Stock Code: 5314

MYSON CENTURY, INC.

2023

Annual Report

Printed on May 7, 2024

Website for the Annual Report: http：//mops.twse.com.tw

I. Information on the Company's spokesperson and their deputy

Spokesperson
Name: Chu, Li-Chuan
Title: Accounting Officer
Tel: 06-2988158
E-mail: bigcity_21@yahoo.com.tw

Deputy Spokesperson
Name: Teng, Pei-I
Title: Section Manager.
Tel: 06-2988158
E-mail: sunyad4007@yahoo.com

II. Address and Telephone Number of Headquarters and Factory

Headquarters: 8-6F, No. 248, Sec. 2, Yong Hua Rd., Anping Dist., Tainan City
Tel: (06) 298-8158
Fax: (06) 298-8158

III. Share Transfer Agency:

Name: Yuanta Securities Co., Ltd.
Address: B1F., No. 210, Sec. 3, Chengde Rd., Datong Dist., Taipei City
Website: http://www.yuanta.com.tw/
Tel: (02) 2586-5859

IV. Independent Auditor:

Name of CPAs: Hsu Cheng-Long/Chen Hui-Yuan
Firm Name: KPMG Taiwan
Address: 68F, No. 7, Sec. 5, Xinyi Rd., Taipei City
Website: http://www.kpmg.com.tw/
Tel: (02) 8011-6666

V. Trading Venue of Overseas Marketable Securities Listed for Trading and Method of Searching Overseas Marketable Securities Information: None

VI. Company Website

http://www.myson.com.tw/

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One. Letter to Shareholders

Dear Shareholders:

Being grateful to all the shareholders for making time to attend the 2024 shareholders' meeting of Myson Century, Inc., we would like to thank all of you for your support and love on behalf of the Company and all of our employees. We hereby report the results of operation for 2023 and the outlook for 2024 as follows:

I.Result of operating plan for 2023

The Company's total consolidated net revenue for 2023 was NT$85,353 thousand; net profit before tax was NT$30,890 thousand; and net profit after tax was NT$30,890 thousand. The results of the Company's operating plan for 2023 are presented as follows.

Unit：NTD thousand

Product Type	2023	2022	Increase (Decrease)	Variation Ratio
Operating Revenue	85,353	18,432	66,921	363.07
Operating Cost	68,912	(1,641)	67,271	4099.39
Operating Gross Profit	16,441	16,791	(350)	(2.08)
Operating Expense	23,503	(30,072)	(6,569)	(21.84)
Net Operating Loss	(7,062)	(13,281)	6,219	(46.83)
Non-operating Revenue and Expense	37,952	10,610	27,342	257.70
Profit (Loss) Before Tax	30,890	(2,671)	33,561	(1256.50)
Net Profit (Loss) for the Year	30,890	(2,671)	33,561	(1256.50)

The business scope of the Company includes the design, production and sales of integrated circuits, automotive electrical system modules, digital surveillance systems, etc., together with chargeable technical services and trade in goods. The total consolidated net operating revenues of 2023 increased by 363.07% compared to the previous year. Within the total consolidated revenue, the revenue from ICs was $6,910 thousand, accounting for 8.1% of the total revenue, In 2023, the new decoration project revenue of $64,216 thousand yuan accounted for 75.24% of the total turnover and the catering business revenue was $11,669 thousand yuan. The reason for the increase in revenue of each product line is: diversified operations and new business projects.

The consolidated operating expenses of $23,503 thousand in 2023 decreased by $6,569 thousand from the previous year is due to the decrease in personnel and related operating costs in 2023. The consolidated net non-operating expenses for 2023 were NT$37,952 thousand, a increase of NT$27,342 thousand from the net non-operating expenses of NT$10,610 thousand in the previous year, mainly due to the increase in other incomes. Based on the above, the net income totaled NT$30,890 thousand in 2023, with a net income of NT$31,050 thousand or a earnings per share of NT$2.11 attributed to owners of the parent company.

II.Financial revenue/expenses and profitability analysis

1. The cash outflow from operating activities in 2023 was NT$33,634 thousand; the cash inflow from investing activities was NT$94,408 thousand; and the cash outflow from financing activities was NT$31,942 thousand; hence, the net cash inflow for the period was NT$28,899 thousand.
2. Budget execution: The Company is not required to disclose financial forecast information for 2022, therefore, this is not applicable.
3. Profitability analysis:

Year / Analysis items		2023	2022
Liquidity	Current ratio(%)	251.32	467.10
	Quick ratio (%)	242.36	452.26
Profitability	Return on assets (%)	14.65	(1.08)
	Return on equity(%)	20.23	(1.86)
	Profit Margin(%)	36.19	(14.49)
	Loss per Share($)	2.11	(0.18)

III.Future development strategy of the Company

1. In 2023, the Company made great efforts to destock and reorganize, thereby significantly reduced the Company's overall operating costs.
2. The Company's business goals 2024 are as follows:
   (1) Continue to carry out reorganization, inventory reduction, operating cost reduction, thus decreasing losses.
   (2) Under the principle of prudence, we will continue to explore new service items proactively in the hope that they will be a momentum for operation and can be developed into independent and profitable businesses, thus benefiting the growth of the Company's image.

IV.Influence arising from the environment relating to external competition, regulations and the overall business

Under the shadow of COVID-19 lockdowns, the U.S.-China technology conflict, and geopolitics, the global semiconductor supply chain was facing disruptions in operations, hence there was always uncertainty in industries. Further, shortages of materials and labor, and high costs were all difficult issues. Facing these challenges and external competition, the Company will strive to strengthen its corporate governance, care for society, the environment and its stakeholders, thereby pursuing sustainable management.

Lastly, on behalf of the management team, we would like to express our sincere gratitude to all of our shareholders and wish you all good health, happiness and peace.

Chairman: Chang, Yu-Ming General Manager: CHANG,SHUO-WEN Controller: Chu, Li-Chuan

Two. Corporate Overview

I.Date of Incorporation

July 29, 1991

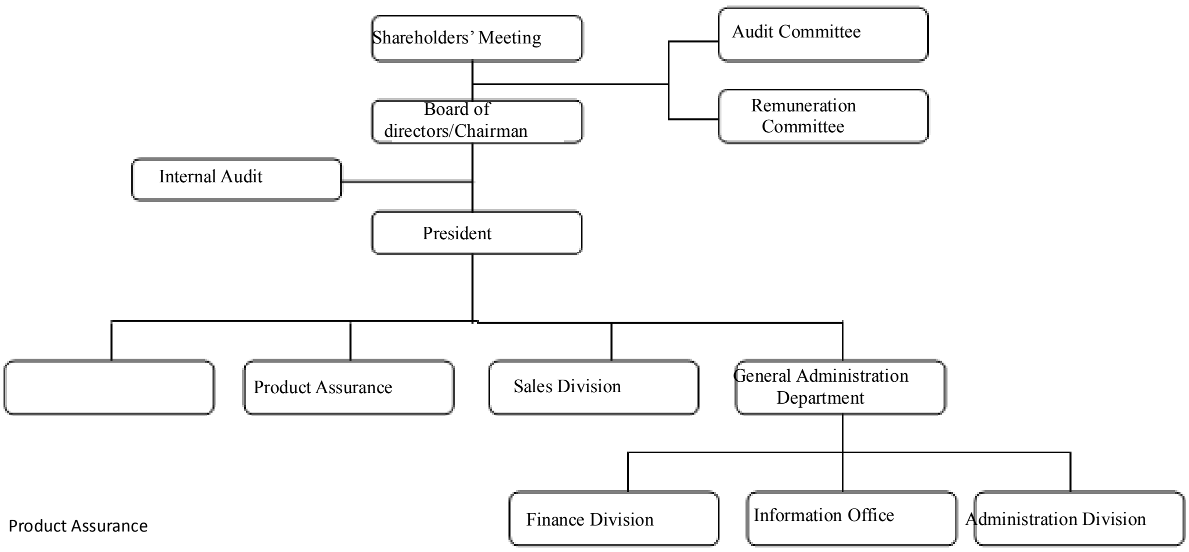
II.Corporate Profile

Time	Milestones
1990–1995	The founding team established Myson Technology, Inc. in California, USA (July 1990). Myson Technology Inc. was established in Hsinchu Science Park (July 1991). As the world's first company to design ethernet coaxial transceivers, our market share reached over 90% and we became the top 1 supplier in the world. Our customers included 3COM, HP, and D-Link, which were the largest network providers in the world at that time.
1996–2000	The Company was listed on Taipei Exchange (September 1996). The Company became the top 1 supplier of OSD products for CRT monitors, with a 33% global market share. 10/100 Mbit Ethernet solution was launched. The Company received ISO9001 certification (June 2000).
2001–2005	Yulon Group joined the management team (March 2001). In October of the same year, the company merged with Century Semiconductor, and its name changed to "Myson Century Inc." Flash MCU products were successfully applied to LCD monitors, and the company became the world's top 1 Supplier with a market share of over 45% and an average shipment of 5KK/month. The USB 2.0 device was successfully developed and certified by the USB-IF USB2.0 high-speed test. The TFT-LCD driver chip shipment reached 2KK/month (June 2003). The Fiber optic communication products were introduced. The VoIP single chip was officially released for mass production. In terms of USB hard drive controller, our market share in Mainland China surged to No. 1.
2006–2009	The Company became the world's top 1 supplier of 155M TIA. The Company started developed automotive MCU with CAN bus The Company launched the first single-chip controller for automotive instrumentation and digital distance measurement chip between the two sides of the Taiwan Strait. The automotive CAN Gateway has been officially tested in real vehicles(technology project). The single-chip solution of network voice for home gateway was shipped to Shanxi Mobile via FiberHome.
2010–2014	The Company Introduced the first 1.25G TIA with drivers and highly integrated circuit chips of MCU in the world. The Graphics OSD has been successfully implemented into automotive computers, parking assist systems, dashboards, etc. The Flash MCU is successfully used in the automotive cooling fan of motors, HDMI audio and video systems, etc. The CAN microcontroller was successfully verified in real vehicles, which includes: car body control, steering column control and engine compartment control of front body shell. BLDC motors, MCU for permanent magnet synchronous (PMSM) motor control, and the solutions(Includes firmware and hardware) were introduced. Further, the competitiveness and functionality of MCU is continuously enhanced. The Company developed automotive grade touch key solutions and introduced automotive human-machine interface applications, and enhanced our development capabilities to meet part delivery requirements. The Company Introduced the 2.5G TIA with drivers and highly integrated circuit chips of MCU for GPON and EPON optical module, and they were successfully shipped by major optical

Time	Milestones
	module suppliers in mainland China. The BLDC solution successfully penetrated into the handheld power tool system industry. The PMSM solutions have been successfully introduced into split type air conditioners of Taiwanese home appliance brands and high wattage negative pressure ventilators for industrial use.
2015–2020	The automotive grade touch key technology and CAN bus technology were successfully introduced into U7 and M7 models of Dongfeng Yulong. In December 2015, the Company invested in ZAVIO Inc. and its product development was focused on providing webcam products and surveillance solutions. The new product development layout of general 8-bit Flash MCU was completed; new product series, such as CS8963, CS8964, CS8967A, CS8978A, CS8969 and CS5523 were added. In March 2016, Wuhan Qumao invested and established Xinlida Semiconductor Co., Lte. in Shenzhen, which focuses on MCU sales and solution provision. The ASIC business was launched, and the first generation of customized product development and trial run were completed. In 2017, the Company disposed of its subsidiaries and all the overseas investee companies and recognized gains on disposal of investments. In 2018, the Company sold its IC assets, such as patents and related equipment and recognized gains on sale of assets.
2021	Sun Yad Group entered the management (July 2021)

Three. Corporate Governance Report
I.Corporate Organization

(I)Corporate Organization



(II)Functions of major departments

Internal Audit	Internal audit related affairs.	
Office of Chairman & General Manager	The Office of Chairman & General Manager is responsible for the execution, coordination, setting of operational goals and directing and supervising the personnel to implement the business of the company.	
Production Planning Department Production Planning Department	The Production Planning Department manages the procurement of raw materials, storage and transportation management, import and export, as well as the management and application of the system chain of suppliers and outsourced processing plants, while it also manages the production schedule, production delivery control, and communication and coordination of delivery progress.	
Product Assurance Department	The Product Assurance Department is responsible to identify and record problems in the product and quality control system, and it prepares, inspects, monitors, controls and executes the management system such as organizational quality control and inspection standards. The Quality Assurance Department is also responsible for the inspection and quality control of all incoming materials, semi-finished and finished products and the disposal and management of non-conforming products. Further, It is in charge of supervising, inspecting, coordinating and managing the company's product quality, operation and services.	
Sales Division	The Sales Department is responsible for sales services, market development, customer service and execution of sales plans.	
General Administration Department	Finance Division	The Finance Division is in charge of corporate finance, capital deployment, investment management, budget analysis and reporting, accounting, costing, taxation, and stock affairs.
	Information Office	The Information Office is in charge of planning, developing, evaluating application systems, while it also maintains the security and operation of the company's computer system.
	Administration Division	The Administration Division is in charge of: the planning and execution of recruitment, employment, payroll and employee benefits; general administrative affairs, factory and property management; ISO-related document control; and website maintenance.

II.Information on Directors, General Manager and Managers of Branch Organizations

(I)Information on directors (I):

March 30, 2024

Title	Nationality or place of registration	Name	Gender Age	Date elected	Tenure	Date first elected	Shares held when elected		Shares currently held		Shares currently held by spouse & minors		Shares held by nominee arrangement		Main working (education) experience	Current positions at Myson Century and other companies	Spouse or relative within the second degree of kinship who is also an manager, director, or supervisor of the Company			Remark
							Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio			Title	Name	Relationship	
Chairman	R.O.C. R.O.C.	Huo Jui Investment Co. Lit. Representative: Chang, Yu-Ming(Note 1)	N/A Male 41~50	July 1, 2021	3 years	July 1, 2021	5,694,000 0	9.49% 0.00%	782,530 36,690	5.32% 0.25%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	Master of business, National Taiwan University/bachelor of mechanical engineering, Sun Yat-sen University/17th president of Yizai Association/chairperson of Shang Yu Construction/chairperson of Boromi Optronics Co., Ltd./Chairperson of City Family Co., Ltd./chairperson of Tai Chan Construction Co., Ltd.	Chairperson of Sun Yad Construction Co., Ltd./Chairperson of U-BEST Innovative Technology Co., Ltd./Chairperson of Hsin-li Chemical Industrial Co., Ltd./Chairperson of Feei Cherng Enterprise Co., Ltd.	Director General Manager	Chang, Shuo-Wen Chang, Hui-Fen	Second degree of kinship Spouse	 (Note 1)
Director	R.O.C. R.O.C.	Sun Yad Construction Co., Ltd. Chang, Shuo-Wen	N/A Male 41~50	July 1, 2021	3 years	July 1, 2021	10,203,400 0	17.00% 0.00%	2,507,367 0	17.06% 0.00%	0 0	0.00% 0.00%	0 0	0.00% 0.00%	Master of Information Engineering at Shu-Te University	Person in charge of Boromi Optronics Co., Ltd./Representative of institutional director of Hsin-li Chemical Industrial Co., Ltd./Representative of institutional director of Feei Cherng Enterprise Co., Ltd./Person in charge of Shangyu Construction Co., Ltd. , Chairperson of City Family Co., Ltd., Chairperson of Tai Chan Construction Co., Ltd.	Chairman	Chang, Yu-Ming	Second degree of kinship	
Director	R.O.C. R.O.C.	Sun Yad Construction Co., Ltd. Representative: Chao, Tien-Tsung	N/A Male 61~70	July 1, 2021	3 years	July 1, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Sinying Senior High School	Business executive of Chunghwa Telecom Co., Ltd./representative of institutional director of U-BEST Innovative Technology Co., Ltd/representative of institutional director Hsin-li Chemical Industrial Co., Ltd.	None	None	None	
Director	R.O.C. R.O.C.	Sun Yad Construction Co., Ltd. Representative: Tseng, Peng-Kuang	N/A Male 51~60	July 1, 2021	3 years	July 1, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor of Architecture, National Cheng Kung University	Adjunct assistant professor of Department Of Land Management And Development at Chang Jung Christian University, adjunct assistant professor of Department of Real Estate Development and Management of Kun Shan University/representitive of directors of Sun Yad Construction Co., Ltd./representitive of directors of Feei Cherng Enterprise Co., Ltd.	None	None	None	
Independent director	R.O.C.	Hsu, Shou-Te	Male 61~70	July 1, 2021	3 years	July 1, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Doctor in Financial Management at the University of Alabama, USA/professor and president of Takming University of Science and Technology	Member of the Company's remuneration committee and audit committee/ Visiting professor of Takming University of Science and Technology/Independent director of Wah Lee Industrial Corp./ Independent director of Soft-World International Corp.	None	None	None	
Independent director	R.O.C.	Hsu, Chi-Jeng	Female 41~50	July 1, 2021	3 years	July 1, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	Accounting Department at Tainan University of Technology/underwriting department manager of MasterLink Securities Corporation, underwriting department associate of First Securities Inc.	Member of the Company’s audit committee/professional associate of First Securities Inc./independent director of Flkcat Co., Ltd./independent director of Hsin-li Chemical Industrial Co., Ltd.	None	None	None	
Independent director	R.O.C.	Lin, I-Chi	Female 51~60	July 1, 2021	3 years	July 1, 2021	0	0.00%	0	0.00%	0	0.00%	0	0.00%	EMBA, National Sun Yat-sen University/general manager of Chun Feng Human Resources Co., Ltd.	Member of the Company's remuneration committee and audit committee/independent director of U-Best Innovative Technology Co., Ltd.	None	None	None	

Note 1: The reason why the general manager and the chairman of the Company are currently spouses is mainly due to the organizational restructuring and search for new business projects after the disposal of IC properties. In the future, the Company will increase the number of independent directors to improve or strengthen this situation based on the overall business development. Except for the above, none of the Company's directors are employees or managers; in addition, the Company has appointed three independent directors.

Major institutional shareholders:

March 30, 2024

Name of institutional shareholder	Major shareholders and shareholding of institutional shareholders
Huo Jui Investment Co. Lit.	1. Chang, Yu-Ming(48.90%) 2. Chang, Pai-Hung(24.50%) 3. Chang, Jen-Wei(24.50%) 4. Chang, Hui-Fen(2.10%)
Sun Yad Construction Co., Ltd.	1. U-BEST Innovative Technology Co., Ltd. (6.66%) 2. Gao Rongde (2.97%) 3. Feei Cherng Enterprise Co., Ltd. (2.45%) 4. Zhongqing Technology Co., Ltd. (2.38%) 5. Xinli Chemical Industry Co., Ltd. (1.99%) 6. Herui Investment Co., Ltd. (1.98%) 7. Citi (Taiwan) Commercial Bank is entrusted with custody of UBS European SE investment account (0.98%) 8. Shi Shengzhang (0.97%) 9. Jinhong Co., Ltd. (0.87%) 10. Zhou Bijuan (0.80%)

Major shareholders of major shareholders who are juristic persons:

March 30, 2024

Name of juridical person	Major shareholders and shareholding of juridical person
U-BEST Innovative Technology Co., Ltd	Sun Yad Construction Co., Ltd. 16.14%, Zeng Junrong 2.10%, Chen Wenguang 1.45%, Chen Suling 0.99%, Song Quanggong 0.94%, Chen Fuxing 0.90%, Guo Zheliang 0.87%, Zhongqing Technology Co., Ltd. 0.61%, Zeng Chen Duiyu 0.57%, Yang Yuanwen 0.55%
Feei Cherng Enterprise Co., Ltd.	Zhang Youming 26.66%, U-BEST Innovative Technology Co., Ltd. 17.11%, Sun Yad Construction Co., Ltd. 13.04%, Qifu Investment Co., Ltd. 5.93%, Hongfu Investment Co., Ltd. 2.13%,Metropolis Network Technology (Co., Ltd.) 1.78%, Zhang Huifeng 1.78%, Yang Zhiming 1.38%, Wu Shuncheng 1.17%, Qunyi Jinding Trusted Qunyi Hong Kong Customer Investment Account 1.09%
Chung Ching Technology Co. Ltd.	Chang, Hui-Fen 12.31%, Chang, Yu-Ming 39.17%, Chang, Pai-Hung 21.58%, Chang, Jen-Wei 24.21%, Chang, Yueh-Hua 2.72%, City Family Co., Ltd. 0.010%
Xinli Chemical Industry Co., Ltd.	U-BEST Innovative Technology Co., Ltd. 13.06%, Feei Cherng Enterprise Co., Ltd.. 8.65%, Shangyu Construction Co., Ltd. 6.89%, Zhongqing Technology Co., Ltd. 5.42%, Yonghui Interior Decoration (Co., Ltd.) 4.02%, Qihang Investment Co., Ltd. 2.69%, Chen Zhewei 1.3%, Lu Junrui 1.08%, Lin Jiarong 0.95%, Guo Mei 0.74%
Chin Hung Co., Ltd.	Chang, Hui-Fen 39.98%, Chang, Pai-Hung 25.00%, Chang, Jen-Wei 25.00%, Chang, Yu-Ming 10%
Feei Cherng Enterprise Co., Ltd.	1. U-BEST Innovative Technology Co., Ltd (24.45%) 2. Chi Fu Investment Co., Ltd.(8.42%) 3. Chang, Yu-Ming (8.42%) 4. Sun Yad Construction Co., Ltd. (8.42%) 4. Hung Fu Investment Co., Ltd. (3.03%) 6. City Family Co., Ltd. (2.53%) 7. Yang, Chih-Ming (1.96%) 8. Wu, Shun-Cheng (1.69%) 9. Investment accounts under the custody of Capital Securities Corp. for Capital group's Hong Kong clients (1.55%) 10. Su, Wen-Liang (0.97%)

Information on directors(II):

I.Disclosure of directors' professional qualifications and independent directors' independence:

Qualifications / Name	Professional qualifications and experience (Note 1)	Independence (Note 2)	Number of other public companies in which the person concurrently serve as an independent director
Chang, Yu-Ming	1. Department of Mechanical and Electro-Mechanical Engineering, National Sun Yat-sen University; EMBA, National Sun Yat-sen University 2. Extensive experience in business administration, as the Chairman and CEO of U-BEST Innovative Technology Co., Ltd., Chairman of Sun Yad Construction Co., Ltd., Chairman of Hsin-li Chemical Industrial Corp. and Chairman of Feei Cherng Enterprise Co., Ltd. 3.The director has been in or is under any circumstances stated in Article 30 of the Company Act.	1. The Company's current chairman; concurrent chairman of the parent company in the group—Sun Yad Construction Co., Ltd., and the fellow companies—Hsin-li Chemical Industrial Co., Ltd. and Feei Cherng Enterprise Co., Ltd. 2. The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission and held satisfying such requirements.	N/A
Chang, Shuo-Wen	1. Master of Information Engineering at Shu-Te University 2. The former director and representative of institutional director of U-BEST Innovative Technology Co., Ltd., person in charge of Boromi Optronics Corp., general manager of Feei Cherng Enterprise Co., Ltd., and deputy manager in chairman's office of the Sun Yad Construction Co., Ltd., dedicated to assisting the Chairman in dealing with the Group's affairs. 3. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	1. Person in charge of Boromi Optronics Co., Ltd./Representative of institutional director of Hsin-li Chemical Industrial Co., Ltd./Representative of institutional director of Feei Cherng Enterprise Co., Ltd./Person in charge of Shangyu Construction Co., Ltd., Chairperson of City Family Co., Ltd., Chairperson of Tai Chan Construction Co., Ltd. 2. A relative within 2nd degree of kinship of the Company's Chairman. 3. The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission and held satisfying such requirements.	N/A
Chao, Tien-Tsung	1. Sinying Senior High School 2. Former business executive of Chunghwa Telecom Co., Ltd., supervisor of the Company, juristic person director's representative of U-BEST Innovative Technology Co., Ltd. and juristic person director's representative of Hsin-Li Chemical Industrial Corp, with the practical experience in sales and management. 3. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	1. Doubled as juristic person director's representative of the fellow company, U-BEST Innovative Technology Co., Ltd., and juristic person director's representative of Hsin-Li Chemical Industrial Corp. 2. The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission and held satisfying such requirements.	N/A
Tseng, Peng-Kuang	1. Doctor of Architecture, National Cheng Kung University 2. Hold the license of architect. 3. Former adjunct assistant professor of Chang Jung Christian University and Kun Shan University, and representative of institutional director of Myson Century, Inc. and Feei Cherng Enterprise Co., Ltd., with professional skills and extensive experience in management. 4. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	1. The concurrent general architect of the subsidiary, Shangyu Construction Co., Ltd., and juristic person representative of director of the subsidiaries (Myson Century, Inc. and Feei Cherng Enterprise Co., Ltd.). 2. The other parts were verified in accordance with the independence requirements referred to in the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by Financial Supervisory Commission and held satisfying such requirements.	N/A
Hsu, Shou-Te	1. Doctor in Financial Management at the University of Alabama, USA 2. Former professor and president of Takming University of Science and Technology 3. Current visiting professor of Takming University of Science and Technology 4. With the expertise and background in accounting and finance. 5. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	According to the Company's Articles of Incorporation and "Corporate Governance Best Practice Principles," the directors shall be elected under the candidate nomination system. When nominating and electing the board members, the Company has received the written statement, information about work experience, current certificate of employment and kinship chart from each director and, therefore, already verified the independence of them, their spouses, and relatives within 3rd degree of kinship as to the Company. Meanwhile, upon verification, the three independent directors identified in the left column were held satisfying the qualification requirements under the "Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies" promulgated by FSC and Article 14-2 of the Securities and Exchange Act within two years before they assume the positions and during their term of office. The independent directors have also been empowered to participate in the decision making and express opinions under Article 14-3 of the Securities and Exchange Act, in order to perform their job duties independently.	3 companies
Hsu, Chi-Jeng	1. Accounting major at Tainan University of Technology. 2. Former underwriting department manager of MasterLink Securities Corporation 3. Former underwriting department associate of First Securities Inc. 4. With the expertise and background in accounting and finance. 5. The director has been in or is under any circumstances stated in Article 30 of the Company Act.		2
Lin, I-Chi	1. EMBA, National Sun Yat-sen University 2. Current general manager of Chun Feng Human Resources Co., Ltd 3. With the expertise and background in sales and management. 4. The director has been in or is under any circumstances stated in Article 30 of the Company Act.		1

II.Diversity and independence of the Board directors

(I) Diversity of the board of directors: Please specify the board of directors' diversity policy, goals and achievement thereof. The board of directors' diversity policy includes without limitation to the directors' election criteria, professional qualifications and experience required from the board of directors, and the composition or percentage of gender, age, nationality and culture. Please also specify the Company's specific

goals for said policy, and achievement thereof.
Policy, objectives and achievement of diversity of the board of directors: When selecting the members of the Board of Directors, the Company considers the diversity of the candidates' education, experience, expertise, gender and nationality based on the needs of the Company's operation, business model and development. The Company's 12th board of directors consists of seven members from the fields of commerce, accounting and finance; their ages range from 41 to 70 years old, and two of them are women. Further, the Company is constantly working on diversifying the composition in terms of age, gender, nationality and culture. With a diverse range of professional experience, the directors from various fields can provide valuable insight and experience to assist the Company in its development.
All seven directors of the Company are Taiwanese citizens with the necessary knowledge, skills and education to perform their duties (please refer to the foregoing for the education and experience of the directors), and they have extensive expertise in accounting, finance, business, law, marketing or industrial technology, respectively. The age range of directors is as below: three in the age group of 41-50 (42.8%, Chang, Yu-Ming, Chang, Shuo-Wen and Hsu, Chi-Jeng), two in the age group of 51-60 (28.6%, Tseng, Peng-Kuang and Lin, I-Chi), and two in the age group of 61-70 (28.6%, Chao, Tien-Tsung and Hsu, Shou-Te).

Name of Director	Gender & age	Independent director position		Diversified core expertise				
		Less than 3 terms	More than 3 terms	Finance and accounting	Business	Law	Marketing	Industrial technology
Huo Jui Investment Co. Lit. Representative: Chang, Yu-Ming	Male 41~50				V		V	
Sun Yad Construction Co., Ltd. Representative: Chang, Shuo-Wen	Male 41~50				V		V	
Representative of Sun Yad Construction Co., Ltd.: Chao, Tien-Tsung	Male 61~70				V		V	
Representative of Sun Yad Construction Co., Ltd.: Tseng, Peng-Kuang	Male 51~60				V	V	V	V
Hsu, Shou-Te (Independent Director)	Male 61~70	V		V	V			
Hsu, Chi-Jeng (Independent Director)	Female 41~50	V		V	V			
Lin, I-Chi (Independent Director)	Female 51~60	V			V		V	

(II) Independence of the Board of Directors: Specify the number and percentage of independent directors, and also explain that the board of directors is functioning independently, attached with the reasons to explain whether the circumstances referred to in Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act are met or not, and also the statement about the relationship, such as spouse or relative within 2nd degree of kinship, between directors, supervisors, or directors and supervisors:

1. Structure of the board of directors:
The Company adopts the director election system. All of the directors are elected openly and fairly, in accordance with the Company's "Articles of Incorporation," "Regulations for Election of Directors" and "Corporate Governance Best Practice Principles." The current board of directors consists of 3 independent directors (42.9%) and 4 non-independent directors (57.1%), 1 out of them are also the employees/managers of the Company (14.3%, not exceed one-third of the whole directors) and the other 2 out of them have the relationship, such as spouse or relative within the second degree of kinship, between both of them (28.5%, not exceed one-third of the whole directors). Therefore, the composition of the board of directors is held satisfying Paragraph 3 and Paragraph 4, Article 26-3 of the Securities and Exchange Act.
2. The Board of Directors is functioning independently:
The Company's board of directors directs the Company's strategies, supervises the management and is responsible to the Company and shareholders. Through the operations and arrangements under the corporate governance system, the board of directors exercises its powers per laws, the Articles of Incorporation, or resolutions made by shareholders' meetings. The Company's board of directors emphasizes the independent operation and transparent functions. Each director and independent director function and exercise their powers independently. The three independent directors also comply with related laws and regulations and, in response to the audit committee's powers, audit the control over the Company's existing or potential risks, in order to supervise the effective implementation of the Company's internal controls, appointment (discharge) and independence of the independent auditors, and adequate preparation of financial statements. Meanwhile, according to the Company's "Regulations Governing the Election of Directors and Independent Directors," the Company adopts the cumulative voting system and candidate nomination system for election of directors and independent directors. The Company encourages shareholders to participate in the election. The shareholders who hold specific number of shares may propose the roster of candidates. The candidates' qualifications will be reviewed, whether they violate Article 30 of the Company Act will be verified, according to laws, and the review and verification results will be published according to laws, in order to protect shareholders' equity and prevent the right to nominate from being monopolized or abused to keep directors' independence. The Company has established the board of directors' performance assessment system. The Company conducts

the board of directors' internal self-assessment and Board members' self-assessment for once per year. The board of directors' performance assessment is decided subject to the five major indicators including (1) engagement in the Company's operation, (2) the board decision-making quality, (3) composition and structure of the board of directors, (4) election and continuing education of directors and (5) internal control. The board members' self-assessment is decided subject to the six major indicators including (1) alignment with the goals and mission of the Company, (2) knowledge of directors' duties, (3) engagement in the Company's operations, (4) management of internal relationship and communication, (5) professionalism and continuing education of directors and (6) internal control. Said related self-assessment results are disclosed in the Company's annual report and on the Company's official website after being reported to the board of directors.

Note 1: Professional qualification and experience: Please specify the individual directors' and supervisor's professional qualification and experience. In the case of an Audit Committee member specialized in accounting or finance, please specify his/her educational background and work experience in accounting or finance, and whether he/she meets the circumstances referred to in Article 30 of the Company Act.

Note 2: Please specify the independent directors' compliance of independence, including but not limited to, whether they or their spouses or relatives within 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliated companies; the number and percentage of the Company's shares held in their own names or names of the spouses or relatives within 2nd degree of kinship (or proxy shareholder); whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 3 of the Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies); and the amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company or its affiliated companies.

Note 3: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

(II)Information on Directors, General Manager and Managers of Branch Organizations

March 30, 2024

Title	Nationality	Name	Gender	Date elected	Shares held		Shares held by spouse & minors		Shares held by nominee arrangement		Main working (education) experience	Current positions at other companies	Managers are spouse or within the 2 degrees of kinship			Remark
					Number of shares	Share holding ratio	Number of shares	Share holding ratio	Number of shares	Share holding ratio			Title	Name	relation	
General Manager	R.O.C.	Chang, Hui-Fen	Female	January 31, 2023	0	0.00%	0	0.00%	0	0.00%	Graduated from National Sun Yat-sen University	None	None	None	None	
General Manager	R.O.C.	CHANG,SHUO-WEN	Male	January 1, 2024	0	0.00%	0	0.00%	0	0.00%		None	None	None	None	

Note: Dismissed due to position adjustment on January 31, 2023.

(III)Remuneration to directors and general managers for the most recent year

• Remuneration of directors and independent directors:

Unit: thousand dollars

Title	Name	Directors' remuneration								Percent of A, B, C and D to net profit after tax		Relevant remuneration of part-time personnel								Percent of A, B, C, D, E, F and G to net profit after tax		Remuneration from other invested business apart from subsidiaries
		Base compensation (A)		Pension(B)		Compensation to Directors (C)		Business expenses (D)				Base compensation, bonuses, and business expenses (E)		Pension(F)		Compensation to Employees (G)						
		The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company		All the companies stated in the financial report		The Company	All the companies stated in the financial report	
																Cash	Stock value	Cash	Stock value			
Chairman	Huo Jui Investment Co. Lit. Representative: Chang, Yu-Ming	0	0	0	0	0	0	81	81	81 0.26%	81 0.26%	0	0	0	0	0	0	0	0	81 0.26%	81 0.26%	None
Director	Sun Yad Construction Co., Ltd. Chang, Shuo-Wen	0	0	0	0	0	0	71	71	71 0.23%	71 0.23%	0	0	0	0	0	0	0	0	71 0.23%	71 0.23%	None
Director	Sun Yad Construction Co., Ltd. Representative: Chao, Tien-Tsung	0	0	0	0	0	0	71	71	71 0.23%	71 0.23%	0	0	0	0	0	0	0	0	71 0.23%	71 0.23%	None
Director	Sun Yad Construction Co., Ltd. Representative: Tseng, Peng-Kuang	0	0	0	0	0	0	71	71	71 0.23%	71 0.23%	0	0	0	0	0	0	0	0	71 0.23%	71 0.23%	None
Independent director	Hsu, Shou-Te	0	0	0	0	0	0	163	163	163 0.53%	163	0	0	0	0	0	0	0	0	163 0.53%	163 0.53%	None
Independent director	Hsu, Chi-Jeng	0	0	0	0	0	0	158	158	158 0.51%	158	0	0	0	0	0	0	0	0	158 0.51%	158 0.51%	None
Independent director	Lin, I-Chi	0	0	0	0	0	0	155	155	155 0.50%	155	0	0	0	0	0	0	0	0	155 0.50%	155 0.50%	None

1. Please state the policies, systems, standards and structure of compensation to independent directors, and the relations between the compensation and the job responsibility, risk and engagement hours borne by the independent directors:
The remuneration to the independent directors of the Company shall be in accordance with the Company's articles of incorporation. The remuneration is determined based on the extent of their participation and value of their contributions to the Company's operations with reference to the normal standards in the industry.
2. Compensation received by directors for providing services for all the companies included in the financial report (e.g. consultancy service without the title of an employee in the parent company/all companies included in the financial statements/investees) in the most recent year, except those disclosed in the above table: None.

Remuneration Scale Table

Breakdown of compensation to directors	Name of Director			
	Total of the first four remunerations (A+B+C+D)		Total of the first seven remunerations (A+B+C+D+E+F+G)	
	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report
Below $1,000,000	Representative of Huo Jui Investment Co. Lit.: Chang, Yu-Ming, Sun Yad Construction Co., Ltd. Representative: Chang, Shuo-Wen, Chao, Tien-Tsung, Tseng, Peng-Kuang, Hsu, Shou-Te, Hsu, Chi-Jeng, and Lin, I-Chi	Same as the left	Representative of Huo Jui Investment Co. Lit.: Chang, Yu-Ming, Sun Yad Construction Co., Ltd. Representative: Chang, Shuo-Wen, Chao, Tien-Tsung, Tseng, Peng-Kuang, Hsu, Shou-Te, Hsu, Chi-Jeng, and Lin, I-Chi	Same as the left
$1,000,000 (inclusive) – $2,000,000 (exclusive)	None	None	None	None
$2,000,000 (inclusive) – $3,500,000 (exclusive)	None	None	None	None
$3,500,000 (inclusive) – $5,000,000 (exclusive)	None	None	None	None
$5,000,000 (inclusive) – $10,000,000 (exclusive)	None	None	None	None
$10,000,000 (inclusive) – $15,000,000 (exclusive)	None	None	None	None
$15,000,000 (inclusive) – $30,000,000 (exclusive)	None	None	None	None
$30,000,000 (inclusive) – $50,000,000 (exclusive)	None	None	None	None
$50,000,000 (inclusive) – $100,000,000 (exclusive)	None	None	None	None
Above $100,000,000	None	None	None	None
Total	7 persons	7 persons	7 persons	7 persons

- Remuneration to supervisors: not applicable (a complete re-election was held at the Company's General Shareholders' Meeting on June 9, 2015 and independent directors were established to replace the supervisors).

- Remuneration to general manager and deputy general manager:

Unit: Thousands of dollars

Title	Name	Base compensation (A)		Pension(B)		Bonuses, and business expenses (C)		Remuneration to employees (D)				Percent of A, B, C and D to net profit after tax (%)		Remuneration from other invested business apart from subsidiaries
		The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company		All the companies stated in the financial report		The Company	All the companies stated in the financial report	
								Cash	Stock value	Cash	Stock value			
General Manager	Chang, Hui-Fen (Note)	0	0	0	0	0	0	0	0	0	0	0	0	None

Note: Dismissed due to position adjustment on January 1, 2024.

Remuneration Scale Table

Range of remuneration to each general manager and deputy general manager of the Company	Name of general manager/deputy general manager	
	The Company	All the companies stated in the financial report
Below $1,000,000	None	None
$1,000,000 (inclusive) – $2,000,000 (exclusive)	None	None
$2,000,000 (inclusive) – $3,500,000 (exclusive)	None	None
$3,500,000 (inclusive) – $5,000,000 (exclusive)	None	None
$5,000,000 (inclusive) – $10,000,000 (exclusive)	None	None
$10,000,000 (inclusive) – $15,000,000 (exclusive)	None	None
$15,000,000 (inclusive) – $30,000,000 (exclusive)	None	None
$30,000,000 (inclusive) – $50,000,000 (exclusive)	None	None
$50,000,000 (inclusive) – $100,000,000 (exclusive)	None	None
Above $100,000,000	None	None
Total	0 persons	0 persons

・Remuneration to top five highest paid managers of listed companies

Unit: thousand dollars

Title	Name	Base compensation (A)		Pension(B)		Bonuses, and business expenses (C)		Remuneration to employees (D)				Percent of A, B, C and D to net profit after tax (%)		Remuneration from other invested business apart from subsidiaries
		The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company	All the companies stated in the financial report	The Company		All the companies stated in the financial report		The Company	All the companies stated in the financial report	
								Cash	Stock value	Cash	Stock value			
Finance & Accounting Executive	Chu, Li-Chuan	972	972	0	0	318	318	0	0	0	0	1,290 4.18%	1,290 4.18%	None

Remuneration paid to managers and names thereof:

Unit: thousand dollars

	Title	Name	Stock value	Cash	Total	Percentage of total amount to net income after tax (%)
Manager	General Manager	Chang, Hui-Fen (Note)	0	0	0	0
	Finance officer	Chu, Li-Chuan				
	Accounting officer	Chu, Li-Chuan				

Note: Dismissed due to position adjustment on January 1, 2024.

(IV) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial reports or individual financial reports, as paid by the Company and by each other company included in the consolidated financial statements during the past 2 fiscal years to directors, supervisors, general managers, and assistant general managers, and analyze and describe remuneration policies, standards, and packages, the procedure for determining remuneration, and its linkage to operating performance and future risk exposure.

(1) Proportion of the total remuneration to directors, general managers and deputy general managers of the Company paid by the Company and all companies in the consolidated financial statement to net profit after tax in parent company only financial statements of the past two years:

Unit: thousand dollars; %

	2023				2022			
	The Company		All the companies included in the consolidated financial statements		The Company		All the companies included in the consolidated financial statements	
Title	Total remuneration	After-tax Net profit ratio	Total remuneration	After-tax Net profit ratio	Total remuneration	After-tax Net profit ratio	Total remuneration	After-tax Net profit ratio
Director	770	2.49	770	2.49	868	(32.50)	868	(32.50)
General manager and deputy general manager	0	0	0	0	0	0	0	0

(2) Note:

1. In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate 1% to 10% of the total amount for employee remuneration and not more than 5% for director remuneration. However, if the Company still has accumulated deficit, the amount shall be retained in advance to compensate for the deficit. However, if the Company still has accumulated deficits, the Company shall reserve the amount to compensate in advance. In addition to the evaluation results obtained from the director performance evaluation, the directors shall submit the same to the board of directors for resolution according to the principle of distribution suggested by the Remuneration Committee.
2. The remuneration of the general manager and deputy general manager includes salary, bonus, and company car, etc. The standard of payment is based on their positions, responsibilities, and the value of their contributions with reference to the industry standard.
3. The Company's remuneration policy is based on the Company's current financial status, business results, and future capital needs for overall planning, and future risk assessments are also taken into consideration to minimize the possibility of risk occurrence; As of the publication date of the annual report, there is no current event that causes the company to be liable, responsible or liable in the future.

