plant and equipment

	December 31, 2023	December 31, 2022
Owner occupied property, plant and equipment	$697,360	$712,114

	Land	Buildings	Machinery and equipment	Office equipment	Transportation equipment	Other equipment	Total
Cost:							
January 1, 2023	$521,754	$906,221	$1,226,170	$18,229	$15,763	$53,008	$2,741,145
Additions	-	1,390	548	244	1,500	117	3,799
Disposals	-	(5,613)	(133,251)	(1,418)	(4,319)	(49,039)	(193,640)
December 31, 2023	$521,754	$901,998	$1,093,467	$17,055	$12,944	$4,086	$2,551,304
January 1, 2022	$521,754	$931,780	$1,307,237	$34,994	$15,763	$53,193	$2,864,721
Additions	-	-	804	211	-	-	1,015
Disposals	-	(25,559)	(81,871)	(16,976)	-	(185)	(124,591)
December 31, 2022	$521,754	$906,221	$1,226,170	$18,229	$15,763	$53,008	$2,741,145
Depreciation and impairment:							
January 1, 2023	$-	$728,848	$1,222,176	$16,214	$14,326	$47,467	$2,029,031
Depreciation	-	7,925	2,757	835	908	5,557	17,982
Disposals	-	(5,613)	(133,251)	(1,418)	(3,748)	(49,039)	(193,069)
December 31, 2023	$-	$731,160	$1,091,682	$15,631	$11,486	$3,985	$1,853,944
January 1, 2022	$-	$746,359	$1,301,300	$32,229	$12,406	$40,266	$2,132,560
Depreciation	-	8,048	2,747	961	1,920	7,386	21,062
Disposals	-	(25,559)	(81,871)	(16,976)	-	(185)	(124,591)
December 31, 2022	$-	$728,848	$1,222,176	$16,214	$14,326	$47,467	$2,029,031
Net carrying amount as at:							
December 31, 2023	$521,754	$170,838	$1,785	$1,424	$1,458	$101	$697,360
December 31, 2022	$521,754	$177,373	$3,994	$2,015	$1,437	$5,541	$712,114

Please refer to Note 8 for the property, plant and equipment under pledge.

(9) Investment property

The Company's investment properties includes both owned investment properties and investment properties held by the Company as right-of-use assets. The Company has entered into commercial property leases on its owned investment properties with terms of 2 years. These leases include a clause to enable upward revision of the rental charge on an annual basis according to prevailing market conditions.

	Land	Buildings	Right-of-use assets	Total
Cost:				
January 1, 2023	$110,110	$51,783	$-	$161,893
Additions from acquisitions	-	-	-	-
Additions from subsequent expenditure	-	-	-	-
Disposals	-	-	-	-
December 31, 2023	$110,110	$51,783	$-	$161,893
January 1, 2022	$110,110	$51,783	$826	$162,719
Additions from acquisitions	-	-	-	-
Additions from subsequent expenditure	-	-	-	-
Disposals	-	-	(826)	(826)
December 31, 2022	$110,110	$51,783	$-	$161,893
Depreciation and impairment:				
January 1, 2023	$-	$15,707	$-	$15,707
Depreciation	-	2,071	-	2,071
Disposals	-	-	-	-
December 31, 2023	$-	$17,778	$-	$17,778
January 1, 2022	$-	$13,636	$516	$14,152
Depreciation	-	2,071	310	2,381
Disposals	-	-	(826)	(826)
December 31, 2022	$-	$15,707	$-	$15,707
Net carrying amount as at:				
December 31, 2023	$110,110	$34,005	$-	$144,115
December 31, 2022	$110,110	$36,076	$-	$146,186

	2023	2022
Rental income from investment property	$2,302	$2,661
Less:		
Direct operating expenses from investment property generating rental income	(2,071)	(2,381)
Direct operating expenses from investment property not generating rental income	-	-
Total	$231	$280

None of the abovementioned investment property was pledged.

The Company's investment properties are not measured at fair value for which the fair value is disclosed, instead. The fair value measurements of the investment properties are categorized within Level 3. The fair value of investment properties both of $171,760 thousand as at December 31, 2023 and 2022, The fair value has been determined based on the estimates of Actual Price Registration of Real Estate Transactions registration of Ministry of Interior, and valuations performed by an independent valuer. The determination of fair value by external appraisal experts is based on market evidence, and the valuation methods used are the income approach and the comparative approach with weighted average calculation, in which the main input value is the income capitalization rate.

For those right-of-use assets leased by operating leases and presented in investment properties, please refer to Note 6.(16) for relevant disclosure which required by IFRS 16.

(10) Short-term borrowings

	December 31, 2023	December 31, 2022
Secured bank loans	$75,000	$20,000
Interest rate interval (%)	1.851~1.95	1.875

The Company's unused short-term lines of credits amounted to $337,710 thousand and $392,660 thousand as at December 31, 2023 and 2022, respectively.

Please refer to Note 8 for more details on property, plant and equipment pledged as security for short-term borrowings.

(11) Long-term borrowings

	December 31, 2023	December 31, 2022
Financial institutions borrowings	$420,000	$486,640
Less: current portion	(105,500)	(116,640)
Net	$314,500	$370,000
Interest rate interval (%)	1.853-2.172	1.601-2.123

(a) In May 2023, the Company entered into a line of credit and commitment agreement with O-Bank in the amount of $150,000 thousand. The main commitments under the above credit facility are that the annual and semi-annual consolidated financial statements shall not have (1) net tangible value less than $2.2 billion and (2) financial liabilities/net tangible worth greater than 100%.

(b) In March 2023, the Company entered into a credit line and commitment agreement with Far Eastern International Bank in the amount of $100,000 thousand. The main commitments under the above credit facility are that the semi-annual consolidated financial statements shall not have (1) the current ratio lower than 120% and (2) the debt ratio more than 150%.

(c) In May 2023, the Company entered into a credit line and commitment agreement with CTBC Bank Co., Ltd. in the amount of $100,000 thousand. The main commitments under the above credit facilities are that the quarterly consolidated financial statements shall not have (1) net tangible value less than $2.15 billion, (2) current ratio lower than 150%, and (3) total liabilities/net tangible value more than 100%.

(d) The Company's borrowings are repayable by instalments from 2022 to 2029.

(e) Please refer to Note 8 for more details on long-term borrowings.

(12) Post-employment benefits

Defined contribution plan

The defined contribution plan adopted by the Company is in accordance with the "Labor Standards Act of the R.O.C." According to the Labor Pension Act, the Company will make monthly contributions of no less than 6% of the employees' monthly salaries. The Company appropriate 6% of their employees' salaries to the personal pension accounts at the Labor Insurance Bureau each month in accordance with the Labor Pension Act.

Pension expenses under the defined contribution plan for the years ended December 31, 2023 and 2022 were $5,888 thousand and $6,374 thousand, respectively.

Defined benefits plan

The Company adopts a defined benefit plan in accordance with the Labor Standards Act of the R.O.C. The pension benefits are disbursed based on the units of service years and the average salaries in the last month of the service year. Two units per year are awarded for the first 15 years of services while one unit per year is awarded after the completion of the 15th year. The total units shall not exceed 45 units. Under the Labor Standards Act, the Company contributes an amount equivalent to 2% of the employees' total salaries and wages on a monthly basis to the pension fund deposited at the Bank of Taiwan in the name of the administered pension fund committee. Before the end of each year, the Company assesses the balance in the designated labor pension fund. If the amount is inadequate to pay pensions calculated for workers retiring in the same year, the Company will make up the difference in one appropriation before the end of March the following year.

The Ministry of Labor is in charge of establishing and implementing the fund utilization plan in accordance with the Regulations for Revenues, Expenditures, Safeguard and Utilization of the Labor Retirement Fund. The pension fund is invested in-house or under mandatary, based on a passive-aggressive investment strategy for long-term profitability. The Ministry of Labor establishes checks and risk management mechanism based on the assessment of risk factors including market risk, credit risk and liquidity risk, in order to maintain adequate manager flexibility to achieve targeted return without over-exposure of risk. With the regard to utilization of the pension fund, the minimum earnings in the annual distributions on the final financial statement shall not be less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks. Treasury Funds can be used to cover the deficits after the approval of the competent authority. As the Company does not participate in the operation and management of the pension fund, no disclosure on the fair value of the plan assets categorized in different classes could be made in accordance with paragraph 142 of IAS 19. The Company expects to contribute $1,183 thousand to its defined benefit plan during the 12 months beginning after December 31, 2023.

The average duration of the defined benefits plan obligation as at December 31, 2023 and 2022 were 6 years and 8 years, respectively.

Pension costs recognized in profit or loss for the years ended December 31, 2023 and 2022:

	2023	2022
Current service cost	$-	$-
Net interest on the net defined benefit liabilities (assets)	312	214
Total	$312	$214

The reconciliation to the present value of defined benefit obligation and the fair value of planned assets are as follows:

	December 31, 2023	December 31, 2022
Present value of defined benefit obligation	$57,332	$58,132
Fair value of plan assets	(32,509)	(33,332)
Other non-current liabilities - Net defined benefit liabilities	$24,823	$24,800

Reconciliation to the net defined benefit liabilities (assets):

	Defined benefit obligation	Fair value of plan assets	Net defined benefit liabilities (assets)
January 1, 2022	$60,239	$(30,889)	$29,350
Current service cost	-	-	-
Net interest expense (income)	440	(226)	214
Subtotal	60,679	(31,115)	29,564
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gain or loss arising from change in demographic assumptions	-	-	-
Actuarial gain or loss arising from change in financial assumptions	(2,436)	-	(2,436)
Experience adjustments	1,214	-	1,214
Remeasurements of the defined benefit assets	-	(2,282)	(2,282)
Subtotal	(1,222)	(2,282)	(3,504)
Payments from the plan	(1,325)	1,325	-
Contributions by employer	-	(1,260)	(1,260)
December 31, 2022	58,132	(33,332)	24,800
Current service cost	-	-	-
Net interest expense (income)	732	(420)	312
Subtotal	58,864	(33,752)	25,112
Remeasurements of the net defined benefit liabilities (assets):			
Actuarial gain or loss arising from change in demographic assumptions	45	-	45
Actuarial gain or loss arising from change in financial assumptions	222	-	222
Experience adjustments	770	-	770
Remeasurements of the defined benefit assets	-	(142)	(142)
Subtotal	1,037	(142)	895
Payments from the plan	(2,569)	2,569	-
Contributions by employer	-	(1,183)	(1,183)
December 31, 2023	$57,332	$(32,509)	$24,823

The following main assumptions are used to determine the defined benefit plan of the Company:

	December 31, 2023	December 31, 2022
Discount rate	1.20%	1.26%
Expected rate of salary increases	1.00%	1.00%

Sensitivity analysis of each significant actuarial assumption:

	2023		2022	
	Increase defined benefit obligation	Decrease defined benefit obligation	Increase defined benefit obligation	Decrease defined benefit obligation
Discount rate increased by 0.5%	$-	$(1,777)	$-	$(2,092)
Discount rate decreased by 0.5%	1,945	-	2,291	-
Expected salary increased by 0.5%	1,938	-	2,285	-
Expected salary decreased by 0.5%	-	(1,789)	-	(2,107)

The sensitivity analysis above is to analyze the possible effect on the benefit obligations under the assumption that a single actuarial assumption (such as discount rate or expected salary) reasonably changes while other assumptions remain unchanged. Because some actuarial assumptions are related to each other, in practice there are few circumstances where only one single actuarial assumption changes, so this analysis has its limitations.

