Stock Code:3679

NISHOKU TECHNOLOGY INC.

Financial Statements

With Independent Auditors' Report
For the Years Ended December 31, 2023 and 2022

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The independent auditors' report and the accompanying only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' report and only financial statements, the Chinese version shall prevail.

Table of contents

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Independent Auditors' Report

To the Board of Directors of NISHOKU TECHNOLOGY INC.:

Opinion

We have audited the financial statements of NISHOKU TECHNOLOGY INC.(" the Company"), which comprise the balance sheet as of December 31, 2023 and 2022, the statement of comprehensive income, changes in equity and cash flows for the years then ended, and notes to the financial statements, including a summary of material policies.

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

Basis for Opinion

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

Key Audit Matters

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

Investments accounted for using equity method

Please refer to Note 4(h) "Investments in subsidiaries" and Note 5 "Significant accounting assumptions and judgments, and major sources of estimation uncertainty" of the financial statements.

Description of key audit matter

The Company's investments accounted for using equity method are all subsidiaries of the Company. Based on the scope and nature of their businesses which may influence the outcome of their operations, the impairment assessment of accounts receivable, and net realizable value of inventories in certain subsidiaries required the Managements to make subjective judgments, which is the major source of estimation uncertainty. Therefore, the impairment assessment of accounts receivable, and valuation of inventories of the investments accounted for using equity method are the key audit matters for our audit.

How the matter was addressed in our audit :

Our principal audit procedures on the impairment assessment of accounts receivable of the investments accounted for using equity method included assessing whether the impairment of accounts receivable has been set aside in accordance with the Company' s policy, including inquiring from the Management if they had identified the debtors who have financial difficulties ; selecting a moderate number of samples from the account aging statements to ensure the accuracy of the statements, and understanding the reason on overdue accounts; assessing the uncollectable accounts receivable for the approriateness of impairment assessment of accounts receivable; assessing the appropriateness and adequacy for doubtful accounts made by the management based on the subsequent collection of accounts receivable. With respect to the evaluation of inventories, our principal audit procedures included: to understand whether the accounting policy for inventory evaluation is consistency with the Company; examine the accuracy of the aging of inventories by sampling and analyses the changes of the aging of inventories by comparison; retroactively inspecting the reasonability for allowance provided on inventory valuation in the past and compare it to the current year to ensure that the measurements and assumptions are reasonable; sampling the inventories sold in the subsequent period to assess whether the allowance for inventories are reasonable.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor' s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Standards on Auditing of the Republic of China will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these 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 financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

6. Obtain sufficient and appropriate audit evidence regarding the financial information of the investment in other entities accounted for using the equity method to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

The engagement partners on the audit resulting in this independent auditors' report are Huang, Yung-Hua and Yu, Sheng-Ho.

KPMG

Taipei, Taiwan (Republic of China)
February 29, 2024

Notes to Readers

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

The independent auditors' audit report and the accompanying only financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language independent auditors' audit report and only financial statements, the Chinese version shall prevail.

(English Translation of Financial Statements Originally Issued in Chinese.)

NISHOKU TECHNOLOGY INC.

Balance Sheets

December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		December 31, 2023		December 31, 2022	
	Assets	**Amount**	**%**	**Amount**	**%**
	Current assets:				
1100	Cash and cash equivalents (note 6(a))	$ 493,857	7	698,742	9
1110	Current financial assets at fair value through profit or loss (note 6(b))	35,006	-	32,052	-
1170	Accounts receivable, net (notes 6(c) and 7)	207,661	3	244,439	3
130X	Inventories (note 6(d))	9,403	-	14,424	-
1470	Other current assets	22,824	-	13,156	-
1476	Other current financial assets (note 7)	188,790	3	218,100	3
		957,541	13	1,220,913	15
	Non-current assets:				
1510	Non-current financial assets at fair value through profit or loss (note 6(b))	203,426	3	189,543	2
1535	Non-current financial assets at amortised cost, net (note 6(e))	1,547,894	20	1,471,919	19
1551	Investments accounted for using equity method (notes 6(f) and 7)	4,507,183	60	4,720,368	60
1600	Property, plant and equipment (note 6(g))	295,608	4	297,524	4
1755	Right-of-use assets (note 6(h))	2,687	-	6,673	-
1840	Deferred income tax assets (note 6(m))	22,562	-	20,812	-
1990	Other non-current asset	240	-	5,571	-
		6,579,600	87	6,712,410	85
	Total assets	**$ 7,537,141**	**100**	**7,933,323**	**100**

		December 31, 2023		December 31, 2022	
	Liabilities and Equity	**Amount**	**%**	**Amount**	**%**
	Current liabilities:				
2100	Short-term borrowings (note 6(i))	$ 1,000,000	13	850,000	11
2170	Notes and accounts payable	121,210	2	104,108	1
2180	Accounts payable to related parties (note 7)	20,581	-	37,750	-
2230	Current tax liabilities	63,028	1	85,725	1
2280	Current lease liabilities (note 6(k))	2,715	-	3,998	-
2300	Other current liabilities (note 6(q))	106,738	1	122,849	3
2320	Long-term liabilities, current portion (note 6(j))	200,000	3	50,000	1
		1,514,272	20	1,254,430	17
	Non-Current liabilities:				
2540	Long-term borrowings (note 6(j))	850,000	11	1,300,000	16
2570	Deferred tax liabilities (note 6(m))	722,569	10	729,801	9
2580	Non-Current lease liabilities (note 6(k))	-	-	2,715	-
		1,572,569	21	2,032,516	25
	Total liabilities	3,086,841	41	3,286,946	42
	Equity attributable to owners (notes 6(n) and (o)):				
3110	Ordinary share	630,402	8	630,482	8
3200	Capital surplus	973,549	13	973,766	12
	Retained earnings:				
3310	Legal reserve	741,898	10	670,934	9
3320	Special reserve	264,595	4	344,942	4
3350	Unappropriated retained earnings	2,179,701	29	2,313,463	29
		3,186,194	43	3,329,339	42
3400	Other equity	(339,845)	(5)	(287,210)	(4)
	Total equity	4,450,300	59	4,646,377	58
	Total liabilities and equity	**$ 7,537,141**	**100**	**7,933,323**	**100**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

NISHOKU TECHNOLOGY INC.

Statements of Comprehensive Income

For the years ended December 31, 2023 and 2022

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

		2023		2022	
		Amount	%	Amount	%
4110	**Sales revenue** (notes 6(q) and 7)	$ 956,088	100	1,127,042	100
4170	Less: Sales returns	336	-	765	-
	Net Operating revenues	955,752	100	1,126,277	100
5000	**Operating costs** (notes 6(d), (g), (l), 7 and 12)	687,628	72	792,068	70
5910	Less: Unrealized profit from sales	(15,546)	(2)	8,302	1
	Gross profit from operations	283,670	30	325,907	29
6000	**Operating expenses** (notes 6(c), (g), (l), (o) and 12)				
6100	Selling expenses	10,185	1	7,864	1
6200	Administrative expenses	137,647	15	150,240	13
6300	Research and development expenses	13,508	1	16,542	1
6450	Impairment loss (reversal of impairment loss) determined in accordance with IFRS 9	-	-	(113)	-
		161,340	17	174,533	15
	Net operating income	122,330	13	151,374	14
	Non-operating income and expenses:				
7010	Other income (note 6(s))	119,326	12	43,519	4
7020	Other gains and losses, net (note 6(t))	21,531	2	263,152	23
7050	Finance costs, net (note 6(k))	(37,686)	(4)	(29,309)	(3)
7070	Share of profit of associates and joint ventures accounted for using equity method, net	389,728	41	456,630	41
	Total non-operating income and expenses	492,899	51	733,992	65
7900	**Profit before tax**	615,229	64	885,366	79
7950	Less: Income tax expenses (note 6(m))	128,132	13	175,723	16
	Profit	487,097	51	709,643	63
8300	**Other comprehensive income (loss):**				
8360	**Items that may be reclassified subsequently to profit or loss**				
8361	Exchange differences on translation of foreign operations	(78,435)	(8)	100,434	9
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss (note 6(m))	15,687	(1)	(20,087)	(2)
8300	**Other comprehensive income (after tax)**	(62,748)	(7)	80,347	7
8500	**Total comprehensive income**	**$ 424,349**	**44**	**789,990**	**70**
9750	Basic earnings per share (NT dollars) (note 6(p))	**$ 7.77**		**11.32**	
9850	Diluted earnings per share (NT dollars) (note 6(p))	**$ 7.71**		**11.24**	

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

NISHOKU TECHNOLOGY INC.

Statements of Changes in Equity

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

	Share capital		Retained earnings			Other equity		
	Ordinary shares	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unearned Stock-Based Employee Compensation	Total equity
Balance at January 1, 2022	$ 626,712	981,485	610,265	310,459	2,231,720	(344,942)	-	4,415,699
Profit for the year ended December 31, 2022	-	-	-	-	709,643	-	-	709,643
Other comprehensive income for the year ended December 31, 2022	-	-	-	-	-	80,347	-	80,347
Total comprehensive income for the year ended December 31, 2022	-	-	-	-	709,643	80,347	-	789,990
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	60,669	-	(60,669)	-	-	-
Special reserve appropriated	-	-	-	34,483	(34,483)	-	-	-
Cash dividends of ordinary share	-	-	-	-	(532,748)	-	-	(532,748)
Capital surplus at cash dividends	-	(31,338)	-	-	-	-	-	(31,338)
Issuance of shares exercise of employee stock option	50	258	-	-	-	-	-	308
Restricted employee stock	3,720	23,361	-	-	-	-	(22,615)	4,466
Balance at December 31, 2022	630,482	973,766	670,934	344,942	2,313,463	(264,595)	(22,615)	4,646,377
Profit for the year ended December 31, 2023	-	-	-	-	487,097	-	-	487,097
Other comprehensive income for the year ended December 31, 2023	-	-	-	-	-	(62,748)	-	(62,748)
Total comprehensive income for the year ended December 31, 2023	-	-	-	-	487,097	(62,748)	-	424,349
Appropriation and distribution of retained earnings:								
Legal reserve appropriated	-	-	70,964	-	(70,964)	-	-	-
Special reserve appropriated	-	-	-	(80,347)	80,347	-	-	-
Cash dividends of ordinary share	-	-	-	-	(630,242)	-	-	(630,242)
Retirement of restricted employee stock	(320)	(2,010)	-	-	-	-	2,330	-
Restricted employee stock	240	1,793	-	-	-	-	7,783	9,816
Balance at December 31, 2023	**$ 630,402**	**973,549**	**741,898**	**264,595**	**2,179,701**	**(327,343)**	**(12,502)**	**4,450,300**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese.)

