Stock Code: 4540

TBI Motion Technology Co., Ltd.

TBI MOTION TECHNOLOGY CO., LTD.

2023 Annual Report

<u>Notice to readers</u>

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

Annual Report Inquiry Website: http://mops.twse.com.tw
Company Website: https://www.tbimotion.com.tw
Printing Date: June 7, 2024

I. Name, Title, Contact Number and Email of the Company's Spokesperson and Deputy Spokesperson

Spokesperson: Chiang, Wen-Lung

Title: Assistant VP of Operation Management Center

Tel: (02)2689-2689

Email: tbimotion_IR@tbimotion.com.tw

Deputy Spokesperson: Shen, Hsin-Kai

Title: Manager, Treasury Department

Tel: (02)2689-2689

Email: vincentshen@tbimotion.com.tw

II. Address and Phone Number of Head Office and Plant

Head Office: No.123, Sanduo Rd., Shulin Dist., New Taipei City

Tel: (02)2689-2689

Shulin Plant: No.123, Sanduo Rd., Shulin Dist., New Taipei City

Tel: (02)2689-2689

III. Name, Address, Website, and Phone Number of the Stock Transfer Agency

Name: Stock Affairs Agency, First Securities Inc.

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

Address: 6F., No. 27, Sec. 1, Anhe Rd., Da'an Dist., Taipei City

Tel: (02)5581-9939

IV. CPAs Who Attests the Financial Report of the Most Recent Fiscal Year and Name, Address, Website and Phone Number of CPAs Who Attest to the Financial Report of the Most Recent Fiscal Year and the Accounting Firm, Address, Website and Phone Number of the Accounting Firm to Which They Belong

Attesting CPA: CPA Chih, Ping-Chun, CPA Chiu, Chao-Hsien

Accounting Firm: PricewaterhouseCoopers Taiwan

Address: 27F, No. 333, Sec. 1, Keelung Rd. Taipei City

Tel: (02)2729-6666

Website: http://www.pwc.tw

V. Exchanges Where the Company's Securities Are Traded Offshore and the Method by Which to Access Information on Said Offshore Securities: not applicable.

VI. Company Website: http://www.tbimotion.com.tw

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One.Statement to Shareholders

Dear Shareholders,

The Company has been engaging in the manufacturing of ball screws and linear guides for more than 30 years and has been innovating in developing new products and technologies. Under the leadership of the management team, apart from the plant which refines the technologies of precision rolled ball screws, the Company also develops the production lines for comprehensive sizes of products with the innovating spirit. In addition to the precision ball screws and linear guides, the Company also has ball splines, linear motion platforms, rolled ball screw/spline and other products for transmission components.

I. 2023 Business Report

The Company's 2023 net operating revenue was NT$2,571,194 thousand, a decline of 23.8% compared to NT$3,374,243 thousand in 2022; the 2023 net loss after tax was NT$103,612 thousand or $1.09 losses per share after tax. The 2023 business condition is as follows:

(I) Implementation results of the business plan(unit: NT$ thousand; earnings per share: NT$)

Item / Year	2023	2022	Variation	
			Amount	Percentage %
Net operating revenue	2,571,194	3,374,243	(803,049)	(23.80)
Operating costs	2,153,100	2,436,720	(283,620)	(11.64)
Gross profit	418,094	937,523	(519,429)	(55.40)
Operating expenses	488,986	559,723	(70,737)	(12.64)
Operating income (loss)	(70,892)	377,800	(448,692)	(118.76)
Net non-operating income (expenditures)	(76,903)	13,418	(90,321)	(673.13)
Profit (loss) before tax	(147,795)	391,218	(539,013)	(137.78)
Income tax expense (benefit)	(44,183)	107,207	(151,390)	(141.21)
Profit (loss) after tax	(103,612)	284,011	(387,623)	(136.48)
Earnings (deficits) per share after tax	(1.09)	3.02	(4.11)	(136.09)

(II) Budget implementation Unit: NT$ thousand

Item	2023 Actual	Budget in 2023	Achievement rate %
Net operating revenue	2,571,194	3,673,210	70.00
Operating costs	2,153,100	2,675,040	80.49
Gross profit	418,094	998,170	41.89
Operating expenses	488,986	545,656	89.61
Operating income (loss)	(70,892)	452,514	(15.67)
Net non-operating income (expenditures)	(76,903)	(90,000)	85.45
Profit (loss) before tax	(147,795)	362,514	(40.77)

Description: The revenue achievement rate was 70%, mainly due to the impact of high inflation, high interest rates, China's weak economy in 2023, plus the supply chain turmoil caused by the aftermath of the pandemic, the Russo-Ukrainian war and the Israel-Palestine conflict and the decline in demand in the international market, which affected revenue, resulting in a loss before tax in 2023.

(III)Financial balance and profitability analysis

Item / Year			2023	2022
Financial structure	Debt ratio (%)		58.00%	56.89%
	Long-term funds to fixed assets (%)		230.21%	223.39%
Profitability	Return on assets (%)		(0.59%)	4.36%
	Return on equity (%)		(3.08%)	8.44%
	To paid-in capital (%)	Operating Income	(7.45%)	40.12%
		Profit before tax	(15.53%)	41.54%

	Net profit margin (%)	(4.03%)	8.42%
	Earnings per share (NT$)	(1.09)	3.02

(IV) Research and development status

Due to the change in the demand for the environmental protection and energy saving and technologies. the application of high-speed, energy saving, and eco-friendly linear motion products is increasing and the required technology level is higher than the existing old production technologies. On the technology level, the Company is the top company in Taiwan in terms of rolled screws, and the technologies for ground screws and linear guides are also among the top companies. The R&D staff has rich practical experience with solid fundamental knowledge and high stability without technology gap. Therefore, in addition to enhancing our own technologies and innovation, we endeavor to research and develop new products and technologies and apply for patents in many countries for our developed technologies and products. In response to the ever-changing environment, we will continue to invest in new product development and process improvement in the future.

II. Summary of the 2024 business plan

In 2024, the Company's business objective is to actively expand its market in Europe, the Americas, Japan and the ASEAN region and to increase its proportion of sales to direct customers through its subsidiaries in order to improve the overall profitability. Moreover, the Company estimates the quantity of each product to be shipped this year based on the industry analysis of end customers, the expected shipment of the customers and the Company's production capacity. It is expected that the volume and value of shipments will continue to grow in 2024 in response to demand for 5G equipment and electric vehicles. The subsequent development, interest rate hikes and exchange rate fluctuations are still the key points to be observed this year.

III. Development strategies for the future

We will uphold to our business philosophy of being in line with market demands, creating cost advantages, and improving overall quality, coupled with our flexible organization, core technology and innovative thinking to create differences from competitors and strengthen our core values, so that we can improve our product quality and business performance.

IV. Effect of external competition, the legal environment and the overall business environment

At present, the overall economic environment is affected by high interest rates, high inflation and China's post-pandemic economic performance is not as good as expected. Therefore, in the short term, the Company may be affected by the factors of peer competition or uncertainties such as depreciation of international currencies and interest rate hikes, which may result in higher operating risks. However, we will continue to develop new niche products, explore new markets and maintain strong partnerships with customers in order to grasp the opportunities for growth in overall market demand, strive to achieve the operating objectives and reward shareholders with better operating results and profits.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen, Hsin-Kai

Two.Company Profile

I. Date of Incorporation

July 9, 2010

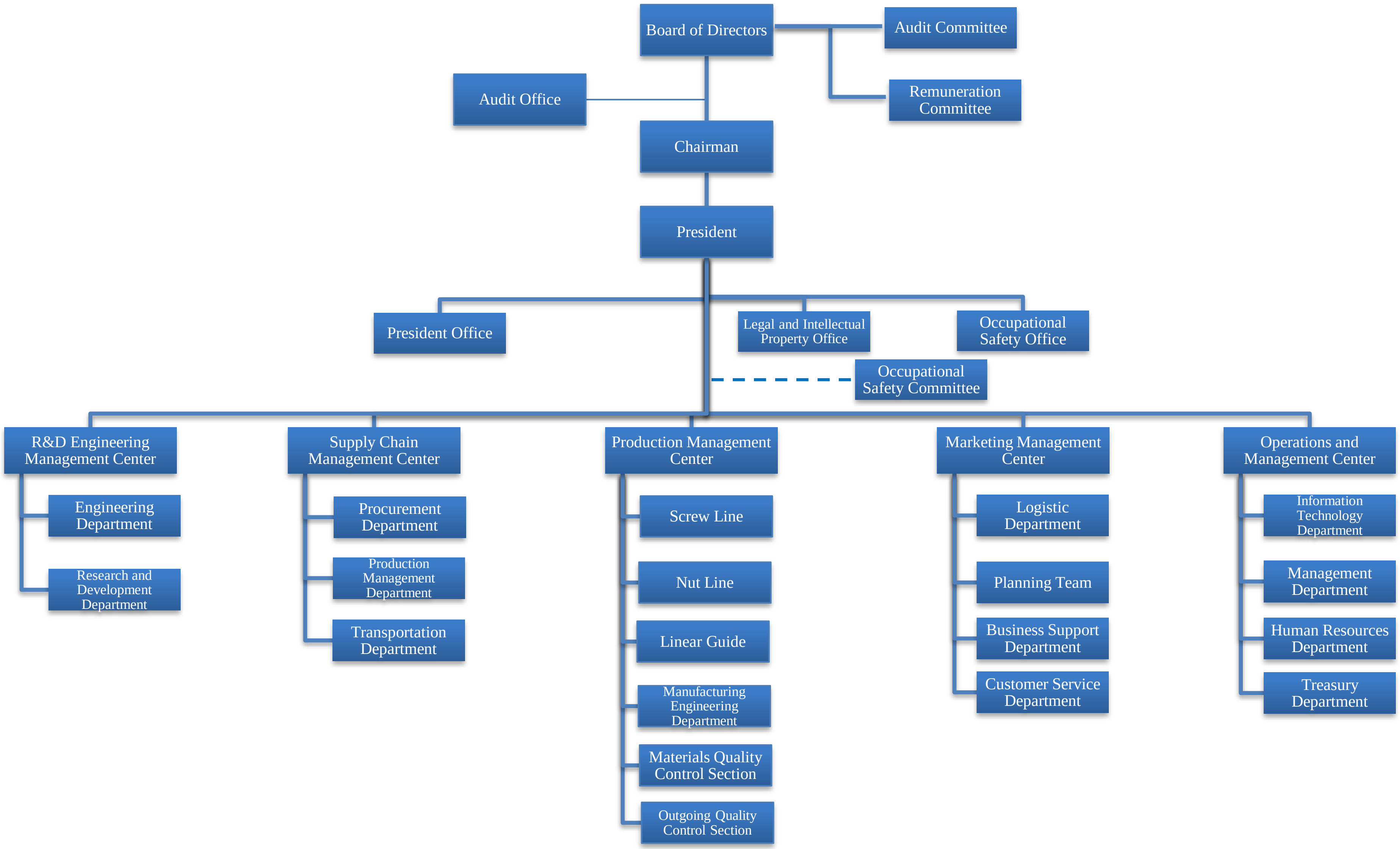
II. Company history

2010	●	TBI Motion Technology Co., Ltd. was established on July 9, 2010, with a paid-in capital of NT$1,000 thousand.
	●	In August, we conducted a cash capital increase of NT$173,600 thousand. Afterwards, the paid-in capital reached NT$174,600 thousand.
	●	In October, we conducted a cash capital increase of NT$134,000 thousand. Afterward, the paid-in capital reached NT$308,600 thousand.
	●	In December, 9,700 thousand shares of new shares were issued to acquire the business related to ball screw, which was divided by Comtop Technology Co., Ltd. Afterwards, the paid-in capital reached NT$405,600 thousand.
	●	In December, we conducted a cash capital increase of NT$51,550 thousand. Afterwards, the paid-in capital reached NT$457,150 thousand.
2011	●	In April, we conducted a cash capital increase of NT$135,630 thousand. Afterwards, the paid-in capital reached NT$592,780 thousand.
	●	In July, we conducted a cash capital increase of NT$60,000 thousand. Afterwards, the paid-in capital reached NT$652,780 thousand.
	●	In May, the new Yingge plant was established.
2012	●	On March 23rd, we entered into a "Shulin Industrial Zone Lease Agreement" with New Taipei City Government in respond to the demand for plant expansion. We expect to invest $1 billion in the Shulin Industrial Zone to build 17,000-ping office buildings, corporate headquarters and production plants in accordance with green building and green energy regulations.
	●	On June 19, the Financial Supervisory Commission of the Executive Yuan approved the public offering of the Company's shares.
2013	●	In October, we conducted a cash capital increase of NT$200,000 thousand. Afterwards, the paid-in capital reached NT$852,780 thousand.
2014	●	On November 6, the Company's shares were approved by the Taipei Exchange to be listed on the Emerging Stock Board and began trading on November 19.
2016	●	In January, the new Shulin plant was completed.
2017	●	New products of the single axis actuator series were launched.
	●	Application to the Industrial Development Bureau of the Ministry of Economic Affairs for the "Miniature Type High Speed Screws and Nuts Development Project" was approved.
2018	●	We led the application of "Development Project of Intelligent Feeding System Predictive Analysis and Compensation Technology for Tool Machine with Ultra-thin Composite Sensing Module" under the A+ Enterprise Innovation R&D plan (an integrated R&D plan) of MOEA., and the plan was reviewed and approved by the Institute for Information Industry.
	●	On June 21, the Company's shares were approved by Taiwan Stock Exchange Corporation to be listed and began trading on August 15. After the capital increase and listing, the paid-in capital reached NT$966,780 thousand.
2020	●	The subsidiary in Suzhou, China was officially operated.
	●	The subsidiary in the U.S. was incorporated.
2022	●	The subsidiary in Taiwan was officially operated.
	●	Contracted to purchase land and plant in Daxi, Taoyuan.
2022	●	Renovation of the Yingge plant was completed.
	●	Renovation of the plant in Daxi, Taoyuan, started in phases.
2023	●	Won the "Taiwan Excellence Award:" High-Lead Quiet Type Ball Screw SFJ.
	●	Won the Taiwan Excellence Award: Ball Chain Slide Block Slide Set GR series.
	●	Won the Gold Award in 2023 Happy Enterprise Voting by 1111 Job Bank.
	●	Won the 2023 National Talent Development Award.

Three.Corporate Governance Report

I. Organizational system

1. Organizational structure



2. Businesses of each department

Department	Main Tasks
Audit Office	● Internal audit operation planning and implementation. ● Internal inspection operation and improvement operation planning. ● Setting up the annual audit plan.
President Office	● Mid- and long-term development strategies planning and implementation. ● Develop the Company's business philosophy and policies of quality. ● Annual business objective planning and implementation. ● Management and review to ensure the effectiveness of the quality system.
Legal and Intellectual Property Office	● Corporate legal affairs, including compliance with domestic and international laws and regulations, management of contracts, patents and intellectual property rights, and litigation. ● Trade secret planning and protection.
Occupational Safety Office	● Conducting occupational safety and health training and awareness. ● Conducting environment and disaster-prevention educational training. ● Conducting the periodic inspection, declaration and automatic inspection of dangerous machinery and equipment. ● Report to the government agency on a regular basis. ● Handling resource recycling management and reporting operations. ● Handling the epidemic prevention and disinfection of the company's environment.
Engineering Department	● Project management for the equipment development operation. ● Equipment calibration and modification.
Research and Development Department	● Product research and development and commercialization management. ● Production technology improvement and management for change in design. ● Intellectual property rights protection and patent management.
Procurement Department	● Supplier evaluation and management. ● Planning for resource and material demands and major raw material procurement.
Production Management Department	● Integrating and coordinating the Marketing Management Center and Production Management Center. ● Arranging production schedule related tasks.
Production Management Center	● Planning and implementing the main product production plan of each product line. ● Product stocking control for each product line. ● Yield management and improvement for each product line. ● Testing and inspecting product quality. ● Providing solutions to quality problems. ● Ensuring the Company's products are in good and stable quality.
Marketing Management Center	● Corporate image planning and implementation. ● Advertising and marketing strategies planning. ● Collecting and analyzing market and peer information. ● Developing and implementing sales plans. ● After-sales service and handling of customer complaints. ● Advertising and marketing strategies implementation.
Administration Department	● Fixed assets management. ● Establishing and maintaining systems for various general affairs.
Information Technology Department	● Planning, managing, installing, and maintaining software and hardware of the information equipment, network and communication systems. ● Planning, evaluating, importing, managing and maintaining self-developed or outsourced computerized operation systems. ● Integrating information technology and corporate information systems and managing

Department	Main Tasks
	and maintaining software and hardware resources related to the company information.
Human Resources Department	● Handling personnel affairs and developing and managing human resources. ● Planning and implementing the employee educational training
Treasury Department	● Managing and analyzing various finance, accounting, tax and cost matters. ● Budget preparation and capital planning. ● Fund raising, deployment and management. ● Handling of matters related to the Board of Directors’ meetings and shareholders’ meetings.

II. Information on directors, supervisors, president, vice- presidents, assistant vice=presidents and the executives of all the divisions

(I) Director information

1. Introduction to the Board of Directors

April 29, 2024

Position	Nationality or place of registration	Name	Gender / Age	Date of Election (Inauguration)	Term	Date of initial election	Shareholding at the time of appointment		Current shareholding		Current Spouse and Minor Children's Shareholdings		Shareholdings by Nominee Arrangement		Experience (Education)	Concurrent Position Held in the Company or Other Companies	Other Executives or Directors who Are Spouses or within the second Degrees of Kinship			Note
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Position	Name	Relationship	
Chairman	R.O.C.	Te Yi Investment Co., Ltd.	–	2022.06.27	3 years	2010.09.08	5,735,000	6.09%	5,735,000	6.03%	–	–	–	–	–	–	–	–	–	
Representative	R.O.C.	Li, Ching-Kung	Male, 73 years old	2022.06.27	-	2010.09.08	128,687	0.14%	128,687	0.14%	–	–	–	–	Ji-Sui Junior High School Chairman, Comtop Technology Co., Ltd.	Chairman, Comtop Technology Co., Ltd. Supervisor, Fu Shan International Investment Co., Ltd.	President	Li, Jin-Sheng	Sibling	
Director	R.O.C.	Smartech and Green Co., Ltd.	–	2022.06.27	3 years	2022.06.27	1,092,107	1.16%	1,092,107	1.15%	–	–	–	–	–	–	–	–	–	
Director Representative	R.O.C.	Li, Jin-Sheng	Male, 65	2022.06.27	-	2022.06.27	2,603,456	2.76%	2,603,456	2.74%	1,474,478	1.55%	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology M.S., Graduate Institute of Mechanical Engineering, Lunghwa University of Science and Technology President, Comtop Technology Co., Ltd.	Chairman, Smartech and Green Co., Ltd.	Chairman	Li, Ching-Kung	Sibling	
Director	R.O.C.	Te Chang Investment Co., Ltd.	–	2022.06.27	3 years	2010.09.08	2,200,000	2.34%	2,200,000	2.31%	–	–	–	–	–	–	–	–	–	
Director Representative	R.O.C.	Li, Fu-Lin	Male, 48 years old	2022.06.27	-	2012.05.02	–	–	–	–	–	–	–	–	Department of Information Management, Lunghwa University of Science and Technology Director, Te Chang Investment Co., Ltd.	Director, Te Chang Investment Co., Ltd. Chairman, Taiwan Ball Screw Industrial Co., Ltd.	Chairman President	Li, Ching-Kung Li, Jin-Sheng	Uncle and nephew	
Director	R.O.C.	Yeh, Chun-Yen	Male, 58 years old	2022.06.27	3 years	2022.06.27	–	–	–	–	–	–	–	–	PhD Program in Advanced Management (Incomplete), National Taiwan University of Science and Technology MBA Program in Department of Finance, Graduate School of Finance, National Taiwan University B.A., Department of Accounting, Fu Jen Catholic University Chief Finance Officer, Annji Pharmaceutical Co., Ltd. Chief Finance Officer, Global Tek Fabrication Co., Ltd. Chief Finance Officer, Cyber Power Systems, Inc.	–	–	–	–	
Independent director	R.O.C.	Liu, I-Lin	Male, 53 years old	2022.06.27	3 years	2019.06.27	–	–	–	–	–	–	–	–	PhD, Department of Industrial Engineering and Management, National Taipei University of Technology EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology Sales manager, HP Financial Services	Assistant Vice President of Business, Orix Taiwan Corporation	–	–	–	

Position	Nationality or place of registration	Name	Gender / Age	Date of Election (Inauguration)	Term	Date of initial election	Shareholding at the time of appointment		Current shareholding		Current Spouse and Minor Children's Shareholdings		Shareholdings by Nominee Arrangement		Experience (Education)	Concurrent Position Held in the Company or Other Companies	Other Executives or Directors who Are Spouses or within the second Degrees of Kinship			Note
							Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Position	Name	Relationship	
															(Singapore) Pte. Ltd. Taiwan Branch Assistant Vice President of Business, Orix Taiwan Corporation					
Independent director	R.O.C.	Fang, Chung-Li	Male, 66 years old	2022.06.27	3 years	2022.06.27	–	–	–	–	–	–	–	–	PhD Program in Department of Industrial Engineering and Management, National Taipei University of Technology (Incomplete) EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology Five-year electrical engineering program, Provincial Taipei Institute of Technology	Chairman, Achieve Image Map Public Relations Consultant Co., Ltd. Supervisor, Hezong Science and Technology Co., Ltd.	–	–	–	
Independent director	R.O.C.	Chou, Cheng-I	Male, 48 years old	2022.06.27	3 years	2022.06.27	–	–	–	–	–	–	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology MBA in Cross-Field Technology, National Chengchi University B.A., Department of Electronic Engineering, National Taipei University of Technology	President, Chen Shiang Intellectual Property Inc. Chief Executive Officer, Chen Shiang Law Firm	–	–	–	

2. For directors acting as the representatives of corporate shareholders, the major shareholders of such corporate shareholders:

(1) Major Shareholders

April 29, 2024

Corporate Shareholder	Major Shareholders
Te Yi Investment Co., Ltd.	Li Cheng, Yueh-E (25%), Li, Ching-Kung (25%), Li, Fu-Yu (25%), Li, Ching-Yi (25%)
Smartech and Green Co., Ltd.	Li, Jin-Sheng (29.64%), Wang, Fu-Mei (29.64%), Li Si-Ying (20.36%), Li, Chuan-You (20.36%)
Te Chang Investment Co., Ltd.	Li, Shan-Tien (37.5%), Li, Fu-Lin (12.5%), Li, Ku-Huai (12.5%), Li, Su-Hui (12.5%), Li, Su-Kuan (12.5%), Li, Hsin-Yueh (12.5%)

3. Director information

April 29, 2024

Criteria / Name	More than five years of work experience and the following professional qualifications			Independence Status (Note)												Number of other public companies in which the Individual is concurrently serving as an independent director
	An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business	Work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	1	2	3	4	5	6	7	8	9	10	11	12	
Te Yi Investment Co., Ltd. (Representative: Li, Ching-Kung)			✓	✓	✓	✓			✓		✓	✓		✓		0
Smartech and Green Co., Ltd. (Representative: Li, Jin-Sheng)			✓	✓	✓				✓		✓	✓		✓		0
Te Chang Investment Co., Ltd. (Representative: Li, Fu-Lin)			✓	✓	✓	✓	✓		✓	✓	✓	✓	✓	✓		0
Yeh, Chun-Yen			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Liu, I-Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Fang, Chung-Li		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0
Chou, Cheng-I		✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0

Note: Please mark "✓" in the corresponding boxes if directors have met any of the following criteria during the two years prior to being elected or during the term of office.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the Company's affiliates (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, or any subsidiary, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children or held by the person under others' names, in an aggregate of one percent or more of the total number of issued shares of the company or ranking among the top 10 natural-person shareholders in holdings.

