ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED

PARENT COMPANY ONLY FINANCIAL STATEMENTS AND INDEPENDENT AUDITORS' REPORT

DECEMBER 31, 2023 AND 2022

For the convenience of readers and for information purpose only, the auditors' report and the accompanying financial statements have been translated into English from the original Chinese version prepared and used in the Republic of China. In the event of any discrepancy between the English version and the original Chinese version or any differences in the interpretation of the two versions, the Chinese-language auditors' report and financial statements shall prevail.

INDEPENDENT AUDITORS' REPORT TRANSLATED FROM CHINESE

To the Board of Directors and Shareholders of Orient Semiconductor Electronics, Limited

Opinion

We have audited the accompanying balance sheets of Orient Semiconductor Electronics, Ltd. (the "Company") as at December 31, 2023 and 2022, and the related statements of comprehensive income, of changes in equity and of cash flows for the years then ended, and notes to the financial statements, including a summary of material accounting policies.

In our opinion, based on our audits and the reports of other auditors (please refer to the *Other matter* section), the accompanying parent company only financial statements present fairly, in all material respects, the parent company only financial position of the Company as at December 31, 2023 and 2022, and its parent company only financial performance and its parent company only cash flows for the years then ended in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers.

Basis for opinion

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

Key audit matters

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

Key audit matters for the Company's 2023 parent company only financial statements are stated as follows:

Existence of sales revenue recognition of top 10 customers

Description

Please refer to Note 4(29) for accounting policies on revenue recognition and Note 6(19) for details of operating revenue account.

The operating revenue of the Company mainly arises from customer contract income. The Company is primarily engaged in packaging and testing and electronic manufacturing service. Operating revenue is a main index which is used in assessment of the management's operating performance and is a concern to users of the report. Because the sales revenue of top 10 customers represents a higher proportion of the whole operating revenue, we considered the existence of sales revenue recognition of top 10 customers as a key audit matter in the current year.

How our audit addressed the matter

Our audit procedures performed included the following:

1. Understood, assessed and tested the design and execution of internal control procedures of top 10 customers' sales revenue recognition.
2. Obtained the details of top 10 customers' details of sales revenue and sampled customers' orders, delivery bills, invoices and collection records.

3. Examined the content and related evidences of sales returns and discounts to top 10 customers after the balance sheet date.
4. Sampled and sent confirmations to inquire on the balance of accounts receivable. Performed reconciliation and alternative audit procedures on the confirmation replies.

Realisability of deferred tax assets

Description

Please refer to Note 4(27) of parent company only financial statements for details of accounting policies on the recognition of deferred income tax assets. As of December 31, 2023, the amount of the Company's deferred income tax assets was NTD632,524 thousand, please refer to Note 6(26) of parent company only financial statements for details.

Deferred income tax assets can only be recognised in the scope of being used in possibly offseting the taxable income in the future. The forecasted income statements which was used in the assessment of realisability of deferred income tax assets in the future and potential taxable income involved subjective judgment of management. We considered that the aforementioned judgment involved the forecast of subsequent years, and the assessment result is material to taxable income. Thus, we considered the realisability of deferred income tax assets as a key audit matter.

How our audit addressed the matter

Our audit procedures performed on the realisability of deferred income tax assets included the following:

1. Obtained future operating plan and forecasted income statements which were approved by management.
2. Examined the estimates in the forecasted income statements and compared that with historical result, and assessed the reasonableness of related assumptions which were adopted.
3. Compared taxable income in the future years with taxable loss in the past years and assessed the realisability of deferred income tax assets.

Other matter-Reference to the audits of other auditors

We did not audit the financial statements of certain investments accounted for using the equity method which were audited by other auditors. Therefore, our opinion expressed herein, in so far as it relates to the amounts included in respect of these investees is based solely on the reports of the other auditors. The credit balances of these investments accounted for using the equity method amounted to NTD 1,843 thousand, constituting 0.01% of the total assets, and the credit balances of these investments accounted for using the equity method amounted to NTD 13,490 thousand, constituting 0.19% of the total liabilities as at December 31, 2022, and the comprehensive income of the investees amounted to NTD 41,929 thousand, constituting 2.79% of the total comprehensive income for the year then ended.

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

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

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

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

Auditors’ responsibilities for the audit of the financial statements

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

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

1. Identify and assess the risks of material misstatement of the parent company only financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company’s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the parent company only financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the parent company only financial statements, including the disclosures, and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the parent company only financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

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

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

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

Wang, Kuo-Hua　　　　　　　　　　Chiang, Tsai-Yen

For and on behalf of PricewaterhouseCoopers, Taiwan

February 7, 2024

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

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

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollar)

	Assets	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current assets					
1100	Cash and cash equivalents	6(1)	$ 2,913,570	16	$ 3,314,126	20
1140	Current contract assets	6(19)	409,186	2	272,248	2
1150	Notes receivable, net	6(3)	-	-	155	-
1170	Accounts receivable, net	6(3)	4,426,389	24	2,967,570	18
1180	Accounts receivable due from related parties, net	6(3) and 7	1,355	-	38,925	-
1200	Other receivables		118,882	1	38,975	-
1210	Other receivables due from related parties	7	1,781	-	1,865	-
1220	Current tax assets		3,194	-	-	-
130X	Current inventories	6(4)	1,483,440	8	1,559,517	9
1410	Prepayments		86,896	-	99,910	-
1479	Other current assets, others		28,692	-	20,969	-
11XX	**Current assets**		9,473,385	51	8,314,260	49
	Non-current assets					
1517	Non-current financial assets at fair value through other comprehensive income	6(2)	4,022	-	10,613	-
1550	Investments accounted for using equity method	6(5)	3,029,335	16	2,138,629	13
1600	Property, plant and equipment	6(6) and 8	5,049,224	27	5,173,917	31
1755	Right-of-use assets	6(7)	146,307	1	166,755	1
1780	Intangible assets	6(9)	80,415	1	47,163	-
1840	Deferred tax assets	6(26)	632,524	4	971,147	6
1915	Prepayments for business facilities		25,276	-	20,581	-
1920	Guarantee deposits paid	8	34,068	-	16,291	-
1990	Other non-current assets, others		2,138	-	1,501	-
15XX	**Non-current assets**		9,003,309	49	8,546,597	51
1XXX	**Current tax assets**		$ 18,476,694	100	$ 16,860,857	100

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY BALANCE SHEETS
DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollar)

	Liabilities and Equity	Notes	December 31, 2023 AMOUNT	%	December 31, 2022 AMOUNT	%
	Current liabilities					
2130	Current contract liabilities	6(19)	$ 87,187	1	$ 77,872	1
2170	Accounts payable		3,925,757	21	2,920,733	17
2180	Accounts payable to related parties	7	1,494	-	855	-
2200	Other payables	6(11)	1,370,653	7	1,257,121	7
2220	Other payables to related parties	7	19,781	-	20,000	-
2230	Current tax liabilities		-	-	113,131	1
2250	Current provisions		46,477	-	14,439	-
2280	Current lease liabilities		25,400	-	27,958	-
2320	Long-term liabilities, current portion	6(12) and 8	107,054	1	-	-
2365	Current refund liabilities		4,481	-	21,068	-
2399	Other current liabilities, others	7	160,760	1	131,823	1
21XX	**Current liabilities**		5,749,044	31	4,585,000	27
	Non-current liabilities					
2540	Non-current portion of non-current borrowings	6(12) and 8	1,131,908	6	1,148,962	7
2580	Non-current lease liabilities		108,460	1	133,352	1
2635	Non-current preference share liabilities	6(14)	-	-	1,003,851	6
2640	Net defined benefit liability, non-current	6(13)	178,046	1	185,658	1
2645	Guarantee deposits received		35,393	-	39,768	-
2650	Credit balance of investments accounted for using equity method	6(5)	-	-	13,490	-
25XX	**Non-current liabilities**		1,453,807	8	2,525,081	15
2XXX	**Liabilities**		7,202,851	39	7,110,081	42
	Equity					
	Share capital	6(14)(16)				
3110	Ordinary share		5,553,083	30	5,553,299	33
3120	Preference share		1,801,800	10	1,801,800	11
	Capital surplus	6(17)				
3200	Capital surplus		238,387	1	238,171	1
	Retained earnings	6(18)				
3310	Legal reserve		346,070	2	192,241	1
3320	Special reserve		192,793	1	157,357	1
3350	Unappropriated retained earnings		3,007,624	16	2,000,701	12
	Other equity interest					
3400	Other equity interest		134,086	1	(192,793)	(1)
3XXX	**Equity**		11,273,843	61	9,750,776	58
	Significant contingent liabilities and unrecognised contract commitments	9				
3X2X	**Total liabilities and equity**		$ 18,476,694	100	$ 16,860,857	100

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY STATEMENTS OF COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars, except earnings per share amount)

			Year ended December 31			
			2023		2022	
	Items	Notes	AMOUNT	%	AMOUNT	%
4000	Operating revenue	6(19) and 7	$ 16,468,033	100	$ 15,227,957	100
5000	Operating costs	6(4)(9)(24)(25) and 7	(13,124,547)	(80)	(12,721,360)	(83)
5900	Gross profit from operations		3,343,486	20	2,506,597	17
	Operating expenses	6(9)(24)(25)				
6100	Selling and administrative expenses		(823,290)	(5)	(706,379)	(5)
6300	Research and development expenses		(386,747)	(2)	(340,002)	(2)
6450	Impairment loss (impairment gain and reversal of impairment loss) determined in accordance with IFRS 9	12(2)	6,658	-	(7,827)	-
6000	Operating expenses		(1,203,379)	(7)	(1,054,208)	(7)
6500	Net other income (expenses)	6(7)	1	-	54	-
6900	Net operating income		2,140,108	13	1,452,443	10
	Non-operating income and expenses					
7100	Interest income	6(20)	32,203	-	11,942	-
7010	Other income	6(21) and 7	36,494	-	81,749	-
7020	Other gains and losses	6(22)	(52,127)	-	130,294	1
7050	Finance costs	6(23)	(36,326)	-	(25,820)	-
7070	Share of profit of associates and joint ventures accounted for using equity method	6(5)	97,529	-	107,144	1
7000	Non-operating income and expenses		77,773	-	305,309	2
7900	**Profit before income tax**		2,217,881	13	1,757,752	12
7950	Income tax expense	6(26)	(336,671)	(2)	(309,099)	(2)
8200	**Profit for the year**		$ 1,881,210	11	$ 1,448,653	10
	Other comprehensive income					
	Components of other comprehensive income that will not be reclassified to profit or loss					
8311	(Losses) gains on remeasurements of defined benefit plans	6(13)	($ 74,821)	-	$ 120,460	1
8316	Unrealised losses from investments in equity instruments measured at fair value through other comprehensive income	6(2)	(6,591)	-	(7,185)	-
8330	Share of other comprehensive income of associates and joint ventures accounted for using equity method, components of other comprehensive income that will not be reclassified to profit or loss	6(5)	320,778	2	(65,051)	(1)
8349	Income tax related to components of other comprehensive income that will not be reclassified to profit or loss	6(26)	16,282	-	(24,002)	-
8310	Components of other comprehensive income that will not be reclassified to profit or loss		255,648	2	24,222	-
	Components of other comprehensive income that will be reclassified to profit or loss					
8361	Exchange differences on translation	6(5)	811	-	37,794	-
8399	Income tax related to components of other comprehensive income that will be reclassified to profit or loss	6(26)	10,563	-	(7,819)	-
8360	Components of other comprehensive income that will be reclassified to profit or loss		11,374	-	29,975	-
8300	**Other comprehensive income**		$ 267,022	2	$ 54,197	-
8500	**Total comprehensive income**		$ 2,148,232	13	$ 1,502,850	10
	Basic earnings per share	6(27)				
9750	Basic earnings per share		$	2.66	$	2.02
9850	Diluted earnings per share		$	2.54	$	1.94

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY STATEMENTS OF CHANGES IN EQUITY
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

		Share capital			Retained earnings			Other equity interest			
	Notes	Ordinary share	Preference share	Capital surplus	Legal reserve	Special reserve	Unappropriated retained earnings	Exchange differences on translation of foreign financial statements	Unrealised gains (losses) from financial assets measured at fair value through other comprehensive income	Gains (losses) on remeasurements of defined benefit plan	Total equity
Year ended December 31, 2022											
At January 1, 2022		$ 5,554,319	$ 1,801,800	$ 234,897	$ 53,719	$ 106,988	$ 1,385,221	($ 41,911)	($ 115,445)	($ 7,523)	$ 8,972,065
Profit for the year		-	-	-	-	-	1,448,653	-	-	-	1,448,653
Other comprehensive income (loss) for the year		-	-	-	-	-	96,368	29,975	(72,146)	-	54,197
Total comprehensive income (loss)		-	-	-	-	-	1,545,021	29,975	(72,146)	-	1,502,850
Distribution of 2021 earnings:	6(18)										
Legal reserve		-	-	-	138,522	-	(138,522)	-	-	-	-
Special reserve		-	-	-	-	50,369	(50,369)	-	-	-	-
Cash dividends		-	-	-	-	-	(733,916)	-	-	-	(733,916)
Share-based payment transactions	6(15)	(1,020)	-	483	-	-	-	-	-	7,523	6,986
Disposal of investments accounted for under the equity method		-	-	2,791	-	-	-	-	-	-	2,791
Disposal of investments in equity instruments designated at fair value through other comprehensive income	6(2)	-	-	-	-	-	(6,734)	-	6,734	-	-
At December 31, 2022		$ 5,553,299	$ 1,801,800	$ 238,171	$ 192,241	$ 157,357	$ 2,000,701	($ 11,936)	($ 180,857)	$ -	$ 9,750,776
Year ended December 31, 2023											
At January 1, 2023		$ 5,553,299	$ 1,801,800	$ 238,171	$ 192,241	$ 157,357	$ 2,000,701	($ 11,936)	($ 180,857)	$ -	$ 9,750,776
Profit for the year		-	-	-	-	-	1,881,210	-	-	-	1,881,210
Other comprehensive (loss) income for the year		-	-	-	-	-	(59,857)	11,374	315,505	-	267,022
Total comprehensive income		-	-	-	-	-	1,821,353	11,374	315,505	-	2,148,232
Distribution of 2022 earnings:	6(18)										
Legal reserve		-	-	-	153,829	-	(153,829)	-	-	-	-
Special reserve		-	-	-	-	35,436	(35,436)	-	-	-	-
Cash dividends		-	-	-	-	-	(625,165)	-	-	-	(625,165)
Share-based payment transactions	6(15)	(216)	-	216	-	-	-	-	-	-	-
At December 31, 2023		$ 5,553,083	$ 1,801,800	$ 238,387	$ 346,070	$ 192,793	$ 3,007,624	($ 562)	$ 134,648	$ -	$ 11,273,843

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		$ 2,217,881	$ 1,757,752
Adjustments			
Adjustments to reconcile profit (loss)			
Depreciation expense	6(6)(7)(24)	939,356	1,095,887
Amortization expense	6(9)(24)	48,235	26,554
(Gain) loss on expected credit impairment	12(2)	(6,658)	7,827
Losses on financial assets at fair value through profit or loss	6(22)	-	1,261
Interest expense	6(23)	36,326	25,820
Interest income	6(20)	(32,203)	(11,942)
Share-based payments	6(15)	-	6,986
Share of profit of associates and joint ventures accounted for using the equity method	6(5)	(97,529)	(107,144)
Gain on disposal of property, plant and equipment	6(22)	(885)	(20,501)
Property, plant and equipment transferred to expenses		4,320	-
Gain on disposal of non-current assets held for sale	6(22)	-	(6,700)
Scrapping inventory and loss on decline in market value	6(4)	154,477	19,577
Gain arising from lease modifications	6(7)	(1)	(278)
Reclassification of exchange differences on translation of foreign financial statements to foreign exchange gains		(507)	(2,957)
Other losses	6(22)	-	521
Gain on recovery of preference share liabilities	6(14)	(2,570)	-
Changes in operating assets and liabilities			
Changes in operating assets			
(Increase) decrease in contract assets		(136,938)	23,842
Decrease (increase) in notes receivable		155	(9)
Increase in accounts receivable		(1,452,155)	(128,227)
Decrease in accounts receivable due from related parties		37,564	434,566
(Increase) decrease in other receivables		(64,503)	16,809
Decrease in other receivables due from related parties		84	15,706
(Increase) decrease in current inventories		(78,400)	75,930
Decrease (increase) in other prepayments		15,214	(10,837)
Increase in other current assets, others		(7,705)	(7,795)
(Increase) decrease in other non-current assets -others		(637)	588
Changes in operating liabilities			
Increase (decrease) in contract liabilities		9,315	(10,279)
Increase (decrease) in accounts payable		1,005,024	(163,691)
Increase (decrease) in accounts payable to related parties		639	(184)
Increase (decrease) in other payables		147,581	(57,847)
Increase in current provisions		32,038	4,083
Increase (decrease) in other current liabilities		12,350	(5,378)
Decrease in net defined benefit liability		(82,433)	(181,082)
Cash inflow generated from operations		2,697,435	2,798,858
Interest received		32,286	9,568
Income tax refunded		-	4,994
Income tax paid		(87,527)	-
Net cash flows from operating activities		2,642,194	2,813,420

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
PARENT COMPANY ONLY STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2023 AND 2022
(Expressed in thousands of New Taiwan dollars)

	Notes	Year ended December 31 2023	2022
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from liquidation of financial assets at fair value through other comprehensive income	6(2)	$ -	$ 22,082
Decrease in current financial assets at amortised cost		-	11,465
Acquisition of investments accounted for using the equity method	6(5)	(500,000)	(1,209,920)
Acquisition of property, plant and equipment (including prepayment for equipment)	6(28)	(841,173)	(1,091,294)
Proceeds from disposal of property, plant and equipment		826	31,774
(Increase) decrease in refundable deposits		(17,777)	117,188
Decrease in long-term accounts receivable due from related parties		-	518,507
Acquisition of intangible assets	6(9)	(79,470)	(41,170)
Proceeds from disposal of non-current assets held for sale		-	290,005
Net cash flows used in investing activities		(1,437,594)	(1,351,363)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in short-term borrowings	6(29)	-	1,621,958
Decrease in short-term borrowings	6(29)	-	(1,911,958)
Decrease in short-term notes and bills payable	6(29)	-	(50,011)
Proceeds from long-term borrowings	6(29)	90,000	863,262
Repayments of long-term borrowings	6(29)	-	(362,694)
Proceeds from issuing preference share liabilities	6(14)(29)	(999,999)	-
Decrease in guarantee deposits received	6(29)	(4,375)	(17,156)
Payments of lease liabilities	6(29)	(27,950)	(28,203)
Interest paid		(37,667)	(27,446)
Cash dividends paid	6(18)	(625,165)	(733,916)
Net cash flows used in financing activities		(1,605,156)	(646,164)
Net (decrease) increase in cash and cash equivalents		(400,556)	815,893
Cash and cash equivalents at beginning of year		3,314,126	2,498,233
Cash and cash equivalents at end of year		$ 2,913,570	$ 3,314,126

The accompanying notes are an integral part of these parent company only financial statements.