III.Corporate Governance Practices

(I)Functionality of the board of directors:

A total of 8 board of directors' meetings were held in the most recent year (2023). 1 meetings has been held by the date of publication of the prospectus in 2024. At least one independent director would attend each of the meetings. Below are the directors' attendance records:

Title	Name	Actual presence (attendance) (times)	Times of attendance by proxy	Actual presence (attendance) rate (%) (Note 1)	Remark
Chairman	Huo Jui Investment Co. Lit. Representative: Chang, Yu-Ming	9	0	100%	
Director	Sun Yad Construction Co., Ltd. Chang, Shuo-Wen	9	0	100%	
Director	Sun Yad Construction Co., Ltd. Representative: Chao, Tien-Tsung	9	0	100%	
Director	Sun Yad Construction Co., Ltd. Representative: Tseng, Peng-Kuang	9	0	100%	
Independent director	Hsu, Shou-Te	9	0	100%	
Independent director	Hsu, Chi-Jeng	9	0	100%	
Independent director	Lin, I-Chi	9	0	100%	

Other matters to be recorded:

I. If any of the following circumstances occurs, the dates, terms, contents of motions, resolutions of all the directors, and the Company's handling of the directors' opinions shall be specified:

(I)Matters referred to in Article 14-3 of the Securities and Exchange Act:

Board of directors Session/Date	Description	Independent directors' opinions and how the Company has responded to the opinions.
January 13, 2023	1. Discussion on matters to be reviewed at 3rd meeting of the 5th remuneration committee.	None.
January 31, 2023	1. Discussion on matters to be reviewed at 4th meeting of the 5th remuneration committee.	None.
February 24, 2023	1. Motion for amendments to the Company's "Procedures for Acquisition and Disposal of Assets". 2. Motion for amendments to "Regulations Governing the Preparation of Financial Statements" and "Internal Control over the Management of the Preparation of Financial Statements". 3. Motion for the replacement of CPAs. 4. Proposal to approve the remuneration to the CPAs for FY2023.	None.
May 11, 2023	1. Revise the company's "Approval Authority Table". 2. Revise the company's "operating rules related to financial business with related parties" Fan case. 3. Revise the company's "Management Procedures for Preventing Insider Trading".	None.
July 14, 2023	1. Case of disposal of fixed assets.	None.
August 10, 2023	1. Update the company's "Stock Affairs Operation Management Measures".	None.
November 10,2023	1. Revise the company's "Board of Directors Performance Evaluation Measures". 2. Subsidiary fund loan case.	None.
December 25,2023	1. Discussion of matters discussed at the 6th meeting of the 5th Salary and Remuneration Committee.	None.
February 27,224	1. Remuneration distribution case for employees and directors in 2012. 2. The company changed its certified accountant starting from 2013. 3. Accountant appointment remuneration case in the 113th year of the Republic of China.	None.

(II) Any other resolutions by the board of directors' meetings passed but with independent directors voicing opposing or qualified opinions on the record or in writing: None.

II. For directors' avoidance of motions which involves conflict of interest, the names of directors, contents of the motions, reasons of the recusal for conflict of interest, and participation in voting must be disclosed:

(1) Summary of the Board of Directors' meeting on January 13, 2023: During the discussion on matters to be reviewed at the 3rd meeting of the fifth remuneration committee, the chairman and relevant directors recused themselves in turn for conflict of interest.

(2) Summary of the Board of Directors' meeting on January 31, 2023: During the discussion on matters to be

reviewed at the 4th meeting of the fifth remuneration committee, the chairman and relevant directors recused themselves in turn for conflict of interest.

III. Status of evaluation conducted by the board of directors:
On March 27, 2020, the Company's Board of Directors established the "Rules for Performance Evaluation of Board of Directors" as follows. The first evaluation was completed in the first quarter of 2023.

Periodicity of evaluation	Evaluation period	Scope of evaluation	Evaluation method	Contents of evaluation
Once per year	The performance evaluation of the board of directors and functional committees for the year is conducted before the board of directors meeting in the first quarter of the following year.	1. Board of directors 2. Individual board member 3. Performance evaluation of functional committee	Internal self-evaluation by the board, self-evaluation by board members, peer evaluation, performance evaluation by appointing external professional institutions, experts or other appropriate means	(1) Performance evaluation of the board of directors: The evaluation includes participation in the operation of the Company, the quality of the board of directors' decision-making, composition and structure of the board of directors, election and continuing education of directors, and internal control. (2) Performance evaluation of individual directors: The evaluation includes alignment of the goals and missions of the Company, awareness of the duties of directors, participation in the operation of the Company, management of internal relationship and communication, professionalism and continuing education of directors, and internal control. (3) Performance evaluation of functional committees: The evaluation includes participation in the operation of the Company, awareness of the duties of functional committees, the quality of functional committees' decision-making, composition of functional committees and election of members, and internal control.

IV. Enhancement of the functionality of the board of directors in the current and the most recent year (e.g. the establishment of an audit committee, the improvement of information transparency, etc.) and the respective progress reports:

1. The Company has established the “Regulations Governing Procedure for Board Of Directors’ Meetings” and the relevant operations of the board of directors are conducted in accordance with these regulations .
2. On March 16, 2015, the board of directors approved to elect three independent directors and to establish an audit committee at the 2015 general shareholders' meeting.
3. On July 6, 2018, the board of directors approved the appointment of three independent directors who were elected at the 2018 general shareholders' meeting as members of the fourth remuneration committee. They were appointed in a professional and objective position to evaluate and make recommendations on the remuneration policies of the board members and managers as references for the board of directors' decisions.
4. The Company has a public website to disclose relevant information to enhance the transparency of information
5. Improvement of information transparency: The board members continue to attend the corporate governance themed-based continuing education courses when they are elected or during their term of office. The independent directors all comply with the Securities and Exchange Act and Regulations Governing Appointment of Independent Directors and Compliance Matters for Public Companies. Meanwhile, in consideration of the different functions held by the board members, the board of directors’ diversify policy is held in place.

(II)Functionality of audit committee

Information about functionality of Audit committee

Six meetings of the audit committee (note) were held in the most recent year (FY2023), and the attendance of independent directors is as follows:

Title	Name	Times of attendance in person	Times of attendance by proxy	Attendance Rate (Note)	Remark
Independent director	Hsu, Shou-Te	6	0	100.00	
Independent director	Hsu, Chi-Jeng	6	0	100.00	
Independent director	Lin, I-Chi	6	0	100.00	

Other matters to be recorded:

I. If any of the following circumstances occurs, the dates, terms, contents of motions, resolutions of the audit committee, how the Company handled the audit committee's opinions shall be specified:

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

Audit Committee Session/Date	Description	Resolutions of the audit committee and how the Company handled the audit committee's opinions
February24, 2023	1. Review the 2022 annual business report and financial report. 2. Effectiveness Assessment of the Company's Internal Control System of 2022 issued Internal control system statement) case. 3. Submit a motion to make up for losses of 2022. 4. Plan to handle private placement of common shares. 5. Draft the articles of association of the company. 6. Revise the company's "Procedures for Acquisition or Disposal of Assets". 7. Revise the "Management Operation Methods for Financial Statement Preparation Process" and "Financial Statement Preparation Process" "Management and internal control of the financial statement preparation process". 8. The case of changing accountants. 9. Accountant appointment remuneration case of 2023.	The proposal was approved by all members present.
May 11, 2023	1.Consolidated financial statement report for the first quarter of 2023. 2. Revise the company's "Approval Authority Form". 3. Revise the company's "operating rules related to financial business with related parties" Fan case. 4. Revise the company's "Management Procedures for Preventing Insider Trading".	The proposal was approved by all members present.
July 14, 2023	1. Case of disposal of fixed assets.	The proposal was approved by all members present.
August 10, 2023	1. Discussion of the consolidated financial statements for the second quarter of 2023 2. Updated the company's "Stock Operations Management Measures".	The proposal was approved by all members present.
November 10, 2023	1. Discussion of consolidated financial statements for the third quarter of 2023. 2. Revise the company's "Board of Directors Performance Evaluation Measures". 3. Subsidiary fund loan case. 4. The company's organizational adjustment case.	The proposal was approved by all members present.
December 25, 2023	1. The company's "2024 Annual Audit Plan" case.	The proposal was approved by all members present.

(II) In addition to the said items, other resolutions passed by two-thirds of all the directors but yet to be approved by the audit committee: None.

II. Regarding recusals of independent directors from voting due to conflicts of interest, the names of the independent directors, contents of motions, reasons for recusal, and results of voting shall be specified: None.

III. Communication between independent directors, the internal audit officer, and independent auditors (including material issues, methods, and results of communication regarding the Company's finances and operations):
Communication between independent directors, the internal audit officer, and independent auditors

1. After audit reports and follow-up reports are submitted to the board chairman, the audit unit will present them to the independent directors for review (in person or by e-mail) each year. Audit officer also attends the Board of Directors' meeting to present the internal audit report. Each independent director is able to communicate and

discuss with the audit officer depending on the contents of the foregoing matters whenever necessary.
2. Therefore, independent directors can grasp the Company's operation, financial and business status through the audit reports provided by the board of directors and the audit unit, thus fully communicating the audit purpose, process, audit findings, follow-up on the improvement of audit deficiencies and effectiveness thereof.
3. The Company's independent auditors report to the independent directors on the Company's and its subsidiaries' finance positions and internal control audits. Moreover, the independent auditors fully communicate with the independent directors on key audit matters, material adjusting entries and important regulations. The communication between the independent directors and the independent auditors are well conducted through meetings or other forms (e.g., conference calls, emails, etc.).
Memo about communications between directors (including independent directors) and internal audit officer: FY2023

Date	Method of communication	Contents of communication	Outcome of communication
02/24/2023	Meeting of board of directors and audit committee	●Report on the internal audit business report in January 2023. ●Assessment of the effectiveness of the company's internal control system of 2022.	Upon discussion and communication, the independent directors have no dispute over the audit report.
05/11/2023	Meeting of board of directors and audit committee	●Internal audit business report from February-April 2023.	Upon discussion and communication, the independent directors have no dispute over the audit report.
08/10/2023	Meeting of board of directors and audit committee	● Internal audit reports dated May–July 2023.	Upon discussion and communication, the independent directors have no dispute over the audit report.
11/10/2023	Meeting of board of directors and audit committee	● Internal audit reports dated August–October 2023	Upon discussion and communication, the independent directors have no dispute over the audit report.
12/25/2023	Meeting of board of directors and audit committee	● Internal audit reports dated November 2023. ● The Company's "2024 Audit Plan".	Upon discussion and communication, the independent directors have no dispute over the audit report.

Memo about communications between directors (including independent directors) and independent auditors: **2023**

Date	Method of communication	Contents of communication	Outcome of communication
02/24/2023	Meeting of audit committee and board meetings	● Assessment of the effectiveness of the Company's internal control system of 2022. ● Proposal to adopt 2022 business report and financial statements.	The 2021 financial report has been approved by the audit committee and submitted to the Board of Directors for approval, and announced and reported to the competent authorities as scheduled.
05/11/2023	In writing	● Proposal to adopt the financial report of Q1 2023	The Q1 2022 consolidated financial statements have been approved by the audit committee and submitted to the Board of Directors for approval, and announced and reported to the competent authorities as scheduled.

08/10/2023	In writing	● Proposal to adopt the financial report of Q2 2023.	The Q2 2022 consolidated financial statements have been approved by the audit committee and submitted to the Board of Directors for approval, and announced and reported to the competent authorities as scheduled.
11/10/2023	In writing	● Proposal to adopt the financial report of Q3 2023.	The Q3 2022 consolidated financial statements have been approved by the audit committee and submitted to the Board of Directors for approval, and announced and reported to the competent authorities as scheduled.

1. The internal audit unit regularly and sporadically reports the internal control results audited to the members of the audit committee, and the communication may be conducted by e-mail or verbal inquiries.
2. Regarding the governance matters in the planning stage of review/audit, the independent auditors list them in letters and communicate them to the directors in accordance with statement of auditing standards no. 39, "Communication with those Charged with. Governance."

Note: The 1st audit committee was formed by all independent directors through an election held at the Company's general shareholders' meeting on June 9, 2015, and the supervisory system was abolished.

(III)Implementation status of corporate governance and deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company establish and disclose its corporate governance best practice principles based on "Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies"?	Yes		The Company has established a "Corporate Governance Best Practice Principles" and the amendments were approved by the board of directors on March 8, 2022. Please refer to the Company's website at http://www.myson.com.tw/ for details.	No significant differences.
II. The Company's equity structure and shareholders' equity				
(I) Does the Company have the internal procedures regulated to handle shareholders' proposals, doubts, disputes, and litigation matters, and have the procedures implemented accordingly?	Yes		The Company has a spokesperson and a deputy spokesperson to proposals, doubts, disputes, and litigation matters in a timely manner. The board of directors has approved the standard and procedures for the review of shareholders' proposals and the nomination of independent director candidates at the general shareholders' meetings.	No discrepancy.
(II) Does the Company possess the list of the Company's major shareholders of ultimate controllers, and the list of the ultimate controllers of the major shareholders?	Yes		The Company keeps good interaction with the major shareholders and has appointed Yuanta Securities Co., Ltd., Shareholders Service Agency Dept. to handle its stock affairs, thereby grasping the list of major shareholders who effectively control over the Company and the ultimate controllers of the major shareholders.	No discrepancy.
(III) Does the Company establish and implement the risk control and firewall mechanism with its affiliated companies?	Yes		Procedures and regulations for transactions with related parties have been stipulated in the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and "Regulations Governing the Acquisition and Disposal of Assets" of the Company, and "Management of Related Party Transactions" and " Regulations on Management of Subsidiaries" have also been stipulated in the internal control system.	No discrepancy.
(IV) Does the Company adopt internal rules prohibiting company insiders from trading securities using information not disclosed to the market?	Yes		The Company's "Codes of Ethical Conduct for Directors, Supervisors and Managerial Officers" and "Codes of Ethical Conduct for Directors, Supervisors and Managerial Officers" have stipulated that insiders are prohibited from trading marketable securities by exploiting undisclosed information in the market.	No discrepancy.
III. Composition and responsibilities of the board of directors				

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(I) Does the board of directors have member diversity policies and specific management goals regulated and implemented substantively?	Yes		1. Article 20 of the "Corporate Governance Best Practice Principles" adopted by the Company has expressly stated the board of directors' diversity policies. In order to achieve a robust board of directors' structure, the board members shall be diversified and specialized in different professions across different genders or fields, and shall have the knowledge, skills and experience necessary to perform their duties. 2. In order to diversify the board members, irrelevant with gender or age, the Company takes the professional qualification and engagement into consideration primarily. The current directors are at the age of 53 years old averagely. 3 out of them at the age of 41~50 years old, 2 at the age of 51~60 years old, and 2 at the age of 61~70 years old. For the purpose of gender equality, 7 directors will include two female directors upon the reelection to be held in 2021, so as to increase the female director ratio to 28% or more. For the details about the current directors' diversity policies, please visit the website of Myson Century Inc.	No discrepancy.
(II) Does the Company, in addition to setting up the remuneration committee and audit committee lawfully, have other functional committees set up voluntarily?		No	In addition to the establishment of the remuneration committee as required by law, the Company's board of directors approved the establishment of an audit committee on March 16, 2015. In the future, the Company will establish other functional committees in accordance with regulations or operational needs.	Establishment will be done in accordance with regulations or operational needs.
(III) Does the Company establish a set of policies and assessment methods to evaluate the board of directors' performance, conduct the performance evaluation regularly at least on an annual basis, and submit the results of performance assessments to the board of directors and use them as reference in determining remuneration for individual directors, and their nomination for additional office term?	Yes		On March 27, 2020, the board of directors approved the formulation of the Rules for Performance Evaluation of Board of Directors and its evaluation method; the evaluation was completed in Q1 2023.	No discrepancy.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(IV) Does the Company have the independence of the external auditors evaluated regularly?	Yes		As required by the "Corporate Governance Best-Practice Principles for TWSE/TPEx Listed Companies," the Company regularly assesses the independence of CPAs on a yearly basis. The procedures of assessing the independence of CPAs in 2022 based on the Company's internal completion of "CPA Independence Assessment Table" (the assessment content is based on the "The Norm of Professional Ethics for Certified Public Accountant of the Republic of China" No. 10 and Article 47 of the "Certified Public Accountant Act") before being submitted to and approved by resolution of the board of directors. (See p. 40)	No discrepancy.
IV. Does the TWSE/TPEx-listed company assign the adequate number of competent corporate governance officers, and appoint the chief corporate governance officer responsible for the corporate governance affairs (including but not limited to, provision to directors/supervisors of the information needed by them to perform their duties, assistance to directors/supervisors in compliance, organization of the Board of Directors' meetings and shareholders' meetings, and preparation of the Board of Directors' meetings and shareholders' meeting minutes, etc.)?	Yes		The Company has the General Administration Department serve as the unit dedicated to corporate governance. On August 11, 2021, the board of directors approved that the finance & accounting executive of the General Administration Department to serve as the chief corporate governance officer concurrently, who are experienced in management of finance, shareholders service and parliamentary affairs of public companies for more than three years, in order to protect the shareholders' equity and strengthen the board of directors' functions. The chief corporate governance officer is primarily responsible for organization of the board of directors' meetings and shareholders' meetings, preparation of the board of directors' meetings and shareholders' meeting minutes, assistance to directors in assumption of the position and continuing education, provision to directors/supervisors of the information needed by them to perform their duties, and assistance to directors in compliance.	No discrepancy.
V. Does the Company provide proper channels of communication with stakeholders (including but not limited to shareholders, employees, customers and suppliers) and create a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders?	Yes		The Company has designated a spokesperson and a deputy spokesperson; business, finance and corporate governance information is disclosed on the public website. Furthermore, the Company has created a stakeholder section on its website to address corporate social responsibility issues that are of significant concern to stakeholders?	No discrepancy.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
VI. Does the Company engage a shareholders service agency to handle shareholders' meeting affairs?	Yes		The Company has appointed a shareholders service agency—Yuanta Securities Co., Ltd., Shareholders Service Agency Dept.— to handle its shareholders' meeting affairs.	No discrepancy.
VII. Information disclosure				
(I) Does the Company set up a website to disclose the Company's business, finance and corporate governance information?	Yes		The Company has set up a website to disclose the Company's business, finance and corporate governance information, which can be found at http://www.myson.com.tw/.	No discrepancy.
(II) Does the Company adopt other information disclosure methods (e.g., establishing an English website, designating responsible person for collecting and disclosing information of the Company, practicing the spokesperson system, posting the investor conference on the Company's website, etc.)?	Yes		The Company fully practice the spokesperson system. The Company has designated a dedicated person to collect and disclose the Company's information. The relevant information disclosure can be found on the Company's website.	No discrepancy.
(III) Does the Company publish and report its annual financial report within two months after the end of a fiscal year, and publish and report its financial reports for the first, second and third quarters as well as its operating status for each month before the specified deadline?		No	For the time being, the Company publishes and reports its annual financial report within three months after the end of the fiscal year and publishes and reports its financial reports for the first, second and third quarters, as well as its operating status for each month within 45 days at the end of fiscal years, as required. The Company will evaluate the possibility of compliance with said requirements subject to the operational condition.	The Company publishes and reports the same within the prescribed time limit, while it is still impossible for the Company to publish and report the same earlier before the prescribed time limit now.

Evaluation item	Implementation status			Deviations from the Corporate Governance Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
VIII. Does the Company have other information that enables a better understanding of the Company's corporate governance practices (including but not limited to employee rights,employee care, investor relations, supplier relations, stakeholders' interests, continuing education of directors and supervisors, implementation of risk management policies and risk measurements, implementation of customer policies, and the Company's purchase of liability insurance for directors and supervisors)?	Yes		(I)Employee rights and employee care:For information on the Company's various employee benefits, training and retirement systems and their implementation, as well as agreements between employees and employers, please refer to V.4. Information on Environmental Protection Costs and V.5. Labor Relations of the annual report. (II)Investor relations: The Company fully practice the spokesperson system and addresses shareholders' proposals in a timely manner. (III)supplier relations: The Company maintains good relationships with its suppliers under the principle of honesty and integrity. (IV)Implementation of risk management policies and risk measurements: The Company has formulated internal regulations. In addition, major operating policies, loans or endorsements of funds, acquisition or disposal of assets, and significant investments must be processed in accordance with the relevant regulations and executed base on the level of authority or by resolution of the board of directors. (V)Implementation of customer policies: The Company has a dedicated department and procedures for handling customer after-sales services and grievance. (VI)The Company's purchase of liability insurance for directors and independent directors: The Company has purchased liability insurance for its directors and independent directors in 2022. (VII)Continuing education for directors and supervisors: Continuing education of the Company’s directors all met the requirements of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx Listed Companies" in 2022. Please refer to (Note 1) for details of participation.	No significant differences.
IX.Please explain the improvements made, based on the latest Corporate Governance Evaluation results published by the TWSE Corporate Governance Center, and propose enhancement measures for any issues that are yet to be rectified: N/A				

Note 1:

Title	Name	Date of Continuing Education	Organizer	Name of Course	Education hours
Director	Chang, Yu-Ming	07/14/2023	Taiwan Investor Relations Institute	How Lighthouse Factory uses digital transformation to achieve sustainable development	3
		09/22/2023	Taiwan Investor Relations Institute	Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security management	3
Director	Chang, Shuo-Wen	07/14/2023	Taiwan Investor Relations Institute	How Lighthouse Factory uses digital transformation to achieve sustainable development	3
		09/22/2023	Taiwan Investor Relations Institute	Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security management	3
Director	Chao, Tien-Tsung	07/14/2023	Taiwan Investor Relations Institute	How Lighthouse Factory uses digital transformation to achieve sustainable development	3
		09/22/2023	Taiwan Investor Relations Institute	Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security management	3
Director	Tseng, Peng-Kuang	07/14/2023	Taiwan Investor Relations Institute	How Lighthouse Factory uses digital transformation to achieve sustainable development	3
		09/22/2023	Taiwan Investor Relations Institute	Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security management	3
Independent director	Hsu, Shou-Te	1. 02/15/2023 2. 08/09/2023	1. Securities and Futures Institute 2. Securities and Futures Institute	1. Sustainable development and sustainable governance trends 2. The legality of the Information Security Management Act under the threat of ransomware	6
Independent director	Hsu, Chi-Jeng	1. 04/10/2023 2. 07/14/2023 3.08/25/2023 4.09/22/2023 5.10/27/2023	1.Taiwan Investor Relations Institute 2. Taiwan Investor Relations Institute 3. Taiwan Investor Relations Institute 4. Taiwan Investor Relations	1.Business opportunities and challenges under the net zero Boom 2. How Lighthouse Factory uses digital transformation to achieve sustainable development 3.Business secret protection and non-competition 4. Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security	18

			Institute 5. Securities and Futures Institute	management 5. Sustainable development and sustainable governance trends	
Independent director	Lin, I-Chi	1.07/14/2023 2. 09/22/2023	1.Taiwan Investor Relations Institute 2. Taiwan Investor Relations Institute	1.How Lighthouse Factory uses digital transformation to achieve sustainable development 2. Self-cleaning safety does not mean true safety. Enterprise resilience orientation Supply chain information security management	6

(IV)If a remuneration committee is established within the Company, the composition, responsibilities and functionality of such a committee:

(1) Information about the Remuneration Committee members

Identity	Qualifications / Name	Professional qualification and experience (note 2)	Compliance with independence (note 3) The following: V for Yes; X for No				Number of other public companies in which the person concurrently serve as an independent director
			(1)	(2)	(3)	(4)	
Independent director Convener	Hsu, Shou-Te	1. Doctor in Financial Management at the University of Alabama, USA 2. Former professor and president of Takming University of Science and Technology 3. Current visiting professor of Takming University of Science and Technology 4. With the expertise and background in accounting and finance. 5. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	X	X	X	X	3 companies
Independent director	Hsu, Chi-Jeng	1. Accounting major at Tainan University of Technology. 2. Former underwriting department manager of MasterLink Securities Corporation. 3. Former underwriting department associate of First Securities Inc. 4. With the expertise and background in accounting and finance. 5. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	X	X	X	X	2 companies
Independent director	Lin, I-Chi	1. EMBA, National Sun Yat-sen University 2. Current general manager of Chun Feng Human Resources Co., Ltd 3. With the expertise and background in sales and management. 4. The director has been in or is under any circumstances stated in Article 30 of the Company Act.	X	X	X	X	1 companies

Note 1: Please specify the related seniority, professional qualification & experience, and independence of each remuneration committee member in the Table. For members who are also independent directors, references have been made to Table 1 - Information about Directors and Supervisors (I)on page OO. Please describe the party's identity as independent director, or others (with additional remark for the role of convener, if any).
Note 2: Professional qualification and experience: Please specify the professional qualification and experience of the remuneration committee members individually.
Note 3: Compliance of independence: Please specify the remuneration committee members' compliance of independence, including but not limited to:

(1) Whether they or their spouses or relatives within 2nd degree of kinship serve as directors, supervisors or employees in the Company or any of its affiliates.
(2) The number and percentage of the Company's shares held in their own names or names of the spouses or relatives within 2nd degree of kinship (or proxy shareholder).
(3) Whether they serve as directors, supervisors, or employees in any entity that has certain relationship with the Company (please refer to the subparagraphs 5~8, Paragraph 1, Article 6 of the Regulations Governing the Appointment and Exercise of Powers by the Remuneration Committee of a Company Whose Stock is Listed on the Taiwan Stock Exchange or the Taipei Exchange).
(4) The amount of remuneration received in the last two years for providing commercial, legal, financial, accounting or other professional services to the Company and its affiliates.

Note 4: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

(2) Information about functionality of remuneration committee

I. The Company's remuneration committee consists of 3 members.
II. The current members' term of office: July 1, 2021–June 30, 2024.
The meetings of the remuneration committee were held 4 times (A) in the most recent year (2023), and held zero times in 2024 as of the printed date of the prospectus, qualifications and attendance of the members are as follows:

Title	Name	Times of attendance in person (B)	Times of attendance by proxy	Attendance Rate (B/A)	Remark
Convener	Hsu, Shou-Te	4	0	4	-
Member	Hsu, Chi-Jeng	4	0	4	-
Member	Lin, I-Chi	4	0	4	-

Other matters to be recorded:

I. If the board of directors rejects or amends the suggestions of the remuneration committee, the date and session of the board meeting, contents of the motion, and approval of the board of directors as well as the company's responsive actions to the opinions of the remuneration committee (e.g. remuneration approved by the Board is better than that proposed by the Remuneration Committee) shall be stated: None.

II. Regarding resolutions of the meeting of the remuneration committee, if there is any written record or statement pertaining to members' objections or reservations, the date and session of the remuneration committee meeting, contents of the motion, the opinion of the said member, and the responsive actions to the said opinion shall be stated: None

III. Resolutions of the remuneration committee in the most recent year up to the date of publication of the annual report:

Date	Description	Resolution
01/13/2023	1. Submit a proposal to the Salary and Remuneration Committee for review of the Company's Manager of 2022 bonus discussion case. 2. Deliberation on amendments to directors' salaries and carriage fees. 3. The members of each functional committee reviewed the amendments to travel expenses.	The proposal was approved as proposed
01/31/2023	1. Review the salary and remuneration case for the new general manager and submit it for discussion.	The proposal was approved as proposed
11/10/2023	1. 1. Revise the proposal for the performance evaluation method of the board of directors.	The proposal was approved as proposed
12/25/2023	1. Review the salary and remuneration case for the new general manager and submit it for discussion. 2. Submit a proposal to the Salary and Remuneration Committee for consideration of the year-end bonus discussion for the company's managers in 2023.	The proposal was approved as proposed

(V)Implementation status of corporate sustainable development and deviations from the Corporate Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies, and reasons thereof

Promotion item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
I. Does the Company have a governance structure for sustainable development and a dedicated (or ad-hoc) sustainable development organization with board of directors authorization for senior management, which is reviewed by the board of directors?	Yes		1. The Company's governance framework that promotes sustainable development: The Company establishes the "Corporate Governance Team," "Sustainable Environment Team" and "Social Public Welfare Team" to implement the corporate sustainable development plans. The implementation status and results are disclosed in the "Sustainable Development Report" on the Company's website. The implementation status will be reported to the board of directors each year. 2. The implementation status of the Company's organizations includes without limitation to: (1) The unit that specializes (or is involved) in the promotion of sustainable development refers to the "sustainable development committee" reformed from the corporate social responsibility committee," which will be further reformed into the "sustainable development promotion committee" this year. Meanwhile, the authorization was obtained from the board of directors in 2022. (2) Composition and functionality of the promotion committee members, and implementation status in the current year: The chairman of board serves the committee chairman, and deputy general manger as the execution officer. (3) Date of report to the board of directors: December 26, 2022 Please disclose the board of directors' supervision on the sustainable development. The board of directors approved all of the matters proposed by the sustainable development committee unanimously.	No significant differences.
II. Does the Company, in accordance with the materiality principle, conduct risk assessments on environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy? (Note 2)	Yes		The Company disclosed the risk assessment on the environment, society and corporate governance issues related to the Company's operations in the report and on the Company's website in accordance with the materiality principle, . The results of the review on various aspects of the Company serve as the basis for following discussion and improvement. In the future, the Company will continue to practice the corporate social responsibility and strengthen the adoption of related risk management strategies, in order to achieve the Company's vision for sustainable development.	No significant differences.
III. Environmental issues				

Promotion item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
(I) Does the Company have an appropriate environmental management system established in accordance with its industrial character?	Yes		The Company belongs to the IC design industry; it reports its waste in accordance with the regulations and effectively enforces environmental management.	No discrepancy.
(II) Does the Company endeavor to utilize all resources more efficiently, and use renewable materials which have a low impact on the environment?	Yes		The Company endeavors to utilize all resources more efficiently when executing its business activities and internal management, in order to enable the global resources to be used sustainably. The related environmental protection policies include promotion of the recycling and reuse of photocopying paper, and implementation of recycling.	No discrepancy.
(III) Does the Company assess the current and future potential risks and opportunities that climate change may present to enterprises and adopt the responsive measures against climate-related issues?	Yes		The Company has established the "Energy, Carbon, Water, Power and Waste Reduction Policy" to avoid wasting all kinds of resources, thus becoming an energy-saving and environmentally sustainable company.	No discrepancy.
(IV) Does the Company maintain statistics on GHG emission, water consumption, and total waste volume in the last two years, and implement policies aiming at saving energy and reducing carbon, COGHG, water, or other wastes?		No	The Company promotes paper waste reduction and switching off of lights and air conditioning in unused offices to minimize carbon and greenhouse gas emissions so as to avoid waste of resources. The Company has not yet compiled statistics on greenhouse gas emissions, water consumption and total weight of waste.	The Company has set the greenhouse gas inventory and inspection timetable and plans; the uncalculated items will be proceeded in accordance with the timetable thereafter.
IV. Social issues				
(1) Does the Company formulate relevant management policies and procedures in accordance with applicable laws and the International Bill of Human Rights?	Yes		The Company's current CSR policy is implemented in accordance with relevant laws and regulations.In addition, the Company has formulated a written environmental protection policy and executes relevant affairs under the spirit of environmental protection. Therefore, the Company's management philosophy—supporting green environmental protection and contributing to global environmental sustainability—is recognized.	No discrepancy.
(II) Does the Company adopt and implement reasonable employee benefit policy (including remuneration, vacation and other benefits, etc.), and reflect the operating performance or results to the remuneration to employees adequately?	Yes		The Company values the employee care, employees' retirement system and friendly workplace. The Company provides the employees with complete salary, bonus, dividend and welfare systems to enable each employee to do his/her part at work. The related welfare measures include enrollment of employees to the labor insurance/national health insurance/group insurance programs, payment of gift money for the three major festivals, organization of employees' health checkup and employee trip at home and abroad, provision of the meal allowance, pension and disability subsidies to the employees, and	No discrepancy.

Promotion item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
			establishment of the welfare committee to handle the subsidies for employees' marriage/childbirth/travel/injury & sickness/death, and birthday parties. The Company also allows the applications for parental leave. The Company has already reflected the operating results to the remuneration to employees. According to the Articles of Incorporation, if the Company retains earnings at the end of a fiscal year, the Company shall allocate no less than 15% thereof as the remuneration to employees, provided that the profit must first be taken to offset against the Company's cumulative losses, if any, and then the remuneration to employees and directors/supervisors may be allocated subject to the proportions referred to in the preceding paragraph. The remuneration to individual employees includes the Company's operating performance bonus. The bonus shall be decided subject to the business performance achieved in the year.	
(III) Does the Company provide employees with a safe and healthy work environment, and provide safety and health education to employees regularly?	Yes		Regarding the safe and healthy work environment, and safety and health education to employees regularly provided by the Company for the employees, please refer to (I)6.Information on protective measures for work environment and employee safety of 5. Labor Relations of V.Operational Highlights of the annual report.	No discrepancy.
(IV) Does the Company have an effective career capacity development training program established for employees?	Yes		Based on the development needs of the employees and the Company, the Company offers a variety of educational training courses, such as new employee orientation, professional knowledge and technique training.	No discrepancy.
(V) Does the Company comply with applicable laws and international standards regarding issues, such as customer health and safety, customer privacy, as well as marketing and labelling of products and services? Has it formulated relevant policies and complaint procedures to protect consumers' or customers' rights and interest?	Yes		The marketing and labeling of the Company's products and services are in compliance with relevant regulations and international standards. The Company has set up a related party section on its website. All the related parties can find complaint channels through this website to protect their rights.	No discrepancy.
(VI) Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights, and how the policy is implemented?	Yes		Does the Company adopt any specific supplier management policy demanding that the suppliers should comply with the related regulations governing environmental protection, occupational safety and health or labors' human rights too ensure product safety and further enhance corporate social responsibility, and how the policy is implemented? If a major supplier is in breach of its CSR policy and has a significant environmental and social impact, the Company may terminate or cancel its contract at any time.	No discrepancy.

Promotion item	Implementation Status			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof
	Yes	No	Summary	
V. Does the Company prepare the CSR report or any report on non-financial information based on international reporting standards or guidelines? Does said report have been assured or guaranteed by a third party certification unit?		No	The Company fulfills its corporate social responsibility in accordance with the regulations of the competent authorities and applicable regulations. Moreover, A CSR section has been set up on the Company's website. Based on the actual operation. relevant information can be found on the Company's website and the Market Observation Post System.	The Company has not prepared a CSR; however, it will prepare one in the future depending on the Company's development needs and regulations.
VI. Where the Company has formulated its own sustainable development code in accordance with the Sustainable Development Best Practice Principles, please specified the differences between the implementation and the principles: The Company has established sustainable development best practice principles in accordance with "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," and the current practices thereof have no deviations from such principles:				
VII. Other information useful to the understanding of promotion of the corporate social responsibility: The Company has established the "Energy, Carbon, Water, Power and Waste Reduction Policy" to promote feasible energy saving measures. Further, the Company has been certified by ISO6001, and its products are all in compliance with RoHS, EU REACH SVHC requirements.				

Note 1: If the implementation status is specified "Yes," please specifically explain the key policies, strategies, and measures taken and the execution progress. If the implementation status is specified "No," please explain deviation and cause of deviation in the field titled "Deviation from Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof," and state any policy, strategy, and measure planned for the future.

Note 2: The materiality principle refers to environmental, social and corporate governance issues that are of material impact to the Company's investors and stakeholders.

Note 3: For the method by which such information shall be disclosed, please refer to the sample annual report disclosed on the website of TWSE Corporate Governance Center.

(VI) Climate-related information of TWSE/TPEx-listed companies

1 Implementation status of climate-related information

	Item	Status
1.	Specify the monitoring and governance of climate-related risks and opportunities by the Board of Directors and the management.	• The greenhouse gas inventory and verification schedule was reported to the Board of Directors on a quarterly basis in 2023. The talent training, strategic goals, control mechanism, and internal verification plan have been completed by the end of September 2023. • The management meeting convened on October 23, 2023 identified the potential risk in 2023. The significant risk types of this year include "financial investment risk," "operating risk," "pollution and climate change risk," "product & construction risk" and "corporate governance risk." Responsive measures were proposed for individual risks. After being subjected to the supervision under the Corporate Governance Committee on November 10, 2023, they were reported to the Board of Directors for approval on the same day.
2.	Specify how the identified climate risks and opportunities affect the Company's business, strategy and finance (short-, medium-, and long-term).	For more details, please refer to the "myson-2023, 2022 and 2021 GHG emissions and reduction information" on the website of the Company myson.com.tw [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report].
3.	Specify the financial impact of extreme climate events and transformation actions.	• The government promotes the carbon pricing mechanism. The Company will incur fines for excessive carbon emissions and increase operating costs. • In line with the government's carbon reduction targets, the Company must increase the proportion of energy-saving and carbon-reducing products. The design of green buildings and the procurement of low-carbon raw materials will cause construction costs to rise.
4.	Specify how climate risk identification, assessment, and management processes are integrated into the overall risk management system.	Risk management not only affects the company's operations, but also has a significant impact on the company's reputation. The overall risk management related policies of the Company have been approved by the board of directors and documented principles has been established. After identifying the risks and presenting countermeasures, the departments report these to the President, who in turn reports to the Corporate Governance Committee and eventually to the Board of Directors. Each relevant department is responsible for assessing the occurrence possibility of each risk factor and the extent of the impact, They shall formulate and implement necessary measures and properly manage each risk.

	Item	Status
5.	If a scenario analysis is used to assess the resilience to climate change risks, the scenarios, parameters, assumptions, analysis factors, and main financial impacts used shall be specified.	No scenario analysis has been used to assess the parameters and the main financial impact.
6.	If there is a transformation plan to manage climate-related risks, specify the contents of the plan, and the indicators and goals used to identify and manage physical and transition risks.	For more details, please refer to the "Myson-2023, 2022 and 2021 GHG emissions and reduction information" on the website of the Company Myson.com.tw [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report], or refer to the sustainability report.
7.	If internal carbon pricing is used as a planning tool, the basis for setting the price shall be specified.	Internal carbon pricing has not yet been used as a planning tool.
8.	If climate-related goals are set, the activities covered, the scope of greenhouse gas emissions, the planning schedule, annual achievement progress and other information shall be specified; if carbon offsets or renewable energy certificates (RECs) are used to achieve relevant goals, the source and quantity of offset carbon reduction credits or the quantity of RECs shall be specified.	• For more details, please refer to the "Myson-2023, 2022 and 2021 GHG emissions and reduction information" on the website of the Company Myson.com.tw [Social Responsibility] / Corporate Sustainability Report] [Social Responsibility] / Corporate Sustainability Report], or refer to the sustainability report. • The Company has not yet used carbon offsets or renewable energy certificates (RECs) to achieve relevant goals. The source and quantity of offset carbon reduction credits or the quantity of renewable energy certificates (RECs) shall be specified.
9.	Greenhouse gas inventory and assurance, reduction goals, strategies and specific action plans (to be provided 1-1 and 1-2 separately).	

1-1 Greenhouse gas inventory and assurance status in the most recent two years

1-1-1 Greenhouse gas inventory information

Specify the greenhouse gas emissions (tCO2e), intensity (kgCO2e/36 sq ft) and data coverage in the most recent two years
I. According to the inventory of corporate greenhouse gas emissions, the main greenhouse gas generated by the Company's operations is carbon dioxide. The coverage and boundary are as follows: (I) Scope 1 is direct greenhouse gas emissions: In 2022, the Company mistakenly classified the energy emission from company cars as Scope 3 and corrected it to Scope 1 in 2023. Except for the use of company cars, there are no other direct greenhouse gas emission sources s in Scope 1. (II)Scope 2 is the indirect energy greenhouse gas emissions: Mainly from purchased electricity (III)The inventory boundary includes the offices, reception centers and unsold buildings of the construction projects, and construction offices of the Company and the subsidiaries in the construction industry (Shangyu Construction Co., Ltd. and Boromi Optronics Corp.) The summary is as follows: Unit: tCO2e

	Scope 1	Scope 2	Scope 3	Intensity (KGCO2e/36 sq ft)
2023	6.639	97.853	No statistics available	0.40
2022	6.488	213.808	No statistics available	0.52

Note 1: Direct emissions (scope 1, i.e. directly from the emission sources owned or controlled by the Company), indirect energy emissions (scope 2, i.e. indirect greenhouse gas emissions from input electricity, heat or steam), and other indirect emissions (scope 3 i.e. emissions generated from company activities that are not indirect energy emissions but come from emission sources owned or controlled by other companies) .

Note 2: The data coverage of the direct emissions and the indirect emissions from energy shall be handled in accordance with the schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines. The information of other indirect emissions may be disclosed voluntarily.

Note 3: Greenhouse gas inventory standard: Greenhouse Gas Protocol (GHG Protocol) or ISO 14064-1 issued by the International Organization for Standardization (ISO).

Note 4: The intensity of greenhouse gas emissions can be calculated per unit of product/service or turnover, and at least the data calculated based on turnover (NT$ million) shall be stated.

1-1-2 Specify the assurance status in the most recent two years and up to the publication date of this annual report, including the scope, institution, criteria and opinion of the assurance.

Assurance from external institutions has not yet been implemented. The process will be completed in accordance with the FSC's "Roadmap for the Sustainable Development of TWSE/TPEX Listed Companies."

Note 1: The schedule specified in the regulations referred to in Paragraph 2, Article 10 of these Guidelines shall apply. If the company fails to obtain a complete greenhouse gas assurance opinion as the publication date of this annual report, it shall indicate that "the complete assurance information will be disclosed in the sustainability report." If the company does not prepare a sustainability report, it shall indicate that "the complete assurance information will be disclosed on the MOPS", and shall disclose complete assurance information in the annual report of the next year.

Note 2: The assurance institution shall comply with the relevant requirements that TWSE and TPEx have established for sustainability report assurance institutions.

Note 3: For disclosure content, please refer to the best practice reference examples on the website of the TWSE Corporate Governance Center.

1-2 Specify the base year for reduction of greenhouse gases and reduction data, reduction goals, strategies and specific action plans, and achievement status of the reduction goals.
In order to continue to achieve the international reduction trend, the Company conducted reduction tracking through greenhouse gas inventories and the Sustainable Development Committee, and proposed a carbon neutrality path plan for 2022 to 2050, in order to promote green operations and develop green energy (smart) buildings to achieve energy saving and carbon reduction. The Company has implemented an annual greenhouse gas inventory since 2022, set 2022 as the energy saving and carbon reduction base year, and planned a yearly reduction volume to achieve the long-term carbon management goal of carbon neutrality for 2050.

Carbon Neutrality Roadmap of SUN YAD CONSTRUCTION CO., LTD.			
	Short-term goals	Mid-term goals	Long-term goals
Time	2026	2030	2050
Carbon reduction goals	Reducing emissions by 10% compared to 2022	Reducing emissions by 30% compared to 2022	To achieve carbon neutrality
Strategy and action plan	Promote green operations to reduce energy consumption and carbon emissions. Example: ● Turning off lights are switched off in offices, whenever necessary, and during lunch breaks, and conducting off-hours inspections. ● Replacement with electrical appliances of frequency conversion and regular maintenance of air conditioners in offices. ● Replacement with airtight windows to reduce cold air leakage. ● Applying insulation films to the curtains at office floors, and	● Developing green buildings and energy conservation and carbon reduction measures to improve energy efficiency ● For the buildings, we implement source reduction and resource recycling in construction. ● Using more efficient construction operations to shorten the construction period and achieve the purpose of energy conservation. ● Reviewing and changing construction processes at any time to avoid dry energy consumption. ● Adopting circular construction	● Developing green and low-carbon buildings. ● Promoting green buildings and continuing to develop methods that save building materials. ● Cooperating with industry chain manufacturers to develop low-carbon, energy-saving and recyclable products.

	using energy-saving lamps for lighting. ● Promoting electronic operations to reduce energy resource consumption.	practices to improve resource efficiency.	