(4) Not a spouse, relative within the second degree of kinship or lineal relative within the third degree of kinship of any of the persons in the preceding three sub-paragraphs.

(5) Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranks among the five largest shareholders in terms of shares held, or that assigns representative as the Company's director or supervisor pursuant to Article 27, Paragraph 1 or 2 of the Company Act (the same does not apply, however, in cases where the person is also an independent director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company concurrently as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(6) Not a director, supervisor or employee of a corporation which is controlled by the same person who has over 50% of voting right shares or board of director seats of the Company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(7) Not a director, supervisor or employee of a corporate or institution which has the same or their spouse is: chairman, president or equivalent positions of the Company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(8) Not a director, supervisor, officer or shareholder holding 5% or more of shares of a specified company or institution

that has a financial or business relationship with the Company (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary and the specific company or institution holds more than 20% but within 50% of the Company's shares).

(9) Not a professional individual who, or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation within NT$500,000 or a spouse thereof. This same does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having a marital relationship or a relative within the second degree of kinship to any other director of the Company.

(11) Not having any of the circumstances in the paragraphs of Article 30 of the Company Act.

(12) Not elected in the capacity of a government agency, a juristic person or a representative thereof, as provided in Article 27 of the Company Act.

(II) Information on president, vice presidents, assistant vice presidents and the executives of all the departments and branches

April 29, 2024

Position	Nationality	Name	Gender	Date of inauguration	when Elected		Spouse & Minor Children Shareholding		Shareholdings by Nominee Arrangement		Experience (Education)	Concurrent Position Held in Other Companies	Managers who Are the Individual's Spouses or within the second degree of kinship			Note
					Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio			Position	Name	Relationship	
President	R.O.C.	Li, Jin-Sheng	Male	2010.07.09	2,603,456	2.74%	1,474,478	1.55%	–	–	EMBA, Department of Industrial Engineering and Management, National Taipei University of Technology M.S., Graduate Institute of Mechanical Engineering, Lunghwa University of Science and Technology President, Comtop Technology Co., Ltd.	Chairman, Smartech and Green Co., Ltd.	–	–	–	
Assistant Vice-President of Operation Management Center	R.O.C.	Chiang, Wen-Lung	Male	2023.05.11	1,000	–	–	–	–	–	Master of Accounting, Chung Yuan Christian University CFO, Head of Accounting, Spokesperson, Head of Corporate Governance, Head of Business Planning Office of TZE SHIN INTERNATIONAL CO., LTD.	No	–	–	–	
Assistant Vice President of Marketing Management Center	R.O.C.	Liu, Su-Miao	Female	2021.09.06	–	–	–	–	–	–	Department of International Trade, Chihlee University of Technology Head of Administration Division, Everlight Electronics Co., Ltd.	No	–	–	–	
Manager, Production Department	R.O.C.	Lai, Wen-Hsin	Male	2023.10.01	–	–	–	–	–	–	Master of Mechanical Engineering, National Chung Cheng University Master of Industrial Engineering and Management, National Taipei University of Science and Technology Assistant Vice-President, President Office, HONG ZU MOULD ENTERPRISE CO., LTD.	No	–	–	–	
Manager, Engineering Department	R.O.C.	Hsu, Fang-Jui	Male	2014.07.01	92,000	0.10%	–	–	–	–	Department of Mechanical Engineering, Hungkuo Delin University of Technology Factory Chief, Hwa Mean Industrial Co., Ltd.	No	–	–	–	
Manager, Procurement Department	R.O.C.	Hsu, Hsuan-Yu	Female	2020.04.01	8,000	0.01%	–	–	–	–	Department of Mechanical Engineering, Lunghwa University of Science and Technology Team Leader, Production Management Team, Comtop Technology Co., Ltd.	No	–	–	–	
Manager, Management Department	R.O.C.	Hsu, Chien-shun	Male	2015.08.17	–	–	–	–	–	–	Department of Information Management, JinWen University of Science and Technology Section Head, Department of Management, Sanwa Engineering Corp.	No	–	–	–	
Manager, Treasury Department	R.O.C.	Shen, Hsin-Kai	Male	2023.11.08	–	–	–	–	–	–	Department of Accounting, Shih Chien University Senior Manager, Audit Office of SunPower Energy Technology.	No	–	–	–	
Manager, Information Technology Department	R.O.C.	Hsieh, Ching-Jui	Male	2022.12.15	–	–	–	–	–	–	Computer Science, University of Massachusetts Manager, Information Technology Department, Reco Biotek Co., Ltd.	No	–	–	–	
Manager of Human Resources Department	R.O.C.	Su, Lung-Sheng	Male	2019.08.16	–	–	–	–	–	–	Master, Development of Technology Application and Human Resource, National Taiwan Normal University Deputy Manager, Human Resource Department, Career Technology (MFG.) Co., Ltd.	No	–	–	–	
Chief of Audit Office	R.O.C.	Sun, Yan-Jing	Male	2024.03.12	–	–	–	–	–	–	Department of Accounting, Kainan University Assistant Manager, PKF Taiwan	No	–	–	–	
Manager, Occupational Safety Office	R.O.C.	Chen, Ye-Sheng	Male	2010.07.09	38,000	0.03%	–	–	–	–	Department of Mechanical Engineering, Lunghwa University of Science and Technology Manager, Production Department, Comtop Technology Co., Ltd.	No	–	–	–	

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

(I) Remuneration to Directors (including independent directors)

Unit: NT$ thousand

Title	Name	Directors' Remuneration								Sum of A, B, C and D as a percentage of net income		Remuneration received as employee								Sum of A, B, C, D, E, F and G as a percentage of net income		Remuneration from parent company or business investments other than subsidiaries
		returns (A)		Severance pay and pension (B)		Directors' remuneration (C)		Fees for services rendered (D)				Salaries, bonuses, special allowances etc. (E)		Severance pay and pension (F)		Employee remuneration (G)						
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company		Companies included in the financial statements		**The Company**	Companies included in the financial statements	
																Profit sharing in cash	Profit sharing in shares	Profit sharing in cash	Profit sharing in shares			
Chairman	Te Yi Investment Co., Ltd. Representative: Li, Ching-Kung	3,001	3,001	0	0	0	0	471	471	(3.35%)	(3.35%)	0	0	0	0	0	0	0	0	(3.35%)	(3.35%)	No
Director	Smartech and Green Co., Ltd. Representative: Li, Jin-Sheng	0	0	0	0	0	0	25	25	(0.02%)	(0.02%)	4,440	4,440	108	108	0	0	0	0	(4.41%)	(4.41%)	No
Director	Te Chang Investment Co., Ltd. Representative: Li, Fu-Lin	0	0	0	0	0	0	20	20	(0.02%)	(0.02%)	0	0	0	0	0	0	0	0	(0.02%)	(0.02%)	No
Director	Yeh, Chun-Yen	0	0	0	0	0	0	25	25	(0.02%)	(0.02%)	0	0	0	0	0	0	0	0	(0.02%)	(0.02%)	No
Independent director	Liu, I-Lin	600	600	0	0	0	0	65	65	(0.06%)	(0.06%)	0	0	0	0	0	0	0	0	(0.06%)	(0.06%)	No
Independent director	Fang, Chung-Li	600	600	0	0	0	0	65	65	(0.06%)	(0.06%)	0	0	0	0	0	0	0	0	(0.06%)	(0.06%)	No
Independent director	Chou, Cheng-I	600	600	0	0	0	0	65	65	(0.06%)	(0.06%)	0	0	0	0	0	0	0	0	(0.06%)	(0.06%)	No

*Remuneration received by director for providing service to any company included in the financial statements (e.g. consultancy service without the title of an employee) in the last year, except those disclosed in the above table: none.

Remuneration range table

Range of Remuneration Paid to Each Director	Name of Director			
	Sum of First Four Remuneration (A+B+C+D)		Sum of First Seven Remuneration (A+B+C+D+E+F+G)	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Less than NT$2,000,000	Representatives of SMARTECH & GREEN CO., LTD.: Li, Jin-Sheng; Representatives of Te Chang Investment Co., Ltd.: Li, Fu-Lin; Yeh, Chun-Yen; Liu, Yi-Lin; Fang, Chung-Li; Chou, Cheng-Yi.	Representatives of SMARTECH & GREEN CO., LTD.: Li, Jin-Sheng; Representatives of Te Chang Investment Co., Ltd.: Li, Fu-Lin; Yeh, Chun-Yen; Liu, Yi-Lin; Fang, Chung-Li; Chou, Cheng-Yi.	Representatives of Te Chang Investment Co., Ltd.: Li, Fu-Lin; Yeh, Chun-Yen; Liu, Yi-Lin; Fang, Chung-Li; Chou, Cheng-Yi.	Representatives of Te Chang Investment Co., Ltd.: Li, Fu-Lin; Yeh, Chun-Yen; Liu, Yi-Lin; Fang, Chung-Li; Chou, Cheng-Yi.
NT$2,000,000 (inclusive) ~ NT$5,000,000 (exclusive)	Representative of Te Yi Investment Co., Ltd.: Li, Ching-Kung	Representative of Te Yi Investment Co., Ltd.: Li, Ching-Kung	Representative of Te Yi Investment Co., Ltd.: Li, Ching-Kung; Representative of Smartech and Green Co., Ltd.: Li, Jin-Sheng.	Representative of Te Yi Investment Co., Ltd.: Li, Ching-Kung; Representative of Smartech and Green Co., Ltd.: Li, Jin-Sheng.
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	No	No	No	No
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	No	No	No	No
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	No	No	No	No
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	No	No	No	No
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	No	No	No	No
NT$100,000,000 and above	No	No	No	No
Total	7 persons	7 persons	7 persons	7 persons

(II) Remuneration to supervisors: Not applicable.

(III) Remuneration to President and treasury executives

Unit: NT$ thousand

Position	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee Remuneration (D)				Sum of A, B, C, and D as a percentage of net income (%)		Remuneration from parent company or business investments other than subsidiaries
								The Company		Companies included in the financial statements				
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	Companies included in the financial statements	
President	Li, Jin-Sheng	2,550	2,550	108	108	1,890	1,890	0	0	0	0	(4.39%)	(4.39%)	No
Assistant VP, Finance	Chiang, Wen-Lung (Note 1)	1,200	1,200	73	73	260	260	0	0	0	0	(1.48%)	(1.48%)	No
Manager, Treasury Department	CHEN, CHUNG-WEN (Note 2)	570	570	72	72	669	669	0	0	0	0	(1.27%)	(1.27%)	No
Manager, Treasury Department	Shen, Hsin-Kai (Note 3)	443	443	24	24	0	0	0	0	0	0	(0.45%)	(0.45%)	No

Note 1: Inaugurated on May 11, 2023 and resigned on November 8, 2023.
Note 2: Resigned on May 11, 2023.
Note 3: Assumed office on November 8, 2023.

Remuneration range table

Range of Remuneration paid to President and treasury executives	Name of President and treasury executives	
	The Company	Companies included in the financial statements
Less than NT$2,000,000	Note 1	Note 1
NT$2,000,000 (inclusive) ~ NT$5,000,000 (exclusive)	Li, Jin-Sheng	Li, Jin-Sheng
NT$5,000,000 (inclusive) ~ NT$10,000,000 (exclusive)	No	No
NT$10,000,000 (inclusive) ~ NT$15,000,000 (exclusive)	No	No
NT$15,000,000 (inclusive) ~ NT$30,000,000 (exclusive)	No	No
NT$30,000,000 (inclusive) ~ NT$50,000,000 (exclusive)	No	No
NT$50,000,000 (inclusive) ~ NT$100,000,000 (exclusive)	No	No
NT$100,000,000 and above	No	No
Total	4 persons	4 persons

Note 1: Chiang, Wen-Lung; Chen, Chung-Wen; Shen, Hsin-Kai.

(IV) Remuneration for the top five highest paid executives

Position	Name	Salary (A)		Severance pay and pension (B)		Bonuses and allowances (C)		Employee Remuneration (D)				Sum of A, B, C, and D as a percentage of net income (%)		Remuneration from parent company or business investments other than subsidiaries
								The Company		Companies included in the financial statements				
		The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements	Cash amount	Amount of shares	Cash amount	Amount of shares	The Company	Companies included in the financial statements	
President	Li, Jin-Sheng	2,550	2,550	108	108	1,890	1,890	0	0	0	0	(4.39%)	(4.39%)	No
Manager, Engineering Department	Hsu, Fang-Jui	1,439	1,439	87	87	961	961	0	0	0	0	(2.40%)	(2.40%)	No
Assistant Vice President of Marketing Management Center	Liu, Su-Miao	1,590	1,590	95	95	523	523	0	0	0	0	(2.13%)	(2.13%)	No
Manager, Information Technology Department	Hsieh, Ching-Jui	1,273	1,273	79	79	462	462	0	0	0	0	(1.75%)	(1.75%)	No
Manager, Procurement Department	Hsu, Hsuan-Yu	1,101	1,101	66	66	586	586	0	0	0	0	(1.69%)	(1.69%)	No

(V) Names of managers who receive employee remuneration and distribution: This is a net loss before tax for the year ended December 31, 2023. No provision for employee remuneration is provided, so this is not applicable.

(VI) Separately compare and describe total remuneration, as a percentage of net income stated in the parent company only financial statements or individual financial reports, as paid by the Company and by each other companies included in the consolidated financial statements during the most recent two fiscal years to directors, supervisors, presidents, and vice presidents, 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. Remuneration paid to directors, supervisors, president, and vice presidents as a percentage of net income by the Company and companies included in the consolidated financial statements for the most recent two fiscal years.

Remuneration paid to directors, supervisors, president, and vice presidents as a percentage of net income	2023		2022	
	The Company	Companies included in the financial statements	The Company	Companies included in the financial statements
Sum of directors' remuneration as a percentage of net income	(5.34%)	(5.34%)	3.36%	3.36%
Sum of supervisors' remuneration as a percentage of net income	—	—	—	—
Sum of President and treasury executives' remuneration as a percentage of net income	(7.59%)	(7.59%)	2.97%	2.97%

2. Remuneration policies, standards and packages, the procedure for determining remuneration and its linkage to operating performance and future risk exposure

(1) Director

The remuneration to directors includes allowances for transportation and business execution and earnings distribution. The remuneration of earnings distribution shall be conducted in accordance with the Article 18 of the Company's Articles of Incorporation. If the Company makes a profit in a year, the Board of Directors shall resolve to allocate less than 5% of the profit for the remuneration of the directors. The appropriation of directors' remuneration shall be reported to the shareholders' meeting.

Performance of the board of directors, functional committees and individual directors is evaluated once a year according to the "Board Performance Self-evaluation or Peer Evaluation Policy." The evaluation items include participation in the Company's operations, professionalism and continuing education, and internal control management.

(2) President

The remunerations to the president and financial executives include salaries, bonuses and employee remuneration. They are determined based on the individual's position, responsibilities, performance, and contribution to the Company while taking into account peer standards. The evaluation indicators include but are not limited to revenue growth ratio, internal management quality, implementation of corporate philosophy, talent cultivation, group strategy implementation and technological innovation; the distribution standards of employee remuneration are in accordance with the Company's Articles of Incorporation, which shall be reported to the Board of Directors and approved by the Shareholders' Meeting. The allocation standards of employee remuneration shall be in accordance with the Company's Articles of Incorporation and shall distributed after being submitted to the board meeting and approved by the shareholders' meeting.

IV. Status of corporate governance

(I) Board of Directors operation

There were 5 board meetings (A) held in the most recent fiscal year (2023). Director attendance was as follows:

Position	Name	In-person Attendance (B)	Attendance by proxy	In-person attendance rate (%) (B÷A)	Note
Chairman	Te Yi Investment Co., Ltd. Representative: Li, Ching-Kung	5	—	100%	
Director	Smartech and Green Co., Ltd. Representative: Li, Jin-Sheng	5	—	100%	
Director	Te Chang Investment Co., Ltd. Representative: Li, Fu-Lin	4	1	80%	
Director	Yeh, Chun-Yen	5	—	100%	
Independent director	Liu, I-Lin	5	—	100%	
Independent director	Fang, Chung-Li	5	—	100%	
Independent director	Chou, Cheng-I	5	—	100%	

Other mandatory disclosures:

I. If there is any matter specified in Article 14-3 of the Securities and Exchange Act or objected to by independent directors or subject to qualified opinion and recorded or declared in writing, the Company should state the date of the board meeting, session, content, all independent directors' opinion, and the Company's response and handling of the independent director's opinion:

1. Matter specified in Article 14-3 of the Securities and Exchange Act: Not applicable. The Company has established an audit committee.
2. In addition to aforementioned matters, other matters objected to by independent directors or subject to qualified opinion and recorded or declared in writing: The Company's independent directors did not reject or have any qualified opinions against any proposals in board meetings in 2023.

II. For recusals of Directors due to conflicts of interests, the name of directors, content of proposals, reasons for recusal, and participation and voting status shall be described: None.

III. Listed companies shall disclose the evaluation frequency, period, scope, method, and content of the self-evaluation of the Board of Directors:

Evaluation frequency	Evaluation period	Evaluation scope	Evaluation method	Evaluation content
Once a year	From January 1, 2023 to December 31, 2023	Board of Directors	Internal evaluation by the Board of Directors	Participation in the operation of the Company; improvement of the quality of the Board of Directors' decision making; composition and structure of the Board of Directors; election and continuing education of the directors; and internal control.
		Individual board member	Self-evaluation (or peer evaluation) by board member	Alignment of the goals and missions of the company; awareness of the duties of a director; participation in the operation of the company; management of internal relationship and communication; the director's professionalism and continuing education; and internal control.
Once every three years	January 1, 2021 to December 31, 2021	Board of Directors	Appointment to external professional institutions (Note)	● Professional functions of the Board of Directors ■ Diversity of the Board of Directors ■ Directors' continuing education ● Decision-making effectiveness of the Board of Directors ■ Directors' participation in meetings ■ Directors' control over the Company's operations ■ Status of risk management ● Emphasis on internal control ■ Formulation and implementation of internal principles ■ Supervision of internal audit

				■ Smooth communication channels ■ Disclosure and avoidance of relations of interest ● Attitude towards corporate social responsibility ■ Information disclosure to investors ■ Sustainable Development Actions

Note: In 2021, the Company commissioned the "Taiwan Institute of Ethical Business and Forensics (hereinafter referred to as "the Institute")" to evaluate the effectiveness of the board of directors. The executive members of the institute have already issued a declaration of independence in the report. The date of the effectiveness evaluation report is March 23, 2022, and the evaluation method is as follows. The Company provides the required documents and responds to the evaluation questionnaire. The Institute conducts a written review and conducts on-site inspections at the Company. After the evaluation, the Institute made the following recommendations:

I. To increase the diversity of the board of directors, it is recommended to add independent directors or outside directors

II. To improve the efficiency of board meetings, it is recommended that directors who are not involved in daily operations be provided with more sufficient information based on the complexity of the proposal before a board meeting is convened and that the frequency of communication with directors should be increased in addition to formal board meetings.

III. To effectively control corporate risks, it is recommended that all proposals be assessed on their benefits, and the risk assessments should be conducted by the unit that proposed them or by a dedicated department.

IV. To facilitate the sustainable development of the enterprise, it is recommended to establish a talent cultivation and development plan.

V. To encourage the willingness of internal whistleblowers to report, it is recommended to specify the rules and regulations for accepting whistleblowing cases.

VI. To achieve the goal of continuous improvement of corporate governance, it is recommended to establish a dedicated unit for sustainability to report regularly to the Board of Directors.

IV. Targets for strengthening of the functions of the board during the current and the most recent fiscal years and evaluation of their implementation:

1. The Company's Board of Directors has resolved to establish the "Rules and Procedures of Board of Directors Meetings" in accordance with the "Regulations Governing Procedure for Board of Directors Meetings of Public Companies". The Board of Directors has operated pursuant to the "Rules of Procedures of Board of Directors Meetings", and the Company holds regular meetings of the Board of Directors, and the meetings are recorded and the minutes taken down in detail.
2. The Company establishes the Remuneration Committee and Audit Committee to strengthen the operation of the Board of Directors. Independent directors all possess expertise and independency to protect shareholders' rights and interests and promote the value of the Company to achieve sustainable operating objectives.
3. The Company regularly arranges professional training courses for directors to ensure that directors maintain their core values, professional advantages and abilities.
4. Continue to enhance information transparency: the Company assigns dedicated personnel to be responsible for the information disclosure and company website message updates.

(II) Audit Committee implementation:

The Audit Committee of the Company is composed of all independent directors. It has established a good corporate governance system, sound audit supervision function and strengthened management function; the Audit Committee aims to assist the Board of Directors to perform its supervisory duties and its duties are as follows:

1. Establishment or amendment of internal control system in accordance with Article 14-1 of the Securities and Exchange Act
2. Evaluation of the effectiveness of the internal control system
3. Establishment or amendment of asset acquisition and disposal procedures, derivative trading procedures, external party lending procedures, external party endorsement and guarantee procedures and other procedures of major financial or business consequences according to Article 36-1 of the SEA.
4. Matters involving the interests of directors
5. Major asset or derivative transactions
6. Material Loaning of Funds, Endorsement or Guarantee
7. Offering, issuance or private placement of equity-type securities
8. Appointment, dismissal or remuneration of CPAs
9. Appointment and dismissal of financial, accounting or internal auditing officers

10. Review of annual and semi-annual financial reports
11. Review of the performance of major investments
12. Supervision of the establishment and execution of risk management policies
13. Other important matters regulated by the Company or the competent authority

Audit Committee held 5 meetings (A) in the most recent fiscal year (2023). Its implementation was as follows:

Position	Name	Attendance in Person (B) (Note)	Attendance by proxy	In-person Attendance Rate (%) (B÷A)	Note
Independent director	Liu, I-Lin	5	—	100% of face value	
Independent director	Fang, Chung-Li	5	—	100% of face value	
Independent director	Chou, Cheng-I	5	—	100% of face value	

Other mandatory disclosures:

I. If there is anything as below, the Company should state the date and session of the Board meeting, content of proposals, resolutions of the audit committee meetings and the Company's response and handling of the independent director's opinions: The Audit Committee approved all significant proposals for the year 2023. There were no resolutions approved by two-thirds or more of all directors without the approval of the Audit Committee, as shown in the table below.