NISHOKU TECHNOLOGY INC.

Statements of Cash Flows

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars)

		2023	2022
Cash flows from (used in) operating activities:			
Profit before tax	$	615,229	885,366
Adjustments:			
Adjustments to reconcile profit (loss):			
Depreciation and amortization expense		8,862	9,307
Reversal of impairment loss determined in accordance with IFRS 9		-	(113)
Interest expense		37,686	29,309
Interest income		(116,963)	(43,218)
Remuneration cost of restricted employee stock		9,816	4,466
Share of profit of subsidiaries accounted for using equity method		(389,728)	(456,630)
Gain (loss) on financial assets at fair value through profit or loss		(16,838)	23,103
Gain on disposal of property, plant and equipment		-	(5)
Unrealized loss (profit) from sales		(15,546)	8,302
Recognition losses on (reversal of) inventory valuation and obsolescence		(2,799)	3,249
Total adjustments to reconcile profit (loss)		(485,510)	(422,230)
Changes in operating assets and liabilities:			
Changes in operating assets:			
Accounts receivable (including related parties)		36,778	57,224
Inventories		7,820	10,422
Other current assets and other financial assets		(4,406)	3,726
		40,192	71,372
Changes in operating liabilities:			
Notes and accounts payable (including related parties)		(67)	(34,803)
Other current liabilities		(10,606)	10,106
		(10,673)	(24,697)
Total changes in operating assets and liabilities		29,519	46,675
Total adjustments		(455,991)	(375,555)
Cash inflow generated from operations		159,238	509,811
Interest received		116,734	43,340
Interest paid		(37,639)	(29,196)
Income taxes paid		(151,133)	(104,835)
Net cash flows from operating activities		87,200	419,120
Cash flows from (used in) investing activities:			
Acquisition of financial assets at amortised cost		(75,975)	(207,852)
Acquisition of Non-Current financial assets at fair value through profit or loss-non-current		-	(13,820)
Acquisition of investments accounted for using equity method		(188,160)	-
Cash dividends from investments accounted for using equity method		391,684	217,378
Refund of capital reduction from subsidiary		336,500	392,480
Acquisition of property, plant and equipment		(1,106)	(674)
Proceeds from disposal of property, plant and equipment		-	5
Decrease in other receivables due from related parties		29,539	31,654
Increase in other non-current assets		(280)	(395)
Net cash flows from investing activities		492,202	418,776
Cash flows from (used in) financing activities:			
Increase (decrease) in short-term borrowings		150,000	(650,000)
Decrease in short-term notes and bills payable		-	(100,000)
Proceeds from (repayments of) long-term borrowings		(300,000)	200,000
Payment of lease liabilities		(4,045)	(4,045)
Cash dividends paid		(630,242)	(564,086)
Exercise of employee share options		-	308
Net cash flows used in financing activities		(784,287)	(1,117,823)
Net decrease in cash and cash equivalents		(204,885)	(279,927)
Cash and cash equivalents at beginning of period		698,742	978,669
Cash and cash equivalents at end of period	$	**493,857**	**698,742**

See accompanying notes to financial statements.

(English Translation of Financial Statements Originally Issued in Chinese)

NISHOKU TECHNOLOGY INC.

Notes to the Financial Statements

For the years ended December 31, 2023 and 2022

(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

(1) Company history

NISHOKU TECHNOLOGY INC. (the "Company") was incorporated in year 1980, as a company limited by shares and registered under the Ministry of Economic Affairs, ROC. The Company conducted an IPO on the Taiwan Stock Exchange (TWSE) on October 5, 2011. The Company primarily is involved in the manufacture and sale of plastic injection mold, tooling manufacturing and general import and export Trade.

(2) Approval date and procedures of the financial statements:

These financial statements were authorized for issue by the board of directors on February 29, 2024.

(3) New standards, amendments and interpretations adopted:

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

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

- Amendments to IAS 1 "Disclosure of Accounting Policies"
- Amendments to IAS 8 "Definition of Accounting Estimates"
- Amendments to IAS 12 "Deferred Tax related to Assets and Liabilities arising from a Single Transaction"

In accordance with Ruling No.1120383437 issued by the FSC on August 16, 2023, the Company has initially adopted the new amendment, which do not have a significant impact on its consolidated financial statements, from May 23, 2023:

- Amendments to IAS 12 "International Tax Reform—Pillar Two Model Rules"

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

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

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

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

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

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

- Amendments to IFRS 10 and IAS 28 “Sale or Contribution of Assets Between an Investor and Its Associate or Joint Venture”
- IFRS 17 “ Insurance Contracts” and amendments to IFRS 17 “ Insurance Contracts”
- Amendments to IFRS 17 “Initial Application of IFRS 17 and IFRS 9 – Comparative Information”
- Amendments to IAS21 “Lack of Exchangeability”

(4) Summary of material accounting policies:

The accompanying financial statements are the English translation of the Chinese version prepared and used in the Republic of China. If there is any conflict between, or any difference in the interpretation of the English and Chinese language financial statements, the Chinese version shall prevail.

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

(a) Statement of compliance

These financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers (hereinafter, referred to as “the Regulations”).

(b) Basis of preparation

(i) Basis of measurement

Except for the financial instruments at fair value through profit or loss are measured at fair value, the financial statements have been prepared on a historical cost basis.

(ii) Functional and presentation currency

The functional currency is determined based on the primary economic environment in which the Company operates. The financial statements are presented in New Taiwan dollars, which is the Company’s functional currency. All financial information presented in New Taiwan dollars has been rounded to the nearest thousand.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(c) Foreign currencies

(i) Foreign currency transaction

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

(ii) Foreign operations

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

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

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

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

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

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

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

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

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

(Continued)

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

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

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

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

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

(e) Cash and cash equivalents

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

(f) Financial instruments

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

(i) Financial assets

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

On initial recognition, a financial asset is classified as measured at: amortized cost or FVTPL. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

1) Financial assets measured at amortized cost

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

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

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

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

2) Fair value through profit or loss (FVTPL)

All financial assets not classified as amortized cost described as above are measured at FVTPL, including derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset, which meets the requirements to be measured at amortized cost, as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

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

3) Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, ‘principal’ is defined as the fair value of the financial assets on initial recognition. ‘Interest’ is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs, as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers：

- contingent events that would change the amount or timing of cash flows；
- terms that may adjust the contractual coupon rate, including variable rate features；
- prepayment and extension features；and
- terms that limit the Company’s claim to cash flows from specified assets (e.g. non-recourse features).

4) Impairment of financial assets

The Company recognizes loss allowances for expected credit losses (ECL)on financial assets measured at amortized cost (including cash and cash equivalents, notes and accounts receivables, other receivables, guarantee deposit paid and other financial assets).

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

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

- debt securities that are determined to have low credit risk at the reporting date；and
- other debt securities and bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

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

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 month after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Company is exposed to credit risk.

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

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

Loss allowances for financial assets measured at amortized cost are deducted from the gross carrying amount of the assets.

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

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

5) Derecognition of financial assets

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

The Company enters into transactions whereby it transfers assets recognized in its statement of balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets are not derecognized.

(ii) Financial liabilities and equity instruments

1) Classification of debt or equity

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

2) Equity instrument

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

3) Other financial liabilities

Financial liabilities are classified as measured at amortized cost, which comprise loans and borrowings, and trade and other payables. Interest expense and foreign exchange gains and losses are recognized in profit or loss, and is included in financial costs under non-operating income or expenses. Any gain or loss on derecognition is also recognized in profit or loss.

4) Derecognition of financial liabilities

The Company derecognizes a financial liability when its contractual obligation are discharged or cancelled, or expired. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value. On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

5) Offsetting of financial assets and liabilities

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

(iii) Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate exposures. Embedded derivatives are separated from the host contract and accounted for separately if the host contract is not a financial asset and certain criteria are met.

Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are generally recognized in profit or loss.

(g) Inventories

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

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

(h) Investment in subsidiaries

Investments in subsidiaries are accounted for using the equity method. There is no difference between net income and comprehensive income in the Company's financial statements and net income and comprehensive income attributable to stockholders of the parent. The equity in the Company's financial statements and the equity attributable to stockholders of the parent in the Company's consolidated financial statements are also the same.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

(i) Property, plant and equipment

(i) Recognition and measurement

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

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

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

(ii) Subsequent cost

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

(iii) Depreciation

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

Land is not depreciated.

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

1) Buildings: 50 years

2) Accessory equipment of buildings: 8~10 years

3) Machinery and equipment: 3~8 years

4) Office and other equipment: 3~8 years

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

(j) Lease

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

(i) As a leasee

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

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

(Continued)

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

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

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee; and
- payments for purchase or termination options that are reasonably certain to be exercised.

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

- there is a change in future lease payments arising from the change in an index or rate; or
- there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee; or
- there is a change in the lease term resulting from a change of its assessment on whether it will exercise an option to purchase the underlying asset, or
- there is a change of its assessment on whether it will exercise a extension or termination option; or
- there is any lease modifications

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

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

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

The Company has elected not to recognize right-of-use assets and lease liabilities for short-term leases that have a lease term of 12 months or less and leases of low-value assets. The Company recognizes the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

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(k) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount. Impairment losses are recognized in profit or loss. They are allocated to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

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

(l) Revenue from contracts with customers

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

(i) Sale of goods

The Company manufactures and sells plastic goods and molds. The Company recognizes revenue when control of the products has transferred, a point in time when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company has objective evidence that all criteria for acceptance have been satisfied.