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
NOTES TO THE PARENT COMPANY ONLY FINANCIAL STATEMENTS
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022
(EXPRESSED IN THOUSANDS OF NEW TAIWAN DOLLARS, EXCEPT AS OTHERWISE INDICATED)

1. History and Organisation

(1) Orient Semiconductor Electronics Limited (the "Company") was incorporated in Kaohsiung City in June 1971 under the provisions of the Company Act of the Republic of China (R.O.C.). The address of the Company's registered office is at No. 9, Central 3rd St., Nanzi Processing Export Zone, Kaohsiung City. The Company was primarily engaged in various types of integrated circuit, semiconductor components, computer motherboard, various types of electronic inventory, manufacture, combination, processing and export of computer and communication circuit board.

(2) The Company was listed on the Taiwan Stock Exchange starting from April 1994.

2. The Date of Authorisation for Issuance of the Financial Statements and Procedures for Authorisation

These financial statements were authorised for issuance by the Board of Directors on January 31, 2024.

3. Application of New Standards, Amendments and Interpretations

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

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

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

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

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

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

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

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

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

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

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

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

4. Summary of Significant Accounting Policies

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

(1) Compliance statement

The parent company only financial statements of the Company have been prepared in accordance with the "Regulations Governing the Preparation of Financial Reports by Securities Issuers".

(2) Basis of preparation

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

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

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

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

B. The preparation of financial statements in conformity with International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations that came into effect as endorsed by the FSC (collectively referred herein as the "IFRSs") requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the parent company only financial statements are disclosed in Note 5.

(3) Foreign currency translation

The parent company only financial statements are presented in New Taiwan dollars, which is the Company's functional currency.

A. Foreign currency transactions and balances

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

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

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

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

B. Translation of foreign operations

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

(a) Assets and liabilities for each balance sheet presented are translated at the closing exchange rate at the date of that balance sheet;

(b) Income and expenses for each statement of comprehensive income are translated at average exchange rates of that period; and

(c) All resulting exchange differences are recognised in other comprehensive income.

(4) Classification of current and non-current items

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

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

(b) Assets held mainly for trading purposes;

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

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

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

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

(b) Liabilities arising mainly from trading activities;

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

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

(5) Cash equivalents

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

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

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

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

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

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

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

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

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

The changes in fair value of equity investments that were recognised in other comprehensive income are reclassified to retained earnings and are not reclassified to profit or loss following the derecognition of the investment.

D. Dividends are recognised as revenue when the right to receive payment is established, future economic benefits associated with the dividend will flow to the Company and the amount of the dividend can be measured reliably.

(8) Accounts and notes receivable

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

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

(9) Impairment of financial assets

For financial assets at amortised cost, at each reporting date, the Company recognises the impairment provision for 12 months expected credit losses if there has not been a significant increase in credit risk since initial recognition or recognises the impairment provision for the lifetime expected credit losses (ECLs) if such credit risk has increased since initial recognition after taking into consideration all reasonable or contract assetsand verifiable information that includes forecasts. On the other hand, for accounts receivable or contract assets that do not contain a significant financing component, the Company recognises the impairment provision for lifetime ECLs.

(10) Derecognition of financial assets

The Company derecognises a financial asset when one of the following conditions is met:

A. The contractual rights to receive the cash flows from the financial asset expire.

B. The contractual rights to receive cash flows of the financial asset have been transferred and the Company has transferred substantially all risks and rewards of ownership of the financial asset.

(11) Leasing arrangements (lessor) — operating leases

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

(12) Inventories

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

(13) Investments accounted for using equity method / subsidiaries, associates and joint ventures

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

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

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

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

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

(14) Non-current assets held for sale

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

(15) Property, plant and equipment

A. Property, plant and equipment are initially recorded at cost. Borrowing costs incurred during the construction period are capitalised.

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

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

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

Buildings and structures	3~51 years
Machinery and equipment	3~ 7 years
Transportation equipment	3 ~ 5 years
Office equipment	3 ~ 6 years
Other equipment	2 ~ 7 years

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

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

B. The lease liability is at the present value of the lease payments that are not paid and shall be discounted using the Company's incremental borrowing rate at commencement date. The lease payments include fixed payments less any lease incentives receivable.

The lease liability is subsequently measured using an effective interest method on an amortised cost basis and the interest expense is allocated over the lease term. The amount of the remeasurement of the lease liability shall be recognised as an adjustment to the right-of-use asset if there are changes in the lease term or to the lease payments not arising from contract modifications.

C. At the commencement date, the right-of-use asset is stated at cost comprising the following:

(a) The amount of the initial measurement of lease liability; and

(b) Any lease payments made at or before the commencement date.

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

D. For lease modifications that decrease the scope of the lease, the lessee shall decrease the carrying amount of the right-of-use asset to reflect the partial or full termination of the lease, and recognise the difference between remeasured lease liability in profit or loss.

(17) Intangible assets

Computer software is stated at cost and amortised on a straight-line basis over its estimated useful life of 1 to 3 years.

(18) Impairment of non-financial assets

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

(19) Borrowings

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

(20) Accounts payable

A. Accounts payable are liabilities for purchases of raw materials, goods or services.

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

(21) Preference share liability

Preference share liabilities issued by the Company contain put options. The Company classifies the bonds payable upon issuance as a financial asset and financial liability in accordance with the contract terms. They are accounted for as follows:

A. The embedded put options are recognised initially at net fair value as 'financial assets at fair value through profit or loss'. They are subsequently remeasured and stated at fair value on each balance sheet date; the gain or loss is recognised as 'gain or loss on valuation of financial assets at fair value through profit or loss'.

B. The host contracts of preference share liabilities are initially recognised at total issue price less the fair value of call option of preference share liabilities and subsequently is amortised in profit or loss as an adjustment to the 'finance costs' over the period of circulation using the effective interest method.

C. Any transaction costs directly attributable to the issuance of preference share liabilities are allocated to each liability or equity component in proportion to the initial carrying amount of each abovementioned item.

(22) Derecognition of financial liabilities

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

(23) Offsetting financial instruments

Financial assets and liabilities are offset and reported in the net amount in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(24) Provisions

Provisions (including warranties, etc.) are recognised when the Company has a present legal or constructive obligation as a result of past events, and it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be reliably estimated. Provisions are not recognised for future operating losses.

(25) Employee benefits

A. Salaries and other short-term employee benefits

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

B. Pensions

(a) Defined contribution plan

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

(b) Defined benefit plan

i. Net obligation under a defined benefit plan is defined as the present value of an amount of pension benefits that employees will receive on retirement for their services in current period or prior periods. The liability recognised in the balance sheet in respect of defined benefit pension plans is the present value of the defined benefit obligation at the balance sheet date less the fair value of plan assets. The net defined benefit obligation is calculated annually by independent actuaries using the projected unit credit method. The rate used to discount is determined by using interest rates of high-quality corporate bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability; when there is no deep market in high-quality corporate bonds, the Company uses interest rates of government bonds (at the balance sheet date) instead.

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

iii. Past service costs are recognised immediately in profit or loss.

C. Employees' compensation and directors' and supervisors' remuneration

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

(26) Employee share-based payment

Employee restricted shares:

A. Restricted stocks issued to employees are measured at the fair value of the equity instruments granted at the grant date, and are recognised as compensation cost over the vesting period.

B. Before satisfying the vested condition of restricted stocks which were issued by the Company, there was no right to appropriate earnings. Other options were the same as the issued common stocks of the Company (including but not limited to: capital reduction, dividend distribution from capital surplus), and equity interest from consolidation, split, share transference and other legal events.

C. For restricted stocks where employees do not need to pay to acquire those stocks, if employees resign during the vesting period, the Company will redeem at no consideration and retire those stocks which were not vested.

(27) Income taxes

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

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

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

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

E. Current income tax assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. Deferred tax assets and liabilities are offset on the balance sheet when the entity has the legally enforceable right to offset current tax assets against current tax liabilities and they are levied by the same taxation authority on either the same entity or different entities that intend to settle on a net basis or realise the asset and settle the liability simultaneously.

(28) Share capital

Ordinary shares are classified as equity. The classification of preference shares is determined by assessing the particular rights attached to the preference shares based on the substance of the contract and the definition of financial liabilities and equity instruments.Preference shares are classified as liabilities when they have the fundamental characteristic of financial liabilities (See Note 4(21)); otherwise, they are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds.

(29) Revenue recognition

A. Package and test service

(a) The Company provides package and test of integrated circuit and related business. When performing a contract, the objective is to create or strengthen assets which were controlled by customers, thus, revenue was recognised over time, recognised as contract assets before the contract has been completed, and was transferred to accounts receivable when issuing bills. If the collected proceeds from sales exceeded the amount of recognised revenue, the difference was recognised as contract liabilities.

(b) As the time interval between the transfer of committed goods or service and the payment of customer does not exceed one year, the Company does not adjust the transaction price to reflect the time value of money.

B. Manufacturing service of electronic products

(a) The Company manufactures, processes and sells electronic products. Sales are recognised when control of the products has transferred, being when the products are delivered to the customers, and there is no unfulfilled obligation that could affect the customers' 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, or the Company has objective evidence that all criteria for acceptance have been satisfied.

(b) Sales revenue was recognised as contract price, a refund liability is recognised for expected sales discounts and allowances payable to customers in relation to sales made until the end of the reporting period.

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

C. The Company's obligation to provide a repair for faulty products under the standard warranty terms is recognised as a provision. As of the balance sheet date, the Company estimated probable warranty obligation and recognised liability provisions.

(30) Operating segments

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The Company's chief operating decision-maker is responsible for allocating resources and assessing performance of the operating segments.

5. Critical Accounting Judgements, Estimates and Key Sources of Assumption Uncertainty

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

(1) Critical judgements in applying the Company's accounting policies

Revenue recognition on a net/gross basis

The Company determines whether the nature of its performance obligation is to provide the specified goods or services itself (i.e. the Company is a principal) or to arrange for the other party to provide those goods or services (i.e. the Company is an agent) based on the transaction model and its economic substance. The Company is a principal if it controls a promised good or service before it transfers the good or service to a customer. The Company recognises revenue at gross amount of consideration to which it expects to be entitled in exchange for those goods or services transferred. The Company is an agent if its performance obligation is to arrange for the provision of goods or services by another party. The Company recognises revenue at the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the other party to provide its goods or services.

Indicators that the Company controls the good or service before it is provided to a customer include the following:

A. The Company is primarily responsible for the provision of goods or services;

B. The Company assumes the inventory risk before transferring the specified goods or services to the customer or after transferring control of the goods or services to the customer.

C. The Company has discretion in establishing prices for the goods or services.

(2) Critical accounting estimates and assumptions

A. Evaluation of inventories

As inventories are stated at the lower of cost and net realisable value, the Company must determine the net realisable value of inventories on balance sheet date using judgements and estimates. Due to the rapid technology innovation, the Company evaluates the amounts of normal inventory consumption, obsolete inventories or inventories without market selling value on balance sheet date, and writes down the cost of inventories to the net realisable value. Such an evaluation of inventories is principally based on the products market and historical sales experience and other factors. Therefore, there might be material changes to the evaluation.

On December 31, 2023, the carrying amount of the Company's inventories was $1,483,440.

B. Realisability of deferred tax assets

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences can be utilised. Assessment of the realisability of deferred tax assets involves critical accounting judgements and estimates of the management, including the assumptions of expected future sales revenue growth rate and profit rate, available tax credits, tax planning, etc. Any variations in global economic environment, industrial environment, and laws and regulations might cause material adjustments to deferred tax assets.

On December 31, 2023, the Group recognised deferred tax assets amounting to $632,524.

6. Details of Significant Accounts

(1) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and petty cash	$ 120	$ 120
Checking accounts and demand deposits	2,575,640	2,724,546
Time deposits	337,810	589,460
	$ 2,913,570	$ 3,314,126

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

B. Time deposits that had maturities not exceeding three months and were not pledged as collateral were classified as cash equivalents according to its nature.

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

Items	December 31, 2023	December 31, 2022
Non-current items:		
Unlisted stocks	$ 4,022	$ 10,613

A. The Company has elected to classify equity investments that are considered to be strategic investments as financial assets at fair value through other comprehensive income. The fair value of such investments amounted to $4,022 and $10,613 as at December 31, 2023 and 2022, respectively.

B. In August 2022, the Company received $22,082 due to the liquidation of the unlisted company which were reinvested by the Company, and the cumulative losses on investment amounted to $6,734, which have been transferred from other equity to retained earnings.

C. For the years ended December 31, 2023 and 2022, the Company has financial assets at fair value through other comprehensive income recognised in comprehensive income (loss) due to changes of fair value in the amounts of ($6,591) and ($7,185), respectively.

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

(3) Notes and accounts receivable (including related parties)

	December 31, 2023	December 31, 2022
Notes receivable	$ -	$ 155
Less: Loss allowance	-	-
	$ -	$ 155
Accounts receivable	$ 4,432,998	$ 2,980,843
Less: Loss allowance	(6,609)	(13,273)
	$ 4,426,389	$ 2,967,570
Accounts receivable due from related parties	$ 1,361	$ 38,925
Less: Loss allowance	(6)	-
	$ 1,355	$ 38,925

A. For details of the aging analysis of notes and accounts receivable which were based on the dates past due, please refer to Note 12(2).

B. As of December 31, 2023 and 2022, accounts and notes receivable were all from contracts with customers. As of January 1, 2022, the balance of receivables from contracts with customers amounted to $3,326,253.

C. The Company has no notes and accounts receivable pledged to others as collateral.

D. As at December 31, 2023 and 2022, without taking into account any collateral held or other credit enhancements, the maximum exposure to credit risk in respect of the amount that best represents the Company's notes receivable were $0 and $155, and accounts receivable were $4,427,744 and $3,006,495, respectively.

(4) Inventories

	December 31, 2023	December 31, 2022
Raw materials	$ 1,213,392	$ 1,323,509
Supplies	148,271	157,344
Work in progress	513,734	312,792
Finished goods	33,194	36,546
	1,908,591	1,830,191
Less: Allowance for valuation loss	(425,151)	(270,674)
	$ 1,483,440	$ 1,559,517

A. The cost of inventories recognised as expense for the year:

	Year ended December 31	
	2023	2022
Cost of goods sold	$ 12,994,866	$ 12,730,163
Scrapping inventory and loss on decline in market value	154,477	19,577
Others	(24,796)	(28,380)
	$ 13,124,547	$ 12,721,360

B. As of December 31, 2023 and 2022, the fire insurance amount of inventories were $14,204,854 and $15,068,842, respectively.