(I) Matters specified in the Article 14-5 of the Securities and Exchange Act:

Date of Board Meeting	Session	Content of proposal	Resolution of the Audit Committee	The Company's handling of the Audit Committee's opinions
2023/2/22	2023 1st	A joint venture with TANHAY Korea to establish an overseas subsidiary.	Resolved to adopt	No
		The improvement project of Daxi plant.	Resolved to adopt	No
2023/3/22	2023 2nd	Proposal for the Company's "Review on the Effectiveness of the Internal Control System" and "Internal Control Statement"	Resolved to adopt	No
		Amendments on the Company's internal control system	Resolved to adopt	No
		The 2022 remuneration distribution to directors and employees.	Resolved to adopt	No
		The Company's 2022 Business Report and Financial Statements.	Resolved to adopt	No
		Proposal for 2022 earnings distribution.	Resolved to adopt	No
		Purchasing machinery equipment.	Resolved to adopt	No
		Proposal for recognizing the Company's accounts receivable, as of December 31, 2022, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non- loans to others.	Resolved to adopt	No
		To amend the Company's "Procedures for the Acquisition or Disposal of Assets"	Resolved to adopt	No
		Amendments to the "Management Procedures for the Acquisition and Disposal of Assets" of subsidiary TBI Motion Intelligence Co., Ltd.	Resolved to adopt	No
		Pre-approval for the provision of non-accreditation services to the Company and subsidiaries by CPAs, their firms and their affiliates	Resolved to adopt	No
2023/5/11	2023 3rd	Proposal for appointing the attesting CPAs for 2023 financial and tax statements and the appointment fee.	Resolved to adopt	No
		The Company 2023 Q1 financial reports.	Resolved to adopt	No
		Proposal for recognizing the Company's accounts	Resolved to	No

		receivable, as of March 31, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non-loans to others.	adopt	
		Proposal of conversion of the Company's 1st domestic secured convertible bond and 2nd domestic unsecured convertible bond and issuance of new shares.	Resolved to adopt	No
		Proposal for changing the Company's treasury executive, accounting executive and spokesperson.	Resolved to adopt	No
2023/8/10	2023 4th	Amendments on the Company's internal control system	Resolved to adopt	No
		The Company 2023 Q2 financial reports.	Resolved to adopt	No
		To amend the Company's "Regulations Governing the Operation of Corporate Bonds"	Resolved to adopt	No
		Proposal for recognizing the Company's accounts receivable, as of June 30, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non- loans to others.	Resolved to adopt	No
2023/11/8	2023 5th	Establishing the Company's 2024 internal audit plan.	Resolved to adopt	No
		Proposal for establishing the subsidiaries' 2024 internal audit plan.	Resolved to adopt	No
		Proposal to change the Company's financial head and accounting head	Resolved to adopt	No
		The Company 2023 Q3 financial reports.	Resolved to adopt	No
		Presentation of the Company's 2024 budget	Resolved to adopt	No
		To amend the Company's "Regulations Governing the Handling of Material Internal Information"	Resolved to adopt	No
		Proposal for recognizing the Company's accounts receivable, as of September 30, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non- loans to others.	Resolved to adopt	No
		Disposal of real property of the Company's Yingge Plant	Resolved to adopt	No

(II) Beside the aforementioned matters, resolutions that were not approved by the Audit Committee but was approved by two thirds or more of all directors: none.

II. For recusals of independent directors due to conflicts of interests, the name of independent directors, content of proposals, reasons for recusal, and participation and voting status shall be described: none.

III. Communications between Independent Directors and the internal audit executives and CPAs:

(I) Internal audit executives regularly communicate with the Audit Committee members regarding the result of audit reports and conduct internal audit reports at quarterly audit committee meetings. In case of special circumstances, they would also report to the Audit Committee members timely. There were no such special circumstances in 2023. The Audit Committee communicated with the internal audit officers well.

(II) The Company's attesting CPAs would report the results of the audit or review of the concurrent quarter's financial statements at the Audit Committee meeting, if necessary and other communications required by the relevant laws and regulations. In case of special circumstances, they would also report to the Audit Committee members timely. There were no such special circumstances in 2023. The Company's auditors had a good communication with the attesting CPAs.

(III) Corporate Governance Implementation Status and Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
I. Does Company follow the Corporate Governance Best-Practice Principles for TWSE/TPEx- Listed Companies to establish and disclose its corporate governance practices?	✓		To establish a good corporate governance system and operate the Company soundly, we formulated a "Corporate Governance Best Practice Principles," in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies and relevant laws and regulations, which have been approved by the Board of Directors. The Company has implemented its relevant regulations based on the spirit of corporate governance and has uploaded it on the Company's website for shareholders' reference.	No significant deviations
II. Shareholding structure and shareholders' rights (I) Does the Company have internal operating procedures for handling shareholders' suggestions, concerns, disputes, and litigation matters, and have these procedures been implemented accordingly?	✓		(I) The Company convenes shareholders' meetings by the Company Act and relevant laws and regulations and formulates sound "Rules and Procedures of Shareholders' Meeting". It appoints the Stock Affairs Agency of First Securities Inc. to deal with stock affairs and has the spokesperson system in place in which a spokesperson or an acting spokesperson is responsible for handling investors' suggestions or answering their questions. It also discloses contact information on the company website so that shareholders can voice out their opinions and have their opinions properly addressed.	No significant deviations
(II) Does the company have a list of major shareholders and their beneficial owners?	✓		(II) The Company appoints a professional stock agent to declare changes in the shareholdings of insiders (directors, managers and shareholders holding more than 10% of the total shares) monthly on the Market Observation Post System by law. It also keeps abreast of a list of major shareholders and ultimate controllers of them who actually control the Company through the register of shareholders provided by the stock affairs agency at the time of the Company's book closure date.	No significant deviations
(III) Has the Company built and executed a risk management system and "firewall" between the Company and its affiliates?	✓		(III) The Company has established the "Management Rules for Related Party Transactions" and the auditors would audit its implementation regularly. It has also	No significant deviations

Evaluation item	Implementation status: Yes	Implementation status: No	Implementation status: Summary Description	Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
			established the “Rules for Supervision of Subsidiaries” to build a proper risk control mechanism and a firewall.	
(IV) Does the Company have internal regulations that prohibit insiders from trading marketable securities using information that is not publicly available in the market?	✓		(IV) The Company has established the "Rules Governing the Handling of Material Inside Information and Prevention of Insider Trading" for compliance. The Company provides, from time to time, guidance to its directors, officers, employees and other personnel who have known of material inside information of the Company due to their status, occupation, or relationship of control, on compliance with the law and on that they should use the care of good administrators, their loyalty, and honesty in performing their duties when participating in important decisions.	No significant deviations
III. Composition and responsibilities of the Board of Directors (I) Has the board of directors established a diversity policy, set specific management goals, and implemented them accordingly ?	✓		(I) The Company has specified in the "Corporate Governance Best Practice Principles" and the "Regulations Governing the Election of Directors and Independent Directors" that diversity should be considered in the composition of the Board of Directors. The Company has also formulated a diversity policy with respect to the Company's operation, business model, and development needs, including but not limited to gender, age and educational background. The Company has implemented the diversity policy of the Board of Directors. The 5th Board of Directors consists of seven directors (including three independent directors), whose professional knowledge and skills cover a wide range of industry, finance, technology, management and law and who possess the knowledge, skills and experience necessary to perform their duties. Implementation of the diversity policy of the board:	No significant deviations

Diversity Core Items / Name of Director	Operation and management	Leadership decision	Industry knowledge	Financial Accounting	Law

<table>
<tr><th rowspan="2">Evaluation item</th><th colspan="3">Implementation status</th><th rowspan="2">Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:</th></tr>
<tr><th>Yes</th><th>No</th><th>Summary Description</th></tr>
<tr><td></td><td></td><td></td><td>
<table>
<tr><td>Te Yi Investment Co., Ltd.
Representative: Li, Ching-Kung</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Smartech and Green Co., Ltd.
Representative: Li, Jin-Sheng</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Te Chang Investment Co., Ltd.
Representative: Li, Fu-Lin</td><td>V</td><td>V</td><td>V</td><td></td><td></td></tr>
<tr><td>Yeh, Chun-Yen</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr>
<tr><td>Liu, I-Lin</td><td>V</td><td>V</td><td>V</td><td>V</td><td></td></tr>
<tr><td>Fang, Chung-Li</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
<tr><td>Chou, Cheng-I</td><td>V</td><td>V</td><td>V</td><td></td><td>V</td></tr>
</table>
</td><td rowspan="2">Going forward, the Company will establish relevant mechanism in accordance with the Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies.</td></tr>
<tr><td>(II) Other than the Remuneration Committee and Audit Committee which are required by law, does the Company set up other functional committees?</td><td></td><td>✓</td><td>(II) The Company has set up the Remuneration Committee and Audit Committee by law which both operates in accordance with relevant laws and regulations. Going forward, the Company will establish other functional committees depending on the operating situation and relevant laws and regulations.</td></tr>
<tr><td>(III) Has the Company established rules and methods for evaluating the performance of the Board of Directors? Is the performance evaluation conducted on a regular basis every year? Does the Company submit the results of the performance evaluation to the Board of Directors and use it as a reference for individual directors' remuneration and nomination?</td><td>✓</td><td></td><td>(III) To implement corporate governance and enhance the functions of the Board of Directors, the Company established the "Board of Directors' Self-Evaluation or Peer Evaluation" management rules on May 8, 2019, which should be evaluated at least once a year and the evaluation results should be completed by the end of the first quarter of the following year.</td><td>No significant deviations</td></tr>
<tr><td>(IV) Does the Company regularly evaluate its attesting CPA's independence?</td><td>✓</td><td></td><td>(IV) To implement corporate governance and evaluate the independence and competence of attesting CPAs, Treasury Department regularly evaluates CPAs' independence and competence on an annual basis with reference to the Audit Quality Indicators (AQIs) and keeps written records. The Audit Committee and the Board of Directors of the Company reported on March 23, 2022, and March 22, 2023, on the evaluation of the independence and competence of the CPAs. Please refer to [Explanation 1] for details of the independence evaluation items. The qualifications of the CPA Hsu, Ming-Chao and Chiu, Chao-Hsien; and Chih, Ping-Chun, and Chiu, Chao-Hsien of PricewaterhouseCoopers Taiwan were evaluated to comply with the accountant practice. They had no direct or indirect financial interest in the Company or its</td><td>No significant deviations</td></tr>
</table>

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			directors. The quality and timeliness of their audit and tax services met the standard and they are substantially independent and competent to serve as the Company's attesting CPAs.	
IV. Whether or not the TWSE/TPEx-listed company appoints competent and appropriate corporate governance personnel, and appoints a corporate governance officer to be responsible for corporate governance-related affairs (including but not limited to providing directors and supervisors with information handling matters related to the Board of Directors and Shareholders' Meetings in accordance with the law, and preparation of minutes of Board of Directors' and Shareholders' meetings)?	✓		On May 11, 2023, the Company's Board of Directors appointed Assistant Vice-President Chiang, Wen-Lung of the Operation and Management Center as the Corporate Governance Officer and is the highest officer in charge of corporate governance affairs. The Company's Corporate Governance Officer has more than three years of experience as a financial officer of a public company and has completed professional training as required by laws and regulations. Please refer to page 33 of this annual report for information on such training. The main responsibilities of the Company's corporate governance officer are as follows: 1. Handling of matters related to board meetings by law: To notify all directors of the meeting seven days before the meeting and to provide sufficient information for the directors to understand the content of the motion; If a motion at a meeting has an interest in the director himself/herself or the legal entity he/she represents, he/she will be reminded in advance to recuse himself/herself from the interest; Distribute the minutes of the meeting to the directors after the meeting. 2. Handling of matters related to shareholders' meetings by law: To register the date of the shareholders' meeting every year by the statutory deadline, prepare and declare the notice of the meeting, the handbook, and the minutes of the meeting by the deadline; To register changes of the Company after amendments to the Articles of Incorporation or the re-election of directors and supervisors. 3. Assisting directors and supervisors with legal compliance: To arrange regular annual training courses for directors and provides them with the information that. they need to perform their duties from time to time so that they can keep abreast of the latest legal and regulatory developments related to the Company's operation; Invite the attesting CPAs to present at board meetings at least	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			twice a year to communicate with the directors regarding the annual and semi-annual reports, and the impact of updates to International Financial Reporting Standards, securities laws and regulations and tax regulations. 4. Handling of investor relation affairs: To provide information about shareholders' meetings, material information announcements, financial statements, financial and business presentations, and invitations to participate in legal conferences.	
V. Has the Company established a communication channel with its stakeholders (including but not limited to shareholders, employees, customers, etc.), set up a stakeholder section on the company website and responded properly to important CSR issues that stakeholders care about?	✓		The Company values the rights and opinions of stakeholders and interacts with them in various ways in daily life. We have a spokesperson and an acting spokesperson system and the spokesperson coordinates the external speech. However, for different parties (including suppliers, investors and other stakeholders), we will reply and communicate with each of them depending on the situation by dedicated personnel to maintain a good relationship. We also have a stakeholder area on our website where we publish contact person, contact phone numbers, and emails and have dedicated personnel to respond to and properly address important CSR issues of concern to our stakeholders in order to respect and protect their rights and interests.	No significant deviations
VI. Does the Company appoint a professional stock affairs agency to deal with matters related to shareholders' meetings?	✓		The Company appoints the Stock Affairs Agency of First Securities Inc. as its stock affairs agency to assist with various stock affairs.	No significant deviations
VII. Information disclosure (I) Does the Company establish a corporate website to disclose information regarding its financials, business, and corporate governance status?	✓		(I) 1. Financial information disclosure: The Company has established a public website with an investor section, where financial information is updated regularly for investors' reference. Company Website: http://www.tbimotion.com.tw 2. Business information disclosure: The Company's website contains product descriptions to provide information on the business of each product for public reference. 3. Corporate governance information disclosure: The Company has disclosed major internal	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			policies on its website, such as Internal Audit Organization and Operation, Ethical Corporate Management Best Practice Principles, Corporate Governance Best Practice Principles, Procedures for Making Endorsement/Guarantees, Procedures for the Acquisition or Disposal of Assets, and Procedures for Loaning of Funds to Others.	
(II) Does the Company use other information disclosure channels (*e.g.,* maintaining an English website, designating staff to collect and disclose the Company's information, implementing the spokespersons system, webcasting investor conferences, etc.)?	✓		(II) 1. Designating personnel to collect and disclose the Company's information: The Company assigns dedicated personnel to collect and disclose information in order to grasp the external information of the Company and to disclose the latest and accurate information of the Company to the public through publishing Material Information from time to time. 2. Implementing Spokespersons system: Assistant Vice-President Chiang, Wen-Lung of the Operation and Management Center acted as the spokesman. 3. Webcasting the Investor Conference on the Company's website: The files of the Company's Investor Conference are placed in the Investors section of the Company's website for easy reference.	No significant deviations
(III) Does the Company announce and file annual financial reports within two months of the end of a fiscal year and announce and declare the first, second and third quarter financial reports and monthly operation status by the deadline?		✓	(III) Due to the incompatibility of some of the subsidiary's information systems with the parent company, the Company was unable to make an early announcement within the deadline. Currently, the financial reports and monthly operations were announced and declared within the statutory deadlines.	No significant deviations
VIII. Does the Company disclose other information to facilitate a better understanding of its corporate governance practices (*e.g.,* including but not limited to employee rights, employee caring, investor relations, supplier relations, rights of stakeholders, directors' and supervisor's training records, the implementation of risk management	✓		(I) Employee rights and employee caring: The Company sets up the Employee Welfare Committee to coordinate the planning, safekeeping and use of the employee benefit and other related matters by laws and regulations. In addition to providing a safe working environment and basic welfare of labor insurance, health insurance and pension contributions, we also provide regular health checkups, group insurance and	No significant deviations

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
policies and risk measurement criteria, the implementation of customer policy and purchasing of liability insurance for directors)?			sound Employee Retirement Rules. We hold various employee training courses in the hope of establishing a mutual trust relationship with employees through a good educational training system. We also hold labor-management meetings regularly as the bridge of communication between employees and the Company. All policy awareness and employee counseling are conducted in a two-way communication style to protect employees' rights and interests and harmonious labor relations. (II) Investor relations: the Company convenes shareholders meeting annually by law to provide shareholders the opportunity to ask questions and make proposals; we also has a spokesperson system to deal with shareholders' recommendations and concerns; the Company's website has an investor section for investors to inquire about the Company's various information and to be invited to attend investor conferences by investment institutions from time to time to enhance the transparency of information. The Company conducts information disclosure in accordance with the regulations of the competent authorities to provide investors with reference, with the long-term goal of improving operating performance and return on shareholders' equity. (III) Supplier relations: The Company establishes a complete supply chain in accordance with the internal control system "Purchasing and Payment Cycle" and its related management methods, by upholding the principle of honesty and trust and by comparing prices, quality, delivery schedule and payment terms. We value our suppliers' commitment to legal compliance, labor human rights, environmental protection and corporate social responsibility in order to create a better living environment and relationship with our suppliers. (IV) Stakeholders' rights: the Company establishes a complete supply chain in accordance with the internal control system "Purchasing and Payment Cycle" and its related management methods, by upholding	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			the principle of honesty and trust and by comparing prices, quality, delivery schedule and payment terms. The Company maintains smooth communication with our stakeholders, including banks and other creditors, employees, customers, suppliers and stakeholders of the Company. Stakeholders can communicate with the Company, make suggestions, or defend their legitimate rights and interests through the Stakeholders Section of the Company's website. (V) Directors' training records: From time to time, the Company provides directors (including independent directors) with information on the relevant laws and regulations and information on the professional development courses offered by the relevant authorities and has arranged for directors (including independent directors) to attend the training courses in accordance with the provisions of the "Directions for the Implementation of Continuing Education for Directors and Supervisors of TWSE Listed and TPEx-Listed Companies." Directors' training records are disclosed in the "Market Observation Post System." Please also refer to [Explanation II]. (VI) The implementation of risk management policies and risk measurement criteria: The Company focuses on the principle of prudent management and concentrates on the operation of its business. All business strategies are formulated based on the premise that risks can be controlled and tolerated and are audited by internal audit units on a regular or irregular basis in order to reduce the risks that may be faced by operations. (VII) Implementation of customer policies: The Company adheres to the principle of customer first to design and produce high quality products and to meet customers' needs in terms of quality and quantity. We maintain a smooth customer contact channel, regularly review the maintenance of customer relations and communicate fully with our customers to maintain a good long-	

Evaluation item	Implementation status			Deviations from Corporate Governance Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			term relationship. (VIII) Purchase of the director liability insurance: In accordance with the Company's Articles of Incorporation, the Board of Directors is authorized to insure all directors against liabilities for their legal liability when performing their duties during their term of office; the Company's Board of Directors approved the renewal of "Directors' Liability Insurance" on August 10, 2023. Insurance Company: Cathay Century Insurance Co., Ltd.; Insured amount: US$2 million; renewal period: until July 15, 2024, to reduce and diversify the loss caused by the directors' misconduct. (IX) Directors' attendance at board meetings: The Board of Directors' meetings are held regularly with directors' active participation and the Company has declared the attendance status of the directors online.	
IX. The improvement status and unimproved items with prioritized reinforcement for the result of the Corporate Governance Evaluation announced by the Taiwan Stock Exchange Corporation (excluding companies that have not been evaluated) : the Company's corporate governance assessment results ranked 81% to 100% among the TWSE-listed companies. The Company will continue to enhance the effectiveness of its governance units in accordance with the evaluation guidelines, such as establishing a head of corporate governance unit.				