(VII) Performance of ethical corporate management and deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof:

Item	Status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
I. Establishment of ethical management policies and plans				
(I) Does the Company state in its regulations or external correspondence about the ethical management polices and practices passed by the board of directors and the commitment of the board of directors and senior management to actively implement the operating policies?	Yes		The Company has established the "Ethical Corporate Management Best Practice Principles," which clearly states the policy and approach of ethical management; besides, the board of directors and the management are all committed to their fulfillment.	No discrepancy.
(II) Does the Company establish the assessment mechanism about unethical conduct to analyze and assess the operating activities with higher risk of unethical conduct in the scope of business periodically, and adopt the unethical conduct prevention program based on the mechanism, which shall at	Yes		Regarding the business activities with higher risk of unethical behavior, e.g., offering and accepting bribes, providing illegal political contributions, etc., the Company's internal audit unit conducts regular audits to prevent their occurrence.	No discrepancy.

Item		Status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
		Yes	No	Summary	
	least cover the prevention measures referred to in the subparagraphs of Paragraph 2, Article 7 of the “Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies”?				
(III)	Does the Company expressly state the SOP, guidelines for conduct and reward & punishment and grievance systems in the unethical conduct prevention program, implement the same precisely, and review amendments to said program?	Yes		For enforcement, the regulations of the Company stipulate the prevention of unethical behavior, conduct guidelines, penalties for non-compliance and grievance systems.	No discrepancy.
II.Implementation of ethical management					
(I)	Does the Company evaluate the ethical record of all counterparts it has business relationships with? Are there any ethical management clauses in the agreements it signs with business partners?	Yes		When the Company engages in commercial cooperation with its clients, the Company always stipulates the terms of ethical behavior in the contracts under the principles of lawfulness and good faith.	No significant differences.
(II)	Does the Company establish a unit dedicated to promoting ethical corporate management under supervision of the board of directors which shall be responsible for reporting the status of implementation of the ethical management policy and unethical conduct prevent program to the Board of Directors periodically (at least for once per year)?	Yes		The Company has the chairman’s office and General Administration Department form the “Ethical Management Promotion Taskforce.” Chairman, Chang Yu-Ming, serves as the convener of the Taskforce, responsible for promoting the Company’s corporate governance practices including ethical management, anti-corruption, anti-bribery and compliance with laws, and report the implementation status to the board of directors at the end of each year. It reported to the board of directors on December 25, 2023.	No discrepancy.
(III)	Does the Company have any policy that prevents conflict of interest, and channels that facilitate the report of conflict of interest?	Yes		The “Regulations Governing Procedure for Board Of Directors’ Meetings” adopted by the Company provide the directors’ avoidance of conflict of interest system, specifying that when a director or the juristic person represented by the director is an interested party in relation to an agenda item, and there is the likelihood that such a relationship would prejudice the interests of the Company, that director may not participate in discussion and voting on that item, but should recuse himself from the discussion and voting or exercise voting rights as proxy for any other director. The Board of Directors’ meetings dated January 13, 2023, and December 25, 2023 have complied with the avoidance of conflict of interest requirements under the Regulations Governing Procedure for Board of Directors’ Meetings.	No discrepancy.

Item	Status (Note 1)			Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof
	Yes	No	Summary	
(IV) Does the Company fulfill the ethical management by establishing an effective accounting system and internal control system, and have an internal audit unit research and adopt related audit plans based on the unethical conduct risk assessment result and conduct audits on the compliance by the unethical conduct prevention program, or appoint a CPA to conduct the audits?	Yes		The Company has established an effective accounting system and internal control system. The internal auditors regularly review the compliance of the system and prepare audit reports to the board of directors, or independent auditors may be appointed to conduct the audits instead.	No discrepancy.
(V) Does the Company organize internal or external training on a regular basis to maintain ethical management?	Yes		The Company organizes the educational training and promotional events for the Company's personnel from time to time. Meanwhile, the Company adopts the "Employee Educational Training Plan" to organize the ethical management educational trainingand announce and discuss the amendments to any important laws and regulations, in order to ensure that the Company may comply with related laws and regulations while it is developing business	No discrepancy.
III.Implementation of the company's whistleblowing system				
(I) Does the Company have a specific whistleblowing and reward system stipulated, a convenient whistleblowing channel established, and a responsible staff designated to deal with the accused party?	Yes		A concrete whistleblowing and reward system has been stipulated in the "Employee Code of Ethics", and an accessible whistleblowing channel is set up. For those who are reported, an auditor or the audit committee will be assigned to handle the case.	No discrepancy.
(II) Does the Company define the standard operating procedure, followup measures to be taken upon completion of the investigation, and nondisclosure mechanism toward the investigation of reported cases as accepted?	Yes		The standard operating procedures for the investigation of whistleblowing matters and the related confidentiality mechanism are set forth in the "Employee Code of Ethics." If such matter is related to a director or senior officer, the report may be submitted to other appropriate persons such as supervisors.	No discrepancy.
(III) Does the Company have taken proper measures to protect the whistleblowers from suffering any consequence of reporting an incident?	Yes		The Company has a protection rule for whistleblowers to protect them from retaliation.	No discrepancy.
IV.Enhanced information disclosure				
Does the Company disclose the contents of its ethical management best practice principles and the result of implementation at its official website and MOPS?	Yes		The Information on the ethical management stipulated by the Company is available on the Company's website at http://www.myson.com.tw/ or the Market Observation Post System.	No discrepancy.
V. If the Company has established sustainable development best practice principles in accordance with "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies," please describe the current practices and any deviations thereof from such principles: No significant differences.				
VI. Other important information that is helpful in understanding the ethical corporate management practices of the Company: (e.g. the Company's discussion on amendments to the				

<table>
<tr><th rowspan="2">Item</th><th colspan="3">Status (Note 1)</th><th rowspan="2">Deviation from Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies and causes thereof</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary</th></tr>
<tr><td colspan="5">ethical management best practice principles adopted by it)
1. The transactions between the Company and related parties are all disclosed on the MOPS pursuant to laws and regulations.
2. The audit office is established to perform the random check on the Company’s business activities internally periodically, and submit the audit report to the board of directors periodically.</td></tr>
</table>

(VII)If the Company has established corporate governance principles or other relevant guidelines, the access to such principles must be disclosed:
The Company has established the "Corporate Governance Best Practice Principles" and related regulations, which have been disclosed on the Market Observation Post System and the Company's website.

(VIII)Other information material to the understanding of corporate governance within the Company:
The Company designates the General Administration Division to serve as the unit dedicated to the corporate governance, and delegates the “Chief Corporate Governance Officer” to help the corporate governance practices. The relevant implementation status report will be reported to the board of directors at the end of each year, and disclosed on the Company’s website.

(IX)Implementation of internal control system

1. Statement of Internal Control:

Myson Century, Inc.
Statement of Internal Control System

Date: December 31, 2023

The following declaration is made based on the 2023 self-appraisal on the Company's internal control policies:

I. The Company acknowledges and understands that the establishment, implementation and maintenance of the internal control system are the responsibility of the board of directors and managers, and that such a system has been implemented within the Company. The purpose of this system is to provide reasonable assurance in terms of business performance, efficiency (including profitability, performance and asset security etc), reliable, timely and transparent financial reporting, and regulatory compliance.

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

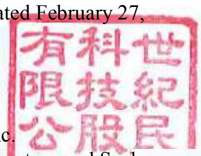
III. The Company has assessed the effectiveness of the internal control system design and implementation in accordance with the criteria provided in the "Regulations Governing the Establishment of Internal Control Systems by Public Companies" (hereinafter referred to as "the Regulations"). The criteria introduced by the Regulations consist of five major elements, each representing a different stage of internal control: 1. Control environment; 2. Risk assessment; 3. Control operation; 4. Information and communication; and 5. Supervision. Each element further encompasses several sub-elements. Please refer to "the Regulations" for details.

IV. The Company has adopted said criteria to assess the effectiveness of its internal control system design and implementation thereof.

V. Based on the assessment result referred to in the preceding paragraph, the Company believes that the design and implementation of the internal control system (including monitoring and management on subsidiaries) as of December 31, 2022, including the achievement rate of effectiveness and efficiency of operations and reliability, timeliness, transparency, and regulatory compliance of reporting, as well as the compliance with applicable laws, regulations, and bylaws, are effective and may reasonably ensure the achievement of said goals.

VI. The Statement will be the major contents of the annual report and prospectus of the Company and to be publicly disclosed. Any illegalities such as misrepresentations or concealments in the published contents mentioned above will be considered a breach of Articles 20, 32, 171, and 174 of the Securities and Exchange Act and incur legal liability.

VII. The Statement was passed unanimously without objection by all 7 directors present at the board meeting dated February 27, 2024.



Myson Century, Inc.
Chairman: Chang, Yu-MingSignature and Seals
General Manager Chang, Shuo-WenSignature and Seals

Note 1: For major defects in the internal control system of a public company in the middle of a fiscal year, the related information as well as the related examples of the findings and remedial actions made before the balance sheet date shall be added in the explanatory paragraph after #4 of the statement of internal control system.
Note 2: The date of the statement is the "fiscal year-end date".

2. If the Company is required by the Securities and Futures Institute to appoint independent auditors to audit the internal control system, the auditors' report shall be disclosed: None.

(X) If the result of a punishment may have a significant impact on the shareholders' equity or the price of the securities, the punishments received by the Company and its internal personnel pursuant to laws and punitive actions issued by the Company against its internal employees in violation of the internal control system provisions for the latest year until the date of publication of the annual report, major deficiency and correction status shall be specified: None

(XI) Important resolution of the shareholders' meeting, board of directors and remuneration committees for the latest year until the date of publication of the annual report:

1. Important resolution of the shareholders' meetings

Date		Important resolution	Resolution	Status
June 6, 2023	Adoption	(1) Adoption of 2022 business report and financial statements.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,664,465 (99.81%); number of opposing votes: 10,861; number of invalid votes: 0; abstentions (unvoted): 5,541 votes. There were no questions or comments from shareholders in this case.	Compliance with the resolution.
		(2) Motion for ratification on loss recovery in 2022.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,664,374 (99.81%); number of opposing votes: 10,870; number of invalid votes: 0; abstentions (unvoted): 5.623 votes. There were no questions or comments from shareholders in this case.	Compliance with the resolution.
	Discussion	(1) Motion for private placement of common shares.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,664,417 (99.81%); number of opposing votes: 10,881; number of invalid votes: 0; abstentions (unvoted):5,569 votes. There were no questions or comments from shareholders in this case.	Compliance with the resolution.
		(2) Amendments to the Company's Articles of Incorporation.	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,664,458 (99.81%); number of opposing votes: 10,876; number of invalid votes: 0; abstentions (unvoted):5,533 votes.	Compliance with the resolution.
		(3) The proposal to abolish and re-formulate the Company's "Rules of Procedure for Shareholders' Meetings".	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,8664,417 (99.81%); number of opposing votes: 10,881; number of invalid votes: 0; abstentions (unvoted): 5,569 votes. There were no questions or comments from shareholders in this case.	Already operated per the revised regulations.
		(4) Amend the Company's "Department of Acquisition or Disposal of Assets" "Procedure" case. .	Pass the motion per the resolution adopted based on the present shareholders' voting results. Total voting rights: 8,680,867 votes; number of votes in favor: 8,664,424 (99.81%); number of opposing votes: 10,875; number of invalid votes: 0; abstentions (unvoted):5,568 votes. There were no questions or comments from shareholders in this case.	Already operated per the revised regulations.

2. Important resolution of the board of directors:

Date	Important resolution	Status
January 31, 2023	1. Change of the Company's managers. 2. Discussion on matters to be reviewed at 4th meeting of the 5th remuneration committee.	All directors present have approved the proposals and the relevant procedures are completed.
February 24, 2023	1. Review the 2022 Business Report and Financial Report. 2. Approval of the 2022 assessment of the effectiveness of the Company's internal control system (issued a statement of internal control system). 3. Proposal to Approve the motion to offset FY2022 losses. 4. The motion for not to proceed with the private placement of common shares approved by the general shareholders' meeting in 2022. 5. Motion for private placement of common stock. 6. Amendments to the Company's Articles of Incorporation. 7. Repealing and redefining the Company's "Rules and Procedures of Shareholders' Meeting". 8. Motion for amendments to the Company's "Procedures for Acquisition and Disposal of Assets". 9. Motion for amendments to "Regulations Governing the Preparation of Financial Statements" and "Internal Control over the Management of the Preparation of Financial Statements". 10. Convening of the 2023 general shareholders' meeting and matters related to the shareholders' proposal received at the general shareholders' meeting. 11. Motion for the replacement of CPAs. 12. 2022 CPA independence assessment. 13. Proposal to approve the remuneration to the CPAs for FY2023. 14. Approval in advance for establishing the general principles of the Company's non-assurance service policy. 15. Formulate the Company's greenhouse gas inventory and verification schedule.	All directors present have approved the proposals and the relevant procedures are completed.
May 11, 2023	1. Consolidated financial statement report for the first quarter of 2023. 2. Revise the company's "Approval Authority Form". 3. Revise the company's "operating rules related to financial business with related parties" Fan case. 4. Revise the company's "Management Procedures for Preventing Insider Trading".	All directors present have approved the proposals and the relevant procedures are completed.
July 14 , 2023	1. Case of disposal of fixed assets. 2. Case of changing the company's business address.	All directors present have approved the proposals and the relevant procedures are completed.
August 10, 2023	1. Discussion about the consolidated financial statements for the second quarter of 2023. 2. Updated the company's "Stock Operations Management Measures". 3. Establishment of corporate governance and nomination committee. 4. Formulate the company's "Corporate Governance and Nomination Committee Organizational Rules".	The proposal was approved by all members present

Date	Important resolution	Status
January 31, 2023	1. Change of the Company's managers. 2. Discussion on matters to be reviewed at 4th meeting of the 5th remuneration committee.	All directors present have approved the proposals and the relevant procedures are completed.
November 10, 2023	1. Discussion about the consolidated financial statements for the third quarter of 2023. 2. Revise the company's "Board of Directors Performance Evaluation Measures". 3. Subsidiary fund loan case. 4. Change the company's organizational pattern. 5. Establishment proposal of the company's "Governance Committee" and "Nomination Committee".	All directors present have approved the proposals and the relevant procedures are completed.
December 25, 2023	1. The Company's "2024 Audit Plan". 2. The Company's "2024 Budget". 3. The company's managers have changed. 4. Lift the manager's non-competition case. 5. Discussion of matters considered at the 6th meeting of the 5th Salary and Remuneration Committee case.	All directors present have approved the proposals and the relevant procedures are completed.
February 27, 2024	1. Review the 2023 Business Report and Financial Report. 2.Remuneration distribution case for employees and directors in 2023. 3. Profit Distribution Case of 2023. 4. Assessment of the effectiveness of the company's internal control system 2023 issued within (Ministry Control System Declaration) case. 5. Amendment to the company's articles of association. 6. Convene 2024 Annual General Meeting of Shareholders and accept matters related to shareholder nominations and proposals case. 7. Comprehensive re-election of directors (including independent directors). 8. Nomination of director (including independent director) candidates and qualification review case. 9. Lift the non-competition restrictions of new directors and their representatives. 10. The company changed its certified accountant starting from 2024. 11. Accountant independence assessment case 2024. 12. Accountant appointment remuneration case2024. 13. Revise the internal control system plan. 14. Revise the company's "Operating Procedures for Fund Loans to Others". 15. The private placement of common shares approved by the 2023 Annual General Meeting of Shareholders will not be continued.	All directors present have approved the proposals and the relevant procedures are completed.

3. Important resolution of the remuneration committee

Date	Important resolution	Status
January 13, 2023	1. Deliberation to approve the proposal of 2022 year-end bonus to managers of the Company by the remuneration committee. 2. Review and approval of the amendments to the salary and transportation allowance of the directors. 3. Amendments to the expenses of travels and expenses of each functional committee member.	The proposal was approved by all members present.
January 31, 2023	1. The proposal for remuneration to the new General Manager is hereby submitted for discussion.	The proposal was approved by all members present.
November 10, 2023	1. Revise the proposal for the performance evaluation method of the board of directors.	The proposal was approved by all members present.

Date	Important resolution	Status
December 25, 2023	1. Review the salary and remuneration case for the new general manager and submit it for discussion. 2. Submit a proposal to the Salary and Remuneration Committee for consideration of the year-end bonus discussion for the company's managers in 2023.	The proposal was approved by all members present.

(XII) The main contents of important resolutions of the board of directors passed but with directors or supervisors voicing opposing opinions on the record or in writing during the most recent year and up to the date of publication of the annual report: None.

(XIII) Summary of resignation/dismissal of the Company's related personnel (including Chairman, President, accounting manager, financial manager, chief internal audit officer, chief corporate governance officer or chief R&D officer) in the most recent year and until the date of publication of the annual report: None.

Title	Name	Inauguration Date	Termination Date	Reasons for Dismissal or Termination
General Manager	Chang, Huifeng	January 31, 2023	December 31, 2023	Company Position Adjustment

IV.Information on fees to independent auditors

1. Unit: NT$ Thousand

Name of CPA Firm	**Name of CPA**	**Audit Period**	**Audit Fees**	**Non-Audit Fees**	**Total**	**Remark**
PricewaterhouseCoopers, Taiwan	Tien, Chung-Yu	2023/01/01-2023/12/31	910	150	1,060	None
	Lin, Tzu-Yu	2023/01/01-2023/12/31				

Please specify the contents of services subject to non-audit fees: (e.g. tax certification, assurance or other financial consulting and advising services).

Non-audit services: These are services related to the filing of securities offerings.

2. If the audit fee is reduced by 10% or more compared to the previous year, disclose the amount, percentage and reasons for the reduction: N/A.

Note: If there is any change of CPA or CPA firm during the year, please specify the duration of their services separately and state the reason for making the change in the remarks column. Any audit and non-audit fee paid to CPAs should also be disclosed separately. Details of services rendered based on the non-audit fees must be specified in the remarks column.

V. Changing of Auditors

(I) Information on former CPAs:

<table>
<tr><td>Replacement date</td><td colspan="3">February 2023</td></tr>
<tr><td>Reason for replacement and explanation</td><td colspan="3">Due to the needs of internal management, the Company plans to terminate the appointment of CPA firm for financial statement certification by PricewaterhouseCoopers (PwC) Taiwan and at the same time appoint KPMG as the new CPA.</td></tr>
<tr><td rowspan="3">Description of whether the CPAs or the appointer terminated or discontinued the engagement.</td><td>Party
Condition</td><td>CPA</td><td>Appointer</td></tr>
<tr><td>Terminated the engagement</td><td>N/A</td><td>v</td></tr>
<tr><td>Discontinued the engagement.</td><td>N/A</td><td>N/A</td></tr>
<tr><td>The opinions other than unqualified opinion issued in the last two years and the reasons for the said opinions</td><td colspan="3">N/A</td></tr>
</table>

Is there any disagreement in opinion with the issuer	Yes		Accounting principle or practice
			Disclosure of financial statements
			Auditing scope or procedures
			Others
	None	v	
	Explanation		
Supplementary disclosure (Disclosures Specified in Article 10.6.1.4~7 of the regulations)	None		

(II)Information on successor CPAs:

CPA firm	KPMG
Name of CPA	Hsu, Chen-Lung CPA, Chen, Kuo-Tsung CPA
Date of appointment	February 24, 2023
Prior to the formal engagement, any inquiry or consultation on the accounting treatment or accounting principles for specific transactions, and the type of audit opinion that might be rendered on the financial report	N/A
Written opinions from the successor CPAs that are different from the former CPA's opinions	None

(III)The reply of former CPAs on article 10.6.1 and article 10.6.2.3 of the Regulations Governing Information to be Published in Annual Reports of Public Companies : None.

VI. The Company's chair, general manager, or any managerial officer in charge of finance or accounting matters has in the most recent year held a position at the accounting firm of its Cpa or at an affiliated enterprise:
None

Independence and Competency Assessment of CPAs

Assessed CPA: PricewaterhouseCoopers Taiwan

Factors Affecting the CPA's Independence		Evaluation result	Independence
1.	The accountant has a direct or material indirect financial interest relationship with the Company.	NO	YES
2.	Financing or guarantees entered into between the accountant and the Company or its directors or supervisors.	NO	YES
3.	The CPA considers the possibility of loss of the Company.	NO	YES
4.	There is a close business relationship between the accountant and the Company.	NO	YES
5.	There is a potential employment relationship between the accountant and the Company.	NO	YES
6.	The CPA requests for contingent expenses related to the audit case.	NO	YES
7.	Members of the CPA/Audit Service Team who are currently or, in the last 2 years, serve as the Company's director, supervisor, manager, or in a position that has a significant impact on the audit case.	NO	YES

8.	The non-audit services provided by the CPA to the Company will directly affect the important items of the audit case.	NO	YES
9.	Promotion or brokerage of the shares or other securities issued by the Company.	NO	YES
10.	The CPA acts as the defenders of the Company or coordinates conflicts with other third parties on behalf of the Company.	NO	YES
11.	The accountant has a family relationship with the Company's directors, supervisors, managers, or personnel who have a significant impact on the audit case.	NO	YES
12.	Co-practicing CPAs within one year of resignation serve as the Company's directors, supervisors, managers, or positions that have a significant impact on audit cases.	NO	YES
13.	The CPA has accepted of gifts or gifts of great value from the Company, its directors, supervisors, or managers.	NO	YES
14.	The CPA is asked to accept the management's improper choice of accounting policies or improper disclosure in the financial statements.	NO	YES
15.	In order to reduce audit fees, the Company had pressured the CPA to inappropriately reduce the audit work that should be performed.	NO	YES

VII. Transfer & pledge of stock equity by directors, managerial officers and holders of 10% or more of company shares

1. Changes in the shareholdings and pledges of directors, managers and major shareholders holding 10% of the shares:

Unit: Shares

Title	Name	Representative	2023		As of April 7, 2024	
			Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares	Increase (decrease) in number of shares held	Increase (decrease) in number of pledged shares
Chairman	Huo Jui Investment Co. Lit.	Chang, Yu-Ming	(717,420)	0	0	0
Director	Huo Jui Investment Co. Lit.		0	0	0	0
Director	Sun Yad Construction Co., Ltd.		0	0	0	0
Director	Sun Yad Construction Co., Ltd.	Chang, Shuo-Wen	0	0	0	0
Director	Sun Yad Construction Co., Ltd.	Chao, Tien-Tsung	0	0	0	0
Director	Sun Yad Construction Co., Ltd.	Tseng, Peng-Kuang	0	0	0	0
Independent director	Hsu, Shou-Te		0	0	0	0
Independent director	Hsu, Chi-Jeng		0	0	0	0
Independent director	Lin, I-Chi		0	0	0	0
General Manager	Chang, Hui-Fen		0	0	0	0
Finance & Accounting Executive	Chu, Li-Chuan		2,000	0	0	0

2. The counterpart of transfer or pledge of shares is a related party: None

VIII.Information on relationships among the top ten shareholders

Name	Shareholding		Shares held by spouse & minors		Shares held by nominee arrangement		If there is relationship, such as spouse, or relative within the second degree of kinship, among the top ten shareholders, please disclose the designation or name and relationship.		Remark
	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Number of shares	Shareholding ratio	Name	relation	None
Sun Yad Construction Co., Ltd. Representative: Chang, Yu-Ming	2,507,367	17.06%	0 0	0 0	0 0	0 0	Chang, Yu-Ming	Doubled as the company's representative	None
Xinli Chemical Industry Co., Ltd. Representative: Chang, Yu-Ming	1,445,000	9.83%	0	0	0	0	Chang, Yu-Ming	Doubled as the company's representative	None
Qihang Investment Co., Ltd. Representative: Chang, Yu-Ming	1,360,229	9.25%	0	0	0	0	Chang, Yu-Ming	Doubled as the company's representative	None
Herui Investment Co., Ltd. Representative: Chang, Yu-Ming	782,530	5.32%	0	0	0	0	Chang, Yu-Ming	Doubled as the company's representative	None
Song Quan Palace	767,125	5.22%	0	0	0	0	None	None	None
Li Donghong	655,450	4.46%	0	0	0	0	None	None	None
Cai Tianyou	454,000	3.09%	0	0	0	0	None	None	None
Zhongqing Technology Co., Ltd. Representative: Chang, Yu-Ming	402,326	2.74%	0	0	0	0	Chang, Yu-Ming	Doubled as the company's representative	None
City Family Co., Ltd. Representative: Chang, Shuo-Wen	394,116	2.68%	0	0	0	0	Chang, Yu-Ming	Second degree relatives of the representative of this company	None
Fang Shunliang	317,000	2.16%	0	0	0	0	None	None	None

IX. Number of Shares Held by the Company, the Company's Directors, managers, and Number of Shares Invested in a Single Company which are Held by the entities Directly or indirectly Controlled by the Company, and Calculating the Consolidated Shareholding Percentage

December 31, 2023 Units: Shares

Investee companies (Note)	Investment by the Company		Investment by directors, supervisors, managers and enterprises controlled either directly or indirectly by the Company		Comprehensive investment	
	Quantity of shares	Share holding ratio	Quantity of shares	Share holding ratio	Quantity of shares	Share holding ratio
ZAVIO Inc.	1,576,937	100.00%	-	-	1,576,937	100.00%
Yuan qiao co., ltd.	-	82.78%	-	-	-	82.78%

Note: The Company’s investment under equity method.

Four. Shares and fund raising

I. Company Capital and Shares

(I) Source of capital share

Year Month	Issue price($)	Authorized capital		Paid-in capital		Remark		
		Quantity of shares (shares)	Amount ($)	Quantity of shares (shares)	Amount ($)	Source of capital share	Offset share capital via properties other than cash	Date and number of approval letter
November 1995	10	25,000,000	250,000,000	21,250,000	212,500,000	Issuance of shares by cash, earnings and employee bonuses	None	October 7, 1995 (1995) Tai-Tsai-Cheng (I)no. 53654 letter
May 1996	10	25,000,000	250,000,000	24,221,300	242,213,000	Issuance of shares by capital surplus, earnings and employee bonuses	None	April 30, 1996 (1996) Tai-Tsai-Cheng (I)no.27172 letter
June 1997	10	60,000,000	600,000,000	34,221,300	342,213,000	Issuance of shares for cash	None	April 16, 1997 (1997) Tai-Tsai-Cheng (I)no.27258 letter
September 1997	10	60,000,000	600,000,000	39,800,282	398,002,820	Issuance of shares by earnings and employee bonuses	None	August 26, 1997 (1997) Tai-Tsai-Cheng (I)no.67074 letter
June 1998	10	65,000,000	650,000,000	61,807,922	618,079,220	Issuance of shares by capital surplus, earnings and employee bonuses	None	May 15, 1998 (1998) Tai-Tsai-Cheng (I)no.42653 letter
June 1999	10	120,000,000	1,200,000,000	89,875,989	898,759,890	Issuance of shares by capital surplus, earnings and employee bonuses	None	May 29, 1999 (1999) Tai-Tsai-Cheng (I)no.49944 letter
April 2000	10	120,000,000	1,200,000,000	119,875,989	1,198,759,890	Issuance of shares for cash	None	January 29, 2000 (2000) Tai-Tsai-Cheng (I)no. 112067 letter and February 10, 2000 (2000) Tai-Tsai-Cheng (I)no. 18146 letter
August 2000	10	160,000,000	1,600,000,000	152,832,985	1,528,329,850	Issuance of shares by capital surplus, earnings and employee bonuses	None	July 17, 2000 (2000) Tai-Tsai-Cheng (I)no.62151 letter
September 2001	10	350,000,000	3,500,000,000	224,261,556	2,242,615,560	Merger of Century Semiconductor	None	September 24, 2001 (2001) Tai-Tsai-Cheng (I)no.157548 letter
September 2003	10	350,000,000	3,500,000,000	224,648,556	2,246,485,560	Using employee stock option	None	July 26, 2001 (2001) Tai-Tsai-Cheng (I)no. 144288 letter
November 2003	10	350,000,000	3,500,000,000	221,903,556	2,219,035,560	Write-off of 2,745,000 shares by short form merger	None	October 29, 2003 Cheng-Kuei-Shang-Tzu no. 0920032566
April 2004	10	350,000,000	3,500,000,000	222,280,056	2,222,800,560	Using employee stock option	None	July 26, 2001 (2001) Tai-Tsai-Cheng (I)no. 144288 letter
August 2005	10	350,000,000	3,500,000,000	112,186,292	1,121,862,920	Capital reduction	None	August 9, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940125564
February 2008	10	350,000,000	3,500,000,000	112,281,887	1,122,818,870	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
November 2008	10	350,000,000	3,500,000,000	111,575,298	1,115,752,980	Write-off of treasury stock to reduce capital	None	November 23, 2005 Chin-Kuan-Cheng-San-Tzu no. 0940154024
January 2010	10	350,000,000	3,500,000,000	111,853,744	1,118,537,440	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
November 2010	10	350,000,000	3,500,000,000	112,027,024	1,120,270,240	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
March 2011	10	350,000,000	3,500,000,000	112,062,829	1,120,628,290	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
September 2011	10	350,000,000	3,500,000,000	112,218,329	1,122,183,290	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
November 2011	10	350,000,000	3,500,000,000	112,407,419	1,124,074,190	Using employee stock option	None	August 24, 2005 Chin-Kuan-Cheng-Yi-Tzu no. 0940135207
January 2012	10	350,000,000	3,500,000,000	60,000,000	600,000,000	Cash refund	None	January 17, 2012 Chin-Kuan-Cheng-Fa-Tzu no. 1000064954
October 2022	10	350,000,000	3,500,000,000	14,700,000	147,000,000	Capital reduction to cover losses	None	October 4, 2022 Cheng-Kuei-Chien-Tzu No. 1110010564

Share type	Authorized capital			Remark
	Outstanding TPex listed companies	Unissued shares	Total	
Common shares	14,700,000	335,300,000	350,000,000	TPex listed companies

(II) Shareholders structure

March 30, 2024

Shareholders structure / Quantity	Government agencies	Financial institutions	Other juristic persons	Natural persons	Foreign institutions and natural persons	Total
Number of person	0	0	152	13,565	15	13,732
Shares held	0	0	6,927,907	7,165,333	606,760	14,700,000
Share holding ratio	0.00%	0.00%	47.13%	48.74%	4.13%	100.00%
Share holding ratio of Chinese companies” 0 %						

(III) Diversification of equity

Face value per share $10

March 30, 2024

Shareholding range	Number of shareholders	Shares held	Share holding ratio
1–999	12743	835,195	5.68
1,000–5,000	857	1,507,495	10.26
5,001–10,000	59	432,859	2.94
10,001–15,000	18	231,712	1.58
15,001–20,000	8	136,853	0.93
20,001–30,000	15	405,976	2.76
30,001–40,000	7	250,503	1.7
40,001–50,000	0	-	0
50,001–100,000	7	540,165	3.67
100,001–200,000	6	842,099	5.73
200,001–400,000	4	1,143,116	7.78
400,001–600,000	2	856,326	5.83
600,001–800,000	3	2,205,105	15
800,001–1,000,000	0	-	0
Above 1,000,001	3	5,312,596	36.14
Total	13732	14,700,000	100

(IV) List of major shareholders (shareholders with at least 5% of the shares)

Shares / Name of major shareholder	Shares held	Share holding ratio
Sun Yad Construction Co., Ltd.	2,507,367	17.06%
Xinli Chemical Industry Co., Ltd.	1,445,000	9.83%
Qihang Investment Co., Ltd.	1,360,229	9.25%
Herui Investment Co., Ltd.	782,530	5.32%
Song Quan Palace	767,125	5.22%

(V) Information on share market price, net worth, earnings and dividends

Item		Year	2022	2023	As of March 31, 2024 (Note 2)
Market price per share	Highest		20.90	86.40	434.00
	Lowest		3.72	15.25	69.80
	Average		5.77	48.73	220.79
Net worth per share	Before allocation		8.33	12.45	19.64
	After allocation		Note 1	Note 1	Note 1
Earnings per share	Weighted average shares (thousand shares)		14,700 (Note 3)	14,700 (Note 3)	14,700
	Earnings per share	Non-retrospective	(0.18)	2.11	5.38
		Retrospective	Note 1	Note 1	Note 1
Dividends per Share	Cash dividends (note 1)		Note 1	Note 1	Note 1
	Stock dividends	Dividends from retained earnings	Note 1	Note 1	Note 1
		Dividends from capital surplus	Note 1	Note 1	Note 1
	Accumulated undistributed dividends		0	0	0
Return on investment analysis	Price / earning ratio		(32.06)	23.09	41.04
	Price / dividend ratio		Note 1	Note 1	Note 1
	Cash dividend yield rate		Note 1	Note 1	Note 1

* If shares are distributed in connection with a capital increase out of earnings or capital surplus, further disclose information on market prices and cash dividends retroactively adjusted based on the number of shares after distribution.

Note 1: The offsetting loss for 2022 has not yet been approved at the stockholders' meeting; therefore, the amount after allocation is not shown for the time being.

Note 2: For net value per share and earnings per share, disclose the information audited (reviewed) by the CPAs for the most recent quarter as of the date of publication of the Annual Report; for other fields, disclose the information for the year as of the date of publication of the Annual Report.

Note 3: October 7, 2022 was the record date for the capital reduction. After the capital reduction, the paid-in capital was NT$147,000 thousand, divided into 14,700 thousand shares.

(VI) Dividend policy and implementation thereof:

1. Dividend policy

   The Company's dividend policy is determined by the board of directors in accordance with the Company's operating plan, investment plan, capital budget and changes in internal and external environment. At this stage, the Company has adopted the residual dividend policy to retain earnings to fund operational growth and investment. The principles of earnings distribution are as follows: Cash dividends are the priority, while share dividends may not be distributed at a rate greater than 50% of the total dividends.

2. Distribution of dividends proposed at the shareholders' meeting:

   The Company incurred a loss in fiscal 2022; the board of directors resolved not to distribute dividends on February 24, 2023. However, the motion has not yet been approved at the general shareholders' meeting.

3. Explanation of expected significant change in dividend policy: None.

(VII)The effects of bonus shares proposed at this shareholders' meeting on the Company's business performance and earnings per share: N/A.

(VIII)Remuneration to employees and directors:

1. **Percentage or range of remuneration paid to employees and directors under the Articles of Incorporation:**

   If the Company makes a profit in a year, it shall allocate 1% to 10% of the total amount for employee remuneration and not more than 5% for director remuneration. However, if the Company still has accumulated deficit, the amount shall be retained in advance to compensate for the deficit.

   The remuneration to employees referred to in the preceding paragraph may be paid in shares or cash.

2. **The basis for estimating the amount of remuneration to employees and directors, for calculating the number of shares to be distributed as the stock dividends for the remuneration to employees, and**

the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period: Any variance shall be stated as the income of next year.

3. **Distribution of remuneration approved by the board of directors: None.**

   On February 27, 2024, the board of directors decided to mention the remuneration in accordance with the provisions of the articles of association. This time, it is planned not to mention the remuneration of directors, but to mention the remuneration of employees.

   The salary is NT$269,336, which will be paid in cash, and the chairman is authorized to handle all relevant operational matters.

4. **Actual payment of employees' and directors' remuneration in the previous year (2023): (including the number of shares to be distributed, amount and stock price) In the case of any differences between the distributed amount and that already recognized, the difference, cause and resolution thereof shall be stated:**

   There is no distribution of employees' and directors' remuneration in 2023, which is not different from the recognition.

(IX) Repurchase of the Company's shares: None

II. Issuance of Corporate Bonds: None

III. Issuance of Preferred Shares: None

IV. Global Depository Receipts: None

V. Subscription of Warrants for Employees: None

(I) Employee share subscription warrants and effect on shareholders' equity

All the employee share subscription warrants issued by the Company have expired, and, therefore, there is no impact on the shareholders' equity.

(II) Names of managers acquiring the employee stock warrants and top ten employees holding the most shares, and the status of acquisition, until the date of publication of the annual report:

All the employee share subscription warrants issued by the Company have expired, and, therefore, it is not applicable.

(III) Issuance of Restricted Stock Awards:

The Company has not issued any restricted stock awards; therefore, it is not applicable.

VI. Status of New Shares Issuance in Connection with Mergers and Acquisitions: None

VII. Status of Capital Utilization Plan

(I) Plan Description: Analysis pending issuance or private placement of securities as of the quarter before the date of publication of the annual report or insignificant benefits of the plans in the most recent three years: None.

(II) Implementation status: N/A.

Five. Operational Highlights

I.Business Content

(I) Business scope

1. The Company primarily engages in the following business activities:

◆Research, development, production, manufacturing, and sales of automotive electrical system module products

◆Research, development, production, and manufacturing of digital surveillance system module products

◆Testing, repair and technical consulting services for the above products

◆Import/export trade of the above products.

2. Percentage to the whole business: Unit：NTD thousand

Product Type	2023 Revenue	Proportion of revenue%	2022 Turnover	Proportion of revenue%
Integrated Circuit Products	0	0	7,526	40.83
Digital surveillance system products	6,910	8.09	10,906	59.17
Catering revenue	11,669	13.67	-	-
Renovation project income	64,216	75.24	-	-
Building materials sales	2,558	3.00	-	-
Total	85,353	100.00	18,432	100.00

3. The company's current main products and new products planned for development.

System products: Digital surveillance products in the security domain

(II)Overview of industry

When the COVID-19 pandemic broke out in late 2019, no one would have thought that it could have such a dramatic impact on our world. Our lifestyles, our work patterns and our business operations were completely transformed. Travel restrictions, social distance regulations, hygiene requirements and health care pressures have all deeply impacted our lives and the security industry as a whole. In the face of the impact of pandemic, driven by cleanliness and hygiene concerns and the requirement to maintain social distance.there are some new applications for security technologies and solutions, such as low-touch or no-touch technologies, (especially in the fields of access management systems and security systems). In addition, surveillance solutions with people counting functions will become a standard requirement, and they are able to ensure that everyone complies with the requirements of keeping social distance, measuring body temperature, etc.

For the security domain, new technologies, such as artificial intelligence and 5G have become the key to boost the development of intelligent security. From the technical perspective, artificial intelligence, cloud computing, big data, the Internet of Things, and other technologies in the domain of security video surveillance have generated more convergence and integration. The new technology has broken the traditional hardware-based type of security industry, and it has brought the concepts of software-defined camera, cloud platform, etc. As chip technology continues to advance, the cost of AI computing power is reduced; the maturity of deep learning algorithms and related frameworks, as well as open source software made AI algorithms widely accessible; the maturity of industry standards, such as GB/T 28181 and ONVIF has reduced the difficulty of video image data interconnection and interoperability; the advancement of codec technology, such as H.265/HEVC and H.266/VVC, has significantly reduced the cost of video image transmission and storage.

The Company's research and development will move towards the image recognition domain.Moreover, the company will cooperate with system integrators to do the solution integration in order to strengthen the niche of video surveillance businesses.

(III)Technology and R&D Overview

1. R&D expenses in the most recent year as of March 31, 2023 Unit: NT$1,000

Year / Item	2023	For period ended March 31, 2024 (Note)
R&D expenses	0	0
Net operating revenues	85,353	161,519
Percentage of R&D expenses to net operating revenues	0	0%

Note: The amounts are reviewed by the independent auditors.

2. Technology or products successfully developed

A. Surveillance system products

- ◆ Indoor box IP camera
- ◆ Outdoor bullet IP camera
- ◆ Cube camera
- ◆ Dome camera
- ◆ 360° Fisheye camera
- ◆ NVRDigital video recorder
- ◆ PT/IP Speed Dome camera

(IV)Long-term and short-term business development plans

Short-term plan:

- ◆ To integrate and develop digital surveillance system products continuously

Long-term plan:

- ◆ To proactively seek business projects that will be dynamic for future operations and can be developed into independent profitable entities

II.Markets and sales overview

(I)Market analysis:

1. Sales region of main products

Unit：NTD thousand

Year / Sales region	2023		2022	
	Sales amount	%	Sales amount	%
Taiwan	85,258	99.89	10,891	59.09
Mainland China	0	0	713	3.87
Europe	0	0	903	4.89
America	95		1,227	6.66
Others	0	0.11	4,698	25.49
Net sales	85,353	100.00%	18,432	100.00%

2. Market share, market's future supply/demand conditions and development potential

Due to the uncertainty of the new normal and the overseas outbreak, technology that helps reduce the risk of COVID-19 will continue to be a focus in the global security market in 2023; the development trend will focus on the following two aspects: (1) cloud storage, artificial intelligence, and Internet of Things technologies in the smart security era and (2) interoperability of intelligent applications enhanced by the standards organization, ONVIF. The development of AI deep learning technology has accelerated the commercialization of intelligent video analytics in the security industry, and it is developing toward large-scale and enterprise-level analytics. In the post-pandemic era, more and more companies are using video surveillance as a crucial way to help them sustain their business in the new normal For example, smart cameras can monitor indoor occupancy in public places, and object detection applications can be used to ensure that no suspicious objects are left in places. It is expected that intelligent video analytics software will be more commercially available by 2023. Under the outbreak of COVID-19, the use of contactless access technology is also becoming more and more common Many users prefer non-contact solutions to minimize non-essential contacts. As a result, solutions such as vehicle identification will become more popular in 2023. At the same time, the outbreak of COVID-19 and the growing potential of the Internet of Things have brought more opportunities for the development of cloud storage technology. According to the data, COVID-19 in 2023 caused an inevitable impact on the development of security companies; most of them have weak growth, and small and medium-sized enterprises are unable to avoid losses. Despite the new challenges the pandemic has brought to the security industry, ONVIF, the world's leading IP physical security standards organization, has not rested and continues to promote the development of interoperability in the security industry. To date, ONVIF has successfully released Profile S for basic video streaming, Profile G for video recording and storage, Profile C for physical access control, Profile Q for enhancements to current functionalities, Profile A for more extensive physical access control configurations, and Profile T for advanced video streaming.

The development of intelligent technologies, such as artificial intelligence and the Internet of Things and the new normal of the post-pandemic era will continue to affect the development of the security industry. Therefore, the technology trend of the security industry will largely depend on the advancement of intelligent video surveillance, analysis and cloud storage. As the world's leading open standards organization, ONVIF will continue to provide efficient and flexible solutions to drive the evolution of interoperability in physical security systems in 2023.