(5) Investments accounted for using equity method

	Year ended December 31	
	2023	2022
At January 1	$ 2,138,629	$ 1,136,804
Additions of investments accounted for using equity method	500,000	1,209,920
Disposal of investments accounted for using equity method	(15,487)	-
Earnings distribution of investments accounted for using equity method	97,529	107,144
Transfers to non-current assets held for sale	-	(257,959)
Changes in other equity interest	322,095	(24,300)
Others	59	66
	3,042,825	2,171,675
Add (Less): Credit balance of investments accounted for using equity method transferred to (reversed from) non-current liabilities	(13,490)	(33,046)
At December 31	$ 3,029,335	$ 2,138,629

	December 31, 2023		December 31, 2022	
	Amount	Shareholding ratio	Amount	Shareholding ratio
Subsidiaries:				
ORIENT SEMICONDUCTOR ELECTRONICS PHILIPPINES,INC. (OSEP)	$ -	-	($ 13,490)	93.67%
OSE INTERNATIONAL LTD.	339,007	100%	325,908	100%
COREPLUS (H.K.) LIMITED	261,021	100%	321,646	100%
HUA-CHENG INVESTMENT CO.	2,429,307	100%	1,489,232	100%
	$ 3,029,335		$ 2,123,296	
Add: Credit balance of investments accounted for using equity method transferred to non-current liabilities	-		13,490	
	3,029,335		2,136,786	
Associates				
OSE PROPERTIES, INC.	-	-	1,843	39.99%
SCS HIGHTECH INC.	-	18.17%	-	18.17%
	-		1,843	
	$ 3,029,335		$ 2,138,629	

A. Subsidiaries

(a) Please refer to Note 4(3) in the consolidated financial statements for the year ended December 31, 2023 for the information regarding the Company’s subsidiaries.

(b) As of December 31, 2022, the Company continued to recognise losses of OSEP proportionate to its ownership, resulting in the credit balance of investments accounted for using equity method, which were transferred to non-current liabilities.

(c) OSEP has stopped operation in the fourth quarter of 2011 and was dissolved and liquidated on July 31, 2023.

(d) On October 25, 2023, the Board of Directors of OSE INTERNATIONAL LTD. resolved to discontinue operations and implement the deregistration. The related procedures are in progress.

B. Associates

(a) OSE PROPERTIES, INC. has been dissolved and liquidated on July 31, 2023.

(b) The carrying amount of the Company’s investment in SCS HIGHTECH, INC. has been recognised as nil, and there is no further legal or constructive obligation to accrue additional losses. The company has been approved to nullify the registration in 2004 and is still pending liquidation.

(c) In April 2022, the Board of Directors of the Company resolved to dispose ATP Electronics Taiwan Inc. In June 2022, the Company signed a share transfer agreement to sell 9.57% of ownership for proceeds of $262,365, and all proceeds from the sale had been collected in accordance with the agreement and the equity settlement and transfer were completed in September 2022. Additionally, please refer to Note 6(12) for the details of the transfers to non-current assets held for sale.

(d) As of December 31, 2023 and 2022, there was no investments accounted for using equity method pledged as collaterals.

(e) As of December 31, 2023 and 2022, the Company had no significant associate.

(f) The carrying amount of the Company’s interests in all individually immaterial associates and the Company’s share of the operating results are summarised below:

As of December 31, 2023 and 2022, the carrying amount of the Company’s individually immaterial associates amounted to $0 and $1,843, respectively.

	Year ended December 31	
	2023	2022
(Loss) profit for the year	($ 362)	17,909
Other comprehensive income, net of tax	-	2,717
Total comprehensive (loss) income for the year	($ 362)	$ 20,626

(6) Property, plant and equipment

	December 31, 2023	December 31, 2022
Property, plant and equipment		
- Owner-occupied	$ 5,048,527	$ 5,173,087
- Operating leases	697	830
	$ 5,049,224	$ 5,173,917

A. Property, plant and equipment for self-use

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction equipment under acceptance	Total
Cost and revaluation increment:							
January 1, 2023	$ 7,083,750	$ 15,232,385	$ 40	$ 54,064	$ 399,079	$ 645,318	$ 23,414,636
Additions	-	-	-	-	-	798,034	798,034
Disposals	(7,019)	(36,341)	-	-	(28,116)	-	(71,476)
Transfer	273,337	733,332	-	998	8,703	(1,020,690)	(4,320)
December 31, 2023	$ 7,350,068	$ 15,929,376	$ 40	$ 55,062	$ 379,666	$ 422,662	$ 24,136,874
Depreciation and impairment:							
January 1, 2023	$ 4,920,862	$ 12,932,212	$ 40	$ 54,064	$ 334,371	$ -	$ 18,241,549
Depreciation expense	152,032	747,967	-	-	18,275	-	918,274
Disposals	(7,019)	(36,341)	-	-	(28,116)	-	(71,476)
Transfer	-	-	-	-	-	-	-
December 31, 2023	$ 5,065,875	$ 13,643,838	$ 40	$ 54,064	$ 324,530	$ -	$ 19,088,347

	Buildings and structures	Machinery and equipment	Transportation equipment	Office equipment	Other equipment	Unfinished construction equipment under acceptance	Total
Cost and revaluation increment:							
January 1, 2022	$ 7,031,115	$ 14,414,955	$ 1,087	$ 54,064	$ 359,079	$ 926,643	$ 22,786,943
Additions	-	-	-	-	-	907,972	907,972
Disposals	(28,720)	(240,964)	(1,047)	-	(9,548)	-	(280,279)
Transfer	81,355	1,058,394	-	-	49,548	(1,189,297)	-
December 31, 2022	$ 7,083,750	$ 15,232,385	$ 40	$ 54,064	$ 399,079	$ 645,318	$ 23,414,636
Depreciation and impairment:							
January 1, 2022	$ 4,809,885	$ 12,243,508	$ 1,077	$ 54,064	$ 330,320	$ -	$ 17,438,854
Depreciation expense	131,868	928,666	5	-	13,596	-	1,074,135
Disposals	(20,891)	(239,962)	(1,042)	-	(9,545)	-	(271,440)
Transfer	-	-	-	-	-	-	-
December 31, 2022	$ 4,920,862	$ 12,932,212	$ 40	$ 54,064	$ 334,371	$ -	$ 18,241,549
Carrying amount, net:							
December 31, 2023	$ 2,284,193	$ 2,285,538	$ -	$ 998	$ 55,136	$ 422,662	$ 5,048,527
December 31, 2022	$ 2,162,888	$ 2,300,173	$ -	$ -	$ 64,708	$ 645,318	$ 5,173,087

B. Property, plant and equipment for operating lease

	Buildings and structures	
	2023	2022
Cost:		
January 1 and December 31, 2023	$ 10,721	$ 10,721
Depreciation:		
At January 1	$ 9,891	$ 9,758
Additions	133	133
At December 31	$ 10,024	$ 9,891
Carrying amount, net:	$ 697	$ 830

C. Amount of borrowing costs capitalised as part of property, plant and equipment and the range of the interest rates for such capitalisation are as follows:

	Year ended December 31	
	2023	2022
Amount capitalised	$ 133	$ 6,590
Range of the interest rates for capitalisation	1.775%	0.89%～1.28%

D. The significant components of buildings and equipment include main plants and each improvement construction, which are depreciated over 3~51 and 3~21 years, respectively.

E. As of December 31, 2023 and 2022, the insured amount of fire insurance of property, plant and equipment were $10,413,177 and $10,015,334, respectively.

F. Refer to Note 8 for further information on property, plant and equipment pledged to others as collateral.

(7) Leasing arrangements－lessee

A. The Company leased various assets, including land, machinery and equipment and transportation equipment. The lease period of each contract was between 3 to 51 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose covenants, but leased assets may not be subleased, sublet, subtenant to others, transfer the lease right to others and pledged as collaterals.

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

	December 31, 2023	December 31, 2022
	Carrying amount	Carrying amount
Land	$ 113,820	$ 125,250
Machinery and equipment	27,932	33,711
Transportation equipment	4,555	7,794
	$ 146,307	$ 166,755

	Year ended December 31	
	2023	2022
	Depreciation expense	Depreciation expense
Land	$ 11,430	$ 12,309
Machinery and equipment	5,779	5,779
Transportation equipment	3,740	3,501
	$ 20,949	$ 21,589

C. For the years ended December 31, 2023 and 2022, the Company has increases in right-of-use assets of $796 and $7,176, respectively.

D. Information on profit or loss in relation to lease contracts is as follows:

	Year ended Decmeber 31	
Items affecting profit or loss	2023	2022
Interest expense on lease liabilities	$ 2,615	$ 3,099
Expense on short-term lease contracts	2,288	2,116
Expense on leases of low-value assets (Excluding expense on leases of low-value assets of short-term lease)	3,338	2,964
Gains arising from lease modifications (shown as 'other income and expenses - net')	1	278

E. For the years ended December 31, 2023 and 2022, the total amount of the Company's cash outflow from leasing were $36,191 and $36,382, respectively.

(8) Leasing arrangements - lessor

A. The Company leases various assets including plant and office. Rental contracts are typically made for periods of 2 and 10 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. To secure the use of the leased assets, the leased assets may not be subleased, transferred or provided to others in other ways.

B. Gain arising from operating lease agreements are as follows:

	Year ended Decmeber 31	
	2023	2022
Fixed lease payments and related income from variable lease payments determined by indexes or rates:	$ 6,385	$ 7,235

C. The maturity analysis of the undiscounted lease payments in the finance lease is as follows:

	December 31, 2023	December 31, 2022
Within 1 year	$ 4,025	$ 5,124
Later than one year but not later than two years	729	3,919
Later than two years but not later than three years	703	729
Later than three years but not later than four years	703	703
Later than four years but not later than five years	703	703
Later than five years	2,226	2,929
	$ 9,089	$ 14,107

For disclosures of property, plant and equipment leased under operating lease and applicable to IAS 16, please refer to Note 6(6).

(9) Intangible assets

	Computer software	
	2023	2022
Cost		
At January 1	$ 473,276	$ 431,980
Additions—acquired separately	79,470	41,170
Reclassifications	2,017	126
At December 31	$ 554,763	$ 473,276
Accumulated amortisation		
At January 1	$ 426,113	$ 399,559
Amortisation charge	48,235	26,554
At December 31	$ 474,348	$ 426,113
Book value	$ 80,415	$ 47,163

A. Details of amortisation on intangible assets are as follows:

	Year ended December 31	
	2023	2022
Operating costs	$ 21,017	$ 14,544
Administrative expenses	$ 19,799	$ 5,846
Research and development expenses	$ 7,419	$ 6,164

B. There was no investment property held by the Company that was pledged to others.

(10) Non-current assets held for sale

A. The assets related to certain plants located in Kaohsiung Nanzih Technology Industrial Park have been reclassified as disposal group held for sale following the approval of the Company's Board of Directors to sell the plants for cooperating with the Land Redevelopment Project of Technology Industrial Park Administration. The transaction and ownership transfer are expected be completed within a year. As of January 1, 2022, the assets of disposal group held for sale amounted to $136,137, and there were no related liabilities. The Company collected the full amount of the consideration for the sale of the plant in July 2022 and completed the related procedures.

B. The Board of Directors of the Company resolved to dispose all shares of ATP Electronics Taiwan Inc. held by the Company in April 2022. The transaction was expected to be completed and settled within a year. Therefore, the Company transferred related assets to disposal group held for sale. The assets of the disposal group held for sale as at September 30, 2022 amounted to $257,959 and there were no related liabilities. The Company collected the full amount of the consideration for the disposal of the shares in September 2022 and completed the related procedures.

C. No impairment loss incurred as a result of the remeasurement of the aforementioned disposal group held for sale at the lower of its carrying amount or fair value less costs to sell.

(11) Other payables

	December 31, 2023	December 31, 2022
Wages and salaries payable	$ 562,950	$ 496,867
Pension payable	40,341	38,321
Employees' compensation and directors' remuneration payable	277,777	221,988
Payables for machinery and equipment	269,709	303,918
Utilities expense payable	43,061	34,418
Compensation payable	2,073	17,193
Insurance premiums payable	89,165	78,454
Employment Stability Fund payable	16,411	15,125
Other payables	69,166	50,837
	$ 1,370,653	$ 1,257,121

(12) Long-term borrowings

Type of Borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2023
Unsecured borrowings	Borrowing period is from August 2021 to September 2030; interest is repayable monthly; principal is repayable periodically.	1.35%~1.775% (Note)	None	$ 1,238,962
Less: Current portion				(107,054)
				$ 1,131,908

Type of Borrowings	Borrowing period and repayment term	Interest rate range	Collateral	December 31, 2022
Unsecured borrowings	Borrowing period is from August 2021 to March 2029; interest is repayable monthly; principal is repayable periodically.	1.225% (Note)	None	$ 1,148,962
Less: Current portion				-
				$ 1,148,962

Note: Some of the Company's loans were granted in accordance with the 'Guidelines of Project Loans for Returning Overseas Taiwanese Businesses' of National Development Fund, Executive Yuan. The interest rate of the loans is the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank less 0.245% of annual interest. In the event of failure to meet the requirements of the aforementioned Guidelines of Project Loans during the loan period, the interest rate will be changed to the floating interest rate on a 2-year time deposit offered by the Directorate General of the Postal Remittances and Savings Bank plus 0.255% of annual interest.

A. For the years ended December 31, 2023 and 2022, the amounts of interest expense recognised in profit or loss were $15,331 and $6,834, respectively.

B. Under the credit contract with certain banks, the Company is required to review financial ratios or values such as current ratio, net tangible assets, interest coverage ratio, and debt ratio in the latest consolidated financial statements at certain times during the credit period. As of the reporting date, the Company did not violate any of the related financial conditions.

C. Information about the assets that were pledged for long-term borrowings as collateral is provided in Note 8.

(13) Pensions

A.(a) The Company has a defined benefit pension plan in accordance with the Labor Standards Law, covering all regular employees' service years prior to the enforcement of the Labor Pension Act on July 1, 2005 and service years thereafter of employees who chose to continue to be subject to the pension mechanism under the Law. Under the defined benefit pension plan, two units are accrued for each year of service for the first 15 years and one unit for each additional year thereafter, subject to a maximum of 45 units. Pension benefits are based on the number of units accrued and the average monthly salaries and wages of the last 6 months prior to retirement. The Company and its domestic subsidiaries contribute monthly an amount equal to 10% of the employees' monthly salaries and wages to the retirement fund deposited with Bank of Taiwan, the trustee, under the name of the independent retirement fund committee. Also, the Company would assess the balance in the aforementioned labor pension reserve account by December 31, every year. If the account balance is insufficient to pay the pension calculated by the aforementioned method to the employees expected to qualify for retirement in the following year, the Company will make contributions for the deficit by next March.

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

	December 31, 2023	December 31, 2022
Present value of defined benefit obligations	$ 958,189	$ 956,158
Fair value of plan assets	(780,143)	(770,500)
Net defined benefit liability	$ 178,046	$ 185,658

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

	2023		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 956,158	($ 770,500)	$ 185,658
Current service cost	4,937	-	4,937
Interest expense (income)	10,900	(8,783)	2,117
	971,995	(779,283)	192,712
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(4,392)	(4,392)
Change in financial assumptions	-	-	-
Experience adjustments	79,213	-	79,213
	79,213	(4,392)	74,821
Pension fund contribution	-	(89,487)	(89,487)
Paid pension	(93,019)	93,019	-
At December 31	$ 958,189	($ 780,143)	$ 178,046

	2022		
	Present value of defined benefit obligations	Fair value of plan assets	Net defined benefit liability
At January 1	$ 1,102,913	($ 615,713)	$ 487,200
Current service cost	6,244	-	6,244
Interest expense (income)	6,948	(3,879)	3,069
	1,116,105	(619,592)	496,513
Remeasurements:			
Return on plan assets (excluding amounts included in interest income or expense)	-	(45,981)	(45,981)
Change in financial assumptions	(89,668)	-	(89,668)
Experience adjustments	15,189	-	15,189
	(74,479)	(45,981)	(120,460)
Pension fund contribution	-	(190,395)	(190,395)
Paid pension	(85,468)	85,468	-
At December 31	$ 956,158	($ 770,500)	$ 185,658

(d) The Bank of Taiwan was commissioned to manage the Fund of the Company's defined benefit pension plan in accordance with the Fund's annual investment and utilisation plan and the "Regulations for Revenues, Expenditures, Safeguard and Utilisation of the Labor Retirement Fund" (Article 6: The scope of utilisation for the Fund includes deposit in domestic or foreign financial institutions, investment in domestic or foreign listed, over-the-counter, or private placement equity securities, investment in domestic or foreign real estate securitisation products, etc.). With regard to the utilisation of the Fund, its minimum earnings in the annual distributions on the final financial statements shall be no less than the earnings attainable from the amounts accrued from two-year time deposits with the interest rates offered by local banks.