[Explanation I] CPA independence evaluation

One. Review of the Independence Criteria		
Item	Evaluation Content	Compliance with independence
01	Neither the CPAs nor their spouse nor minor children have any investment or financial interest sharing relationship with the Company.	Yes
02	Neither the CPAs nor their spouse nor minor children have any loaning of funds relationship with the Company, provided that when the principal is a financial institution and the transaction is normal.	Yes
03	The accounting firm did not issue an assurance report on the effectiveness of the operation on any financial systems which were designed or implemented assist by the firm before.	Yes
04	Neither the CPAs nor any member of the audit team is, nor has been a director nor supervisor of the Company, or employed by the Company in a position to exert significant influence over the audit engagement within the last two years.	Yes
05	The non-audit service which performed by the firm for the Company does not affect directly a material item of the audit engagement.	Yes
06	Neither the CPAs nor any member of the audit team have been promoting or brokering shares in the Company or other securities issued by the Company.	Yes
07	Besides legally permitted businesses, neither the CPAs nor any member of an audit team does not act as an advocate on behalf of the Company in litigation or disputes with third parties.	Yes
08	Neither the CPAs nor any member of the audit team is the spouse of a director, manager nor officer of the Company who has a significant influence on the audit engagement nor is related by lineal relatives by blood, lineal relatives by marriage or collateral relatives by blood within the second degree of kinship.	Yes
09	There is not any former partner within one year of disassociating from the firm joining the Company as a director or manager or is in a key position to exert significant influence over the audit engagement.	Yes
10	Neither the CPAs nor any member of the audit team has accepted gifts nor preferential treatment from the Company, our directors, managers or major shareholders.	Yes
11	The CPAs are not currently employed on a recurring basis by the Company, receiving a fixed salary or serving as directors or supervisors.	Yes
12	TWSE/ TPEx-listed company: The CPAs are not providing the Company audit service for seven consecutive years. Non-listed company: The CPAs are not providing the Company audit services for ten consecutive years.	Yes
Two. Independence review		
Item	Evaluation Content	Compliance with independence
01	The CPAs have avoided handling audit business if they have direct or indirect interest in the engaged cases.	There is no such situation, so it is not applicable.
02	The CPAs maintain independence of mind and in appearance in the work of audit services including an audit or review of financial statements, or a special audit case and issuance of opinions.	Yes
03	The members of the audit team, the partners of the firm or shareholders of corporate accounting firms, accounting firms and any of the affiliates and network firms, are also independent of the Company.	Yes
04	The CPAs perform professional services with integrity and rigor.	Yes

05	The CPAs maintain an impartial and objective position when performing professional services and have avoided bias, conflict of interest or undue influence of others to override professional or business judgments.	Yes
06	The CPAs have never compromised the integrity and objectivity of their position due to lack or loss of independence.	Yes

Three. Competence review		
01	The CPAs have no record of disciplinary action by the CPA Discipline Committee in the most recent two fiscal years. The accounting firm has no litigation cases in the most recent two years.	Yes
02	The accounting firm has sufficient size, resources, and regional coverage to provide corporate audit services	Yes
03	The firm has a clear quality control process that covers aspects such as the level and key points of the audit process, the way audit issues and judgments are handled, independent quality control reviews and risk management.	Yes
04	The accounting firm has notified the Audit Committee of any significant issues and developments in risk management, corporate governance, financial accounting and related risk controls in a timely manner.	Yes

"Note 2" Continuing education of the Company's directors, corporate governance officer, financial officer and audit officer

Position	Name	Training Date	Name of Course	Hours of Training
Director	Te Yi Investment Co., Ltd. Representative: Li, Ching-Kung	October 5, 2023	Challenges and Opportunities of Sustainable Development Pathways and Introduction to Greenhouse Gas Inventory	3
		October 19, 2023	Legal risks associated with monopoly under antitrust	3
Director	Smartech and Green Co., Ltd. Representative: Li, Jin-Sheng	March 27, 2023	Corporate Resilience - Taiwan's Competitiveness	3
		October 6, 2023	Establishment of corporate whistleblower protection and whistleblower system	3
Director	Te Chang Investment Co., Ltd. Representative: Li, Fu-Lin	November 8, 2023	Dispute over Company Management Rights and Introduction to the Commercial Case Adjudication Act	3
		November 9, 2023	Case study of corporate financial statement fraud	3
Director	Yeh, Chun-Yen	June 2, 2023	Initiation of succession plan - employee remuneration plan and inheritance of equity	3
		October 4, 2023	2024 Economic Outlook and Industry Trends	3
Independent director	Liu, I-Lin	June 2, 2023	Initiation of succession plan - employee remuneration plan and inheritance of equity	3
		July 7, 2023 July 9, 2023	French AFNOR International Certified Leadership Class for ESG Sustainable Strategy Managers	3
		July 14, 2023 July 16, 2023	French AFNOR International Certified Leadership Class for ESG Sustainable Strategy Managers	3
Independent director	Fang, Chung-Li	June 2, 2023	Initiation of succession plan - employee remuneration plan and inheritance of equity	3
		September 19, 2023	How the Board of Directors uses OKR to improve corporate governance effectiveness	3
Independent director	Chou, Cheng-I	October 4, 2023	How do directors and supervisors with non-financial accounting backgrounds review financial statements	3
		October 4, 2023	2024 Economic Development and Industry Trends	3
Corporate Governance Officer	Chiang, Wen-Lung	July 13, 2023	Sustainability Action Plan Promotion Conference for TWSE Listed Companies	3
		September 4, 2023	The 14th Taipei Corporate Governance Forum	6
		November 3, 2023	Seminar for TWSE/TPEX Listed Companies - Gaining Insight into Derivative Market and Moving toward Sustainability	3
Treasury executive	Shen, Hsin-Kai	December 21, 2023 December 22, 2023	Continuing education courses for issuers, securities firms and accounting executives of	12

Position	Name	Training Date	Name of Course	Hours of Training
			stock exchanges	
Audit executive	Wei, Yi-Ting	April 13,2023 May 6,2023	Business Knowledge for Internal Auditing	25

(IV) Composition, responsibilities and operations of the Remuneration Committee:

1. Information on remuneration committee members

Identity	Criteria / Name	More than five years of work experience and the following professional qualifications: An instructor or higher up in a department of commerce, law, finance, accounting, or other academic department related to company business in a public or private junior college, college, or university	A judge, public prosecutor, attorney, certified public accountant or other professional or technical specialist who has passed a national examination and has been awarded a certificate in a professional capacity that is necessary for company business	Work experience in the area of commerce, law, finance or accounting, or otherwise necessary for company business.	Independence Status (Note): 1	2	3	4	5	6	7	8	9	10	Number of public companies where he/she is concurrently serving as remuneration committee member	Note
Independent director	Liu, I-Lin			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	–
Independent director	Fang, Chung-Li			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—
Independent director	Chou, Cheng-I			✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	0	—

Note: Please mark "✓" in the corresponding boxes if members have met any of the following criteria during the two years prior to being elected or during the term of office.

(1) Not an employee of the company or any of its affiliates.

(2) Not a director or supervisor of the Company or its affiliates (the same does not apply, however, in cases where the person is concurrently an independent director of the Company, its parent company, any subsidiary, or any subsidiary under the same parent, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(3) Not a natural-person shareholder who holds shares, together with those held by the person's spouse, minor children, or held by the person under others' names, in an aggregate of 1% or more of the total number of issued shares of the company, or ranking among the top 10 natural-person shareholders in holdings.

(4) Not a spouse, or relative within the second degree of kinship or lineal relative within the third degree of kinship, of an executive officer falling under Point (1) above or of any of the persons in Point (2) or (3). above.

(5) Not a director, supervisor or employee of a corporate shareholder that directly holds 5% or more of the total number of outstanding shares of the Company or that holds shares ranks among the five largest shareholders in terms of shares held, or that assigns representative as the Company's director or supervisor pursuant to Article 27, Paragraph 1 or 2 of the Company Act (the same does not apply, however, in cases where the person is also an independent

director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company concurrently as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(6) Not a director, supervisor or employee of a corporation which is controlled by the same person who has over 50% of voting right shares or board of director seats of the Company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(7) Not a director, supervisor or employee of a corporate or institution which has the same, or their spouse is: chairman, president or equivalent positions of the Company (the same does not apply, however, in cases where the person is an independent director of the company, its parent company, any subsidiary or any subsidiary of the same parent company, as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary).

(8) Not a director, supervisor, officer or shareholder holding 5% or more of shares of a specified company or institution that has a financial or business relationship with the Company (the same does not apply, however, in cases where the person is an independent director of the Company, its parent company, any subsidiary or any subsidiary of the same parent company as appointed in accordance with the Securities and Exchange Act or with the laws of the country of the parent company or subsidiary and the specific company or institution holds more than 20% but within 50% of the Company's shares).

(9) Not a professional individual who, or an owner, partner, director, supervisor or officer of a sole proprietorship, partnership, company or institution that, provides auditing services to the company or any affiliate of the company or that provides commercial, legal, financial, accounting or related services to the company or any affiliate of the company for which the provider in the past 2 years has received cumulative compensation within NT$500,000 or a spouse thereof. This same does not apply, however, to a member of the remuneration committee, public tender offer review committee, or special committee for merger/consolidation and acquisition, who exercises powers pursuant to the Securities and Exchange Act or to the Business Mergers and Acquisitions Act or related laws or regulations.

(10) Not having any of the circumstances in the paragraphs of Article 30 of the Company Act.

2. Operation of Remuneration Committee

(1) The Remuneration Committee consists of 3 members.

(2) The term of office of the current members: June 27, 2022, to June 26, 2025. There were 3 meetings of the Remuneration Committee (A) held in 2023. The qualifications and attendance of members are as follows:

Position	Name	In-person Attendance (B)	Frequency of attendance by proxy	Actual attendance rate (%) (B/A)	Note
Convener	Liu, I-Lin	3	—	100%	—
Member	Fang, Chung-Li	3	—	100%	—
Member	Chou, Cheng-I	3	—	100%	—

Other mandatory disclosures:

I. If any recommendation of the Remuneration Committee is not adopted or is amended by the Board of Directors, the Company shall state the date, session of the Board of Directors' meeting, the content of the proposal, the outcome of the Board of Directors' resolution and the Company's disposition of the Remuneration Committee's recommendation: None.

II. If there is any resolution of the Remuneration Committee meeting objected to or subject to qualified opinion by independent directors and recorded or declared in writing, the Company should state the date of the board meeting, session, content, all members' opinions and the Company's response and handling of the member's opinion: none.

(V) Promotion of sustainable development and deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and reasons thereof:

Promotion Item	Implementation Status (Note 1)			Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies and reasons thereof:
	Yes	No	Summary Description	
I. Does the Company establish a governance structure and a dedicated (or concurrent) unit to promote sustainable development which is handled by an executive-level position authorized by the Board of Directors and is under the supervision of the Board?	✓		The Human Resources Department is concurrently responsible for the implementation of CSR in the Company. The Company has environmental, vocational safety, and health policies in response to the public interest and to promote the concept of green environment protection. We continue to effectively promote and manage various environmental and vocational safety and health activities and comply with environmental and vocational safety and health laws and related requirements, so as to respond to international and governmental efforts to promote environmental protection actions.	No significant deviations
II. Does the Company, in accordance with the materiality principle, conduct risk assessments of environmental, social and corporate governance issues pertaining to company operations and establish the relevant risk management policy or strategy?	✓		The Company has established a "Sustainable Development Best Practice Principles" to specifically implement corporate governance, develop a sustainable environment, safeguard social welfare and strengthen relevant information disclosure to achieve the goal of sustainable development. The scope of risk assessment covers subsidiaries with a shareholding of more than 50% or in accordance with International Accounting Standards, and the part-time unit of corporate social responsibility reports to the Board of Directors on a regular basis. Given our responsibilities and obligations to our shareholders such as employees, customers and suppliers, as well as the community, the Company will uphold the goals of ethical management and strive for steady growth and sustainable development to promote the concrete practice of CSR, implement and review the implementation status, improvement and effectiveness. These Principles are based on the core of the Global Sustainability Reporting Initiative, G4 Version (GRI G4), and covers indicators in five aspects: environmental protection, corporate governance, social engagement and feedback, employee care and supply chain social and environmental responsibility management. The detailed CSR policy implementation section is documented in the CSR Report Please refer to the CSR Report section in the Company's website.	No significant deviations
III. Environmental Issues (I) Has the Company set an environmental management system designed to industry characteristics?	✓		Our quality system for product development and supply has obtained the international ISO 9001 quality assurance certification and will continue to be implemented. We have also obtained ISO 14001:2015 environmental management system certification and ISO45001:2018 occupational safety and health management system certification and will review the effectiveness of	No significant deviations

			their implementation from time to time. We uphold the spirit of continuous improvement to actively invest in energy and resource conservation, waste reduction and occupational safety and health management and review the effectiveness of their implementation from time to time to facilitate our management philosophy of sustainable development.	
(II) Is the Company committed to improving resource efficiency and to the use of renewable materials with low environmental impact?	✓		Our management philosophy is "Environmental protection, harmony and coexistence." In promoting environmental protection, we uphold our corporate social responsibility to strive to protect the ecological environment, conserve resources and energy and promote green energy while pursuing corporate interests and shareholders' rights. We hope to be a part of the green energy contribution, to be in line with international environmental protection and to enhance corporate value; in order to implement water resource management, the water used in the grinding and cutting process is treated and recycled to extend the life of water quality and the water cycle was extended from once/2 months in 2015 to once/4 months in 2017. We use low-impact or recyclable materials for packaging materials as much as possible; and no heavy metal contaminants are released into the soil according to the soil testing. In 2018, the Company added an 800RT high-efficiency centrifugal water-cooled chiller, which improved the efficiency from 1.49KW/RT to 0.99KW/RT on average and reduced annual electricity consumption from 4,563,870kw to 3,032,370kw, with an energy saving rate of 33.56%, and received a government grant of NT$5 million from a demonstration promotion in an energy saving performance guarantee project.	No significant deviations
(III) Does the Company evaluate the potential risk and opportunities of climate change and also have measures for relevant climate change issues?	✓		Our company focuses on the impact of climate change caused by the greenhouse gas effect on the environment and operations and implements management programs to reduce the use of energy and resources such as water and electricity, reduce the consumption of raw materials and reduce waste to achieve the goal of energy saving and carbon reduction. We have also reduced the impact of our operations on climate change by educating and promoting the use of LED energy-saving light bulbs, adding sensor devices to control the activation of switches, keeping office air conditioners at a constant temperature, installing rainwater recycling systems, modifying water-saving equipment to save water and reducing the use of photocopying paper. We also continue to pursue the reduction of the impact of our products on the environment in the hope of contributing to the green economy and mitigating climate change. The detailed implementation of energy conservation, carbon reduction, and greenhouse gas reduction strategies are documented in the Corporate Social Responsibility Report.	No significant deviations
(IV) Does the Company calculate	✓		The Company is committed to coexisting with the	No significant

greenhouse gas emissions, water usage and the total weight of waste in the last two years and set up policies regarding reducing carbon, saving energy, water use reduction, and other waste management?			global environment and are continuously promoting energy saving and greenhouse gas reduction measures, reviewing the energy consumption of our plants and erecting solar panels in line with the government's renewable energy policy to achieve the effects of increasing renewable energy and shading the environment. Besides, with 2023 as the base year, we planned to reduce electricity consumption by 1-2% in 2024 compared to the base year and we were actively engaged in a comprehensive energy-saving program.	deviations
IV. Social Issues (I) Does the Company comply with relevant laws and regulations and the International Bill of Human Rights and adopt relevant management policies and procedures?	✓		The Company establishes employee policies and related management practices in accordance with labor laws and regulations, the Act of Gender Equality in Employment and other laws and regulations, to protect the rights and interests of employees. We hire employees regardless of gender, age, religion, race, nationality, etc. We comply with various employment and labor laws and regulations, do not use child labor or illegal workers, establish sexual harassment prevention and control measures and complaint and discipline rules, and handle complaints of sexual harassment in the workplace appropriately in order to create a safe and friendly working environment.	No significant deviations
(II) Has the Company established appropriately managed employee welfare measures (including salary and compensation, leave and others) and linked operational performance or achievements with employee salary and compensation?	✓		The Company has sound employee welfare measures and retirement system. We also specifies the employee compensation appropriation percentage in the Articles of Incorporation which links the operating performance or achievements with employees' compensation. In accordance with the "Labor Pension Act," the Company has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Company contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum. In 2023, the pension cost recognized by the Company in accordance with the above regulations was NT$26,389 thousand.	No significant deviations
(III) Does the Company provide employees with a safe and healthy working environment, with regular safety and health training?	✓		The Company establishes, implements, maintains and continuously improves the environmental safety and health management system in accordance with the requirements of ISO 14001:2015 and ISO 45001:2018 and the TOSHMS (CNS 45001) standard, including the required processes and their interactions. The Company was certified by SGS and ISO 45001 (valid from January 8, 2023 to January 8, 2026) certificate. The Company has established an Occupational Safety and Health Committee to manage various safety and health related matters in the factory,	No significant deviations

			reduce the probability of occupational hazards and create a friendly and safe workplace environment. The Committee has a total of 21 members, including 8 labor representatives, accounting for more than 1/3 of the total number of members and the meeting is convened once every quarter. The factory operating environment is measured every six months. The testing is entrusted to qualified institutions. If the operating environment testing data is abnormal, the Occupational Safety and Health Office will develop a hardware improvement plan or administrative management. Labor operating environment testing reports are archived and retained by the Occupational Safety and Health Office as a basis for subsequent special health examinations for workers and a reference for supervisors of each unit to assign workers to prevent occupational diseases. Safety and health education and training are arranged for new recruits. Regular safety and health education and training courses are provided to employees. The contents include work safety regulations, work safety knowledge, hazard prevention, and first aid knowledge. Lectures on health promotion activities are also provided. For the workers of special operations such as construction machinery, aerial work vehicles, winches and other machinery, the special operation training shall be provided to them and they would have to obtain the qualification certificates before they are allowed for the operation of special equipment. Establish an emergency response organization to standardize the response procedures and plans for each crisis, and conduct drills for different crisis situations every year to improve employees' crisis management capabilities and emergency response awareness. Furthermore, a Line occupational safety information exchange area has been set up. The group includes supervisors of direct units or above, and supervisors of indirect units of section chief or above. The Occupational Safety Office will go directly to confirm and take immediate measures to reduce the risk of disaster expansion and damage. Health checkups are held on a yearly basis for 100% of employees. In addition to the general health checkup items, the company also adds abdominal ultrasonography and A1c, and offers special health checkups for employees engaged in noisy and dusty operations. Health care measures: a. Respiratory protection gear fit test - Employees wearing respiratory protection gear were assigned to conduct health education information and tightness testing for a total of 6 persons. b. Occupational physician outpatient service - monthly employee care interviews c. Protection and management of maternal	

			health - health education and consultation for employees who are pregnant or breastfeeding d. Hearing Protection Program - Hearing exams and hearing protection seminars are held on a yearly basis e. Management of work resumption by workers - The scope of work resumption covers musculoskeletal hazards and maternal protection. There is a contractor management policy that requires contractors to complete relevant documents before entering the plant, and to confirm that occupational safety education and training have been conducted and communicated to their employees. In this way, we ensure that all employees and workers entering the TBI Motion plant have sufficient professional safety awareness and training. There were no major occupational accidents or fire incidents of the Company in 2023.	
(IV) Has the Company established effective career development training plans?	✓		The Company's training plan is based on its vision, strategies, objectives, annual operating performance, etc. We provide diverse learning channels, encourage self-guided learning and take into account employees' individual development to provide vocational training for each level and we have been awarded the bronze medal of TTQC certification. Training courses: 1. New employee orientation: focus on the Company's history, corporate culture and management philosophy, vocational safety and health education, product introduction, etc. to facilitate a complete understanding of the Company for the new employees. 2. Core competency training: traits or competencies that every employee in the Company must possess, together with core values, to implement the corporate culture. 3. Professional competency training: different professional knowledge and skills are required depending on the function and organizational responsibilities of each department. 4. Management function training: according to the level of behavior required by different management levels and the required management functions, divide the training into the management capabilities of senior, middle and junior executives. 5. Project-based training: specific training according to the Company's strategic development, senior management's instruction, project promotion characteristics and the needs of project-related units. The Company has been improving the expertise and skills of our employees through professional training, either internally or externally. Through a functionally oriented learning and development system, all levels of the Company's workforce are provided with appropriate development and training. The average number of training hours per employee is 28 hours in FY 2023.	No significant deviations

(V) Does the Company's product and service comply with related regulations and international standards for customers' health and safety, privacy, sales, labeling and set policies to protect consumers or customers' rights and customer complain procedures?	✓		We are a manufacturer of mechanical components, not an end-consumer and our products are regulated internationally. Our company upholds the principles of professionalism, ethic, integrity and expects to provide products and services to the satisfaction of our customers. We have established relevant customer complaint procedures to properly determine the responsibility of customer complaints and resolve the problems. We also regularly refine measures to prevent problems from arising. For customer, marketing and labeling issues, we would sign NDA agreements with our customers to protect the rights of both parties.	No significant deviations
(VI) Does the Company set supplier management policy and request suppliers to comply with related standards on the topics of environmental, occupational safety and health or labor right and their implementation status?	✓		The Company enters into a contract with major suppliers and conduct audit periodically. Where there is any violation of social responsibilities with a significant impact on the environment, the Company may cancel or terminate the contract by the contents of the contract.	No significant deviations
V. Does the Company refer to international reporting rules or guidelines to publish Sustainability Report to disclose non-financial information of the Company? Has the said Report acquire third party verification or statement of assurance?	✓		The Company has established Sustainable Development Best Practice Principles. There is no material deviation between the Company's corporate social responsibility implementation and the Sustainable Development Best Practice Principles for TWSE/TPEx-Listed Companies.	No significant deviations
VI. If the Company has established its sustainable development best practice principles according to "Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies," please describe its implementation status and deviations: The Company has established the Sustainable Development Best Practice Principles and has devoted to promoting its corporate social responsibilities. There is no significant deviations.				
VII. Other important information to facilitate better understanding of the Company's implementation of sustainable development: 1. Environment protection: The Company pursues the sustainable development of environmental protection and manufacturing at the same time. In addition to quality management, we are also committed to pollution prevention, industrial waste reduction, and environmental protection. In accordance with our Sustainable Development Best Practice Principles, we have adopted the following environmental protection principles: We strive to improve the efficiency of resource utilization and use recycled materials with low impact on the environment so that the earth's resources can be used sustainably; We establish a dedicated environmental protection unit or personnel to develop, promote and maintain relevant environment management systems and specific action plans; and we use the water resource appropriately and sustainably. 2. Community engagement: Engage in community life with practical actions. We have long adopted the park on the south side of Qiangliao Li, regularly cleaning, disinfecting and spraying pesticides in the area to provide a comfortable and clean public space for community residents and to promote the concept of environmental protection to facilitate environmental sustainability. 3. Community caring: We are committed to building good neighborly relations with the local community. In addition to providing community patrol stations to strengthen local law enforcement and protect the safety of neighbors, we also invite residents to join our mid-autumn party, year-end party, etc. to fully realize the Company's business philosophy of caring for the community. 4. Public interests: In terms of supporting vulnerable groups, the Company organizes community senior caring events on the eve of the Chung Yeung Festival, distributing gifts to the elderly and providing services such as blood pressure checks. We also help the poverty-stricken students by setting up scholarships and nutritious lunches for the outstanding poverty-stricken students in the schools, so that the cultivation of talents is not limited by environmental factors and we can do our part for the society. 5. Human rights: The Company has insured the employer's liability insurance and employee group insurance.				

6. Vocational safety and health:
   The Company follows the Occupational Safety and Health Act and relevant laws and regulations to conduct related matters and implement the management of various safety and health affairs. To enhance employees' awareness of vocational safety and health, all newly hired employees are required to undergo safety training before they can take up their posts and start working. For current employees, we arrange regular occupational safety and health education training every year, including: safety production regulations, safety production knowledge, hazard prevention, first aid knowledge, etc. We also conduct regular inspections of the plant to ensure that our employees are working in a safe working environment.
7. Industry-academe collaboration:
   In order to effectively enhance the competitiveness of the power transmission component industry, the Company actively invests in R&D innovation and cooperates with the government's diversified industry-academic coordination program, hoping to integrate theory and practice; we offer practicums and summer internship opportunities to students in high schools and colleges in the northern region, providing a workplace experience environment for students in the mechanical field and pass on the experience to students and industry and recruit excellent talents from them.
8. Others:
   The Company creates many job opportunities, establishes the Employee Welfare Committee, adopts the pension system, arranges various employee training courses and insures employee group insurance. We value harmonious labor relations. We recognize our impact on corporate social responsibilities and strive to operate our business for the maximum benefit of our shareholders and related stakeholders. Going forward, the Company will not only cultivate professional talents but also take corporate social responsibilities and implement corporate core values.