(II)Important use and manufacturing processes for the Company's main products:

1. Important use

Main Products	Use
Chip design and manufacturing	Applications include household/commercial IoT applications, power control, battery monitoring, DC/AC conversion, motor speed control, fan drive, inverter air-conditioner compressor driver, fiber optic transceiver, car body control ECU, generator voltage stabilization, spark plug ignition, tank fan speed control, car window and door control, and customized ASIC development.
System Product	In-vehicle human-machine interface touch module, digital IP camera and security surveillance recording and playback system.

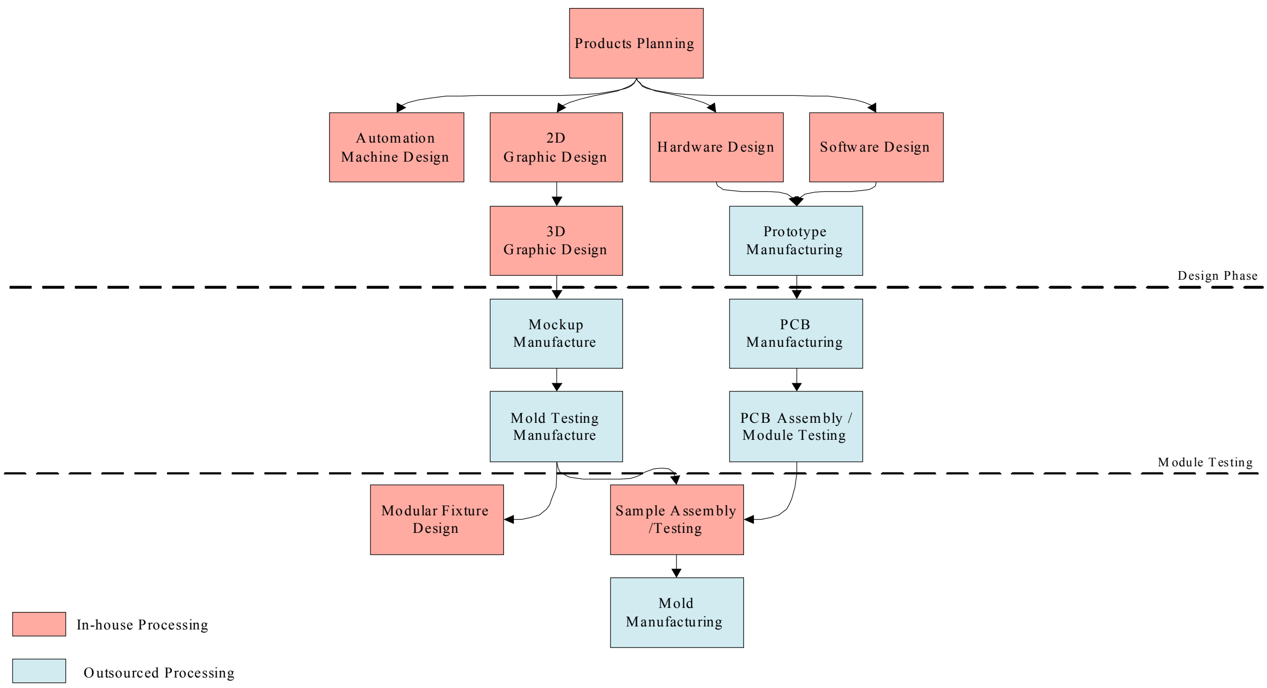
2. Manufacturing process

●Integrated circuit product manufacturing process

Integrated Circuit Design (Myson Century) → IC layout (Myson Century) → Photomask manufacturing (TMC, TSMC) → Chip manufacturing (TSMC, etc.) →

→ Chip testing (Panther & Greatek) → IC package (Greatek) → Product testing (Panther & Greatek) → Product sales (Myson Century)

●Manufacturing process of automotive electrical system module



●Manufacturing process of IP surveillance camera products

Design → Purchase → IQC → Stock

→ SMT → DIP → Lens assembly → T1 test

→ Device assembly → Burn-in → T2 test → Upgrade F/W

→ T3 test → Packaging → OQC → Shipment

(III)Supply situation for the Company's major raw materials

The IC wafer OEM of the Company is mainly from UMC, etc. Our coordination is very close, and we have a computer network to respond to the current supply of wafers at any time; therefore, the OEM production is stable and the delivery is smooth. The main suppliers of vehicle electrical system are Shinpuu, ShangHo, etc.. The main supplier of IP surveillance cameras is FSAN.

(IV)List of any suppliers and clients accounting for 10 percent or more of the company's total procurement (sales) amount in either of the 2 most recent fiscal years

(1)Major customers in the last two years

Unit: NT$ Thousand

Item	2022				2023				By the end of Q1, 2024			
	Name	Amount	Proportion to net sales for the year	Relationship with Issuer	Name	Amount	Proportion to net sales for the year	Relationship with Issuer	Name	Amount	Proportion to net sales as of the end of the first quarter of the year	Relationship with Issuer
1	Boromi	10,665	58%	None	Sunyad	64,216	75%	Yes	Sunyad	109,906	66%	Yes
2	J	1,792	10%	None	Boromi	4,096	5%		Boromi	1	0%	Yes
3												
4												
5												
	Others	5,932	32%	None	Others	17,041	20%	None	Others	51,612	32%	None
	Net purchases	18,432	100%		Net purchases	85,353	100%		Net purchases	161,519	100%	
	Cause of change: The change in sales is due to the impact of COVID-19 outbreak on the market and the change of customers due to different products sold.											

(2) Major suppliers in the last two years

Unit: NT$ Thousand

Item	2022				2023				By the end of Q1, 2024			
	Name	Amount	Proportion to net purchases for the year	Relationship with Issuer	Name	Amount	Proportion to net purchases for the year	Relationship with Issuer	Name	Amount	Proportion to net purchases as of the end of the first quarter of the year	Relationship with Issuer
1	J	1,262	52%	J	Tongrong Steel	18,694	23%	None	Yingjun	8,758	22%	None
2	K	1,185	48%	K	Large masonry stone	11,416	14%	None	Lingwei	4,000	10%	None
3	-	-	-	-	-	-	-	-	-	-	-	-
4	-	-	-	-	-	-	-	-	-	-	-	-
	Others	0	0%	Others	Others	52,346	63%	None	Others	26,666	68%	-
	Net purchases	2,447	100%	Net purchases	Net purchases	82,456	100%		Net purchases	39,424	100%	
	Cause of change: Mainly due to the new business of decoration projects and building materials trading, the mix and proportion of purchasing manufacturers have changed.											

(V)Indication of the production volume for the 2 most recent fiscal years

Unit: Thousand units / thousand dollars

Year / Production volume / Main product	2022			2023		
	Capacity	Quantity	Value	Capacity	Quantity	Value
Integrated circuit	-			-	-	-
System module	-	-	-	-	-	-
Digital surveillance	-	9	3,633	-		
Renovation						54,580
Catering Services						438
Total	-	9	3,633	-		55,018

(VI)Indication of the volume of units sold for the 2 most recent fiscal years

Unit: Thousand units / thousand dollars

Year / Volume of units sold / Main product	2022				2023			
	Domestic sale		Export		Domestic sale		Export	
	Quantity	Value	Quantity	Value	Quantity	Value	Quantity	Value
Integrated circuit	624	6,813	28	713		-		-
System module	0	-	-	-		6,815		95
Digital surveillance	9	8,721	4	6,828				
Building materials sales						2,558		-
Renovation						64,216		-
Catering Services						11,669		-
Total	631	10,891	32	7,541		85,258		95

IV. Employee Information

Year		2022	2023	March 31, 2024 (Note)
Number of employees	Manufacturing	0	0	0
	Sales	0	0	0
	Management	11	6	13
	Total	11	6	13
Average age		46.97	42.55	39.42
Average seniority		6.10	7.07	3.68
Education distribution percentage	PhD degree	0%	0%	0%
	Master degree	0%	0%	15%
	College	91%	100%	85%
	High school	9%	0%	0%
	Below high school	0%	0%	0%

Note: To specify the information available in the current year until the date of publication of the annual report.

IV.Information on Environmental Protection Costs

(I) The loss caused by environmental pollution during the latest year and up to the printing date of this Annual Report: None

(II) Myson Century is a professional IC design company; its business is mainly focused on the development and design of ICs, with testing as a supplement. Besides, there are no significant pollution generated during the product manufacturing process. The following is a description of the Company's efforts to prevent pollution.

1. Provisions of law.
   (1) Requirement to apply for a permit for installing anti-pollution facilities, or permit of pollution drainage:
   The Company has no environmental pollution due to the characteristics of our products.
   (2) Requirement to pay anti-pollution fees:
   The Company is charged by the Administration at the predetermined rate.
   (3) Requirement to set up an exclusively responsible unit/personnel for environmental issues: N/A.
2. Setting forth the company's investment on the major anti-pollution facilities, the use purpose of such facilities and the possible effects to be produced: None
3. Process undertaken by the Company on environmental pollution improvement for the most recent 2 years. If there had been any pollution dispute, its handling process shall also be described: None
4. Losses suffered by the company due to environmental pollution incidents (including any compensation), together with total amount of penalty, responsive measures and possible expenses for the future: None
5. Current condition of pollution and the impact of its improvement to the profits, competitive position and capital expenditures of the Company, as well as the projected major environment-related capital expenses to be made for the coming 2 fiscal years: None

(III) RoHS information: The Company requires packaging companies to provide main material RoHS data & Packing material MSDS data; thus, all lead-free products must meet RoHS standards.

V.Labor Relations

(I) Implementation of employee welfare, education, training, retirement, as well as the conducts, rights and obligations established between the employers and employees:

1. Welfare measures: The Company has established an employee welfare committee in accordance with the regulations to handle various welfare activities, such as recreation, travel, wedding and funeral subsidies, and subsidies for employees' continuous education, thus sharing the welfare with employees.
2. Employee educational training planning: In order to enhance the skills of our employees and fulfill their functions in the organization, the Company has formulated the "Educational Training Management Regulations" so as to strengthen the management/professional knowledge and skills, enhance the quality and ability of our employees, explain the organizational policies, shape the excellent company culture, and pursue the continuous improvement of the overall quality, thereby facilitating the company's goal of sustainable management.
   A. Pre-employment training: The training provides new employees with a basic understanding of the company's history, quality policies, work rules, and other basic concepts so that they can adapt to the company's as soon as possible.
   B. General training: The training is to expand employees' career planning and interpersonal relationship (excluding language training).
   C. Management training: The training aims to improve the management ability and skills of managers and management trainees.
   D. Professional training: The training aims to enhance the professional knowledge and work skills of the employees in order to improve the work efficiency.
   E. Quality target awareness training:The Quality training strengthens employees so as to achieve the set quality objectives.

3. The participation of managers (including general manager, deputy general manager, accounting, finance, internal audit officers, etc.) in corporate governance-related education and training, employee continuing education and training, and statutory certificates obtained by personnel in relation to the transparency of financial information (e.g. internal auditors, finance, accounting staff, etc.)

Title	List of trainees	Course name	Training Hour	Amount (thousands)
Manager	Chu, Li-Chuan Accounting officer	Continuing education courses for Principal Accounting Officers of Issuers, Securities Firms, and Securities Exchanges and continuing education courses for First-Time Corporate Governance Officers	12	8
Staff	Staff	The courses mainly include professional program, environmental health and safety programs, and new employee orientation, etc.	24	17

The Company's internal auditors have obtained the statutory licenses; however, personnel in relation to the transparency of financial information (such as finance and accounting staff...) have not yet obtained the statutory licenses.

4. Retirement system and implementation thereof

On July 1, 2005, the Company and its subsidiaries established a defined contribution retirement plan in accordance with the Labor Pension Act, which is applicable to the employees with Taiwan citizenship. The Company and its subsidiaries contributes 6% of the employee's monthly salary to the employee's personal account at the Bureau of Labor Insurance for the employees who choose to apply the labor pension system under the Labor Pension Act. Employees' pensions are paid in the form of monthly pensions or lump-sum pensions, depending on the amount of the employees' individual pension accounts and accumulated earnings.

5. Agreement between employees and employers and measures to protect employees' rights: The company maintains a harmonious atmosphere between employers and employees, and supervisors and staff get along well with each other. Further, the company has set up channels for communication and complaints, and the personnel system and regulations are all in accordance with the provisions of the Labor Standards Act. Moreover, the company has a comprehensive performance evaluation system as well as reward and punishment management measures.

6. Work environment and employee safety protection measures.

   A. The administration unit of the company is responsible for the integration of environmental protection, safety and health management of the company, and dedicated personnel are in charge of promoting and implementing various environmental protection and safety maintenance work.
   B. Free health checkups for all employees are held regularly.
   C. New employees are required to undergo medical checkups, and the company pays for the checkups in cooperation with the employee clinic in the park.
   D. First aid personnel are set up in accordance with the regulations.
   E. First-aid kits are available in the Company, and general medicines are replenished regularly for employees to use in case of injury or discomfort.
   F. Fire fighting facilities and electrical facilities are inspected monthly and reported annually to ensure the systems and facilities are operating properly.
   G. The facility is equipped with 24-hour surveillance system to ensure the safety of the facility.
   H. The water quality of drinking fountains is measured regularly every quarter, recorded and kept for reference.
   I. workplace monitoring is implemented semi-annually to detect whether the illumination and carbon dioxide concentration in the workplace meet the requirements.
   J. The Company has an emergency responsive plan in place to ensure the safety of employees and the workplace during emergencies.
   K. The Company conducts annual safety-related training for employees to enhance their crisis awareness and response capability.
   L. All new employees are required to attend new employee orientation training so that they can be familiar with the workplace and regulations in advance and understand the importance of safety.
   M. There are warning signs in the machine room area so that employees will not accidentally enter the area and cause unnecessary accidents.

(II) Any losses suffered by the Company in the most recent fiscal year and up to the annual report publication date due to labor disputes (including any violations of the Labor Standards Act found in labor inspection, specifying the disposition dates, disposition reference numbers, the articles of law violated, the substance of the legal violations, and the content of the dispositions), and an estimate of possible expenses that could be incurred currently and in the future and measures being or to be taken: None

VI. Cyber security

(I) Describe the cyber security risk management framework, cyber security policies, concrete management programs, and investments in resources for cyber security management: In response to the advances in internet technology and the trend of cross-platform networking in the future, the Company uses information security tools to adopt effective protection strategies at the right time, cultivates employees' awareness on security, raises their alertness to messages in emails or communication software to reduce the risk of phishing scams, and installs anti-virus software to protect personal data and transaction security. In addition to regularly updating passwords, the Company adopts multiple verification account protection measures and password management tools to protect relevant certificate information and confidential personal information. Furthermore, a backup mechanism is in place to ensure data security.

(II) List any losses suffered in the last two years due to significant cyber security incidents, the possible impacts therefrom, and measures being or to be taken. If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: None

VII. Significant Contracts

Nature of contract	Party	Effective date and expiry date of contract	Description	Restrictive covenants
Land lease	Science Park Bureau	January 01, 2021–December 31, 2040	Lease of land from the bureau for the plant	None

Six.Financial Position

I.Most Recent 5-Year Concise Balance sheets and Income Statements

(I) Condensed balance sheet and comprehensive income statement

Condensed balance sheet

Unit：NTD thousand

Item / Year		Financial information for the last five years (note 1)					For Period Ended March 31, 2024 Financial information (note 1)
		2019	2020	2021	2022	2023	
Current assets		165,539	138,629	51,615	47,485	149,615	321,323
Property, plant and equipment		44,239	41,922	39,995	38,063	6,309	5,860
Intangible assets		1,238	494	389	167	52	25,343
Other assets		15,434	15,574	94,421	98,510	89,210	4,059
Total assets		226,450	196,619	186,420	184,225	245,186	356,585
Current liabilities	Before allocation	8,805	6,483	7,556	10,166	59,532	65,411
	After allocation (note 2)	8,805	6,483	7,556	Unresolved	Unresolved	Unresolved
Non-current liabilities		14,113	13,712	14,588	51,598	2,683	2,431
Total liabilities	Before allocation	22,918	20,195	22,144	61,764	62,215	67,842
	After allocation (note 2)	22,918	20,195	22,144	Unresolved	Unresolved	Unresolved
Equity attributable to owners of the parent company		203,114	176,424	164,276	122,461	180,097	284,169
Capital		600,000	600,000	600,000	147,000	147,000	147,000
Capital surplus		13,896	4,660	4,660	103	169	208
Retained earnings	Before allocation	(310,782)	(428,236)	(457,557)	(4,386)	29,537	136,961
	After allocation (note 2)	(310,782)	(428,236)	(457,557)	Unresolved	Unresolved	Unresolved
Other equity		(100,000)	0	17,173	(20,256)	3,391	0
Treasury stock		0	0	0	0	0	0
Non-controlling interest		418	0	0	0	0	4,574
Total equity	Before allocation	203,532	176,424	164,276	122,461	182,971	288,743
	After allocation (note 2)	203,532	176,424	164,276	Unresolved	Unresolved	Unresolved

* If the Company has prepared parent company only financial statements, it should also prepare condensed parent company only balance sheets and statements of income for the last five years.

* If the financial information based on IFRSs has not been prepared for five years, the following table shall be prepared (2) Financial information based on ROC GAAP

Note 1: The above financial information has been audited by CPAs

Note 2: The above amounts after allocation are based on the resolution of the shareholders' meeting in the following year.

Condensed Statement of Comprehensive Income

Unit：NTD thousand

Item \ Year	Financial information for the last five years (note 1)					Financial data for period ended March 31, 2024 (note 1)
	2019	2020	2021	2022	2023	
Operating Revenue	51,919	19,789	13,989	18,432	85,353	161,519
Operating Gross Profit	25,139	6,803	5,335	16,791	16,441	87,569
Operating losses	(25,246)	(28,646)	(28,812)	(13,281)	16,441	77,713
Non-operating Revenue and Expense	1,033	(1,691)	(1,196)	10,610	37,952	1,406
Net profit before tax	(24,213)	(30,337)	(30,008)	(2,671)	30,890	79,119
Net profit from continuing operation	(24,213)	(30,355)	(30,008)	(2,671)	30,890	79,119
Loss from discontinued operation	0	0	0	0	0	0
Net profit (loss) of the period	(24,213)	(30,355)	(30,008)	(2,671)	30,890	79,119
Other comprehensive income/loss of the period (net of tax)	(37,466)	3,499	17,860	(39,144)	26,520	24,953
Total comprehensive income/loss for the period	(61,679)	(26,856)	(12,148)	(41,815)	57,410	104,072
Net profit attributed to owners of parent	(24,182)	(30,318)	(30,008)	(2,671)	31,050	79,080
Net profit attributed to non-controlling interest	(31)	(37)	0	0	(160)	39
Total comprehensive income/loss attributed to owners of parent	(61,648)	(26,819)	(12,148)	(41,815)	57,570	104,033
Total comprehensive income/loss attributed to non-controlling interest	(31)	(37)	0	0	(160)	39
Earnings per share	(0.40)	(0.51)	(2.04)	(0.18)	2.11	5.38

Note 1: The above financial information has been audited by CPAs

(II) Condensed parent company only balance sheet and comprehensive income statement

Condensed parent company only balance sheet

Unit：NTD thousand

Item	Year	Financial information for the last five years (note 1)				
		2019	2020	2021	2022	2023
Current assets		138,994	127,795	43,337	30,493	120,289
Property, plant and equipment		44,002	41,922	39,995	38,063	341
Intangible assets		663	494	389	167	52
Other assets		39,129	23,447	102,571	114,893	116,260
Total assets		222,788	193,658	186,292	183,616	236,942
Current liabilities	Before allocation	5,410	3,322	7,228	9,557	56,300
	After allocation (note 2)	5,410	3,322	7,228	Unresolved	Unresolved
Non-current liabilities		14,264	13,912	14,788	51,598	545
Total liabilities	Before allocation	19,674	17,234	22,016	61,155	56,845
	After allocation (note 2)	19,674	17,234	22,016	Unresolved	Unresolved
Equity attributable to owners of the parent company		N/A	N/A	N/A	N/A	N/A
Capital		600,000	600,000	600,000	147,000	147,000
Capital surplus		13,896	4,660	4,660	103	169
Retained earnings	Before allocation	(310,782)	(428,236)	(457,557)	(4,386)	29,537)
	After allocation (note 2)	(310,782)	(428,236)	(457,557)	Unresolved	Unresolved
Other equity		(100,000)	0	17,173	(20,256)	3,391
Treasury stock		0	0	0	0	0
Non-controlling interest		0	0	0	0	0
Total equity	Before allocation	203,114	176,424	164,276	122,461	180,097
	After allocation (note 2)	203,114	176,424	164,276	Unresolved	Unresolved

Note 1: 2013 was the first year in which the Company adopted IFRSs, and the above financial information was audited by independent auditors.

Note 2: The above amounts after allocation are based on the resolution of the shareholders' meeting in the following year.

Condensed parent company only Statement of Comprehensive Income

Unit：NTD thousand

Item \ Year	Financial information for the last five years (note 1)				
	2019	2020	2021	2022	2023
Operating Revenue	26,740	7,096	4,009	7,526	66,774
Operating Gross Profit	12,749	4,067	3,607	8,214	11,919
Operating losses	(25,839)	(22,576)	(29,681)	(21,421)	(5,661)
Non-operating Revenue and Expense	1,657	(7,742)	(327)	18,750	36,711
Net profit before tax	(24,182)	(30,318)	(30,008)	(2,671)	31,050
Net profit from continuing operation	(24,182)	(30,318)	(30,008)	(2,671)	31,050
Loss from discontinued operation	0	0	0	0	0
Net profit (loss) of the period	(24,182)	(30,318)	(30,008)	(2,671)	31,050
Other comprehensive income/loss of the period (net of tax)	(37,466)	3,499	17,860	(39,144)	26,520
Total comprehensive income/loss for the period	(61,648)	(26,819)	(12,148)	(41,815)	57,570
Net profit attributed to owners of parent	N/A	N/A	N/A	N/A	N/A
Net profit attributed to non-controlling interest	N/A	N/A	N/A	N/A	N/A
Total comprehensive income/loss attributed to owners of parent	N/A	N/A	N/A	N/A	N/A
Total comprehensive income/loss attributed to non-controlling interest	N/A	N/A	N/A	N/A	N/A
Earnings per share	(0.40)	(0.51)	(2.04)	(0.18)	2.11

Note 1: 2013 was the first year in which the Company adopted IFRSs, and the above financial information was audited by independent auditors.

Note 2: Losses from discontinued operations are stated as the net amounts after income tax.

(III) Name of independent auditors and audit opinion for the last five years

Year	Firm	Independent Auditor	Auditor's Opinion
2023	KPMG	Hsu, Chen-Lung CPA, Chen, Kuo-Tsung CPA	Unqualified opinion
2022	PricewaterhouseCoopers, Taiwan	Tien, Chung-Yu and Lin, Tzu-Yu	Unqualified opinion
2021	PricewaterhouseCoopers, Taiwan	Tien, Chung-Yu and Lin, Tzu-Yu	Unqualified opinion
2020	PricewaterhouseCoopers, Taiwan	Cheng, Ya-Hui and Li, Tien-I	Unqualified opinion
2019	PricewaterhouseCoopers, Taiwan	Cheng, Ya-Hui and Li, Tien-I	Unqualified opinion

II.Most Recent 5-Year Financial Analysis

(I) Financial Analysis Data

Analysis items (note 3) / Year (Note1)		2019	2020	2021	2022	2023	For Period Ended March 31, 2024 Financial information (Note 2)
		Financial analysis for the last five years					
Capital structure %	Debt to assets ratio	10.12	10.27	11.88	33.53	25.37	19.03
	Long-term capital to PP&E ratio	491.88	453.55	447.22	457.29	2942.69	4973.14
Liquidity %	Current ratio	1,880.06	2,138.35	683.10	467.10	251.32	491.24
	Quick ratio	1,765.80	2,015.87	681.64	452.26	242.36	469.41
	Times interest earned	N/A	N/A	N/A	N/A	45.07	N/A
Operating capability	Receivables turnover (times)	10.85	10.12	7.06	2.76	1.86	1.89
	Average collection days	34	36	51.70	132.25	196.24	193.12
	Inventory Turnover (times)	0.57	0.42	0.32	0.11	14.66	162.59
	Payables turnover (times)	6.93	10.40	105.54	36.07	3.27	18.90
	Days' sales in inventory	640	869	1,140.62	3,318	24.90	2.24
	PP&E turnover (times)	1.18	0.46	0.34	0.47	3.85	26.55
	Total assets turnover (times)	0.20	0.09	0.07	0.10	0.40	0.75
Profitability	Return on assets (%)	(9.44)	(14.24)	(15.56)	(1.08)	14.65	36.85
	Return on equity (%)	(10.34)	(15.98)	(17.62)	(1.86)	20.23	33.55
	Pre-tax income to paid-in capital ratio (%) (note 7)	(4.04)	(5.06)	(5.00)	(1.82)	21.01	52.87
	Profit margin(%)	(46.64)	(153.39)	(214.51)	(14.49)	36.19	53.82
	Earnings per share ($)	(0.40)	(0.51)	(0.50)	(0.18)	2.11	5.38
Cash flow	Cash flow ratio (%)	0.00	(14.24)	(212.24)	(107.12)	(56.50)	110.37
	Cash flow adequacy ratio (%)	373.35	2,196.26	0	0	0	0
	Cash flow reinvestment ratio (%)	0.00	0.00	0.00	0.00	0	26.85
Leverage	Operating leverage	Note 8	Note 8	Note 8	Note 8	Note 8	0.96
	Financial leverage	Note 8	Note 8	Note 8	Note 8	Note 8	1.01

Please explain the reasons for the change of 20% or more in each financial ratio for the last two years:
1. The increase in financial structure ratios is due to the increase in long-term borrowings in 2023.
2. The solvency ratio decreased from the previous year due to the decrease in current assets.
3. The decrease in the operating capacity ratio was mainly because the profit in 2023 was higher than that in 2022.
4. The decrease in the profitability ratio was mainly because the profit in 2023 was higher than that in 2022.
5. The decrease in the cash flow ratio was mainly because the profit in 2023 was higher than that in 2022.

Note 1: The above financial information in the consolidated financial statements has been audited by CPAs.

Note 2: The most recent financial data of the company listed on TWSE or TPEx which have already audited, certified, or reviewed by the CPA before the date of publication of the annual report, if any, shall be analyzed.

Note 3: The formulas for the analyzed items are presented as follows

1. Capital structure
   (1) Liabilities to Total Assets Ratio = Total Liabilities / Total Assets
   (2) Long-term Fund to Property, Plant and Equipment Ratio = (Total Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment
2. Liquidity
   (1) Current Ratio = Current Assets / Current Liabilities
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses of the period
3. Operating capability
   (1) Receivable (Including Accounts Receivable and Notes Receivable from Operation) Turnover = Net Sales / Average of Receivables (Including Accounts Receivable and Notes Receivable from Operation)
   (2) Average Collection Days = 365 / Account Receivable Turnover
   (3) Inventory Turnover = Cost of Sales / Average Inventory

(4) Payables (Including Accounts Payable and Notes Payable from Operation) Turnover = Net Sales / Average of Payables (Including Accounts Payable and Notes Payable from Operation)
(5) Days' Sales in Inventory = 365 / Average Inventory Turnover
(6) Property, Plant and Equipment Turnover = Net Sales / Average Net Property, Plant and Equipment
(7) Total Assets Turnover = Net Sales / Average Total Assets

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

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

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

Note 4: The calculation formula for the above earnings per share, one shall pay special attention to the listed matters below when measuring:
1. Earnings per shares is based on weighted average number of common shares, and not based on the number of issued shares at the end of the year.
2. Those with cash capital increase or treasury shares transactions, shall consider its circulation period to calculate the weighted average number of shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend of current year (whether or not being paid) shall be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares shall be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When conducting analysis on cash flow, pay attention to the followings:
1. Cash flow from operating activity shall be referred to the net cash inflow from operating activity as stated in the statement of cash flow.
2. Capital expenditure shall be referred to cash outflow for capital investment each year.
3. Inventory additions are calculated only when the end of year balance is larger than balance at beginning of the period. If the inventory is lesser at the end of the year, zero is put.
4. Cash dividend includes cash dividend of common shares and preferred shares.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: The securities issuer shall classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification,it is required to pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the shares of the Company do not have par value of have par values other than NT$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

Note 8: There is a net operating loss for the period; therefore, it is not calculated.

(II) Parent company only Financial Analysis

Analysis items (note 3) / Year (Note1)		Financial analysis for the last five years				
		2019	2020	2021	2022	2023
Capital structure %	Debt to assets ratio	8.83	8.90	11.82	33.31	23.99
	Long-term capital to PP&E ratio	494.02	454.02	447.72	457.29	52974.19
Liquidity %	Current ratio	2,569.21	3,846.93	599.57	319.06	213.66
	Quick ratio	2,527.73	3,830.58	598.37	315.92	204.51
	Times interest earned	N/A	N/A	N/A	N/A	N/A
Operating capability	Receivables turnover (times)	7.99	13.59	7.05	1.97	1.56
	Average collection days	45.68	26.86	51.77	185.28	233.97
	Inventory Turnover (times)	0.42	0.17	0.03	(0.08)	19.34
	Payables turnover (times)	5.09	9.22	5.19	(15.12)	2.68
	Days' sales in inventory	869.05	2,147.06	14,055.22	(4,583)	19
	PP&E turnover (times)	0.62	0.17	0.10	0.19	3.48
	Total assets turnover (times)	0.11	0.03	0.02	0.04	0.32
Profitability	Return on assets (%)	(9.53)	(14.44)	(15.69)	0.00	0.00
	Return on equity (%)	(10.34)	(15.98)	(17.62)	(1.86)	20.52
	Pre-tax income to paid-in capital ratio (%) (note 7)	(4.03)	(5.05)	(5.00)	(1.82)	21.12
	Profit margin (%)	(90.43)	(427.25)	(748.52)	(35.49)	46.50
	Earnings per share ($)	(0.40)	(0.51)	(2.04)	(0.18)	2.11
Cash flow	Cash flow ratio (%)	0.00	0.00	0.00	0.00	0.00
	Cash flow adequacy ratio (%)	999.52	1,699.23	0	0	0
	Cash flow reinvestment ratio (%)	0.00	0.00	0.00	0.00	0.00
Leverage	Operating leverage	Note 8	Note 8	Note 8	Note 8	Note 8
	Financial leverage	Note 8	Note 8	Note 8	Note 8	Note 8

Please explain the reasons for the change of 20% or more in each financial ratio for the last two years:
1. The increase in financial structure ratios is due to the increase in long-term borrowings in 2023.
2. The solvency ratio decreased from the previous year due to the decrease in current assets.
3. The decrease in the operating capacity ratio was mainly because the profit in 2023 was higher than that in 2022.
4. The decrease in the profitability ratio was mainly because the profit in 2023 was higher than that in 2022.
5. The decrease in the cash flow ratio was mainly because the profit in 2023 was higher than that in 2022.

*If the Company has prepared parent company only financial reports, a separate analysis of the Company's parent company only financial ratios should be prepared.

Note 1: The above financial information in the parent company only financial statements has been audited by CPAs.

Note 2: The most recent financial data of the company listed on TWSE or TPEx which have already audited, certified, or reviewed by the CPA before the date of publication of the annual report, if any, shall be analyzed.

Note 3: The formulas for the analyzed items are presented as follows

1. Capital structure
   (1) Liabilities to Total Assets Ratio = Total Liabilities / Total Assets

(2) Long-term Fund to Property, Plant and Equipment Ratio = (Total Equity + Noncurrent Liabilities) / Net Property, Plant and Equipment

2. Liquidity

(1) Current Ratio = Current Assets / Current Liabilities

(2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities

(3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses of the period

3. Operating capability

(1) Receivable (Including Accounts Receivable and Notes Receivable from Operation) Turnover = Net Sales / Average of Receivables (Including Accounts Receivable and Notes Receivable from Operation)

(2) Average Collection Days = 365 / Account Receivable Turnover

(3) Inventory Turnover = Cost of Sales / Average Inventory

(4) Payables (Including Accounts Payable and Notes Payable from Operation) Turnover = Net Sales / Average of Payables (Including Accounts Payable and Notes Payable from Operation)

(5) Days' Sales in Inventory = 365 / Average Inventory Turnover

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

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

4. Profitability

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

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

(3) Profit Margin = Net Income after Tax / Net sales

(4) Earnings Per Share = (Income/Loss Attributable to Shareholders of the Parent - Preferred Stock Dividend) / Weighted Average Number of Shares Outstanding (Note 4)

5. Cash flow

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

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

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

6. Leverage

(1) Operating Leverage = (Net Sales - Variable Operating Cost and expense) / Operating Income (Note 6)

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

Note 4: The calculation formula for the above earnings per share, one shall pay special attention to the listed matters below when measuring:

1. Earnings per shares is based on weighted average number of common shares, and not based on the number of issued shares at the end of the year.
2. Those with cash capital increase or treasury shares transactions, shall consider its circulation period to calculate the weighted average number of shares.
3. Where there may be the capitalization of retained earnings or of capital surplus, adjustment shall be made in proportion to the amount capitalized when calculating the earning per share for the previous year and the interim period. The term of the capitalization of retained earnings or capital surplus for new capital is not required for consideration
4. If the preferred shares are non-convertible accumulated preferred shares, the dividend of current year (whether or not being paid) shall be deducted from earning or added to earning. If the preferred shares are not accumulative, dividend for preferred shares shall be deducted from earning if there is a surplus. If there is loss after taxation, no adjustment is required.

Note 5: When conducting analysis on cash flow, pay attention to the followings:

1. Cash flow from operating activity shall be referred to the net cash inflow from operating activity as stated in the statement of cash flow.
2. Capital expenditure shall be referred to cash outflow for capital investment each year.
3. Inventory additions are calculated only when the end of year balance is larger than balance at beginning of the period. If the inventory is lesser at the end of the year, zero is put.
4. Cash dividend includes cash dividend of common shares and preferred shares.
5. The gross amount of property, plant, and equipment is the total balance of property, plant, and equipment before subtracting accumulated depreciation.

Note 6: The securities issuer shall classify operating costs and operating expenses as fixed or variable. If estimates or subjective judgment is involved in such classification,it is required to pay attention to the reasonableness and maintain the consistency of such classification.

Note 7: If the shares of the Company do not have par value of have par values other than NT$10, the calculation of percentage of paid-in capital is calculated with the ratio of equity attributable to the parent company in the balance sheet.

Note 8: There is a net operating loss for the period; therefore, it is not calculated.

III.Audit Committee’s Review Report on Financial Reports of Most Recent Years

Myson Century, Inc.
Audit Committee’s Review Report

The Board of Directors has prepared the Company’s Financial Statements (includes the consolidated financial statements and the parent company only financial statements), Business Report and proposal for distribution of 2023 earnings. Of which, the Financial Statements have been audited by PricewaterhouseCoopers Taiwan. The above Financial Statements, Business Report and proposal for loss off-setting have been audited by the Audit Committee of the Company. We deem no inappropriateness on these documents. Pursuant to Article 14-4 of the Securities and Exchange Act and Article 219 of the Company Act, we hereby submit this report.

Please review
To:
2024 Shareholders' Meeting of Myson Century, Inc.

Chairman of the Audit Committee: Hsu, Shou-Te

February 27, 2024

IV. Financial Reports in Most Recent Years

Please refer to Appendix 1.

V. Parent Company Only Financial Statement in The Most Recent Year Audited by CPAs

Please refer to Appendix 2.

VI. Any Financial Difficulties of the Company or Any of its Affiliates in the Most Recent Year up to the Publication Date of this Annual Report:

None.

Seven. Financial Position and the Review and Analysis of Financial Performance and Risks

I.Analysis of Financial Position Comparison:

Unit：NTD thousand

Year / Item	2023	2022	Difference	
			Amount	%
Current assets	149,615	47,485	102,130	215.08
Property, plant and equipment	6,309	38,063	(31,754)	(83.42)
Intangible assets	52	167	(115)	(68,86)
Other assets	89,210	98,510	(9,300)	(9.44)
Total assets	245,186	184,225	60,961	33.09
Current liabilities	59,532	10,166	49,366	485.60
Other liabilities	2,683	51,598	(48,915)	(94.80)
Total liabilities	62,215	61,764	451	0.73
Total equity	182,971	122,461	60,510	49.41

Main reasons for the changes of more than 20% and their effects:

1. Decrease in intangible assets:
   The decrease in intangible assets was due to the regular amortization.
2. Increase in current liabilities:
   It is due to the increase in current liabilities expiring within one year.
3. Increase in other liabilities:
   This is due to the increase in long-term borrowings.
4. Increase in total liabilities:
   It is mainly due to the increase in current liabilities expiring within one year and the increase in long-term borrowings.
5. Decrease in total equity:
   Total equity decreased due to the capital reduction to cover losses in 2022.

II.Analysis of Financial Result Comparison:

Unit：NTD thousand

Year / Item	2023	2022	Difference	
			Amount	%
Operating Revenue	85,353	18,432	66,921	363.07
Operating Cost	68,912	(1,641)	70,553	(4299.39)
Operating Gross Profit	16,441	16,791	(350)	(2.08)
Operating Expense	23,503	30,072	(6,569)	(21.84)
Net Operating Loss	(7,062)	(13,281)	6,219	(46.83)
Non-operating Revenue and Expense	37,952	10,610	27,342	257.70
Net loss for the period	30,890	(2,671)	33,561	(1256.50)

(I)Analysis and explanation of the percentage change over 20% in the last two years.

1. Increase in operating revenue:
   The increase in operating revenue in 2023 was mainly due to the sale of inventory.
2. Operating cost
   Sold the inventories for which devaluation losses had been appropriated, resulting in a recovery of the net realizable value of inventories, which was recognized as a deduction from the cost of sales.
3. Increase in gross profit: the result of the above impacts.
4. Non-operating income and expenses: The increase in non-operating revenue is mainly due to the dividend income from other income.

(II) Expected sales volume in the coming year and key impact factors on the continued growth or decline in sales volume based on the Company's expectations:

Since the Company sold its intellectual property in 2018, the sales have been declining month by month. The Company's objectives for future operations will be based on the principles of generating revenue and stabilizing profitability; it will seek strategic alliances to invest in new business projects or optimize its product portfolio.

The Company does not make financial forecasts to the public and only sets internal targets based on the industry environment, market supply and demand conditions and the Company's operating conditions. Regarding the development in the future, the Company will focus on technological innovation, quality improvement and reduction of manufacturing costs, thus achieving the profitability goal.

III.Analysis of Cash Flow

Unit：NTD thousand

Cash balance at the beginning of the period	Net cash flow from operating activities of the year	Net cash flow from investing and financing activities of the year	Cash Surplus (deficit)	Responsive measures for cash deficits	
				Investment plan	Financing plan
30,125	(33,634)	62,466	59,024	--	--

(I)Analysis of changes in cash flows in the most recent years.

1. Net cash flows from operating activities:
   The net cash outflow resulted from the operating loss of the year.
2. Net cash flows from investing activities:
   The net cash outflow from investing activities is due to the increase in value of financial assets purchased.
3. Cash flow generated from financing activities, net:
   Net cash inflow from financing activities due to long-term borrowings.

(II)Remedies for cash shortage and liquidity analysis: Not applicable.

(III)Cash flow analysis for the coming year: Unit: NT$ Thousand

Cash balance at the beginning of the period	Expected net cash flow from operating activities of the year	Expected net cash flow from investing and financing activities of the year	Expected cash Surplus (deficit)	Expected responsive measures for cash deficits	
				Investment plan	Financing plan
30,125	102,193	80,743	51,575	--	--

1. Future operating trends.
   A. Operating activities: The Company is currently in a stage of operational adjustment, and the operating net cash outflow resulted from the decrease in revenue.
   B. Investing activities: No new investment projects are planned for the coming year.
   C. Financing activities: The Company shall prudently apply financial leverage to its operations.
2. Remedies for expected cash shortage and liquidity analysis: None

IV. Impacts of material capital expenditure in the most recent year on the financial status: None

V. Investment policies, main reasons for the gains or losses of investments in the most recent year, and improvement plans and investment plans for the next year:

1. The Company's 100%-owned subsidiary, ZAVIO Inc. This was due to Hanyu Company's poor operating conditions and continuous losses in previous years. The management was replaced in March 2021 and continued to Carry out organizational reorganization and eliminate inventory to reduce operating costs, so there is a surplus to make up for this period and the same period last year.
   Loss, but it is still in a state of loss.
2. Investment plan for the coming year: None.

VI. Analysis of Risk Matters:

(I) The impact upon the Company's profit/loss of inflation and changes in interest and exchange rates, and the measures the company plans to adopt in response

1. Interest rate: The interest expense of the Group amounted to $668 thousand in 2022 was mainly for the interest recognized on the lease of plant and land according to IFRS 16 Leases , and there was no interest expense arising from actual bank borrowings. This expense accounted for 3.6% of the net operating income for the year. Therefore, the impact of the change in interest rate on the Group's overall operation was limited. The financial market is still in a low interest rate environment. The Company regularly evaluates interest rate changes on the bank loans and takes the initiative to negotiate with the banks to reduce the interest rates or take relevant measures to reduce the impact of interest rate fluctuations on the overall operation of the Company.
2. Exchange rate: The Company's transactions in foreign currencies are mainly generated from export and import of raw materials. The net position of the Company's foreign currency assets is mostly in U.S. dollars. The Company adopts a conservative and prudent approach in handling foreign currency deposits in order to reduce the risk caused by sharp fluctuations in market exchange rates. The percentage of exchange (loss) gain to consolidated operating revenue and net income (loss) for 2022 and 2021 were 1.9%, (13.4)% and (15.4)%, 7.2%, respectively.

The Company adopts a prudent and conservative approach to foreign exchange management, and the specific measures to address changes in exchange rates are as follows:

A. The Company collects information on exchange rate changes and forecasts promptly, and adjusts its foreign exchange deposit positions appropriately according to actual capital requirements and exchange rate changes.

B. The hedging effect may be naturally achieved through the purchase and sale of goods.

C. The Company shall develop more sources of goods from different suppliers to reduce the impact of exchange rate fluctuations arising from imports.

3. Inflation: The Company shall make continuous efforts to reduce operating costs, pay close attention to the supply and demand of raw materials and price changes, and adjust inventories promptly, thus reducing the impact on profit/loss.