If the earnings is less than aforementioned rates, government shall make payment for the deficit after being authorised by the Regulator. The Company has no right to participate in managing and operating that fund and hence the Company is unable to disclose the classification of plan assets fair value in accordance with IAS 19 paragraph 142. The composition of fair value of plan assets as of December 31, 2023 and 2022 is given in the Annual Labor Retirement Fund Utilisation Report announced by the government.

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

	Year ended December 31	
	2023	2022
Discount rate	1.14%	1.14%
Future salary increases	1.00%	1.00%

Future mortality rate was estimated based on the 6th Taiwan Standard Ordinary Experience Mortality Table.

Because the main actuarial assumption changed, the present value of defined benefit obligation is affected. The analysis was as follows:

	Discount rate		Future salary increases	
	Increase 0.5%	Decrease 0.5%	Increase 0.5%	Decrease 0.5%
December 31, 2023				
Effect on present value of defined benefit obligation	($ 19,835)	$ 21,945	$ 21,863	($ 19,955)
December 31, 2022				
Effect on present value of defined benefit obligation	($ 20,390)	$ 22,439	$ 22,355	($ 20,513)

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

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

(f) The Company expects to pay contributions for the pension plan in the amount of $45,529 in the succeeding one year.

(g) As of December 31, 2023, the weighted average duration of the retirement plan is 4 years. The analysis of timing of the future pension payment was as follows:

Within 1 year	$ 828,613
1-2 year(s)	100,753
2-5 years	13,158
Over 5 years	93,204
	$ 1,035,728

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

(b) The pension costs under the defined contribution pension plan of the Company for the years ended December 31, 2023 and 2022 were $120,870 and $120,937, respectively.

(14) Preference share liability

On December 31, 2023: There were no such transactions.

	December 31, 2022
Class B preferred shares	$ 1,003,851
Less: Maturity within one year	-
	$ 1,003,851

A. On December 3, 2020, the Company's shareholders held an extraordinary general meeting and approved the private placement of class B preferred shares in the amount of 90,090 thousand shares. The subscriber, Chipbond Technology Corporation (Chipbond) has completed the payment on December 16, 2020, with a total amount of $999,999 at $11.1 per share. The effectived date was set on December 21, 2020. According to the issuance condition of class B preferred shares, the issuance period was 5 years and there was an obligation to pay cash or transfer another financial asset to the counterparty (holder). Thus, the value of the preference share was split into preference share liabilities and call options (shown as financial assets at fair value through profit or loss) in the amounts of $1,006,485 and $6,486, respectively. For the years ended December 31, 2023 and 2022, the amount of interest expense which was estimated by annual rate and amortised based on interest method were $18,498 and $18,703, respectively.

B. As of December 31, 2022, the value of preference share returned all amounted to $0. Refer to Note 6(22) for details of net gains (losses) recognised in profit or loss in relation to financial assets at fair value through profit or loss. Additionally, the Company has no financial assets at fair value through profit or loss pledged to others as collateral.

C. The issuance conditions were as follows:

(a) The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated undistributable dividend shall be appropriated to class B preferred shares in the first priority. If there were no earnings or earnings were not sufficient to be appropriated to class B preferred shares, the distributable earnings shall be appropriated to class B preferred shares. The dividend deficiency shall be made up in a profitable year or quarter subsequently in the first priority.

(b) The annual dividend rate of class B preferred shares was 2% which were calculated at the issuance price per share and paid in cash, the ex-dividend date of preferred dividend was authorised to be determined by the Board of Directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

(c) If the expected dividend distribution amount of common share exceeds the dividend amount of class B preferred shares in the current year or quarter, the shareholders of class B preferred shares cannot participate in the distribution.

(d) Except for aforementioned dividend, the shareholders of class B preferred shares cannot participate in the appropriation of earnings and reserves to shareholders of common share and other types of preference shares.

(e) Class B preferred shares were not promised to be transferred to common share.

(f) The shareholders of class B preferred shares have no voting right in the common shareholders' meeting and cannot be elected as directors (including independent directors). However, the shareholders of class B preferred shares has voting right in preferred shareholders' meeting and matters of preferred shareholders' right.

(g) When it comes to appropriate residual assets of company, class B preferred shares have priority over common shares and class C preferred shares. However, the amount was limited to the issuance price plus total amount of unpaid dividend.

(h) The issuance period of class B preferred shares was 5 years, shareholders of class B preferred shares did not have right to demand the Company call back class B preferred shares. However, on the date after 3 years of the issuance date, the Company can call back all or some of class B preferred shares at actual issuance price in cash or other ways which were permitted by regulations. The rights and obligations of class B preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class B preferred shares, if the Company's shareholders resolve to appropriate dividends, the amount of dividends which have to be distributed as of the date of call back will be calculated according to the number of actual issuance days in the current year.

(i) The preemptive rights for stockholders of Class B preferred stocks are the same as of common stocks when the Company increases its capital by issuing shares.

(j) When class B preferred shares meet the condition of called back or mature in the issuance period, if the Company cannot call back all or some class B preferred shares due to force majeure or inscrutable fault of the Company, the rights of class B preferred shares which have not been called back will continue according to aforementioned issuance conditions until the Company calls back all the class B preferred shares. The dividends will be calculated according to original annual rate and actual extension period, the rights of class B preferred shares shall not be diminished according to the Company's Articles of Incorporation.

(k) Class B preferred shares will not be listed in the issuance period.

D. On October 25, 2023, the Board of Directors resolved that the Company's class B preferred shares, which was issued on December 21, 2023, on the day after 3 years of the issuance date, may be withdrawn at the actual issuance price in cash at any time in accordance with the Company's Articles of Incorporation. On December 27, 2023, the Company repurchased shares at a repurchase price of $11.1 per share and decreased capital by cancelling 90,090 thousand, and the total amount was $999,999. Accordingly, the Company recognised a gain on recovery of preference share liabilities amounting to $2,570, which was shown as other income. The record date for the capital reduction was set on December 27, 2023, and the registration was completed on January 11, 2024.

(15) Share-based payment

A. For the year ended December 31, 2023: There were no such transactions.

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

Type of arrangement	Grant date	Quantity granted	Contract period	Vesting conditions
Restricted stocks to employees	2019.11.25	5,000 thousand shares	3 years	Note

Note: The service time limit and performance conditions were as follows:

(a) After employees obtain employee restricted shares, starting from the effective date of capital increase, if employees are on-the-job when the vested period has expired, also, meet certain standard of annual individual performance assessment and comply with regulation, did not violate service contract of the Company, working rules and be punished, the employees can achieve vested conditions.

(b) The Company can use the earnings per share and profit growth of parent company only financial statements in the latest year of vesting period expires as a basis of performance conditions:
The first year: Earnings per share was above \$0.3 (including \$0.3);
The second year: Earnings per share was above \$0.8 (including \$0.8); and
The third year: Earnings per share was above \$1.0 (including \$1.0).

(c) After achieving individual performance conditions and company performance conditions in the same time, employees' proportion of shares under vested condition in the current year based on the service conditions were as follows:
Service for one year after distribution, 30% of the distributed shares;
Service for two years after distribution, 30% of the distributed shares; and
Service for three years after distribution, 40% of the distributed shares.

Restrictions on the rights and vesting conditions of restricted shares for employees were as follows:

(a) The restricted shares which the employees will obtain were kept by the designated trust institution as trustee, which the employee cannot request to return the restricted shares for any reasons or ways.

(b) Before accomplishing the vesting conditions, the employee cannot sell, pledge, transfer, gift, set or dispose in other ways, and they have no right to be allotted or obtaining dividends. Other rights are similar with the capital that has been issued.

(c) Before the employee accomplishes the vesting conditions, the attendance, proposal, speaking, right of voting, and other matters associated with shareholders' meeting were executed based on the trust custody contracts.

(d) From the book closure date of issuance of bonus shares, cash dividends, issuance of common stock for cash and shareholders' meeting are regulated by Article 165-3 of the Company Law, or other facts that has occurred to the date of rights allocation. The unrestricted shares of the employees that have achieved the vesting conditions during the aforementioned period still have no rights to obtain dividends or allotment.

C. Details of the share-based payment arrangements are as follows: (unit: thousand shares)

	2022
At January 1	1,681
Called back in the year (Note)	(108)
Vested in the year	(1,573)
At December 31	-

Note: For the restricted shares which were called back by the Company during the year ended December 31, 2022, 22 thousand shares have not yet completed the registration of cancellation as of December 31, 2022.

D. On November 25, 2019, the fair value of share-based payments transaction which was given by the Company was $15.8.

E. For the year ended December 31, 2022, the Company recognised expenses due to share-based payments transaction in the amount of $6,986.

(16) Share capital

A. On December 31, 2023, the Company's authorised capital was $20,000,000, consisting of 2,000,000 thousand shares (including the number of option certificate which can be purchased), and will be issued in several times. The shares which were not issued can be issued in common shares and preference shares in several times based on the Company's business requirement, 90,000 thousand shares will be retained for option certificates. As of December 31, 2023, the Company's paid-in capital was $7,354,883, consisting of 555,308 thousand common shares, and 180,180 thousand class C preferred shares in private placement, with a par value of $10 per share. All proceeds from shares issued have been collected. The Company's outstanding number of preference shares in the beginning and ending of the year were the same.

Note: Details of the registration of changes in the Company's paid-in capital due to the recovery of class B preferred shares are provided in Note 6(14) D.

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

	2023	2022
Shares outstanding at January 1	$ 555,308	$ 553,736
Restricted shares called back but not yet cancelled at the beginning of the year	22	15
Restricted shares not yet vested at the beginning of the year	-	1,681
Shares issued at January 1	555,330	555,432
Cancellation of employee restricted shares	(22)	(102)
Restricted shares called back but not yet cancelled at the end of the year	-	(22)
At December 31	$ 555,308	$ 555,308

B. The Company had increased capital by cash by $1,800,000 thousand, consisting of 180,000 thousand shares with a par value of $10 per share and issued at discounted price of $9.2 on May 30, 2007. The rights and obligations of new shares by private placement are the same as those of common shares. The number of the Company's private placement common shares outstanding was 70,785 thousand shares due to the reduction of ordinary share capital conducted by the Company in the past. The registration for the retroactive handling of public issuance procedures for the private placement common shares was filed in September 2022 and the registration became effective on October 3, 2022 in accordance with the Order No. Tai-Zheng-Shang-Yi-Zi-1111804957. The shares have been traded and listed on the Taiwan Stock Exchange since October 18, 2022.

C. On June 29, 2018, the Company's shareholders approved to issue restricted shares in the amount of 50,000 thousand, which was common share with a par value of $10, has been applied for effectiveness through FSC on June 10, 2019. The effective date was November 25, 2019 and the registration of changes has been completed on December 10, 2019.

D. For details of the issuance of class B preferred shares, please refer to Note 6(14).

E. On December 3, 2020, the Company's shareholders in the extraordinary meeting approved to issue 180,180 thousand class C preferred shares in private placement with a par value of $10 and issued at $11.1 per share. The paid-in capital was $1,801,800 thousand. The effective date of capital increase was set on December 21, 2020 in accordance with the Securities and Exchange Act Article 43-6.

According to the Company's Articles of Incorporation, the rights and obligations of preferred share were as follows:

(a) The distribution of earnings was based on the Company's Articles of Incorporation, current year or current quarter and accumulated undistributable dividend shall be appropriated to class B preferred shares in the first priority, then, appropriated to class C preferred shares in the second priority.

(b) The annual dividend rate of class C preferred shares was 2% which were calculated at the issuance price per share and paid in cash, the ex-dividend date of preferred dividend was authorised to be determined by the Board of Directors. The issuance number in issuance year or quarter and recovered year or quarter were calculated at the actual issuance number of days.

(c) If the expected dividend distribution amount of common share exceeds the dividend amount of class C preferred shares in the current year or quarter, the shareholders of class C preferred shares can participate in the distribution until the dividend amount of class C preferred share is the same as common share per share.

(d) The Company has discretion in dividend distribution of Class A preferred stocks. If the Company has no or has insufficient current year's earnings for distribution or has other necessary considerations, the Company can resolve not to distribute dividend to class C preferred share and it will not default, and the shareholders of class C preferred share cannot object. Class C preferred shares are non-cumulative, and the amount of dividends which were not distributed or insufficient will not be made up in the profitable year or quarter thereafter.

(e) Starting from the next day of five years after issuance, the shareholders of class C preferred share can transfer the preferred share to common share at a transfer ratio of 1:1. After the transfer of preferred share to common share, the rights and obligations (excluding the transfer restriction by regulation and not listed) were the same as other outstanding common share of the Company. For class C preferred shares which have been transferred into common shares before the ex-right (ex-dividend) date in the current year or quarter can participate in the common share distribution of earnings or reserves in the current year or quarter and cannot participate in the dividend distribution of preferred shares in the current year or quarter. For class C preferred shares which have been transferred into common shares after the ex-right (ex-dividend) date in the current year or quarter can participate in the dividend distribution of preferred share in the current year or quarter and cannot participate in the dividend distribution of earnings or capital reserves in the current year or quarter. Preferred dividends will not be repeatedly appropriated if it is distributed in the same year or quarter with common stock dividends.

(f) The shareholders of class C preferred shares have no voting right in the common shareholders' meeting and cannot be elected as directors (including independent directors). However, the shareholders of class C preferred shares have voting right in preferred shareholders' meeting and matters of preferred shareholders' right.

(g) When it comes to appropriating residual assets of Company, class C preferred shares have priority over common shares and next to class B preferred shares. However, the amount was limited to the issuance price plus total amount of unpaid dividend.

(h) Class C preferred shares have no expiry date, and the shareholders of class C preferred shares have no right to require the Company to call back class C preferred shares or transfer the class C preferred share into common share in advance. However, the Company can call back in cash at actual issuance price, mandatorily transfer by issuing new shares or call back all or some class C preferred shares in other ways permitted by regulations on the next day after three years. The rights and obligations of class C preferred shares which have not been called will continue until the Company calls back. In the current year of calling back the class C preferred shares, if the Company's shareholders resolve to appropriate dividends, the amount of dividends which have to be distributed as of the date of call back will be calculated according to the actual days of issuance in the current year.

(i) The preemptive rights for stockholders of Class C preferred shares are the same as of common shares when the Company increases its capital by issuing shares.

(j) Class C preferred share was not listed and traded in the issuance period, however, if all or some were transferred into common shares, the Board of Directors was authorised to apply for public offering and listing to the authorisation according to the current situation and related regulations.

F. On June 9, 2023, the shareholders of the Company resolved to issue employee restricted shares of 5,000 thousand shares with a par value of NT$10 per share, total amounting to $50,000 thousand, has been applied for effectiveness through FSC on August 25, 2023. The related processes are still ongoing.

(17) Capital surplus

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

	December 31, 2023	December 31, 2022
Premium on issuance of common shares	$ 17,417	$ 17,417
Share premium on preferred share	198,198	198,198
Changes in ownership interests in subsidiaries	5,832	5,832
Difference between consideration and carrying amount of subsidiaries acquired or disposed	16,940	16,940
Employee restricted shares	-	(216)
	$ 238,387	$ 238,171

(18) Retained earnings

A. According to the Company's Articles of Incorporation, after every end of quarter, the Company can appropriate earnings or offset deficits, and for earnings which were appropriated in the form of cash, it shall be resolved by the Board of Directors and reported to shareholders in accordance with the Company Act, Article 228-1 and paragraph 5 of Article 240. The aforementioned regulation had been revoked by the shareholders at their meeting on June 9, 2023.

B. Under the Company's Articles of Incorporation, the current year's earnings, if any, shall first be used to pay all taxes and offset prior years' operating losses and then 10% of the remaining amount shall be set aside as legal reserve. For setting aside or reversal for special reserve in accordance with related laws or Competent Authority's regulations, if any, the Board of Directors should propose the distribution of the remaining earnings along with prior accumulated undistributed earnings for the approval of the shareholders. On June 9, 2023, the shareholders resolved for earnings which were appropriated in the form of cash, it shall be resolved by the Board of Directors and reported to shareholders in accordance with Article 228-1 and paragraph 5 of Article 240 of the Company Act.

C. The industry environment of the Company is constantly changing and the enterprise is in the growth stage of its life cycle. Considering the Company’s capital requirement in the future and long-term financial plan and satisfying shareholders’ demand of cash inflow, the expected appropriation amount in the current year shall not be lower than 10% of accumulated distributable amount. However, if the accumulated distributable earnings is lower than 1% of paid-in capital, the earnings cannot be appropriated, and the cash dividend shall not be lower than 10% of total dividend.

D. According to Company Act, the distribution to legal reserve shall continue until the total amount equals to total capital. Legal reserve is used to offset accumulated deficits. If the Company has no deficits, 25% of the part of legal reserve exceeding the paid-in capital can be used to issue new stocks or cash to shareholders in proportion to their share ownership.