Note 1: Implementation Status, if "Yes" is checked, please specify the important policies, strategies and measures adopted and the status of implementation; if "No" is checked, please explain the deviations and reasons for the deviations in the "Deviations from the Sustainable Development Best Practice Principles for TWSE/TPEx Listed Companies and Reasons Thereof" column and explain the plans for the future implementation of the relevant policies, strategies, and measures. However, regarding the promotion item I and II, listed companies shall describe their governance and supervision structure for sustainable development, including but not limited to management guidelines, strategies, goal setting, review measures, etc. In addition, describe the Company's risk management policies or strategies for environmental, social and corporate governance issues related to operations and their evaluation.

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

Note 3: For disclosure methods, please refer to the sample templates for Best Practice Principles on the website of Taiwan Stock Exchange Corporate Governance Center.

(VI) Ethical Management implementation and deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
I. Establishment of ethical management policy and measures (I) Does the Company have a clear ethical corporate management policy approved by its Board of Directors, and bylaws and publicly available documents addressing its ethical corporate management policy and measures and commitment regarding implementation of such policy from the Board of Directors and the senior management?	✓		(I) The Company values its reputation for integrity and operates with honesty and integrity as its philosophy of sustainability. We have adopted the "Ethical Corporate Management Best Practice Principles" and the "Code of Ethical Conduct" as the ethical standards of conduct and ethical management philosophy for our directors, officers, employees, or persons with substantial control over the Company to prevent unethical conducts of conflict of interest and to make the Company's stakeholders more aware of the above standards for compliance. The meetings of the Board of Directors of the Company are held for the purpose of establishing a good governance system, improving the supervisory function, and strengthening the management function. Unless otherwise provided by law or the Articles of Incorporation, meetings of the Board of Directors shall be conducted in accordance with the provisions of the Company's “Rules of Procedures for Board of Directors’ Meetings.” When the Board of Directors' meeting is convened, the Treasury Department shall prepare relevant information for the Directors' inquiry at any time and notify the relevant departments to attend the meeting depending on the content of the proposal. If necessary, CPAs, lawyers or other professionals may also be invited to attend the meetings.	No significant deviations
(II) Whether the company has established an assessment mechanism for the risk of unethical conduct; regularly analyzes and evaluates within a business context, the business activities with a higher risk of unethical conduct; has formulated a program to prevent unethical conduct with a scope no less than the activities	✓		(II) The Company has established relevant preventive measures in the Ethical Corporate Management Best Practice Principles and encourages internal and external personnel to report unethical or inappropriate conduct. In addition, the Company has effective accounting and internal control systems to ensure the	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
prescribed in paragraph 2, Article 7 of the "Ethical Corporate Management Best Practice Principles for TWSE/TPEx Listed Companies?"			implementation of ethical corporate management. Internal auditors review the compliance status of various systems regularly and report to the Board of Directors.	
(III) Whether the company has established relevant policies that are duly enforced to prevent unethical conduct, provided implementation procedures, guidelines, consequences of violation and complaint procedures and periodically reviews and revises such policies?	✓		(III) In addition to explicitly prohibiting unethical conduct in the "Ethical Corporate Manage Best Practice Principles and the "Codes of Ethical Conduct," the Company regularly educates its employees on the implementation and compliance. Besides, the Company has explicitly stated in its work rules that no bribes or commissions should be accepted. Any person who uses his or her authority to commit fraud or accept bribes illegally will be removed from office.	No significant deviations
II. Implementation of ethical corporate management				
(I) Does the Company assess the ethics records of whom it has business relationship with and include business conduct and ethics related clauses in the business contracts?	✓		(I) Prior to doing business, the Company would consider the legitimacy and goodwill of customers, suppliers, and counterparties of the transaction to avoid trading with parties involving unethical conduct. Besides, if any of our business partners or cooperative partners are found to have unethical conduct, we will stop doing business with them and will be listed as a rejected partner in order to implement the Company's ethical management policy.	No significant deviations
(II) Does the Company set up a unit which is dedicated to promoting the company's ethical standards and regularly (at least once a year) reports directly to the Board of Directors on its ethical corporate management policy and relevant matters and program to prevent unethical conduct and monitor its implementation?	✓		(II) The Treasury Department is responsible for promoting the "Ethical Corporate Management Best Practice Principles" concurrently and reports regularly to the Board of Directors on its implementation.	No significant deviations
(III) Does the Company establish policies to prevent conflict of interests, provide appropriate communication and complaint channels and implement such policies properly?	✓		(III) The Company's "Ethical Corporate Management Best Practice Principles" stipulates a conflict of interest prevention policy that governs the standards of corporate conduct to be followed by employees. We post our internal rules and regulations on the Company's website,	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			conduct regular training and have appropriate channels for communication. If unethical or illegal conduct is discovered or reported, it would be handled by dedicated personnel.	
(IV) To implement relevant policies on ethical conduct, does the Company establish effective accounting and internal control systems, audit plans based on the assessment of unethical conduct, and have its ethical conduct program audited by internal auditors or CPA periodically?	✓		(IV) We have established effective accounting and internal control systems to ensure the implementation of ethical corporate management. 1. Accounting system: we have established an effective accounting system to implement ethical corporate management. The accounting system of the Company was established in accordance with the Securities and Exchange Act, the Company Act, the Business Entity Accounting Act, the Regulations Governing the Preparation of Financial Reports by Securities Issuers, the International Financial Reporting Standards, the International Accounting Standards and other relevant laws and principles and was designed in accordance with the Company's regulations to meet actual operational needs. 2. Internal control system: The Company amends the internal control system periodically to respond to the environmental changes timely, adjust the design and implementation of the internal control system and enhance the audit quality and efficiency of the internal audit department. The amendments would be report to the Audit Committee and Board of Directors for approval. After evaluating the Company's risks each year, the internal auditors would prepare an annual audit plan, conduct audits accordingly, issue audit reports, continuously track and report on improvements and conduct annual internal control self-assessment. The Company's internal audit executive regularly communicates with members of the Audit Committee about the results of audit reports and the implementation	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
			of the tracking reports and reports and discussions on audit operations are made to the independent directors at the Audit Committee meetings and Board of Directors meetings. The implementation and effectiveness of audit operations have been fully communicated.	
(V) Does the Company provide internal and external ethical conduct training programs on a regular basis?	✓		(V) The Company's management philosophy is integrity, quality, professionalism, innovation and cooperation. In addition to posting posters at each of our offices, we also promote our corporate culture and management philosophy in the new employee orientation and on-the-job training.	No significant deviations
III. Implementation of Reporting Procedures (I) Does the Company set up a specific reporting and reward system and convenient reporting channels, and assign an appropriate and dedicated unit to handle the case?	✓		(I) The Company has stipulated a complaint and reward system in the "Ethical Corporate Management Best Practice Principles" and "Codes of Ethical Conduct," and has set up a complaint page on the Company's website and a contact email address (roger.su@tbimotion.com.tw) to serve as channels for internal and external personnel to file complaints and reports, with dedicated personnel to handle follow-up actions.	No significant deviations
(II) Does the Company establish standard operating procedures for the investigation, following measures and a confidentiality mechanism?	✓		(II) All reports received by the Company and subsequent investigations are conducted in a confidential and rigorous manner and are clearly defined in the Company's internal rules and regulations.	No significant deviations
(III) Does the Company adopt protection measures against unfair treatment for whistle-blowers?	✓		(III) The Company provides formal and independent reporting channels and keeps strictly confidential the whistleblower's identity and the reporting content to protect the personal safety of the whistleblower.	No significant deviations
IV. Enhancing information disclosure (I) Does the Company disclose its Ethical Corporate Management Best Practice Principles as well as its implementation effectiveness on the Company's website and Market Observation Post System (hereinafter referred to as the "MOPS")?	✓		The Company has set up a special section on its website and reports financial and business information on the MOPS regularly and irregularly.	No significant deviations

Evaluation item	Implementation status			Deviations from Ethical Corporate Management Best Practice Principles for TWSE/TPEx-Listed Companies:
	Yes	No	Summary Description	
V. If the Company has established Ethical Corporate Management Principles based on "Ethical Corporate Management Best Practice Principles for TWSE/GTSM Listed Companies," please describe any deviation between the principles and their implementation: The Company has established the “Ethical Corporate Management Best Practice Principles” and implemented it accordingly which complies with the “Ethical Corporate Management Best Practice Principles for TWSE/GTSM-Listed Companies” and relevant laws.				
VI. Other important information to facilitate better understanding of the company's Ethical Corporate Management: (*e.g.*, discussions in how the Company can further revise its ethical corporate management principles) 1. The Company complies with the Company Act, the Securities and Exchange Act, the Ethical Corporate Management Best Practice Principles for TWSE/GTSM- Listed Companies and other business conduct-related laws and regulations to implement the Ethical Corporate Management Principles and create a business environment of sustainable development. 2. The Company has formulated the "Operating Rules for Handling of Internal Material Information and Insider Trading Prevention" to establish a good internal material information handling and disclosure mechanism to avoid improper disclosure of information and to ensure the consistency and accuracy of information released by the Company publicly; the Company also stipulates that directors, managers and employees shall not disclose material internal information known to them to others before it is formally disclosed to the public by the Company's spokesperson system and shall not inquire or collect material internal information not related to their duties from those who know material internal information of the Company, nor shall they disclose material internal information of the Company known to them that is not related to their duties to others.				

(VII) If the Company has established the Corporate Governance Best Practice Principles and relevant rules and regulations, the inquiring methods shall be disclosed:

The Company has established the Corporate Governance Best Practice Principles, the Sustainable Development Best Practice Principles, the Ethical Corporate Management Best Practice Principles, the Codes of Ethical Conduct, the Audit Committee Organizational Charter, the Remuneration Committee Organizational Charter, etc. and has disclosed them on the MOPS and the Company’s website.

(VIII) Other important information to facilitate better understanding of the Company’s corporate governance implementation:

Please refer to the Company’s website (http://www.tbimotion.com.tw/) and the MOPS (http://mops.twse.com.tw/).

(IX) Implementation of internal control system:

1. Internal Control Statement

TBI Motion Technology Co., Ltd.
Internal Control Statement

Date: March 12, 2024

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

I. the Company recognizes that the Board of Directors and management are responsible for establishing, implementing, and maintaining an adequate internal control system and the Company has established such a system. The system is designed to provide reasonable assurance over the effectiveness and efficiency of our operations (including profitability, performance and safeguarding of assets); reliability, timeliness, transparency and regulatory compliance of our reporting; and compliance with applicable rulings, laws and regulations.

II. An internal control system has inherent limitations. No matter how perfectly designed, an effective internal control system can provide only reasonable assurance of accomplishing the aforementioned three 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 we take immediate remedial actions in response to any identified deficiencies.

III. The Company evaluates the design and implementing effectiveness of its internal control system based on the criteria provided in the Regulations Governing Establishment of Internal Control Systems by Public Companies (hereinafter referred to as the "Regulations"). The criteria adopted by the Regulations identify five key components of managerial internal control: (1) control environment, (2) risk assessment, (3) control activities, (4) information and communication, and (5) monitoring activities. Each component also includes several items. Those items can be found in the Regulations.

IV. The Company has evaluated the design and operating effectiveness of its internal control system according to the aforesaid Regulations.

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

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

VII. This Statement was passed by the Board of Directors in their meeting held on March 12, 2024, with none of the seven attending directors expressing any dissenting opinions and the remainder all affirming the content of this Statement.

TBI Motion Technology Co., Ltd.

Chairman: Signature

President: Signature

2. Companies appointing a CPA to conduct a special audit for their internal control systems shall disclose the CPA audit report: none.

(X) If there has been any legal penalty against the Company or its internal personnel, or any disciplinary penalty by the Company against its internal personnel for violation of the internal control system, during the most recent fiscal year or during the current fiscal year up to the publication date of the annual report, where the result of such penalty could have a material effect on shareholder equity or securities prices, the annual report shall disclose the penalty, the main shortcomings and conditions for improvement.
None.

(XI) Important resolutions of the Shareholders' Meeting and Board Meetings in the most recent fiscal year and up to the printing date of the annual report:

Date	Type	Resolution
2023.02.22	Board of Directors	(1) A joint venture with TANHAY Korea to establish an overseas subsidiary. (2) The improvement project of Daxi plant.
2023.03.22	Board of Directors	(1) Proposal for the Company’s “Review on the Effectiveness of the Internal Control System” and “Internal Control Statement.” (2) Amendments on the Company’s internal control system. (3) The 2022 remuneration distribution to directors and employees. (4) The Company’s 2022 Business Report and Financial Statements. (5) Proposal for 2022 earnings distribution. (6) Purchasing machinery equipment. (7) Proposal for recognizing the Company's accounts receivable, as of December 31, 2022, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non-loans to others. (8) To amend the Company's "Procedures for the Acquisition or Disposal of Assets." (9) Amendments to the “Management Procedures for the Acquisition and Disposal of Assets” of subsidiary TBI Motion Intelligence Co., Ltd. (10) Pre-approval for the provision of non-accreditation services to the Company and subsidiaries by CPAs, their firms and their affiliates
2023.05.11	Board of Directors	(1) Proposal for appointing the attesting CPAs for 2023 financial and tax statements and the appointment fee. (2) The Company 2023 Q1 financial reports. (3) Proposal for recognizing the Company's accounts receivable, as of March 31, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non-loans to others. (4) Proposal of conversion of the Company's 1st domestic secured convertible bond and 2nd domestic unsecured convertible bond and issuance of new shares. (5) Proposal for changing the Company’s treasury executive, accounting executive and spokesperson.
2023.06.27	Annual Shareholders’ Meeting	(1) 2022 Business Report and Financial Statements. (2) 2022 earnings distribution. (3) Amendments to the Company’s "Operational Procedures for Loaning of Company Funds." (4) Amendments to the "Operating Procedures for Acquisition and Disposal of Assets."
2023.08.10	Board of Directors	(1) Amendments on the Company’s internal control system. (2) The Company 2023 Q2 financial reports. (3) To amend the Company's "Regulations Governing the Operation of Corporate Bonds" (4) Proposal for recognizing the Company's accounts receivable, as of June 30, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non-loans to others.

2023.11.8	Board of Directors	(1) Establishing the Company's 2024 internal audit plan. (2) Proposal for establishing the subsidiaries' 2024 internal audit plan. (3) Proposal to change the Company's financial head and accounting head. (4) The Company 2023 Q3 financial reports. (5) Presentation of the Company's 2024 budget. (6) To amend the Company's "Regulations Governing the Handling of Material Internal Information". (7) Proposal for recognizing the Company's accounts receivable, as of September 30, 2023, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non- loans to others. (8) Disposal of real property of the Company's Yingge Plant.
2024.03.12	Board of Directors	(1) Approved the proposal for the Company's "Review on the Effectiveness of the Internal Control System" and "Internal Control Statement." (2) Approved the amendments to the Company's "Table of Delegation of Authorities." (3) Approved the proposal of the Company's 2023 Business Report and Financial Statements. (4) Approved the Company's 2023 appropriation to make up for profit or loss. (5) Approved the proposal for recognizing the Company's accounts receivable, as of December 31, 2023 that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non-loans to others. (6) Approved the motion for the change of the Company's internal auditing officer. (7) Approved the motion to amend the Company's "Audit Committee Charte." (8) Approved the amendments to the Company's "Rules of Procedure for Board of Directors Meetings." (9) Approved the amendments to the "Operating Procedures for Acquisition and Disposal of Assets." (10) Approved the proposal for appointing the attesting CPAs for 2024 financial and tax statements and the appointment fee. (11) Approved the date, place and agenda of the 2024 Shareholders' Meeting. (12) Approved the period for acceptance of shareholders' proposals for the 2024 Shareholders' Meeting. (13) Approved the motion of the Company's acting spokesperson. (14) Approved the increase in the loan amount between the Company and Panhsin Bank.
2024.05.6	Board of Directors	(1) The Company 2024 Q1 financial reports. (2) Approved the proposal for recognizing the Company's accounts receivable, as of March 31, 2024, that have been outstanding for more than three months beyond the normal credit period and have significant amounts as non- loans to others. (3) Amendments to the "Procedures Governing the Acquisition and Disposal of Assets" of subsidiary TBI Motion (Suzhou) Co., Ltd. (4) The capital increase in the subsidiary in USA, TBI MOTION TECHNOLOGY (USA) LLC. (5) Whistle-blowing and protection measures were established.

Resolutions of 2023 Shareholders' Meeting:

1. Recognition of the 2022 Business Report and Financial Statements.

Resolution: the proposal was approved as proposed without any objections after consulting all shareholders present by the Chairman.

2. 2022 earnings distribution.
   Resolution: the proposal was approved as proposed without any objections after consulting all shareholders present by the Chairman. The common share cash dividend of NT$141,267 thousand was distributed on September 28, 2023 and the amount to be distributed was consistent with the amount resolved at the shareholders' meeting.

(XII) For the most recent year and as of the printing date of the annual report, the directors or supervisors have dissenting opinions on important resolutions passed by the board of directors, and there are records or written statements of the main contents: none.

(XIII) Resignation or Dismissal of Personnel Related to Financial Reports (Including Chairman, President, accounting executive, financial executive, internal audit executive, Chief Corporate Governance Officer, and R&D executive) in the most recent year and up to the printing date of the annual report:

Position	Name	Inauguration date	Date of resignation	Reasons for resignation or dismissal
Treasury executive	Chen, Chung-Wen	2012.5.2	2023.5.11	Resigned
Accounting Supervisor	Chen, Chung-Wen	2012.5.2	2023.5.11	Resigned
Treasury executive	Chiang, Wen-Lung	2023.5.11	2023.11.8	Job adjustment
Accounting Supervisor	Chiang, Wen-Lung	2023.5.11	2023.11.8	Job adjustment
Corporate Governance Officer	Chiang, Wen-Lung	2023.5.11	Not applicable.	Not applicable.
Treasury executive	Shen, Hsin-Kai	2023.11.8	Not applicable.	Not applicable.
Accounting Supervisor	Shen, Hsin-Kai	2023.11.8	Not applicable.	Not applicable.
Chief Internal Auditor	Wei, Yi-Ting	2011.10.11	2024.3.12	Resigned
Chief Internal Auditor	Sun, Yan-Jing	2024.3.12	Not applicable.	Not applicable.

V. CPA professional fees

Range of the professional fees of the attesting CPAs

Accounting Firm	Certified Public Accountant		Audit Period	Note
PricewaterhouseCoopers Taiwan	Chih, Ping-Chun	Chiu, Chao-Hsien	2023.01.01 - 2023.12.31	

Unit: NT$ thousand

Range of Amount \ Public Fee Items		Audit Fee	Non-audit Fee	Total
1	Less than NT$2,000 thousand			
2	NT$2,000 thousand (inclusive) ~ NT$4,000 thousand	V	V	V
3	NT$4,000 thousand (inclusive) ~ NT$6,000 thousand			
4	NT$6,000 thousand (inclusive) ~ NT$8,000 thousand			
5	NT$8,000 thousand (inclusive) ~ NT$10,000 thousand			
6	NT$10,000 thousand (inclusive) and above			

(I) If the ratio of non-audit fees to audit fees paid to the CPAs, their firm and affiliates of the firm in total is over one-fourth, the amount of audit and non-audit fees, and the content of the audit and non-audit services shall be disclosed: not applicable.

Unit: NT$ thousand

Accounting Firm	Certified Public Accountant	Audit Fee	Non-audit Fee	Total
PricewaterhouseCoopers (PwC) Taiwan	Chih, Ping-Chun Chiu, Chao-Hsien	2,630	2,958 (TP, ESG report, tax return, change of registration and other services)	5,588

(II) Change of accounting firm and the audit fee of the changing year is less than previous year, the amount of audit fee, respectively, and the reason for the change shall be disclosed: not applicable.

(III) A decrease over 10% than previous year for audit fee, the amount, percentage and reason shall be disclosed: none.

VI. Information on change of CPA: None.

VII. If the Chairman, president 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 attesting CPAs or at an affiliated enterprise of such accounting firm, the name and position of the person and the period during which the position was held, shall be disclosed: none.

VIII. Any transfer of equity interests and/or pledge of or change in equity interests (during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report) by a director, supervisor, managerial officer or shareholder with a stake of more than 10 percent

(I) Changes in shares held by directors, supervisors, managers and major shareholders

Unit: shares

Position	Name	2023		As of April 29, 2024	
		Increase (decrease) of shares held	Increase (decrease) in shares pledged	Increase (decrease) of shares held	Increase (decrease) in shares pledged
Director	Te Yi Investment Co., Ltd.	—	—	—	—
	Representative: Li, Ching-Kung	—	—	—	—
Director	Smartech and Green Co., Ltd.	—	—	—	—
	Representative: Li, Jin-Sheng	—	—	—	—
Director	Te Chang Investment Co., Ltd.	—	—	—	—
	Representative: Li, Fu-Lin	—	—	—	—
Director	Yeh, Chun-Yen	—	—	—	—
Independent director	Liu, I-Lin	—	—	—	—
Independent director	Fang, Chung-Li	—	—	—	—
Independent director	Chou, Cheng-I	—	—	—	—

(II) Counterparty in any such transfer of equity interests is a related party: None.

(III) Counterparty in any such pledge of equity interests is a related party: None.

IX. Information on relationships among top ten shareholders in terms of shareholding who are related parties, spouses or relatives within the second degree of kinship to each other

April 29, 2024 Unit: Share; %

Name	Shares held		Spouse & Minor Children Shareholding		Shareholding by Nominee Arrangement		Names and relationship information, if among the Company's top 10 largest shareholders any one is a related party or a relative within the second degree of kinship of another.		Note
	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Shares	Shareholdings Ratio	Name (or full name of a person)	Relationship	
Ding Jie Investment Co., Ltd.	6,950,000	7.30	—	—	—	—	—	—	—
Responsible person: Li, Chuan-Yu	1,045,892	1.10	—	—	—	—	Li, Jin-Sheng Wang, Fu-Mei	Father Mother	—
Te Yi Investment Co., Ltd.	5,735,000	6.03	—	—	—	—	—	—	—
Representative: Li, Ching-Kung	128,687	0.14	—	—	—	—	Li, Jin-Sheng Li Cheng, Yueh-E	Sibling Spouse	—
Responsible person: Li Cheng, Yueh-E	—	—	—	—	—	—	Li, Ching-Kung Li, Jin-Sheng	Spouse Relative by marriage	—
Fubon Life Insurance Co., Ltd.	4,459,000	4.69	—	—	—	—	—	—	—
Responsible person: Lin, Fu-Hsing	—	—	—	—	—	—	—	—	—
Eminence Investment Corporation Responsible person: Wu, Chun-Huei	3,279,000	3.45	—	—	—	—	Gains Investment Corporation (Note 2)	Parent	—
	—	—	—	—	—	—	—	—	—
Comtop Technology Co., Ltd.	3,001,303	3.15	—	—	—	—	—	—	—
Responsible person: Li, Ching-Kung	128,687	0.14	—	—	—	—	Li, Jin-Sheng Li Cheng, Yueh-E	Sibling Spouse	—
Li, Jin-Sheng	2,603,456	2.74	—	—	—	—	Li, Ching-Kung	Sibling	—
Te Chang Investment Co., Ltd.	2,200,000	2.31	—	—	—	—	—	—	—
Responsible person and representative: Li, Fu-Lin	—	—	—	—	—	—	Li, Ku-Huai	Sibling	—
Gains Investment Corporation	1,975,000	2.08	—	—	—	—	Eminence Investment Corporation	Subsidiary	—
Responsible person: Wu, Chun-Huei	—	—	—	—	—	—	—	—	—
Li, Ku-Huai	1,966,271	2.07	—	—	—	—	Li, Fu-Lin	Sibling	
Goldtech Motion Technology Co., Ltd.	1,950,000	2.05	—	—	—	—	—	—	—
Responsible person: Wang, Chiu-Chin	—	—	—	—	—	—	Li, Jin-Sheng	Relative by marriage	—

X. Total number of shares and total equity stake held in any single enterprise by the Company, its directors and supervisors, managerial officers and any companies controlled either directly or indirectly by the Company: not applicable.