A receivable is recognized when the goods are delivered, since this is the point in time when the Company has a right to receive an amount of consideration unconditionally.

(ii) Financing components

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

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NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(m) Employee benefits

(i) Defined contribution plans

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

(ii) Short-term employee benefits

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

(n) Share-based payment

The grant-date fair value of equity-settled share-based payment arrangements granted to employees is generally recognized as employee expenses, with a corresponding increase in equity, over the vesting period that the employees become unconditionally entitled to the awards. The amount recognized as an expense is adjusted to reflect the number of awards for which the related service and non-market performance conditions are expected to be met, such that the amount ultimately recognized is based on the number of awards that meet the related service and non-market performance conditions at the vesting date.

For share-based payment awards with non-vesting conditions, the grant-date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

Grant date of a share-based payment award is the date which the board of directors authorized the price and number of a new award.

(o) Income taxes

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

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

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

(i) temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profits (losses) at the time of the transaction;

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

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

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

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

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

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

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

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

1) the same taxable entity; or

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

(p) Earnings per share

The Company discloses the basic and diluted earnings per share attributable to ordinary shareholders of the Company. The calculation of basic earnings per share is the profit attributable to the ordinary shareholders of the Company divided by the weighted-average number of ordinary shares outstanding. The calculation of diluted earnings per share is the profit attributable to ordinary shareholders of the Company dividend by the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares. Dilutive potential ordinary shares comprise employee remuneration, employee stock options, and restricted employee stock.

(q) Operating segments

Please refer to Company's consolidated financial statements for the years ended December 31, 2023 and 2022, for further details.

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

The preparation of the financial statements in conformity with the Regulations requires management to make judgments, estimates, and assumptions that affect the application of the accounting policies and the reported amount of assets, liabilities, income, and expenses. Actual results may differ from these estimates.

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

There are no critical judgment made in applying the accounting policies that have significant effects on amounts recognized in financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment with the following year is as follows:

(a) The loss allowance of accounts receivable of subsidiaries accounted for using equity method

The Group has estimated the loss allowance of trade receivable that is based on the risk of a default occurring and the rate of expected credit loss. The Group has considered historical experience, current economic conditions and forward-looking information at the reporting date to determine the assumptions to be used in calculating the impairments and the selected inputs.

(b) Valuation of inventories of subsidiaries accounted for using equity method

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

The Company’s accounting policies include measuring financial and non-financial assets and liabilities at fair value through profit or loss. The Company has established an internal control framework with respect to the measurement of fair value and regularly reviews significant unobservable inputs and valuation adjustments. If third-party information, such as broker quotes or pricing services, is used to measure fair value, then the Company will assess the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRSs, including the level in the fair value hierarchy in which such valuations should be classified.

The Company strives to use market observable inputs when measuring assets and liabilities. Different levels of the fair value hierarchy to be used in determining the fair value of financial instruments are as follows:

(a) Level 1: quoted prices (unadjusted) in active markets for identifiable assets or liabilities.

(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

(c) Level 3: inputs for the assets or liability that are not based on observable market data.

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

For any transfer within the fair value hierarchy, the impact of the transfer is recognized on the reporting date. Please refer to note 6(u) for assumptions used in measuring fair value.

(6) Explanation of significant accounts:

(a) Cash and cash Equivalents

		December 31, 2023	December 31, 2022
Cash and demand deposits	$	162,160	176,672
Time deposits		92,115	491,360
Bond acquired under repurchase agreement		239,582	30,710
Cash and cash equivalents in the statement of cash flows	**$**	**493,857**	**698,742**

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

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

		December 31, 2023	December 31, 2022
Financial assets at fair value through profit or loss			
Fund investments－current	**$**	**35,006**	**32,052**
Fund investments－non-current	**$**	**203,426**	**189,543**

(i) Please refer to note 6(e) for fund investments-non-current.

(ii) Please refer to note 6(u) for credit risk and market risk.

(iii) As of December 31, 2023 and 2022, the Company did not provide any financial assets as collateral for its loans.

(c) Accounts receivable (including related parties)

		December 31, 2023	December 31, 2022
Accounts receivable (including related parties)	**$**	**207,661**	**244,439**

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected loss provision for all receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due, as well as incorporated forward looking information. The loss allowance provisions were determined as follows:

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

	December 31, 2023		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	$ 206,203	-%	-
0 to 120 days past due	1,458	0%~1%	-
	$ 207,661		**-**

	December 31, 2022		
	Gross carrying amount	Weighted-average loss rate	Loss allowance provision
Current	**$ 244,439**	-%	**-**

The movement in the allowance for notes and accounts receivables were as follows:

	2023	2022
Balance at January 1	$ -	113
Impairment losses recognized (reversed)	-	(113)
Balance at December 31	**$ -**	**-**

(d) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 1,563	5,005
Work in process and semi-finished products	271	994
Finished goods	3,499	5,759
Merchandise	4,070	2,666
	$ 9,403	**14,424**

For the years ended December 31, 2023 and 2022, raw material, consumables, and changes in the finished goods and work in progress recognized as cost of sale amounted to $687,628 thousand and $792,068 thousand, respectively. For the years ended December 31, 2023 and 2022, the Company recognized the losses (reversal of gains) on inventory valuation and obsolescence as cost of goods sold amounting to $(2,799) thousand and $3,249 thousand, respectively.

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

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(e) Non-current financial assets at amortized cost

	December 31, 2023	December 31, 2022
Restricted bank deposit-non current	$ 1,487,071	1,411,086
Bonds	60,823	60,833
	$ **1,547,894**	**1,471,919**

3. In June 2021, May and July 2020, the Company applied to the IRS for the application of " The Management, Utilization, and Taxation of Repatriated Offshore Funds Act" (hereinafter referred to as the "Act"), which was approved; and thereafter, its overseas funds had been remitted to Taiwan within one month based on the Act. According to the Act, the funds need to be deposited in a special-purpose account for five years, in which 5% of the funds can be used without restriction, 25% can be used on financial investment, and a minimum of 70% can be used for substantive investment. In the 6th year, the funds can only be redeemed within 3 consecutive years. For funds used on financial investment, please refer to note 6(b) " Fund investments noncurrent".

The Company assessed that these corporate bonds held until maturity to collect contractual cash flows, which are solely for the payment of the principal and interest of the outstanding principal, shall be presented as financial assets at amortized cost.

As of December 31, 2023 and December 31 2022, the Company did not provide any financial assets as collateral.

(f) Investments accounted for using equity method

A summary of the Company's financial information for investments accounted for using the equity method at the reporting date is as follows:

	December 31, 2023	December 31, 2022
Subsidiaries	$ **4,507,183**	**4,720,368**

(i) Subsidiaries

Please refer to the Company's consolidated financial statements for the year ended December 31, 2023, for details of subsidiaries.

(ii) As of December 31, 2023 and 2022, the Company did not provide any investments accounted for using the equity method as collateral for its loans.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(g) Property, plant and equipment

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

	Land	Building	Machinery and equipment	Office and other equipment	Total
Cost or deemed cost:					
Balance at January 1, 2023	$ 179,672	219,005	22,132	3,625	424,434
Additions	-	-	1,413	1,194	2,607
Disposals	-	-	(88)	-	(88)
Balance at December 31, 2023	**$ 179,672**	**219,005**	**23,457**	**4,819**	**426,953**
Balance at January 1, 2022	$ 179,672	219,005	21,852	3,416	423,945
Additions	-	-	465	209	674
Disposals	-	-	(185)	-	(185)
Balance at December 31, 2022	**$ 179,672**	**219,005**	**22,132**	**3,625**	**424,434**
Depreciation and impairments loss:					
Balance at January 1, 2023	$ -	108,842	14,977	3,091	126,910
Depreciation	-	2,910	1,262	351	4,523
Disposals	-	-	(88)	-	(88)
Balance at December 31, 2023	**$ -**	**111,752**	**16,151**	**3,442**	**131,345**
Balance at January 1, 2022	$ -	105,605	13,673	2,892	122,170
Depreciation	-	3,237	1,489	199	4,925
Disposals	-	-	(185)	-	(185)
Balance at December 31, 2022	**$ -**	**108,842**	**14,977**	**3,091**	**126,910**
Carrying amounts:					
Balance at December 31, 2023	**$ 179,672**	**107,253**	**7,306**	**1,377**	**295,608**
Balance at December 31, 2022	**$ 179,672**	**110,163**	**7,155**	**534**	**297,524**

As of December 31, 2023 and 2022, the property, plant and equipment of the Company had not been pledged as collateral.

(h) Right-of-use assets

The Company leases vehicles. Information about leases for which the Company as a lessee was presented below:

	Vehicles
Cost:	
Balance at December 31, 2023 (equal to balance at January 1, 2023)	**$ 11,958**
Balance at December 31, 2022 (equal to balance at January 1, 2022)	**$ 11,958**

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

		Vehicles
Accumulated depreciation and impairment losses:		
Balance at January 1, 2023	$	5,285
Depreciation for the year		3,986
Balance at December 31, 2023	**$**	**9,271**
Balance at January 1, 2022	$	1,300
Depreciation for the year		3,985
Balance at December 31, 2022	**$**	**5,285**
Carrying amount:		
Balance at December 31, 2023	**$**	**2,687**
Balance at December 31, 2022	**$**	**6,673**

(i) Short-term borrowings

The Short-term borrowings were summarizes as follows:

	December 31, 2023	December 31, 2022
Credit loans, no pledge	**$ 1,000,000**	**850,000**
Interest rate range	**1.655%~1.77%**	**1.505%~1.62%**

(j) Long-term borrowings

The detail were as follows:

	December 31, 2023			
	Currency	**Interest rate range**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.65%~2.1%	2025	$ 1,050,000
Less: current portion	〃	1.65%	2024	(200,000)
Total				**$ 850,000**

	December 31, 2022			
	Currency	**Interest rate range**	**Maturity year**	**Amount**
Unsecured bank loans	NTD	1.505%~1.975%	2024	$ 1,350,000
Less: current portion	〃	1.571289%	2023	(50,000)
Total				**$ 1,300,000**

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

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(k) Lease liabilities

	December 31, 2023	December 31, 2022
Current	$ 2,715	3,998
Non-current financial assets	$ -	2,715

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

The amounts recognized in profit or loss was as follows:

	2023	2022
Interest expenses on lease liabilities	$ 46	84

The amounts recognized in the statement of cash flows for the Company was as follows:

	2023	2022
Total cash outflow for leases	$ 4,045	4,045

(l) Employee benefits

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

The pension costs incurred from the contributions to the Labor Insurance amounted to $3,460 thousand and $3,532 thousand for the years ended December 31, 2023 and 2022, respectively.