The method and assumption used in this sensitivity analysis are not different from those in the previous period.

(13) Equity

A. Common stock

The Company's authorized and issued capital were both $3,700,000 thousand and $1,459,845 thousand as of December 31, 2023 and 2022, divided into 370,000 thousand and 145,984 thousand shares with par value of $10 per share. Each share has one voting right and a right to receive dividends.

B. Capital surplus

	December 31, 2023	December 31, 2022
Additional paid-in capital	$151,652	$151,652
Treasury share transactions	329,746	329,746
Share of changes in net assets of associates and joint ventures accounted for using the equity method	44,949	44,475
Difference between consideration given/received and carrying amounts of interests in subsidiaries	2,897	3,946
Other - unclaimed dividends	2,238	2,198
Total	$531,482	$532,017

According to the Company Act, the capital reserve shall not be used except for offsetting prior years' operating losses of the company. When a company incurs no losses, it may distribute the capital reserves related to the income derived from the issuance of new shares at a premium or income from endowments received by the company. The distribution could be made in cash or in the form of dividend shares to its shareholders in proportion to the number of shares being held by each of them.

C. Retained earnings and dividend policies

According to the Company's Articles of Incorporation, current year's earnings, if any, shall be distributed in the following order:

(a) Payment of all taxes and dues;

(b) Offset prior years' operation losses;

(c) Set aside 10% of the remaining amount after deducting items (a) and (b) as legal reserve, unless such reserve has reached the paid-in capital of the company;

(d) Set aside or reverse special reserve in accordance with law and regulations; and

(e) The distribution of the remaining portion, if any, will be recommended by the Board of Directors and resolved in the shareholders' meeting.

According to the Company's Articles of Incorporation, the industry environment in which the Company operates is changing rapidly. Considering the Company's future capital needs, long-term financial planning and the growth of the Company's earnings, when dividends are distributed to shareholders, they are based on the above retained earnings with cash dividends distributed at 10% to 100% of the total dividends and stock dividends distributed at 0% to 90% of the total dividends.

According to the Company Act, the Company needs to set aside amount to legal reserve unless where such legal reserve amounts to the total paid-in capital. The legal reserve can be used to make good the deficit of the Company. When the Company incurs no loss, it may distribute the portion of legal serve which exceeds 25% of the paid-in capital by issuing new shares or by cash in proportion to the number of shares being held by each of the shareholders.

According to existing regulations, when the Company distributes earnings, it shall set aside special reserve, an amount equal to "other net deductions from shareholders" equity for the current fiscal year. For any subsequent reversal of other net deductions from shareholders' equity, the amount reversed may be distributed from the special reserve.

The FSC on March 31, 2021 issued Order No. Jin-Guan-Cheng-Fa-Zi-1090150022, which sets out the following provisions for compliance:

On a public company's first-time adoption of the IFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders' equity that the Company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside special reserve. For any subsequent uses, disposal or reclassification of related assets, the Company may reverse the special reserve in proportion to the special reserve set aside.

The Company did not incur any special reserve upon the first-time adoption of IFRSs.

Details of the 2023 and 2022 earnings distribution and dividends per share as approved and resolved by the board meeting and shareholders' meeting on March 12, 2024 and June 26, 2023, respectively, were as follows:

	Appropriation of earnings		Dividend per share (NT$)	
	2023	2022	2023	2022
Legal reserve	$7,161	$11,203		
Special reserve	(362)	(2,775)		
Common stock - cash dividends	77,492	72,992	$0.50	$0.50

Note: As stipulated in the Articles of Incorporation, a special resolution was passed at a Board of Directors meeting held on March 14, 2023, to distribute the 2022 common stock dividend in cash amounted to $72,992 thousand, which was included in shareholders' meeting.

Please refer to Note 6.(18) for details on employees' compensation and remuneration to directors and supervisors.

(14) Operating revenue

	2023	2022
Revenue from contracts with customers		
Sale of goods	$531,673	$608,394

Analysis of revenue from contracts with customers for the years ended December 31, 2023 and 2022 were as follows:

A. Disaggregation of revenue

	2023	2022
	Single department	Single department
Sale of goods	$531,673	$608,394
Timing of revenue recognition:		
At a point in time	$531,673	$608,394

B. Contract balances

Contract liabilities – current

	December 31, 2023	December 31, 2022	January 1, 2022
Sales of goods	$2,445	$4,053	$12,716

The significant changes in the Company's balances of contract liabilities for the years ended December 31, 2023 and 2022 were as follows:.

	2023	2022
The opening balance transferred to revenue	$(4,178)	$(10,479)
Increase in receipts in advance during the period (excluding the amount incurred and transferred to revenue during the period)	2,570	1,815

C. Assets recognized from costs to fulfil a contract

None.

(15) Expected credit losses

	2023	2022
Operating expenses - expected credit losses		
Notes receivable	$-	$-
Accounts receivable	-	14
Total	$-	$14

Please refer to Note 12 for more details on credit risk management.

The Company measures the loss allowance of its receivables (including notes receivable and accounts receivable) at an amount equal to lifetime expected credit losses. The Company considers the grouping of trade receivables by the counterparties' geographical region, credit rating and industry sector and its loss allowance is measured by using a provision matrix. The assessment of the Company's loss allowance is as follows:

December 31, 2023

	Not yet due	Overdue					
	(note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$85,088	$-	$-	$-	$-	$-	$85,088
Loss rate (%)	-	1	2	5	10	20-100	
Lifetime expected credit losses	(49)	-	-	-	-	-	(49)
Carrying amount	$85,039	$-	$-	$-	$-	$-	$85,039

December 31, 2022

	Not yet due	Overdue					
	(note)	<=30 days	31-60 days	61-90 days	91-120 days	>=121 days	Total
Gross carrying amount	$104,416	$28	$2,442	$-	$-	$-	$106,886
Loss rate (%)	-	1	2	5	10	20-100	
Lifetime expected credit losses	-	-	(49)	-	-	-	(49)
Carrying amount	$104,416	$28	$2,393	$-	$-	$-	$106,837

Note: The Company's notes receivable were not overdue.

The movement in the provision for impairment of notes receivable and accounts receivable for the years ended December 31, 2023 and 2022 were as follows:

	Notes receivable	Accounts receivable
January 1, 2023	$-	$49
Addition/(reversed) for the current period	-	-
Write-off	-	-
December 31, 2023	$-	$49
January 1, 2022	$-	$35
Addition/(reversed) for the current period	-	14
Write-off	-	-
December 31, 2022	$-	$49

(16) Leases

A. The Company as a lessee

The Company leases various properties, including real estate such as buildings and other equipment. The lease terms range from 1 to 2 years.

The Company's leases effect on the financial position, financial performance and cash flows are as follows:

(a) Amounts recognized in the balance sheet

i. Right-of-use assets

The carrying amount of right-of-use assets

	December 31, 2023	December 31, 2022
Land	$-	$310

(b) Profit and losses relating to leasing activities

	2023	2022
The expenses relating to short-term leases	$(915)	$(1,222)
Income from subleasing right-of-use assets	-	315

As at December 31, 2023 and 2022, the portfolio of short-term leases committed at the end of the reporting period was similar to the lease expenses of short-term leases disclosed above.

(c) Cash outflows relating to leasing activities

For the years ended December 31, 2023 and 2022, the Company's total cash outflows for leases amounted to $915 thousand and $1,222 thousand, respectively.

B. The Company as a lessor

Please refer to Note 6.(9) for details on the Company's owned and subleased investment properties. Leases of owned investment properties are classified as operating leases as they do not transfer substantially all the risks and rewards incidental to ownership of underlying assets.

	2023	2022
Lease income for operating leases		
Income relating to fixed lease payments and variable lease payments that depend on an index or a rate	$27,483	$27,787

For operating leases entered by the Company, the undiscounted lease payments to be received and a total of the amounts for the remaining years as at December 31, 2023 and 2022 were as follows:

	December 31, 2023	December 31, 2022
Not later than one year	$21,618	$27,449
Later than one year but not later than two years	8,071	21,615
Later than two years but not later than three years	1,905	7,697
Later than three years but not later than four years	1,748	1,632
Later than four years but not later than five years	605	1,632
Later than five years	2,566	1,935
Total	$36,513	$61,960

(17) Summary statement of employee benefits, depreciation and amortization expenses by function during the years ended December 31, 2023 and 2022:

	2023				2022			
	Operating costs	Operating expenses	Non-operating expenses	Total amount	Operating costs	Operating expenses	Non-operating expenses	Total amount
Employee benefits expense								
Salaries	$88,918	$38,502	$-	$127,420	$96,249	$26,419	$-	$122,668
Labor and health insurance	10,064	3,658	-	13,722	10,460	3,913	-	14,373
Pension	4,212	1,988	-	6,200	4,505	2,083	-	6,588
Remuneration to directors	-	5,895	-	5,895	-	7,883	-	7,883
Other employee benefits expense	4,847	1,429	-	6,276	4,843	1,495	-	6,338
Depreciation	7,535	2,703	9,815	20,053	8,472	3,141	11,830	23,443

According to the Company's Articles of Incorporation, when there is profit in current year, the Company shall set 3% to 10% of the profit as employees' compensation, which shall be distributed in shares or cash by the board resolution to employees who meet certain criteria. The Company may set aside no more than 5% of the profit as remuneration to directors and supervisors by resolution. The employees' compensation and remuneration to directors and supervisors should be reported to the shareholders' meeting. However, profit should be used to offset any accumulated deficit prior to the aforementioned compensation and remuneration. Information on the board's resolution regarding the employees' compensation and remuneration to directors and supervisors can be obtained from the "Market Observation Post System" on the website of the TWSE.