Four.Fundraising Status

I. Capital and shares

(I) Source of capital

1. Share capital formation

Unit: thousand shares; NT$ thousand

Year/Month	Issuing Price	Authorized Capital		Paid-in Capital		Note		
		Shares	Amount	Shares	Amount	Source of capital	Use of property other than cash as capital contributions	Others
July 2010	10	20,000	200,000	100	1,000	Registered capital NT$1,000 thousand	No	Note 1
September 2010	10	20,000	200,000	17,460	174,600	Cash capital increase of NT$173,600 thousand	No	Note 2
October 2010	10	100,000	1,000,000	30,860	308,600	Cash capital increase of NT$134,600 thousand	No	Note 3
December 2010	10	100,000	1,000,000	40,560	405,600	Accepting a transfer of NT$97,000 thousand from the split company	Stock exchange by splitting the transferee	Note 4
January 2011	15	100,000	1,000,000	45,715	457,150	Cash capital increase of NT$51,550 thousand	No	Note 5
April 2011	20	100,000	1,000,000	59,278	592,780	Cash capital increase of NT$135,630 thousand	No	Note 6
August 2011	20	100,000	1,000,000	65,278	652,780	Cash capital increase of NT$60,000 thousand	No	Note 7
November 2013	30	100,000	1,000,000	85,278	852,780	Cash capital increase of NT$200,000 thousand	No	Note 8
August 2018	94.80	100,000	1,000,000	96,678	966,780	Cash capital increase of NT$114,000 thousand	No	Note 9
September 2020	10	300,000	3,000,000	94,178	941,780	Capital reduction of NT$25,000 thousand due to cancellation of treasury shares	No	Note 10
April 2023	10	300,000	3,000,000	95,105	951,048	Conversion of convertible bonds of $9,268 thousand	No	Note 11
June 2023	10	300,000	3,000,000	95,159	951,588	Conversion of convertible bonds of $540 thousand	No	Note 12

Note 1: Approved by the Taipei County Government 2010.07.09 Bei-Fu-Jing-Deng Zi No. 0993099554.
Note 2: Approved by the Taipei County Government 2010.09.14 Bei-Fu-Jing-Deng Zi No. 0993155038.
Note 3: Approved by the Taipei County Government 2010.10.14 Bei-Fu-Jing-Deng Zi No. 0993161605.
Note 4: Approved by the Taipei County Government 2010.12.13 Bei-Fu-Jing-Deng Zi No. 0993174559.
Note 5: Approved by the Taipei County Government 2011.01.03 Bei-Fu-Jing-Deng Zi No. 0993181001.
Note 6: Approved by Department of Commerce, MOEA 2011.04.29 Jing-Shou-Shang Zi No. 10001086670.
Note 7: Approved by Department of Commerce, MOEA 2011.08.03 Jing-Shou-Shang Zi No. 10001175700.
Note 8: Approved by Department of Commerce, MOEA 2013.11.13 Jing-Shou-Shang Zi No. 10201231420.
Note 9: Approved by Department of Commerce, MOEA 2018.08.21 Jing-Shou-Shang Zi No. 10701104540.
Note 10: Approved by Department of Commerce, MOEA 2020.09.29 Jing-Shou-Shang Zi No. 10901177260.
Note 11: Approved by Department of Commerce, MOEA 2023.05.31, Jing-Shou-Shang-Zi No. 11230091580.
Note 12: Approved by Department of Commerce, MOEA 2023.08.29, Jing-Shou-Shang-Zi No. 11230166600.

2. Types of shares

April 29, 2024 unit: shares

Types of shares	Authorized Capital			Note
	Outstanding Shares	Unissued shares	Total	
Ordinary share	95,158,828	204,841,172	300,000,000	-

3. Information related to shelf registration shares: None.

(II) Composition of Shareholders

April 29, 2024; unit: persons; shares

Composition of Shareholders / Quantity	Government Agencies	Financial institutions	Other Juridical Persons	Individual	Foreign institutions and foreigners	Total
Number of people	—	7	30	8,066	33	8,136
Number of Shares Held	—	7,320,152	31,063,107	54,411,836	2,363,733	95,158,828
Percentage of shareholdings	—	7.69%	32.64%	57.18%	2.48%	100.00%

(III) Distribution of shareholding

April 29, 2024; unit: people; shares; face value: NT$10 per share

Shareholdings Range	Number of Shareholders	Number of Shares Held	Percentage of shareholdings (%)
1 to 999	739	106,536	0.11%
1,000 - 5,000	5,816	11,740,210	12.34%
5,001 to 10,000	785	6,159,304	6.47%
10,001 to 15,000	233	2,996,499	3.15%
15,001 to 20,000	184	3,404,001	3.58%
20,001 to 30,000	154	3,984,305	4.19%
30,001 - 40,000	71	5,250,400	5.52%
40,001 - 50,000	19	2,766,687	2.91%
50,001 to 100,000	14	4,038,900	4.24%
100,001 to 200,000	56	1,990,002	2.09%
200,001 to 400,000	38	1,769,280	1.86%
400,001 to 600,000	4	2,214,456	2.33%
600,001 to 800,000	1	650,000	0.68%
800,001 to 1,000,000	5	4,742,044	4.98%
1,000,001 and above	17	43,346,204	45.55%
Total	8,136	95,158,828	100.00

(IV) List of major shareholders

Shareholders with a stake of 5 percent or greater and shareholders who rank in the top 10 in shareholding percentage and specify the number of shares and stake held by each shareholder on the list:

April 29, 2024; unit: shares

Shares / Name of major shareholders	Number of Shares Held	Percentage of shareholdings (%)
Ding Jie Investment Co., Ltd.	6,950,000	7.30%
Te Yi Investment Co., Ltd.	5,735,000	6.03%
Fubon Life Insurance Co., Ltd.	4,459,000	4.69%
Eminence Investment Corporation	3,279,000	3.45%
Comtop Technology Co., Ltd.	3,001,303	3.15%
Li, Jin-Sheng	2,603,456	2.74%
Te Chang Investment Co., Ltd.	2,200,000	2.31%
Gains Investment Corporation	1,975,000	2.08%
Li, Ku-Huai	1,966,271	2.07%
Goldtech Motion Technology Co., Ltd.	1,950,000	2.05%

(V) Share prices for the most recent two fiscal years, together with the Company's net worth per share, earnings per share, dividends per share and related information

Unit: shares; NT$

Item		Year 2022	2023	March 31, 2024
Market price per share (Note 1)	Highest	50.90	45.4	40.90
	Lowest	31.25	30.1	31.35
	Average	42.34	36.96	33.46
Net worth per share	Before distribution	36.87	34.25	32.53
	After distribution	35.37	Undistributed (Note 5)	—
Earnings per Share (Losses)	Weighted average shares	97,402 thousand shares	94,946 thousand shares	95,159 thousand shares
	Earnings (losses) per share	2.94	(1.09)	(1.71)
Dividends per share	Cash dividends	1.4845	—	—
	Bonus stock dividend –	—	—	—
	Bonus stock dividend –	—	—	—
	Cumulative undistributed dividends	—	—	—
Investment return analysis	Price earnings ratios (Note 2)	14.40	—	—
	Price dividends ratios (Note 3)	28.52	—	—
	Cash dividends yield (Note 4)	3.51%	—	—

Note: Source from the Taiwan Stock Exchange website.
Note 2: Price/Earnings Ratio = Average Market Price/ Earnings Per Shar
Note 3: Price/Dividends Ratio = Average Market Price/ Cash Dividends Per Shar
Note 4: Cash Dividend Yield = Cash Dividends Per Share/Average Market Price
Note 5: Approved by the Board Meeting on March 12, 2024 and is pending for Shareholders' Meeting approval as of the printing date of the annual report.

(VI) Dividends policy and implementation status

1. Dividends policy specified in the Articles of Incorporation:

Where there is profit as a result of the yearly accounting closing, the Company shall distribute no less than 1% of the profit as the remuneration of employees, which may be distributed in shares or cash by the resolution of the Board of Directors. The recipient of the remuneration of employee may include the employees of affiliate companies who meet certain criteria. The Board of Directors shall distribute no higher than 5% of the profit as the remuneration of directors and supervisors. The proposal of the distribution of employee remunerations and the director and supervisor remunerations shall be reported in the shareholders' meeting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.

Where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 20% of the total dividends distributed in the current year.

2. Implementation status

The 2023 deficit appropriation table proposed by the Board of Directors on March 12, 2024 is as follows:

TBI Motion Technology Co., Ltd.
Deficit Compensation Statement
2023

Unit: NT$

Undistributed earnings at the beginning of the period	$ 464,496,723
Less: Net loss for the period	(103,612,016)
Unappropriated retained earnings	$ 360,884,707

(VII) Impact of proposed stock dividends on the Company's business performance and earnings per share: not applicable.

(VIII) Remuneration of employees and directors,

1. Employee and director remuneration prescribed by the Company's Articles of Incorporation:
   (1) Employees' remuneration as at least one per cent.
   (2) Directors' remuneration as no more than five percent.
2. The basis for estimating the amount of employees', directors' and supervisors' remuneration, for calculating the number of shares to be distributed as employees' remuneration and the accounting treatment of the discrepancy, if any, between the actual distributed amount and the estimated figure, for the current period:

   If, after the end of the year, there is a material difference in the amount of distribution resolved by the Board of Directors, the difference is used to adjust the expenses in the year in which the distribution was originally set aside. If the difference occurs after the financial report announcing date in the next year, it will be treated according to the change in accounting estimates and will be adjusted and recorded in the next year.
3. Distribution of remuneration approved by the Board of Directors:
   (1) Employees', directors' and supervisors' remuneration paid in cash: Distributed.
   (2) The amount of any employees' remuneration distributed in stocks, and the size of that amount as a percentage of the sum of the after-tax net income stated in the parent company only financial reports or individual financial reports for the current period and total employees' remuneration: not applicable.
4. Actual distribution of employees and directors remuneration in the previous year: not applicable.

(IX) Status of a company repurchasing its own shares: none.

II. Corporate bonds:

(I) Information of corporate bonds

Type of corporate bond	1st domestic secured convertible bond	2nd domestic unsecured convertible bond
Issuance (process) date	2022/10/24	2022/12/12
Face value	NT$ 100,000	NT$ 100,000
Issuing Price	Issuance at face value	Issued at face value
Total amount	NT$ 500,000,000	NT$ 300,000,000
Interest rate	Coupon rate: 0%	Coupon rate: 0%
Term	3-year Maturity date: October 24, 2025	3-year Maturity date: December 12, 2025
Guaranteeing institution	FIRST COMMERCIAL BANK	Not applicable.
Trustee	Taipei Fubon Commercial Bank Co., Ltd.	Taipei Fubon Commercial Bank Co., Ltd.
Underwriting Institution	KGI Securities	KGI Securities
Attorney-at-Law	Not applicable.	Not applicable.
Certified Public Accountant	Not applicable.	Not applicable.
Repayment method	Unless the bondholder converts to the Company's common stock, or the Company redeems it early, or repurchases the bond from securities dealers and cancels the bond, the Company shall make repayment in cash in one lump sum.	Unless the bondholder converts to the Company's common stock, or the Company redeems it early, or repurchases the bond from securities dealers and cancels the bond, the Company shall make repayment in cash in one lump sum.
Outstanding principal	NT$ 499,900,000	NT$ 263,800,000
Terms of redemption or early settlement	I. From the day following the expiration of three months after the issue date of these convertible corporate bonds (January 25, 2023) until the maturity date (October 24, 2025), except for (1) the common shares' book closure period as required by law; (2) 15 business days prior to the date of suspension of transfer of shares, the date of book closure for cash dividends, or the closure of transfer of capital increase in cash up till the base date of distribution; (3) capital reduction from the base date of the capital reduction to the one day prior to the trading day for the capital reduction, and (4) the date for suspension of change to face value of shares up to one day prior to the trading commencement date for new share conversion, shareholders may issue shares through their brokers at any time to inform the stock affairs agency of the Taiwan Depository & Clearing Corporation Limited to request the conversion of bonds held into the Company's common shares. II. The period from the day following the expiration of three months after	I. From the day following the expiration of three months after the issue date of these convertible corporate bonds (March 13, 2023) until the maturity date (December 12, 2025), except for (1) the common shares' book closure period as required by law; (2) 15 business days prior to the date of suspension of transfer of shares, the date of book closure for cash dividends, or the closure of transfer of capital increase in cash up till the base date of distribution; (3) capital reduction from the base date of the capital reduction to the one day prior to the trading day for the capital reduction, and (4) the date for suspension of change to face value of shares up to one day prior to the trading commencement date for new share conversion, shareholders may issue shares through their brokers at any time to inform the stock affairs agency of the Taiwan Depository & Clearing Corporation Limited to request the conversion of bonds held into the Company's common shares according to this regulation. II. The period from the day following the expiration of three months after the

	the issuance of the convertible corporate bonds (January 25, 2023) to forty days prior to the expiry date of the issuance (September 15, 2025), if the closing price of the common shares exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may send a copy of the "Notice of 30-day-old Bond Call" by registered mail within 30 business days (the aforesaid period shall be calculated from the date the Company issues the letter and the expiry date of the said period shall be the record date of bond call, and shall not be the period for suspension of conversion of convertible corporate bonds) to the bond holders (based on the roster of bondholders on the 5th business day prior to the date of dispatch of the letter; for bondholders who acquire the convertible bonds for trading or for other reasons after that date, the announcement shall be used), and the redemption price is determined at the face value of this convertible corporate bond, and all bonds were recovered in cash, and an announcement was made in writing to the Taipei Exchange. When executing the call, the Company shall redeem the outstanding convertible bonds at the face value of the bonds within five business days after the record date. III. The period from the day following the expiration of three months after the issuance of the convertible corporate bonds (January 25, 2023) to forty days prior to the expiry date of the issuance (September 15, 2025), if the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issuance, the Company may at any time thereafter send a copy of the "Notice of 30-day-old Bond Call" by registered mail (the aforesaid period shall be calculated from the date the Company issues the letter, and the expiry date of the said period shall be the record date of bond call, and shall not be the period for suspension of conversion of convertible corporate bonds) to the	issuance of the convertible corporate bonds (March 13, 2023) to forty days prior to the expiry date of the issuance (November 2, 2025), if the closing price of the common shares exceeds the current conversion price by more than 30% for 30 consecutive business days, the Company may send a copy of the "Notice of 30-day-old Bond Call" by registered mail within 30 business days (the aforesaid period shall be calculated from the date the Company issues the letter and the expiry date of the said period shall be the record date of bond call, and shall not be the period for suspension of conversion of convertible corporate bonds) to the bond holders (based on the roster of bondholders on the 5th business day prior to the date of dispatch of the letter; for bondholders who acquire the convertible bonds for trading or for other reasons after that date, the announcement shall be used) and the redemption price is determined at the face value of this convertible corporate bond, and all bonds were recovered in cash, and an announcement was made in writing to the Taipei Exchange. When executing the call, the Company shall redeem the outstanding convertible bonds at the face value of the bonds within five business days after the record date. III. The period from the day following the expiration of three months after the issuance of the convertible corporate bonds (March 13, 2023) to forty days prior to the expiry date of the issuance (November 2, 2025), if the outstanding balance of the convertible corporate bonds is less than 10% of the total face value of the original issuance, the Company may at any time thereafter send a copy of the "Notice of 30-day-old Bond Call" by registered mail (the aforesaid period shall be calculated from the date the Company issues the letter, and the expiry date of the said period shall be the record date of bond call and shall not be the period for suspension of conversion of convertible corporate bonds) to the bond holders (based on the roster of bondholders on the 5th business day

		bond holders (based on the roster of bondholders on the 5th business day prior to the date of dispatch of the letter; for bondholders who acquire the convertible bonds for trading or for other reasons after that date, the announcement shall be used), and the redemption price is determined at the face value of this convertible corporate bond, and the convertible bonds of the bondholders were recovered in cash, and an announcement was made in writing to the Taipei Exchange. When the Company executes the redemption request, the Company shall recover the convertible bonds of the bondholders at the face value of the bonds in cash within five business days after the base date of the recovery of the bonds. IV. If the bondholders fail to respond in writing to the Company's stock affairs agent before the record date of bond call as stated in the "Bond Call Notice" (effective immediately upon delivery; the postmark date shall be used as the basis); the Company shall recover the bonds of the bondholders in cash at the face value within five business days after the record date. V. If the Company executes the recall request, the deadline for the bondholders to request the conversion is the second business day after the day on which the over-the-counter trading of the convertible corporate bonds is terminated.	prior to the date of dispatch of the letter; for bondholders who acquire the convertible bonds for trading or for other reasons after that date, the announcement shall be used), and the redemption price is determined at the face value of this convertible corporate bond and the convertible bonds of the bondholders were recovered in cash, and an announcement was made in writing to the Taipei Exchange. When the Company executes the redemption request, the Company shall recover the convertible bonds of the bondholders at the face value of the bonds in cash within five business days after the base date of the recovery of the bonds. IV. If the bondholders fail to respond in writing to the Company's stock affairs agent before the record date of bond call as stated in the "Bond Call Notice" (effective immediately upon delivery; the postmark date shall be used as the basis); the Company shall recover the bonds of the bondholders in cash at the face value within five business days after the record date. V. If the Company executes the recall request, the deadline for the bondholders to request the conversion is the second business day after the day on which the over-the-counter trading of the convertible corporate bonds is terminated.
Restriction Clause		No	No
Name of credit rating agency, date of rating and result of corporate bond rating		No	No
Additional rights	Amount that has been converted to common shares, overseas depository receipts or other marketable securities as of the date of the annual	Amount of ordinary shares converted: NT$ 100,000	Amount of ordinary shares converted: NT$ 36,200,000

	report		
	Issuance and Conversion Regulations	For details, please visit MOPS - Investment Section - Credit Section	For details, please visit MOPS - Investment Section - Credit Section
Possible dilution of shareholding by the regulations and conditions of issuance, conversion, exchange or subscription and impact on existing shareholders' equity		If all the domestic secured convertible bonds issued this time are converted this year, the capital dilution ratio will be about 11.9%.	If all the domestic unsecured convertible corporate bonds were converted this year, the capital dilution ratio would be about 7.28%.
Name of custodian for exchange object		Not applicable.	Not applicable.

(II) Information on convertible corporate bonds

Type of corporate bond / Year / Item		1st domestic secured convertible bond		2nd domestic unsecured convertible bond	
		2023	As of March 31 of the current year	2023	As of March 31 of the current year
Market price of convertible bonds	Highest	NT$116	NT$114	NT$120	NT$113
	Lowest	NT$103.5	NT$103.95	NT$100.6	NT$101.25
	Average	NT$108	NT$111.85	NT$107.29	NT$109.37
Conversion price		NT$38.9	NT$38.9	NT$35.5	NT$35.5
Issued (process) date and conversion price at the time of issue		On October 24, 2022, NT$40.5 was issued		On December 12, 2022, NT$37 was issued	
Method of performing the conversion obligation		Issuance of new shares		Issuance of new shares	

(III) Information on exchangeable corporate bonds: none.

(IV) Information on shelf registration for issuance of corporate bonds: none.

(V) Information on corporate bonds with warrants: none.

III. Preferred shares: none.

IV. Global depositary receipts: none.

V. Employee share subscription warrants: none.

VI. New restricted employee shares: none.

VII. Issuance of new shares in connection with mergers or acquisitions or with acquisitions of shares of other companies: none.

VIII. Implementation of capital allocation plans: not applicable.

Five.Business Overview

I. Business description

(I) Business scope

1. Major lines of business: Producing and selling ball screw, linear guide, ball spline, and other products (including linear ball bearing, coupling, fixed/floated sides, etc.)

2. Business weights

Unit: NT$ thousand

Product	2023		2022	
	Amount	%	Amount	%
Ball Screw	1,664,486	64.74%	2,079,621	61.63%
Linear Guide	737,874	28.70%	1,032,875	30.61%
Ball Spline	138,212	5.37%	217,514	6.45%
Others	30,622	1.19%	44,233	1.31%
Total	2,571,194	100.00%	3,374,243	100.00%

3. Current products (services)
   (1) Ball Screw
   (2) Linear Guide
   (3) Ball Spline
   (4) Mini guide set (wide version)
   (5) Precision linear motion platform
   (6) Others (linear ball bearing, coupling, fixed/floated sides, etc.)