(II) High-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees, and derivatives transactions; the main reasons for the profits/losses generated thereby; and response measures to be taken in the future:

1. The Company does not engage in high-risk or highly leveraged investment. For derivative policy, the Company can only trade instruments for hedging purposes; therefore, there are no significant gains or losses.
2. The Company has established the "Regulations Governing Loaning of Funds and Making of Endorsements/Guarantees" and "Regulations Governing the Acquisition and Disposal of Assets," which were approved at the shareholders' meeting. All the transactions are executed in accordance with the laws.
3. The main reasons for the loan of funds to others and responsive measures for the future.
   The loans made by the Company and the juristic persons included in the consolidated financial statements were made because the recipients of the loans had the need for short-term financing, and the necessary control measures were performed in accordance with these procedures. The Company and its subsidiaries did not loaned any funds to others in 2022.
4. The main reasons for endorsing and guaranteeing for others.responsive measures for the future.
   The Company and the juristic persons listed in the consolidated financial statements provide endorsements and guarantees to the parent and subsidiary in principle. The endorsement and guarantee are mainly for financing purpose, and the necessary control measures are carried out in accordance with the procedures. The Company and its subsidiaries did not make any endorsement or guarantee for others in fiscal 2022.

(III) Future research and development projects, and expenditures expected in connection therewith: None.

(IV) The impact upon the company's financial operations of important policy and legal developments at home and abroad, and the measures the company plans to adopt in response:
The Company pays attention to and keeps abreast of any policies and laws that may affect the Company's operations, and adjusts its internal systems accordingly. There was no impact upon the company's financial operations of important policy and legal developments at home and abroad in 2022.

(V) The impact on the company's financial operations of developments in science, technology and industry, and the measures the Company plans to adopt in response:
Although the IC industry is maturing, new applications, such as artificial intelligence and autonomous driving continue to pose more difficult tasks and challenges for technology innovation and integration, and the industry's structure is also transformed by them.
In practice, the Company still needs to assess the risks of technology development and market in a prudent manner. Leveraging our long-term commitment and persistent dedication, the Company will pursue gradual and steady growth with strategic cooperation with its clients, thereby bringing opportunities for successful development.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image, and measures to be taken in response: None.

(VII)Expected benefits and possible risks associated with any merger and acquisitions, and mitigation measures being or to be taken: N/A.

(VIII)Expected benefits and possible risks associated with any plant expansion, and mitigation measures being or to be taken: None.

(IX) Risks associated with any consolidation of sales or purchasing operations, and mitigation measures being or to be taken:

The Company's suppliers and customers are relatively diversified. In addition to maintaining good relationships with suppliers, there is no concentration of sales to a single customer. The Company will maintain balanced and stable transactions in order to sustain the best operational performance.

(X) Effect upon and risk to the company if a major quantity of shares belonging to a director, supervisor, or shareholder holding greater than a 10 percent stake in the company has been transferred or has otherwise changed hands, and measures to be adopted in response: N/A

(XI) Effect upon and risk to the Company associated with any change in governance personnel or top management, and mitigation measures being or to be taken: None.

(XII) Litigious and non-litigious matters: None.

(XIII) Other important matters:

1. Information security risk assessment and its responsive measures

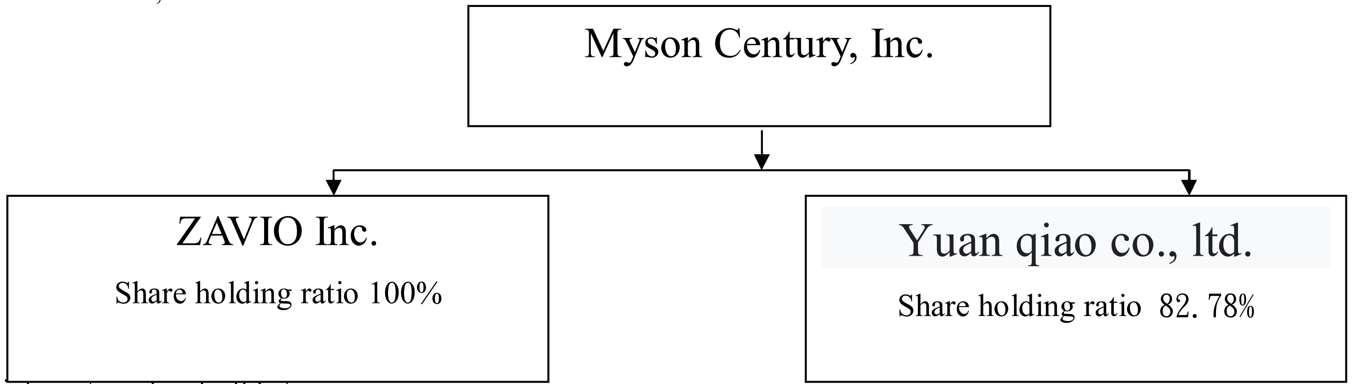
For the control of information security risks, the Company has established control procedures related to information security in its internal control system and protection and management rules for personal computer data in its computer management operations. Besides, the internal auditing unit conducts random review on relevant operations from time to time every year. The Company has set up fire walls, installed anti-virus software, regularly backed up data and installed voltage stabilizers and non-stop power supply devices to reduce the impact of accidents.

VII.Other Important Matters: None.

Eight. Special Items

I.Information on Affiliates

(I) Affiliate Chart:
As of December 31, 2023



(II) Basic information of each affiliate:
As of December 31, 2023

Unit：NTD thousand

Company name	Date of establishment	Address	Paid-in capital	Main business or products
ZAVIO Inc.	December 7, 2006	8F-6, No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City	15,769	Design and sales of security surveillance products
Yuan qiao co., ltd.	April 20,2023	7F., No. 17, Minyou 12th St., Taoyuan Dist., Taoyuan City , Taiwan (R.O.C.)	18,000	Catering

(III) Information about the same shareholder presumed to have control and affiliation: None

(IV) The industries covered by the business operated by the affiliates overall
The business of the Company and its affiliates includes: research, development, manufacture and sale of integrated circuit system products, technical consulting services and import/export of the above products; design and sale of security surveillance products.

(V) Information on the directors, supervisors, and general manager of each affiliate

As of December 31, 2023

Company name	Title	Name or representative	Shareholding	
			Number of shares (in thousands)	Share holding ratio
ZAVIO Inc.	Chairman Supervisor	Myson Century, Inc.: Chang, Shuo-Wen Myson Century, Inc.: Chang Chao, Su-Chu	1,577	100%

(VI) Financial position and operating performance of each affiliate.

As of December 31, 2023
Unit：NTD thousand

Company name	Capital	Total assets	Total liabilities	Net worth	Operating Revenue	Operating profit (Net loss)	Current profit or loss (After tax)	Earnings per share($) (After tax)
ZAVIO Inc.	15,769	24,967	8,391	16,576	7,030	39	193	0.12
Yuan qiao co., ltd.	18,000	24,501	7,814	16,687	11,670	4,484	(1,313)	(0.73)

(VII) Declaration of Consolidated Financial Statements of Affiliated Enterprises

Myson Century, Inc.
Declaration of Consolidated Financial Statements of Affiliated Enterprises

For the year ended December 31, 2023 (January 1 to December 31, 2023) pursuant to Criteria Governing Preparation of Affiliation Reports, Consolidated Business Reports and Consolidated Financial Statements of Affiliated Enterprises, the Company that are required to be included in the consolidated financial statements of affiliates, are the same as those required to be included in the consolidated financial statements under IFRS 10. Additionally, since relevant information that should be disclosed in the consolidated financial statements of affiliates has all been disclosed in the consolidated financial statements of parent and subsidiary companies, it shall not be required to prepare separate consolidated financial statements of affiliates.

Hereby declare

Company Name: Myson Century, Inc.

Person in Charge: Chang, Yu-Ming

February 27, 2024

II. **Processing of Private Equity as of Current Year and up to Financial Statement report Date:** None

III. **Subsidiary Holding or Disposing shares as of Current Year and up to Financial Statement Report Date**:None

IV. **Other Essential Supplementary Information:** None

Nine. Matters to be Disclosed According to Subparagraph 2, Paragraph 3 Article 36 of the Securities & Exchange Act: None.

Independent Auditors' Report

To the Board of Directors of Myson Century, Inc.:

Opinion

We have audited the accompanying consolidated balance sheets of Myson Century, Inc. and its subsidiaries as of December 31, 2023 and 2022, and the related consolidated statements of comprehensive income, consolidated statements of changes in equity, consolidated statements of cash flows as of January 1 to December 31, 2023 and 2022, and notes to the consolidated financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and the audit reports of other public accountants, the above-mentioned parent company only financial statements present fairly, in all material aspects, the consolidated financial position of Myson Century and its subsidiaries as of December 31, 2023 and 2022, and its consolidated financial performance and consolidated cash flows as of January 1 to December 31, 2023 and 2022 in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers," IFRSs, IASs, IFRICs, SICs approved and issued into effect by the FSC.

Basis for Opinion

We are engaged to conduct our audits in accordance with the "Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants" and the auditing standards. Our responsibility under such standards will be further explained in the section titled "Independent accountant's responsibilities for the audit of the consolidate financial statements." Our staffs subject to the independence requirements are complied with the Codes of Professional Ethics for Certified Public Accountants, independent of Myson Century and its subsidiaries, and have fulfilled other ethical responsibilities in accordance with the Codes. 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 refer to those matters that, in our professional judgment, were of most significance in the audit of the consolidated financial statements of Myson Century and its subsidiaries for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Company's parent company only financial statements for the year ended December 31, 2023 are stated as follows:

I. Revenue recognition

Please refer to Note 4(13) "Revenue recognition" of the consolidated financial statements for the accounting policy for the recognition of revenue, and Note 6(17) "Revenue from contracts with customers" of the consolidated financial statements for the relevant disclosure of revenue.

Description of Key Audit Matters:

Myson Century, Inc. and its subsidiaries are TPEx-listed companies involving in public interest, and shareholders are highly concerned about its operating performance. Therefore, revenue recognition is one of the key matters when conducting our audit.

Responsive audit procedures:

Our audit procedures for the above key audit matters primarily include the following: understanding the relevant internal controls on recognition of sales revenue; understanding the main revenue types, contract terms and transaction conditions to evaluate whether the accounting policies at the time of revenue recognition are appropriate; reviewing samples of sales contracts or orders, assessing the impact of the contract terms and transaction conditions on the revenue recognition, determining whether the accounting treatment is appropriate; and assessing whether the relevant information of revenue has been appropriately disclosed.

II. Recognition of gains and losses on disposal of assets

Please refer to Note 4(9) “Property, plant and equipment” of the consolidated financial statements for the accounting policies of property, plant and equipment, and Note 6(19) “Non-operating income and expenses” for the gains on disposal of property, plant and equipment.

Description of Key Audit Matters:

Myson Century, Inc. sold its property in 2023, with a disposal price of NTD 71,086 thousand and a gain on disposal of NTD 34,788 thousand. The impact of the transaction on the financial statements is material. If it is not calculated and recorded correctly, it may affect the amounts of property, plant and equipment and gains or losses on disposal. Therefore, it is determined as a key audit matter.

Responsive audit procedures:

Our audit procedures for key audit matters regarding the recognition of gains and losses on disposal of assets include the following: obtaining relevant minutes of board meetings and real estate transaction contracts, understanding the content of the disposal transaction, the counterparty, and the reasonableness of pricing; examining payment documents to confirm whether the payer aligns with the counterparty of the transaction; and recalculating the gains and losses on disposal of assets and verifying the accuracy of the timing for recognizing these gains and losses.

Other Matters

The 2022 consolidated financial statements of Myson Century, Inc. and its subsidiaries were audited by other auditors, who issued an unqualified opinion on February 24, 2023.

For your reference, Myson Century, Inc. has prepared its parent company only financial statements for the years 2023, and we have issued an unqualified audit report thereon.

Responsibilities of Management and Those Charged with Governance for the Consolidated 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”, the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the FSC, and for such internal control as management determines is necessary to enable the preparation of the parent company only financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the ability of Myson Century, Inc. and its subsidiaries 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 Myson Century, Inc. and its subsidiaries or to cease operation, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing the financial reporting process of Myson Century, Inc. and its subsidiaries.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 auditing principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Such misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

1. Identify and assess the risks of material misstatement of the financial report, 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 internal control of Myson Century, Inc. and its subsidiaries.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and the directors.
4. Conclude on the appropriateness of the directors’ use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of Myson Century, Inc. and its subsidiaries to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor’s report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor’s report. However, future events or conditions may cause the Company and its subsidiaries to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated 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 the directors, 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 stated in the Codes of Professional Ethics for Certified Public Accountants, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine the key audit matters for the consolidated financial statements of Myson Century, Inc. and its subsidiaries for the year ended December 31, 2023. We describe these matters in our auditor’s 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.

KPMG Taiwan

許振隆

CPAs: 陳國宗

Reference number of Competent Authority's approval of attestation	:	Chin-Kuan-Cheng (VI) No.0960069825 (89) Tai-Tsai-Cheng (VI) No.62474

February 27, 2024

Myson Century, Inc. and Subsidiaries
Consolidated Balance Sheet
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 59,024	24	30,125	16
1136	Financial assets at amortized cost - current (Note 6(3))	3,723	2	5,850	3
1170	Accounts receivable, net (Note 6(4) and (17))	1,939	1	-	-
1180	Accounts receivable - related parties, net (Note 6(4), (17) and 7)	78,312	32	9,969	6
1200	Other receivables	1,197	-	3	-
1220	Current tax assets for the period	6	-	30	-
130X	Inventory (Note 6(5))	66	-	-	-
1410	Prepayments	5,265	2	1,507	1
1470	Other current assets	83	-	1	-
	Total current assets	149,615	61	47,485	26
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income/loss - non-current (Note 6(2))	84,901	35	85,997	47
1535	Financial assets at amortized cost - non-current (Note 6(3) and 8)	-	-	1,750	1
1600	Property, plant and equipment (Note 6(7) and 8)	6,309	3	38,063	20
1755	Right-of-use assets (Note 6(8) and 7)	3,581	1	10,666	6
1780	Intangible assets (Note 6(9))	52	-	167	-
1920	Refundable deposits (Note 7)	728	-	97	-
	Total non-current assets	95,571	39	136,740	74
	Total assets	$ 245,186	100	184,225	100

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2130	Contract liabilities - current (Note 6(17) and 7)	$ 2,033	1	172	-
2170	Accounts payable	42,084	18	-	-
2200	Other payables	4,328	2	7,096	4
2220	Other payables - related parties (Note 7)	10,021	4	-	-
2280	Lease liabilities - current (Note 6(11), (23) and 7)	996	-	780	1
2320	Long-term liabilities due within one year or one operating cycle (Note 6(10), (23) and 8)	-	-	2,085	1
2399	Other current liabilities -other	70	-	33	-
	Total current liabilities	59,532	25	10,166	6
	Non-current liabilities:				
2540	Long-term borrowings (Note 6(10), (23) and 8)	-	-	32,883	18
2580	Lease liabilities - non-current (Note 6(11), (23) and 7)	2,683	1	9,671	5
2645	Guarantee deposits received (Note 6(23))	-	-	9,044	5
	Total non-current liabilities	2,683	1	51,598	28
	Total liabilities	62,215	26	61,764	34
	Equity attributable to owners of the parent company (Note 6(2), (6) and (15)):				
3100	Share capital	147,000	60	147,000	80
3200	Capital surplus	169	-	103	-
3300	Retained earnings (deficit to be offset)	29,537	12	(4,386)	(3)
3400	Other equity	3,391	1	(20,256)	(11)
	Subtotal of equity attributable to owners of the parent company	180,097	73	122,461	66
	Non-controlling interest:				
36XX	Non-controlling interest	2,874	1	-	-
	Total equity	182,971	74	122,461	66
	Total liabilities and equity	$ 245,186	100	184,225	100

(See accompanying Notes to Consolidated Financial Statements)

Chairman: Chang, Yu-Ming **Managerial Officer: Chang, Shuo-Wen** **Chief Accounting Officer: Chu, Li-Chuan**

Myson Century, Inc. and Subsidiaries

Consolidated Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

		2023		2022	
		Amount	%	Amount	%
4000	**Operating revenue (Note 6(17) and 7)**	$ 85,353	100	18,432	100
5000	**Operating costs (Note 6(5), (12), (13) and 12)**	68,912	81	1,641	9
5900	**Operating Gross Profit**	16,441	19	16,791	91
	Operating expenses (Note 6(11), (12), (13), (18) and 12):				
6100	Selling expenses	5,135	6	822	4
6200	Administrative expenses	18,368	22	29,250	159
	Total operational expenses	23,503	28	30,072	163
6900	**Operating losses**	(7,062)	(9)	(13,281)	(72)
	Non-operating income and expenses (Note 6(2), (11), (19) and 7):				
7100	Interest revenue	425	-	116	1
7010	Other income	3,662	4	10,410	56
7020	Other gains and losses	34,566	40	752	4
7050	Finance cost	(701)	(1)	(668)	(4)
	Total non-operating income and expenses	37,952	43	10,610	57
7900	**Profit (Loss) Before Tax**	30,890	34	(2,671)	(15)
7950	**Less: Income tax expenses (Note 6(14))**	-	-	-	-
8200	**Net profit (loss) for the period**	30,890	34	(2,671)	(15)
8300	**Other comprehensive income/(loss):**				
8310	**Components not to be reclassified to profit or loss**				
8316	Unrealized gains and losses on valuation of investment in equity instruments measured at fair value through other comprehensive income/loss (Note 6(15))	26,520	31	(39,144)	(212)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(14))	-	-	-	-
		26,520	31	(39,144)	(212)
	Other comprehensive income/loss of the period	26,520	31	(39,144)	(212)
8500	**Total comprehensive income/loss for the period**	$ 57,410	65	(41,815)	(227)
	Net income (loss) attributable to:				
8610	Owners of the parent	$ 31,050	34	(2,671)	(15)
8620	Non-controlling interest	(160)	-	-	-
	Net profit (loss) for the period	$ 30,890	34	(2,671)	(15)
	Total comprehensive income/loss attributable to:				
8710	Owners of the parent	$ 57,570	65	(41,815)	(227)
8720	Non-controlling interest	(160)	-	-	-
	Total comprehensive income/loss for the period	$ 57,410	65	(41,815)	(227)
	Earnings (losses) per share (Note 6(16)):				
9750	**Basic earnings (losses) per share (Unit: NTD)**	$	2.11		(0.18)
9850	**Diluted earnings (losses) per share (Unit: NTD)**	$	2.11		(0.18)

(See accompanying Notes to Consolidated Financial Statements)

Chairman: Chang, Yu-Ming Managerial Officer: Chang, Shuo-Wen Chief Accounting Officer: Chu, Li-Chuan

Myson Century, Inc. and Subsidiaries
Consolidated Statement of Changes in Equity
For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	Equity attributable to owners of the parent company								
			Retained earnings			Other equity interest			
	Share capital - common stock	Capital surplus	Special reserve	Retained earnings (deficit to be offset)	Total	Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss	Total equity attributable to owners of the parent company	Non-controlling interest	Total equity
Balance as of January 1, 2022	$ 600,000	4,660	196	(457,753)	(457,557)	17,173	164,276	-	164,276
Net loss for the period	-	-	-	(2,671)	(2,671)	-	(2,671)	-	(2,671)
Other comprehensive income/loss of the period	-	-	-	-	-	(39,144)	(39,144)	-	(39,144)
Total comprehensive income/loss for the period	-	-	-	(2,671)	(2,671)	(39,144)	(41,815)	-	(41,815)
Appropriation and distribution of retained earnings:									
Special reserve to cover losses	-	-	(196)	196	-	-	-	-	-
Other changes in capital surplus:									
Capital surplus to cover losses	-	(4,557)	-	4,557	4,557	-	-	-	-
Capital reduction to cover losses	(453,000)	-	-	453,000	453,000	-	-	-	-
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	(1,715)	(1,715)	1,715	-	-	-
Balance as of December 31, 2022	147,000	103	-	(4,386)	(4,386)	(20,256)	122,461	-	122,461
Net profit (loss) for the period	-	-	-	31,050	31,050	-	31,050	(160)	30,890
Other comprehensive income/loss of the period	-	-	-	-	-	26,520	26,520	-	26,520
Total other comprehensive income/loss for the period	-	-	-	31,050	31,050	26,520	57,570	(160)	57,410
Changes in ownership interest of subsidiaries	-	66	-	-	-	-	66	(66)	-
Changes in non-controlling interest	-	-	-	-	-	-	-	3,100	3,100
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	2,873	2,873	(2,873)	-	-	-
Balance as of December 31, 2023	$ 147,000	169	-	29,537	29,537	3,391	180,097	2,874	182,971

(See accompanying Notes to Consolidated Financial Statements)

Chairman: Chang, Yu-Ming　　Managerial Officer: Chang, Shuo-Wen　　Chief Accounting Officer: Chu, Li-Chuan

Myson Century, Inc. and Subsidiaries

Consolidated Statement of Cash Flows

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flows from operating activities:		
Profit (Loss) Before Tax	$ 30,890	(2,671)
Adjustments:		
Profit/loss		
Depreciation expense	2,827	2,684
Amortization expense	115	222
Interest expense	701	668
Interest revenue	(425)	(116)
Dividend revenue	(142)	(5,067)
Gains on disposal of property, plant and equipment	(34,788)	-
Unrealized foreign currency exchange gain	(67)	(358)
Lease modification losses (gains)	271	(548)
Total adjustments to reconcile profit (loss)	(31,508)	(2,515)
Changes in operating assets/liabilities:		
Changes in operating assets, net:		
(Increase) decrease in accounts receivable	(1,939)	555
Increase in accounts receivable - related parties	(68,343)	(9,969)
(Increase) decrease in other receivables	(125)	1
Increase in inventory	(66)	-
Increase in prepayments	(3,758)	(1,263)
Increase in other current assets	(82)	(137)
Total changes in operating assets, net	(74,313)	(10,813)
Changes in operating liabilities, net:		
Increase in contract liabilities	1,861	88
Increase (decrease) in accounts payable	42,084	(91)
(Decrease) increase in other payables	(2,714)	464
Increase (decrease) in other current liabilities	37	(7)
Total changes in operating liabilities, net	41,268	454
Total changes in operating assets and liabilities, net	(33,045)	(10,359)
Total adjustments	(64,553)	(12,874)
Cash flows generated from operation	(33,663)	(15,545)
Interest received	428	116
Dividends received	142	5,067
Interest paid	(565)	(668)
Income taxes refunded	24	140
Cash outflow generated from operating activities	(33,634)	(10,890)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income/loss	-	(87,319)
Disposal of financial assets at fair value through other comprehensive income	26,544	39,816
Disposal of financial assets measured at amortized cost	3,877	14,244
Acquisition of property, plant and equipment	(6,468)	-
Disposal of property, plant and equipment	71,086	-
Increase in refundable deposits	(631)	-
Net cash flows from (used in) investing activities	94,408	(33,259)
Cash flows from financing activities:		
Long-term borrowings	-	36,000
Repayment of long-term borrowings	(34,968)	(1,032)
Increase of guarantee deposits received	-	9,008
Decrease in guarantee deposits received	(9,044)	-
Increase in other receivables - related parties	10,000	-
Repayment of lease principal	(1,030)	(738)
Change in non-controlling interest	3,100	-
Net cash flows (used in) from investing activities	(31,942)	43,238
Effect of exchange rate changes on cash and cash equivalents	67	358
Increase (decrease) in cash and cash equivalents for the period	28,899	(553)
Cash and cash equivalents, beginning of period	30,125	30,678
Cash and cash equivalents, end of period	$ 59,024	30,125

(See accompanying Notes to Consolidated Financial Statements)

Chairman: Chang, Yu-Ming **Managerial Officer: Chang, Shuo-Wen** **Chief Accounting Officer: Chu, Li-Chuan**

Myson Century, Inc. and Subsidiaries
Notes to Consolidated Financial Statements
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Myson Century, Inc. (hereinafter referred to as “the Company”) was incorporated on July 29, 1991 with the approval by the Ministry of Economic Affairs. Its registered address is 8F., No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City The main business of the Company and its subsidiaries (hereinafter referred to as "the Consolidated Company") is the research, development, manufacture and sale of integrated circuit system products and security surveillance products, together with technical consulting services for the above products and import/export trade business, restaurants, retail sale of food, grocery and beverage, other catering business, sale of building materials, and indoor decoration. Sun Yad Construction Co., Ltd. is the parent company of the Company.

II. The Date of Authorization for Issuance of the Financial Statements and Procedures

The consolidated financial statements were authorized and issued by the Board of Directors on February 27, 2024.

III. Application of New and Revised Standards and Interpretations

(I) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission which have already been adopted.

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

Amendments to IAS 1 “Disclosure of Accounting Policies”

Amendments to IAS 8 “Definition of Accounting Estimates”

Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Consolidated Company has initially adopted the following new amendments, which do not have a significant impact on its consolidated financial statements, from May 23, 2023.

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

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

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

Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”

Amendments to IAS 1 “Noncurrent Liabilities with Covenants”

Amendments to IAS 7 and IFRS 7 "Supplier Finance Arrangements"

Amendment to IFRS 16 “Lease Liability in a Sale and Leaseback”

(III) The standards and interpretations of IFRS issued by IASB but not yet endorsed by the FSC

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

Amendments to IFRSs 10 and IAS 28 "The Assets Sale or Investment between Investors and Their Affiliates or Joint Ventures"

IFRS 17 "Insurance Contracts" and amendments to IFRS 17

Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"

Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary Of Significant Accounting Policies

Significant accounting policies adopted during the preparation of the consolidated financial statements are summarized as follows: Except for those described in Note 3, the following accounting policies were applied consistently throughout the periods presented in the consolidated financial report.

(I) Statement of compliance

The consolidated financial statements of the Group have been prepared in accordance with the “Regulations Governing the Preparation of Financial Reports by Securities Issuers” (hereinafter referred to as the “Regulations”), International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations, and SIC Interpretations as endorsed and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the IFRSs endorsed by the FSC.)

(II) Basis of preparation

1. Basis of measurement

Except for the financial assets at fair value through other comprehensive income, which are measured at fair value, these consolidated financial statements have been prepared on a historical cost basis.

2. Functional currency and presentation currency

Every entity within the consolidated entity has designated its functional currency as the main currency used in the economic environment where operations take place. The consolidated financial statements are presented in NTD, which is the Company’s functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(III) Basis of consolidation

1. Principles for preparation of consolidated financial statements

The consolidated financial statements include the Company and entities that the Company has control over (i.e. subsidiaries). The Company is considered to exercise control if it is exposed or entitled to variable returns generated by an investee and has the power to affect such return through influence over the investee.

Subsidiaries are included into the consolidated financial statements from the day control is gained, and removed on the day control is lost. Internal transactions, balances, and any unrealized gains, expenses, and losses between members of the consolidated entity have been fully eliminated when preparing the consolidated financial statements. Total comprehensive income generated by subsidiaries is divided into amounts that are attributable to owners of the Company and amounts that are attributable to non-controlling shareholders, even if the allocation would put non-controlling equity in negative balance.

Subsidiaries have had financial statements adjusted appropriately to ensure alignment of accounting policies with those of the consolidated entity.

The Consolidated Company accounts the changes in ownership interests in a subsidiary, under the condition that control is still present, as equity transactions between the proprietors. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognized directly in equity attributable to owners of the Company.

2. Subsidiaries included in the consolidated financial statements

Subsidiaries included in the consolidated financial statements:

Name of Investee	Name of Subsidiary	Nature of Business	Shareholding percentage 2023.12.31	Shareholding percentage 2022.12.31	Remark
The Company	ZAVIO Inc.	Design and sales of security surveillance products	100.00%	100.00%	
The Company	Yuan Qiao Limited	Restaurants and other catering business	82.78%	-	(Note)

Note: It is a subsidiary established on April 20, 2023, which was approved by the Ministry of Economic Affairs.

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

(IV) Foreign currency

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

Exchange differences are generally recognized in profit or loss, except for differences relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(V) Criteria for classifying assets and liabilities into current and non-current

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

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets held mainly for trading purposes;
3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

1. Liabilities that are expected to be settled within the normal operating cycle;
2. Liabilities held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(VI) Cash and cash equivalents

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

(VII) Financial instruments

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

1. Financial assets

All regular way purchases or sales of financial assets classified with the same approach are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Consolidated Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets at amortized cost

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

The objective of the Company's business model is achieved by collecting contractual cash flows.

The assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

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

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

On initial recognition of an equity investment that is not held for trading, the Consolidated Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Consolidated Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(3) Impairment of financial assets

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

The Company measures allowance for losses at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

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

Allowance for losses for accounts receivable are always measured at an amount equal to lifetime ECL.

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

The Consolidated Company assumes that the credit risk on a financial asset has increased significantly if the contract has an overdue amount for more than 30 days.

The Consolidated Company considers a financial asset to be in default when the contract has an overdue amount for more than 90 days.

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

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

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

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

At each reporting date, the Consolidated Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the Consolidated Company, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the Consolidated Company would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Allowance for losses for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets. Allowance for losses for debt instruments measured at fair value through other comprehensive income are gains or losses on adjustment, which are recognized in other comprehensive income, rather than deducted from the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Consolidated Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For the corporate borrowers, the Consolidated Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Consolidated Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Consolidated Company's procedures for recovery of amounts due. Based on the Company's experience, collecting overdue amounts from corporate borrowers becomes impossible once they are 90 days past due.

(4) Derecognition of financial assets

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

The Consolidated Company enters into transactions whereby it transfers financial assets, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets shall still be recognized in its balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity transactions

An equity instrument refers to any contract in which the Consolidated Company has residual equity after deducting all liabilities from assets. The equity instruments issued by the Consolidated Company are recognized at the acquisition price net of the direct issue cost.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Consolidated Company derecognize financial liabilities when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

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

(VIII) Inventories

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

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

(IX) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent costs

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

3. Depreciation

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

Land is not depreciated.

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

Building and structure	3～50 years
Testing equipment	5 years
Mould equipment	5 years
Other equipment	3～5 years

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

(X) Lease

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

1. As a lessee

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use period or the end of the leasing period. In addition, the Consolidated Company shall periodically evaluate whether the right-of-use asset is impaired, deal with the impairment loss that has incurred, and adjust the right-of-use assets for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. If the implicit rate in the lease can be reliably determined, the rate shall serve as the discount rate. If the rate cannot be reliably determined, the Consolidated Company's incremental borrowing rate shall apply. Generally, the Consolidated Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise:

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

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

(1) there is a change in future lease payments arising from the change in an index or rate;
(2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;
(3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset;
(4) there is a change of its assessment on the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or
(5) there is any lease modifications affecting the underlying asset, scope, or other terms of the lease.

When the lease liability is remeasured due to the aforementioned changes in an index or rate, changes in amount expected to be payable under a residual value guarantee, or changes in its assessment on whether to exercise an extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset shall be reduced to reflect the partial or full termination of the lease and recognizes the difference between this amount and the re-measurement amount of the lease liability in profit or loss.

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

2. As a lessor

In the transaction where the Consolidated Company serves as a lessor, the lease is classified based on whether it transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Consolidated Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Consolidated Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Consolidated Company applies IFRS15 to allocate the consideration in the contract.

(XI) Intangible assets

1. Recognition and measurement

Goodwill arising from the acquisition of subsidiaries by the Consolidated Company is measured at cost less accumulated impairment.

The intangible assets with finite useful lives acquired by the Consolidated Company, including the cost of computer software, are measured at costs less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenditure is capitalized only if it is possible to increase the future economic benefits of the relevant specific assets. All other expenditures, including the goodwill and brand developed internally, are recognized in profit or loss as incurred.

3. Amortization

Except for goodwill, amortization is calculated as the cost of an asset less its estimated residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives from the intangible asset becoming available for use.

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

Cost of computer software	1～5 years

Amortization methods, useful lives, and residual values of intangible assets are reviewed at each reporting date and adjusted as necessary.

(XII) Impairment of non-financial assets

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

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill acquired through business combination is allocated to cash-generating units or groups of cash-generating units that are expected to benefit from the business combination.

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

Goodwill impairment is not reversed in any case. For non-financial assets, excluding goodwill, their impairment can be reversed within the carrying amount (less depreciation or amortization) of the asset if no impairment loss was recognized in previous years.

(XIII) Revenue recognition

1. Revenue from contracts with customers

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

(1) Sales of goods

The Consolidated Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Consolidated Company any has objective evidence that all criteria for acceptance have been satisfied. In addition, if the Consolidated Company has not acquired the control over a specific product before transferring it to the customer, the revenue shall be recognized at a net amount.

The Consolidated Company recognizes accounts receivable when the goods are delivered, as the Consolidated Company is entitled the right to unconditionally collect the consideration at that time. Contractual liabilities are mainly due to the advance collected from goods sales contracts, which are transferred to revenue when the products are delivered to customers.

(2) Construction contracts

The Consolidated Company is engaged in the contracting business of decoration engineering. Because the assets are controlled by the customer during construction, the revenue is gradually recognized over time based on either the proportion of the engineering cost incurred so far to the estimated total contract cost or the percentage of completion of the contract work. The contract includes fixed consideration. The customer makes a fixed amount of payment in accordance with the agreed schedule. If the amount of recognized revenue has not yet been paid, it is recognized as a contract asset. When the Company has an unconditional right to the consideration, the contract asset is transferred to accounts receivable.

If the degree of completion of the performance obligation under the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Consolidated Company expects that the unavoidable cost of meeting the obligation under the construction contract exceeds the economic benefits expected from the contract, the provision for the onerous contract is recognized.

If the situation changes, the estimates of revenue, cost, and level of completion shall be revised, and the resulting changes shall be reflected in the profit or loss during the period in which the management is aware of such change.

(3) Financing components

The Consolidated Company expects all customer contracts will transfer goods or services to customers at intervals of no more than one year, as well as payment by the customer. As a consequence, the Consolidated Company does not adjust any of the transaction prices for the time value of money.

(XIV) Employee benefits

1. Definite contribution plan

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

2. Short-term employee benefits

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

(XV) Income taxes

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

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

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

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, that (i) affects neither accounting nor taxable profits (losses), and that (ii) generates no equivalent taxable and deductible temporary difference at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and
2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) the same taxable entity; or
   (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XVI) Earnings per share

The Consolidated Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share of the Consolidated Company is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated by the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding adjusted for the dilutive effects of all potential ordinary shares, respectively. The Consolidated Company's potential ordinary shares with dilutive effects include employee remuneration that can be distributed in shares.

(XVII) Segment information

An operating segment is a section of the Consolidated Company that generates income and incurs expenses as part of its activities (including income and expenses from transacting with other sections of the Consolidated Company). Operating results of all segments are reviewed regularly by the Consolidated Company's main decision maker for resource allocation and performance evaluation. All operating segments report financial information separately.

V. Critical Accounting Judgments, Estimates and Assumptions on Uncertainty

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

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the consolidated financial statements is as follows:

The Consolidated Company acts as an agent rather than a principal in certain sales of goods because the Consolidated Company evaluates that it does not possess control over specific goods before it is transferred to the customer, and the judgment factors considered are as follows:

1. The Consolidated Company is under no obligation to provide products when the supplier is unable to transfer them to the customer, and assumes no responsibility for the acceptability of the products.
2. The Consolidated Company has not promised to obtain the goods from the supplier before the customer makes the purchase, nor has it assumed any responsibility for damaged or returned goods.
3. Therefore, the related revenue is recognized when the labor service is delivered.

The estimations and assumptions made by the Consolidated Company do not involve significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VI. Description of Important Accounting Items

(I) Cash and cash equivalents

		2023.12.31	2022.12.31
Cash and petty cash	$	140	90
Check deposits and demand deposits		58,884	30,035
Cash and cash equivalents listed in the Consolidated Statement of Cash Flows	**$**	**59,024**	**30,125**

Please refer to Note 6(20) for the disclosure of the exchange rate risk and sensitivity analysis of the Consolidated Company's financial assets.

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

		2023.12.31	2022.12.31
Financial assets at fair value through other comprehensive income/loss - non-current:			
Stocks of TWSE/TPEx-listed company	**$**	**84,901**	**85,997**

The Consolidated Company's investments in the above-mentioned equity instruments are strategic investments and not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.

The Consolidated Company recognized dividends income of NT$142 thousand and NT$0 thousand for the years ended December 31, 2023 and 2022, respectively, from the aforementioned equity instrument designated as investment at fair value through other comprehensive income.

In 2023 and 2022, due to a change in investment strategy, the Comprehensive Company sold some of the equity instruments designated to be measured at fair value through other comprehensive income. The fair values at the time of disposal was NT$27,616 thousand and NT$39,816 thousand, respectively. The accumulated gain (loss) on disposal was NT$2,873 thousand and (NT$1,715) thousand, respectively. The Consolidated Company has transferred the aforementioned accumulated gain on disposal from other equity to retained earnings.

Please refer to Note 6(20) for market risk information.

None of the Consolidated Company's financial assets measured at fair value through other comprehensive income had been pledged as collateral.

(III) Financial assets at amortized cost

		2023.12.31	2022.12.31
Current:			
Time deposits for longer than three months	**$**	**3,723**	**5,850**
Non-current:			
Time deposits with limited purpose	**$**	**-**	**1,750**

The Consolidated Company evaluates these assets with the intention of holding them until their maturity date to collect contractual cash flows. The cash flows generated by these financial assets are solely for the repayment of principal and interest on the outstanding principal amount. Therefore, they are recognized as financial assets at amortized cost.

1. Please refer to Note 6(20) for credit risk information.
2. For financial assets measured at amortized cost - non-current that are pledged as collateral, please refer to Note 8.

(IV) Accounts receivable

	2023.12.31	2022.12.31
Accounts receivable	$ 1,939	-
Accounts receivable - related parties	78,312	9,969
	$ 80,251	9,969

The Consolidated Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics regarding to the customers' ability to pay the full amount due according to contractual terms, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The Consolidated Company's expected credit loss of accounts receivable was analyzed as follows:

	2023.12.31		
	Carrying amount of accounts receivable	Weighted-average rate of expected credit losses	Allowance provision for lifetime expected credit losses
Not past due	$ 80,251	- %	-
0 to 90 days past due	-	- %	-
More than 91 days past due	-	100%	-
	$ 80,251		-

	2022.12.31		
	Carrying amount of accounts receivable	Weighted-average rate of expected credit losses	Allowance provision for lifetime expected credit losses
Not past due	$ 9,969	- %	-
0 to 90 days past due	-	- %	-
More than 91 days past due	1,424	100%	1,424
	$ 11,393		1,424

Changes in the Consolidated Company's allowance for losses on accounts receivable are shown below:

	2023	2022
Opening balance	$ 1,424	1,411
Amount written off during the period due to non-recoverability	(1,424)	-
Foreign currency translation gain or loss	-	13
Balance, ending	$ -	1,424

None of the abovementioned financial assets has been pledged as collateral.

Please refer to Note 6(20) for other credit risk information.

(V) Inventories

		2023.12.31	2022.12.31
Raw materials	$	66	-

The details of the cost of sales were as follows:

		2023	2022
Decoration engineering cost	$	54,855	-
Sales reclassified as cost of goods sold		14,057	20,948
Gain on price recovery of inventory		-	(19,307)
	$	68,912	1,641

In 2022, the Company sold the inventories for which devaluation losses had been recognized. As a result, there were no longer factors causing the net realizable value of inventories to be lower than the cost. This led to a recovery of the net realizable value of inventories, which was recognized as a deduction from the cost of sales.

The Consolidated Company did not provide any inventories as collateral.

(VI) Changes of ownership in subsidiaries

In November 2023, the Consolidated Company participated in the cash capital increase of its subsidiary, Yuan Qiao Limited, with cash of NT$ 6,900 thousand, which was not in proportion to its shareholding ratio, resulting in a decline in its shareholding ratio from 88.89% to 82.78%. The changes in shareholding ratio led to an increase in net equity value attributable to the Consolidated Company increased of NT$66 thousand, which was adjusted to the capital surplus.

(VII) Property, plant and equipment

The statement of changes in property, plant and equipment of the Consolidated Company is as follows:

		Building and structure	Testing equipment	Mould equipment	Other equipment	Total
Cost or deemed cost:						
Balance on January 1, 2023	$	68,457	-	-	2,253	70,710
Additions		5,972	-	-	496	6,468
Disposals		(68,319)	-	-	-	(68,319)
Balance on December 31, 2023	$	6,110	-	-	2,749	8,859
Balance on January 1, 2022	$	71,138	466	4,510	3,998	80,112
Disposals		(2,681)	(466)	(4,510)	(1,745)	(9,402)
Balance on December 31, 2022	$	68,457	-	-	2,253	70,710
Depreciation:						
Balance on January 1, 2023	$	31,159	-	-	1,488	32,647
Depreciation		1,428	-	-	496	1,924
Disposals		(32,021)	-	-	-	(32,021)
Balance on December 31, 2023	$	566	-	-	1,984	2,550

		Building and structure	Testing equipment	Mould equipment	Other equipment	Total
Balance on January 1, 2022	$	32,392	466	4,510	2,749	40,117
Depreciation		1,448	-	-	484	1,932
Disposals		(2,681)	(466)	(4,510)	(1,745)	(9,402)
Balance on December 31, 2022	$	31,159	-	-	1,488	32,647
Carrying amount:						
December 31, 2023	$	5,544	-	-	765	6,309
January 1, 2022	$	38,746	-	-	1,249	39,995
December 31, 2022	$	37,298	-	-	765	38,063

Please refer to note 8 for the Consolidated Company's property, plant and equipment pledged as collateral.

(VIII) Right-of-use assets

The statement of changes in cost and depreciation of right-of-use assets recognized for land and buildings in leases where the Consolidated Company act as a lessee is presented below:

		Land	Building and structure	Total
Cost of right-of-use assets:				
Balance on January 1, 2023	$	10,868	1,717	12,585
Additions		-	3,033	3,033
Decrease		(10,868)	-	(10,868)
Balance on December 31, 2023	$	-	4,750	4,750
Balance on January 1, 2022	$	14,762	1,717	16,479
Decrease		(3,894)	-	(3,894)
Balance on December 31, 2022	$	10,868	1,717	12,585
Accumulated depreciation of right-of-use assets:				
Balance on January 1, 2023	$	1,425	494	1,919
Depreciation recognized		228	675	903
Decrease		(1,653)	-	(1,653)
Balance on December 31, 2023	$	-	1,169	1,169
Balance on January 1, 2022	$	1,392	145	1,537
Depreciation recognized		403	349	752
Decrease		(370)	-	(370)
Balance on December 31, 2022	$	1,425	494	1,919

		Land	Building and structure	Total
Carrying amount:				
December 31, 2023	$	-	3,581	3,581
January 1, 2022	$	13,370	1,572	14,942
December 31, 2022	$	9,443	1,223	10,666

(IX) Intangible assets

The statement of changes in the Consolidated Company's intangible assets is as follows:

		Computer software	Goodwill	Total
Cost:				
Balance on January 1, 2023	$	818	12,074	12,892
Disposals		(303)	-	(303)
Balance on December 31, 2023	$	515	12,074	12,589
Balance on January 1, 2022	$	1,808	12,074	13,882
Disposals		(990)	-	(990)
Balance on December 31, 2022	$	818	12,074	12,892
Amortization and impairment:				
Balance on January 1, 2023	$	651	12,074	12,725
Amortization		115	-	115
Disposals		(303)	-	(303)
Balance on December 31, 2023	$	463	12,074	12,537
Balance on January 1, 2022	$	1,419	12,074	13,493
Amortization		222	-	222
Disposals		(990)	-	(990)
Balance on December 31, 2022	$	651	12,074	12,725
Carrying amount:				
December 31, 2023	$	52	-	52
January 1, 2022	$	389	-	389
December 31, 2022	$	167	-	167

The amortization expense of intangible assets is recognized in the following items in the Consolidated Statement of Comprehensive Income:

	2023	2022
Operating Expense	$ 115	222

The Consolidated Company did not provide any intangible assets as collateral.