For the year ended December 31, 2023, based on the Company's profitability, the employees' compensation and remuneration to directors and supervisors were estimated at 4% and 5%, respectively, and the employees' compensation and remuneration to directors and supervisors amounted to $3,055 thousand and $3,819 thousand, respectively, which were recognized as employee benefits expense. If the Board of Directors resolves to distribute employees' compensation in shares, the closing price on the day before the date of the Board's resolution is used as the basis for calculating the number of shares to be distributed. On March 12, 2024, the Board of Directors resolved to distribute employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2023 in the amount of $3,055 thousand and $3,819 thousand in cash, respectively, which were not materially different from the amount recorded as expenses in the financial statements for the year ended December 31, 2023.

On March 14, 2023, the Board of Directors resolved to pay employees' compensation and remuneration to directors and supervisors in the amount of $4,890 thousand and $6,112 thousand in cash, respectively, which were not materially different from the amounts recorded as expenses in the financial statements for the year ended December 31, 2022.

No material differences existed between the estimated amount and the actual distribution of employees' compensation and remuneration to directors and supervisors for the year ended December 31, 2021.

Please refer to Details of Significant Accounts (23). Summary Statement of Employee Benefits, Depreciation and Amortization Expenses by function for the Current Period for the Company's supervisors' remuneration and salary compensation policy.

(18) Non-operating income and expenses

A. Interest income

	2023	2022
Financial assets measured at amortized cost	$5,512	$2,657

B. Other income

	2023	2022
Rental income	$27,483	$27,787
Dividend income	-	312
Others	7,053	6,979
Total	$34,536	$35,078

C. Other gains and losses

	2023	2022
Gains on disposal of property, plant and equipment	$305	$-
Disposition of investment interests	10	-
Foreign exchange losses (gains), net	(3,761)	16,813
Impairment loss – goodwill	(4,612)	(1,059)
Gains (losses) on financial assets at fair value through profit or loss (note)	4,383	(15,892)
Others	(9,830)	(11,975)
Total	$(13,505)	$(12,113)

Note: The balances arose from financial assets mandatorily measured at fair value through profit or loss.

D. Finance costs

	2023	2022
Interest on bank borrowings	$8,810	$8,231
Interest on lease liabilities	-	2
Total finance costs	$8,810	$8,233

(19) Components of other comprehensive income (loss)

For the year ended December 31, 2023

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (expense)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$(894)	$-	$(894)	$-	$(894)
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	1,981	-	1,981	-	1,981
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	(1,581)	-	(1,581)	-	(1,581)
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(1,191)	-	(1,191)	238	(953)
Total	$(1,685)	$-	$(1,685)	$238	$(1,447)

For the year ended December 31, 2022

	Arising during the period	Reclassification adjustments during the period	Other comprehensive income (loss), before tax	Income tax relating to components of other comprehensive income (expense)	Other comprehensive income (loss), net of tax
Not to be reclassified to profit or loss in subsequent periods:					
Remeasurements of defined benefit plans	$3,504	$-	$3,504	$-	$3,504
Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income	1,582	-	1,582	-	1,582
Share of other comprehensive income of subsidiaries, associates and joint ventures accounted for using the equity method	6,549	-	6,549	-	6,549
To be reclassified to profit or loss in subsequent periods:					
Exchange differences resulting from translating the financial statements of foreign operations	(289)	-	(289)	58	(231)
Total	$11,346	$-	$11,346	$58	$11,404

(20) Income tax

The major components of income tax expense for the years ended December 31, 2023 and 2022 are as follows:

Income tax expense recognized in profit or loss

	2023	2022
Current income tax expense (income):		
Current income tax charge	$1,530	$1,359
Adjustments in respect of current income tax of prior periods	(37)	-
Deferred tax expense:		
Deferred tax expense relating to origination and reversal of temporary differences	(4,491)	6,854
Total income tax expense	$(2,998)	$8,213

Income tax related to components of other comprehensive income (loss)

	2023	2022
Deferred tax income:		
Exchange differences resulting from translating the financial statements of foreign operations	$(238)	$(58)
Income tax related to components of other comprehensive income loss	$(238)	$(58)

The amount of income tax expense and accounting profit multiplied by the applicable income tax rate are adjusted as follows:

	2023	2022
Net profit before tax	$69,499	$111,244
Income tax payable at the statutory rate applied to the Company	$13,900	$22,249
Tax effect of tax-exempted income	(58,045)	(8,918)
Tax effect of non-deductible expenses for tax purposes	1,633	3,323
Tax effect of deferred tax assets/liabilities	38,021	(9,800)
Profit-seeking enterprise income surtax on undistributed retained earnings	1,530	1,359
Adjustment in respect of current income tax of prior periods	(37)	-
Total income tax expenses recognized in profit or loss	$(2,998)	$8,213

Balance of deferred income tax assets (liabilities) related to:

For the year ended December 31, 2023

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Ending balance
Temporary differences				
Loss allowance for inventory valuation and obsolescence	$711	$(18)	$-	$693
Loss allowance for office supplies valuation and obsolescence	1,074	2	-	1,076
Exchange differences resulting from translating the financial statements of foreign operations	15,909	-	238	16,147
Unrealized foreign exchange gains or losses	(4,034)	4,507	-	473
Gain recognized in bargain purchase	(3,276)	-	-	(3,276)
Deferred tax expenses (income)		$4,491	$238	
Net deferred income tax assets (liabilities)	$10,384			$15,113
The information presented on the balance sheet is as follows:				
Deferred tax assets	$17,694			$18,389
Deferred tax liabilities	$(7,310)			$(3,276)

For the year ended December 31, 2022

	Opening balance	Recognized in profit or loss	Recognized in other comprehensive income (loss)	Ending balance
Temporary differences				
Loss allowance for inventory valuation and obsolescence	$712	$(1)	$-	$711
Loss allowance for office supplies valuation and obsolescence	1,075	(1)	-	1,074
Exchange differences resulting from translating the financial statements of foreign operations	15,851	-	58	15,909
Unrealized foreign exchange gains or losses	2,818	(6,852)	-	(4,034)
Gain recognized in bargain purchase	(3,276)	-	-	(3,276)
Deferred tax expenses (income)		$(6,854)	$58	
Net deferred income tax assets (liabilities)	$17,180			$10,384
The information presented on the balance sheet is as follows:				
Deferred tax assets	$20,456			$17,694
Deferred tax liabilities	$(3,276)			$(7,310)

The following table contains information of the unused tax losses of the Company:

		Unused tax losses as at		
Year	Tax losses for the period	December 31, 2022	December 31, 2021	Expiration year
2013	$42,790	$37,676	$37,676	2023
2014	3,363	3,363	3,363	2024
2017	44,682	44,682	44,682	2027
2018	389,149	389,149	389,149	2028
2023	196,234	196,234	-	2033
Total		$671,104	$474,870	

Unrecognized deferred tax assets

As of December 31, 2023 and 2022, the Company's unrecognized deferred tax assets totaled $167,551 thousand and $121,238 thousand, respectively.

The assessment of income tax returns

As of December 31, 2023, the assessment of the income tax returns of the Company was assessed and approved up to the year of 2021.

(21) Earnings per share

Basic earnings per share are calculated by dividing net profit for the year attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

Diluted earnings per share are calculated by dividing the net profit attributable to ordinary equity holders of the Company (after adjusting for interest on convertible bonds) by the weighted average number of ordinary shares outstanding during the year plus the weighted average number of ordinary shares that would be issued on conversion of all the dilutive potential ordinary shares into ordinary shares.

	2023	2022
A. Basic earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$72,497	$103,031
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,984	145,984
Basic earnings per share (in NT$)	$0.50	$0.71

	2023	2022
B. Diluted earnings per share		
Profit attributable to ordinary equity holders of the Company (in thousands)	$72,497	$103,031
Weighted average number of ordinary shares outstanding for basic earnings per share (in thousands)	145,984	145,984
Effect of dilution:		
Employees' compensation - stock (in thousands)	248	360
Weighted average number of ordinary shares outstanding after dilution (in thousands)	146,232	146,344
Diluted earnings per share (in NT$)	$0.50	$0.70

There have been no other transactions involving ordinary shares or potential ordinary shares between the reporting date and the date of completion of the financial statements.

7. Related Party Transactions

Information of the related parties that had transactions with the Company during the financial reporting period is as follows:

Name and nature of relationship of the related parties

Name of the related parties	Nature of relationship of the related parties
Ritek Corporation	Parent
Dollars Cultural & Creative Company Limited	Subsidiary
Formosa Sun Energy Corporation	Subsidiary
Hou Cheng Photoelectricity Corporation	Subsidiary
Ikari Coffee Co., Ltd.	Subsidiary
ShokuRaku Corporation	Subsidiary
Foodspace Corporation	Subsidiary
Jingle Hot Pot Corporation	Subsidiary
RiTdisplay Corporation	Associate
Ricare Corporation	Associate
AimCore Technology Co., Ltd.	Investment accounted for using the equity method
Welltech Energy Inc.	Same chairman as the Company
Ritek Foundation	The Company's director is the same as the chairman of the Foundation
Cashido Corporation	Same director as the Company
Finesil Technology Inc.	Same director as the Company
Li, Xue-Jin	Second degree relatives of the Company's director

Significant transactions with the related parties

(1) Sale of goods

	2023	2022
Parent	$127	$600
Other related parties		
Ritek Foundation	143	-
Total	$270	$600

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection period for domestic sales to related parties was month-end 90 days, while the terms for overseas sales were approximately 90-120 days from FOB shipping point. The collection period for third party domestic sales was month-end 30-150 days, while the terms for overseas sales were 30-150 days from FOB shipping point. The outstanding balances at December 31, 2023 and 2022 was unsecured, non-interest bearing and must be settled in cash. The receivables from the related parties were not guaranteed.

(2) Purchase

	2023	2022
Parent	$6,135	$4,717
Associate		
RiTdisplay Corporation	63	-
Other related parties		
Cashido Corporation	-	39
Total	$6,198	$4,756

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment terms from the related party suppliers were comparable with third party suppliers and were between 1-4 months.

(3) Accounts receivable - related parties, net

	December 31, 2023	December 31, 2022
Parent	$-	$563
Less: loss allowance	-	-
Net	$-	$563

(4) Other current assets (non-financing)

	December 31, 2023	December 31, 2022
Subsidiaries		
Dollars Cultural & Creative Company Limited	$-	$90
Formosa Sun Energy Corporation	53	53
Less: loss allowance	-	-
Subtotal	53	143
Less: longer than one year	-	-
Net	$53	$143

(5) Accounts payable - related parties

	December 31, 2023	December 31, 2022
Parent	$2,311	$359

(6) Other payables - related parties (non-financing)

	December 31, 2023	December 31, 2022
Parent	$414	$32
Subsidiary		
Dollars Cultural & Creative Company Limited	-	9,613
Total	$414	$9,645

(7) Property transactions

Property, plant and equipment

Assets disposed of by the Company to related parties

	Account details	2023	2022
Other related party			
Li, Xue-Jin	Transportation equipment	$1,500	$-

Equity change

On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10 thousand.