E. Following the adoption of TIFRS, the FSC on April 6, 2012 issued Order No. Financial-Supervisory-Securities-Corporate-1010012865, which sets out the following provisions for compliance: On a public company's first-time adoption of the TIFRS, for any unrealized revaluation gains and cumulative translation adjustments (gains) recorded to shareholders’ equity that a company elects to transfer to retained earnings by application of the exemption under IFRS 1, the company shall set aside an equal amount of special reserve. Following a company’s adoption of the TIFRS for the preparation of its financial reports, when distributing distributable earnings, it shall set aside to special reserve, from the profit/loss of the current period and the undistributed earnings from the previous period, an amount equal to other net deductions from shareholders’ equity for the current fiscal year, provided that if the company has already set aside special reserve according to the requirements in the preceding point, it shall set aside supplemental special reserve based on the difference between the amount already set aside and other net deductions from shareholders’ equity. For any subsequent reversal of other net deductions from shareholders’ equity, the amount reversed may be distributed.

F. On June 9, 2023, the shareholders resolved the earnings appropriation for the year ended December 31, 2022 with a common share dividend of 0.85 per share and the total amount was $472,012; and with Class C preferred stock dividend of 0.85 per share. The total dividends amounted to $153,153.

G. On June 10, 2022, the shareholders resolved the earnings appropriation for the year ended December 31, 2021 with a common share dividend of 1 per share and the total amount was $553,736; and with Class C preferred stock dividend of 1 per share. The total dividends amounted to $180,180.

(19) Operating revenue

	Year ended December 31			
		2023		2022
Revenue from contracts with customers				
IC packaging and testing service revenue	$	11,016,833	$	9,901,937
Electronics manufacturing service revenue		5,304,745		5,187,624
Other operating revenue		146,455		138,396
	$	16,468,033	$	15,227,957

A. Disaggregation of revenue from contracts with customers

Year ended December 31, 2023	Semiconductor Group	EMS Group	Total
IC packaging and testing service revenue	$ 11,016,833	$ -	$ 11,016,833
Manufacture of electronic products	-	5,304,745	5,304,745
Other	44,859	101,596	146,455
	$ 11,061,692	$ 5,406,341	$ 16,468,033
Timing of revenue recognition:			
Over time	$ 11,016,833	$ -	$ 11,016,833
At a point in time	44,859	5,406,341	5,451,200
	$ 11,061,692	$ 5,406,341	$ 16,468,033

Year ended December 31, 2022	Semiconductor Group	EMS Group	Total
IC packaging and testing service revenue	$ 9,901,937	$ -	$ 9,901,937
Manufacture of electronic products	-	5,187,624	5,187,624
Other	70,358	68,038	138,396
	$ 9,972,295	$ 5,255,662	$ 15,227,957
Timing of revenue recognition:			
Over time	$ 9,901,937	$ -	$ 9,901,937
At a point in time	70,358	5,255,662	5,326,020
	$ 9,972,295	$ 5,255,662	$ 15,227,957

B. Contract assets and liabilities

(a) The Company has recognised the following revenue-related contract assets and liabilities:

	December 31, 2023	December 31, 2022
Current contract assets		
IC packaging and testing service	$ 409,186	$ 272,248
Current contract liabilities		
IC packaging and testing service	$ 65,329	$ 68,026
Manufacture of electronic products	21,858	9,846
	$ 87,187	$ 77,872

Note: As of January 1, 2022, the Company recognised current contract liabilities in the amount of $88,151.

(b) Information relating to credit risk of contract assets is provided in Note 12(2).

(c) For the years ended December 31, 2023 and 2022, revenue recognised that was included in the contract liability balance at the beginning of the period amounted to $5,274 and $12,365, respectively.

(20) Interest income

	Year ended December 31	
	2023	2022
Interest income from bank deposits	$ 32,203	$ 9,862
Interest income from loans to others	-	2,079
Interest income from financial assets measured at amortised cost	-	1
	$ 32,203	$ 11,942

(21) Other income

	Year ended December 31	
	2023	2022
Service revenue	$ 9,996	$ 26,815
Rental revenue	6,385	7,235
Other income	20,113	47,699
	$ 36,494	$ 81,749

(22) Other gains and losses

	Year ended December 31	
	2023	2022
Gains on disposals of property, plant and equipment	$ 885	$ 20,501
Gains on disposals of non-current assets held for sale	-	6,700
Net currency exchange (losses) gains	(44,514)	104,875
Losses on financial assets at fair value through profit or loss	-	(1,261)
Others	(8,498)	(521)
	($ 52,127)	$ 130,294

(23) Finance costs

	Year ended December 31	
	2023	2022
Interest expense on borrowings from financial institutions	$ 15,339	$ 10,604
Interest expense on lease liability	2,615	3,099
Dividends on preference share liabilities	18,498	18,703
Others	7	4
	36,459	32,410
Less: Capitalisation of qualifying assets	(133)	(6,590)
	$ 36,326	$ 25,820

(24) Expenses by nature

	Year ended December 31	
	2023	2022
Employee benefit expense	$ 4,219,212	$ 4,069,126
Depreciation charges on property, plant and equipment (Note)	918,407	1,074,298
Depreciation expense on right-of-use assets	20,949	21,589
Amortisation charges on intangible assets	48,235	26,554

Note: Including the amortisation of losses on sale and leaseback transactions to depreciation charges amounting to $0 and $30 for the years ended December 31, 2023 and 2022, respectively.

(25) Employee benefit expense

	Year ended December 31	
	2023	2022
Salary expenses	$ 3,464,307	$ 3,329,415
Labour and health insurance fees	354,110	333,762
Pension costs	127,924	130,250
Directors' remuneration	27,790	22,926
Employee restricted shares	-	6,986
Other personnel expenses	245,081	245,787
	$ 4,219,212	$ 4,069,126

Under the Company's Articles of Incorporation, the current year's pre-tax profit, net of employees' compensation and directors' remuneration, shall be first used to offset accumulated deficits, than appropriate over 10%~15% for employee's compensation and under 1% for remuneration to directors.

A company may, by a resolution adopted by a majority vote at a meeting of Board of Directors attended by two-thirds of the total number of directors, has the determination of distribution ratios of employees' compensation and directors' remuneration and the abovementioned employees' compensation distributed in the form of shares or in cash; and in addition thereto a report of such distribution shall be submitted to the shareholders during their meeting. The profit distributable as employees' compensation distributed can be in the form of shares or in cash. Qualification requirements of employees, including the employees of subsidiaries of the company meeting certain specific requirements, entitled to receive aforementioned stock or cash may be specified in the Articles of Incorporation.

For the years ended December 31, 2023 and 2022, the employees' compensation and directors' remuneration were estimated and accrued based on certain proportion of distributable profit of current year amounting to $249,200 and $197,500; as well as $24,910 and $19,740, respectively.

Employees' compensation of $197,500 and directors' remuneration of $19,740 for 2022 as resolved by the Board of Directors were in agreement with those amounts recognised in the 2022 financial statements. The compensation and remuneration had been distributed as of the reporting date.

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

(26) Income tax

A. Income tax expense

(a) Components of income tax expense:

	Year ended December 31	
	2023	2022
Current tax:		
Current tax on profits for the period	$ -	$ 16,263
Prior year income tax underestimation	(28,797)	91,874
Total current tax	(28,797)	108,137
Deferred tax:		
Origination and reversal of temporary differences	365,468	38,370
Origination and reversal of tax loss	-	162,592
Total deferred tax	365,468	200,962
Income tax expense	$ 336,671	$ 309,099

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

	Year ended December 31	
	2023	2022
Remeasurement of defined benefit obligations	($ 14,964)	$ 24,092
Changes in fair value of financial assets at fair value through other comprehensive income	(1,318)	(90)
Currency translation differences	(10,563)	7,819
	($ 26,845)	$ 31,821

B. Reconciliation between income tax expense and accounting profit

	Year ended December 31	
	2023	2022
Tax calculated based on profit before tax and statutory tax rate	$ 443,576	$ 351,550
Items adjusted in accordance with tax regulation	(20,160)	(10,005)
Temporary difference not recognised as deferred tax assets	6,247	(5,903)
Change in assessment of realisation of deferred tax assets	(64,195)	(40,936)
Prior year taxable loss not recognised as deferred tax assets	-	(71,532)
Effect from investment tax credits	-	(5,949)
Prior year income tax (over) underestimation	(28,797)	91,874
Income tax expense	$ 336,671	$ 309,099

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

	2023			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unrealised foreign exchange loss	$ 3,282	$ 8,144	$ -	$ 11,426
Allowance for inventory valuation losses	54,134	30,896	-	85,030
Investments accounted for using equity method	849,281	(861,701)	10,563	(1,857)
Impairment of assets	1,600	-	-	1,600
Net defined benefit liability - non-current	38,790	(16,487)	14,964	37,267
Reserve for unused compensated absence	7,622	314	-	7,936
Others	16,438	(7,346)	1,318	10,410
Unused tax losses	-	480,712	-	480,712
	$ 971,147	($ 365,468)	$ 26,845	$ 632,524

	2022			
	January 1	Recognised in profit or loss	Recognised in other comprehensive income	December 31
Deferred tax assets:				
- Temporary differences:				
Unrealised foreign exchange loss	$ 750	$ 2,532	$ -	$ 3,282
Allowance for inventory valuation losses	59,257	(5,123)	-	54,134
Investments accounted for using equity method	859,100	(2,000)	(7,819)	849,281
Impairment of assets	2,100	(500)	-	1,600
Net defined benefit liability - non-current	99,098	(36,216)	(24,092)	38,790
Reserve for unused compensated absence	6,634	988	-	7,622
Others	14,399	1,949	90	16,438
Unused tax losses	162,592	(162,592)	-	-
	$ 1,203,930	($ 200,962)	($ 31,821)	$ 971,147

D. Expiration dates of unused tax losses and amounts of unrecognised deferred tax assets are as follows:

December 31, 2023				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 1,155,026	$ -	$ -	2027
2018	530,448	327,339	-	2028
2020	203,866	203,866	-	2030
2023	1,872,353	1,872,353	-	2033

December 31, 2022				
Year incurred	Amount filed/ assessed	Unused amount	Unrecognised deferred tax assets	Expiry year
2017	$ 1,155,026	$ -	$ -	2027
2018	530,448	-	-	2028
2020	203,866	162,513	162,513	2030

E. The amounts of deductible temporary differences that were not recognised as deferred tax assets are as follows:

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ -	$ 1,261

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

(27) Earnings per share

	Year ended December 31, 2023		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 1,881,210		
Less: Dividends on class C preferred shares	(401,576)		
Profit attributable to ordinary shareholders of the parent (Note)	$ 1,479,634	555,308	$ 2.66
Diluted earnings per share			
Profit attributable to the parent	$ 1,881,210	555,308	
Less: Dividends on class C preferred shares	(401,576)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	6,012	
Convertible preferred stock	401,576	180,180	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,881,210	741,500	$ 2.54

	Year ended December 31, 2022		
	Amount after tax	Weighted average number of ordinary shares outstanding (share in thousands)	Earnings per share (in dollars)
Basic earnings per share			
Profit attributable to the parent	$ 1,448,653		
Less: Dividends on class C preferred shares	(330,484)		
Profit attributable to ordinary shareholders of the parent (Note)	$ 1,118,169	553,895	$ 2.02
Diluted earnings per share			
Profit attributable to the parent	$ 1,448,653	553,895	
Less: Dividends on class C preferred shares	(330,484)		
Assumed conversion of all dilutive potential ordinary shares			
Employees' compensation	-	12,636	
Employee restricted stock	-	1,474	
Convertible preferred stock	330,484	180,180	
Profit attributable to ordinary shareholders of the parent plus assumed conversion of all dilutive potential ordinary shares	$ 1,448,653	748,185	$ 1.94

Note: The Company issued three classes of equity instruments, including ordinary shares, class B preferred shares and class C preferred shares. Since class C preferred shares are non-cumulative and participating equity instruments (refer to Note 6(16)E. (c) for the related terms of issuance), the Company assumed that ordinary shares and participating equity instruments would share in earnings until all of the profit or loss for the period had been distributed when calculating the profit or loss attributable to ordinary shareholders of the parent.

(28) Supplemental cash flow information

A. Investing activities with partial cash payments:

	Year ended December 31	
	2023	2022
Purchase of property, plant and equipment	$ 798,034	$ 907,972
Increase (decrease) in prepayments for business facilities	8,930	(146,574)
Add: Opening balance of payable on equipment (Note)	303,918	633,814
Less: Ending balance of payable on equipment (Note)	(269,709)	(303,918)
Cash paid during the year	$ 841,173	$ 1,091,294

Note : Shown as 'other payables'.

B. Financing activities with no cash flow effects：

	Year ended December 31	
	2023	2022
Prepayments for business facilities transferred to prepayments	$ 2,200	$ 195
Prepayments for business facilities transferred to property, plant and equipment	$ 525,104	$ 792,559
Prepayments for business facilities transferred to intangible assets	$ 2,035	$ 140
Long-term borrowings, current portion	$ 107,054	$ -

(29) Changes in liabilities from financing activities

	January 1, 2023	Cash flows	Others	December 31, 2023
Long-term borrowings	$ 1,148,962	$ 90,000	$ -	$ 1,238,962
Lease liabilities	161,310	(27,950)	500	133,860
Guarantee deposits received	39,768	(4,375)	-	35,393
Preference share liabilities	1,003,851	(999,999)	(3,852)	-

	January 1, 2022	Cash flows	Others	December 31, 2022
Short-term borrowings	$ 290,000	($ 290,000)	$ -	$ -
Short-term notes and bills payable	49,986	(50,011)	25	-
Long-term borrowings	648,394	500,568	-	1,148,962
Lease liabilities	194,842	(28,203)	(5,329)	161,310
Guarantee deposits received	56,924	(17,156)	-	39,768
Preference share liabilities	1,005,149	-	(1,298)	1,003,851

7. Related Party Transactions

(1) Names of related parties and relationship with the Company

Names of related parties	Relationship with the Company
ORIENT SEMICONDUCTOR ELECTRONICS PHILIPPINES, INC. (OSEP)	Subsidiary (Note 1)
OSE INTERNATIONAL LTD.(B.V.I)	Subsidiary
COREPLUS (H.K.) LIMITED (COREPLUS)	Subsidiary
Value–Plus Technology (Suzhou) Co. (VALUEPLUS)	Subsidiary
Hua-Cheng Investment Co.(Hua-Cheng)	Subsidiary
ATP Electronics Taiwan Inc. (ATP)	Associate (Note 2)
OSE Properties, Inc. (Properties)	Associate (Note 1)
Chipbond Technology Corporation (Chipbond)	Entity with significant influence to the Company
Phison Electronics Corp. (Phison)	Key management personnel (Note 2)

Note 1: The entity was dissolved and liquidated on July 31, 2023.

Note 2: The Company sold all its equity interests in ATP in August 2022; therefore, it was no longer the Company's associate.

Note 3: This person was no longer the Company's related party after resigning from being the Company's director since November 7, 2022.

(2) Significant related party transactions

A. Sales

	Year ended December 31	
	2023	2022
Phison	$ -	$ 2,017,268
Associate	-	142,197
Entities with significant influence to the Company	400	953
	$ 400	$ 2,160,418

The sales price to the above related parties was determined through mutual agreement based on the market rates. The collection term is available to third parties.

B. Purchases

	Year ended December 31	
	2023	2022
COREPLUS	$ 103,319	$ 177,473
Key management personnel of the Company	-	1,054
Entities with significant influence to the Company	2,942	1,853
Associates	-	654
	$ 106,261	$ 181,034

The purchase price to the above related parties was determined through mutual agreement based on the market rates. The payment term is available to third parties.

C. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
COREPLUS	$ 1,090	$ 38,526
Entities with significant influence to the Company	271	399
	1,361	38,925
Less: Allowance for uncollectible accounts	(6)	-
	$ 1,355	$ 38,925
Other receivables:		
VALUEPLUS	$ 1,781	$ 1,865

Receivables from related parties mainly arose from sales and service revenue. The terms for receivables from sales are 30~60 days after delivery or 30 days after monthly billings. The receivables are unsecured in nature and bear no interest.

D. Payables to related parties

	December 31, 2023	December 31, 2022
Accounts payable:		
VALUEPLUS	$ 20	$ 119
Entities with significant influence to the Company	1,474	736
	$ 1,494	$ 855
Other payables:		
Entities with significant influence to the Company	$ 19,781	$ 20,000

Payables to related parties pertain to purchase of materials and dividends on preference share liabilities. The payment terms are 30~60 days after monthly billings. The payables bear no interest.