(m) Income taxes

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

	2023	2022
Current tax expense	$ 121,427	133,916
Deferred tax expense	6,705	41,807
	$ 128,132	175,723

(ii) The amounts of income tax expense (profit) recognized in other comprehensive income or loss for 2023 and 2022 was as follows:

	2023	2022
Foreign currency translation differences for foreign operations	$ (15,687)	20,087

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(iii) Reconciliation of income tax and profit before tax for 2023 and 2022 was as follows:

	2023	2022
Profit excluding income tax	$ 615,229	885,366
Income tax using the Company's domestic tax rate	123,046	177,073
Undistributed earnings additional tax	4,439	-
Others	647	(1,350)
	$ 128,132	**175,723**

(iv) Deferred tax assets and liabilities

1) Unrecognized deferred tax assets

There were no unrecognized deferred tax liabilities and the unrecognized deferred tax assets were as follows:

	December 31, 2023	December 31, 2022
Unrealized investment losses	**$ 75,022**	**75,022**

2) Recognized deferred tax liabilities

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

	Investment income recognized under the equity method	Foreign currency translation differences for foreign operations	Others	Total
Deferred tax liabilities				
Balance at January 1, 2023	$ 793,783	(64,191)	209	729,801
Recognized in profit or loss	8,656	-	(201)	8,455
Foreign currency translation differences for foreign operations	-	(15,687)	-	(15,687)
Balance at December 31, 2023	**$ 802,439**	**(79,878)**	**8**	**722,569**
Balance at January 1, 2022	$ 748,011	(84,278)	8	663,741
Recognized in profit or loss	45,772	-	201	45,973
Foreign currency translation differences for foreign operations	-	20,087	-	20,087
Balance at December 31, 2022	**$ 793,783**	**(64,191)**	**209**	**729,801**

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

3) Recognized deferred tax assets

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

		Loss on inventory valuation	Others	Total
Deferred tax assets				
Balance at January 1, 2023	$	(1,109)	(19,703)	(20,812)
Recognized in profit or loss		560	(2,310)	(1,750)
Balance at December 31, 2023	**$**	**(549)**	**(22,013)**	**(22,562)**
Balance at January 1, 2022	$	(459)	(16,187)	(16,646)
Recognized in profit or loss		(650)	(3,516)	(4,166)
Balance at December 31, 2022	**$**	**(1,109)**	**(19,703)**	**(20,812)**

(v) The Company income tax returns have been examined by the tax authority through the years up to 2021.

(n) Capital and other equity

As of December 31, 2023 and 2022, the total value of authorized ordinary shares each amounted to $1,500,000 thousand, of which, 150,000 thousands shares, with par value of $10 per share, at the amount of $20,000 thousand, were reserved as employee stock options.Thereafter, 63,040 thousand and 63,048 thousand ordinary shares, respectively, were issued and paid upon issuance. All related registration procedures for both periods had been completed as of the reporting dates.

The issued and registered shares of common stock in 2023 and 2022 were as follows (expressed in thousands of shares)

	Ordinary shares	
	2023	**2022**
Balance on January 1	63,048	62,671
Exercise of employee stock option	-	5
Restricted employee stock	24	372
Retirement of restricted employee stock	(32)	-
Balance on December 31	**63,040**	**63,048**

(i) Issuance of common stock

The Company issued 5 new shares of common stock, with par value of $10 per share, for employee stock options in 2022. All related registration procedures had been completed as of the reporting date.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

The issuance of restricted employee stock had been approved by shareholders' meeting held on June 15, 2022. The board of directors approved to issue 24 and 372 thousand shares on July 5, 2023 and August 3, 2022, with the issued price of NT$0 per share. The rights and obligations of the issuance of ordinary shares are the same as the other issued ordinary shares except for the right to transfer the shares that are restricted before the employees achieve the vesting conditions.

During the second quarter of 2023, the Company reclaimed its 24 thousand employee restricted shares, which were cancelled thereafter, with the approval of its board on April 28, 2023. All relevant registration procedures have been completed as of the reporting date.

In addition, during the fourth quarter of 2023, the Company reclaimed its 8 thousand unvested employee restricted shares, which were cancelled thereafter, with the approval of its board on December 27, 2023. All relevant registration procedures have been not completed as of the reporting date.

(ii) Capital surplus

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

		December 31, 2023	December 31, 2022
Share capital	$	939,513	939,513
Employee share options		10,892	10,892
Restricted employee stock		23,144	23,361
	$	**973,549**	**973,766**

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

The Company distributed capital surplus allocated to common stock owners according to the distribution plan via the special resolution meeting of the board of directors held on April 28, 2022.

	2021	
	Dividend per share	**Amount**
capital surplus allocated to common stock owners	**$ 0.5**	**31,338**

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(iii) Retained earnings

The Company's article of incorporation stipulate that, when allocating the profit for each fiscal year, the Company shall first offset its losses in previous years. Of the remaining profit, 10% is to be appropriated as legal reserve, until the accumulated legal reserve equals the Company's paid-in capital. Aside from the aforesaid legal reserve, the Company shall appropriate or reverse another sum as special earnings reserve in accordance with relevant laws or regulations or requested by the authorities in charge. The remaining profit together with any undistributed retained earnings shall be distributed according to the distribution plan proposed by the Board of Directors and submitted to the stockholders' meeting for approval.

According to the amendment of the of Article 240 and Article 241 of the ROC Company Act, the Company authorized the distributable dividends and bonuses in whole or in part may be paid in cash after a resolution has been adopted by a majority vote at a meeting of the Board of Directors attended by two-thirds of the total number of directors; and in addition thereto a report of such distribution shall be submitted to the shareholders' meeting.

Before the distribution of dividends, the Company shall first take into consideration its operating environment, industry developments, and the long-term interests of stockholders, as well as its programs to maintain operating efficiency and meet its capital expenditure budget and financial goals in determining the stock or cash dividends to be paid. The dividend to be distributed shall be no less than 10% of the current-year retained earnings available for distribution only if the current-year retained earnings available for distribution does not reach $0.5 per share, the Company may decide not to distribute dividend. The dividend to be distributed may be in the form of cash and stock, and cash dividend in the distribution shall not be less than 30%.

1) Legal reserve

According to the amendment of the ROC Company Act, the Company must retain 10% of its after-tax annual earnings as legal reserve until such retention equals the amount of total capital. When a company incurs no loss, it may, pursuant to a resolution by a shareholders' meeting, distribute its legal reserve by issuing new shares or by distributing cash, and only the portion of legal reserve which exceeds 25% of capital may be distributed.

2) Special reserve

In accordance with Ruling No. 1010012865 issued by the FSC on April 6, 2012, a portion of current-period earnings and undistributed prior-period earnings shall be set aside as special earnings reserve during earnings distribution. The amount to be set aside should equal the current-period total net reduction of other shareholders' equity. Similarly, a portion of undistributed prior-period earnings shall be set aside as special earnings reserve (and can not be distributed) to account for cumulative changes to other shareholders' equity pertaining to prior periods. Amounts of subsequent reversals pertaining to the net reduction of other shareholders' equity shall qualify for additional distributions. As of December 31, 2023, special earnings reserve amounted to $264,595 thousand.

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

3) Earnings distribution

Earnings distribution for 2022 and 2021 were decided via the special resolution of the board of directors held on April 28, 2023, and April 28, 2022, respectively. The relevant dividend distributions to shareholders were as follows:

	2022		2021	
	Payout per share	**Amount**	**Payout per share**	**Amount**
Dividend to shareholders				
Cash	$ 10.0	630,242	8.5	532,748

(o) Share-based payment

(i) Restricted stock

A resolution had been decided during the shareholders' meeting held on June 15, 2022 for the Company to issue a maximum of 400 thousand restricted stocks for its qualified fulltime employees, with the approval of the Financial Supervisory Commission. On July 5, 2023 and August 3 2022, the board of directors approved to issue 24 and 372 thousand shares respectively.

As of December 31, 2023 the restricted stock plans of the Company were as follows:

	Restricted stock for Employees	**Restricted stock for Employees**
	2022-1	**2022-2**
Grant date	August 3, 2022	July 5, 2023
Fair value (per share)(in dollars)	72.8	84.7
Exercise price (in dollars)	0	0
Granted units (thousand shares)	372	24
Vesting period	2-4 years	2-4 years

The restricted stock is kept by a trust, which is appointed by the Company, before it is vested. These shares shall not be sold, pledged , transferred, gifted, or by any other means, disposed of the third parties during the custodian period. The voting rights of these shares are executed by the custodian, and the custodian will act based on law and regulations. If the shares remain unvested after the vesting period, the Group will cancel the unvested shares thereafter.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

The related information on restricted stock of the Group was as follows:

(in thousands of shares)

	2023	2022
Outstanding at beginning of period	372	-
Granted during the period	24	372
Vested during the period	-	-
Forfeited during the period	(32)	-
Outstanding at end of period	**364**	**372**

(ii) The Company issued 600 units of employee stock options, at 1,000 shares per unit, to its employees and its subsidiaries' who met certain requirements on July 28, 2017. The duration of the employee stock options is five year. 50%, 75%, and 100% of the stock options are exercisable 2 years, 3 years, and 4 years, respectively, after the grant date. Those qualified employees are entitled to purchase the shares at the closing price of ordinary shares of the Company on the same day. After the grant of the stock options, any changes in the ordinary shares of the Company, the exercise price of the share options will be adjusted according to the prescribed formula.