(8) Operating costs

	Account details	2023	2022
Parent	Repairment and maintenance expense and miscellaneous fees	$18	$76
Subsidiary			
Dollars Cultural & Creative Company Limited	Other operating costs	69,692	93,272
Total		$69,710	$93,348

(9) Operating expenses

	Account details	2023	2022
Parent	Repairment and maintenance expense, professional service fees and miscellaneous fees	$1,103	$517
Subsidiaries			
Ikari Coffee Co., Ltd.	Entertainment expenses and miscellaneous fees	32	25
Other related parties			
Finesil Technology Inc.	Entertainment expenses and miscellaneous fees	-	180
Total		$1,135	$722

(10) Lease - related parties

Rental income

	Account details	2023	2022
Subsidiaries			
Dollars Cultural & Creative Company Limited	Land and buildings	$5,670	$7,875
Formosa Sun Energy Corporation	Buildings	533	480
Hou Cheng Photoelectricity Corporation	〃	36	36
Ikari Coffee Co., Ltd.	〃	900	900
Foodspace Corporation	〃	24	-
Associate			
Ricare Corporation	〃	1,116	1,116
Total		$8,279	$10,407

The lease term and rent collection method are based on the contract. Generally, the lease term was 2 to 6.9 years, and the rent was mainly charged on a monthly basis.

(11) Endorsements and guarantees

As at December 31, 2023 and 2022, the endorsement amount of related party of the Company is as follows:

	December 31, 2023	December 31, 2022
Subsidiary		
Dollars Cultural & Creative Company Limited	$110,000	$90,000

(12) Non-operating income and expenses - other income

	2023	2022
Subsidiaries		
Dollars Cultural & Creative Company Limited	$1,380	$1,551
Formosa Sun Energy Corporation	2,405	2,944
Ikari Coffee Co., Ltd.	2	-
Associate		
Ricare Corporation	84	84
Other related parties		
Welltech Energy Inc.	5	-
Total	$3,876	$4,579

(13) Key management personnel compensation

	2023	2022
Short-term employee benefits	$17,595	$18,891
Post-employment benefits	310	368
Total	$17,905	$19,259

8. Assets Pledged as Security

The following table lists assets of the Company pledged as security:

	Carrying amount		
Items	December 31, 2023	December 31, 2022	Secured liabilities
Property, plant and equipment - land and buildings	$689,409	$696,557	Long-term and short-term borrowings

9. Commitments and Contingencies

(a) The issued guarantee notes are as follows:

Currency	December 31, 2023	Applications
NTD	$708,000	Long-term and short-term borrowings, letter of credit loans, commercial paper and financial instruments transactions
USD	1,098	

(b) The option premium contracts signed by the Company for the production of CD-Audio, VIDEO CD DISC and DVD DISCS are listed below:

Object	Items	Contract period	Royalty calculation method
Company A	DVD DISCS technical license	January 1, 2001 onwards	Quantity of products sold according to the contracted specifications
Company B	DVD DISCS technical license	June 1, 2001 onwards	Quantity of products sold according to the contracted specifications
Company C	DVD DISCS technical license	From July 1, 2004 to October 1, 2029	Quantity of products sold according to the contracted specifications
Company D	BD ROM DISCS technical license	December 1, 2012 onwards	Quantity of products sold according to the contracted specifications
Company E	BD ROM DISCS technical license	January 1, 2011 onwards	Quantity of products sold according to the contracted specifications
Company F	BD ROM DISCS technical license	March 12, 2014 onwards	Quantity of products sold according to the contracted specifications

(c) The amounts guaranteed by banks for the Company's import of raw materials are listed below:

	December 31, 2023
Imported material guarantee	$3,000

10. Losses Due to Major Disasters

None.

11. Significant Subsequent Events

On November 7, 2023, the Company's board of directors resolved to issue new shares as a consideration to receive the shares held by Ricare Corporation, and the record date was set on February 1, 2024. The change registration was completed on February 29, 2024.

12. Others

(1) Categories of financial instruments

Financial assets

	December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss:		
Mandatorily measured at fair value through profit or loss	$61,330	$66,735
Financial assets at fair value through other comprehensive income	41,252	39,271
Financial assets measured at amortized cost:		
Cash and cash equivalents (excluding cash on hand)	551,457	464,183
Notes receivable	667	2,876
Accounts receivable (including related parties)	85,039	103,961
Other receivables (recorded as other current assets)	2,503	2,509
Subtotal	639,666	573,529
Total	$742,248	$679,535

Financial liabilities

	December 31, 2023	December 31, 2022
Financial liabilities measured at amortized cost:		
Short-term borrowings	$75,000	$20,000
Notes payable	706	1,648
Accounts payable (including related parties)	31,202	21,443
Other payables (including related parties)	77,157	91,739
Long-term borrowings (including due within one year)	420,000	486,640
Total	$604,065	$621,470

(2) Financial risk management objectives and policies

The Company's principal financial risk management objective is to manage the market risk, credit risk and liquidity risk related to its operating activates. The Company identifies measures and manages the aforementioned risks based on the Company's policy and risk appetite.

The Company has established appropriate policies, procedures and internal controls for financial risk management. Before entering into significant transactions, due approval process by the Board of Directors and the Audit Committee must be carried out based on related protocols and internal control procedures. The Company complies with its financial risk management policies at all times.

(3) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of the changes in market prices. Market prices comprise currency risk, interest rate risk and other price risk (such as equity risk).

In practice, it is rarely the case that a single risk variable will change independently from other risk variable, there is usually interdependencies between risk variables. However, the sensitivity analysis disclosed below does not take the interdependencies between risk variables into account.

Foreign currency risk

The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense are denominated in a different currency from the Company's functional currency) and the Company's net investments in foreign subsidiaries.

The Company has certain foreign currency receivables to be denominated in the same foreign currency with certain foreign currency payables, therefore natural hedge is received. The Company also uses forward contracts to hedge the foreign currency risk on certain items denominated in foreign currencies. Hedge accounting is not applied as they did not qualify for hedge accounting criteria. Furthermore, as net investments in foreign subsidiaries are for strategic purposes, they are not hedged by the Company.

The foreign currency sensitivity analysis of the possible change in foreign exchange rates on the Company's profit is performed on significant monetary items denominated in foreign currencies as at the end of the reporting period. The Company's foreign currency risk is mainly related to the volatility in the exchange rates for USD and JPY. The information of the sensitivity analysis is as follows:

A. When NTD strengthens/weakens against USD by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by $831 thousand and $941 thousand, respectively, the equity is decreased/increased by $831 thousand and $941 thousand, respectively.

B. When NTD strengthens/weakens against JPY by 1%, the profit for the years ended December 31, 2023 and 2022 is decreased/increased by $1,673 thousand and $1,241 thousand, respectively, the equity is decreased/increased by $1,673 thousand and $1,241 thousand, respectively.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's debt instrument investments at variable interest rates, bank borrowings with fixed interest rates and variable interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable loans and borrowings. Hedge accounting does not apply to these swaps as they do not qualify for it.

The interest rate sensitivity analysis is performed on items exposed to interest rate risk as at the end of the reporting period, including investments and borrowings with variable interest rates. At the reporting date, a change of 10 basis points of interest rate in a reporting period could cause the profit for the years ended December 31, 2023 and 2022 to increase/decrease by $495 thousand and $507 thousand, respectively.

Equity price risk

The fair value of the Company's listed and unlisted equity securities is susceptible to market price risk arising from uncertainties about future values of the investment securities. The Company's listed and unlisted equity securities are classified under financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income, respectively. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, a change of 1% in the price of the listed equity securities measured at fair value through profit or loss could increase/decrease the Company's profit for the years ended December 31, 2023 and 2022 by $613 thousand and $667 thousand, respectively.

At the reporting date, a change of 1% in the price of the listed companies stocks classified as equity instrument investments measured at fair value through other comprehensive income could have an effect of $26 thousand and $19 thousand on the equity attributable to the Company for the years ended December 31, 2023 and 2022, respectively.

Please refer to Note 12.(9) for sensitivity analysis information of other equity instruments or derivatives that are linked to such equity instruments whose fair value measurement is categorized under Level 3.

(4) Credit risk management

Credit risk is the risk that a counterparty will not meet its obligations under a contract, leading to a financial loss. The Company is exposed to credit risk from operating activities (primarily for accounts and notes receivable) and from its financing activities, including bank deposits and other financial instruments.

Credit risk is managed by each business unit subject to the Company's established policy, procedures and control relating to credit risk management. Credit limits are established for all counter parties based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria etc. Certain counter parties' credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment.

As of December 31, 2023 and 2022, trade receivables from top ten customers accounted for 82% and 84% of the total trade receivables of the Group, respectively. The credit concentration risk of other trade receivables is insignificant as well.

Credit risk from balances with banks, fixed income securities and other financial instruments is managed by the Company's treasury in accordance with the Company's policy. The Company only transacts with counterparties approved by the internal control procedures, which are banks and financial institutions, companies and government entities with good credit rating. Consequently, there is no significant credit risk for these counter parties.

The Company adopted IFRS 9 to assess the expected credit losses. Except for trade receivables, the remaining debt instrument investments which are not measured at fair value through profit or loss, low credit risk for these investments is a prerequisite upon acquisition and by using their credit risk as a basis for the distinction of categories.

The Company makes an assessment at each reporting date as to whether the debt instrument investments are still considered low credit risk, and then further determines the method of measuring the loss allowance and the loss rates.

Financial assets are written off when there is no realistic prospect of future recovery (the issuer or the debtor is in financial difficulties or bankruptcy).

When the credit risk on debt instrument investment has increased, the Company will dispose that investment in order to minimize the credit losses. When assessing the expected credit losses, the evaluation of the forward-looking information (available without undue cost and effort) is mainly based on the macroeconomic information and the credit loss ratio is further adjusted if there is significant impact from forward-looking information.

(5) Liquidity risk management

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash and cash equivalents, highly liquid equity investments and bank borrowings. The table below summarizes the maturity profile of the Company's financial liabilities based on the contractual undiscounted payments and contractual maturity. The payment amount includes the contractual interest. The undiscounted payment relating to borrowings with variable interest rates is extrapolated based on the estimated interest rate yield curve as at the end of the reporting period.