E. Property transactions

(a) Acquisition of property, plant and equipment:

	Year ended December 31	
	2023	2022
Key management personnel of the Company	$ -	$ 360

(b) Disposal of property, plant and equipment:

	Year ended December 31			
	2023		2022	
	Disposal proceeds	Gain (loss) on disposal	Disposal proceeds	Gain (loss) on disposal
Entities with significant influence to the Company	$ -	$ -	$ 6,180	$ 6,149

F. Lease transactions－lessee

	Year ended December 31	
	2023	2022
Rental income		
ATP	$ -	$ 2,838
Entities with significant influence to the Company	1,255	826
	$ 1,255	$ 3,664

Plant, office and equipment were leased under mutual agreement, and the collection term is available to third parties.

G. Endorsements and guarantees

Endorsements and guarantees provided by the Company to related parties

	December 31, 2023	December 31, 2022
COREPLUS	$ 76,775	$ 76,750

Note 1: The amounts were translated from USD into NTD at exchange rates of USD 1 : NTD 30.71 and USD 1 : NTD 30.70 as of the date of 2023 and 2022 financial statements, respectively.

Note 2: The aforementioned amounts of endorsements and guarantees provided to related parties were the guaranty amount under the guaranty agreement between the Company and banks.

Note 3: As of December 31, 2023 and 2022, the actual amounts drawn down by the subsidiaries, which were endorsed and guaranteed by the Company, were $10,749 and $10,745 respectively.

H. Loans to/from related parties

(a) On October 27, 2022, the Board of Directors of the Company approved the debt waive of the company against the subsidiary OSE PHILIPPINES, INC. amounting to $34,864. As of December 31, 2022, interest income recognised in other receivables was nil.

(b) For year ended December 31, 2022, the Company collected interest income arising from loans to others at 1.8% per annum amounting to $2,079.

I. Others

(a) The Company collects cash dividends and pays service fees on behalf of BVI. As of December 31, 2023 and 2022, the net amounts of collections and payments made on behalf of BVI were $77,923 and $77,953, respectively, recorded as other current liabilities.

(b) Details of transactions of the Company's class B preferred shares held by an entity with significant influence to the Company are provided in Notes 6(14) and (23).

(c) The Company sold all its equity interests in ATP in August 2022, some of which were purchased by ATP as treasury shares at a transaction price of $137,067, resulting in a gain on disposal of $2,302. Details of the disposal are provided in Note 6(5).

(d) For the years ended December 31, 2023 and 2022, the Company increased its capital in the wholly owned subsidiary, Hua-Cheng, in the amounts of $500,000 and $1,209,920, respectively.

(3) Key management compensation

	Year ended December 31			
	2023		2022	
Salaries and other short-term employee benefits	$	92,304	$	86,278
Post-employment benefits		594		617
Share-based payment		-		705
	$	92,898	$	87,600

8. Pledged Assets

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

	Book value				
Pledged asset	December 31, 2023		December 31, 2022		Purpose
Property, plant and equipment					
- Buildings and structures	$	724,158	$	771,674	Credit line for long-term borrowings
- Machinery and equipment		76,917		330,803	Credit line for long-term borrowings
Guarantee deposits paid - time deposits		14,077		14,000	Customs guarantee or others
	$	815,152	$	1,116,477	

9. Significant Contingent Liabilities and Unrecognised Contract Commitments

(1) Contingencies

None.

(2) Commitments

A. As of December 31, 2023 and 2022, guarantee given by the bank for the payment of input tax imposed for sales from a tax free zone to non-tax free zone amounted to $0 and $400,000, respectively.

B. As of December 31, 2023 and 2022, the Company issued promissory notes of $7,618,276 and $8,017,920, respectively, as guarantees for bank loans.

C. As of December 31, 2023 and 2022, the Company issued promissory notes of $14,242 and $13,738, respectively, as guarantees for payments of raw materials and machineries purchased.

D. As of December 31, 2023 and 2022, the Company had letters of credit issued but not used amounting to US$0 thousand and US$112 thousand, respectively.

E. Capital expenditure contracted for at the balance sheet date but not yet incurred is as follows:

	December 31, 2023	December 31, 2022
Property, plant and equipment	$ 389,110	$ 201,515

F. Details of the commitments on financial terms under credit contracts with certain banks are provided in Note 6(12) B.

10. Significant Disaster Loss

None.

11. Significant Events after the Balance Sheet Date

None.

12. Others

(1) Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to provide returns for shareholders and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

During the year ended December 31, 2023, the Company's strategy, which was unchanged from 2022, was to balance overall capital structure. As of December 31, 2023 and 2022, the Company's gearing ratio is as follows:

	December 31, 2023	December 31, 2022
Total liabilities	$ 7,202,851	$ 7,110,081
Total assets	$ 18,476,694	$ 16,860,857
Gearing ratio	39%	42%

(2) Financial instruments

A. Financial instruments by category

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through other comprehensive income		
Designation of equity instrument	$ 4,022	$ 10,613
Financial assets at amortised cost		
Cash and cash equivalents (excluding cash on hand)	$ 2,913,450	$ 3,314,006
Notes receivable	-	155
Accounts receivable (including related parties)	4,427,744	3,006,495
Other receivables (including related parties)	120,663	40,840
Guarantee deposits paid	34,068	16,291
	$ 7,495,925	$ 6,377,787

	December 31, 2023	December 31, 2022
Financial liabilities		
Financial liabilities at amortised cost		
Accounts payable (including related parties)	$ 3,927,251	$ 2,921,588
Other payables (including related parties)	1,390,434	1,277,121
Long-term borrowings (including current portion)	1,238,962	1,148,962
Preference share liability	-	1,003,851
	$ 6,556,647	$ 6,351,522
Lease liability (including current and non-current)	$ 133,860	$ 161,310

B. Financial risk management policies

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

(b) The Company has established appropriate policies, procedures and internal controls in accordance with the relevant regulations to manage the aforementioned financial risks. Before entering into significant transactions, due approval process by the Board of Directors and Audit Committee must be carried out based on the relevant regulations and internal control procedures. The Company complies with its financial risk management policies at all times.

C. Significant financial risks and degrees of financial risks

(a) Market risk

Foreign exchange risk

i. The Company operates internationally and is exposed to exchange rate risk arising from the transactions of the Company used in various functional currency, primarily with respect to the USD and RMB. Foreign exchange rate risk arises from future commercial transactions, recognised assets and liabilities and net investment in foreign operations.

ii. The Company’s management hedges foreign exchange risk through natural hedges or derivative financial instruments (including forward foreign exchange contracts) to prevent decreases in value of assets denominated in foreign currencies and fluctuations in future cash flows. The use of these derivative financial instruments assists in decreasing the effect of foreign currency fluctuations but cannot eliminate the impact entirely. The Company’s purpose to hold certain investments in foreign operations is for strategic investments; thus, the Company does not hedge those investments.

iii. The Company’s businesses involve some non-functional currency operations (the Company’s functional currency: NTD). The information on assets and liabilities denominated in foreign currencies whose values would be materially affected by the exchange rate fluctuations is as follows:

	December 31, 2023					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 162,667	30.71	$ 4,995,504	1%	$ 49,955	$ -
JPY:NTD	734,289	0.2174	159,634	1%	1,596	-
Non-monetary items						
USD:NTD	19,539	30.71	600,028	1%	-	6,000
Financial liabilities						
Monetary items						
USD:NTD	86,604	30.71	2,659,609	1%	26,596	-
JPY:NTD	483,077	0.2174	105,021	1%	1,050	-

	December 31, 2022					
				Sensitivity analysis		
	Foreign currency amount (In thousands)	Exchange rate	Book value (NTD)	Degree of variation	Effect on profit or loss	Effect on other comprehensive income
(Foreign currency: functional currency)						
Financial assets						
Monetary items						
USD:NTD	$ 118,822	30.70	$ 3,647,835	1%	$ 36,478	$ -
JPY:NTD	805,561	0.2325	187,293	1%	1,873	-
Non-monetary items						
USD:NTD	20,714	30.70	635,907	1%	-	6,359
Financial liabilities						
Monetary items						
USD:NTD	71,492	30.70	2,194,804	1%	21,948	-
JPY:NTD	580,962	0.2325	135,074	1%	1,351	-

iv. The total exchange (loss) gain, including realised and unrealised, arising from significant foreign exchange variation on the monetary items held by the Company for years ended December 31, 2023 and 2022 amounted to ($44,514) and $104,875, respectively.

Price risk

i. The Company's equity securities, which are exposed to price risk, are the held financial assets at fair value through other comprehensive income. The Company manages the equity price risk through diversification and placing limits on individual and total equity instruments. Reports on the equity portfolio are submitted to the Company's senior management on a regular basis. The Company's Board of Directors reviews and approves all equity investment decisions.

ii. The Company's investments in equity securities comprise shares issued by the domestic and foreign companies. The prices of equity securities would change due to the change of the future value of investee companies. If the prices of these equity securities had increased/decreased by 1% with all other variables held constant, other components of equity for the years ended December 31, 2023 and 2022 would have increased/decreased by $40 and $106, respectively, as a result of other comprehensive income classified as equity investment at fair value through other comprehensive income.

Interest rate risk

The Company's long-term borrowings are floating-rate debts; therefore, the effective interest rate of its long-term borrowings will vary according to changes in market interest rates. If the market interest rate had increased/decreased by 25 basis points with all other variables held constant, post-tax profit for the years ended December 31, 2023 and 2022 would have increased/decreased by $2,478 and $2,298, respectively. The main factor is that changes in interest expense result in floating-rate borrowings.

(b) Credit risk

i. Credit risk refers to the risk of financial loss to the Company arising from default by the counterparties of financial instruments on the contract obligations. The Company is exposed to credit risk from its operating activities (mainly accounts receivable and notes receivable) and from its financing activities (mainly bank deposits and various financial instruments). The maximum exposure to aforementioned credit risk was the carrying amount of financial assets recognised in the consolidated balance sheet.

ii. Customer credit risk is managed by each business unit in accordance with the Company's policy, procedures and control relating to customer credit risk management. Credit limits are established for all customers based on their financial position, rating from credit rating agencies, historical experience, prevailing economic condition and the Company's internal rating criteria, etc. Certain customer's credit risk will also be managed by taking credit enhancing procedures, such as requesting for prepayment or insurance.

iii. As of December 31, 2023 and 2022, the amounts of accounts and notes receivable from top ten customers constitute 89% and 81%, respectively, of the Company's total accounts and notes receivable. The credit concentration risk of the remaining accounts and notes receivable is immaterial.

iv. The Company's treasury manages the credit risks of bank deposits and other financial instruments based on the Company's credit policy. Because the Company's counterparties are determined based on the Company's internal control, only banks and companies with good credit rating and with no significant default risk are accepted. Consequently, there is no significant credit risk.

v. If the contract payments were past due over 30 days based on the terms, there has been a significant increase in credit risk on that instrument since initial recognition. The default occurs when the contract payments are past due over 90 days.

vi. The Company classifies customers' contract assets and notes and accounts receivable in accordance with credit rating of customer, geographic area and industry sector. The Company applies the simplified approach using a provision matrix to estimate the expected credit loss.

vii. The Company used the forecastability to adjust historical and timely information to assess the default possibility of accounts receivable. On December 31, 2023 and 2022, the provision matrix classified by customers is as follows:

December 31, 2023		Overdue					
IC semiconductor group	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Gross carrying amount (Note)	$ 2,554,784	$ 264,292	$ 140,192	$ 2,426	$ 8,991	$ -	$ 2,970,685
Lifetime expected credit losses	(2,695)	(582)	(463)	(125)	(461)	-	(4,326)
Carrying amount	$ 2,552,089	$ 263,710	$ 139,729	$ 2,301	$ 8,530	$ -	$ 2,966,359
Loss ratio	0.11%	0.22%	0.33%	0.44%~5.15%	0.66%~5.15%	100%	

		Overdue					
Electronics manufacturing services group	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Gross carrying amount (Note)	$ 1,758,163	$ 89,873	$ 24,824	$ -	$ -	$ -	$ 1,872,860
Lifetime expected credit losses	(2,008)	(199)	(82)	-	-	-	(2,289)
Carrying amount	$ 1,756,155	$ 89,674	$ 24,742	$ -	$ -	$ -	$ 1,870,571
Loss ratio	0.11%	0.22%	0.33%	0.44%	0.66%~8.33%	100%	

December 31, 2022		Overdue					
IC semiconductor group	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Gross carrying amount (Note)	$ 1,846,741	$ 136,782	$ 47,621	$ 182	$ 604	$ -	$ 2,031,930
Lifetime expected credit losses	(4,270)	(4,402)	(4,500)	(17)	(84)	-	(13,273)
Carrying amount	$ 1,842,471	$ 132,380	$ 43,121	$ 165	$ 520	$ -	$ 2,018,657
Loss ratio	0%~0.36%	0%~3.73%	0%~9.45%	0%~9.55%	0%~13.89%	100%	

		Overdue					
Electronics manufacturing services group	Not past due	Up to 30 days	31 to 60 days	61 to 90 days	91 to 180 days	Over 180 days	Total
Gross carrying amount (Note)	$ 1,192,926	$ 52,151	$ 15,106	$ 58	$ -	$ -	$ 1,260,241
Lifetime expected credit losses	-	-	-	-	-	-	-
Carrying amount	$ 1,192,926	$ 52,151	$ 15,106	$ 58	$ -	$ -	$ 1,260,241
Loss ratio	0%	0%	0%	0%	0%	100%	

Note: Including the total amount of current contract assets, notes and accounts receivable.

viii. Movements in relation to the Company applying the modified approach to provide loss allowance for accounts receivable, contract assets and other receivables are as follows:

	Year ended December 31	
	2023	2022
	Accounts receivable	Accounts receivable
At January 1	$ 13,273	$ 5,446
Provision for impairment	-	7,827
Reversal of impairment loss	(6,658)	-
At December 31	$ 6,615	$ 13,273

For provisioned loss for the years ended December 31, 2023 and 2022, there were no impairment losses arising from the contract assets and notes receivable.

(c) Liquidity risk

i. The Company's objective on liquidity risk management is to ensure the sufficiency of financial flexibility by maintaining cash and bank deposits for operations and adequate bank financing quota.

ii. As of December 31, 2023 and 2022, the Company's total unused amounts of short-term borrowings were $3,557,550 and $4,274,122, respectively. The Company's total unused amounts of long-term borrowings were $4,850,000 and $3,459,038, respectively.

iii. The table below analyses the Company's non-derivative financial liabilities into relevant maturity groupings based on the remaining period at the balance sheet date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
December 31, 2023					
Accounts payable (including related parties)	$ 3,927,251	$ -	$ -	$ -	$3,927,251
Other payables (including related parties)	1,390,434	-	-	-	1,390,434
Long-term borrowings (including current portion)	120,919	904,909	243,722	5,824	1,275,374
Lease liabilities	27,623	26,709	23,374	76,214	153,920

	Less than 1 year	Between 2 and 3 years	Between 4 and 5 years	Over 5 years	Total
December 31, 2022					
Accounts payable (including related parties)	$ 2,921,588	$ -	$ -	$ -	$2,921,588
Other payables (including related parties)	1,277,121	-	-	-	1,277,121
Long-term borrowings (including current portion)	13,866	503,928	617,973	60,182	1,195,949
Preference share liabilities	20,000	1,039,396	-	-	1,059,396
Lease liabilities	30,568	45,071	23,955	87,804	187,398

(3) Fair value information

A. The different levels that the inputs to valuation techniques are used to measure fair value of financial and non-financial instruments have been defined as follows:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date. A market is regarded as active where a market in which transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Unobservable inputs for the asset or liability.

B. Financial instruments not measured at fair value

The carrying amounts of the Company's financial instruments not measured at fair value, including cash and cash equivalents, accounts receivable (including related parties), other receivables (including related parties), guarantee deposits paid, accounts payable (including related parties), other payables (including related parties), lease liabilities, preference share liabilities, long-term borrowings (including current portion) and guarantee deposits received, are approximate to their fair values.

C. The related information of financial and ono-financial instruments measured at fair value by level on the basis of the nature, characteristics and risks of the assets and liabilities at December 31, 2023 and 2022 are as follows:

(a) The related information of nature of the asset and liabilities is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 4,022	$ 4,022

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Recurring fair value measurements				
Financial assets at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 10,613	$ 10,613

(b) The methods and assumptions the Company used to measure fair value are as follows:

i. The fair value of equity instruments without active market (such as unlisted shares) was measured by applying a market approach based on the prices and other relevant information (such as the discount for lack of marketability and inputs like price to earnings ratio or price to book ratio) arising from the market transactions of the Company's same or comparable equity instruments. Additionally, for equity instruments that lack sufficient or appropriate observable market information and comparable counterparties, net asset value is used to measure the profitability of underlying investments.

ii. The fair value of derivative financial instrument options that do not have a quoted market price in an active market was measured by applying a binary tree valuation model.

iii. The effect of unobservable inputs to the valuation of financial instruments is provided in Note 12(3)H.