(iii) Details of the employee stock options were as follows:

	2022	
	Weighted average exercise price	**Number of options**
Outstanding at January 1	$ 61.60	5
Granted during the year	-	-
Exercised during the year	61.60	(5)
Outstanding at December 31	-	-
Exercisable at December 31		-
The weighted average price of the stock options		**18.15**

(iv) The Company used the Black-Scholes pricing model in measuring the fair value of the share-based payment at the grant date. The measurement inputs were as follows:

	2017 employee stock option
Exercise price (NT dollars)	81.80
Share price at grant date (NT dollars)	81.80
Expected dividend (%)	- %
Expected volatility (%)	26.78%~27.89%
Risk-free interest rate (%)	0.67%~0.73%
Expected life (years)	5 years

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(v) Expenses resulting from share-based payments

	2023	2022
Restricted stock for employees	$ 9,816	4,466

(p) Earnings per share

(i) Basic earnings per share

The calculation of basic earnings per share for the years ended December 31, 2023 and 2022, was based on the profit attributable to ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding, calculated as follows:

	2023	2022
Profit attributable to ordinary shareholders of the Company	$ 487,097	709,643
Weighted-average number of ordinary shares (thousand shares)	62,675	62,675
Basic earnings per share	$ 7.77	11.32

(ii) Diluted earnings per share

The calculation of diluted earnings per share for the years ended December 31, 2023 and 2022, were based on the profit attributable to the ordinary shareholders of the Company and the weighted-average number of ordinary shares outstanding after adjustment for the effects of all dilutive potential ordinary shares, calculated as follows:

	2023	2022
Profit attributable to ordinary shareholders of the Company (diluted)	$ 487,097	709,643

Weighted-average number of ordinary shares (diluted) (thousand shares)

	2023	2022
Weighted-average number of ordinary shares (basic)	62,675	62,675
Effect of employee stock bonuses	276	400
Effect of restricted stock	244	51
Weighted-average number of ordinary shares (diluted)	63,195	63,126
Diluted earnings per share	7.71	11.24

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(q) Revenue from contracts with customers

(i) Details of revenue

		2023	2022
Primary geographical markets			
North America	$	172,726	231,325
Asia		764,698	858,547
Europe		18,328	36,405
	$	**955,752**	**1,126,277**
Major products			
Plastic injection	$	867,128	1,036,570
Mold		84,764	88,453
Others		3,860	1,254
	$	**955,752**	**1,126,277**

(ii) Contract balances

		December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities	$	**9,030**	**7,327**	**10,571**

For details on accounts receivable, please refer to note 6 (c).

The major change in the balance of contract liabilities is the advance consideration received from customers for the contracts, in which revenue is recognized when products are delivered to customers. The amount of revenue recognized for the years ended December 31, 2023 and 2022, which was included in the contract liability balance at the beginning of the period, was $7,014 thousand and $10,571 thousand, respectively.

(r) Employee, board of directors' compensation

The Company's articles of incorporation, which were authorized by the board of directors but has yet to be approved by the shareholders, require that earnings shall first be offset against any deficit, then, a minimum of 1% will be distributed as employee remuneration, and a maximum of 5% will be allocated as remuneration to directors. Employees who are entitled to receive the abovementioned employee remuneration, in share or cash, include the employees of the Company's subsidiaries who meet certain specific requirements.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

For the years ended December 31, 2023 and 2022,the Company accrued and recognized its employee remunerations amounting to $24,300 thousand and $27,000 thousand, respectively; as well as its remunerations to directors amounting to $8,720 thousand and $10,200 thousand, respectively.These amounts were calculated by using the Company's pre-tax net profit for the period before deducting the amounts of the remunerations to employees, directors, multiplied by the distribution of ratio of the remunerations to employees, and directors based on the Company's articles of incorporation, and expensed under operating costs or expenses. If there would be any changes after the reporting date, the changes shall be accounted for as changes in accounting estimates and recognized as profit or lost in the next year. If, however, the shareholders determine that the employee remuneration is to be distributed through stock dividends, the calculation, based on the shares, shall be calculated using the stock price on the day before the shareholders' meeting.

There were no difference between the estimated and actual amounts in 2023 and 2022.

The related information can be accessed from the Market Observation Post System website.

(s) Other revenue

	2023	2022
Interest income	$ 116,963	43,218
Others	2,363	301
	$ 119,326	**43,519**

(t) Other gains and losses

The other gains and losses for the years ended December 31, 2023 and 2022 were as follows:

	2023	2022
Foreign exchange gains, net	$ 4,693	286,250
Gains (losses) on financial assets at fair value through profit or loss	16,838	(23,103)
Gains on disposal of property, plant and equipment, net	-	5
	$ 21,531	**263,152**

(u) Financial Instruments

(i) Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, which arises from the Company's accounts receivable and investments.

1) Accounts receivable and others receivables

For credit risk exposure of note and accounts receivables, please refer to note 6(c).

The Company has established a credit policy under which each new customer is analyzed individually for creditworthiness before the Company's standard payment and delivery terms and conditions are offered. The Company's review includes external ratings, when available, and in some cases bank references. These criterias are reviewed periodically.

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

2) Investment

The credit risk exposure in bank deposits, fixed-income investment, and other financial instruments is measured and monitored by the Company's finance department. As the Company deals with banks and other external parties with good credit standing and with financial institutions, corporate organizations, and government agencies which are graded above investment level, the management believes their counterparts do not have significant default risk, therefore, the credit risk is insignificant.

3) Credit risk exposure

As of December 31, 2023 and 2022, the Company's maximum exposure to credit risk was mainly from the carrying amount of financial assets recognized in the statements of financial position and amounted to $2,676,634 thousand and $2,854,795 thousand, respectively. The Company had deposited these bank deposits in different financial institutions, and the Company believes that there is no significant credit risk from the above mentioned financial institutions.

4) Concentration of credit risk

The credit risk exposure of the Company comes from the credit of individual customers, and the industry of the customer also have effect on credit risk. For the years ended December 31, 2023 and 2022, sales to the individual customers whose revenue constituting over 10% of net revenue are 76% and 71% of total revenues respectively. As of December 31, 2023 and 2022, 84% and 73%, of accounts receivable were for those customers, respectively.

(ii) Liquidity risk

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

	Carrying amount	Contractual cash flows	within 1 year	1-2 years
December 31, 2023				
Non-derivative financial liabilities				
Short-term borrowings	$ 1,000,000	1,002,171	1,002,171	-
Long-term borrowings	850,000	878,744	16,285	862,459
Long-term borrowings, current portion	200,000	201,247	201,247	-
Non-interest bearing liabilities				
Notes and accounts payable (including related parties)	141,791	141,791	141,791	-
Lease liabilities	2,715	2,715	2,715	-
Other financial liabilities	11,045	11,045	11,045	-
	$ **2,205,551**	**2,237,713**	**1,375,254**	**862,459**

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

		Carrying amount	Contractual cash flows	within 1 year	1-2 years
December 31, 2022					
Non-derivative financial liabilities					
Short-term borrowings	$	850,000	853,247	853,247	-
Long-term borrowings		1,300,000	1,337,050	22,283	1,314,767
Long-term borrowings, current portion		50,000	50,637	50,637	-
Non-interest bearing liabilities					
Notes and accounts payable (including related parties)		141,858	141,858	141,858	-
Lease liabilities		6,713	6,713	3,998	2,715
Other financial liabilities		20,165	20,165	20,165	-
	$	2,368,736	2,409,670	1,092,188	1,317,482

The Company does not expect that the cash flows included in the maturity analysis could occur significantly earlier or at significantly different amounts.

(iii) Market risk

1) Exchange rate risk

The Company's significant exposure to foreign currency risk on financial assets and liabilities was as follows:

		December 31, 2023			December 31, 2022		
		Foreign currency	Exchange rate	NTD	Foreign currency	Exchange rate	NTD
Financial assets							
Monetary Items							
USD	$	76,770	30.705	2,357,238	84,200	30.710	2,585,767
EUR		444	33.980	15,079	690	32.720	22,589
Financial liabilities							
Monetary Items							
USD		3,709	30.705	113,880	4,297	30.710	131,953

The Company's exposure to foreign currency risk arises from the translation of the foreign currency exchange gains and losses on cash and cash equivalents, accounts receivable, accounts payable and other payables that are denominated in foreign currency.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

A weakening (strengthening) of 1% of the NTD against the USD, CNY and EUR at December 31, 2023 and 2022, would have increased or decreased the net profit before tax by $22,584 thousand and $24,764 thousand, respectively. The analysis assumes that all other variables remain constant and ignores any impact of forecasted sales and purchases. The analysis is performed on the same basis for both periods.

Since the Company has many kinds of functional currency, the information on foreign exchange gain (loss) on monetary items is disclosed by total amount. For the years ended December 31, 2023 and 2022, foreign exchange gain (loss) (including realized and unrealized portions) amounted to $4,693 thousand and $286,250 thousand, respectively.

2) Interest rate analysis

The details of financial instruments exposed to interest rate risk were as follows:

	Carrying amount December 31, 2023	Carrying amount December 31, 2022
Fixed-rate instruments:		
Financial assets	$ 1,835,655	1,972,530
Financial liabilities	(600,000)	(150,000)
	$ 1,235,655	**1,822,530**
Variable-rate instruments:		
Financial assets	$ 205,996	198,031
Financial liabilities	(1,450,000)	(2,050,000)
	$ (1,244,004)	**(1,851,969)**

The sensitivity analysis is based on the exposure to the interest rate risk of nonderivative financial instruments on the reporting date. Regarding liabilities with variable interest rates, the analysis is based on the assumption that the amount of liabilities outstanding at the reporting date was outstanding throughout the year. The rate of change is expressed as the interest rate increases or decreases 1 basis points when reporting to management internally, which also represents the Company management' s assessment of the reasonably possible interest rate change.

If the interest rate had increased / decreased by 1 basis points, the Company's net income would have decreased / increased by $3,110 thousand and $4,630 thousand for the years ended December 31, 2023 and 2022, with all other variable factors remaining constant. This is mainly due to the Company's borrowing at variable rates and bank deposits in variable-rate bills.