Non-derivative financial liabilities

	Less than 1 year	2-3 years	4-5 years	> 5 years	Total
December 31, 2023					
Borrowings	$188,173	$156,453	$151,043	$18,500	$514,169
Trade and other payables	109,065	-	-	-	109,065

	Less than 1 year	2-3 years	4-5 years	> 5 years	Total
December 31, 2022					
Borrowings	$143,701	$139,140	$152,966	$93,231	$529,038
Trade and other payables	114,830	-	-	-	114,830

(6) Reconciliation of liabilities arising from financing activities

Reconciliation of liabilities for the year ended December 31, 2023:

	Short-term borrowings	Long-term borrowings (including due within one year)	Other liabilities	Total liabilities from financing activities
January 1, 2023	$20,000	$486,640	$2,785	$509,425
Cash flows	55,000	(66,640)	-	(11,640)
Amortization of interest expense	-	-	-	-
Non-cash changes	-	-	-	-
December 31, 2023	$75,000	$420,000	$2,785	$497,785

Reconciliation of liabilities for the years ended December 31, 2022:

	Short-term borrowings	Long-term borrowings (including due within one year)	Other liabilities	Leases liabilities	Total liabilities from financing activities
January 1, 2022	$10,000	$496,520	$4,750	$313	$511,583
Cash flows	10,000	(9,880)	(1,965)	(315)	(2,160)
Amortization of interest expense	-	-	-	2	2
Non-cash changes	-	-	-	-	-
December 31, 2022	$20,000	$486,640	$2,785	$-	$509,425

(7) Fair values of financial instruments

A. The methods and assumptions applied in determining the fair value of financial instruments:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following methods and assumptions were used by the Company to measure or disclose the fair values of financial assets and financial liabilities:

(a) The carrying amount of cash and cash equivalents, trade and other receivables, restricted assets and trade and other payables approximate their fair value due to their short maturities.

(b) For financial assets and liabilities traded in an active market with standard terms and conditions, their fair value is determined based on market quotation price (including listed equity securities, beneficiary certificates, bonds etc.) at the reporting date.

(c) Fair value of equity instruments without market quotations are estimated using the market method valuation techniques based on parameters such as prices based on market transactions of equity instruments of identical or comparable entities and other relevant information.

(d) Fair value of debt instruments without market quotations, bank loans and other non-current liabilities are determined based on the counterparty prices or valuation method. The valuation method uses DCF method as a basis, and the assumptions such as the interest rate and discount rate are primarily based on relevant information of similar instrument.

B. Fair value of financial instruments measured at amortized cost
The Company's financial assets and liabilities measured at amortized cost whose carrying amount approximate their fair value.

C. Fair value measurement hierarchy for financial instruments
Please refer to Note 12.(9) for fair value measurement hierarchy for financial instruments of the Company.

(8) Derivative financial instruments

As of December 31, 2023, and 2022, the Company did not hold any derivative instruments that not qualified for hedge accounting and not yet settled.

(9) Fair value measurement hierarchy

A. Fair value measurement hierarchy

All asset and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole. Level 1, 2 and 3 inputs are described as follows:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities that the entity can access at the measurement date

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

Level 3 - Unobservable inputs for the asset or liability

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization at the end of each reporting period.

B. Fair value measurement hierarchy of the Company's assets and liabilities

The Company does not have assets that are measured at fair value on a non-recurring basis. Fair value measurement hierarchy of the Company's assets and liabilities measured at fair value on a recurring basis is as follows:

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Funds	$61,330	$-	$-	$61,330
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	2,580	-	38,672	41,252

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets:				
Financial assets at fair value through profit or loss				
Stocks	$11,514	$-	$-	$11,514
Funds	55,221	-	-	55,221
Financial assets at fair value through other comprehensive income				
Equity instrument measured at fair value through other comprehensive income	1,882	-	37,389	39,271

Transfers between Level 1 and Level 2 during the period

During the years ended December 31, 2023 and 2022, there were no transfers between Level 1 and Level 2 fair value measurements.

Details of changes in the third level of the measured at fair value on a recurring basis

Reconciliation for fair value measurements in Level 3 of the fair value hierarchy for movements during the period is as follows:

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2023	$37,389
Total gains and losses recognized for the year ended December 31, 2023:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	1,283
Acquisition/issues for the year ended December 31, 2023	-
Proceeds from capital reduction	-
Transfer in/(out) of Level 3	-
Ending balances as at December 31, 2023	$38,672

	At fair value through other comprehensive income
	Stocks
Beginning balances as at January 1, 2022	$46,914
Total gains and losses recognized for the year ended December 31, 2022:	
Amount recognized in OCI (presented in "Unrealized gains (losses) from equity instruments investments measured at fair value through other comprehensive income")	(2,846)
Acquisition/issues for the year ended December 31, 2022	-
Proceeds from capital reduction	(6,679)
Transfer in/(out) of Level 3	-
Ending balances as at December 31, 2022	$37,389

Total losses recognized in profit or loss for the years ended December 31, 2023 and 2022 in the table above contained gains (losses) related to assets on hand as at December 31, 2023 and 2022 in the amount of $1,283 thousand and $(2,846) thousand, respectively.

Information on significant unobservable inputs to valuation

Description of significant unobservable inputs to valuation of recurring fair value measurements categorized within Level 3 of the fair value hierarchy is as follows:

December 31, 2023

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Company's equity by $483 thousand

December 31, 2022

	Valuation techniques	Significant unobservable inputs	Quantitative information	Relationship between inputs and fair value	Sensitivity of the input to fair value
Financial assets:					
Financial assets at fair value through other comprehensive income					
Stocks	Market approach	discount for lack of marketability	20%	The higher the discount for lack of marketability, the lower the fair value of the stocks	1% increase (decrease) in the discount for lack of marketability would result in decrease (increase) in the Company's equity by $467 thousand

Valuation process used for fair value measurements categorized within Level 3 of the fair value hierarchy

The Company's investment department is responsible for validating the fair value measurements and ensuring that the results of the valuation are in line with market conditions, based on independent and reliable inputs which are consistent with other information, and represent exercisable prices. The department analyses the movements in the values of assets and liabilities which are required to be re-measured or re-assessed as per the Company's accounting policies at each reporting date.

C. Fair value measurement hierarchy of the Company's assets and liabilities not measured at fair value but for which the fair value is disclosed

December 31, 2023

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties, net (please refer to Note 6.(9))	$-	$-	$171,760	$171,760

December 31, 2022

	Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value but for which the fair value is disclosed:				
Investment properties, net (please refer to Note 6)	$-	$-	$171,760	$171,760

(10) Significant assets and liabilities denominated in foreign currencies

Information regarding the significant assets and liabilities denominated in foreign currencies is listed below:

	December 31, 2023		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$2,789	30.7100	$85,654
JPY	771,826	0.2169	167,409
Financial liabilities			
Monetary items:			
USD	82	30.7100	2,511
JPY	604	0.2169	131

	December 31, 2022		
	Foreign currencies	Foreign exchange rate	NTD
Financial assets			
Monetary items:			
USD	$3,080	30.6600	$94,425
CNY	537,395	0.2314	124,353
Financial liabilities			
Monetary items:			
USD	9	30.6600	283
JPY	879	0.2314	203

As the Company has a large variety of foreign currencies, it is not possible to disclose the foreign currency exchange gains or losses information of monetary financial assets and financial liabilities on each foreign currency's exposure to major impact. The Company's foreign exchange (losses) gains for the years ended December 31, 2023 and 2022 were $(3,761) thousand and $16,813 thousand, respectively.

The above information is disclosed based on the carrying amount of foreign currency (after conversion to functional currency).

(11) Capital Management

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximize shareholder value. The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust dividend payment to shareholders, return capital to shareholders or issue new shares.

13. Notes for Disclosures

(1) Information related to significant transactions

A. Financings provided to others: None.

B. Endorsements/guarantees provided to others: Table 1.

C. Marketable securities held: Table 2.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: None.

H. Receivables due from related parities amounting to at least NTD 100 million or 20% of the paid-in capital: None.

I. Derivative instruments transactions: None.

J. Business, relationship between the parent and the subsidiaries and between each subsidiary, and the circumstances and accounts of any significant transactions between them: None.

(2) Information on investees

A. Financings provided to others: None.

B. Endorsements/guarantees provided to others: Table 1.

C. Marketable securities held: Table 3.

D. Individual securities acquired or disposed of with accumulated amount exceeding NTD 300 million or 20% of the capital stock: None.

E. Acquisition of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

F. Disposal of individual real estate properties at costs of at least NTD 300 million or 20% of the paid-in capital: None.

G. Total purchases from or sales to related parties of at least NTD 100 million or 20% of the paid-in capital: None.

H. Receivables due from related parities amounting to at least NTD 100 million or 20% of the paid-in capital: None.

I. Derivative instruments transactions: None.

J. Name of investee company, location and other related information: Table 4.

(3) Information on investments in mainland China: None.

(4) Information on major shareholders: Table 5.

Table1: Endorsements/guarantees provided to others

No.	Collaterals/Guarantee Provider	Counter-part		Limits on Each Counter-party's Collateral/Guarantee Amounts (Note 1)	Maximum Balance Accumulated up to the End of This Month	Ending Balance	Actual Amount Drawn Down	Amount of Properties Guaranteed by Collateral	Ratio of Accumulated Amount of Collateral to Net Asset Value of the Latest Financial Statement	Maximum Collateral/ Guarantee Amounts Allowable	Provision of Endorsements by Parent Company to Subsidiary	Provision of Endorsements by Subsidiary to Parent Company	Provision of Endorsements to the Company in Mainland China
		Name	Relationship (Note 2)										
0	U-Tech Media Corporation	Dollars Cultural & Creative Company Limited	2	$357,455	$160,000	$110,000	$70,000	$-	4.62%	$714,909	Y	N	N

Note 1：The total amount of guarantee provided is 30% of the current net value. For each company, the total amount of guarantee provided is 15% of the current net value.
For each company, the total amount of guarantee provided is 15% of the current net value.

Note 2：The relationship between the collaterals/guarantee provider and the counter-party is as follows:
1.The company with business transaction.
2.The company owns directly or indirectly over 50% ownership of the investee company.
3.The investee company owns directly or indirectly over 50% ownership of the company.
4.The company owns directly or indirectly over 90% ownership of the investee company.
5.Companies that guarantee each other in accordance with the provisions of the contract between its peers or co-creators based on the needs of undertaking works.
6.Company that guaranteed by all the contributing shareholders according to the shareholding ratio due to the joint investment relationship.
7.In accordance with the consumer protection law, the joint guarantee of performance for the sale contract of pre-sale houses among peers.