(X) Long-term borrowings

The Consolidated Company's long-term borrowings are detailed as follows:

	2022.12.31
Secured bank loan	$ 34,968
Less: a current portion	(2,085)
Total	$ 32,883
Interest rate range	2.2%
Maturity date	126/06/15

1. Collateral for bank borrowings

Please refer to Note 8 for the Consolidated Company's assets pledged as collateral for bank loans.

2. Repayment of borrowings

In July 2023, the Consolidated Company fully paid off its long-term secured loan, totaling NT$34,968 thousand, in advance.

(XI) Lease liabilities

The carrying amounts of the Consolidated Company’s lease liabilities were as follows:

	2023.12.31	2022.12.31
current	$ 996	780
non-current	$ 2,683	9,671

For information on liquidity risk exposure, please refer to Note 6(20) Financial instruments.

The amount recognized in profit or loss for the lease were as follows:

	2023	2022
Interest expenses on lease liabilities	$ 169	238
Rent expenses relating to short-term leases	$ 81	63
Lease modification losses (gains)	$ 271	(548)
Expense of low-value lease assets	$ 90	-
Variable lease payments not included in the measurement of lease liabilities	$ 642	-

The amounts recognized in the Statement of Cash Flows are as follows:

	2023	2022
Total cash outflow for leases	$ 1,843	1,039

1. Lease of land and buildings

The Consolidated Company leases building and structure for its office space or place of business with a lease period of 5 years. In addition, the original lease contract of the land was terminated early on August 11, 2023.

In 2023, some of the Consolidated Company's new lease contracts stipulated that, in addition to the fixed payment, the lease payments also included variable payments based on the sales amount of the leased stores. Such terms are common in the store leases in the area where the Consolidated Company operates. The fixed and variable rents paid by the Consolidated Company in 2023 are as follows:

	2023			
	Fixed payments	**Variable payments**	**Total**	**The estimated impact of every 1% increase in sales on rent**
Lease contract with variable payments calculated based on sales amount	$ 292	642	934	9

The Consolidated Company expects that the proportion of fixed and variable rental payments paid in future years will be roughly consistent with that of the current period.

2. Other leases

The Consolidated Company leases the parking space and other equipment, both which are classified as a short-term lease or a low-value lease. It has elected to apply the recognition exemption and not to recognize related right-of-use assets and lease liabilities.

(XII) Operating lease

The underlying assets lease, in which the Consolidated Company acts as a lessor, include buildings and construction. The lease contract periods are from 2022 to 2026. The lease contracts are individually negotiated and include various terms and conditions. The maturity analysis is presented by the total amount of undiscounted lease payments to be received after the reporting date as shown in the following table:

	2023.12.31	2022.12.31
Within 1 year	$ -	5,571

The rent revenue arising from the aforesaid transactions in 2023 and 2022 amounted to NT$3,408 thousand and NT$4,428 thousand, respectively.

(XIII) Employee benefits

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

The Consolidated Company's defined contribution plan is based on the Labor Pension Act, and the contribution rate is 6% of the employees' monthly wages to employees' personal pension accounts at the Bureau of Labor Insurance Under this plan, the Consolidated Company has no legal or constructive obligations to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

The Consolidated Company's pension expenses under the defined contribution pension plan were $336 thousand and $502 thousand for 2023 and 2022, respectively.

(XIV) Income taxes

1. Income tax expenses

		2023	2022
Current income tax expense	$	-	-
Deferred income tax expense		-	-
	$	-	-

The Consolidated Company had no income tax expense recognized directly in equity and other comprehensive income in 2023 and 2022.

Reconciliation of income tax expense to net profit (loss) before tax is as follows:

		2023	2022
Profit (Loss) Before Tax	$	30,890	(2,671)
Income tax based on the domestic tax rate of the Company's jurisdiction	$	6,178	(534)
Adjustments for tax return according to laws and regulations		531	-
Tax-exempted income pursuant to the tax laws		(535)	(1,013)
Non-deductible expenses		278	-
Current tax loss unrecognized as deferred tax assets		109	5,405
Temporary difference unrecognized as deferred tax assets		-	(3,858)
Tax losses unrecognized in prior periods		(6,561)	-
Income tax	$	-	-

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

The items that have not been recognized by the Consolidated Company as deferred tax assets are as follows:

		2023.12.31	2022.12.31
Deductible temporary differences	$	4,679	68,436
Tax losses		755,350	723,505
	$	760,029	791,941

According to the R.O.C Income Tax Act, tax losses refer to net losses, as assessed by the tax authorities, which can be used to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Consolidated Company can utilize the temporary differences therefrom.

As of December 31, 2023, the Consolidated Company's unutilized tax losses, for which no deferred tax assets were recognized, expire in the following years:

Loss occurrence year	Unutilized creditable amount		Expiry year
2014	$	65,796	2024
2015		267,747	2025
2016		116,722	2026
2017		101,626	2027
2018		36,348	2028
2019		35,421	2029
2020		71,802	2030
2021		33,082	2031
2022		26,261	2032
2023 (expected)		545	2033
Total	$	755,350	

(2) Unrecognized deferred tax liabilities: None.

(3) Recognized deferred tax assets and liabilities: None.

3. Status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

(XV) Capital and other equity

1. Common stock capital

As of December 31, 2023 and 2022, the Company's total authorized capital is NT$3,500,000 (NT$330,000 of the total shares are retained for the issuance of employee stock options) and the paid-in capital is NT$147,000 with a par value of NT$10 per share and 14,700 thousand shares. Payment for the shares issued has all been received.

Reconciliation of the number of the Company's outstanding shares for 2023 and 2022 is as follows:

	Common stock	
(Expressed in thousand shares)	2023	2022
Opening balance on January 1	14,700	60,000
Capital reduction	-	(45,300)
Ending balance on December 31	14,700	14,700

In order to enrich the working capital, the Board of Directors resolved to introduce strategic investors through private placement to raise funds on February 24, 2023. The Company is to issue up to 20,000 thousand common shares for the private placement, totaling NT$200,000 thousand, which was resolved by the shareholders' meeting on June 6, 2023. However, it is still pending for approval of the Company's meeting of the Board of Directors on the base date of the private placement.

The motion for capital reduction to make up losses with special reserve and capital surplus was approved at the Company's annual general meeting held on May 31, 2022. The capital reduction eliminated NT$453,000 thousand in capital, representing a reduction ratio of 75.5%. The base date for the capital reduction is October 7, 2022. The change of registration has been completed.

2. Capital surplus

The balances of the Consolidated Company's capital surplus are as follows:

	2023.12.31	2022.12.31
Recognition of changes in ownership interest of subsidiaries	$ 169	103

In accordance with the Company Act, capital surplus must first be used to make up for losses before new shares or can be issued or cash can be paid in proportion to the shareholders' original shares based on the realized capital surplus. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized as equity in an amount not exceeding 10% of the paid-in capital each year.

On May 31, 2022, the Company's shareholders' meeting resolved and approved the use of capital surplus of NT$4,557 thousand to offset losses.

3. Retained earnings

In accordance with the Company’s Articles of Incorporation, if there are earnings in a semi-annual or annual fiscal year, the Company shall estimate and retain taxable contributions, make up for losses in accordance with the law, and set aside 10% as legal reserves. However, this provision does not apply when the accumulated legal reserve has reached the Company’s paid-in capital. Earnings shall be appropriated or reversed as special reserve in accordance with the law or the regulations of the competent authority. Any remaining earnings shall be added to the accumulated earnings undistributed as dividends to the shareholders. The Board of Directors shall prepare the earnings distribution proposal and submit it to the shareholders’ meeting for resolution on the distribution. If earnings are distributed in the form of cash, a special resolution shall be adopted by the Board of Directors.

Percentage of cash and stock dividends semiannually: The Company distributes dividends to shareholders in cash dividends and stock dividends every half a fiscal year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

Percentage of cash and stock dividends annually: The Company distributes dividends to shareholders in cash dividends and stock dividends after earnings are finalized each year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

For the distribution of the aforementioned earnings, the Board of Directors may adjust the proportion of cash and stock dividends distribution after considering the Company's operation and capital expenditure needs, and draft a distribution proposal in the form of new shares issuance. Issue of new shares shall be approved at the shareholdings’ meeting.

(1) Legal reserve

The Company may issue new shares or pay cash from the legal reserve up resolution of the shareholders' meeting when the Company has no losses, but limited to the part of the legal reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

The Compensation had accumulated deficit in both 2022 and 2021. On June 6, 2023 and May 31, 2022, respectively, the Company's shareholders' meeting resolved the distribution of earnings for 2022 and 2021. The related information can be accessed through channels such as MOPS.

The amount of cash dividends for the 2023 earnings distribution proposal was resolved by the Board of Directors on February 27, 2024. The amounts of dividends distributed to shareholders were as follows:

	2023	
	Distribution rate (NTD)	**Amount**
Dividends per share distributed to shareholders of common stock (NTD):		
Cash	$ 1.8	$ 26,460

4. Other equity (net of tax)

	Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss
Balance on January 1, 2023	$ (20,256)
Unrealized gain on the valuation of financial assets at fair value through other comprehensive income	26,520
Disposal of financial instrument measured at fair value through other comprehensive income	(2,873)
Balance on December 31, 2023	$ 3,391
Balance on January 1, 2022	$ 17,173
Unrealized loss on the valuation of financial assets at fair value through other comprehensive income	(39,144)
Disposal of financial instrument measured at fair value through other comprehensive income	1,715
Balance on December 31, 2022	$ (20,256)

(XVI) Earnings (losses) per share

The calculations of the Consolidated Company's basic and diluted earnings (losses) per share are as follows:

	2023	**2022**
Basic earnings (losses) per share		
Net profit (loss) for the period attributable to shareholders of the Company's common stock	$ 31,050	(2,671)
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Basic earnings (losses) per share (NTD)	$ 2.11	(0.18)

	2023	2022
Diluted earnings (losses) per share		
Net profit (loss) attributable to shareholders of the Company's common stock	$ 31,050	(2,671)
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Effect of dilutive potential common shares		
－Compensation to employees (thousand shares)	3	-
Weighted average number of common shares outstanding (thousand shares) (after adjustment for the effect of dilutive potential common shares)	14,703	14,700
Diluted earnings (losses) per share (NTD)	$ 2.11	(0.18)

The motion for capital reduction to cover losses was approved by the shareholders' meeting held on May 31, 2022. The meeting of the Board of Directors resolved to set October 7, 2022 as the base date for capital reduction. The weighted average number of shares outstanding was adjusted retroactively according to the ratio of capital reduction to cover loss made by the capital reduction in 2022.

(XVII) Revenue from contracts with customers

1. Breakdown of revenue

	2023	2022
Major market by region:		
Taiwan	$ 85,258	10,891
Mainland China	-	715
Europe	-	903
USA	95	1,227
Others	-	4,696
Total	$ 85,353	18,432
Main product/service lines:		
Integrated circuit	$ -	7,526
System module	6,910	10,906
Catering revenue	11,669	-
Decoration engineering	64,216	-
Sale of building materials	2,558	-
Total	$ 85,353	18,432

2. Contract balance

	2023.12.31	2022.12.31	2022.1.1
Accounts receivable	$ 1,939	-	555
Accounts receivable - related parties	78,312	9,969	-
	$ 80,251	9,969	555
Contract liabilities - current	$ 2,033	172	84

Please refer to Note 6(4) for the disclosure of accounts receivable (including related parties) and the impairment thereof.

NT$80 thousand and NT$0 thousand of opening contractual liabilities as at January 1, 2023 and 2022, were later recognized as income for 2023 and 2022, respectively.

(XVIII) Remuneration to employees and directors

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate 1% to 10% of the total amount for employee remuneration and not more than 0.5% for director remuneration. However, if the Company still has accumulated deficit, the amount shall be retained in advance to compensate for the deficit. The remuneration to employees referred to in the preceding paragraph may be paid in shares or cash. The rewards in shares or cash may include employees of the Company's controlling or subordinate companies meeting certain criteria, and the Board of Directors is authorized to determine such relevant regulations.

In 2023, the Company allocated $269 thousand in remuneration for employees and $0 for directors. These remunerations were calculated by multiplying the Company's net profit before tax before deducting remuneration for employees and directors by the percentages of remuneration for employees and directors, stipulated in the Company's Articles of Incorporation. They were recognized as operating expenses for the period. Since there was an accumulated deficit in 2022, no remuneration to employees and directors was recognized by the Company. For information on the aforementioned employees' and directors' remuneration as resolved by the Board of Directors, please refer to the MOPs.

(XIX) Non-operating income and expenses

1. Interest revenue

Breakdown of the Consolidated Company's interest revenue is as follows:

	2023	2022
Interest from bank deposits	$ 179	83
Financial assets of interest income at amortized cost	244	33
Others	2	-
	$ 425	116

2. Other income

Breakdown of the Consolidated Company's other income is as follows:

	2023	2022
Rental revenue	$ 3,408	4,667
Dividend revenue	142	5,067
Others	112	676
	$ 3,662	10,410

3. Other gains and losses

Breakdown of the Consolidated Company's other gains and losses is as follows:

		2023	2022
Foreign currency exchange gain	$	67	358
Net gains on disposal of property, plant and equipment		34,788	-
Lease modification gains (losses)		(271)	548
Other losses		(18)	(154)
	$	34,566	752

4. Financial costs

Breakdown of the Consolidated Company's financial costs is as follows:

		2023	2022
Borrowings from banks	$	430	393
Others		271	275
	$	701	668

(XX) Financial instruments

1. Credit risk

(1) Amount of maximum credit risk exposure

The carrying amounts of financial assets and accounts receivable (including related parties) represent the amount of maximum credit risk exposure.

(2) Concentration of credit risk

To reduce credit risk of accounts receivable, the Consolidated Company continuously evaluates the financial position of its customers and requires collateral from customers if necessary. The Consolidated Company regularly evaluates the possibility of accounts receivable recovery and recognizes allowance for losses. The impairment loss is always within management's expectations.

As of December 31, 2023 and 2022, approximately 70.11% and 100.00% of the Consolidated Company’s accounts receivable (including related parties) were concentrated with the same company, respectively.

(3) Credit risk associated with accounts receivable

Please refer to Note 6(4) for the information regarding the exposure to credit risk associated with accounts receivable (including related parties).

Other financial assets at amortized cost include other receivables, refundable deposits, and time deposit (recognized under "financial assets at amortized cost - current and non-current"), all of which are financial assets with low credit risk. Therefore, the allowance for losses for the period is measured based on the 12-month expected credit losses. After assessment, it has been determined that no expected credit loss should be recognized.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the effect of net agreements.

		Carrying amount	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023								
Non-derivative financial liabilities								
Accounts payable	$	42,084	42,084	42,084	-	-	-	-
Other payables		4,328	4,328	4,328	-	-	-	-
Other payables - related parties		10,021	10,021	21	10,000	-	-	-
Lease liabilities		3,679	3,841	535	535	1,070	1,701	-
	$	60,112	60,274	46,968	10,535	1,070	1,701	-
December 31, 2022								
Non-derivative financial liabilities								
Secured bank loans (including long-term borrowings due within a year)	$	34,968	40,593	1,400	1,400	2,799	8,399	26,595
Other payables		7,096	7,096	7,096	-	-	-	-
Lease liabilities		10,451	18,164	488	488	976	2,373	13,839
Guarantee deposits received		9,044	9,044	-	9,044	-	-	-
	$	61,559	74,897	8,984	10,932	3,775	10,772	40,434

The Consolidated Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

3. Exchange rate risk

The Consolidated Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk were as follows:

		2023.12.31			2022.12.31		
		Foreign currency	Foreign exchange rate	NTD	Foreign currency	Foreign exchange rate	NTD
Financial assets							
Monetary items							
USD	$	214	30.655	6,545	237	30.66	7,261

The Consolidated Company's exchange rate risk arises mainly from foreign-currency denominated cash and cash equivalents, as well as financial assets at amortized cost, which result in foreign currency exchange gains or losses upon translation. As of December 31, 2023 and 2022, if NTD had depreciated or appreciated by 1% against USD, with all other factors held constant, net profit before tax would had increased or decreased by NT$65 thousand and NT$73 thousand for 2023 and 2022, respectively. The same basis was used in the analysis for both periods.

Due to fluctuations in the exchange rate of the Consolidated Company’s functional currency, the foreign currency exchange gains (including both realized and unrealized) for 2023 and 2022 were NT$67 thousand and NT$358 thousand, respectively.

4. Interest rate analysis

The Consolidated Company's interest rate risk on financial liabilities is described in Liquidity Risk of this Note.

The following sensitivity analysis is based on the interest rate risk of both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of the liabilities outstanding at the reporting date were outstanding for the entire year.

If interest rates had increased or decreased by 1%, with all other variables held constant, the Consolidated Company's net profit after tax would have decreased or increased by NT$0 thousand and NT$3 thousand for 2023 and 2022, respectively, primarily due to the Consolidated Company's variable rate borrowings.

5. Other price risks

If the price of financial instruments had changed at the reporting date (the same basis is used for the analysis of both periods and other variables are assumed to be constant), the impact on the comprehensive income items would have been as follows:

	2023		2022	
Price of securities at reporting date	**Impact on other comprehensive income after tax**	**Profit or loss after tax**	**Impact on other comprehensive income after tax**	**Profit or loss after tax**
Increase by 3%	$ 2,038	-	2,064	-
Decrease by 3%	$ (2,038)	-	(2,064)	-

6. Fair value information

(1) Types and fair values of financial instruments

Financial assets at fair value through other comprehensive income of the Consolidated Company are measured at fair value on a recurring basis. Carrying amount and fair value of the Company's financial assets and financial liabilities (including information on fair value hierarchy; however, for financial instruments that are not measured at fair value, whose carrying amount is a reasonable approximation of fair values, and lease liabilities, the disclosure of fair value information is not required) were presented as below:

	2023.12.31				
		Fair value			
	Carrying amount	Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income/loss					
Stocks of TWSE/TPEx-listed company	$ 84,901	84,901	-	-	84,901
Financial assets at amortized cost					
Cash and cash equivalents	59,024	-	-	-	-
Financial assets at amortized cost- current	3,723	-	-	-	-
Accounts receivable (including related parties)	80,251	-	-	-	-
Other receivables	1,197	-	-	-	-
Refundable deposits	728	-	-	-	-
Subtotal	144,923				
Total financial assets	$ 229,824				
Financial liabilities measured at amortized cost					
Accounts payable	$ 42,084	-	-	-	-
Other payables (including related parties)	14,349	-	-	-	-
Lease liabilities	3,679	-	-	-	-
Total financial liabilities	$ 60,112				

	2022.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income- non-current					
Stocks of TWSE/TPEx-listed company	$ 85,997	85,997	-	-	85,997
Financial assets at amortized cost					
Cash and cash equivalents	30,125	-	-	-	-
Financial assets at amortized cost- current	5,850	-	-	-	-
Accounts receivable - related parties	9,969	-	-	-	-
Other receivables	3	-	-	-	-
Financial assets at amortized cost- non-current	1,750	-	-	-	-
Refundable deposits	97	-	-	-	-
Subtotal	47,794				
Total financial assets	$ 133,791				
Financial liabilities measured at amortized cost					
Secured bank loans (including long-term borrowings due within a year)	$ 34,968				
Other payables	7,096	-	-	-	-
Lease liabilities	10,451	-	-	-	-
Guarantee deposits received	9,044	-	-	-	-
Total financial liabilities	$ 61,559				

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

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

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

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

(2) Fair value measurement techniques for financial instruments at fair value

Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted market price in the active market. The market price announced by major exchanges and the OTC trading centers for central government bonds, which are judged to be popular, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

Stocks of TWSE/TPEx-listed company held by the Consolidated Company are financial assets with standard terms and are publicly traded in active markets. Their fair values are calculated based on the market's quoted prices.

Except for the aforementioned financial instruments that are traded in active markets, other financial instruments are measured with fair values provided by using the valuation techniques. Fair values provided by using the valuation techniques may be based on the present fair value of other financial instruments with similar practical conditions and characteristics, the discounted cash flow method, or other available methods. The main assumption underlying the fair value determined through the discounted cash flow method is that the expected future cash flows of the investee are discounted at a rate of return that accounts for both the time value of money and investment risk.

(3) Transfers between level 1 and level 2 of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the years ended December 31, 2023 and 2022.

(4) There were no financial assets with level 3 input held by the Consolidated Company.

(XXI) Financial risk management

1. Overview

The Consolidated Company has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This Note presents information regarding the Consolidated Company's exposure to risks mentioned above, as well as its objectives, policies and processes for measuring and managing said risks. For more disclosures about the quantitative effects, please refer to the respective notes in the accompanying consolidated financial statements.

2. Structure of risk management

The Board of Directors holds sole responsibility for establishing and overseeing the Consolidated Company's risk management structure.

The Consolidated Company adopts a comprehensive risk management and control system to identify all the Consolidated Company's risks (including market risk, Credit risk, liquidity risk and cash flow risk). Hence, the Company's management is able to effectively control and measure market risk, credit risk, liquidity risk and cash flow risk, and mitigate potential adverse effects on the Consolidated Company's financial position and financial performance.

3. Credit risk

Guarantees

In accordance with the Company's policy, the Consolidated Company can only provide financial guarantees to subsidiaries wholly owned by the Company. As of December 31, 2023 and 2022, the Consolidated Company did not provide any endorsements or guarantees.

Credit risk is the risk of financial loss to the Consolidated Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly stems from the counterparty's failure to pay the contractual cash flows associated with accounts receivable, other receivables, and time deposits classified for measurement at amortized cost, as per the collection terms.

The Consolidated Company has established its credit risk management from a corporate perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy formulated by the Company, each business unit within the Company shall conduct the management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions. The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, and past experience and other factors. The individual risk limit is formulated by the Board of Directors according to the internal or external ratings, and the use of the credit limit is monitored regularly.

4. Liquidity risk

Liquidity risk is the risk that the Consolidated Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Consolidated Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient current funds under both normal and pressured conditions to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Consolidated Company's reputation. In addition, the Consolidated Company's unused loan facilities as of December 31, 2023 and 2022, were both NT$0.

5. Market risk

The Consolidated Company's market risk management objectives are to reach the optimal risk exposure, maintain appropriate liquidity and manage all market risks centrally with proper consideration of the economic environment, competitive circumstances and the impact of market value risk.

(1) Exchange rate risk

The Consolidated Company's foreign currency transactions are mainly due to the export and import of goods, which are mainly in U.S. dollars. The related exchange rate risk arises from assets and liabilities recognized in future business transactions The Consolidated Company adopts a conservative and prudent approach to handle foreign-currency deposits so as to reduce the risk arising from sharp fluctuations in market exchange rates.

(2) Interest rate risk

The Consolidated Company's borrowed funds generate risks of fluctuations in the fair value or future cash flows due to changes in interest rates. The Consolidated Company's policy is to manage the risk exposure to changes of borrowing interest rates, to evaluate based on the market interest rate trend, and to manage interest rate risk by maintaining a suitable mix of floating and fixed interest rates.

(3) Other market price risk

The equity price risk is the risk of uncertainty in the future prices of the equity instruments held by the Consolidated Company. The Consolidated Company manages the price risk of equity instruments through diversification of investments and regularly obtaining an understanding of the financial status of equity instruments.

(XX) Capital management

The Consolidated Company's capital management objectives are to protect the company's continuing operations, to maintain an optimal capital structure in order to reduce the cost of capital, thus providing returns for shareholders. In order to maintain or adjust the capital structure, the Consolidated Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debt.

The Consolidated Company uses the debt-to-equity ratio as the basis for managing its capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital is all components of the equity (i.e., share capital, capital surplus, retained earnings, other equity, and non-controlling interest). The Consolidated Company's capital management strategy in 2023 is the same as that in 2022. The debt-to-equity ratios at the reporting date were as follows:

	2023.12.31	2022.12.31
Total liabilities	$ 62,215	61,764
Less: Cash and cash equivalents	59,024	30,125
Net debt	$ 3,191	31,639
Total equity	$ 182,971	122,461
Debt-to-equity ratio	1.74%	25.84%

(XXIII) Financing activities of non-cash transactions

Changes in liabilities arising from financing activities were as follows:

	2023.1.1	Cash flow	Non-cash changes	2023.12.31
Secured bank loans (including long-term borrowings due within a year)	$ 34,968	(34,968)	-	-
Lease liabilities	10,451	(1,030)	(5,742)	3,679
Guarantee deposits received	9,044	(9,044)	-	-
Total liabilities from financing activities	$ 54,463	(45,042)	(5,742)	3,679

	2022.1.1	Cash flow	Non-cash changes	2022.12.31
Long-term borrowings (including long-term borrowings due within a year)	$ -	34,968	-	34,968
Lease liabilities	15,261	(738)	(4,072)	10,451
Guarantee deposits received	36	9,008	-	9,044
Total liabilities from financing activities	$ 15,297	43,238	(4,072)	54,463

VII. Related Party Transactions

(I) The name and relationship of the related party

The followings are the Consolidated Company’s subsidiaries and other related parties that have had transactions with the Consolidated Company during the periods covered in the consolidated financial statements.

Name of Related Party	Relationship with the Company
Sun Yad Construction Co., Ltd. (hereinafter referred to as “Sun-Yad”)	Parent
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. (hereinafter referred to as “U-BEST”)	Other related party
Boromi Optronics Corp. (hereinafter referred to as “Boromi”)	Other related party
Shang Yu Construction Co., Ltd. (hereinafter referred to as "Shang Yu")	Other related party

(II) Significant related-party transactions

1. Operating Revenue

The amount of significant sales by the Consolidated Company to related parties were as follows:

	2023	2022
Parent - Sun-Yad	$ 64,216	-
Other related party - Shang Yu	2,558	-
Other related party - U-BEST	2,719	1,197
Other related party - Boromi	4,096	10,665
Total	$ 73,589	11,862

There are no comparable non-related-party transactions of the same nature to serve as a reference for the Consolidated Company’s selling prices to other related parties. Revenue collection follows the agreed-upon stage of completion outlined in the contract. Payment terms involve half paid through cash remittance and the remaining half through remittance within 45 days. However, there are no comparable non-related-party transactions of the same nature available for reference in determining these terms.

2. Receivables from related parties

The Consolidated Company's receivables from related parties are as follows:

Title	Type of related party	2023.12.31	2022.12.31
Accounts receivable - related parties	Parent - Sun-Yad	$ 56,262	-
Accounts receivable - related parties	Other related party - Boromi	-	9,969
Accounts receivable - related parties	Other related party - Shang Yu	22,050	-
		$ 78,312	9,969

3. Contract liabilities - current

The breakdown of the Consolidated Company's contract liabilities - current is as follows:

Title	Type of related party	2023.12.31	2022.12.31
Contract liabilities - current	Parent - Sun-Yad	$ 2,033	-
Contract liabilities - current	Other related party - U-BEST	-	76
		$ 2,033	76

4. Loans from related parties

	2023.12.31					
	The date with the highest balance	The highest balance of actual usage	The ending balance of actual usage	Annual interest rate	Interest expense	Interest payable at the ending of period
Parent - Sun-Yad	July 2023	$ 10,000	10,000	3%	46	21

There was no such transaction in 2022.

5. Leases

The Consolidated Company rented an office space from U-BEST, its other related party, and signs a five-year lease contract. The rent was determined with reference to neighboring offices.

As of December 31, 2023 and 2022, the balances of net right-of-use assets were NTD 873 thousand and NTD 1,223 thousand, respectively.

As of December 31, 2023 and 2022, the balances of refundable deposits amounted to NTD 97 thousand each.

As of December 31, 2023 and 2022, the balances of lease liabilities were NTD 898 thousand and NTD 1,243 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company recognized the amount of NTD 25 thousand and NTD 33 thousand as interest expense, respectively.

6. Dividends received

The Company received cash dividends of NTD 142 thousand from Sun-Yad, its parent company, in 2023.

(III) Transactions related to key management

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 5,090	5,188

VIII. Pledged Assets

The carrying values of assets pledged by the Consolidated Company as collaterals were as follows:

Name of asset	Subject asset pledged as collateral	2023.12.31	2022.12.31
Building and structure	Guarantee for long-term borrowings from banks	$ -	37,094
Restricted time deposit (Note)	Guarantee for customs duties	-	1,140
Restricted time deposit (Note)	Guarantee of land lease by the Hsinchu Science Park Bureau	-	610
		$ -	38,844

(Note) It was recognized as financial assets measured at amortized cost - non-current.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2023, the Company had signed contracts for decoration works totaling NTD 79,518 thousand, with NTD 21,543 thousand remaining unfinished.

X. Significant disaster loss: None.

XI. Significant events after the balance sheet date: None.

XII. Others

(I) Employee benefits, depreciation, depletion and amortization expense by functions are summarized as follows:

Function / Nature	2023 As operating costs	2023 As operating expenses	2023 Total	2022 As operating costs	2022 As operating expenses	2022 Total
Employee benefits expense (Note)						
Salary expenses	1,646	7,186	8,832	-	10,221	10,221
Labor/national health insurance expenses	139	728	867	-	954	954
Pension expenses	58	278	336	-	502	502
Directors' remuneration	-	5,096	5,096	-	6,952	6,952
Other personnel expenses	47	246	293	-	415	415
Depreciation expense	127	2,700	2,827	-	2,684	2,684
Amortization expense	-	115	115	-	222	222

XIII. Disclosure of notes

(I) Information on significant transactions:

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Consolidated Company should disclose the following information regarding material transactions in 2023:

1. Lending funds to others:

No.	Lender	Borrower	Account name	Related party	Highest balance during the period	Balance, ending	Actual usage during the period	Range of interest rate	Purposes of fund financing for the borrowers (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral Name	Collateral Value	Individual funding loan limits (Note 2)	Maximum limitation on fund financing (Note 2)	Remark
0	The Company	ZAVIO Inc.	Other receivables - related parties	Yes	15,000	15,000	-	3%	2	-	Operating capital	-	None	-	36,019	45,024	-
0	The Company	Yuan Qiao Limited	Other receivables - related parties	Yes	15,000	15,000	3,000	3%	2	-	Operating capital	-	None	-	36,019	45,024	(Note 3)

(Note 1) Purposes of fund financing for the borrowers are as follows:

1. Those with business contact.
2. Those necessary for short-term financing

(Note 2) Individual and total maximum funding loan limits

1. Capital loaned to other parties should not exceed 25% of the Company's net worth, of which the sum loaned to an individual enterprise should not exceed 20% of the Company's net worth.
2. Capital loaned to other entities for capital requirements should not exceed 25% of the Company's net worth.
3. Capital loaned to other entities with whom the Company engages in normal business transactions should not exceed 25% of the Company's net worth. The individual loan amount should not exceed the total business transaction amount conducted between the two parties in the most recent year. The so-called "business transaction amount" refers to the greater value of purchases or sales between the two parties.

(Note 3) The above transactions have been fully eliminated when preparing consolidated financial statements.

2. Providing endorsements or guarantees for others: None.
3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture):

Security holder	Type and name of securities	Relationship with the securities issuer	Account name	Ending				Highest number of shares held during the period	Remark
				Number of shares/unit	Carrying amount	Shareholding ratio (%)	Fair value		
The Company	Sun Yad Construction Co., Ltd.	Parent company and subsidiary	Financial assets at fair value through other comprehensive income- non-current	258,291	3,280	0.09	3,280	258,291	-
The Company	HSIN-LI CHEMICAL INDUSTRIAL CORP.	Other related party	〃	1,775,000	38,251	2.63	38,251	2,570,000	-
The Company	Feei Cherng Develop Technology Co., Ltd.	Other related party	〃	240,000	2,760	0.14	2,760	240,000	-
The Company	U-BEST Innovative Technology Co., Ltd	Other related party	〃	2,997,000	40,610	2.14	40,610	2,997,000	-

4. Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of paid-in capital or more: None.
5. Acquisition of property reaching NT$300 million or 20% of paid-in capital or more: None.
6. Disposal of property reaching NT$300 million or 20% of paid-in capital or more:

Property disposed of by	Name of property	Transaction date or date of occurrence	Acquisition date	Book value	Transaction amount	Status of payment	Profit or loss on disposal	Counterparty	Relationship	Purpose of Disposal	Reference for determining price	Other covenants
Myson Century, Inc.	Buildings	July 2023	90.12	36,298	71,086	Paid in full	34,788	ALL RING TECH CO., LTD.	Non-related party	To enrich working capital	Real estate appraisal report	None

7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more:

Purchasing / (selling) company	Counterparty	Relationship	Transaction details				Circumstances and reasons for the discrepancy in the transaction terms from normal transactions		Notes/accounts receivable (payable)	
			Purchases / (sales)	Amount	% to total purchase / (sales)	Credit period	Unit price	Credit period	Ending balance	% to total notes/accounts receivable (payable)
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	Sale of goods	64,216	75.24 %	45 days	-	-	56,262	70.11%

8. Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more:

Accounts receivable recognized by	Counterparty	Relationship	Ending balance of receivables from related parties	Turnover rate (%)	Receivables from related parties overdue		Amount of receivables from related parties received in subsequent periods	Allowance for losses	Remark
					Amount	Action taken			
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	56,262	2.28%	-	-	32,281	-	

9. Trading in derivative instruments: None.
10. Business dealings and key transactions between parent company and subsidiaries:

No.	Name of trader	Trading counterpart	Relationship with the counterparty	Transaction				Remark
				Account	Amount	Trading terms	Percentage in consolidated gross operating revenue or gross assets	
0	The Company	ZAVIO Inc.	1	Rental revenue	11	Per the contract	0.01%	(Note 2)
0	The Company	Yuan Qiao Limited	1	Other receivables - related parties	3,004	Per the contract	1.23%	(Note 2)

(Note 1): Relationship with the transacting party is denoted as follows:

1. Parent company to a subsidiary.
2. A subsidiary to the parent company.
3. A subsidiary to a subsidiary.

(Note 2): Fully eliminated when preparing consolidated financial statements.

(II) Information regarding investees (excluding those in Mainland China):

Information on the Consolidated Company's investees for 2023 is as follows (excluding those in Mainland China):

Unit: Shares

Investor company	Investee company	Location	Main business	Original investment amount		Held at year end			Highest shareholding position or contribution during the period	Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2023.12.31)	End of last year (2022.12.31)	Number of shares	Ratio	Carrying amount				
The Company	ZAVIO Inc.	Taiwan	Surveillance webcam	68,274	68,274	1,576,937	100.00%	16,576	100%	193	193	(Note)
The Company	Yuan Qiao Limited	Taiwan	Restaurants	14,900	-	-	82.78%	13,813	88.9%	(1,313)	(1,153)	(Note)

(Note) Fully eliminated when preparing consolidated financial statements.

(III) Information on investments in the Mainland China:

(IV) Information on major shareholders:

Unit: Shares

Share Name of major shareholder	Shares held	Share holding ratio
Sun Yad Construction Co., Ltd.	2,507,367	17.05%
HSIN-LI CHEMICAL INDUSTRIAL CORP.	1,445,000	9.82%
Chi Hang Investment Co., Ltd.	1,230,229	8.36%
Quan-Gong Song	1,139,125	7.74%
Huo Jui Investment Co. Lit.	782,530	5.32%

Note: (1) The information about major shareholders herein is generated based on TDCC's calculation of the number of shares already registered and delivered by the shareholders (including treasury stock), totaling 5% or more, in intangible form at the last business day of each quarter. The capital stock referred to the Company's financial report and the number of shares already registered and delivered by the Company vary or be different due to the basis of calculation.

(2) If the shareholder puts the shares held by it under trust, said information shall be disclosed by the individual client of the trust account opened by the trustee. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, the shares held shall include the shares held by the shareholder per se, plus the shares he puts under trust and with the right to decide and utilize the trust property. For the insider equity presentation information, please refer to the MOPS.

XIV. Segment information

(I) The management of the Consolidated Company has identified the reportable segments based on the information reported to the chief operating decision maker for the decision making. Decision makers of the Consolidated Company manage business affairs at the company level.

The decision makers of the Consolidated Company evaluate the performance of the operating segments based on the profit (loss) before tax. This measurement excludes the impact of extraordinary income and expenses of each operating segment. The accounting policies of the operating segments are the same as the summary of significant accounting policies described in Note 4 of the consolidated financial statements.

Information and reconciliation of the Consolidated Company's operating segments are as follows:

	2023				
	Myson Century, Inc	**ZAVIO Inc.**	**Yuan Qiao Limited**	**Adjustment and elimination**	**Total**
Revenue:					
Revenue from external customer	$ 66,774	6,910	11,669	-	85,353
Total revenue	**$ 66,774**	**6,910**	**11,669**	**-**	**85,353**
Profit (loss) of reportable segment	**$ 31,050**	**193**	**(1,313)**	**960**	**30,890**
Assets of reportable segment	**$ 236,942**	**17,136**	**24,501**	**(33,393)**	**245,186**

	2022			
	Myson Century, Inc	**ZAVIO Inc.**	**Adjustment and elimination**	**Total**
Revenue:				
Revenue from external customer	$ 7,526	10,906	-	18,432
Total revenue	**$ 7,526**	**10,906**	**-**	**18,432**
Profit (loss) of reportable segment	**$ (2,671)**	**8,233**	**(8,233)**	**(2,671)**
Assets of reportable segment	**$ 183,616**	**16,992**	**(16,383)**	**184,225**

1. The profit (loss) of reportable segment for 2023 and 2022 shall eliminate inter-segment profit (loss) of NT$960 thousand and NT$8,233 thousand, respectively.
2. The assets of reportable segment for 2023 and 2022 shall eliminate inter-segment assets of NT$33,393 thousand and NT$16,383 thousand, respectively.

(II) Information on product and service categories

The information of the Consolidated Company's revenue from external customers is as follows:

Name of product and service	2023	2022
Integrated circuit	$ -	7,526
System module	6,910	10,906
Sale of building materials	2,558	-
Decoration engineering	64,216	-
Catering service	11,669	-
Total	$ 85,353	18,432

(III) Regional Disclosure

Disclosure of regional information is as follows. Income location is determined based on customers' geographic presence, whereas location of non-current assets is determined based on the asset's physical presence.

By region	2023	2022
Revenue from external customer:		
Taiwan	$ 85,258	10,891
Mainland China	-	715
USA	95	1,227
Europe	-	903
Others	-	4,696
Total	$ 85,353	18,432
Non-current assets:		
Taiwan	$ 9,942	48,896
Total	$ 9,942	48,896

Non-current assets include property, plant, equipment, intangible asset, and other assets, but exclude financial instruments and non-current assets.

(IV) Information on major customers:

Details of customers that accounted for more than 10% of the Consolidated Company's net operating revenues reported in the Consolidated Statement of Comprehensive Income for 2023 and 2022:

	2023		2022	
	Amount	As a percentage of net operating revenue	Amount	As a percentage of net operating revenue
Sun Yad Construction Co., Ltd.	$ 64,216	75%	-	- %
Boromi Optronics Corp.	4,096	3%	10,665	58%
Company D	-	- %	1,792	10%
	$ 68,312	78%	12,457	68%

Independent Auditors' Report

To the Board of Directors of Myson Century, Inc.:

Opinion

We have audited the accompanying parent company only balance sheets of Myson Century, Inc. as of December 31, 2023 and 2022, and the related parent company only statements of comprehensive income, parent company only statements of changes in equity, parent company only statements of cash flows as of January 1 to December 31, 2023 and 2022, and notes to the parent company only financial statements (including a summary of significant accounting policies).

In our opinion, based on our audit results and the audit reports of other public accountants, the above-mentioned parent company only financial statements present fairly, in all material aspects, the parent company only financial position of Myson Century, Inc. as of December 31, 2023 and 2022, and its parent company only financial performance and parent company only cash flows as of January 1 to December 31, 2023 and 2022 in accordance with "Regulations Governing the Preparation of Financial Reports by Securities Issuers."

Basis for Opinion

We are engaged to conduct our audits in accordance with the “Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountants” and the auditing standards. Our responsibility under such standards will be further explained in the section titled Auditors’ Responsibilities for the Audit of the Parent Company Only Financial Statements. Our staffs subject to the independence requirements are complied with the Codes of Professional Ethics for Certified Public Accountants, independent of Myson Century, Inc., and have fulfilled other ethical responsibilities in accordance with the Codes. 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 refer to those matters that, in our professional judgment, were of most significance in the audit of Myson Century, Inc. parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the parent company only financial statements as a whole and, in forming our opinion thereon, we do not provide a separate opinion on these matters. Key audit matters for the Company’s parent company only financial statements for the year ended December 31, 2023 are stated as follows:

I. Revenue recognition

Please refer to Note 4(13) “Revenue recognition” of the parent company only financial statements for the accounting policy for the recognition of revenue, and Note 6(18) “Revenue from contracts with customers” of the parent company only financial statements for the relevant disclosure of revenue.

Description of Key Audit Matters:

Myson Century, Inc. is a TPEx-listed company involving in public interest, and shareholders are highly concerned about its operating performance. Therefore, revenue recognition is one of the key matters when conducting our audit.

Responsive audit procedures:

Our audit procedures for the above key audit matters primarily include the following: understanding the relevant internal controls on recognition of sales revenue; understanding the main revenue types, contract terms and transaction conditions to evaluate whether the accounting policies at the time of revenue recognition are appropriate; reviewing samples of sales contracts or orders, assessing the impact of the contract terms and transaction conditions on the revenue recognition, determining whether the accounting treatment is appropriate; and assessing whether the relevant information of revenue has been appropriately disclosed.

II. Recognition of gains and losses on disposal of assets

Please refer to Note 4(9) “Property, plant and equipment” of the parent company only financial statements for the accounting policies of property, plant and equipment, and Note 6(20) “Non-operating income and expenses” for the gains on disposal of property, plant and equipment.