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(iv) Fair value of financial instruments

1) Fair value of financial instruments

The fair value of financial assets at fair value through profit or loss is measured on a recurring basis. The carrying amount and fair value of the Company's financial assets, including the information on fair value hierarchy were as follows; however, except as described in the following paragraphs, for financial instruments not measured at fair value whose carrying amount is reasonably close to the fair value, and lease liabilities, disclosure of fair value information is not required:

	December 31, 2023				
		Fair Value			
	Carrying amounts	**Level 1**	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through profit or loss					
Current Fund investment	$ 35,006	35,006	-	-	35,006
Non-current Fund investment	$ 203,426	203,426	-	-	203,426
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 493,857				
Notes and accounts receivable, net	207,661				
Other financial assets-current	188,790				
Refundable deposits	4,680				
Non-current financial assets measured at amortized cost	1,547,894				
	$ 2,442,882				
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	$ 2,050,000				
Notes and accounts payable (including related parties)	141,791				
Lease liabilities	2,715				
Other payables	11,045				
	$ 2,205,551				

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

	December 31, 2022				
		Fair Value			
	Carrying amounts	Level 1	Level 2	Level 3	Total
Financial assets at fair value through profit or loss					
Current Fund investment	$ 32,052	32,052	-	-	32,052
Non-Current Fund investment	$ 189,543	189,543	-	-	189,543
Financial assets measured at amortized cost					
Cash and cash equivalents	$ 698,742				
Accounts receivable, net (including related parties)	244,439				
Other financial assets-current	218,100				
Refundable deposits	4,680				
Non-current financial assets measured at amortized cost	1,471,919				
	$ 2,637,880				
Financial liabilities measured at amortized cost					
Long-term and short-term borrowings	$ 2,200,000				
Notes and accounts payable (including related parties)	141,858				
Lease liabilities	6,713				
Other payables	20,165				
	$ 2,368,736				

2) Valuation techniques for financial instruments measured at fair value

a) Non-derivative financial instruments

A financial instrument is regarded as being quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency and those prices represent actual and regularly occurring market transactions on an arm' s-length basis. Whether transactions are taking place 'regularly' is a matter of judgment and depends on the facts and circumstances of the market for the instrument.

Quoted market prices may not be indicative of the fair value of an instrument if the activity in the market is infrequent, the market is not well-established, only small volumes are traded, or bid-ask spreads are very wide. Determining whether a market is active involves judgment.

b) Derivative financial instruments

Measurement of the fair value of derivative instruments is based on the valuation techniques generally accepted by market participants. Fair value of forward currency is usually determined by the forward currency exchange rate.

(Continued)

3) Quantified information on significant unobservable inputs (Level 3) used in fair value measurement

The Company’s financial instruments that use Level 3 inputs to measure fair value are derivative financial assets. The financial assets’ fair value are using third-party pricing information. The unobservable inputs are not set up as the Company measures fair value, therefore, the quantified information of significant unobservable inputs are not disclosed.

(v) Financial risk management

(i) Structure of risk management

The Company’s risk management policies are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect any changes in market conditions and the Company’s activities. The Company, through its training and management standards and procedures, aims to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

The board of directors monitors the management to ensure compliance with the Company’s risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The board of directors is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the board of directors.

(ii) The Company have exporesures to the following risks from its financial instruments:

1) Credit risk

2) Liquidity risk

3) Market risk

For more disclosures about the quantitative effects of these risks exposures and the Company’s objectives, policies and processes for measuring and managing the above mentioned risks, please refer to note 6(u).

(w) Capital management

The Board's policy is to maintain a strong capital base in order to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, paid-in capital, retained earnings , and other equity. As of December 31, 2023 and 2022, the Company’s equity to asset ratios were 59% and 58%, respectively. There were no changes in the Company’s approach to capital management as of December 31, 2023.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(x) Investing and financing activities not affecting current cash flow

The Company's investing and financing activities which did not affect the current cash flow in the years ended December 31, 2023 and 2022, were as follows:

(i) For acquisition of right-of-use assets, please refer to note 6(h).

(ii) Reconciliation of liabilities arising from financing activities were as follows:

	January 1, 2023	Cash flows	Others	December 31, 2022
Short-term borrowings	$ 850,000	150,000	-	1,000,000
Long-term borrowings, including current portion	1,350,000	(300,000)	-	1,050,000
Lease liabilities	6,713	(4,045)	47	2,715
Total liabilities from financing activities	**$ 2,206,713**	**(154,045)**	**47**	**2,052,715**

	January 1, 2022	Cash flows	Others	December 31, 2023
Short-term borrowings	$ 1,500,000	(650,000)	-	850,000
Short-term notes and bills payable	99,971	(100,000)	29	-
Long-term borrowings, including current portion	1,150,000	200,000	-	1,350,000
Lease liabilities	10,673	(4,045)	85	6,713
Total liabilities from financing activities	**$ 2,760,644**	**(554,045)**	**114**	**2,206,713**

(7) Related-party transactions:

(a) Names and relationship with related parties

The following are entities that had transaction with related party during the periods covered in the financial statements.

Name of related party	Relationship with the Company
NISHOKU BOUEKI CO., LTD. (NISHOKU BOUEKI)	The Company's subsidiaries
NISHOKU TECHNOLOGY VIETNAM CO.,LTD. (NISHOKU VIETNAM)	The Company's subsidiaries
SAME START LIMITED (Anguilla) (SAME START (Anguilla))	The Company's subsidiaries
NISHOKU PLASTIC MOLD (SHENZHEN) CO., LTD. (NISHOKU (SHENZHEN))	The Company's subsidiaries
KUNSHAN NISHOKU PLASTIC ELECTRONIC CO., LTD. (KUNSHAN NISHOKU PLASTIC)	The Company's subsidiaries

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(b) Significant transactions with related parties

(i) The amounts of sales by the Company to related parties and the outstanding balance were as follows:

	Sales		Accounts receivable-related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary company				
KUNSHAN NISHOKU PLASTIC	$ 445,646	566,837	116,224	120,800
NISHOKU VIETNAM	284,299	229,455	58,761	58,759
Other	274	2,290	157	60
	$ 730,219	798,582	175,142	179,619

The credit terms were 90 days for related parties. The general credit terms were 30 to 150 days for non-related parties. The product sale to related parties was different from other clients, therefore, the sales prices cannot be compared to other clients.

(ii) The amounts of purchase by the Company to related parties and the outstanding balance were as follows:

	Purchases		Accounts payable- related parties	
	2023	2022	December 31, 2023	December 31, 2022
Subsidiary company				
SAME START (Anguilla)	$ 132,898	197,602	20,269	37,145
Other	10,683	-	312	-
	$ 143,581	197,602	20,581	37,145

The payment terms were 90 days for related parties. The general credit terms for vendors other than related parties are 60 to 120 days. The Company do not purchase the same product from other vendors, therefore, the purchase prices cannot be compared to other vendors.

(iii) Guarantees and endorsements

The amounts of guarantees notes issued as collateral for bank loans were as follows:

	December 31, 2023	December 31, 2022
Guarantees notes issued	$ 1,406,289	1,406,518
Actual usage amount	$ 368,460	307,100

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(iv) Loans to Related Parties

The loans to related parties were as follows:

Relationship	December 31, 2023	December 31, 2022
Subsidiary company:		
NISHOKU VIETNAM	$ **184,230**	**214,970**

The loans to related parties are unsecured. There are no impairment loss required after the management's assessment.

For the loans to related parties, the Company recognized interest income of $8,726 thiusand and $4,135 thousand, for the years end 2023 and 2022, respectively. The interests receivable of $4,318 thousand and $3,117 thousand, as of December 31, 2023 and 2022, respectively.

(v) Other

The Company sold machinery and controlled items to both NISHOKU VIETNAM and KUNSHAN NISHOKU PLASTIC, wherein the unrealized gains from disposal, recognized as deductions of the investments accounted for using equity method, had been recorded as realized gains in the following years. The realized gain recognized in 2023 and 2022 were $316 thousand and $309 thousand, respectively.

In 2022, the Company purchased machinery from NISHOKU (SHENZHEN) at the amount of $605 thousand, recognized as accounts payable, as of December 31, 2022.There were no transactions in 2023.

(c) Transaction of key management personnel

(i) Key management personnel compensation

Key management personnel compensation comprise:

	2023	2022
Short-term employee benefits	$ 42,220	46,268
Post-employment benefits	324	324
	$ **42,544**	**46,592**

(8) Pledged assets:None

(9) Significant Commitments and Contingencies:

Please refer note 7 for guarantees to subsidiaries.

(10) Losses Due to Major Disasters: None

(11) Subsequent Events: None

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(12) Other:

A summary of current-period employee benefits, depreciation, and amortization, by function, is as follows:

By function / By item	2023			2022		
	Operating cost	**Operating expenses**	**Total**	**Operating cost**	**Operating expenses**	**Total**
Employee benefit expenses						
Salary	13,315	101,272	114,587	16,678	113,639	130,317
Labor and health insurance	1,663	6,309	7,972	1,963	6,172	8,135
Pension	723	2,737	3,460	869	2,663	3,532
Remuneration of directors	-	9,280	9,280	-	10,860	10,860
Others	723	1,227	1,950	930	1,274	2,204
Depreciation	3,252	5,257	8,509	3,566	5,344	8,910
Amortization	4	349	353	4	393	397

The number of the Company's employees and the additional information of employee benefits were as follows:

	2023	2022
Employees	**73**	**85**
Non concurrently as employees of directors	**5**	**5**
Average of employee benefit expenses	$ **1,882**	**1,802**
Average of employee salary expenses	$ **1,685**	**1,629**
Adjustment of employee salary expenses	**3.44 %**	**4.76 %**
Remuneration of supervisor	$ **-**	**-**

The Company compensation policies are as follows:

(a) Director of the Board:

The compensation paid to the directors includes remuneration and meeting travel allowances, which is not fixed monthly remuneration.