Table 2: Marketable securities held

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2023				Note
				Shares/Units (in thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
U-Tech Media Corporation	CTBC Hua Win Money Market Fund	None	Financial assets at fair value through profit or loss - current	451	$5,105	-	$5,105	
	TCB Taiwan Money Market Fund	〃		4,872	50,735	-	50,735	
	UPAMC Taiwan High Dividend and Growth Fund-ACC	〃	〃	500	5,490	-	5,490	
	Total				$61,330		$61,330	
	Chang Hong Energy Technology Co., Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	20	$-	0.41%	$-	
	BMB Venture Capital Investment Corporation	〃	〃	4,852	38,672	14.09%	38,672	
	AimCore Technology Co., Ltd.	Investment accounted for using the equity method	〃	113	2,580	0.17%	2,580	
	Total				$41,252		$41,252	

Table 3: Marketable securities held:

Holding Company	Securities Type and Name	Relationship with the Holding Company	Financial Statement Account	End of the year of 2023				Note
				Shares/Units (in thousands)	Carrying Value	Percentage of Ownership (%)	Fair Value	
Formosa Sun Energy Corporation	Cathay Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	4,014	$51,235	-	$51,235	
RitFast Corporation	Allianz Global Investors Taiwan Money Market Fund	None	Financial assets at fair value through profit or loss - current	2,741	$35,323	-	$35,323	
Glory Days Services Ltd.	Legend Crown Investment Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	2,352	$61,107	9.80%	$61,107	
Dollars Cultural & Creative Company Limited	Universe Stars Co., Ltd.	None	Financial assets at fair value through other comprehensive gain and loss - non-current	338	$2,774	15.00%	$2,774	
	Fournicorn Co., Ltd.	〃	〃	100	413	25.00%	413	
	Total				$3,187		$3,187	

Table 4: Name of investee company, location and other related information:

Investor Company	Investee Company	Location	Main Business Activities	Initial Investment Amount		Held by the Company			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31, 2023	As of December 31, 2022	Shares (in thousands)	Percentage (%)	Carrying Value			
U-Tech Media Corporation	Dollars Cultural & Creative Company Limited	Taipei	Catering	$195,500	$195,500	16,257	100.00%	$84,971	$(31,258)	$(26,646)	
〃	Pvnext Corporation	Hsinchu	Solar cell manufacturing	-	290,000	-	-	-	(33,961)	-	Note 1
〃	ProRit Corporation	Miaoli	Electronics industry	23,653	23,653	333	0.63%	7,058	2,933	18	
〃	RiTdisplay Corporation	Hsinchu	Manufacture of related OLED products	36,111	36,111	4,986	6.77%	126,103	(226,908)	(15,362)	
〃	Chao Fu Co., Ltd.	Taoyuan	Wine making	5,000	5,000	500	100.00%	2,410	(321)	(321)	
〃	Formosa Sun Energy Corporation	Taoyuan	Renewable energy self-powered equipment	642,860	642,860	64,459	70.82%	785,158	66,163	46,852	
〃	Jade Investment Services Ltd.	B.V.I.	Investment holdings	106,501	106,501	1,685	100.00%	311,917	12,374	12,374	
〃	Ricare Corporation	Taoyuan	Management consulting industry	40,000	40,000	4,000	30.77%	43,851	9,429	2,901	
	Total							$1,361,468		$19,816	
Dollars Cultural & Creative Company Limited	ShokuRaku Corporation	Taipei	Catering	18,000	7,000	1,800	85.71%	$10,675	$(1,117)	$(949)	Note 2
〃	Ikari Coffee Co., Ltd.	Taoyuan	Catering	75,200	75,200	4,970	94.85%	21,487	(17,453)	(16,554)	
〃	Ink Design Space Co., Ltd.	Taipei	Landscape and interior design	7,000	7,000	810	25.00%	8,516	4,159	1,040	
〃	Jingle Hot Pot Corporation	Taipei	Catering	13,000	1,000	1,300	86.67%	7,915	(5,645)	(4,989)	Note 3
〃	Foodspace Corporation	Taoyuan	Catering	3,220	-	322	92.00%	1,348	(2,035)	(1,872)	Note 4
	Total							$49,941		$(23,324)	
Formosa Sun Energy Corporation	Hou Cheng Photoelectricity Corporation	Taoyuan	Renewable energy self-powered equipment	1,000	1,000	100	100.00%	$767	$(31)	$(22)	
〃	RitFast Corporation	Hsinchu	Renewable energy self-powered equipment	346,888	346,888	32,725	99.17%	382,734	25,800	18,120	
	Total							$383,501		$18,098	

Note 1: On June 6, 2023, the Company sold 11,600 thousand shares of Pvnext Corporation to the ultimate parent company, Ritek Corporation, at a price of $10 thousand. The equity transaction was completed and paid, and the Company recognized total gain on disposal in the amount of $10 thousand.

Note 2: On April 11, 2023, ShokuRaku Corporation's board of directors resolved to issue 1,100 thousand shares of new capital. Dollars Cultural & Creative Company Limited participated in the cash capital increase of ShokuRaku Corporation and acquired 1,100 thousand shares in the amount of $11,000 thousand, increasing its shareholding ratio to 85.71%.

Note 3: On December 28, 2022, Jingle Hot Pot Corporation's board of directors resolved to issue 1,400 thousand shares for capital increase. Dollars Cultural & Creative Company Limited participated in the cash capital increase of Jingle Hot Pot Corporation and acquired 1,400 thousand shares in the amount of $12,000 thousand, reducing its shareholding ratio to 86.67%.

Note 4: On April 20, 2023, Foodspace Corporation completed the incorporation procedures and issued 350 thousand shares. Dollars Cultural & Creative Company Limited held 92% ownership of Foodspace Corporation at a price of $3,220 thousand and gained substantial control over Foodspace Corporation.

Table 4-1: Name of investee company, location and other related information:

Investor	Investee	Business Location	Main Business Activities	Original Investment Amount		Held by the Company			Net Income (Loss) of the Investee	Share of Income (Loss) of the Investee	Note
				As of December 31,	As of December 31,	Shares (in thousands)	Percentage (%)	Carrying Value			
Jade Investment Services Ltd.	Glory Days Services Ltd.	B.V.I.	Investment holdings	$186,981	$186,981	3,920	100.00%	$309,537	$12,430	$12,430	
Glory Days Services Ltd.	Shine Services Inc.	USA	Real estate leasing business	-	-	-	100.00%	$-	-	$-	Note 5

Note 5: Shine Services Inc. completed the incorporation process on June 24, 2022, and no shares have been issued as of the date of adoption of the financial report.

Table 5: Information on major shareholders (In Share)

Name	Shares	
	Number of Shares	Percentage (%)
Ritek Corporation	32,489,319	22.26%
Li, Chun Lai	8,693,867	5.96%
AimCore Technology Co., Ltd.	7,963,812	5.46%
Custodianship of bitbank investment account by HSBC in Hong Kong	7,661,000	5.25%

VII、Review and Analysis of Financial Status and Business Results and Risk Issues

7.1 Analysis of Financial Status：

Financial Status Comparative Analysis Statement

Unit：NT$ thousand

Item \ Year	2022	2022	Difference	
			Increase (decrease) amount	%
Current assets	1,498,874	1,590,944	92,070	6.14%
Property, plant and equipment	2,526,808	2,438,775	(88,033)	(3.48%)
Intangible assets	34,070	27,170	(6,900)	(20.25%)
Other noncurrent assets	1,017,766	969,416	(48,350)	(4.75%)
Total assets	5,077,518	5,026,305	(51,213)	(1.01%)
Current liabilities	672,495	760,497	88,002	13.09%
Long-term liabilities	1,355,367	1,201,528	(153,839)	(11.35%)
Noncurrent liabilities	328,634	350,915	22,281	6.78%
Total liabilities	2,356,496	2,312,940	(43,556)	(1.85%)
Capital	1,459,845	1,459,845	0	0.00%
Capital reserve	532,017	531,482	(535)	(0.10%)
Retained earnings	440,972	439,585	(1,387)	(0.31%)
Other interests	(48,244)	(47,882)	362	(0.75%)
Non-controlling interests	336,432	330,335	(6,097)	(1.81%)
Total equity	2,721,022	2,713,365	(7,657)	(0.28%)

The changes in the past two years with a variation rate of 20%：

1. The decrease in intangible assets was mainly due to the impairment.

7.2 Analysis of Financial Performance：

7.2.1 Significant Changes in Operating Revenue, Net Profit, and Pre-tax Net Profit in the Past Two Years：

Financial Performance Comparative Analysis Statement

Unit：NT$ thousand

Item	2022	2023	Increase (decrease) amount	Difference (%)
Net Operating revenue	1,112,820	1,136,435	23,615	2.12%
Operating costs	710,431	694,108	(16,323)	(2.3%)
Operating margin	402,389	442,327	39,938	9.93%
Operating expense	285,099	330,838	45.739	16.04%
Operating profit (loss)	117,290	111,489	(5,801)	(4.95%)
Non-operating income and expenses	4,032	(10,768)	(14,800)	(367.06%)
Net profit (loss) before tax	121,322	100,721	(20,601)	(16.98%)
Net profit (loss)	121,033	90,045	(30,988)	(25.6%)

The changes in the past two years with a variation rate of 20%：

1. The decrease in non-operating income and expenses is primarily due to the recognition of losses from the associated company, Ritdisplay Corporation, resulting in a decrease in the share of profit or loss from associates and joint ventures accounted for using the equity method.
2. The decrease in net profit for the period is primarily attributable to the decrease in the share of profit or loss from associates and joint ventures accounted for using the equity method, as well as an increase in income tax expenses.

7.2.2 Expected sales quantity and its impact on the company's future financial business, along with response plans：

In the planning of disc products, apart from referring to reports from professional research units on the global pre-recorded disc industry, the budget planning is executed based on the development trends of the company's existing customers, such as regional structure and market share. Over the next year, the company will continue to focus on optimizing internal organization to reduce unnecessary expenses and enhance management efficiency.