D. For the years ended December 31, 2023 and 2022, there was no transfer between Level 1 and Level 2.

E. The following chart is the movement of Level 3 for the years ended December 31, 2023 and 2022:

	2023	
	Derivative instrument	Non-derivative equity instrument
At January 1	$ -	$ 10,613
Losses recognised in profit or loss	-	-
Losses recognised in other comprehensive income	-	(6,591)
At December 31	$ -	$ 4,022

	2022	
	Derivative instrument	Non-derivative equity instrument
At January 1	$ 1,261	$ 25,575
Losses recognised in profit or loss	(1,261)	-
Losses recognised in other comprehensive income	-	(14,962)
At December 31	$ -	$ 10,613

F. For the years ended December 31, 2023 and 2022, there was no transfer into or out from Level 3.

G. Treasury segment is in charge of valuation procedures for fair value measurements being categorised within Level 3, which is to frequently evaluate and measure fair value of financial instruments.

H. The following is the qualitative information of significant unobservable inputs and sensitivity analysis of changes in significant unobservable inputs to valuation model used in Level 3 fair value measurement:

	Fair value at December 31, 2023	Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Non-derivative equity instrument:					
Unlisted shares	$ 4,022	Net assets value	N/A	N/A	N/A

	Fair value at December 31, 2022		Valuation technique	Significant unobservable input	Range (weighted average)	Relationship of inputs to fair value
Derivative instrument:						
Preference share liabilities returned	$	-	Binary tree convertible valuation model	Discount rate	2.5806%	The higher the discount rate, the lower the fair value.
Non-derivative equity instrument:						
Unlisted shares	$	10,613	Net assets value	N/A	N/A	N/A

I. The Company has carefully assessed the valuation models and assumptions used to measure fair value. However, use of different valuation models or assumptions may result in different measurement. The following is the effect of profit or loss or of other comprehensive income from financial assets and liabilities categorised within Level 3 if the inputs used to valuation models have changed:

On December 31, 2023: There were no such transactions.

			December 31, 2022			
			Recognised in profit or loss		Recognised in other comprehensive income	
	Input	Change	Favourable change	Unfavourable change	Favourable change	Unfavourable change
Financial assets						
Preference share liabilities returned	Discount rate	±1%	$ -	$ 8,468	$ -	$ -

13. Supplementary Disclosures

(1) Significant transactions information

A. Loans to others: Please refer to table 1.

B. Provision of endorsements and guarantees to others: Please refer to table 2.

C. Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures): Please refer to table 3.

D. Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company’s paid-in capital: Please refer to table 4.

E. Acquisition of real estate reaching $300 million or 20% of paid-in capital or more: Please refer to table 5.

F. Disposal of real estate reaching $300 million or 20% of paid-in capital or more:None.

G. Purchases or sales of goods from or to related parties reaching $100 million or 20% of paid-in capital or more: Please refer to table 6.

H. Receivables from related parties reaching $100 million or 20% of paid-in capital or more: None.

I. Trading in derivative instruments undertaken during the reporting periods: Please refer to Note 12(2).

J. Significant inter-company transactions during the reporting periods: Please refer to table 7.

(2) Information on investees

Names, locations and other information of investee companies (not including investees in Mainland China)：Please refer to table 8.

(3) Information on investments in Mainland China

A. Basic information: Please refer to table 9.

B. Significant transactions, either directly or indirectly through a third area, with investee companies in the Mainland Area: Please refer to table 10.

(4) Major shareholders information

Names, number of shares and ownership of the Company's shareholders who hold more than 5% of equity share: Please refer to Note 11.

14. Segment Information

Not applicable.

Orient Semiconductor Electronics, Limited and Subsidiaries
Loans to others
Year ended December 31, 2023

Table 1

Expressed in thousands of NTD
(Except as otherwise indicated)

No.	Creditor	Borrower	General ledger account	Is a related party	Maximum outstanding balance during the year ended December 31, 2023	Balance at December 31, 2023	Actual amount drawn down	Interest rate range	Nature of loan	Amount of transactions with the borrower	Reason for short-term financing	Allowance for doubtful accounts	Collateral Item	Collateral Value	Limit on loans granted to a single party (Note 1)	Ceiling on total loans granted (Note 1)	Footnote
2	COREPLUS (HK) LIMITED	Value-Plus Technology (Suzhou) Co.	Other receivables due from related parties	Y	61,420 (USD 2,000)	61,420 (USD 2,000)	30,710 (USD 1,000)	-	Short-term financing	-	Short-term capital requirements for operating and business purposes	-	-	-	522,100 (USD 17,001)	522,100 (USD 17,001)	-

Note 1: In accordance with the Company's "Procedures for Provision of Loans", limit on loans to others is 40% of the Company's net asset based on the latest audited or reviewed consolidated financial statements.
However, limit on loans to direct or indirect wholly-owned foreign subsidiaries of the Company is 200% of the Company's net asset. Limit on endorsements to a single party is 30% of the Company's net asset based on the latest audited or reviewed financial statements.

Orient Semiconductor Electronics, Limited and Subsidiaries

Provision of endorsements and guarantees to others

Year ended December 31, 2023

Table 2

Expressed in thousands of NTD

(Except as otherwise indicated)

		Party being endorsed/guaranteed												
No. (Note 1)	Endorser/guarantor	Company name	Relationship with the endorser/ guarantor	Limit on endorsements/ guarantees provided for a single party (Note 3)	Maximum outstanding endorsement/ guarantee amount as of December 31, 2023	Outstanding endorsement/ guarantee amount at December 31, 2023	Actual amount drawn down	Amount of endorsements/ guarantees secured with collateral	Ratio of accumulated endorsement/ guarantee amount to net asset value of the endorser/guarantor	Ceiling on total amount of endorsements/ guarantees provided (Note 3)	Provision of endorsements/ guarantees by parent company to subsidiary	Provision of endorsements/ guarantees by subsidiary to parent company	Provision of endorsements/ guarantees to the party in Mainland China	Footnote
0	Orient Semiconductor Electronics, Limited	COREPLUS (HK) LIMITED	Note 2	$ 3,382,152	$ 76,775 (USD 2,500)	$ 76,775 (USD 2,500)	$ 10,749 (USD 350)	$ -	0.68%	$ 11,273,843	Y	N	N	-

Note 1: The numbers filled in for the endorsements/guarantees provided by the Company or subsidiaries are as follows:

(1)The Company is ‘0’.

(2)The subsidiaries are numbered in order starting from ‘1’.

Note 2: The endorser/guarantor parent company owns directly and indirectly more than 50% voting shares of the endorsed/guaranteed subsidiary.

Note 3: Limit on total endorsements is the Company’s net asset based on the latest audited or reviewed financial statements, and limit on endorsements to a single party is 30% of the Company’s net asset based on the latest audited or reviewed financial statements.

Orient Semiconductor Electronics, Limited and Subsidiaries

Holding of marketable securities at the end of the period (not including subsidiaries, associates and joint ventures)

December 31, 2023

Table 3

Expressed in thousands of NTD

(Except as otherwise indicated)

Securities held by	Marketable securities	Relationship with the securities issuer	General ledger account	As of December 31, 2023 Number of shares	Book value	Ownership (%)	Fair value	Footnote
Orient Semiconductor Electronics,Limited	STRATEDGE's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	5,135	$ -	-	$ -	-
Orient Semiconductor Electronics,Limited	SPINERGY's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	999,641	-	-	-	-
Orient Semiconductor Electronics,Limited	Golfware's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	4,687	-	-	-	-
Orient Semiconductor Electronics,Limited	SCREENBEAM's stocks - common shares	None	Financial assets at fair value through other comprehensive income - non-current	2,141,176	557	-	557	-
Orient Semiconductor Electronics,Limited	SCREENBEAM's stocks - preference share	None	Financial assets at fair value through other comprehensive income - non-current	2,352,941	3,465	-	3,465	-
Hua-Cheng Investment Co.	Chipbond Technology Corporation	Entity with significant influence	Financial assets at fair value through other comprehensive income - non-current	25,383,000	1,835,191	3.41%	1,835,191	-

Orient Semiconductor Electronics, Limited and Subsidiaries
Acquisition or sale of the same security with the accumulated cost exceeding $300 million or 20% of the Company's paid-in capital
Year ended December 31, 2023

Table 4

Expressed in thousands of NTD
(Except as otherwise indicated)

					Balance as at January 1, 2023		Addition		Disposal				Balance as at December 31, 2023	
Investor	Marketable securities	General ledger account	Counterparty	Relationship with the investor	Number of shares	Amount	Number of shares	Amount (Note)	Number of shares	Selling price	Book value	Gain (loss) on disposal	Number of shares	Amount
Orient Semiconductor Electronics, Limited	Hua-Cheng Investment Co., Ltd.	Investments accountd for using equity method	-	Subsidiary	138,993,437	$ 1,489,232	44,757,400	$ 940,075 (Note 1)	$ -	$ -	$ -	$ -	183,750,837	$ 2,429,307
Hua-Cheng Investment Co., Ltd.	Stocks - Chipbond Technology	Financial assets at fair value through other comprehensive income - non-current	-	-	17,610,000	1,010,814	7,773,000	824,377 (Note 2)	-	-	-	-	25,383,000	1,835,191

Note 1: In 2023, the Company newly invested $500,000 in Hua-Cheng Investment Co. and the additional investment included the investment income (loss) and other comprehensive income recognised in the period.
Note2: Addition for the period included the unrealised valuation adjustment at the balance sheet date amounting to $320,778.

Orient Semiconductor Electronics, Limited and Subsidiaries

Acquisition of real estate reaching NT$300 million or 20% of paid-in capital or more

Year ended December 31, 2023

Table 5

Expressed in thousands of NTD
(Except as otherwise indicated)

Real estate acquired by	Real estate acquired	Date of the event	Transaction amount	Status of payment	Counterparty	Relationship with the counterparty	Original owner who sold the real estate to the counterparty	Relationship between the original owner and the acquirer	Date of the original transaction	Amount	Basis or reference used in setting the price	Reason for acquisition of real estate and status of the real estate	Other commitments
Orient Semiconductor Electronics, Limited	Buildings and structures	October 27, 2022	Note	Note	Note	None	N/A	N/A	N/A	N/A	Price comparison and negotiation	For production use	-

Note: On October 27, 2022, the Board of Director resolved to invest in the Diamond Area Renew Program of Nanzih Technology Industrial Park, with the expected investment amount of $2,793,000. The actual investment amount was accounted by the actual contract amount.
As of December 31, 2023, the contractor of some contracted work items is Verizon Construction & Engineering Limited Company, and the accumulated payments amounted to $148,800.

Orient Semiconductor Electronics, Limited and Subsidiaries
Purchases or sales of goods from or to related parties reaching NT$100 million or 20% of paid-in capital or more
Year ended December 31, 2023

Table 6

Expressed in thousands of NTD
(Except as otherwise indicated)

			Transaction				Compared to third party transactions		Notes/accounts receivable (payable)		
Purchaser/seller	Counterparty	Relationship with the counterparty	Purchases (sales)	Amount	Percentage of total purchases (sales)	Credit term	Unit price	Credit term	Balance	Percentage of total notes/accounts receivable (payable)	Footnote
Orient Semiconductor Electronics,Limited	COREPLUS (HK) LIMITED	Subsidiary	Purchases	$ 103,319	1.42%	60 days after monthly billings	-	-	$ 1,084	0.02%	Note 1

Note 1: The amount of purchases (sales) pertains to the amount after offsetting sales of raw materials by the Company to the subsidiary and purchases of processed finished goods by the Company from the subsidiary.
In addition, accounts payable at the end of the period pertain to the balance after offsetting accounts receivable and payable. These amounts were eliminated in the consolidated financial statements.

Orient Semiconductor Electronics, Limited and Subsidiaries

Significant inter-company transactions during the reporting periods

Year ended December 31, 2023

Table 7

Expressed in thousands of NTD

Transactions amount between the parent company and subsidiaries or between subsidiaries reaching $10 million is provided below:

(Except as otherwise indicated)

				Transaction			
Number (Note 1)	Company name	Counterparty	Relationship (Note 2)	General ledger account	Amount	Transaction terms	Percentage of consolidated total operating revenues or total assets
0	Orient Semiconductor Electronics,Limited	OSE INTERNATIONAL LTD.	1	Other payables	$ 77,923	-	0.42%
1	COREPLUS (HK) LIMITED	Orient Semiconductor Electronics,Limited	2	Sales revenue	103,319	Same with general transaction terms	0.62%
1	COREPLUS (HK) LIMITED	Value-Plus Technology (Suzhou) Co.	3	Other receivables	30,710	-	0.17%
2	Value-Plus Technology (Suzhou) Co.	COREPLUS (HK) LIMITED	3	Sales revenue	84,068	Same with general transaction terms	0.50%
2	Value-Plus Technology (Suzhou) Co.	COREPLUS (HK) LIMITED	3	Accounts receivable	11,401	-	0.06%

Note 1: The numbers filled in for the transaction company in respect of inter-company transactions are as follows:

(1) Parent company is ‘0’.

(2) The subsidiaries are numbered in order starting from ‘1’.

Note 2: Relationship between transaction company and counterparty is classified into the following three categories; fill in the number of category each case belongs to (If transactions between parent company and subsidiaries or between subsidiaries refer to the same transaction, it is not required to disclose twice. For example, if the parent company has already disclosed its transaction with a subsidiary, then the subsidiary is not required to disclose the transaction; for transactions between two subsidiaries, if one of the subsidiaries has disclosed the transaction, then the other is not required to disclose the transaction.):

(1) Parent company to subsidiary.

(2) Subsidiary to parent company.

(3) Subsidiary to subsidiary.

Orient Semiconductor Electronics, Limited and Subsidiaries

Information on investees

Year ended December 31, 2023

Table 8

Expressed in thousands of NTD

(Except as otherwise indicated)

				Initial investment amount		Shares held as at December 31, 2023					
Investor	Investee	Location	Main business activities	Balance as at December 31, 2023	Balance as at December 31, 2022	Number of shares	Ownership (%)	Book value	Net profit (loss) of the investee for the year ended December 31, 2023	Investment income (loss) recognised by the Company for the year ended December 31, 2023	Footnote
Orient Semiconductor Electronics, Limited	OSE PHILIPPINES, INC.	Philippines	(1) Integrated circuits and various semiconductor components (2) Research, design, manufacture, assembly, processing and test of abovementioned products and after-sales service	$ -	$ 3,971,119 (USD 129,375,408)	-	-	$ -	$ 28,848	$ 27,022	Note 1, 2, 4
Orient Semiconductor Electronics, Limited	OSE PROPERTIES, INC.	Philippines	(1) Sales of properties (2) Lease of properties (3) Other property-related business	-	9,384 (USD 305,559)	-	-	-	(904)	(362)	Note 2, 4
Orient Semiconductor Electronics, Limited	OSE INTERNATIONAL LTD.	British Virgin IS.	Investments of various manufacturing businesses	491,360 (USD 16,000,000)	491,360 (USD 16,000,000)	16,000,000	100%	339,007	13,131	13,131	Note 1, 4
Orient Semiconductor Electronics, Limited	SCS HIGHTECH INC.	Taiwan	Manufacture of data storage and processing equipment and providing information software and data processing services	256,000	256,000	25,600,000	18.17%	-	-	-	Note 3
Orient Semiconductor Electronics, Limited	COREPLUS (HK) LIMITED	Hong Kong	Procure to order and components assembly outsourcing	230,325 (USD 7,500,000)	230,325 (USD 7,500,000)	7,500,000	100%	261,021	(61,559)	(61,559)	Note 1, 4
Orient Semiconductor Electronics, Limited	HUA-CHENG INVESTMENT CO.	Taiwan	Reinvestments in various business	2,055,828	1,508,254	183,750,837	100%	2,429,307	119,297	119,297	Note 1
OSE INTERNATIONAL LTD.	OSE PHILIPPINES, INC.	Philippines	(1) Integrated circuits and various semiconductor components (2) Research, design, manufacture, assembly, processing and test of abovemetioned products and after-sales service	-	153,500 (USD 5,000,000)	-	-	-	28,848	1,826	Note 1, 2, 4

Note 1: Inter-company transactions between companies within the Group are eliminated.

Note 2: The investee was dissolved and liquidated on July 31, 2023.

Note 3: The investee was abolished on March 8, 2007.

Note 4: Initial investment amount of the reinvestee which use foreign currencies to prepare financial statements is translated to NTD at the spot rate at the period end.