4. New products planned for development
   (1) Miniature type screws
   (2) Chain linear guide
   (3) Low noise products
   (4) Miniature type screws

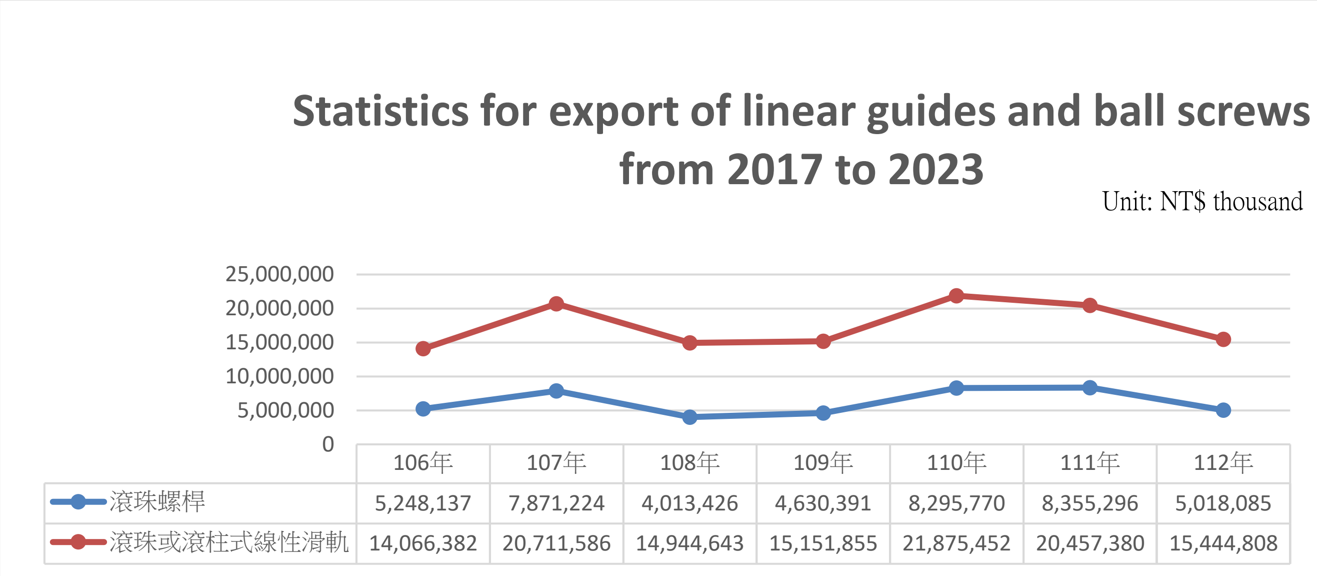
(II) Industry overview

1. Current status and development of the industry

The Company is a manufacturer of liner motion products, and we produce linear guides, ball screws, and ball splines, which are highly technology- and capital-intensive. The supply of these products has long been dominated by advanced industrial countries such as Japan, Germany, the United States, and Switzerland. The main international manufacturers are THK, NSK, IKO, NB, TSUBAKI and UNION in Japan; Bosch Rexroth, INA and NEFF in Germany; THOMSON in the United States; Schneeberger in Switzerland and SKF in Sweden, etc. Their products are of higher technical level and have brand advantages. Major domestic peer companies are HIWIN, PMI, CPC, DEAN, and OME Technology, among which HIWIN has become one of the top three power transmission component manufacturers in the world. Taiwan's key components of ball screws and linear guides have possessed world-class competitiveness, and the production value of ball screws has ranked second in the world and Taiwan has been the world's third-largest export country as well; the ball spline products are still dominated by overseas manufacturers, such as THK and IKO and only PMI, HIWIN and the Company have developed related products in Taiwan.

In recent years, the China government has promoted an import substitution policy for the machinery equipment industry in order to enhance the equipment's self-reliant rate and support local industry players which have been driving the power transmission component industry to grow rapidly. Although most of them still produce low-priced products, the large number of products introduced into the market will still have an impact on the overall market, making price competition more intense. In 2016, the "13th Five-Year Plan for Quality Control in the Machinery Industry" was adopted, and its quality control objectives are: to comprehensively improve the quality of products and quality control standards in the machinery industry; to achieve a zero-breakthrough in the internationally recognized brands of machinery products made in China. Under the circumstances that the Chinese government continues to promote the technological upgrading of the machinery industry, it will pose a threat to the competitiveness of the industry in Taiwan in the future.

Under the long-term development of the power transmission component industry, there are a number of linear guide and ball screw manufacturers globally and the industry competition is fierce. As for Taiwan manufacturers, their quality has reached a certain level under long-term development and accumulation. Since the domestic market is small and their price is more competitive than that of foreign manufacturers, their main focus is on export sales. According to the import and export statistics of the R.O.C. Customs, the main export regions of linear guides and ball screws are China, Netherlands, India, South Korea, Germany, Japan and Italy. The moderate growth of the global economy in 2017 drove the growth of orders in overseas markets. The rapid increase in purchases from China drove the increase in export orders. The economy in 2018 continued to show a growth trend and the export amount of ball screws and linear slides both increased compared to 2017. In 2019, due to the friction in international trade, the international market as a whole showed a wait-and-see state, resulting in a significant reduction in capital expenditures and other investment plans. In 2020, despite the impact of the pandemic, the performance of Taiwan's imports and exports was still better than expected; in 2021, due to the rebound of the international economy , and the increase in demand for automation in production and manufacturing, driving the increase in Taiwan's export value; although 2022 was affected by the plant shutdown due to COVID-19, with the growth of new energy application and related industries, its export value only declined slightly from 2021. In 2023, the economy was affected by high inflation, high interest rates, and the sluggish economy in China, coupled with the supply chain turmoil caused by the aftermath of COVID-19, the Russo-Ukrainian War, and the Israel-Palestine conflict which have led to a decline in demand in the international market, resulting in a decrease in the value of Taiwan's exports compared to the same period last year.



Source: Export statistics of the Republic of China Customs.

Statistics for major export countries of linear guides from 2017 to 2023

Unit: NT$ thousand

Country	2017	2018	2019	2020	2021	2022	2023
China	8,745,237	12,431,798	9,755,109	11,011,496	14,928,712	13,232,457	10,108,808
Netherlands	515,098	1,226,055	932,953	885,432	1,567,312	1,250,015	1,041,942
Italy	684,825	1,071,731	613,305	487,452	1,085,382	887,437	760,084
India	392,933	724,245	398,397	350,890	564,171	754,579	653,804
Others	3,728,289	5,257,757	3,244,879	2,416,585	3,729,875	4,332,892	2,880,170
Total	14,066,382	20,711,586	14,944,643	15,151,855	21,875,452	20,457,380	15,444,808

Source: Export statistics of the Republic of China Customs.

Statistics for major export countries of ball screws from 2017 to 2023

Unit: NT$ thousand

Country	2017	2018	2019	2020	2021	2022	2023
China	2,928,000	4,446,117	2,057,474	3,165,959	5,851,503	5,064,617	2,751,205
India	297,450	550,537	238,376	194,999	376,201	607,418	495,992
South Korea	570,336	545,417	273,193	250,823	466,268	509,915	330,032
Japan	432,081	787,028	434,084	238,103	474,065	479,706	295,421
Others	1,020,270	1,542,125	1,010,299	780,507	1,127,733	1,693,640	1,145,435
Total	5,248,137	7,871,224	4,013,426	4,630,391	8,295,770	8,355,296	5,018,085

Source: Export statistics of the Republic of China Customs.

2. Links between the upstream, midstream and downstream segments of the industry

Upstream segment: raw material supply - alloy steel, stainless steel, high carbon steel.
Processing - cold drawing, forging, heat treatment, precision cutting processing.
Processed material supply - precision ball, roller, precision plastic injection mold.

Midstream segment: precision power transmission components manufacturing, linear guides, ball screws, ball splines, linear motion robotics.

Supporting segment: mold designing and manufacturing, specialized processing machines, controller, drive.

Downstream segment: IC industry equipment, TFT-LCD industry equipment, biotech and medicare industry equipment, connector industry equipment, PCB, FPC, motor vehicle and aerospace industry equipment, optical product industry equipment, automated special equipment industry and others, IT (hardware), home appliance, mold factory, mobile phone and tooling equipment industry, passive component industry equipment, green energy and energy saving industry, and hardware agency related industry.

3. Development trends and competition for the company's products

(1) Development trends

Our linear guides, ball screws and ball splines are parts and components that are used in machinery, tools, and production support equipment for the downstream automation industry.

With the invention of various precision mechanical equipment and the advancement of information technology, the manufacturing industries have introduced a variety of automated production equipment in the past 60 years in the replacement of a large number of manpower requirements and improve production efficiency and product quality, thus driving the development of the linear power transmission component industry. In recent years, the global manufacturing industry has invested in the transformation and upgrading of smart manufacturing. They are actively introducing various new technologies to upgrade traditional automated equipment and production lines into smart factories.The related equipment requires a certain degree of speed, precision and compounding. Therefore, the future development trend of the linear motion products is not only to improve accuracy, speed and quality but also to make modular designs to meet the demands of downstream equipment.

(2) Competition

The Company operates in the precision linear power transmission industry which is highly technology- and capital-intensive and has long been dominated by advanced industrial countries such as Japan, Germany, the United States and Switzerland. The main international manufacturers are THK, NSK, IKO, NB, TSUBAKI and UNION in Japan; Bosch Rexroth, INA and NEFF in Germany; THOMSON in the United States; Schneeberger in Switzerland and SKF in Sweden, etc. In the face of the technical resources and brand names accumulated over the years by large foreign manufacturers, it is not easy for the Company to gain an obvious advantage. Major domestic competitors are HIWIN, PMI, CPC, etc., among which HIWIN has become one of the top three power transmission component manufacturers in the world and has diversified into automated equipment production and system integration. CPC’s main products are linear motors and miniature rails, which are differentiated from other manufacturers' products. The Company's main products are similar to those of PMI. However, since incorporation, the Company has been targeting the market of automation equipment, so our ball screws are mainly in the form of rolled screws, which is mostly of standard specifications and we can stock it in advance and produce it faster to meet the demands of a shorter delivery time.

(III) Technologies and R&D overview

1. Technology level and R&D of the business

Our main technical team has more than 30 years of experience in the manufacturing and R&D of linear motion products. The target market of our products is the automation market. The main focus of our ball screw is to develop the rolling process. The Company designs our own tooling for turning screws and can modify the tooling to meet production requirements to achieve stable production quality. At present, we are able to produce precision-grade adapter screw products.

2. R&D personnel and their educational background

Year		2022		2023		April 30, 2024	
Education		Number of people	Percentage	Number of people	Percentage	Number of people	Percentage
Education Levels	Master's	7	14.00	9	17.00	9	17.65
	University (college)	33	66.00	33	62.00	32	62.75
	High School	10	20.00	11	21.00	10	19.60
	Total	50	100.00	53	100.00	51	100.00
Average years of service (years)		7.11		6.85		7.29	

3. R&D expenses for each of the most recent five years

Unit: NT$ thousand

Year	2019	2020	2021	2022	2023
R&D expenses (A)	105,518	82,511	87,378	86,749	83,811
Net operating revenue (B)	2,107,866	2,740,221	3,285,319	3,374,243	2,571,194
R&D expenses as a percentage of operating revenues (A/B)	5.01%	3.01%	2.66%	2.57%	3.26%

4. Technology or products developed successfully in the most recent five years

Year	R&D Results
2019	1. Smart ball screw feed drive system
2020	1. Low-noise ball chain rail assembly series products 2. Low-noise roller chain rail assembly series products
2021	1. TH miniature rail assembly series
2022	1. Ground ball spline series products 2. J bolt nut series products.
2023	1. Micro linear guide

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

1. Short-term development plan

The Company focuses on the automation market, and the nut is our most competitive product. In the short term, we will focus on developing our nut production capacity. In terms of research and development, we will develop specifications and functions for the automation market to strengthen our most competitive products and enhance our brand value.

2. Long- and short-term business development plans

We will drive sales of linear rail products and other products through distribution of screws and nuts as well as continue to develop a distribution system with processing capabilities in order to deepen our customer service and enhance customer adhesion.

II. Market, production and sales at a glance

(I) Market analysis

1. Sales (provision) of major goods (services) by region

Unit: NT$ thousand; %

Sales Region \ Year		2023 Amount	2023 Ratio	2022 Amount	2022 Ratio
Export sales	Europe	115,191	4.48%	138,909	4.11%
	Asia	2,104,721	81.86%	2,720,229	80.62%
Export sales	Others	92,455	3.59%	43,891	1.30%
	Subtotal	2,312,367	89.93%	2,903,029	86.03%
Domestic sales		258,827	10.07%	471,214	13.97%
Total		2,571,194	100.00%	3,374,243	100.00%

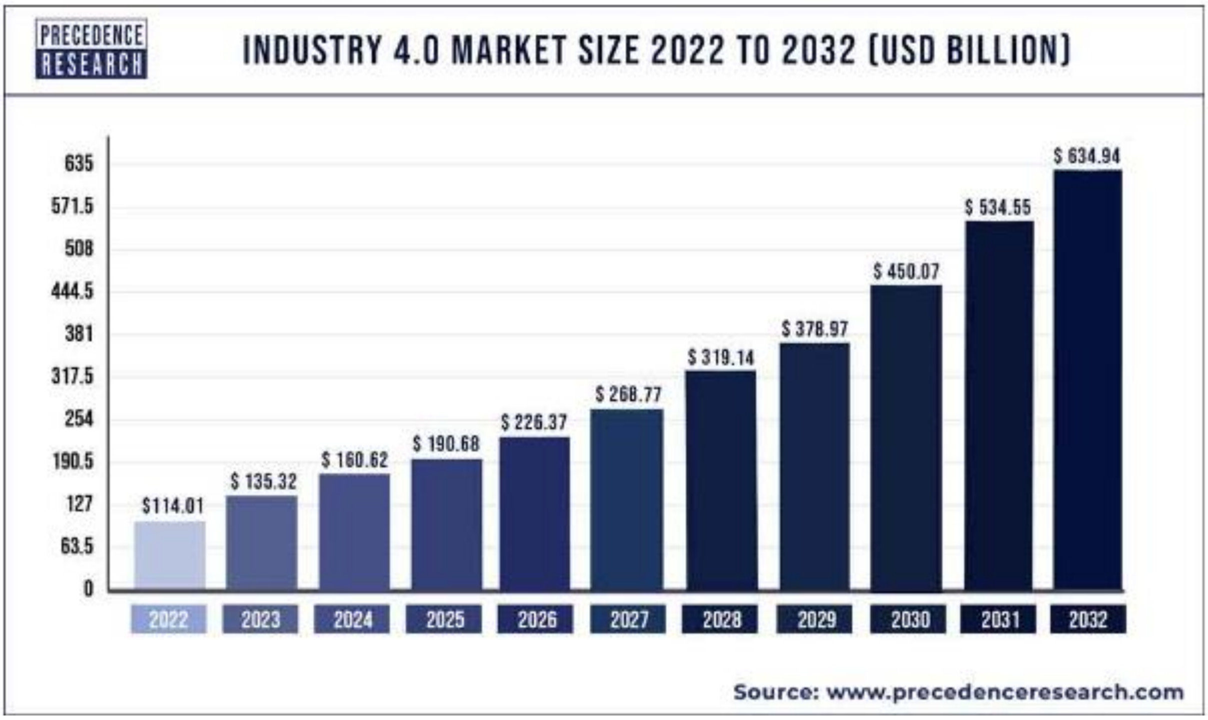
2. Market share

In 2023, the Company's revenue from ball screws and linear guides were NT$1,664,486 thousand and NT$737,874 thousand, respectively, accounting for 64.74% and 28.70% of the operating income. According to the product statistics of the Industrial Production, Shipment and Inventory Survey by the Department of Statistics, Ministry of Economic Affairs, the sales value of ball screws and linear guides for 2023 was $7,602,137 thousand and $18,321,104 thousand, respectively. Based on our estimated revenue of each product in FY2023, the market share of the Company's ball screw and linear guide would be 21.89% and 4.03%, respectively.

3. Market demand and supply conditions for the market in the future and the growth potential

Under the long-term development, there are a number of linear guide and ball screw manufacturers globally, and the industry competition is fierce. In recent years, the China government has promoted an import substitution policy for the machinery equipment industry in order to enhance the equipment's self-reliant rate and support local industry players. The support of government policy and domestic demand have been driving the power transmission component industry to grow rapidly. Although most of them still produce low-priced products, the large number of products introduced into the market will still have an impact on the overall market. In 2016, the "13th Five-Year Plan for Quality Control in the Machinery Industry" set the main policy to comprehensively improve the quality of products and quality control standards in the machinery industry. With the improvement of product quality and technology of Chinese manufacturers, it will have an impact on the existing manufacturers in the future, and the competition in the industry will become more fierce.

However, with major industrial countries launching industrial upgrading policies and actively developing smart factories, smart production has become a trend for the future development of the manufacturing industry. In terms of hardware, to be in line with the development of relevant software and IoT technology, the demand for high-efficiency, high-precision, high-customization and smart automation equipment such as industrial robots will also increase, which will drive the growth of key components such as linear motion products. According to Precedence Research's future market forecast, the industrial automation market is estimated to reach nearly US$160.6 billion in 2024 and will continue to grow annually to reach nearly US$635 billion by 2032. The research of TrendForce indicates that enterprises are actively laying out energy-saving and carbon-reduction initiatives, which, in the short term, will lead to the introduction of automation and laying the foundation for smart-auto being increasingly emphasized by the industry and accelerate the development of related technologies, driving the global smart manufacturing market size to reach US$620 billion by 2026.



4. Competitive niche

(1) Diversified products and complete specifications

The Company’s main products include linear guide, ball screw, and ball spline which are key parts and components for machinery equipment. Depending on the customer's requirements and purposes, the product specifications and properties may vary. Our standard linear rail size covers 15mm~65mm, and we can also provide 7mm~15mm miniature rail. For the block, there are two types of choices with flanges or without flanges to choose from and relevant accessories can be added according to the needs of dust prevention and lubrication. Our ball screws mainly focus on the rotary series, the standard specification is 6mm ~ 80mm, as well as 4mm ~ 160mm for ground series screws. As for the nuts, they are divided into internal circulation, external circulation and end-cap circulation and can be selected with or without flange; The standard ball spline has an outer diameter of 6mm~50mm and can be used with a solid shaft or a hollow shaft, while the outer barrel of the spline is available in cylindrical, round flange type, flange type and reinforced dustproof flange type. We also developed the single axis actuator products. We have complete product lines and specifications that provide customers with a complete solution to meet their one-stop shopping needs.

(2) Professional business operation

Being a precision component supplier of linear power transmission components, since incorporation, the Company has focused our resources on the manufacturing and development of linear motion products such as ball screws, linear guides and ball splines and have adopted a cooperative development model with our customers to achieve the goals of professional production and mutual benefits.

(3) Proficient in the production technology of rolled screws

The Company has the advantage in rolling process for our ball screw products. Generally speaking, the precision of the rolled screws is lower than that of the ground screws. However, we are proficient in the rolling process and now capable of mass production of precision rolled screws. We can provide customer with high price-performance ratio products within a shorter delivery time.

(4) Competitive delivery time and price

The main focus of our ball screw is to develop the rolling process. The rolled screw has the characteristics of faster production, mass production, and lower cost. Besides, except for the custom production of ground screws, our linear guides, rolled ball screws and ball splines are mostly standard type products. These products are highly compatible with each other and can be shipped according to customer's requirements, and are fast enough to meet customer's needs for delivery and cost.

5. Positive and negative factors for future development and countermeasures

(1) Positive factors:

A. High entry barrier: the linear transmission industry is a capital- and technology-intensive industry, which requires strong capital to achieve economies of scale and because the market is mature and international manufacturers have a large number of product patents, the launch of new products depends on long-term investment in product development and production technology. Without solid technology backing, only lower-tier products can be produced, and patent applications are required to avoid product infringement, so it is generally not easy for new manufacturers to enter.

B. Trend of automation development: The development of smart factories is the future trend of the global manufacturing industry. Our linear motion products are mainly aimed on key parts and components for automation equipment. The industry's upgrading to highly automated and intelligent equipment will drive the demand for transmission components, which will help the sales of the Company's products

C. Technical team and certifications: our technical team has many years of experience in designing linear motion products and, based on production technology, we have an Engineering Department that can develop specialized production machines to meet the needs of our production processes in order to master production technology and have obtained a number of quality certifications. In addition, our ball screw products are mainly made by the rolling process. With the same precision, the production cost is lower and the production time is shorter, so we can provide customers with more cost-effective products in a short period of time.

(2) Negative factors and countermeasures

A. Not easy to obtain, cultivate talent

<u>Countermeasures</u>: the Company’s main technologies are self-developed, so we have an internal training mechanism. In the future, we will not only enhance the industry-academic collaboration to train young talents to put their learning into practice but also improve our benefits system to attract and retain good talents.

B. The market is dominated by price competition

<u>Countermeasures</u>: the Company mainly produces rolled products which are more competitive in terms of delivery time and price compared to ground products. Besides, in terms of product R&D, the Company continues to develop products for niche markets, such as ball spline products that have been launched mainly for the medical industry. Since the demand in niche markets is relatively small, it is not easy to attract a large number of competitors to invest in the development, so the gross profit is relatively high, which can reduce the impact of price competition in

the industry.

C. Rising labor cost

Countermeasures: we have started to automate some of our production processes. At present, the production of nuts has started to use robotic arms to feed. This will not only share the manpower demand but also eliminate the need to wait for pausing the machine to load and unload the material, which will help to increase the production capacity steadily. The rest of the production line has also started to develop an automation upgrade plan. Based on the evaluation results, we will draw up a production line upgrade plan to develop an automated production system to improve production efficiency and save labor costs.

(II) Usage and manufacturing processes for main products

1. Usage of main products

The Company produces key components for equipment. Our products have a wide range of applications, covering the automation industry, industrial equipment, semi-conductor industry, robot industry, machine tools, solar equipment, medical industry, parking equipment, etc.

2. Production process

(1) Rolled screw processing process

Raw material→Feed inspection→Centerless grinding→Inspection→Thread rolling→Contour measurement→Heat treatment→Slurry polishing→Pad polishing→Classification→Packaging→Stocking

(2) Finished screw processing process

Raw material→Feed inspection→Cutting→Polishing→Straightening→Trimming head and tail→Center hole drilling→Straightening→External grinding→Inspection→Internal grinding→Metal polishing→Guided testing→Actual distribution→OQC→Packaging→Shipping

(3) Nut processing process

Raw material→Incoming→Inspection→Turning→Milling→Drilling→Inspection→thread cutting→Inspection→Heat treatment→inspection→External grinding→internal grinding→inspection→Laser tag→WIP inventory

(4) Block processing process

Raw material processing→IQC inspection I→Heat treatment→IQC inspection II→Substrate surface grinding→Form grinding→Glueing→Metal polishing→Assembly→OQC inspection III→Packaging→Shipping

(5) Linear guide rail processing process

Raw material incoming→IQC inspection I→Heat treatment→Twist calibration→Drilling→Twist calibration→Substrate surface grinding→Form grinding→Twist calibration→OQC inspection II→Packaging→Shipping

(III) Supply situation for major raw materials

Major raw materials	Major suppliers	Supply Situation
For screws	China Steel, Chun Yuan Steel, June Lai Metal, Gloria Material	Good

For rails	China Steel, June Lai Metal, Formosa Steel	Good
For blocks	Giant Young Machinery, Hung Kang	Good

(IV) List of major suppliers and customers

1. Clients accounting for ten percent or more of the Company's total sales amount in either of the two most recent fiscal years, the amounts sold to each, the percentage of total sales accounted for by each and an explanation of the reason for increases or decreases in the above figures.