7.3 Analysis of Cash Flow：

7.3.1 Analysis and Explanation of Recent Year Cash Flow Changes, Improvement Plan for Insufficient Liquidity, and Future Year Cash Flow Analysis：

Unit：NT$ thousand

Beginning cash balance ①	Net cash flow from annual operating activities ②	Annual cash flow out③	Remaining (deficient) cash amount ①+②-③	Remedial measures for cash shortfall	
				Investment plan	Investment plan
1,091,338	325,968	(236,073)	1,181,233	-	-

1. Analysis of Cash flow for current year
   (1) Operating activities：Mainly consists of cash inflows generated from operating revenue.
   (2) Investment activities：primarily involve cash outflows from equipment acquisition.
   (3) Finanacing activities：mainly involve the company's profitability, repayment of short and long-term borrowings, and payment of cash dividends.
2. Improvement plan for insufficient liquidity：Not applicable

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7.3.2 Future one-year cash flow liquidity analysis:

Unit：NT$ thousand

Beginning cash balance ①	Net cash flow from annual operating activities ②	Annual cash flow out ③	Remaining (deficient) cash amount ①+②-③	Remedial measures for cash shortfall	
				Investment plan	Investment plan
1,181,233	300,000	(260,000)	1,221,233	-	-

1. Analysis of cash flow changes for future one year：
   (1) Operating activities：Mainly consists of cash inflows generated from operating revenue.
   (2) Investment activities：primarily involve cash outflows from equipment acquisition
   (3) Financing activities：Mainly involves the payment of cash dividends and loan repayments
2. Remedial measures for anticipated cash shortfall and liquidity analysis：Not applicable

7.4 Major Capital Expenditure Items and Source of Capital：None

7.5 Investment Policy in the Last Year, Main Causes for Profits or Losses, Improvement Plans and Investment Plans for the Coming Year：

7.5.1 Reinvestment policy in the past year：

The management team of the company engages in reinvestment based on operational demands or considerations for future growth. The company evaluates various aspects of the reinvested businesses, such as organizational structure, investment objectives, market conditions, business development, shareholding ratio, reference price, and financial status. The company compiles an investment proposal evaluation table to serve as a basis for decision-makers in making investment decisions.

7.5.2 The main reason and improvement plan for profit or loss in this year：

The company's reinvestment is focused on long-term strategic target. In 2023, investment profits recognized amounted to NT$19,817 thousand, primarily derived from investment profits of NT$46,852 thousand from Formosa Sun Energy Corp. and lost NT$15,362 thousand from RiTdisplay Corporation.

Formosa Sun Energy Corp. is engaged in renewable energy solar power and operation growth stably. RiTdisplay Corporation is a major manufacturer in the OLED industry. OLED technology offers advantages such as self-emission, wide viewing angles, and high contrast ratios. In recent years, OLED has been widely used in various consumer electronic products, including mobile devices and medical devices. With the booming market for wearable products, the demand for OLED products is expected to continue growing.

7.5.3 Future one-year investment plan：

The company will continue to carefully evaluate reinvestment plans in accordance with the business strategy.

7.6 Analysis of Risk Management：

7.6.1 Impact of Interest Rates, Exchange Rates, and Inflation on the Company's Profit and Loss, and Future Measures：

Interest Rates：The central bank has made adjustments to raise interest rates in domestic. Currently, the company's debt ratio is not high, and overall, the impact on the company's operations is relatively limited.

Exchange Rates：The company's operations primarily rely on exports, with main foreign currencies being the Japanese Yen and the US Dollar. The company actively monitors exchange rate fluctuations and adopts appropriate hedging strategies to minimize the impact of currency fluctuations. In the future, the company will continue to closely monitor market developments related to exchange rates, manage its overall foreign currency exposure and asset-liability. In addition to natural hedging strategies, the company utilizes spot and forward foreign exchange contracts to reduce the impact of exchange rate fluctuations on the operations.

Inflation：Inflation leads to price increases, but the company has established good relationships with reliable suppliers that provide stable price for raw materials. Currently, the company is not significantly affected by inflation in the short term. In the future, the company will continue to diversify the procurement sources and explore alternative materials to mitigate the risk of potential increases in raw material costs.

7.6.2 Main reasons for profit or loss; and future measures to engage in high-risk, high-leverage investments, lending funds to others, endorsement and guarantees, and derivative transactions：

The company did not engage in high-risk, high-leverage investments, lending funds to others, or

-

endorsement and guarantees in the recent years. The endorsement and guarantee operations are conducted in accordance with the "Endorsement and Guarantee Operation Procedures" approved by the shareholders' meeting. The company's derivative transactions primarily focus on hedging anticipated transaction risks and managing risks associated with existing assets or liabilities. All operations evaluation, execution, risk control, and information disclosure are carried out in accordance with the "Regulations Governing the Acquisition and Disposal of Assets " that establish operational guidelines for engaging in derivative transactions. In the future, the company will continue to monitor the latest developments in the financial market and maintain close communication with professional financial institutions to enhance the effectiveness of the hedging strategies.

7.6.3 Future research and development plans and expected R&D expenses：Due to the industry environment, the company currently focus on the development of the cultural and creative industry and cultural and creative products. There are no research and development plans or estimated R&D expenses.

7.6.4 The impact of significant domestic and international policy and legal changes on the company's financial operations and corresponding measures：None

7.6.5 The impact of technological changes (including cyber security risks) and industry changes on the company's financial operations and corresponding measures：

With the rapid advancement of technology, the company operates in a more stable and practical manner. Through the development and monitoring of IT systems, implementation of internal controls, and cooperation with overseas subsidiaries, the company nearly provides customers with the fastest and most comprehensive services. The company has established cyber security management measures to enhance cyber security, establish secure and stable cyber systems, and ensure the security of data, systems, equipment, and networks to meet the operational demands of the company. The scope of the management includes 1. Personnel responsibilities and cyber security education; 2. Network security management; 3. Firewall and intrusion defense system security management; 4. Prevention and handling of computer viruses; 5. Management of email usage; 6. Wireless network management; 7. Remote login management; 8. Handling of network intrusions and disaster recovery; 9. Robust system and data backup mechanism; 10. Risk prevention. The measures include (1) Analysis: Reviewing the current environment and potential threats, determining the necessary procedures to mitigate environmental threats; (2) Planning: Identifying which procedures can block identified threats and vulnerabilities, and having system administrators perform testing, deployment, and related steps; (3) Testing: Checking available procedures, categorizing them according to requirements, and testing all identified procedures to ensure they do not have a negative impact on the servers and verify their expected performance; (4) Deployment: Completing an information services application form explaining the reasons, steps, and test results, and deploying it to the production environment after approval from responsible supervisors; (5) Review: Regularly reviewing newly released procedures quarterly and restarting the process if new procedures are discovered.

The company promotes cyber security-related policies, implements incident reporting and response handling, conducts regular assessments of cyber security risks, and provides security awareness training to ensure effective management of cyber risks.

Technological changes (including cyber security risks) and industry changes have not had a significant impact on financial operations at present.

7.6.6 The impact of corporate image change on crisis management and corresponding measure：

The company complies with the highest international standards, including ISO 14001 for environmental protection and OHSAS 18001 for occupational health and safety. We also prioritize the protection of customers' intellectual property rights and maintain secure control over production areas to safeguard the interests of customers' process wafers. Over the years, the company served global markets, striving to fulfill our mission of delivering customer satisfaction. We have been ranked among the top 5000 large enterprises in Taiwan by CRIP Taiwan, and have received numerous awards and certifications for our compliance with various government regulations. In recent years, the company has actively invested in the public cultural and creative industry and renewable energy projects for environmental protection, aiming to transform and enhance our company's organizational structure. The company consists of quality management, customer service, public and employee relations, investor relations, internal auditing, and risk management. By integrating the strengths of each department, we aim to further improve our already solid corporate image foundation. As the "carrier of information and culture," we take our responsibility to operate the company sustainably and with honest governance seriously. We strive to fulfill our corporate social responsibility and maintain sound internal controls while preparing for various contingencies to prevent and manage potential crises. We also emphasize contributions to public welfare. As of now, there have been no related impacts on the company’s operations.

7.6.7 Expected benefits, potential risks, and response measures of mergers and acquisitions：

At the end of 2018, we acquired equity and substantial control of a renewable energy company. This

business has already achieved economic scale in the product operations and possesses expertise in managing distributed power plants. The merger is expected to contribute stable revenue and provide a steady cash flow. The operational and management procedures of this business have also been well-established and stable.

In 2021, we invested in a chain restaurant system through our cultural and creative business. Acquiring partial ownership in this chain system has limited experience in managing a chain network and organizational integration. However, the company possesses strong management capabilities and extensive experience in the restaurant industry. We believe that we can enhance and improve the current operational performance of the chain system.

In 2024, the acquired equity in Maker Bay, a caregiving business. This business has developed a comprehensive long-term care service model, integrating with U-Tech's catering and community economic ventures. This not only deepens our existing long-term care business but also extends into diverse sectors.

7.6.8 Expected benefits, potential risks, and response measures of expanding the factory：Not applicable currently

7.6.9 Risks and response measures related to concentrated procurement or sales：

The sources of the company's procurement and sales are disclosed in this annual report. Due to the nature of the industry and actual operational circumstances, the company has made every effort to diversify the sources of procurement and sales, at the same time implementing effective risk management measures. Additionally, we actively engage in customer management activities to ensure the steady operation of the company in the future.

7.6.10 Impact, risks, and response measures regarding significant transfers or changes in ownership of shares by directors, supervisors, or major shareholders holding more than 10% of the company's equity：

According to Article 26 of the Securities and Exchange Act, for companies that publicly raise funds and issue securities, the total shareholding of registered shares held by all directors and supervisors must not be less than a certain percentage of the company's total issued shares. Therefore, significant transfers or changes in ownership of shares by directors, supervisors, or major shareholders holding more than 10% of the company's equity can pose operational risks. However, the company's solid management team, along with steadfast strategic alliances, has consistently maintained strong operational performance.

7.6.11 Impact, risks, and response measures regarding changes in management rights：Not applicable

7.6.12 Significant litigation or non-litigation events involving the company, directors, supervisors, general manager, substantial controlling shareholders holding more than 10% of the shares, and subsidiary companies that have been finally adjudicated or are still pending, and whose outcome may have a significant impact on shareholder equity or securities prices should disclose the disputed facts, amount in dispute, commencement date of litigation, key parties involved, and the status of the proceedings as of the date of the annual report：None.