Description of Key Audit Matters:

Myson Century, Inc. sold its property in 2023, with a disposal price of NTD 71,086 thousand and a gain on disposal of NTD 34,788 thousand. The impact of the transaction on the financial statements is material. If it is not calculated and recorded correctly, it may affect the amounts of property, plant and equipment and gains or losses on disposal. Therefore, it is determined as a key audit matter.

Responsive audit procedures:

Our audit procedures for key audit matters regarding the recognition of gains and losses on disposal of assets include the following: obtaining relevant minutes of board meetings and real estate transaction contracts, understanding the content of the disposal transaction, the counterparty, and the reasonableness of pricing; examining payment documents to confirm whether the payer aligns with the counterparty of the transaction; and recalculating the gains and losses on disposal of assets and verifying the accuracy of the timing for recognizing these gains and losses.

Other Matters

The Company’s 2022 parent company only financial statements were audited by other auditors, who issued an unqualified opinion on February 24, 2023.

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

Management is responsible for the preparation and fair presentation of the parent company only financial statements in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, and for such internal control as management determines is necessary to enable the preparation of the 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 Myson Century’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 Myson Century or to cease operation, or has no realistic alternative but to do so.

Those charged with governance, including the Audit Committee, are responsible for overseeing Myson Century’s financial reporting process.

Auditor's Responsibilities for the Audit of the Parent Company Only Financial Statements

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a 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 auditing principles will always detect a material misstatement when it exists. Misstatements can arise from fraud or error. Such misstatements 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 auditing principles, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial report, 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 and the directors.
4. Conclude on the appropriateness of the directors' 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 auditor's 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 auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
5. Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the parent company only financial statements represents the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the investment in other entities accounted for under the equity method 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 the directors, 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 stated in the Codes of Professional Ethics for Certified Public Accountants, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine the key audit matters for Myson Century's parent company only financial statements for the year ended December 31, 2023. We describe these matters in our auditor's 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.

KPMG Taiwan

CPAs: 許振隆

陳國宗

Reference number of Competent Authority's approval of attestation : Chin-Kuan-Cheng (VI) No.0960069825
(89) Tai-Tsai-Cheng (VI) No.62474

February 27, 2024

Myson Century, Inc.
Balance Sheets
December 31, 2023 and 2022

Unit: NTD thousand

Code	Assets	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current assets:				
1100	Cash and cash equivalents (Note 6(1))	$ 30,725	13	21,436	12
1136	Financial assets at amortized cost - current (Note 6(3))	1,811	1	1,649	1
1180	Accounts receivable - related parties, net (Note 6(4), (18) and 7)	78,312	33	7,074	4
1200	Other receivables	1,197	1	3	-
1210	Other receivables - related parties (Note 7)	3,004	1	-	-
1220	Current tax assets for the period	6	-	30	-
1410	Prepayments	5,151	2	165	-
1470	Other current assets	83	-	136	-
	Total current assets	120,289	51	30,493	17
	Non-current assets:				
1517	Financial assets at fair value through other comprehensive income/loss - non-current (Note 6(2))	84,901	36	85,997	47
1535	Financial assets at amortized cost - non-current (Note 6(3) and 8)	-	-	1,750	1
1550	Investments accounted for under the equity method (Note 6(6) and 7)	30,389	13	16,383	9
1600	Property, plant and equipment (Note 6(8) and 8)	341	-	38,063	20
1755	Right-of-use assets (Note 6(9) and 7)	873	-	10,666	6
1780	Intangible assets (Note 6(10))	52	-	167	-
1920	Refundable deposits (Note 7)	97	-	97	-
	Total non-current assets	116,653	49	153,123	83
	Total assets	$ 236,942	100	183,616	100

Code	Liabilities and equity	2023.12.31 Amount	%	2022.12.31 Amount	%
	Current liabilities:				
2130	Contract liabilities - current (Note 6(18) and 7)	$ 2,033	1	-	-
2170	Accounts payable	40,949	17	-	-
2200	Other payables	2,905	1	6,659	4
2220	Other payables - related parties (Note 7)	10,021	5	-	-
2280	Lease liabilities - current (Note 6(12), (24) and 7)	353	-	780	-
2320	Long-term liabilities due within one year or one operating cycle (Note 6(11), (24) and 8)	-	-	2,085	1
2399	Other current liabilities -other	39	-	33	-
	Total current liabilities	56,300	24	9,557	5
	Non-current liabilities:				
2540	Long-term borrowings (Note 6(11), (24) and 8)	-	-	32,883	18
2580	Lease liabilities - non-current (Note 6(12), (24) and 7)	545	-	9,671	5
2645	Guarantee deposits received (Note 6(24))	-	-	9,044	5
	Total non-current liabilities	545	-	51,598	28
	Total liabilities	56,845	24	61,155	33
	Equity attributable to owners of the parent company (Note 6(2), (7) and (16)):				
3100	Share capital	147,000	62	147,000	80
3200	Capital surplus	169	-	103	-
3300	Retained earnings (deficit to be offset)	29,537	13	(4,386)	(2)
3400	Other equity	3,391	1	(20,256)	(11)
	Total equity	180,097	76	122,461	67
	Total liabilities and equity	$ 236,942	100	183,616	100

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming **Managerial Officer: Chang, Shuo-Wen** **Chief Accounting Officer: Chu, Li-Chuan**

Myson Century, Inc.

Statement of Comprehensive Income

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

		2023 Amount	2023 %	2022 Amount	2022 %
4000	**Operating revenue (Note 6(18) and 7)**	$ 66,774	100	7,526	100
5000	**Operating costs (Note 6(5) and 12)**	54,855	82	(688)	(9)
5900	**Operating Gross Profit**	11,919	18	8,214	109
	Operating expenses (Note 6(12), (14), (19) and 12):				
6100	Selling expenses	29	-	694	9
6200	Administrative expenses	17,551	26	28,941	385
	Total operational expenses	17,580	26	29,635	394
6900	**Operating losses**	(5,661)	(8)	(21,421)	(285)
	Non-operating income and expenses (Note 6(2), (12), (20) and 7):				
7100	Interest revenue	168	-	81	1
7010	Other income	3,580	5	10,398	138
7020	Other gains and losses	34,584	52	706	10
7050	Finance cost	(661)	(1)	(668)	(9)
7070	Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for under the equity method	(960)	(1)	8,233	109
	Total non-operating income and expenses	36,711	55	18,750	249
7900	**Profit (Loss) Before Tax**	31,050	47	(2,671)	(36)
7950	**Less: Income tax expenses (Note 6(15))**	-	-	-	-
8200	**Net profit (loss) for the period**	31,050	47	(2,671)	(36)
8300	**Other comprehensive income/(loss):**				
8310	**Components not to be reclassified to profit or loss**				
8316	Unrealized gains and losses on valuation of investment in equity instruments measured at fair value through other comprehensive income/loss (Note 6(16))	26,520	40	(39,144)	(520)
8349	Less: Income tax related to components of other comprehensive income that will not be reclassified to profit or loss (Note 6(15))	-	-	-	-
	Other comprehensive income/loss of the period	26,520	40	(39,144)	(520)
8500	**Total comprehensive income/loss for the period**	**$ 57,570**	**87**	**(41,815)**	**(556)**
	Earnings (losses) per share (Note 6(17)):				
9750	**Basic earnings (losses) per share (Unit: NTD)**	**$ 2.11**		**(0.18)**	
9850	**Diluted earnings (losses) per share (Unit: NTD)**	**$ 2.11**		**(0.18)**	

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming Managerial Officer: Chang, Shuo-Wen Chief Accounting Officer: Chu, Li-Chuan

Myson Century, Inc.

Statement of Changes in Equity

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	Share capital - common stock	Capital surplus	Retained earnings: Special reserve	Retained earnings: Retained earnings (deficit to be offset)	Retained earnings: Total	Other equity interest: Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss	Total equity
Balance as of January 1, 2022	**$ 600,000**	**4,660**	**196**	**(457,753)**	**(457,557)**	**17,173**	**164,276**
Net loss for the period	-	-	-	(2,671)	(2,671)	-	(2,671)
Other comprehensive income/loss of the period	-	-	-	-	-	(39,144)	(39,144)
Total comprehensive income/loss for the period	-	-	-	(2,671)	(2,671)	(39,144)	(41,815)
Appropriation and distribution of retained earnings:							
Special reserve to cover losses	-	-	(196)	196	-	-	-
Other changes in capital surplus:							
Capital surplus to cover losses	-	(4,557)	-	4,557	4,557	-	-
Capital reduction to cover losses	(453,000)	-	-	453,000	453,000	-	-
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	(1,715)	(1,715)	1,715	-
Balance as of December 31, 2022	**147,000**	**103**	**-**	**(4,386)**	**(4,386)**	**(20,256)**	**122,461**
Net profit for the period	-	-	-	31,050	31,050	-	31,050
Other comprehensive income/loss of the period	-	-	-	-	-	26,520	26,520
Total other comprehensive income/loss for the period	-	-	-	31,050	31,050	26,520	57,570
Changes in ownership interest of subsidiaries	-	66	-	-	-	-	66
Disposal of financial instrument measured at fair value through other comprehensive income	-	-	-	2,873	2,873	(2,873)	-
Balance as of December 31, 2023	**$ 147,000**	**169**	**-**	**29,537**	**29,537**	**3,391**	**180,097**

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming **Managerial Officer: Chang, Shuo-Wen** **Chief Accounting Officer: Chu, Li-Chuan**

Myson Century, Inc.

Statement of Cash Flows

For the years ended December 31, 2023 and 2022

Unit: NTD thousand

	2023	2022
Cash flows from operating activities:		
Profit (Loss) Before Tax	$ 31,050	(2,671)
Adjustments:		
Profit/loss		
Depreciation expense	2,002	2,684
Amortization expense	115	222
Interest expense	661	668
Interest revenue	(168)	(81)
Dividend revenue	(142)	(5,067)
Shares of loss (profit) of subsidiaries, associates and joint ventures accounted for under the equity method	960	(8,233)
Gains on disposal of property, plant and equipment	(34,788)	-
Unrealized foreign currency exchange gain	(67)	(158)
Lease modification losses (gains)	271	(548)
Total adjustments to reconcile profit (loss)	(31,156)	(10,513)
Changes in operating assets/liabilities:		
Changes in operating assets, net:		
Decrease in accounts receivable	-	555
Increase in accounts receivable - related parties	(71,238)	(7,074)
Increase in other receivables	(125)	-
Increase in prepayments	(4,986)	(78)
Decrease (increase) in other current assets	53	(136)
Total changes in operating assets, net	(76,296)	(6,733)
Changes in operating liabilities, net:		
Increase in contract liabilities	2,033	-
Increase (decrease) in accounts payable	40,949	(91)
(Decrease) increase in other payables	(3,700)	267
Increase (decrease) in other current liabilities	6	(3)
Total changes in operating liabilities, net	39,288	173
Total changes in operating assets and liabilities, net	(37,008)	(6,560)
Total adjustments	(68,164)	(17,073)
Cash flows generated from operation	(37,114)	(19,744)
Interest received	167	81
Dividends received	142	5,067
Interest paid	(565)	(668)
Income taxes refunded	24	140
Cash outflow generated from operating activities	(37,346)	(15,124)
Cash flows from investing activities:		
Acquisition of financial assets at fair value through other comprehensive income/loss	-	(87,319)
Disposal of financial assets at fair value through other comprehensive income	26,544	39,816
Disposal of financial assets measured at amortized cost	1,588	18,445
Acquisition of investments accounted for under the equity method	(14,900)	-
Disposal of property, plant and equipment	71,086	-
Increase in other receivables- related parties	(3,000)	-
Net cash flows from (used in) investing activities	81,318	(29,058)
Cash flows from financing activities:		
Long-term borrowings	-	36,000
Repayment of long-term borrowings	(34,968)	(1,032)
Increase of guarantee deposits received	-	8,808
Decrease in guarantee deposits received	(9,044)	-
Increase in other receivables - related parties	10,000	-
Repayment of lease principal	(738)	(738)
Net cash flows (used in) from investing activities	(34,750)	43,038
Effect of exchange rate changes on cash and cash equivalents	67	158
Increase (decrease) in cash and cash equivalents for the period	9,289	(986)
Cash and cash equivalents, beginning of period	21,436	22,422
Cash and cash equivalents, end of period	$ 30,725	21,436

(See accompanying Notes to Parent Company Only Financial Statements)

Chairman: Chang, Yu-Ming **Managerial Officer: Chang, Shuo-Wen** **Chief Accounting Officer: Chu, Li-Chuan**

Myson Century, Inc.
Notes to Parent Company Only Financial Statements
For the Years Ended December 31, 2023 and 2022
(Expressed in Thousands of New Taiwan Dollars, Unless Otherwise Specified)

I. Company History

Myson Century, Inc. (hereinafter referred to as “the Company”) was incorporated on July 29, 1991 with the approval by the Ministry of Economic Affairs. Its registered address is 8F., No. 248, Sec. 2, Yonghua Rd., Anping Dist., Tainan City. The Company's main business is the research, development, manufacture and sale of integrated circuit systems, together with technical consulting services for the above products and import/export trade business, trading of building materials, and indoor decoration. Sun Yad Construction Co., Ltd. is the parent company of the Company.

II. The Date of Authorization for Issuance of the Financial Statements and Procedures

The parent company only financial statements were authorized and issued by the Board of Directors on February 27, 2024.

III. Application of New and Revised Standards and Interpretations

(I) The impact of the International Financial Reporting Standards (“IFRSs”) endorsed by the Financial Supervisory Commission which have already been adopted.

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

Amendments to IAS 1 “Disclosure of Accounting Policies”
Amendments to IAS 8 “'Definition of Accounting Estimates”
Amendments to IAS 12 “Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction”

The Company has initially adopted the following new amendments, which do not have a significant impact on its parent company only financial statements, from May 23, 2023.

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

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

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

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

(III) The standards and interpretations of IFRS issued by IASB but not yet endorsed by the FSC

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

Amendments to IFRSs 10 and IAS 28 "The Assets Sale or Investment between Investors and Their Affiliates or Joint Ventures"

IFRS 17 "Insurance Contracts" and amendments to IFRS 17

Amendments to IFRS 17 "Initial Application of IFRS 9 and IFRS 17 - Comparative Information"

Amendments to IAS 21 "Lack of Exchangeability"

IV. Summary Of Significant Accounting Policies

Significant accounting policies adopted during the preparation of the parent company only financial statements are summarized as follows: Except for those described in Note 3, the following accounting policies were applied consistently throughout the periods presented in the parent company only financial report.

(I) Statement of compliance

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

(II) Basis of preparation

1. Basis of measurement

Except for the financial assets at fair value through other comprehensive income, which are measured at fair value, these parent company only financial statements have been prepared on a historical cost basis.

2. Functional currency and presentation currency

The functional currency of the Company is determined based on the primary economic environment in which the entity operates. The parent company only financial statements are presented in NTD, which is the Company's functional currency. All financial information presented in New Taiwan Dollar has been rounded to the nearest thousand.

(III) Foreign currency

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

Exchange differences are generally recognized in profit or loss, except for differences relating to investments in equity securities designated as at fair value through other comprehensive income, which are recognized in other comprehensive income.

(IV) Criteria for classifying assets and liabilities into current and non-current

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

1. Assets arising from operating activities that are expected to be realized, or are intended to be sold or consumed within the normal operating cycle;
2. Assets held mainly for trading purposes;
3. The asset is expected to be realized within twelve months after the reporting period; or
4. The asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

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

1. Liabilities that are expected to be settled within the normal operating cycle;
2. Liabilities held mainly for trading purposes;
3. The liability is expected to be settled within twelve months after the reporting period; or
4. The Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

(V) Cash and cash equivalents

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

(VI) Financial instruments

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

1. Financial assets

All regular way purchases or sales of financial assets classified with the same approach are recognized and derecognized on a trade date basis.

On initial recognition, a financial asset is classified as measured at: amortized cost and fair value through other comprehensive income (FVOCI) – equity investment. Financial assets are not reclassified subsequent to their initial recognition unless the Company changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

(1) Financial assets at amortized cost

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

The objective of the Company’s business model is achieved by collecting contractual cash flows.

The assets' contractual cash flows represent solely payments of principal and interest on the principal amount outstanding.

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

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

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment' s fair value in other comprehensive income. This election is made on an instrument-by-instrument basis.

Equity investments at FVOCI are subsequently measured at fair value. Dividends are recognized as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains or losses are recognized in other comprehensive income and are never reclassified to profit or loss.

Dividend income derived from equity investments is recognized on the date that the Company's right to receive payment is established, which in the case of quoted securities is normally the ex-dividend date.

(3) Impairment of financial assets

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

The Company measures allowance for losses at an amount equal to lifetime ECL, except for the following which are measured as 12-month ECL:

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

Allowance for losses for accounts receivable are always measured at an amount equal to lifetime ECL.

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

The Company assumes that the credit risk on a financial asset has increased significantly if the contract has an overdue amount for more than 30 days.

The Company considers a financial asset to be in default when the contract has an overdue amount for more than 90 days.

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

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

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

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

At each reporting date, the Company assesses whether financial assets carried at amortized cost is credit-impaired. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial assets is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 90 days past due;
- the Company, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the Company would not otherwise consider;
- it is probable that the borrower will enter bankruptcy or other financial reorganization; or
- the disappearance of an active market for a security because of financial difficulties.

Allowance for losses for financial assets measured at amortized cost is deducted from the gross carrying amount of the assets. Allowance for losses for debt instruments measured at fair value through other comprehensive income are gains or losses on adjustment, which are recognized in other comprehensive income, rather than deducted from the carrying amount of the asset.

The gross carrying amount of a financial asset is written off when the Company has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For the corporate borrowers, the Company individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Company expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due. Based on the Company's experience, collecting overdue amounts from corporate borrowers becomes impossible once they are 90 days past due.

(4) Derecognition of financial assets

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

The Company enters into transactions whereby it transfers financial assets, but retains either all or substantially all of the risks and rewards of the transferred assets. In these cases, the transferred assets shall still be recognized in its balance sheet.

2. Financial liabilities and equity instruments

(1) Classification of debt or equity

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

(2) Equity transactions

An equity instrument refers to any contract in which the Company has residual equity after deducting all liabilities from assets. The equity instruments issued by the Company are recognized at the acquisition price net of the direct issue cost.

(3) Financial liabilities

Financial liabilities are classified as measured at amortized cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held-for-trading, it is a derivative, or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognized in profit or loss.

Other financial liabilities are subsequently measured at amortized cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognized in profit or loss. Any gain or loss on derecognition is also recognized in profit or loss.

(4) Derecognition of financial liabilities

The Company derecognize financial liabilities when its contractual obligations are discharged or canceled, or expire. The Company also derecognizes a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognized at fair value.

On derecognition of a financial liability, the difference between the carrying amount of a financial liability extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognized in profit or loss.

(5) Offsetting of financial assets and liabilities

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

(VII) Inventories

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

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

(VIII) Investment in subsidiaries

In preparing its parent company only financial statements, the Company accounts the investee companies that it possesses control using the equity. Using the equity method, the profit or loss during the period and other comprehensive income presented in parent company only financial reports shall be the same as the allocations of profit or loss during the period and of other comprehensive income attributable to owners of the parent presented in the financial reports prepared on a consolidated basis, and the owners' equity presented in the parent company only financial reports shall be the same as the equity attributable to owners of the parent presented in the financial reports prepared on a consolidated basis.

The Company accounts the changes in equity, under the condition that control is still present, as equity transactions between the proprietors.

(IX) Property, plant and equipment

1. Recognition and measurement

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

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

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

2. Subsequent costs

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

3. Depreciation

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

Land is not depreciated.

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

Building and structure	3～50 years
Other equipment	5 years

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

(X) Lease

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

1. As a lessee

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

The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use period or the end of the leasing period. In addition, the Company shall periodically evaluate whether the right-of-use asset is impaired, deal with the impairment loss that has incurred, and adjust the right-of-use assets for remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date. If the implicit rate in the lease can be reliably determined, the rate shall serve as the discount rate. If the rate cannot be reliably determined, the Company's incremental borrowing rate shall apply. Generally, the Company uses its incremental borrowing rate as the discount rate.

Lease payments included in the measurement of lease liabilities comprise:

(1) fixed payments, including in-substance fixed payments;

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

(3) amounts expected to be payable under a residual value guarantee; and

(4) payments for exercise prices related to purchase options or penalties for termination options that are reasonably certain to be exercised.

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

(1) there is a change in future lease payments arising from the change in an index or rate;

(2) there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee;

(3) there is a change of its assessment on whether it will exercise an option to purchase the underlying asset;

(4) there is a change of its assessment on the lease term resulting from a change of its assessment on whether it will exercise an extension or termination option; or

(5) there is any lease modifications affecting the underlying asset, scope, or other terms of the lease.

When the lease liability is remeasured due to the aforementioned changes in an index or rate, changes in amount expected to be payable under a residual value guarantee, or changes in its assessment on whether to exercise an extension or termination option, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or in profit and loss if the carrying amount of the right-of-use asset has been reduced to zero.

For lease modifications that reduce the scope of the lease, the carrying amount of the right-of-use asset shall be reduced to reflect the partial or full termination of the lease and recognizes the difference between this amount and the re-measurement amount of the lease liability in profit or loss.

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

2. As a lessor

In the transaction where the Company serves as a lessor, the lease is classified based on whether it transfers to the lessee substantially all of the risks and rewards of ownership incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then the lease is an operating lease. As part of this assessment, the Company considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease. If a head lease is a short-term lease to which the Company applies the exemption, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies IFRS15 to allocate the consideration in the contract.

(XI) Intangible assets

1. Recognition and measurement

The intangible assets with finite useful lives acquired by the Company, including the cost of computer software, are measured at costs less accumulated amortization and accumulated impairment.

2. Subsequent expenses

Subsequent expenditure is capitalized only if it is possible to increase the future economic benefits of the relevant specific assets. All other expenditures, including the goodwill and brand developed internally, are recognized in profit or loss as incurred.

3. Amortization

Amortization is calculated as the cost of an asset less its estimated residual value and is recognized in profit or loss on a straight-line basis over the estimated useful lives from the intangible asset becoming available for use.

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

Cost of computer software	1～5 years

Amortization methods, useful lives, and residual values of intangible assets are reviewed at each reporting date and adjusted as necessary.

(XII) Impairment of non-financial assets

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

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

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

An impairment loss is recognized if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognized in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

For non-financial assets, excluding goodwill, their impairment can be reversed within the carrying amount (less depreciation or amortization) of the asset if no impairment loss was recognized in previous years.

(XIII) Revenue recognition

1. Revenue from contracts with customers

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

(1) Sales of goods

The Company recognizes revenue when control of the products has transferred, when the products are delivered to the customer, the customer has full discretion over the channel and price to sell the products, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specific location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Company any has objective evidence that all criteria for acceptance have been satisfied. In addition, if the Company has not acquired the control over a specific product before transferring it to the customer, the revenue shall be recognized at a net amount.

The Company recognizes accounts receivable when the goods are delivered, as the Company is entitled the right to unconditionally collect the consideration at that time. Contractual liabilities are mainly due to the advance collected from goods sales contracts, which are transferred to revenue when the products are delivered to customers.

(2) Construction contracts

The Company is engaged in the contracting business of decoration engineering. Because the assets are controlled by the customer during construction, the revenue is gradually recognized over time based on either the proportion of the engineering cost incurred so far to the estimated total contract cost or the percentage of completion of the contract work. The contract includes fixed consideration. The customer makes a fixed amount of payment in accordance with the agreed schedule. If the amount of recognized revenue has not yet been paid, it is recognized as a contract asset. When the Company has an unconditional right to the consideration, the contract asset is transferred to accounts receivable.

If the degree of completion of the performance obligation under the construction contract cannot be reasonably measured, the contract revenue is recognized only within the range of the expected recoverable cost.

When the Company expects that the unavoidable cost of meeting the obligation under the construction contract exceeds the economic benefits expected from the contract, the provision for the onerous contract is recognized.

If the situation changes, the estimates of revenue, cost, and level of completion shall be revised, and the resulting changes shall be reflected in the profit or loss during the period in which the management is aware of such change.

(3) Financing components

The Company expects all customer contracts will transfer goods or services to customers at intervals of no more than one year, as well as payment by the customer. As a consequence, the Company does not adjust any of the transaction prices for the time value of money.

(XIV) Employee benefits

1. Definite contribution plan

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

2. Short-term employee benefits

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

(XV) Income taxes

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

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

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

1. temporary differences on the initial recognition of assets and liabilities in a transaction that is not a business combination, that (i) affects neither accounting nor taxable profits (losses), and that (ii) generates no equivalent taxable and deductible temporary difference at the time of the transaction;
2. temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
3. taxable temporary differences arising on the initial recognition of goodwill.

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

Deferred taxes are measured at tax rates that are expected to be applied to temporary differences when they reserve, using tax rates enacted or substantively enacted at the reporting date, and reflect uncertainty related to income taxes, if any.

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

1. the Company has a legally enforceable right to set off current tax assets against current tax liabilities ; and

2. the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on either:
   (1) the same taxable entity; or
   (2) different taxable entities which intend to settle current tax assets and liabilities on a net basis, or to realize the assets and liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(XVI) Earnings per share

The Company discloses the Company's basic and diluted earnings per share attributable to ordinary shareholders of the Company. Basic earnings per share is calculated as the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding. Diluted earnings per share is calculated by the profit attributable to ordinary shareholders of the Company divided by the weighted average number of ordinary shares outstanding adjusted for the dilutive effects of all potential ordinary shares, respectively. The Company's potential ordinary shares with dilutive effects include employee remuneration that can be distributed in shares.

(XVII) Segment information

The Company has already disclosed related information of its operating segments in the consolidated financial report, thus no additional information will be disclosed herein.

V. Critical Accounting Judgments, Estimates and Assumptions on Uncertainty

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

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

Information about judgments made in applying accounting policies that have the most significant effects on the amounts recognized in the parent only financial statements is as follows:

The Company acts as an agent rather than a principal in certain sales of goods because the Company evaluates that it does not possess control over specific goods before it is transferred to the customer, and the judgment factors considered are as follows:

1. The Company is under no obligation to provide products when the supplier is unable to transfer them to the customer, and assumes no responsibility for the acceptability of the products.
2. The Company has not promised to obtain the goods from the supplier before the customer makes the purchase, nor has it assumed any responsibility for damaged or returned goods.
3. Therefore, the related revenue is recognized when the labor service is delivered.

The estimations and assumptions made by the Company do not involve significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

VI. Description of Important Accounting Items

(I) Cash and cash equivalents

	2023.12.31	2022.12.31
Cash and petty cash	$ 40	60
Check deposits and demand deposits	30,685	21,376
Cash and cash equivalents listed in the Statement of Cash Flows	$ 30,725	21,436

Please refer to Note 6(21) for the disclosure of the exchange rate risk and sensitivity analysis of the Company's financial assets.

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

	2023.12.31	2022.12.31
Financial assets at fair value through other comprehensive income/loss - non-current:		
Stocks of TWSE/TPEx-listed company	$ 84,901	85,997

The Company's investments in the above-mentioned equity instruments are strategic investments and not held for trading purposes, and therefore have been designated to be measured at fair value through other comprehensive income.

The Company recognized dividends income of NT$142 thousand and NT$0 thousand for the years ended December 31, 2023 and 2022, respectively, from the aforementioned equity instrument designated as investment at fair value through other comprehensive income.

In 2023 and 2022, due to a change in investment strategy, the Company sold some of the equity instruments designated to be measured at fair value through other comprehensive income. The fair values at the time of disposal was NT$27,616 thousand and NT$39,816 thousand, respectively. The accumulated gain (loss) on disposal was NT$2,873 thousand and (NT$1,715) thousand, respectively. The Company has transferred the aforementioned accumulated gain on disposal from other equity to retained earnings.

Please refer to Note 6(21) for market risk information.

None of the Company’s financial assets measured at fair value through other comprehensive income had been pledged as collateral.

(III) Financial assets at amortized cost

	2023.12.31	2022.12.31
Current:		
Time deposits for longer than three months	$ 1,811	1,649
Non-current:		
Time deposits with limited purpose	$ -	1,750

The Company evaluates these assets with the intention of holding them until their maturity date to collect contractual cash flows. The cash flows generated by these financial assets are solely for the repayment of principal and interest on the outstanding principal amount. Therefore, they are recognized as financial assets at amortized cost.

1. Please refer to Note 6(21) for credit risk information.
2. For financial assets measured at amortized cost - non-current that are pledged as collateral, please refer to Note 8.

(IV) Accounts receivable

	2023.12.31	2022.12.31
Accounts receivable - related parties	$ 78,312	7,074

The Company applies the simplified approach to provide for its expected credit losses, i.e. the use of lifetime expected credit loss provision. To measure the expected credit losses, accounts receivables have been grouped based on shared credit risk characteristics regarding to the customers’ ability to pay the full amount due according to contractual terms, as well as incorporated forward-looking information, including macroeconomic and relevant industry information. The Company’s expected credit loss of accounts receivable was analyzed as follows:

	2023.12.31		
	Carrying amount of accounts receivable	**Weighted-average rate of expected credit losses**	**Allowance provision for lifetime expected credit losses**
Not past due	$ 78,312	- %	-
0 to 90 days past due	-	- %	-
More than 91 days past due	-	100%	-
	$ 78,312		-

	2022.12.31		
	Carrying amount of accounts receivable	**Weighted-average rate of expected credit losses**	**Allowance provision for lifetime expected credit losses**
Not past due	$ 7,074	- %	-
0 to 90 days past due	-	- %	-
More than 91 days past due	-	100%	-
	$ 7,074		-

None of the abovementioned financial assets has been pledged as collateral.

Please refer to Note 6(21) for other credit risk information.

(V) Inventories

The details of the cost of sales were as follows:

	2023	2022
Decoration engineering cost	$ 54,855	-
Sales reclassified as cost of goods sold	-	10,917
Gain on price recovery of inventory	-	(11,605)
	$ 54,855	(688)

In 2022, the Company sold the inventories for which devaluation losses had been recognized. As a result, there were no longer factors causing the net realizable value of inventories to be lower than the cost. This led to a recovery of the net realizable value of inventories, which was recognized as a deduction from the cost of sales.

The Company did not provide any inventories as collateral.

(VI) Investments accounted for under the equity method

The components of the investments accounted for under equity method at the reporting date were as follows:

	2023.12.31	2022.12.31
Subsidiary	$ 30,389	16,383

Please refer to the consolidated financial statements for the year ended December 31, 2023 for further related information.

The Company did not provide any of its investments accounted for under the equity method as collateral.

(VII) Changes of ownership in subsidiaries

In November 2023, the Company participated in the cash capital increase of its subsidiary, Yuan Qiao Limited, with cash of NT$ 6,900 thousand, which was not in proportion to its shareholding ratio, resulting in a decline in its shareholding ratio from 88.89% to 82.78%. The changes in shareholding ratio led to an increase in net equity value attributable to the Company increased of NT$66 thousand, which was adjusted to the capital surplus.

(VIII) Property, plant and equipment

The statement of changes in property, plant and equipment of the Company is as follows:

		Building and structure	Other equipment	Total
Cost or deemed cost:				
Balance on January 1, 2023	$	68,457	2,253	70,710
Disposals		(68,319)	-	(68,319)
Balance on December 31, 2023	$	138	2,253	2,391
Balance on January 1, 2022	$	71,138	2,915	74,053
Disposals		(2,681)	(662)	(3,343)
Balance on December 31, 2022	$	68,457	2,253	70,710
Depreciation:				
Balance on January 1, 2023	$	31,159	1,488	32,647
Depreciation		973	451	1,424
Disposals		(32,021)	-	(32,021)
Balance on December 31, 2023	$	111	1,939	2,050
Balance on January 1, 2022	$	32,392	1,666	34,058
Depreciation		1,448	484	1,932
Disposals		(2,681)	(662)	(3,343)
Balance on December 31, 2022	$	31,159	1,488	32,647
Carrying amount:				
December 31, 2023	$	27	314	341
January 1, 2022	$	38,746	1,249	39,995
December 31, 2022	$	37,298	765	38,063

Please refer to note 8 for the property, plant and equipment pledged as collateral.

(IX) Right-of-use assets

The statement of changes in cost and depreciation of right-of-use assets recognized for land and buildings in leases where the Company act as a lessee is presented below:

		Land	Building and structure	Total
Cost of right-of-use assets:				
Balance on January 1, 2023	$	10,868	1,717	12,585
Decrease		(10,868)	-	(10,868)
Balance on December 31, 2023	$	-	1,717	1,717

	Land	Building and structure	Total
Balance on January 1, 2022	$ 14,762	1,717	16,479
Decrease	(3,894)	-	(3,894)
Balance on December 31, 2022	$ 10,868	1,717	12,585
Accumulated depreciation of right-of-use assets:			
Balance on January 1, 2023	$ 1,425	494	1,919
Depreciation recognized	228	350	578
Decrease	(1,653)	-	(1,653)
Balance on December 31, 2023	$ -	844	844
Balance on January 1, 2022	$ 1,392	145	1,537
Depreciation recognized	403	349	752
Decrease	(370)	-	(370)
Balance on December 31, 2022	$ 1,425	494	1,919
Carrying amount:			
December 31, 2023	$ -	873	873
January 1, 2022	$ 13,370	1,572	14,942
December 31, 2022	$ 9,443	1,223	10,666

(X) Intangible assets

The statement of changes in the Company's intangible assets is as follows:

	Computer software
Cost:	
Balance on January 1, 2023	$ 818
Disposals	(303)
Balance on December 31, 2023	$ 515
Balance on January 1, 2022	$ 818
Balance on December 31, 2022	$ 818
Amortization and impairment:	
Balance on January 1, 2023	$ 651
Amortization	115
Disposals	(303)
Balance on December 31, 2023	$ 463
Balance on January 1, 2022	$ 429
Amortization	222
Balance on December 31, 2022	$ 651

	Computer software
Carrying amount:	
December 31, 2023	$ 52
January 1, 2022	$ 389
December 31, 2022	$ 167

The amortization expense of intangible assets is recognized in the following items in the Statement of Comprehensive Income:

	2023	2022
Operating Expense	$ 115	222

The Company did not provide any intangible assets as collateral.

(XI) Long-term borrowings:

The Company's long-term borrowings are detailed as follows:

	2022.12.31
Secured bank loan	$ 34,968
Less: a current portion	(2,085)
Total	$ 32,883
Interest rate range	2.2%
Maturity date	126/06/15

1. Collateral for bank borrowings

   Please refer to Note 8 for the Company's assets pledged as collateral for bank loans.

2. Repayment of borrowings

   In July 2023, the Company fully paid off its long-term secured loan, totaling NT$34,968 thousand, in advance.

(XII) Lease liabilities

The carrying amounts of the Company's lease liabilities were as follows:

	2023.12.31	2022.12.31
current	$ 353	780
non-current	$ 545	9,671

For information on liquidity risk exposure, please refer to Note 6(21) Financial instruments.

The amount recognized in profit or loss for the lease were as follows:

	2023	2022
Interest expenses on lease liabilities	$ 129	238
Rent expenses relating to short-term leases	$ 43	63
Lease modification losses (gains)	$ 271	(548)

The amounts recognized in the Statement of Cash Flows are as follows:

		2023	2022
Total cash outflow for leases	$	781	1,039

1. Lease of land and buildings

The Company leases buildings for its office space with a lease period of 5 years. In addition, the original lease contract of the land was terminated early on August 11, 2023.

2. Other leases

The Company leases the parking space, which is classified as a short-term lease. It has elected to apply the recognition exemption and not to recognize related right-of-use assets and lease liabilities.

(XIII) Operating lease

The underlying assets lease, in which the Company acts as a lessor, include buildings and construction. The lease contract periods are from 2022 to 2026. The lease contracts are individually negotiated and include various terms and conditions. The maturity analysis is presented by the total amount of undiscounted lease payments to be received after the reporting date as shown in the following table:

		2023.12.31	2022.12.31
Within 1 year	$	11	5,583
1 to 2 years		11	11
2 to 3 years		6	17
Total undiscounted lease payments	$	28	5,611

The rent revenue arising from the aforesaid transactions in 2023 and 2022 amounted to NT$3,420 thousand and NT$4,428 thousand, respectively.

(XIV) Employee benefits

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

The Company's defined contribution plan is based on the Labor Pension Act, and the contribution rate is 6% of the employees' monthly wages to employees' personal pension accounts at the Bureau of Labor Insurance Under this plan, the Company has no legal or constructive obligations to pay additional amounts after making a fixed contribution to the Bureau of Labor Insurance.

The Company's pension expenses under the defined contribution pension plan were $215 thousand and $502 thousand for 2023 and 2022, respectively.

(XV) Income taxes

1. Income tax expenses

		2023	2022
Current income tax expense	$	-	-
Deferred income tax expense		-	-
	$	-	-

The Company had no income tax expense recognized directly in equity and other comprehensive income in 2023 and 2022.

Reconciliation of income tax expense to net profit (loss) before tax is as follows:

	2023	2022
Profit (Loss) Before Tax	$ 31,050	(2,671)
Income tax based on the domestic tax rate of the Company's jurisdiction	$ 6,210	(534)
Adjustments for tax return according to laws and regulations	723	-
Tax-exempted income pursuant to the tax laws	(535)	(2,660)
Non-deductible expenses	120	-
Current tax loss unrecognized as deferred tax assets	-	5,513
Temporary difference unrecognized as deferred tax assets	-	(2,319)
Tax losses unrecognized in prior periods	(6,518)	-
Income tax	$ -	-

2. Deferred tax assets and liabilities

(1) Unrecognized deferred tax assets

The items that have not been recognized by the Company as deferred tax assets are as follows:

	2023.12.31	2022.12.31
Deductible temporary differences	$ 2,849	66,603
Tax losses	660,232	706,304
	$ 663,081	772,907

According to the R.O.C Income Tax Act, tax losses refer to net losses, as assessed by the tax authorities, which can be used to offset taxable income over a period of ten years for local tax reporting purposes. Deferred tax assets have not been recognized in respect of these items because it is not probable that future taxable profit will be available against which the Company can utilize the temporary differences therefrom.

As of December 31, 2023, the Company's unutilized tax losses, for which no deferred tax assets were recognized, expire in the following years:

Loss occurrence year	Unutilized creditable amount	Expiry year
2014	$ 65,796	2024
2015	248,551	2025
2016	77,944	2026
2017	83,151	2027
2018	28,298	2028
2019	31,370	2029
2020	65,779	2030
2021	33,082	2031
2022	26,261	2032
Total	$ 660,232	

(2) Unrecognized deferred tax liabilities: None.

(3) Recognized deferred tax assets and liabilities: None.

3. Status of income tax assessment

The Company's income tax returns have been assessed by the tax authorities through 2021.

(XVI) Capital and other equity

1. Common stock capital

As of December 31, 2023 and 2022, the Company's total authorized capital is NT$3,500,000 (NT$330,000 of the total shares are retained for the issuance of employee stock options) and the paid-in capital is NT$147,000 with a par value of NT$10 per share and 14,700 thousand shares. Payment for the shares issued has all been received.

Reconciliation of the number of the Company's outstanding shares for 2023 and 2022 is as follows:

	Common stock	
(expressed in thousand shares)	**2023**	**2022**
Opening balance on January 1	14,700	60,000
Capital reduction	-	(45,300)
Ending balance on December 31	**14,700**	**14,700**

In order to enrich the working capital, the Board of Directors resolved to introduce strategic investors through private placement to raise funds on February 24, 2023. The Company is to issue up to 20,000 thousand common shares for the private placement, totaling NT$200,000 thousand, which was resolved by the shareholders' meeting on June 6, 2023. However, it is still pending for approval of the Company's meeting of the Board of Directors on the base date of the private placement.

The motion for capital reduction to make up losses with special reserve and capital surplus was approved at the Company's annual general meeting held on May 31, 2022. The capital reduction eliminated NT$453,000 thousand in capital, representing a reduction ratio of 75.5%. The base date for the capital reduction is October 7, 2022. The change of registration has been completed.

2. Capital surplus

The balances of the Company's capital surplus are as follows:

	2023.12.31	2022.12.31
Recognition of changes in ownership interest of subsidiaries	$ 169	103

In accordance with the Company Act, capital surplus must first be used to make up for losses before new shares or can be issued or cash can be paid in proportion to the shareholders' original shares based on the realized capital surplus. The realized capital surplus referred to in the preceding paragraph includes the proceeds from the issuance of shares in excess of par value and the proceeds from the receipt of gifts. In accordance with the Regulations Governing the Offering and Issuance of Securities by Securities Issuers, capital surplus may be capitalized as equity in an amount not exceeding 10% of the paid-in capital each year.

On May 31, 2022, the Company's shareholders' meeting resolved and approved the use of capital surplus of NT$4,557 thousand to offset losses.

3. Retained earnings

In accordance with the Company’s Articles of Incorporation, if there are earnings in a semi-annual or annual fiscal year, the Company shall estimate and retain taxable contributions, make up for losses in accordance with the law, and set aside 10% as legal reserves. However, this provision does not apply when the accumulated legal reserve has reached the Company’s paid-in capital. Earnings shall be appropriated or reversed as special reserve in accordance with the law or the regulations of the competent authority. Any remaining earnings shall be added to the accumulated earnings undistributed as dividends to the shareholders. The Board of Directors shall prepare the earnings distribution proposal and submit it to the shareholders’ meeting for resolution on the distribution. If earnings are distributed in the form of cash, a special resolution shall be adopted by the Board of Directors.

Percentage of cash and stock dividends semiannually: The Company distributes dividends to shareholders in cash dividends and stock dividends every half a fiscal year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

Percentage of cash and stock dividends annually: The Company distributes dividends to shareholders in cash dividends and stock dividends after earnings are finalized each year. In consideration of maintaining a balanced dividend policy, the Company appropriates at least 30% of the earnings shareholders' dividends, but when the surplus for distribution is less than 10% of the paid-in capital, the Board of Directors may decide not to distribute the dividends. Dividends may be distributed in stock or cash, with cash dividends of not less than 10% of the total dividends.

For the distribution of the aforementioned earnings, the Board of Directors may adjust the proportion of cash and stock dividends distribution after considering the Company's operation and capital expenditure needs, and draft a distribution proposal in the form of new shares issuance. Issue of new shares shall be approved at the shareholdings’ meeting.

(1) Legal reserve

The Company may issue new shares or pay cash from the legal reserve up resolution of the shareholders’ meeting when the Company has no losses, but limited to the part of the legal reserve exceeding 25% of the paid-in capital.

(2) Earnings distribution

The Compensation had accumulated deficit in both 2022 and 2021. On June 6, 2023 and May 31, 2022, respectively, the Company's shareholders’ meeting resolved the distribution of earnings for 2022 and 2021. The related information can be accessed through channels such as MOPS.