Orient Semiconductor Electronics, Limited and Subsidiaries

Information on investments in Mainland China

Year ended December 31, 2023

Table 9

Expressed in thousands of NTD
(Except as otherwise indicated)

Investee in Mainland China	Main business activities	Paid-in capital	Investment method (Note 1)	Accumulated amount of remittance from Taiwan to Mainland China as of January 1, 2023	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted to Mainland China	Amount remitted from Taiwan to Mainland China/ Amount remitted back to Taiwan for the year ended December 31, 2023: Remitted back to Taiwan	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Net loss of investee for the year ended December 31, 2023	Ownership held by the Company (direct or indirect)	Investment loss recognised by the Company for the year ended December 31, 2023	Book value of investments in Mainland China as of December 31, 2023	Accumulated amount of investment income remitted back to Taiwan as of December 31, 2023	Footnote
Value-Plus Technology (Suzhou) Co.	Researching, developing and undertaking the substrate surface adhesion processing of various electronic product components, plug-in welding processing of components, related testing, combination processing, sales of self-produced products, and providing technique maintenance and after-sale service accordingly	165,482 (USD 5,388,522)	Investment and establishment in COREPLUS, and then reinvestment (2)	$ 158,328	$ -	$ -	$ 158,328	($ 42,331)	100%	($ 42,331)	$ 14,381	$ -	Note 3

Company name	Accumulated amount of remittance from Taiwan to Mainland China as of December 31, 2023	Investment amount approved by the Investment Commission of the Ministry of Economic Affairs (MOEA)	Ceiling on investments in Mainland China imposed by the Investment Commission of MOEA	Footnote
Orient Semiconductor Electronics, Limited	$ 158,328	$ 175,495	$ 6,764,305	Note 3

Note 1: Investment methods are classified into the following three categories;

(1) Directly invest in a company in Mainland China.

(2) Through investing in an existing company in the third area, which then invested in the investee in Mainland China.

(3) Others

Note 2: Limit amount prescribed by the Jing-Shen-Zi Letter No. 09704604680 of Ministry of Economic Affairs, dated August 29, 2008, and is calculated based on 60% of the Company’s consolidated net assets.

Note 3: Paid-in capital was translated to NTD at the spot rate at the period end.

Orient Semiconductor Electronics, Limited and Subsidiaries

Significant transactions conducted with investees in Mainland China directly or indirectly through other companies in the third areas

Year ended December 31, 2023

Table 10

Expressed in thousands of NTD

(Except as otherwise indicated)

	Sale (purchase)		Service revenue		Accounts receivable (payable)		Other receivables		Provision of endorsements/guarantees or collaterals		Financing				
Investee in Mainland China	Amount	%	Amount	%	Balance at December 31, 2023	%	Balance at December 31, 2023	%	Balance at December 31, 2023	Purpose	Maximum balance during the year ended December 31, 2023	Balance at December 31, 2023	Interest rate	Interest during the year ended December 31, 2023	Other
Value-Plus Technology (Suzhou) Co.	$ -	-	$ 84,068	100%	$ 11,401	100%	$ 554	96%	$ -	-	$ 61,420	$ 61,420	-	$ -	

Orient Semiconductor Electronics, Limited and Subsidiaries

Major shareholders information

December 31, 2023

Table 11

Name of major shareholders	Shares	
	Number of shares held	Ownership (%)
Chipbond Technology Corporation	163,995,498	29.53%

Note 1: Chipbond Technology Corporation held the Company’s common shares and class C preferred shares without voting rights amounting to 163,995,498 shares and 180,180,000 shares, respectively, and totally held 344,175,498 shares.

Note 2: As of December 31, 2023, the issuance period of Class C preferred shares has not been fulfilled for 5 years, therefore, the shareholders of preferred shares have not implemented the conversion right. Information relating to issuance terms of the conversion right is provided in Note 6(16) E(e).

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF CASH AND CASH EQUIVALENTS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 1

Item	Description	Amount
Cash:		
Petty cash		$ 120
Cash in banks:		
Checking accounts		4,881
Demand deposits (NTD)		1,496,849
Foreign currency deposits	USD 29,948 thousand at exchange rate of 30.71	919,709
	JPY 709,299 thousand at exchange rate of 0.2174	154,201
Cash equivalents:		
Foreign currency time deposits	USD 11,000 thousand at exchange rate of 30.71 Maturity date was set between January 2, 2024 and January 28, 2024, and the interest rate ranged between 5.1% and 5.67%	337,810
		$ 2,913,570

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF ACCOUNTS RECEIVABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 2

Client Name	Description	Amount		Note
Non-related parties:				
FAH	Sales revenue	$	970,484	
I56-A	"		432,196	
IRS	"		404,516	
FAH-B	"		350,998	
I8F-D	"		235,087	
IFQ	"		226,104	
Other (balance of each client has not exceeded 5% of total account balance)			1,813,613	
			4,432,998	
Less: Allowance for uncollectible accounts		(	6,609)	
		$	4,426,389	
Related parties:				
COREPLUS (HK) LIMITED	Sales revenue	$	1,090	
Other (balance of each client has not exceeded 5% of total account balance)	"		271	
			1,361	
Less: Allowance for uncollectible accounts		(	6)	
		$	1,355	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF INVENTORIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 3

Item	Description	Amount: Cost	Amount: Net Realizable Value	Note
Raw materials		$ 1,213,392	$ 902,854	Stated at the lower of cost and net realisable value.
Supplies		148,271	65,559	"
Work in progress		513,734	501,997	"
Finished goods		33,194	13,030	"
		1,908,591	$ 1,483,440	
Less: Allowance for valuation loss		(425,151)		
		$ 1,483,440		

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF FINANCIAL ASSETS MEASURED AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME - NON-CURRENT
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 4

	Balance as at January 1, 2023		Addition		Decrease		Valuation	Balance as at December 31, 2023		Accumulated		
Name of Financial Instrument	Shares	Fair Value	Shares	Amount	Shares	Amount	adjustment	Shares	Fair Value	Impairment	Collateral	Note
STRATEDGE - common share	5,135	$ -	-	$ -	-	$ -	$ -	5,135	$ -	$ -	None	
SPINERGY - common share	999,641	-	-	-	-	-	-	999,641	-	-	None	
Golfware Inc.- common share	4,687	-	-	-	-	-	-	4,687	-	-	None	
SCREENBEAM - common share	2,141,176	2,683	-	-	-	-	(2,126)	2,141,176	557	-	None	
SCREENBEAM - preferred share	2,352,941	7,930	-	-	-	-	(4,465)	2,352,941	3,465	-	None	
		$ 10,613		$ -		$ -	($ 6,591)		$ 4,022	$ -		

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
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, except as otherwise indicated)

STATEMENT 5

Name	Beginning Balance		Addition		Decrease		Ending Balance			Market Value or Net Assets Value			
	Shares	Amount	Shares	Amount	Shares	Amount	Shares	Percentage of Ownership	Amount	Unit Price	Total Amount	Collateral	Note
Subsidiaries:													
ORIENT SEMICONDUCTOR ELECTRONICS PHILIPPINES,INC.	3,680,365	($ 13,490)	-	$ 27,450	(3,680,365)	($ 13,960)	-	-	$ -	$ -	$ -	None	
OSE INTERNATIONAL LTD.	16,000,000	325,908	-	13,131	-	(32)	16,000,000	100%	339,007	21.19	339,007	None	
COREPLUS (H.K.) LIMITED	7,500,000	321,646	-	934	-	(61,559)	7,500,000	100%	261,021	34.80	261,021	None	
Hua-Cheng Investment Co.	138,993,437	1,489,232	44,757,400	940,075	-	-	183,750,837	100%	2,429,307	13.22	2,429,307	None	
Associates:													
OSE PROPERTIES, INC.	7,998	1,843	-	45	(7,998)	(1,888)	-	-	-	-	-	None	
SCS HIGHTECH INC.	25,600,000	-	-	-	-	-	25,600,000	18.87%	-	-	-	None	
		2,125,139		981,635		(77,439)			3,029,335		$ 3,029,335		
Less: Credit balance of investments accounted for using equity method is transferred to liabilities - non-current		13,490		-		(13,490)			-				
		$ 2,138,629		$ 981,635		($ 90,929)			$ 3,029,335				

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF CHANGES IN RIGHT-OF-USE ASSETS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 6

Item	Beginning Balance	Addition	Decrease	Others	Ending Balance	Note
Land	$ 160,044	$ -	$ -	$ -	$ 160,044	
Machinery and equipment	40,453	-	-	-	40,453	
Transportation equipment	19,946	796	(544)	-	20,198	
	$ 220,443	$ 796	($ 544)	$ -	$ 220,695	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF CHANGES IN ACCUMULATED DEPRECIATION OF RIGHT-OF-USE ASSETS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 7

Item	Beginning Balance	Addition	Decrease	Ending Balance	Note
Land	$ 34,794	$ 11,430	$ -	$ 46,224	
Machinery and equipment	6,742	5,779	-	12,521	
Transportation equipment	12,152	3,740	(249)	15,643	
	$ 53,688	$ 20,949	($ 249)	$ 74,388	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF ACCOUNTS PAYABLE
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 8

Client Name	Description	Amount	Note
Non-related parties:			
200270	Purchases	$ 671,778	
201126	"	399,874	
110369	"	263,647	
Other (balance of each client has not exceeded 5% of total account balance)	"	2,590,458	
		$ 3,925,757	
Related parties:			
Value–Plus Technology (Suzhou) Co.	Purchases	$ 20	
Chipbond Technology Corporation	"	1,474	
		$ 1,494	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF LEASE LIABILITIES
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 9

Item	Summary	Lease term	Discount rate	Amount	Note
Land		January 2016 ~ February 2030	1.88%~2.24%	$ 117,898	
Machinery and equipment		November 2021 ~ October 2024	1.1%	11,371	
Transportation equipment		April 2021 ~ March 2026	0.87%~1.35%	4,591	
				133,860	
Less: Matured within one year				(25,400)	
				$ 108,460	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF LONG-TERM BORROWINGS
DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 10

Creditor	Description	Amount	Contract Period	Interest Rate	Collateral	Note
First Commercial Bank	Unsecured borrowings; pays interest monthly and principal periodically.	$ 276,000	September 2021 ~ September 2026	1.35%	None	
First Commercial Bank	Unsecured borrowings; pays interest monthly and principal periodically.	375,000	August 2022 ~ August 2027	1.35%	None	
First Commercial Bank	Unsecured borrowings; pays interest monthly and principal periodically.	90,000	September 2023 ~ September 2030	1.775%	None	
Mega International Commercial Bank	Unsecured borrowings; pays interest monthly and principal periodically.	200,000	September 2021 ~ September 2026	1.35%	None	
Mega International Commercial Bank	Unsecured borrowings; pays interest monthly and principal periodically.	23,700	August 2021 ~ August 2026	1.35%	None	
CTBC BANK Co., Ltd.	Unsecured borrowings; pays interest monthly and principal periodically.	100,000	September 2021 ~ September 2028	1.35%	None	
The Shanghai Commercial & Savings Bank, Ltd.	Unsecured borrowings; pays interest monthly and principal periodically.	174,262	March 2022 ~ March 2029	1.35%	None	
		1,238,962				
	Less: Matured within one year	(107,054)				
		$ 1,131,908				

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF OPERATING REVENUE
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 11

Item	Volume (in thousand)	Amount	Note
Plastic package business of IC	937,384	$ 10,200,027	
Electronic manufacturing service	93,588	5,303,896	
Testing revenue	488,598	880,414	
Others		149,188	
Total		16,533,525	
Less: Sales returns		(4,421)	
Sales discounts and allowances		(61,071)	
Operating revenue, net		$ 16,468,033	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF OPERATING COSTS
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 12

Item	Amount
Self-manufacturing:	
Purchases in the period	$ 7,299,825
Add: Raw materials at beginning of year	1,480,853
Less: Ending balance of raw materials	(1,361,663)
Raw materials sold	(182,913)
Transferred to manufacturing expenses	(561,453)
Loss on physical inventory	(23)
Used in the year	6,674,626
Direct labor	1,967,678
Manufacturing expenses	4,250,675
Manufacturing cost	12,892,979
Add: Beginning work in progress	312,792
Beginning work in progress - assets recognised from costs to fulfil contracts with customers	84,039
Less: Ending work in progress	(513,734)
Work in progress - assets recognised from costs to fulfil contracts with customers	(130,767)
Selling work in progress	(55,772)
Transferred to manufacturing expenses	(275)
Cost of finished goods	12,589,262
Add: Finished goods at beginning of year	36,546
Finished goods at beginning of year - assets recognised from costs to fulfil contracts with customers	154,923
Less: Finished goods at end of year	(33,194)
Finished goods - assets recognised from costs to fulfil contracts with customers	(196,682)
Transferred to expenses	(13,236)
Operating costs - finished goods	12,537,619
Less: Revenue from sales of scraps	(24,819)
Total operating costs - self-manufacturing	12,512,800
Trading:	
Operating costs - selling raw materials	182,570
Operating costs - selling materials	343
Operating costs - selling work in progress	55,772
Operating costs - triangular trade	130,075
Operating costs - assets recognised from costs to fulfil contracts with customers	88,487
Total operating costs - trading	457,247
Other operating costs:	
Inventory valuation loss	154,477
Loss on physical inventory	23
Total operating cost - other operating costs	154,500
Total operating cost	$ 13,124,547

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF MANUFACTURING EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 13

Item	Description	Amount	Note
Salaries		$ 1,188,680	
Depreciation		882,986	
Indirect expenses		482,240	
Utilities expense		540,202	
Maintenance expenses		367,343	
Other expenses		243,470	
Other (balance of each expense has not exceeded 5% of total account balance)		545,754	
		$ 4,250,675	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF SELLING AND ADMINISTRATIVE EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 14

Item	Description	Amount	Note
Salaries		$ 554,168	
Export expense		69,556	
Depreciation		54,257	
Other (balance of each expense has not exceeded 5% of total account balance)		145,309	
		$ 823,290	

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ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED
STATEMENT OF RESEARCH AND DEVELOPMENT EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023
(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 15

Item	Description	Amount	Note
Salaries		$ 247,487	
Instruments		35,472	
Computer operating expense		23,646	
Insurance Expense		24,553	
Other (balance of each expense has not exceeded 5% of total account balance)		55,589	
		$ 386,747	

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 16

Function / Nature	Year ended December 31, 2023			Year ended December 31, 2022		
	Classified as Operating Costs	Classified as Operating Expenses	Total	Classified as Operating Costs	Classified as Operating Expenses	Total
Employee Benefit Expense (Note)	$ 3,313,057	$ 906,155	$ 4,219,212	$ 3,278,873	$ 790,253	$ 4,069,126
Salary expenses	2,714,979	749,328	3,464,307	2,689,142	640,273	3,329,415
Employee restricted shares	-	-	-	-	6,986	6,986
Labour and health insurance fees	305,405	48,705	354,110	289,240	44,522	333,762
Pension costs	103,387	24,537	127,924	107,795	22,455	130,250
Directors' remuneration	-	27,790	27,790	-	22,926	22,926
Other personnel expenses	189,286	55,795	245,081	192,696	53,091	245,787
Depreciation Expense	882,986	56,370	939,356	1,047,637	48,250	1,095,887
Amortisation Expense	21,017	27,218	48,235	14,544	12,010	26,554

Note 1: For the years ended December 31, 2023 and 2022, the Company had 4,978 and 5,121 employees, excluding 5 and 5 non-employee directors, respectively.

Note 2: (1) For the years ended December 31, 2023 and 2022, average employee benefit expense are $843 and $791, respectively. (Including salary expenses and employee restricted stocks)

(2) For the years ended December 31, 2023 and 2022, average employees' salary expenses are $697 and $651, respectively. (Including salary expenses and employee restricted stocks)

(3) Adjustments of average employees salaries: 7%.

(4) The Company has set up an audit committee to substitute supervisor and does not recognise supervisors' remuneration.

ORIENT SEMICONDUCTOR ELECTRONICS, LIMITED

SUMMARY STATEMENT OF CURRENT PERIOD EMPLOYEE BENEFITS, DEPRECIATION, DEPLETION AND AMORTIZATION EXPENSES BY FUNCTION (Cont.)

FOR THE YEAR ENDED DECEMBER 31, 2023

(Expressed in thousands of New Taiwan dollars, except as otherwise indicated)

STATEMENT 16

(5) The remuneration policies of the Company’s directors, managers and employees are described as follows:

i. Directors:

Remunerations was set by regulation of directors’ and functional committee’s remuneration payments of the Company, and the regulation was implemented after the resolution of the Board of Directors.Remuneration was set by the Company’s Articles of Incorporation, and directors’ remuneration should not higher than 1% of profit in the current year. The standard of payment was based on directors’ annual performance and the degree of contribution and reviewed by the Remuneration Committee, then reported to the Board of Directors for resolution.

ii. Managers:

It was according to the job, professional knowledge and the future risk on the Company’s operating contribution and reviewed by the Remuneration Committee, then reported to the Board of Directors for resolution.

iii. Employees:

It was set by periodically measuring the salary standard in the market and referring to the same industry. According to the Company’s Articles of Incorporation, employees’ compensation was distributed based on 10%~15% of annual profit, and reviewed by the Remuneration Committee, then reported to the Board of Directors for resolution.