7.6.13 Other important risks and response measures：None.

7.7 Other Important Matters：None

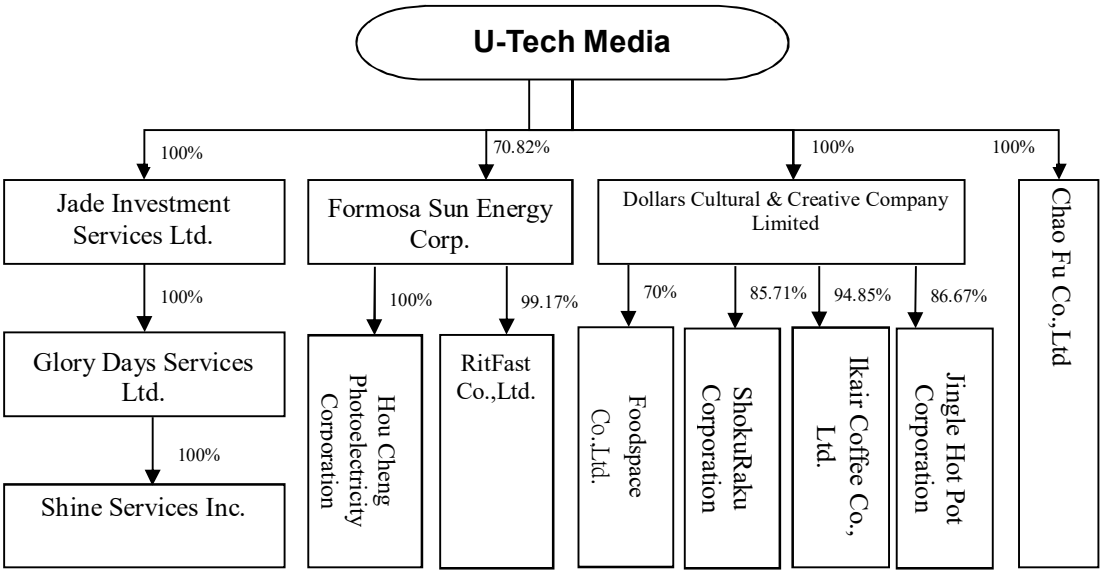
VIII、Special Disclosure

8.1 Summary of Affiliated Companies：

8.1.1 Consolidated business report about the company's affiliates：

8.1.1.1 Overview of the company's affiliates

(1) Organization chart of the company's affiliates：



(2) Information of the company's affiliates：

Company	Date of establishment	Address	Pain-in capital (NT thousand)	Main business
Dollars Cultural & Creative Company Limited	Nov.09, 2000	No. 3, Guotai St., Shilin Dist., Taipei City 111 , Taiwan (R.O.C.)	NT 162,573	Catering
ShokuRaku Corporation	Aug.13, 2021	No. 16-3, Ln. 64, Nanjing W. Rd., Datong Dist., Taipei City 103 , Taiwan (R.O.C.)	NT 21,000	Catering
Ikair Coffee Co., Ltd.	Jan.04, 1994	No. 222, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333 , Taiwan (R.O.C.)	NT 52,400	Catering
Jingle Hot Pot Corporation	Nov.11, 2022	No. 1, Ln. 176, Sec. 1, Da'an Rd., Da'an Dist., Taipei City 106 , Taiwan (R.O.C.)	NT 15,000	Catering
Foodspace Corporation.	Apr.20 2023	No. 222, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333 , Taiwan (R.O.C.)	NT 3,500	Catering
Chao Fu Co.,Ltd	Jun.23, 2014	No. 222, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333 , Taiwan (R.O.C.)	NT 5,000	Alcoholic drink manufacturing
Formosa Sun Energy Corp.	Mar.30, 2012	No. 222, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333 , Taiwan (R.O.C.)	NT 910,243	Self-use renewable energy power equipment
Hou Cheng Photoelectricity Co., Ltd	Sep.10, 2016	No. 222, Huaya 2nd Rd., Guishan Dist., Taoyuan City 333 , Taiwan (R.O.C.)	NT 1,000	Self-use renewable energy power equipment
RitFast Corporation	Jun.02,2010	No. 42, Guangfu N. Rd., Hukou Township, Hsinchu County 303 , Taiwan (R.O.C.)	NT 329,999	Self-use renewable energy power equipment
Jade Investment Services Ltd.	Dec.13, 2002	Vistra Corporate Services Centre,Wickhams Cay II,Road Town,Tortola,VG1110,VIRGIN ISLANDS,BRITISH	USD 1,685	Investment holding
Glory Days Services Ltd.	Jan.03, 1997	Vistra Corporate Services Centre,Wickhams Cay II,Road Town,Tortola,VG1110,VIRGIN ISLANDS,BRITISH	USD 3,920	Investment holding
Shine Services Inc.	Jun.24, 2022	1230 Santa Anita Ave. #G, S El Monte, CA 91733	0	Real estate leasing

(3) Presumed to have control and subsidiary relationships according to Article 369-3 of the Company Act：None

(4) The overall related business operations：disc manufacturing, cultural and creative industry, and renewable energy.

(5) Information of director, supervisor and general manager of each related companies：

Name of company	Job title	Name or representative	Shareholding	
			Shares	Ratio
Dollars Cultural & Creative Company Limited	Director	U-Tech Media Corporation Rep：Yang, Wei- Fen、Yeh,Cheng-Kai、Chen,P0-Han	16,257,343	100%
	Supervisor	U-Tech Media Corporation Rep：Wang,Ssu-Kai		
ShokuRaku Corporation	Director	Dollars Cultural & Creative Company Limited Rep：Yeh,Cheng-Kai、Yeh,Cheng-En	1,800,000	85.71%
		Yo, Cheng-Hsin	300,000	14.29%
	Supervisor	Kao,Kuo-Ling	0	0%
Ikari Coffee Co., Ltd.	Director	Dollars Cultural & Creative Company Limited Rep：Yeh, Cheng-Kai、Yeh, Cheng-En、Chen,P0-Han	4,970,002	94.85%
	Supervisor	Kao,Kuo-Ling	0	0%
Jingle Hot Pot Corporation	Director	Dollars Cultural & Creative Company Limited Rep：Yeh, Cheng-Kai、Yeh,Cheng-En、Chen,P0-Han	1,300,000	86.67%
	Director	Big Brother Investment Co., Ltd. Rep：Wang,Ssu-Kai、Lin,Kun-Ju	200,000	13.33%
	Supervisor	Kao,Kuo-Ling	0	0%
Foodspace Corporation.	Director	Dollars Cultural & Creative Company Limited Rep：Yeh, Cheng-Kai、Yeh, Cheng-En、Chen,P0-Han	322,000	92.00%
	Director	Technology Island Management Consulting Co., Ltd. Rep：Kuo,Chi-An、Pan,I-Kai	28,000	8.00%
	Supervisor	Kao,Kuo-Ling	0	0%
Chao Fu Co.,Ltd	Director	U-Tech Media Corporation Rep：Yeh, Chwei- Sheng、Lo, I-Fu、Lai, Shu-Ping	500,000	100%
	Supervisor	U-Tech Media Corporation Rep：Lin, Shu-Hsu		
Formosa Sun Energy Corp.	Director	U-Tech Media Corporation Rep：Yang, Wei- Fen、Pan, Yen-Min、Lo, I-Fu、Lo, Yeh, Cheng-En、Yeh, Cheng-Kai	64,459,035	70.82%
	Supervisor	Aimcore Technology Co., Ltd Rep：Chen,P0-Han	26,565,268	29.18%
Hou Cheng Photoelectricity Co., Ltd	Director	Formosa Sun Energy Corp. Rep：Yeh, Cheng-Kai、Tsai,Ming-Kun、Kao,Kuo-Ling	100,000	100%
	Supervisor	Formosa Sun Energy Corp. Rep：Lin, Wei-Ting		
RitFast Corporation	Director	Yeh, Chwei-Jing	0	0%
		Formosa Sun Energy Corp. Rep：Pan, Yen-Min、Wang, Ting-Chang	32,724,683	99.17%
	Director	Chiang, Ming-Hsien	128	0%
Jade Investment Services Ltd.	Director	U-Tech Media Corporation Rep：Yang, Wei- Fen、Lo, I-Fu	1,684,678	100%

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Name of company	Job title	Name or representative	Shareholding	
			Shares	Ratio
Glory Days Services Ltd.	Director	U-Tech Media Corporation Rep：Yang, Wei- Fen、Lo, I-Fu	3,919,678	100%
Shine Services Inc.	Director	Glory Days Services Ltd. Rep：Yang, Wei- Fen、Lo, I-Fu	0	0%

8.1.1.2 Operation overview of each related companies：

Unit：NT$ thousand

Name of company	Currency	Capital	Total assets	Total liabilities	Net worth	Operating revenue	Operating income	Net profit after tax	Earing per share (NT$) (After tax)	Par value per share
Dollars Cultural & Creative Company Lte.	TWD	162,573	292,348	207,377	84,971	141,283	(6,388)	(31,258)	(1.92)	10
ShokuRaku Corp.	TWD	21,000	20,574	8,119	12,455	27,969	(1,550)	(1,117)	(0.63)	10
IKARI Coffee Co., Ltd.	TWD	52,400	107,357	109,000	(1,643)	120,895	(17,662)	(17,453)	(3.33)	10
Jingle Hot Pot Corp.	TWD	15,000	25,196	16,064	9,132	15,478	(5,473)	(5,645)	(3.81)	10
Foodspace Corporation.	TWD	3,500	6,249	4,784	1,465	3,234	(2,469)	(2,035)	(5.81)	10
Chao Fu Co.,Ltd	TWD	5,000	2,416	6	2,410	456	(341)	(321)	(0.64)	10
Formosa Sun Energy Corp.	TWD	910,243	2,163,820	1,055,153	1,108,667	295,851	71,577	66,163	0.73	10
Hou Cheng Photoelectricity Co., Ltd.	TWD	1,000	767	0	767	0	(38)	(31)	(0.31)	10
RitFast Corporation	TWD	329,999	640,405	268,037	372,368	86,882	31,156	25,800	0.78	10
Jade Investment Services Ltd.	TWD	106,501	311,917	0	311,917	0	(90)	12,374	—	—
Glory Days Services Ltd.	TWD	186,981	309,537	0	309,537	0	(86)	12,430	—	—
Shine Services Inc.		0	0	0	0	0	0	0	—	—

8.1.1.3 Situation of capital financing：None

8.1.1.4 Situation of endorsements and guarantees：please refer page 251 of annual report

8.1.2 Consolidated financial statements of related companies

The companies that are required to be included in the combined financial statements of U-Tech Media Corporation as of and for the year ended December 31, 2023, under the Criteria Governing the Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises are the same as those included in the consolidated financial statements prepared in conformity with the International Financial Reporting Standards No.10 “Consolidated Financial Statements”. In addition, the information required to be disclosed in the combined financial statements is included in the consolidated financial statements. Consequently, U-Tech Media Corporation and Subsidiaries do not prepare a separate set of combined financial statements.

8.1.3 Related report of related companies：Not applicable

8.2 Private Placement Securities in the Most Recent Years：None

8.3 The Shares in the Company Held or Disposed of by Subsidiaries in the Most Recent Years：None

8.4 Other Necessary Supplementary：None

IX、Have a Substantial Impact on Owner’s Equity as Stipulated in Item 2, Paragraph 3 of Article 36 of the Securities Exchange Law：No this situation

U-Tech Media Corporation

Chairman Yen, Chwei-Jing