The compensation is in accordance with Article 20 of the Company's Articles of Incorporation, the Company shall allocate at a maximum of 5% of the profit as remuneration to directors for the year, and the Company shall base on its determination of an individual director's remuneration on the evaluation results of his or her performance.

NISHOKU TECHNOLOGY INC.
Notes to the Financial Statements

(b) Managerial officer:

In addition to referring to the employee remuneration policy, the remuneration is determined by the Company's overall operating performance, the individual performance, contribution to the Company's operations, special achievements and peer salary levels.

Aforementioned directors' and managers' compensation is evaluated by the remuneration committee, and is submitted to the Board of Directors for resolution.

(c) Employees:

The salary for each employee is based on the Company's salary management regulations, which include the fixed salary, allowances, and the variable pay, as well as performance bonuses and special dividends. The rewards are given according to the seniority, rank, and work performance, etc..

(13) Other disclosures:

(a) Information on significant transactions:

The following is the information on significant transactions required by the "Regulations Governing the Preparation of Financial Reports by Securities Issuers" for the Company:

(i) Loans to other parties:

No.	Name of lender	Name of borrower	Account name	Related party	Highest balance of financing to other parties during the period	Ending balance (Note 2)	Actual usage amount during the period	Interest rate	Nature of financing	Transaction amounts	Reason for short-term financing	Allowance for bad debt	Collateral		Financing limit for each borrowing company	Maximum financing limit for the lender
													Item	Value		
0	The Company	NISHOKU VIETNAM	Other accounts receivable	Yes	219,940	184,230	184,230	5.82%	Necessary to loan other parties	-	Operating capital	-	-	-	445,030 (Note 1)	1,780,120 (Note 1)

Note 1: The individual amount and the total amount for lending to a company shall not exceed 10% and 40% of the lending company's net worth in the latest financial statement, respectively. The Company for lending to the Company directly or indirectly holds 100% of their shares, with the loan amount not limited and the total amounts not exceeding the lending company's net worth in the last financial statement.

Note 2: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(ii) Guarantees and endorsements for other parties:

No.	Name of guarantor	Counter-party of guarantee and endorsement		Limitation on amount of guarantees and endorsements for a specific enterprise (note 1)	Highest balance for guarantees and endorsements during the period	Balance of guarantees and endorsements as of reporting date (Note 3)	Actual usage amount during the period	Property pledged for guarantees and endorsements (Amount)	Ratio of accumulated amounts of guarantees and endorsements to net worth of the latest financial statements	Maximum amount for guarantees and endorsements	Parent company endorsements/ guarantees to third parties on behalf of subsidiary	Subsidiary endorsements/ guarantees to third parties on behalf of parent company	Endorsements/ guarantees to third parties on behalf of companies in Mainland China
		Name	Relationship with the Company (Note 2)										
0	The Company	NISHOKU VIETNAM	2	4,450,300	1,420,215	1,406,289	368,460	-	31.60 %	4,450,300	Y	N	N
0	〃	NISHOKU BOUEKI	2	4,450,300	60,070	-	-	-	- %	4,450,300	〃	〃	〃

NISHOKU TECHNOLOGY INC.
Notes to the Consolidated Financial Statements

Note 1: The amount and the total amount of the guarantee to a company shall not exceed 30% and 100%, respectively, of the Company net worth in the latest financial statements. The total amount of the guarantee that the Company and its subsidiaries to a company shall not exceed 100%, of the Company's net worth in the latest financial statement. The Company directly or indirectly holds 100% of their shares, the guarantee amounts not limited by the Company's net worth in the latest financial statement.

Note 2: The relationship of guarantor and endorsements to related parties were as follows:

1) Business relationship between the Company
2) The Company directly or indirectly holds over 50% of subsidiaries' shares;
3) The parent company and its subsidiaries holds over 50% of investees' shares
4) A subsidiary jointed owned over 50% by the Company and the Company's directly-owned subsidiary.

Note 3: Amount actually draw in foreign currencies were translated based on the exchange rate at the reporting date.

(iii) Securities held as of December 31, 2023 (excluding investment in subsidiaries, associates and joint ventures):

Name of holder	Nature and name of securities	Relationship with the securities issuer	Account name	Ending balance				Note
				Shares/Units (thousands)	Carrying value	Percentage of ownership (%)	Fair value	
The Company	Nomura Global Financial Bond Fund Accumulate	None	Financial assets at fair value through profit or loss - current	-	8,334	- %	8,334	
〃	JPMorgan Investment Funds–Global High Yield Bond Fund	〃	〃	-	9,192	- %	9,192	
〃	ABITL Income Multi-asset Income Fund of Funds A2	〃	〃	-	5,837	- %	5,837	
〃	BGF ESG Multi-Asset Fund	〃	〃	-	11,643	- %	11,643	
NISHOKU BOUEKI	PineBridge Preferred Securities Income Fund	〃	〃	-	5,103	- %	5,103	
The Company	Allianz Global Investors Income and Growth Fund	〃	Financial assets at fair value through profit or loss - non current	-	39,340	- %	39,340	
〃	PineBridge Global ESG Quantitative Bond Fund	〃	〃	-	45,430	- %	45,430	
〃	PineBridge Global Multi-Strategy High Yield Bond Fund	〃	〃	-	39,875	- %	39,875	
〃	Nomura Global Financial Bond Fund	〃	〃	-	22,290	- %	22,290	
〃	FSITC GLOBAL HIGH YIELD BOND FUND	〃	〃	-	12,502	- %	12,502	
〃	ABITL Income Fund -Multi Asset Income Fund of Funds N	〃	〃	-	17,859	- %	17,859	
〃	Allianz Global Investors Income and Growth Fund	〃	〃	-	26,130	- %	26,130	
〃	FORMOSA GROUP 15/25	〃	Financial assets at amortised cost-non current	-	15,360	- %	15,029	
〃	FOXCONN(FAR EAST)16/26MTN	〃	〃	-	15,089	- %	14,255	
〃	STAND. CHART. 15/25 REGS	〃	〃	-	7,630	- %	7,479	
〃	APPLE 16/26	〃	〃	-	15,062	- %	14,708	
〃	BARCLAYS 15/25	〃	〃	-	7,682	- %	7,553	

(iv) Individual securities acquired or disposed of with accumulated amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(v) Acquisition of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(vi) Disposal of individual real estate with amount exceeding the lower of NT$300 million or 20% of the capital stock:None

(Continued)

NISHOKU TECHNOLOGY INC.
Notes to the Consolidated Financial Statements

(vii) Related-party transactions for purchases and sales with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Related party	Nature of relationship	Transaction details				Transactions with terms different from others		Notes/Accounts receivable (payable)		Note
			Purchase/ Sale	Amount	Percentage of total purchases/sales	Payment terms	Unit price	Payment terms	Ending balance	Percentage of total notes/accounts receivable (payable)	
SAME START (Anguilla)	KUNSHAN NISHOKU PLASTIC	Associate	Purchase	126,605	95 %	Net 90 Days	Note 1	Note 1	(19,484)	(96)%	Note 1
KUNSHAN NISHOKU PLASTIC	SAME START (Anguilla)	〃	Sale	(126,605)	(5) %	〃	〃	〃	19,484	2%	〃
The Company	KUNSHAN NISHOKU PLASTIC	〃	Sale	(445,646)	(47) %	〃	〃	〃	116,224	56%	〃
KUNSHAN NISHOKU PLASTIC	The Company	〃	Purchase	445,646	47 %	〃	〃	〃	(116,224)	(29)%	〃
The Company	NISHOKU VIETNAM	〃	Sale	(284,299)	(30) %	〃	〃	〃	58,761	28%	〃
NISHOKU VIETNAM	The Company	〃	Purchase	284,299	75 %	〃	〃	〃	(58,761)	(49)%	〃
SAME START (Anguilla)	The Company	〃	Sale	(132,898)	(99) %	〃	〃	〃	20,269	100%	〃
The Company	SAME START (Anguilla)	〃	Purchase	132,898	20 %	〃	〃	〃	(20,269)	(14)%	〃

Note 1: The subsidiaries did not purchase or sale same product from third parties, so the purchase (sale) price cannot be compared. In addition, the receipt terms of related parties were not significant different to third parties.

(viii) Receivables from related parties with amounts exceeding the lower of NT$100 million or 20% of the capital stock:

Name of company	Counter-party	Nature of relationship	Ending balance	Turnover rate	Overdue		Amounts received in subsequent period	Allowance for bad debts
					Amount	Action taken		
The Company	KUNSHAN NISHOKU PLASTIC	Associate	116,224	3.76	-		38,267	-

Note 1: Until February 16, 2024.

(ix) Trading in derivative instruments: None

NISHOKU TECHNOLOGY INC.
Notes to the Consolidated Financial Statements

(b) Information on investees:

The following is the information on investees for the years ended December 31, 2023 (excluding information on investees in Mainland China):

Name of investor	Name of investee	Location	Main businesses and products	Original investment amount December 31, 2023	Original investment amount December 31, 2022	Balance as of December 31, 2023 Shares (thousands)	Percentage of ownership	Carrying value	Net income (losses) of investee	Share of profits/losses of investee	Note
The Company	SUN NICE (SAMOA)	SAMOA	Holding	427,214	738,714	12,468	100.00 %	4,173,760	397,991	397,991	
〃	NISHOKU BOUEKI	Taiwan	Purchase and sales of plastic raws and parts	1,000	1,000	300	100.00 %	10,919	919	919	
〃	NISHOKU VIETNAM	Vietnam	Manufacture and sale of tooling and plastic products	696,594 (USD 22,500 thousand)	508,434 (USD 16,500 thousand)	-	100.00 %	322,504	(9,498)	(9,182)	
SUN NICE (SAMOA)	SAME START (Anguilla)	Anguilla	Purchase and sale of mold and plastic products	-	-	-	100.00 %	(14,624)	132	9,278	
〃	NISHOKU HK	HK	Holding	1,131,381 (USD 35,915 thousand)	1,442,881 (USD 45,915 thousand)	40,298	100.00 %	3,177,289	276,525	276,525	
〃	SUN NICE (BVI)	BVI	Holding	585,292 (USD 17,948 thousand)	585,292 (USD 17,948 thousand)	15,697	100.00 %	1,042,802	109,914	109,914	