The amount of cash dividends for the 2023 earnings distribution proposal was resolved by the Board of Directors on February 27, 2024. The amounts of dividends distributed to shareholders were as follows:

	2023	
	Distribution rate (NTD)	**Amount**
Dividends per share distributed to shareholders of common stock (NTD):		
Cash	$ 1.8	$ 26,460

4. Other equity (net of tax)

		Unrealized gain or losses on financial assets at fair value through other comprehensive income/loss
Balance on January 1, 2023	$	(20,256)
Unrealized gain on the valuation of financial assets at fair value through other comprehensive income		26,520
Disposal of financial instrument measured at fair value through other comprehensive income		(2,873)
Balance on December 31, 2023	$	3,391
Balance on January 1, 2022	$	17,173
Unrealized loss on the valuation of financial assets at fair value through other comprehensive income		(39,144)
Disposal of financial instrument measured at fair value through other comprehensive income		1,715
Balance on December 31, 2022	$	(20,256)

(XVII) Earnings (losses) per share

The calculations of basic and diluted earnings (losses) per share are as follows:

	2023	2022
Basic earnings (losses) per share		
Net profit (loss) for the period attributable to shareholders of the Company's common stock	$ 31,050	(2,671)
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Basic earnings (losses) per share (NTD)	$ 2.11	(0.18)
Diluted earnings (losses) per share		
Net profit (loss) attributable to shareholders of the Company's common stock	$ 31,050	(2,671)
Weighted average number of common shares outstanding (thousand shares)	14,700	14,700
Effect of dilutive potential common shares		
－Compensation to employees (thousand shares)	3	-
Weighted average number of common shares outstanding (thousand shares) (after adjustment for the effect of dilutive potential common shares)	14,703	14,700
Diluted earnings (losses) per share (NTD)	$ 2.11	(0.18)

The motion for capital reduction to cover losses was approved by the shareholders' meeting held on May 31, 2022. The meeting of the Board of Directors resolved to set October 7, 2022 as the base date for capital reduction. The weighted average number of shares outstanding was adjusted retroactively according to the ratio of capital reduction to cover loss made by the capital reduction in 2022.

(XVIII) Revenue from contracts with customers

1. Breakdown of revenue

		2023	2022
Major market by region:			
Taiwan	$	66,774	6,811
Mainland China		-	715
Total	$	66,774	7,526
Main product/service lines:			
Integrated circuit	$	-	7,526
Decoration engineering		64,216	-
Sale of building materials		2,558	-
Total	$	66,774	7,526

2. Contract balance

		2023.12.31	2022.12.31
Accounts receivable - related parties	$	78,312	7,074
Contract liabilities - current	$	2,033	-

Please refer to Note 6(4) for the disclosure of accounts receivable (including related parties) and the impairment thereof.

The opening balance of contract liabilities transferred to income in 2023 and 2022 were both NT$0 thousand.

(XIX) Remuneration to employees and directors

In accordance with the Company's Articles of Incorporation, if the Company makes a profit in a year, it shall allocate 1% to 10% of the total amount for employee remuneration and not more than 0.5% for director remuneration. However, if the Company still has accumulated deficit, the amount shall be retained in advance to compensate for the deficit. The aforementioned remuneration to employees may be paid in the form of shares or cash, and the rewards in shares or cash may include employees of the Company's controlling or subordinate companies meeting certain criteria, and the Board of Directors is authorized to determine such relevant regulations.

In 2023, the Company allocated $269 thousand in remuneration for employees and $0 for directors. These remunerations were calculated by multiplying the Company's net profit before tax before deducting remuneration for employees and directors by the percentages of remuneration for employees and directors, stipulated in the Company's Articles of Incorporation. They were recognized as operating expenses for the period. Since there was an accumulated deficit in 2022, no remuneration to employees and directors was recognized by the Company. For information on the aforementioned employees' and directors' remuneration as resolved by the Board of Directors, please refer to the MOPs.

(XX) Non-operating income and expenses

1. Interest revenue

Breakdown of the Company's interest revenue is as follows:

		2023	2022
Interest from bank deposits	$	89	69
Financial assets of interest income at amortized cost		66	12
Others		13	-
	$	168	81

2. Other income

Breakdown of the Company's other income is as follows:

		2023	2022
Rental revenue	$	3,420	4,874
Dividend revenue		142	5,067
Others		18	457
	$	3,580	10,398

3. Other gains and losses

Breakdown of the Company's other gains and losses is as follows:

		2023	2022
Foreign currency exchange gain	$	67	158
Net gains on disposal of property, plant and equipment		34,788	-
Lease modification gains (losses)		(271)	548
	$	34,584	706

4. Financial costs

Breakdown of the Company's financial costs is as follows:

		2023	2022
Borrowings from banks	$	430	393
Others		231	275
	$	661	668

(XXI) Financial instruments

1. Credit risk

(1) Amount of maximum credit risk exposure

The carrying amounts of financial assets and accounts receivable (including related parties) represent the amount of maximum credit risk exposure.

(2) Concentration of credit risk

To reduce credit risk of accounts receivable, the Company continuously evaluates the financial position of its customers and requires collateral from customers if necessary. The Company regularly evaluates the possibility of accounts receivable recovery and recognizes allowance for losses. The impairment loss is always within management's expectations. As of December 31, 2023 and 2022, approximately 72% and 100% of the Company's accounts receivable- related parties were concentrated with the same company, respectively.

(3) Credit risk associated with accounts receivable

Please refer to Note 6(4) for the information regarding the exposure to credit risk associated with accounts receivable (including related parties).

Other financial assets at amortized cost include other receivables (including related parties), refundable deposits, and time deposit (recognized under "financial assets at amortized cost - current and non-current"), all of which are financial assets with low credit risk. Therefore, the allowance for losses for the period is measured based on the 12-month expected credit losses. After assessment, it has been determined that no expected credit loss should be recognized.

2. Liquidity risk

The following table shows the contractual maturities of financial liabilities, including estimated interest but excluding the effect of net agreements.

	Carrying amount	Contractual cash flows	Less than 6 months	6-12 months	1-2 years	2-5 years	More than 5 years
December 31, 2023							
Non-derivative financial liabilities							
Accounts payable	$ 40,949	40,949	40,949	-	-	-	-
Other payables	2,905	2,905	2,905	-	-	-	-
Other payables - related parties	10,021	10,021	21	10,000	-	-	-
Lease liabilities	898	925	185	185	370	185	-
	$ 54,773	54,800	44,060	10,185	370	185	-
December 31, 2022							
Non-derivative financial liabilities							
Secured bank loans (including long-term borrowings due within a year)	$ 34,968	40,593	1,400	1,400	2,800	8,398	26,595
Other payables	6,659	6,659	6,659	-	-	-	-
Lease liabilities	10,451	18,164	488	488	837	2,512	13,839
Guarantee deposits received	9,044	9,044	-	9,044	-	-	-
	$ 61,122	74,460	8,547	10,932	3,637	10,910	40,434

The Company does not expect the timing of occurrence of the cash flows estimated through the maturity date analysis will be significantly earlier, nor expect the actual cash flow amount will be significantly different.

3. Exchange rate risk

The Company's financial assets and liabilities exposed to significant foreign currency exchange rate risk were as follows:

	2023.12.31			2022.12.31		
	Foreign currency	Foreign exchange rate	NTD	Foreign currency	Foreign exchange rate	NTD
Financial assets						
Monetary items						
USD	$ 50	30.655	1,522	63	30.66	1,943

(2) Sensitivity analysis

The Company's exchange rate risk arises mainly from foreign-currency denominated cash and cash equivalents, as well as financial assets at amortized cost, which result in foreign currency exchange gains or losses upon translation. As of December 31, 2023 and 2022, if NTD had depreciated or appreciated by 1% against USD, with all other factors held constant, net profit before tax would had increased or decreased by NT$15 thousand and NT$19 thousand for 2023 and 2022, respectively. The same basis was used in the analysis for both periods.

Due to fluctuations in the exchange rate of the Company's functional currency, the foreign currency exchange gains (including both realized and unrealized) for 2023 and 2022 were NT$67 thousand and NT$158 thousand, respectively.

4. Interest rate analysis

The Company's interest rate risk on financial liabilities is described in Liquidity Risk of this Note.

The following sensitivity analysis is based on the interest rate risk of both derivative and non-derivative instruments at the reporting date. For floating rate liabilities, the analysis assumes that the amount of the liabilities outstanding at the reporting date were outstanding for the entire year.

If interest rates had increased or decreased by 1%, with all other variables held constant, the Company's net profit after tax would have decreased or increased by NT$0 thousand and NT$3 thousand for 2023 and 2022, respectively, primarily due to the Company's variable rate borrowings.

5. Other price risks

If the price of financial instruments had changed at the reporting date (the same basis is used for the analysis of both periods and other variables are assumed to be constant), the impact on the comprehensive income items would have been as follows:

	2023		2022	
Price of securities at reporting date	**Impact on other comprehensive income after tax**	**Profit or loss after tax**	**Impact on other comprehensive income after tax**	**Profit or loss after tax**
Increase by 3%	$ 2,038	-	2,064	-
Decrease by 3%	$ (2,038)	-	(2,064)	-

6. Fair value information

(1) Types and fair values of financial instruments

Financial assets at fair value through other comprehensive income of the Company are measured at fair value on a recurring basis. Carrying amount and fair value of the Company's financial assets and financial liabilities (including information on fair value hierarchy; however, for financial instruments that are not measured at fair value, whose carrying amount is a reasonable approximation of fair values, and lease liabilities, the disclosure of fair value information is not required) were presented as below:

	2023.12.31				
	Carrying amount	**Fair value**			
		Level 1	**Level 2**	**Level 3**	**Total**
Financial assets at fair value through other comprehensive income/loss					
Stocks of TWSE/TPEx-listed company	$ 84,901	84,901	-	-	84,901

	2023.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at amortized cost					
Cash and cash equivalents	30,725	-	-	-	-
Financial assets at amortized cost- current	1,811	-	-	-	-
Accounts receivable - related parties	78,312	-	-	-	-
Other receivables (including related parties)	4,201	-	-	-	-
Refundable deposits	97				
Subtotal	115,146				
Total financial assets	$ 200,047				
Financial liabilities measured at amortized cost					
Accounts payable	$ 40,949	-	-	-	-
Other payables (including related parties)	12,926	-	-	-	-
Lease liabilities	898	-	-	-	-
Total financial liabilities	$ 54,773				

	2022.12.31				
	Carrying amount	Fair value			
		Level 1	Level 2	Level 3	Total
Financial assets at fair value through other comprehensive income- non-current					
Stocks of TWSE/TPEx-listed company	$ 85,997	85,997	-	-	85,997
Financial assets at amortized cost					
Cash and cash equivalents	21,436	-	-	-	-
Financial assets at amortized cost- current	1,649	-	-	-	-
Accounts receivable - related parties	7,074	-	-	-	-
Other receivables	3	-	-	-	-
Financial assets at amortized cost- non-current	1,750	-	-	-	-
Refundable deposits	97	-	-	-	-
Subtotal	32,009				
Total financial assets	$ 118,006				
Financial liabilities measured at amortized cost					
Secured bank loans (including long-term borrowings due within a year)	$ 34,968				
Other payables	6,659	-	-	-	-
Lease liabilities	10,451	-	-	-	-
Guarantee deposits received	9,044	-	-	-	-
Total financial liabilities	$ 61,122				

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

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

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

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

(2) Fair value measurement techniques for financial instruments at fair value

Non-derivative financial instruments

If there is an active market for a financial instrument, the fair value is based on the quoted market price in the active market. The market price announced by major exchanges and the OTC trading centers for central government bonds, which are judged to be popular, are the basis for the fair value of listed equity instruments and debt instruments with active market quotations.

Stocks of TWSE/TPEx-listed company held by the Company are financial assets with standard terms and are publicly traded in active markets. Their fair values are calculated based on the market's quoted prices.

Except for the aforementioned financial instruments that are traded in active markets, other financial instruments are measured with fair values provided by using the valuation techniques. Fair values provided by using the valuation techniques may be based on the present fair value of other financial instruments with similar practical conditions and characteristics, the discounted cash flow method, or other available methods. The main assumption underlying the fair value determined through the discounted cash flow method is that the expected future cash flows of the investee are discounted at a rate of return that accounts for both the time value of money and investment risk.

(3) Transfers between level 1 and level 2 of the fair value hierarchy

There were no transfers between levels of the fair value hierarchy for the years ended December 31, 2023 and 2022.

(4) There were no financial assets with level 3 input held by the Company.

(XXII) Financial risk management

1. Overview

The Company has exposures to the following risks from its financial instruments:

(1) Credit risk

(2) Liquidity risk

(3) Market risk

This Note presents information regarding the Company's exposure to risks mentioned above, as well as its objectives, policies and processes for measuring and managing said risks. For more disclosures about the quantitative effects, please refer to the respective notes in the accompanying parent only financial statements.

2. Structure of risk management

The Board of Directors holds sole responsibility for establishing and overseeing the Company's risk management structure.

The Company adopts a comprehensive risk management and control system to identify all the Company's risks (including market risk, Credit risk, liquidity risk and cash flow risk). Hence, the Company's management is able to effectively control and measure market risk, credit risk, liquidity risk and cash flow risk, and mitigate potential adverse effects on the Company's financial position and financial performance.

3. Credit risk

Guarantees

In accordance with the Company's policy, the Company can only provide financial guarantees to subsidiaries wholly owned by the Company. As of December 31, 2023 and 2022, the Company did not provide any endorsements or guarantees.

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. It mainly stems from the counterparty's failure to pay the contractual cash flows associated with accounts receivable, other receivables, and time deposits classified for measurement at amortized cost, as per the collection terms.

The Company has established its credit risk management from a corporate perspective. For trading banks and financial institutes, only those with good credit can be accepted as trading counterparties. According to the loan policy formulated by the Company, each business unit within the Company shall conduct the management and credit risk analysis on each new customer before setting payment and proposing the delivery terms and conditions.

The internal risk control evaluates customers' credit quality by taking into consideration the customers' financial position, and past experience and other factors. The individual risk limit is formulated by the Board of Directors according to the internal or external ratings, and the use of the credit limit is monitored regularly.

4. Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as much as possible, that it will have sufficient current funds under both normal and pressured conditions to meet its liabilities when due, without incurring unacceptable losses or risking damage to the Company's reputation. In addition, the Company's unused loan facilities as of December 31, 2023 and 2022, were both NT$0.

5. Market risk

The Company's market risk management objectives are to reach the optimal risk exposure, maintain appropriate liquidity and manage all market risks centrally with proper consideration of the economic environment, competitive circumstances and the impact of market value risk.

(1) Exchange rate risk

The Company's foreign currency transactions are mainly due to the export and import of goods, which are mainly in U.S. dollars. The related exchange rate risk arises from assets and liabilities recognized in future business transactions The Company adopts a conservative and prudent approach to handle foreign-currency deposits so as to reduce the risk arising from sharp fluctuations in market exchange rates.

(2) Interest rate risk

The Company's borrowed funds generate risks of fluctuations in the fair value or future cash flows due to changes in interest rates. The Company's policy is to manage the risk exposure to changes of borrowing interest rates, to evaluate based on the market interest rate trend, and to manage interest rate risk by maintaining a suitable mix of floating and fixed interest rates.

(3) Other market price risk

The equity price risk is the risk of uncertainty in the future prices of the equity instruments held by the Company. The Company manages the price risk of equity instruments through diversification of investments and regularly obtaining an understanding of the financial status of equity instruments.

(XXIII) Capital management

The Company's capital management objectives are to protect the Company's continuing operations, to maintain an optimal capital structure in order to reduce the cost of capital, thus providing returns for shareholders. 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.

The Company uses the debt-to-equity ratio as the basis for managing its capital. This ratio is the total net debt divided by the total capital. The net debt from the balance sheet is derived from the total liabilities less cash and cash equivalents. The total capital is all components of the equity (i.e., share capital, capital surplus, retained earnings, and other equity). The Company's capital management strategy in 2023 is the same as that in 2022. The debt-to-equity ratios at the reporting date were as follows:

	2023.12.31	2022.12.31
Total liabilities	$ 56,845	61,155
Less: Cash and cash equivalents	30,725	21,436
Net debt	$ 26,120	39,719
Total equity	$ 180,097	122,461
Debt-to-equity ratio	14.50%	32.43%

(XXIV) Financing activities of non-cash transactions

Changes in liabilities arising from financing activities were as follows:

	2023.1.1	Cash flow	Non-cash changes	2023.12.31
Secured bank loans (including long-term borrowings due within a year)	$ 34,968	(34,968)	-	-
Lease liabilities	10,451	(738)	(8,815)	898
Guarantee deposits received	9,044	(9,044)	-	-
Total liabilities from financing activities	$ 54,463	(44,750)	(8,815)	898

	2022.1.1	Cash flow	Non-cash changes	2022.12.31
Long-term borrowings (including long-term borrowings due within a year)	$ -	34,968	-	34,968
Lease liabilities	15,261	(738)	(4,072)	10,451
Guarantee deposits received	236	8,808	-	9,044
Total liabilities from financing activities	$ 15,497	43,038	(4,072)	54,463

VII. Related Party Transactions

(I) The name and relationship of the related party

The followings are the Company's subsidiaries and other related parties that have had transactions with the Company during the periods covered in the financial statements.

Name of Related Party	Relationship with the Company
Sun Yad Construction Co., Ltd. (hereinafter referred to as "Sun-Yad")	Parent
ZAVIO INC. (hereinafter referred to as "ZAVIO")	Subsidiary
Yuan Qiao Limited (hereinafter referred to as "Yuan-Qiao")	Subsidiary
U-BEST INNOVATIVE TECHNOLOGY CO., LTD. (hereinafter referred to as "U-BEST")	Other related party
Boromi Optronics Corp. (hereinafter referred to as "Boromi")	Other related party
Shang Yu Construction Co., Ltd. (hereinafter referred to as "Shang Yu")	Other related party

(II) Significant related-party transactions

1. Operating Revenue

The amount of significant sales by the Company to related parties were as follows:

	2023	2022
Parent - Sun-Yad	$ 64,216	-
Other related party - Boromi	-	6,737
Other related party - Shang Yu	2,558	-
	$ 66,774	6,737

There are no comparable non-related-party transactions of the same nature to serve as a reference for the Company's selling prices to other related parties. Revenue collection follows the agreed-upon stage of completion outlined in the contract. Payment terms involve half paid through cash remittance and the remaining half through remittance within 45 days. However, there are no comparable non-related-party transactions of the same nature available for reference in determining these terms.

2. Receivables from related parties

The Company's receivables from related parties are as follows:

Title	Type of related party	2023.12.31	2022.12.31
Accounts receivable - related parties	Parent - Sun-Yad	$ 56,262	-
Accounts receivable - related parties	Other related party - Shang Yu	22,050	-
Accounts receivable - related parties	Other related party - Boromi	-	7,074
		$ 78,312	7,074

3. Contract liabilities - current

The breakdown of the Company's contract liabilities - current is as follows:

Title	Type of related party	2023.12.31	2022.12.31
Contract liabilities - current	Parent - Sun-Yad	$ 2,033	-

4. Loans from related parties

	2023.12.31					
	The date with the highest balance	The highest balance of actual usage	The ending balance of actual usage	Annual interest rate	Interest expense	Interest payable at the ending of period
Parent - Sun-Yad	July 2023	$ 10,000	10,000	3%	46	21

There was no such transaction in 2022.

5. Loans to related parties

	2023.12.31					
	The date with the highest balance	The highest balance of actual usage	The ending balance of actual usage	Annual interest rate	Interest revenue	Interest receivable at the ending of period
Subsidiary - Yuan-Qiao	112.11	$ 3,000	3,000	3%	12	4

There was no such transaction in 2022.

6. Leases

The Company rented an office space from U-BEST, its other related party, and signs a five-year lease contract. The rent was determined with reference to neighboring offices.

As of December 31, 2023 and 2022, the balances of net right-of-use assets were NTD 873 thousand and NTD 1,223 thousand, respectively.

As of December 31, 2023 and 2022, the balances of refundable deposits amounted to NTD 97 thousand each.

As of December 31, 2023 and 2022, the balances of lease liabilities were NTD 898 thousand and NTD 1,243 thousand, respectively.

For the years ended December 31, 2023 and 2022, the Company recognized the amount of NTD 25 thousand and NTD 33 thousand as interest expense, respectively.

7. Rental revenue

The Company had the office leased from the related party sublet to ZAVIO, a subsidiary. For the years ended December 31, 2023 and 2022, the Company recognized the amount of NTD 11 thousand and NTD 208 thousand as rental revenue, respectively.

8. Dividends received

The Company received cash dividends of NTD 142 thousand from Sun-Yad, its parent company, in 2023.

9. Equity transactions

The Company's participation in capital increase by subsidiaries is as follows:

	2023	2022
Yuan-Qiao	$ 6,900	-

(III) Transactions related to key management

Key management personnel compensation comprised:

	2023	2022
Short-term employee benefits	$ 5,090	5,188

VIII. Pledged Assets

The carrying values of assets pledged by the Company as collaterals were as follows:

Name of asset	Subject asset pledged as collateral	2023.12.31	2022.12.31
Building and structure	Guarantee for long-term borrowings from banks	$ -	37,094
Restricted time deposit (Note)	Guarantee for customs duties	-	1,140
Restricted time deposit (Note)	Guarantee of land lease by the Hsinchu Science Park Bureau	-	610
		$ -	38,844

(Note) It was recognized as financial assets measured at amortized cost - non-current.

IX. Significant Contingent Liabilities and Unrecognized Contract Commitments

As of December 31, 2023, the Company had signed contracts for decoration works totaling NTD 79,518 thousand, with NTD 21,543 thousand remaining unfinished.

X. Significant disaster loss: None.

XI. Significant events after the balance sheet date: None.

XII. Others

(I) Employee benefits, depreciation, depletion and amortization expense by functions are summarized as follows:

Function / Nature	2023			2022		
	As operating costs	**As operating expenses**	**Total**	**As operating costs**	**As operating expenses**	**Total**
Employee benefits expense (Note)						
Salary expenses	198	4,744	4,942	-	10,118	10,118
Labor/national health insurance expenses	23	539	562	-	954	954
Pension expenses	10	205	215	-	502	502
Directors' remuneration	-	5,090	5,090	-	6,952	6,952
Other personnel expenses	44	206	250	-	410	410
Depreciation expense	-	2,002	2,002	-	2,684	2,684
Amortization expense	-	115	115	-	222	222

Additional information on the number of employees and employee benefits expenses for 2023 and 2022 is as follows:

	2023	2022
Number of employees	12	19
Number of directors who were not concurrently employees	6	7
Average employee benefits expenses	$ 995	999
Average employee salary expenses	$ 824	843
Adjustment to average employee salary expenses	(2.25)%	
Remuneration to supervisors	-	-

Information on the Company's salary and remuneration policy (including directors, managerial officers, and employees) is as follows:

In accordance with the Company's articles of incorporation, the board of directors is authorized to determine remuneration to directors of the Company based on the extent of their participation in the Company's operations and the value of their contributions in line with the industry norm. The remunerations to directors and managers are all proposed by the remuneration committee and approved by the board of directors in accordance with the regulations.

Regarding the Company's employee remuneration policy, the Company pays bonuses according to the operating conditions to boost the morale and retain outstanding employees promptly. For the annual salary adjustment, the items and amounts of salary adjustment are determined according to the employees' grades and performance appraisals.

XIII. Disclosure of notes

(I) Information on significant transactions:

In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the Company should disclose the following information regarding material transactions in 2023:

1. Lending funds to others:

No.	Lender	Borrower	Account name	Related party	Highest balance during the period	Balance, ending	Actual usage during the period	Range of interest rate	Purposes of fund financing for the borrowers (Note 1)	Transaction amount for business between two parties	Reasons for short-term financing	Allowance for bad debt	Collateral		Individual funding loan limits (Note 2)	Maximum limitation on fund financing (Note 2)
													Name	Value		
0	The Company	ZAVIO Inc.	Other receivables - related parties	Yes	15,000	15,000	-	3%	2	-	Operating capital	-	None	-	36,019	45,024
0	The Company	Yuan Qiao Limited	Other receivables - related parties	Yes	15,000	15,000	3,000	3%	2	-	Operating capital	-	None	-	36,019	45,024

(Note 1) Purposes of fund financing for the borrowers are as follows:

1. Those with business contact.
2. Those necessary for short-term financing

(Note 2) Individual and total maximum funding loan limits

1. Capital loaned to other parties should not exceed 25% of the Company's net worth, of which the sum loaned to an individual enterprise should not exceed 20% of the Company's net worth.
2. Capital loaned to other entities for capital requirements should not exceed 25% of the Company's net worth.
3. Capital loaned to other entities with whom the Company engages in normal business transactions should not exceed 25% of the Company's net worth. The individual loan amount should not exceed the total business transaction amount conducted between the two parties in the most recent year. The so-called "business transaction amount" refers to the greater value of purchases or sales between the two parties.

2. Providing endorsements or guarantees for others: None.
3. Holding of securities at the end of the period (excluding the portion held due to investment in a subsidiary or an associate, and the portion held due to an interest in a joint venture):

Security holder	Type and name of securities	Relationship with the securities issuer	Account name	Ending				Remark
				Number of shares/unit	Carrying amount	Shareholding ratio (%)	Fair value	
The Company	Sun Yad Construction Co., Ltd.	Parent	Financial assets at fair value through other comprehensive income- non-current	258,291	3,280	0.09	3,280	-
The Company	HSIN-LI CHEMICAL INDUSTRIAL CORP.	Other related party	〃	1,775,000	38,251	2.63	38,251	-
The Company	Feei Cherng Develop Technology Co., Ltd.	Other related party	〃	240,000	2,760	0.14	2,760	-
The Company	U-BEST Innovative Technology Co., Ltd	Other related party	〃	2,997,000	40,610	2.14	40,610	-

4. Acquisition or sale of the same security with the accumulated cost reaching NT$300 million or 20% of paid-in capital or more: None.
5. Acquisition of property reaching NT$300 million or 20% of paid-in capital or more: None.
6. Disposal of property reaching NT$300 million or 20% of paid-in capital or more:

Property disposed of by	Name of property	Transaction date or date of occurrence	Acquisition date	Book value	Transaction amount	Status of payment	Profit or loss on disposal	Counterparty	Relationship	Purpose of Disposal	Reference for determining price	Other covenants
Myson Century, Inc.	Buildings	July 2023	90.12	36,298	71,086	Paid in full	34,788	ALL RING TECH CO., LTD.	Non-related party	To enrich working capital	Real estate appraisal report	None

7. Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more:

Purchasing / (selling) company	Counterparty	Relationship	Transaction details				Circumstances and reasons for the discrepancy in the transaction terms from normal transactions		Notes/accounts receivable (payable)	
			Purchases / (sales)	Amount	% to total purchase / (sales)	Credit period	Unit price	Credit period	Ending balance	% to total notes/accounts receivable (payable)
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	Sale of goods	64,216	96.17 %	45 days	-	-	56,262	71.84%

8. Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more:

Accounts receivable recognized by	Counterparty	Relationship	Ending balance of receivables from related parties	Turnover rate (%)	Receivables from related parties overdue		Amount of receivables from related parties received in subsequent periods	Allowance for losses	Remark
					Amount	Action taken			
The Company	Sun Yad Construction Co., Ltd.	Parent company of the Company	56,262	2.28%	-	-	32,281	-	

9. Trading in derivative instruments: None.

(II) Information regarding investees (excluding those in Mainland China):

Information on the Company's investees for 2023 is as follows (excluding those in Mainland China):

Unit: Shares

Investor company	Investee company	Location	Main business	Original investment amount		Held at year end			Investee income recognized in the current period	Investment income recognized in the current period	Remark
				End of the current period (2023.12.31)	End of last year (2022.12.31)	Number of shares	Ratio	Carrying amount			
The Company	ZAVIO Inc.	Taiwan	Surveillance webcam	68,274	68,274	1,576,937	100.00%	16,576	193	193	
The Company	Yuan Qiao Limited	Taiwan	Restaurants	14,900	-	-	82.78%	13,813	(1,313)	(1,153)	

(III) Information on investments in the Mainland China:

(IV) Information on major shareholders:

Unit: Shares

Share Name of major shareholder	Shares held	Share holding ratio
Sun Yad Construction Co., Ltd.	2,507,367	17.05%
HSIN-LI CHEMICAL INDUSTRIAL CORP.	1,445,000	9.82%
Chi Hang Investment Co., Ltd.	1,230,229	8.36%
Quan-Gong Song	1,139,125	7.74%
Huo Jui Investment Co. Lit.	782,530	5.32%

Note: (1) The information about major shareholders herein is generated based on TDCC’s calculation of the number of shares already registered and delivered by the shareholders (including treasury stock), totaling 5% or more, in intangible form at the last business day of each quarter. The capital stock referred to the Company’s financial report and the number of shares already registered and delivered by the Company vary or be different due to the basis of calculation.

(2) If the shareholder puts the shares held by it under trust, said information shall be disclosed by the individual client of the trust account opened by the trustee. As for the insider declaration of the ownership percentage over 10% in accordance with the Securities and Exchange Act, the shares held shall include the shares held by the shareholder per se, plus the shares he puts under trust and with the right to decide and utilize the trust property. For the insider equity presentation information, please refer to the MOPS.

XIV. Segment information

Please refer to the consolidated financial statements for the year ended December 31, 2023.

Myson Century, Inc.

Statement of Cash and Cash Equivalents

As of December 31, 2023

Unit: NTD thousand / foreign currency dollar

Item	Abstract	Amount in original currency	Exchange rate	Amount
Cash	Petty cash - NTD			$ 40
	Demand deposits			30,675
	Foreign currency deposits in US dollars	USD337.21	30.655	10
Total				$ 30,725

Financial assets at amortized cost - current

Item	Abstract	Amount in original currency	Exchange rate	Amount
Time deposits - NTD	The period is from April 8, 2023 to January 8, 2024, with an annual interest rate of 1.38%.			$ 300
Time deposit - USD	The period is from October 6, 2023 to April 24, 2024, with an annual interest rate of 3.70%.	USD49,302.54	30.655	1,511
				$ 1,811

Myson Century, Inc.

Statement of Accounts Receivable - Related Party, Net

As of December 31, 2023 **Unit: NTD thousand**

Customer name	Amount
Related party:	
Sun Yad Construction Co., Ltd.	$ 56,262
Shang Yu Construction Co., Ltd.	22,050
	$ 78,312

Statement of Other Receivables

Item	Abstract	Amount
Other receivables	Mainly receivables from sale of stocks	**$ 1,197**

Statement of Other Receivables - Related Party

Abstract	Item	Amount
Receivable from fund lending and interest	Counterparty: Yuan Qiao Limited	**$ 3,004**

Myson Century, Inc.

Statement of Inventories

As of December 31, 2023

Unit: NTD thousand

Item	Amount: Cost	Amount: Net Realizable Value	Remark
Work in process	$ 1,899		
Raw materials and supplies	938		
Subtotal	2,837	-	
Less: allowance of inventory price loss	(2,837)		
Total	$ -		

Statement of Prepayments

Item	Abstract	Amount
Prepayment for purchase	Prepayments for furniture	$ 215
Prepayment for construction	Prepayment for decoration engineering	4,627
Prepaid insurance	Prepaid insurance	24
Other prepaid expenses	Pre-paid parking space rental and cloud invoicing system service fee, etc.	285
Total		$ 5,151

Myson Century, Inc.

Statement of financial Assets Measured at Fair Value through Other Comprehensive Income - Current

For the years ended December 31, 2023 **Unit: NTD thousand/share**

Name of financial instrument	Beginning balance		Increase in the current period		Decrease in current period		Amount of valuation adjustment	Ending		Collateral or pledge	Remark
	Number of shares	Carrying amount	Number of shares	Amount	Number of shares	Amount		Number of shares	Carrying amount		
Shares of Highwealth Construction Corp.	242,035	$ 9,753	-	-	242,035	10,239	486	-	-		
Shares of U-BEST Innovative Technology Co., Ltd	299,700	31,469	-	-	-	-	9,141	299,700	40,610	None	
Shares of HSIN-LI CHEMICAL INDUSTRIAL CORP.	2,570,000	39,321	-	-	795,000	17,377	16,307	1,775,000	38,251	None	
Shares of Sun Yad Construction Co., Ltd.	258,291	3,061	-	-	-	-	219	258,291	3,280	None	
Shares of Feei Cherng Develop Technology Co., Ltd	240,000	2,393	-	-	-	-	367	240,000	2,760	None	
Total		$ 85,997		-		27,616	26,520		84,901		

Myson Century, Inc.

Statement of Changes in Investments Accounted for Using the Equity Method

For the years ended December 31, 2023

Unit: NTD thousand

Name	Opening balance		Increase in the current period		Decrease in current period		Shares of profit (loss) of subsidiaries, associates and joint ventures accounted for under the equity method	Capital surplus	Ending balance			Net value of equity		Collateral or pledge
	Number of shares	Amount	Number of shares	Amount	Number of shares	Amount			Number of shares	Share holding ratio	Amount	Unit price	Total price	
ZAVIO Inc.	900,000	$ 16,383	676,937 (Note)	-	-	-	193	-	1,576,937	100.00%	16,576	-	16,576	None
Yuan Qiao Limited	-	-	-	14,900	-	-	(1,153)	66	-	83.78%	13,813	-	13,813	None
Total		$ 16,383		14,900		-	(960)	66			30,389		30,389	

Note: It came from capital increase through capital surplus and retained earnings.

Myson Century, Inc.

Statement of Refundable Deposits

For the years ended December 31, 2023 **Unit: NTD thousand**

Item	Abstract	Amount
Refundable deposits	Refundable deposits for office space	**$ 97**

Statement of Accounts Payable

Name of supplier	Abstract	Amount
Non-related party:		
Company A	Business	$ 12,543
Company B	〃	11,990
Company C	〃	3,507
Company D	〃	3,065
Others (the sum of accounts payable to an individual supplier whose balance does not reach the 5% benchmark)	〃	9,844
Total		**$ 40,949**

Statement of Other Payables

Item	Abstract	Amount
Salaries payable	Salaries and employees' remuneration payable for December	$ 908
Accrued expenses	Travel expenses, labor and health insurance expenses, and various miscellaneous expenses	1,161
Tax payable	Business tax for November and December 2023	836
		$ 2,905

Myson Century, Inc.

Statement of Other Payables - Related Party

As of December 31, 2023 **Unit: NTD thousand**

Abstract	Item	Amount
Payables to fund lending and interest	Counterparty: Sun Yad Construction Co., Ltd.	**$ 10,021**

Statement of Lease Liabilities

Item	Abstract	Lease period	Discount rate	Balance, ending
Building and structure	Office space	2021.7.1~2026.6.30	2.32%	$ 898
			Less: Current portion of lease liabilities - non-current transferred	(353)
				$ 545

Statement of Operating Revenue

For the years ended December 31, 2023

Item	Amount
Decoration engineering revenue	$ 64,216
Income from sales of building materials (as an agent)	2,558
Total	**$ 66,774**

Myson Century, Inc.

Operating Cost Statement

For the years ended December 31, 2023 **Unit: NTD thousand**

Item	Amount
Construction cost	$ 54,855

Statement of Administrative Expenses

Item	Abstract	Amount
Salary expenditure	Salaries, bonuses, overtime, meal, pension, and employees' remuneration	$ 9,546
Office expenses	Expenses associate with office	1,692
Labor service expenditure	Professional fees for CPAs and attorneys	1,276
Depreciation and amortization	Depreciation of office and equipment and amortization of computer software	2,117
Others	Taxes, transportation expenses, utilities, insurance, miscellaneous expenses, etc.	2,920
Total		$ 17,551

Myson Century, Inc.

For Statements of Changes in Property, Plant and Equipment, please refer to Note 6(8) of the financial statements.
For Statements of Accumulated Depreciation of Property, Plant and Equipment, please refer to Note 6(8) of the financial statements.
For Statements of Changes in Right-of-Use Assets, please refer to Note 6(9) of the financial statements.
For Statements of Accumulated Depreciation of Right-of-Use Assets, please refer to Note 6(9) of the financial statements.
For Statements of Changes in Intangible Assets, please refer to Note 6(10) of the financial statements.
For Statements of Contract Liabilities, please refer to Note 6(18) of the financial statements.
For Statements of Interest Revenue, please refer to Note 6(20) of the financial statements.
For Statements of Other Income, please refer to Note 6(20) of the financial statements.
For Statements of Other Gains and Losses, please refer to Note 6(20) of the financial statements.
For Statements of Financial Cost, please refer to Note 6(20) of the financial statements.
For Summary statement of current period employee benefits, depreciation, depletion and amortization expenses by function, please refer to Note 12 of the financial statements.

Appendix 3

Myson Century, Inc.
Codes of Ethical Conduct for Directors, Supervisors and Managerial Officers

March 16, 2015
Passed by the Board of Directors

Article 1 The Codes are adopted for the purpose of encouraging the Company's directors, supervisors, and managerial officers to act in line with ethical standards, and to help interested parties better understand the ethical standards of the Company.

Article 2 The term "managerial officers" in these Codes includes general managers, assistant general managers, deputy assistant general managers, division heads, chief financial and chief accounting officers, and other persons authorized to manage affairs and sign documents on behalf of the Company. The purpose is to prevent misconduct and to promote:

I. Honest and ethical conduct, which includes ethical management for any conflict between personal interests and the duties
II. Confidential processing of information
III. Fair treatment of customers, suppliers and employees, and legitimate treatment of competitors.
IV. To protect the company's assets and ensure their use
V. Compliance with applicable regulations, including those related to prevention of insider trading.

Article 3 Honest and Ethical Conduct

The directors, supervisors and managerial officers shall perform their obligations in an honest and unbiased manner in compliance with business standards, including dealing with actual or apparent conflicts of interest between personal and occupational duties in an impartial manner.

Article 4 Prevention of Conflicts of Interest

Conflicts of interest occur when personal interest intervenes or is likely to intervene in the overall interest of the company, as for example when a director, supervisor, or managerial officer of the Company is unable to perform their duties in an objective and efficient manner, or when a person in such a position takes advantage of their position in the Company to obtain improper benefits for either themselves or their spouse, parents, children, or relatives within the second degree of kinship. The Company shall pay special attention to loans of funds, provisions of guarantees, and major asset transactions or the purchase (or sale) of goods involving the affiliated enterprise at which a director, supervisor, or managerial officer works. The Company shall establish a policy aimed at preventing conflicts of interest, and shall offer appropriate means for directors, supervisors, and managerial officers to voluntarily explain whether there is any potential conflict between them and the company.

Article 5 Minimizing Incentives to Pursue Personal Gain

When the Company has an opportunity for profit, it is the responsibility of the directors, supervisors, and managerial officers to maximize the reasonable and proper benefits that can by obtained by the company. Directors, supervisors and managerial officers shall not use the Company's property, information, or positions to exploit opportunities or benefits for their own or others; in addition, they shall not engage in competitive activities against the Company except as provided in the Company Act or the Articles of Incorporation.

Article 6 Responsibility for Maintaining Business Confidentiality

Directors, supervisors, and managerial officers of the Company shall be bound by the obligation to maintain the confidentiality of any information regarding the company itself or its suppliers and customers, except when authorized or required by law to disclose such information. Confidential information includes any undisclosed information that, if exploited by a competitor or disclosed, could result in damage to the Company or the customers.

Article 7 Fair Trade

Directors, supervisors, and managerial officers shall treat all suppliers and customers, competitors, and employees fairly, and may not obtain improper benefits through manipulation, nondisclosure, or misuse of the information learned by virtue of their positions, or through misrepresentation of important matters, or through other unfair trading practices.

Article 8 Safeguarding and Proper Use of Company Assets

All directors, supervisors, and managerial officers have the responsibility to safeguard company assets and to ensure that they can be effectively and lawfully used for official business purposes; any theft, negligence in care, or waste of the assets will all directly impact the company's profitability.

Article 9 Legal Compliance

Directors, supervisors and managerial officers shall follow and disseminate the Company Act, the Securities and Exchange Act and other laws and regulations governing the Company's activities. Besides, they shall not deliberately violate any laws or regulations, or intentionally mislead, manipulate or unfairly exploit the interests from the customers (suppliers); nor shall they make any misrepresentation about the Company's products or services.

Article 10 Procedures for Exemption

Any exemption for directors, supervisors, or managerial officers from compliance with the codes shall be adopted by a resolution of the board of directors, and that information on the date on which the board of directors adopted the resolution for exemption, objections or reservations of independent directors, and the period of, reasons for, and principles behind the application of the exemption shall be disclosed without delay on the MOPS, in order that the shareholders may evaluate the appropriateness of the board resolution to forestall any arbitrary, and to safeguard the interests of the company.

Article 11 Compliance with laws and regulations regarding prevention of insider trading

Directors, supervisors and managerial officers shall comply with laws and regulations governing prevention of insider trading and securities laws governing stock transactions and handling of confidential business information; if they hold material undisclosed information, they shall not engage in relevant securities transactions. The Company is determined to intervene to tackle insider trading, because it is both illegal and unethical.

Article 12 Encouragement for employees to report any illegal or unethical conduct

The Company shall strengthen the internal dissemination of ethical concepts. Besides, the Company shall also encourage employees to report any suspected or identified violations of regulations or codes of ethical conduct to personnel department, supervisors, internal auditors or other appropriate officers with adequate information. The Company shall make its best efforts to keep the identity of whistleblowers confidential and to secure them from retaliation and threats. For malicious and untrue whistleblowers, the Company shall divert them; if necessary, punishment shall be imposed on them in order to maintain an upright culture.

Article 13 Disciplinary Measures

If directors, supervisors and managers violate this Standard, the Company's legal department shall hold them administratively accountable (including receiving complaints) in accordance with the relevant provisions of the Company's administrative regulations. If the violation is significant, it shall be reported to the board of directors for judgment, and the date, cause and handling of the violation shall be disclosed promptly on the Market Observation Post System in accordance with the regulations. If the violation causes damage to others, the Company shall bear joint and several liability for the third party.
If the foregoing disciplined persons claim that their legal rights have been infringed due to improper handling by the company, they may appeal for relief.

Article 14 These Codes shall be disclosed in the annual reports, the prospectus and the Market Observation Post System. The same procedure shall be followed when the Codes have been amended.

Article 15 The Codes shall be implemented after the board of directors grants the approval, and shall be sent to the supervisors and reported at a shareholders' meeting. The same procedure shall be followed when the Codes have been amended. When the Company has an audit committee, the provisions of these codes regarding Supervisors shall not apply during the term of the audit committee.

Myson Century, Inc.

Person in Charge: Chang, Yu-Ming