(c) Information on investment in Mainland China:

(i) The names of investees in Mainland China, the main businesses and products, and other information:

Name of investee	Main businesses and products	Total amount of paid-in capital	Method of investment	Accumulated outflow of investment from Taiwan as of January 1, 2022	Investment flows Outflow	Investment flows Inflow	Accumulated outflow of investment from Taiwan as of December 31, 2023	Net income (losses) of the investee	Percentage of ownership	Investment income (losses) (Note 1)	Book value (Note 1)	Accumu-lated remittance of earnings in current period
NISHOKU SHENZHEN	Manufacture and sale of mold and plastic products	USD1,288 thousands	Indirect investment through third area	335,657 (USD10,939 thousand)	-	306,844 (USD10,000 thousand)	28,813 (USD939 thousand)	(5,523)	100.00%	(5,523)	532,118	475,841
KUNSHAN NISHOKU PLASTIC	Manufacture and sale of mold and plastic products	USD53,310 thousands	〃	1,674,270 (USD52,524 thousand)	-	-	1,674,270 (USD52,524 thousand)	389,584	100.00%	385,659	3,648,806	1,237,950

(ii) Limitation on investment in Mainland China:

Accumulated Investment in Mainland China as of December 31, 2023	Investment Amounts Authorized by Investment Commission, MOEA	Upper Limit on Investment
1,703,083	2,378,140	(Note 2)

Note 1: The above investment income (loss) in mainland China were based on financial statements audited by the Company's auditors.

Note 2: The Company has received the certificate issue by the Industrial Development Bureau, Ministry of Economic Affairs when investing abroad, allowing it to start operating of its headquarters. As a result, there is no limitation on investment to Mainland China for the Company.

NISHOKU TECHNOLOGY INC.
Notes to the Consolidated Financial Statements

(iii) Significant transactions:

The significant inter-company transactions with the subsidiary in Mainland China, which were eliminated in the preparation of consolidated financial statements, are disclosed in " Information on significant transactions".

(d) Major shareholders:

Shareholding Shareholder's Name	Shares	Percentage
Yi Feng Investment Limited	4,736,000	7.51 %
Ji Teng Investment Limited	4,500,000	7.13 %
Yun Ding Investment Limited	4,050,000	6.42 %
Jin Hong Investment Limited	3,600,000	5.70 %

(14) Segment information:

Please refer to the Company's consolidated financial statements for the year ended December 31, 2023 for details.

NISHOKU TECHNOLOGY INC.

Statement of cash and cash equivalents

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Description	Amount
Cash on hand		$ 100
Cash in bank		
Demand deposit		23,648
Foreign currency demand deposits	USD4,098 thousands; Exchange rate 30.705	125,827
	HKD63 thousands; Exchange rate 3.929	247
	EUR363 thousands; Exchange rate 33.980	12,338
Time deposits	USD3,000 thousands; Exchange rate 30.705 Period: 2023.12.22~2024.01.22; interest rate: 5.7%	92,115
Bond acquired under repurchase agreement	NTD Period: 2023.12.27~2024.01.03; interest rate: 1%	40,000
	USD6,500 thousands; Exchange rate 30.705 Period: 2023.12.22~2024.01.04; interest rate: 5.35%	199,582
Total		**$ 493,857**

Statement of notes and accounts receivable

(including related parties)

Item	Description	Amount
KUNSHAN NISHOKU PLASTIC	Operating revenue	$ 116,224
NISHOKU VIETNAM	〃	58,761
Client 甲	〃	14,195
Other (individual amount not exceeding 5%)	〃	18,481
Net accounts receivable		**$ 207,661**

NISHOKU TECHNOLOGY INC.

Statement of inventories

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount: Cost	Amount: Net realizable value
Raw materials	$ 3,095	3,060
Work in process and semi-finished products	323	370
Finished goods	4,644	4,768
Merchandise	4,087	4,070
	12,149	**12,268**
Less: Provision for inventories	(2,746)	
	$ 9,403	

NISHOKU TECHNOLOGY INC.

Statement of changes in investments accounted for using the equity method

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

	Beginning Balance		Additions		Reduce		Other adjustments		Ending Balance				
Name of investee	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Amount**	**Number of shares**	**Percentage of holding shares**	**Amount**	**Market value or book value**	**Pledged or guaranteed**
SUN NICE LIMITED (SAMOA)	22,468	$ 4,489,020	-	-	(10,000)	(656,713)(Note 1)	-	341,453 (Note 2)	12,468	100.00 %	4,173,760	4,173,760	None
NISHOKU BOUEKI	2,800	81,471	-	-	(2,500)	(25,000)(Note 3)	-	(45,552)(Note 4)	300	100.00 %	10,919	10,919	〃
NISHOKU VIETNAM	(Note 6)	149,877	-	188,160	-	-	-	(15,533)(Note 5)	(Note 6)	100.00 %	322,504	322,504	〃
Total		**$ 4,720,368**		**188,160**		**(681,713)**		**280,368**			**4,507,183**		

(Note 1): Reduced this period was refund of capital reduction $311,500 thousand and the profit repatriation $345,213 thousand (under the deduction from long-term equity investment).

(Note 2): Other adjustments are share of profit of subsidiaries accounted for using equity method $397,991 thousand, unrealized gross profit $18,076 thousand, and exchange difference on translation $(74,614) thousand.

(Note 3): Reduced this period was refund of capital reduction.

(Note 4): Other changes in the current period represent dividend income of $46,471 thousand (under the deduction of minus long-term investments) and recognized investment income of $919 thousand.

(Note 5): Other adjustments are share of loss of subsidiaries accounted for using equity method $(9,182) thousand, unrealized gross profit $(2,530) thousand and exchange difference on translation $(3,821) thousand.

(Note 6): No issued stock.

NISHOKU TECHNOLOGY INC.

Statement of changes in property, plant and equipment

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Beginning balance	Additions	Reduce	Ending balance	Pledged or guaranteed
Cost:					
Land	$ 179,672	-	-	179,672	None
Building	219,005	-	-	219,005	〃
Machinery and equipment	22,132	1,413	88	23,457	〃
Office and other equipment	3,625	1,194	-	4,819	〃
	424,434	2,607	88	426,953	
Depreciation:					
Building	108,842	2,910	-	111,752	
Machinery and equipment	14,977	1,262	88	16,151	
Office and other equipment	3,091	351	-	3,442	
	126,910	4,523	88	131,345	
Net value	**$ 297,524**	**(1,916)**	**-**	**295,608**	

NISHOKU TECHNOLOGY INC.

Statement of short-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Nature	Amount	Period of contract	Interest rate	Credit lines	Pledged or guaranteed
Credit loans	$ 1,000,000	2023.08.10~2024.04.03	1.655%~1.77%	2,295,223	None

Statement of notes and accounts payable

Item	Description	Amount
Non Related parties		
Supplier F	Operating cost	$ 26,012
Supplier G	〃	22,258
Supplier J	〃	9,853
Supplier K	〃	8,974
Other (individual amount not exceeding 5%)		54,113
Total		$ 121,210

NISHOKU TECHNOLOGY INC.

Statement of long-term borrowings

December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Creditor	Nature	Amount	Term of contract	Interest rate	Pledged on guaranteed
First Bank	Unsecured Loans	$ 200,000	Paid the principal at 2024.05.18	1.6500%	None
〃	〃	100,000	Paid the principal at 2025.06.29	1.8650%	〃
〃	〃	50,000	Paid the principal at 2025.09.26	1.8650%	〃
〃	〃	50,000	Paid the principal at 2025.09.28	1.8650%	〃
Fubon Bank	〃	50,000	Paid the principal at 2025.12.28	1.949027%	〃
CTBC Bank	〃	200,000	Paid the principal at 2025.06.13	2.1000%	〃
〃	〃	200,000	Paid the principal at 2025.12.05	2.1000%	〃
E. SUN Bank	〃	200,000	Paid the principal at 2025.12.05	2.0400%	〃
Less: Current portion		(200,000)			〃
Total		**$ 850,000**			

Statement of operating revenue

Item	Quantity	Amount
Sale of plastic injection	Note 1	$ 867,128
Sale of mold	Note 1	84,764
Other (Note 2)		3,860
Net operating revenue		**$ 955,752**

Note 1: The product items are diversify, in order not to let the information users misunderstanding, the Company decided not to disclose.

Note 2: Individual amount not exceeding 5%.

NISHOKU TECHNOLOGY INC.

Statement of operating costs

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item	Amount
Cost of self-produced goods	
Raw material on January 1, 2023	$ 6,287
Add: Purchases	6,497
Less: Raw material on December 31, 2023	(3,095)
Sale of raw material	(387)
Internal use and others	(475)
Raw material used	8,827
Direct labor	7,633
Manufacturing overhead	20,612
Manufacturing cost	37,072
Add: Work-in-Precess on January 1, 2023	1,133
Less: Work-in-Process on December 31, 2023	(323)
Internal use and others	8
Cost of Finished goods	37,890
Add: Finished goods on January 1, 2023	9,883
Purchases	15,360
Less: Finished goods on December 31, 2023	(4,644)
Cost of finish goods	58,489
Cost of Raw materials sold	387
Add: Loss on inventory valuation	(2,799)
Revenue from sale of scraps	(297)
Subtotal	55,780
Cost of sales from purchasing	
Merchandise on January 1, 2023	2,666
Add: Purchases	633,269
Less: Merchandise on December 31, 2023	(4,087)
Subtotal	631,848
Operating Cost	**$ 687,628**

NISHOKU TECHNOLOGY INC.

Statement of operating expenses

For the year ended December 31, 2023

(Expressed in thousands of New Taiwan Dollars)

Item		Selling expenses	Administration expenses	Research and development expenses
Salaries	$	2,712	92,629	5,931
Miscellaneous fees		4,994	13,962	4,621
Freight		640	13	29
Import and export expense		646	-	-
Other expense (note)		1,193	31,043	2,927
Total	**$**	**10,185**	**137,647**	**13,508**

Note: Individual amount not exceeding 5%.