Unit: NT$ thousand

Item	2023				2022			
	Business Title	Amount	Percentage of Net Sales (%)	Relation with Issuer	Business Title	Amount	Percentage of Net Sales (%)	Relation with Issuer
1	B	506,669	19.71%	No	B	485,874	14.40%	No
2	C	334,230	13.00%	No	C	426,726	12.65%	No
3	D	315,264	12.26%	No	D	412,512	12.23%	No
4	E	253,295	9.85%	No	A	384,282	11.39%	No
	Others	1,161,736	45.18%		Others	1,664,849	49.33%	
	Net sales	2,571,194	100%		Net sales	3,374,243	100%	

Reason for changes: The Company's main customers are distributors. Changes in its revenue are mainly affected by end customers. High inflation, high interest rates, weak economic conditions in China, coupled with the aftermath of the pandemic, the Russo-Ukrainian and Israel-Palestinian war sending in shockwaves across the supply chain, and the decline in the demand in international market have resulted in the amount of sales to some individual customers remaining unchanged from the previous year, while the proportion of sales to most individual customers declined.

2. Suppliers accounting for ten percent or more of the Company's total purchase amount in either of the two most recent fiscal years, the amounts bought from each, the percentage of total purchase accounted for by each

Unit: NT$ thousand

Item	2023				2022			
	Business Title	Amount	Percentage of Net Purchase (%)	Relation with Issuer	Business Title	Amount	Percentage of Net Purchase (%)	Relation with Issuer
1	Company A	135,370	12.43%	No	Company A	203,089	11.59%	No
2	Others	953,319	87.57%		Others	1,549,834	88.41%	
	Net purchase	1,088,689	100.00%		Net purchase	1,752,923	100.00%	

Reason for the changes: The revenue declined significantly from the previous year, so the purchases decreased from the same period of last year.

(V) Production volume for the two most recent fiscal years

Unit: Thousand PCS; NT$ thousand

Year / Production volume and value / Main product	2023			2022		
	Capacity	Volume	Value	Capacity	Volume	Value
Ball Screw	3,160	2,127	1,609,511	3,129	2,821	2,245,528
Linear Guide	3,535	2,534	966,053	3,500	2,915	1,122,869
Ball Spline	232	211	329,333	230	225	399,227
Total	6,928	4,872	2,904,897	6,859	5,961	3,767,624

Change analysis: The Company's business performance declined in 2023, so the output and production value decreased from 2022.

(VI) Sales volume for the two most recent fiscal years

Unit: Thousand PCS; NT$ thousand

Year / Sales volume and value / Main product	2023				2022			
	Domestic sales		Export sales		Domestic sales		Export sales	
	Volume	Value	Volume	Value	Volume	Value	Volume	Value
Ball Screw	129	176,116	1,568	1,488,370	252	323,608	1,568	1,756,013
Linear Guide	104	56,791	1,762	681,083	178	122,803	1,804	910,072
Ball Spline	1	22,211	85	116,001	4	20,692	84	196,822
Others	-	3,709	-	26,913	-	4,111	-	40,122
Total	234	258,827	3,415	2,312,367	434	471,214	3,456	2,903,029

Analysis of change: due to the decline of business performance in 2023.

III. Number of employees employed for the two most recent fiscal years and during the current fiscal year up to the printing date of the annual report

Unit: people

Year		2022	2023	April 30, 2024
Number of employees	Direct and indirect personnel	1,130	702	616
	Management personnel	118	108	98
	Sales personnel	17	17	17
	R&D personnel	50	53	51
	Total	1,315	880	782
Average Age		32.10	40.44	36.19
Average years of service (years)		3.54	5.33	5.45
Education Level percentages	PhD			
	Master's	2.58%	3.90%	4.22%
	University	47.46%	46.80%	48.72%
	High school	44.56%	44.30%	42.07%
	Middle school and below	5.40%	5.00%	4.99%

Note: The table is based on the total number of employees employed by the Company at the end of each period, including dispatched workers.

IV. Disbursements for environmental protection

Total amount of losses suffered by the Company in the most recent fiscal year and up to the printing date of the annual report due to environmental pollution incidents (including any compensation paid) and dispositions, countermeasures to be taken (including improvement measures), and an estimate of possible expenses (including losses, dispositions, and compensation that could be incurred due to not taking countermeasures.) If a reasonable estimate cannot be made, an explanation of the facts of why it cannot be made shall be provided: not applicable. The Company has not suffered any losses or been penalized for polluting the environment during the most recent year and up to the printing date of the annual report.

V. Labor relations

(I) The Company's employee benefit plans, continuing education, training, retirement systems and the implementation status thereof, labor-management agreements, and measures for preserving employees' rights and interests:

1. Employee benefits

From the official date of employment, the Company's employees will be insured for labor and health insurance in accordance with the Labor Standards Act as well as additional employee group insurance. We also attach great importance to protecting the vocational safety of our employees by providing them with work uniforms and safety shoes. In addition, we have also established an Employee Welfare Committee, which, by regulations, appropriates and handles various benefits, such as annual festival gifts, wedding and funeral subsidies, scholarship subsidies for employees' children, congratulatory payments for childbirth, employee health checkups, lucky draws in yearend party.

2. Continuing education, training and the implementation status

The Company values the on-the-job training for employees and encourages employees to continue their education. In addition to new employee orientation, we actively organize various regular training courses within the company according to our functions and business needs or arrange external training. We also places great emphasis on industry-academe exchanges. Currently, we are working with the universities of science and technology on a "Dual Program" to jointly invest in the training of talents and provide students with favorable conditions for practicums. Moreover, we often invite students from vocational schools to visit the Company and production lines to provide students with diversified learning space and contribute to the cultivation of national talents.

3. Retirement system and its implementation

The Company has a defined contribution retirement plan in accordance with the Labor Pension Act. For employees who choose to adopt the "Labor Pension Act," the Company appropriates six percent of each employee's monthly wage as the pension fund and deposits it to the individual labor pension accounts.

4. Labor-management agreements and measures for preserving employees' rights and interests

The Company values the harmony of labor relations. We protect the rights and interests of our employees in accordance with various laws and regulations and we have good interaction with our employees. The Company handles and protects the aforementioned rights and interests of employees well. We also take initiatives to add many employee benefit measures to retain a harmonic labor relations.

(II) Losses suffered in the most recent fiscal year and up to the printing date of the annual report due to labor disputes, an estimate of possible expenses that could be incurred currently and in the future and countermeasures being or to be taken.

For the most recent two fiscal year and up to the printing date of the annual report, the Company has not paid any employee settlements for significant work-related injuries, payroll or pension disputes or other labor disputes. The Company has strengthened safety awareness and training and increased the purchase of related protective equipment. Occupational safety meetings are held from time to time to review the adequacy of protective equipment and its actual use, personnel training, self-inspection of equipment, and safety promotion. From time to time, the occupational safety personnel would check on-site if there are any violations. We have also set up a separate occupational safety office and established an emergency care process, so we do not anticipate a high risk of future labor disputes.

VI. Cyber security management

Strengthening cyber security management:

Cyber security risk management strategies and framework

I. Cyber security risk management framework

1. Corporate Information Security Governance

In order to maintain information security, the Company has designated a section manager of the Information Technology Department as the Cybersecurity Security Supervisor and the System Administrator of the Information Technology Department as the Cyber Security Executive, who are responsible for implementing Cyber security management planning, establishing and maintaining a cyber security management system and coordinating the formulation, implementation, risk management, and compliance inspection of cyber security and protection related policies. They are responsible to report to the board of directors once a year the cyber security management effectiveness and strategic direction.

2. Cyber security risks and countermeasures:

the Company values cyber security and the internet risk prevention. We establish a sound multi-layer prevention system including the firewall, intrusion detection, anti-virus system, vulnerability scanning, and patch management, etc. and periodically engage cyber security companies to conduct the penetration tests to ensure continuous improvement of cyber security defenses.

II. Cyber security policies

The Company's cyber security policies are to

1. Establish cyber security management rules in line with laws, regulations and customer needs.
2. Build a consensus on information security is everyone's responsibility through employees' awareness.

3. Protect the confidentiality, integrity and availability of company and customer information.
4. Establish a safe production environment to ensure the sustainability of our operation

and with the three main axes of information security protection: anti-virus, anti-hack, and anti-leakage, we have established firewalls, intrusion detection, anti-virus systems and various internal control systems to enhance the company's ability to prevent external attacks and ensure internal confidential information protection.

III. Specific management program

The Company attaches great importance to information security. To ensure the security of our confidential and personal information, we have management programs such as cyber security management measures, equipment management and disaster recovery :

1. Cyber security management measures: To ensure the security of information, system, equipment and networks and to protect users' rights, establish and implement a cyber security plan as follows:
   a. Different access rights are granted according to the user's function. If the user leaves or is rotated, the original privileges will be revoked.
   b. Regularly perform social engineering drills, conduct cyber security educational training, and announce and promote cyber security to raise employee awareness of cyber security.
   c. Regularly perform network vulnerability scanning and penetration tests.
   d. Install anti-virus software.
   e. Put up a firewall.
   f. Prohibit the use of unauthorized and unknown software/hardware.
2. Equipment management:
   a. Computer data and equipment are kept by a safekeeping unit/person.
   b. Erase all confidential, sensitive data and copyrighted software before a storage device is disposed of.
3. Disaster recovery: in the event of damage to information systems caused by natural disasters, human error or vandalism, a recovery mechanism is in place to quickly restore the system to normal operating levels. Take the necessary steps to ensure that resources, staff and business processes continue to operate in a timely manner to reduce the risk of data loss and shorten the recovery window. Conduct two disaster recovery drills each year to ensure that the data can be recovered and the system can be restored to normal operations.

IV. Investments in resources for cyber security management

Cyber security is an important part of the Company's operations and the resources devoted to cyber security management are as follows:

1. Dedicated manpower: there is a dedicated supervisor and an executive member who are responsible for cyber security planning, technology introduction, and related auditing to maintain and continuously strengthen cyber security.
2. Educational training: all new employees have to complete the cyber security training course before taking office. All employees have to complete at least one cyber security training course per year and one social engineering phishing email test every six months.
3. Cyber security announcement: issue Cyber security announcements monthly to communicate important cyber security regulations and precautions.
4. In 2023, the Company invested in equipment such as scanning and penetration testing, network security equipment, anti-virus software and hardware, VPN and account authorization management systems.

V. Significant cyber security incidents:

1. The Company did not have significant cyber security incidents that could cause business damage.
2. We will continue to implement our cyber security management policies and conduct regular recovery plan drills to protect the security of our critical systems and data and safeguard the interests of our shareholders and investors.

VII. Important contracts

Nature of Contract	Parties	Commencing and Ending Dates	Main Content	Restriction Clause
Leases	Economic Development Department, New Taipei City Government	2012.03.23~2032.03.22	Land lease for Shulin Plant	(Note 1)
Long-term borrowing	Chang Hwa Bank	2016.03.23~2031.03.23	Secured loan	No
Long-term borrowing	Chang Hwa Bank	2022.01.27 - 2042.01.27	Secured loan	No
Long-term borrowing	E. Sun Bank	2016.12.01~2031.12.01	Secured loan	No
Long-term borrowing	E. Sun Bank	2016.12.01~2026.12.01	Unsecured loan	No
Long-term borrowing	First Bank	2016.03.29~2031.03.29	Secured loan	No
Long-term borrowing	Taiwan Cooperative Bank	2016.06.29~2031.06.29	Secured loan	No

Note 1: The lessee may not sub-let or transfer all or part of the leasehold rights to others; use it for purposes that violate the law or violate the purposes specified in the investment execution plan; request the establishment of superficies and apply for compensation from the lessor for this reason.

Six.Financial Status

I. Consolidated balance sheet and statement of comprehensive income for the most recent 5 fiscal years with names and opinions of the CPAs.

(I) Consolidated balance sheet and statement of comprehensive income - IFRS

1. Consolidated balance sheet

Unit: NT$ thousand

Item \ Year		Financials for the most recent 5 fiscal years (Note 1)					Financial information for the current year as of March 31, 2024
		2019	2020	2021	2022	2023	
Current asset		2,619,751	3,297,695	3,678,170	4,142,452	4,086,030	3,642,999
Financial assets measured at amortized cost - non-current		30,000	30,000	30,000	30,000	30,000	30,000
Financial assets measured at fair value through other comprehensive income - non-current		12,950	15,603	95,404	96,305	94,594	94,594
Property, Plant and Equipment (Note 2)		2,793,244	2,677,478	2,654,032	3,686,617	3,408,436	3,455,897
Intangible Assets		20,725	27,625	25,219	25,403	27,813	31,628
Other assets (Note 2)		74,705	68,336	345,553	74,563	114,148	245,332
Total Assets		5,551,375	6,116,737	6,828,378	8,055,340	7,761,021	7,500,450
Current liabilities	Before distribution	701,829	1,010,623	1,594,289	1,273,221	1,382,977	1,265,931
	After distribution	701,829	935,281	1,471,858	1,131,954	註 3	—
Non-current liabilities		1,743,195	2,046,993	1,978,517	3,309,569	3,118,607	3,139,124
Total Liabilities	Before distribution	2,445,024	3,057,616	3,572,806	4,582,790	4,501,584	4,405,055
	After distribution	2,445,024	2,982,274	3,450,375	4,441,523	註 3	—
Equity attributable to owners of parent		3,106,351	3,059,121	3,255,572	3,472,550	3,259,437	3,095,395
Share capital		966,780	941,780	941,780	941,780	951,588	951,588
Additional paid-in capital		1,693,883	1,650,733	1,650,733	1,700,331	1,724,900	1,724,900
Retained earnings	Before distribution	439,581	459,367	621,325	782,904	538,025	375,296
	After distribution	439,581	384,025	498,894	641,637	註 3	—
Other equity		6,107	7,241	41,734	47,535	44,924	43,611
Treasury shares		—	—	—			
Non-controlling interest		—	—	—			
Total equity	Before distribution	3,106,351	3,059,121	3,255,572	3,472,550	3,259,437	3,095,395
	After distribution	3,106,351	2,983,779	3,133,141	3,331,283	Note 3	—

Note 1: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested to by CPAs.
Note 2: As of December 31, 2023, the Company has never performed any revaluation of assets.
Note 3: The 2023 earnings distribution proposal has yet to be resolved by the Shareholders' Meeting, so the after-distribution amount is not shown here.

2. Condensed consolidated statement of comprehensive income

Unit: EPS in NT$, Others in NT$ thousand

Item \ Year	Financials for the most recent 5 fiscal years (Note)					Financial information for the current year as of March 31, 2024
	2019	2020	2021	2022	2023	
Operating Revenue	2,107,866	2,740,221	3,285,319	3,374,243	2,571,194	589,741
Gross profit	384,007	599,527	850,758	937,523	418,094	124,888
Operating profit (loss)	(34,332)	185,695	341,555	377,800	(70,892)	(324,452)
Non-operating revenue and expenses	(29,990)	(55,272)	(15,702)	13,418	(76,903)	41,949
Profit (loss) before tax	(64,322)	130,423	325,853	391,218	(147,795)	(282,503)
Profit (loss) from continuing operations	(61,507)	91,424	237,300	284,011	(103,612)	(162,729)
Loss from discontinuing operations	—	—	—	—	—	—
Net profit	(61,507)	91,424	237,300	284,011	(103,612)	(162,729)
Other comprehensive income (after tax)	(73)	1,134	34,493	5,801	(2,611)	(1,313)
Total comprehensive income	(61,580)	92,558	271,793	289,812	(106,223)	(164,042)
Earnings per Share	(0.64)	0.96	2.52	3.02	(1.09)	(1.71)

Note: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested by CPAs.

3. Consolidated parent company only balance sheet

Item \ Year		Financials for the most recent 5 fiscal years (Note 1)				
		2019	2020	2021	2022	2023
Current asset		2,589,719	3,245,011	3,457,035	3,923,469	4,178,175
Financial assets measured at amortized cost - non-current		30,000	30,000	30,000	30,000	30,000
Financial assets measured at fair value through other comprehensive income - non-current		12,950	15,603	95,404	96,305	94,594
Investments accounted for using the equity method		30,032	53,442	220,680	225,799	116,664
Property, Plant and Equipment (Note 2)		2,793,244	2,676,654	2,629,276	3,655,676	3,362,549
Intangible Assets		20,725	27,625	25,219	24,039	26,930
Other assets (Note 2)		74,705	67,788	314,550	48,052	104,910
Total Assets		5,551,375	6,116,123	6,772,164	8,003,340	7,913,822
Current liabilities	Before distribution	701,829	1,010,009	1,549,033	1,229,161	1,339,276
	After distribution	701,829	934,667	1,426,602	1,087,894	註 3
Non-current liabilities		1,743,195	2,046,993	1,967,559	3,301,629	3,315,109
Total Liabilities	Before distribution	2,445,024	3,057,002	3,516,592	4,530,790	4,654,385
	After distribution	2,445,024	2,981,660	3,394,161	4,389,523	註 3
Equity attributable to owners of parent		3,106,351	3,059,121	3,255,572	3,472,550	3,259,437
Share capital		966,780	941,780	941,780	941,780	951,588
Additional paid-in capital		1,693,883	1,650,733	1,650,733	1,700,331	1,724,900
Retained earnings	Before distribution	439,581	459,367	621,325	782,904	538,025
	After distribution	439,581	384,025	498,894	641,637	註 3
Other equity		6,107	7,241	41,734	47,535	44,924
Treasury shares		—	—	—	—	—
Non-controlling interest		—	—	—	—	—
Total equity	Before distribution	3,106,351	3,059,121	3,255,572	3,472,550	3,259,437
	After distribution	3,106,351	2,983,779	3,133,141	3,331,283	Note 3

Note 1: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested to by CPAs.
Note 2: As of December 31, 2023, the Company has never performed any revaluation of assets.
Note 3: The 2023 earnings distribution proposal has yet to be resolved by the Shareholders' Meeting, so the after-distribution amount is not shown here.

4. Condensed parent company only statement of comprehensive income

Item \ Year	Financials for the most recent 5 fiscal years (Note)				
	2019	2020	2021	2022	2023
Operating Revenue	2,107,866	2,764,588	3,248,927	3,689,632	2,958,659
Gross profit	384,007	590,669	736,793	803,383	517,089
Operating profit (loss)	(34,327)	194,799	244,280	319,626	98,850
Non-operating revenue and expenses	(29,995)	(64,400)	58,553	54,402	(267,425)
Profit (loss) before tax	(64,322)	130,399	302,833	374,028	(168,575)
Profit (loss) from continuing operations	(61,507)	91,424	237,300	284,011	(103,612)
Loss from discontinuing operations	–	–	–	–	–
Net profit	(61,507)	91,424	237,300	284,011	(103,612)
Other comprehensive income (after tax)	(73)	1,134	34,493	5,801	(2,611)
Total comprehensive income	(61,580)	92,558	271,793	289,812	(106,223)
Earnings per Share	(0.64)	0.96	2.52	3.02	(1.09)

Note: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested by CPAs.

(II) Name of the attesting CPAs and the auditor's opinions for the most recent five fiscal years

1. Name of the attesting CPAs and the auditor's opinions for the most recent five fiscal years

Year	Accounting Firm	Certified Public Accountant	Audit Opinions
2019	PricewaterhouseCoopers Taiwan	Hsu, Ming-Chao and Chiu, Chao-Hsien	Unqualified opinion
2020	PricewaterhouseCoopers Taiwan	Hsu, Ming-Chao and Chiu, Chao-Hsien	Unqualified opinion
2021	PricewaterhouseCoopers Taiwan	Hsu, Ming-Chao and Chiu, Chao-Hsien	Unqualified opinion
2022	PricewaterhouseCoopers Taiwan	Chih, Ping-Chun, Chiu, Chao-Hsien	Unqualified opinion
2023	PricewaterhouseCoopers Taiwan	Chih, Ping-Chun, Chiu, Chao-Hsien	Unqualified opinion

2. Reasons for change of CPAs in the most recent five years:

In 2022, CPAs Hsu, Ming-Chao and Chiu, Chao-Hsien were changed to CPAs Chih, Ping-Chun and Chiu, Chao-Hsien due to internal job rotation of PricewaterhouseCoopers Taiwan.

II. Financial analyses for the most recent 5 fiscal years

Financial analysis - IFRS (consolidated financial report)

Item	Year	Financial analyses for the most recent 5 fiscal years (Note 1)					As of March 31 of the current year
		2019	2020	2021	2022	2023	
Financial structure (%)	Debt asset ratio (%)	44.04	49.99	52.32	56.89	58.00	58.73
	Ratio of long-term fund to property, plant & equipment	225.96	249.52	259.99	223.39	230.21	230.21
Solvency (%)	Current ratio	369.00	326.30	230.71	325.35	295.45	295.45
	Quick ratio	204.04	208.70	101.46	124.63	119.90	119.90
	Times interest earned	(1.34)	5.03	11.28	8.67	(1.08)	(14.08)
Operating ability	Average collection turnover (times)	2.42	2.76	3.06	3.45	2.65	2.60
	Days sales outstanding	151	132.21	119.47	105.80	137.74	140.38
	Average inventory turnover (times)	1.38	1.76	1.48	1.05	0.82	1.16
	Average Payment Turnover (times)	3.85	5.24	3.56	3.74	5.63	24.48
	Days sales in inventory	264	207.72	245.87	347.62	445.12	314.66
	Property, plant and equipment turnover (times)	0.97	1.31	1.62	1.34	0.89	0.86
	Total assets turnover (times)	0.37	0.47	0.51	0.45	0.33	0.31
Profitability	Return on assets (%)	(0.70)	2.01	4.06	4.36	(0.59)	(1.94)
	Return on equity (%)	(1.86)	2.97	7.52	8.44	(3.08)	(5.12)
	Pre-tax net profit to paid-in capital ratio (%)	(6.45)	13.85	34.60	41.54	(15.53)	(29.69)
	Net profit margin (%)	(2.92)	3.34	7.22	8.42	(4.03)	(27.59)
	Basic earnings per share (NT$)	(0.64)	0.96	2.52	3.02	(1.09)	(1.71)
	Diluted earnings per share (NT$) (Note 4)	(0.64)	0.96	2.51	2.94	(1.09)	(1.71)
Cash flows	Cash flow ratio (%)	(Note 2)	19.62	14.50	2.91	(Note 2)	16.08
	Cash flow adequacy ratio (%)	38.12	75.14	54.79	13.26	3.88	13.51
	Cash reinvestment ratio (%)	(Note 2)	3.11	2.32	(Note 2)	(Note 2)	2.57
Leverage	Operating leverage	(6.88)	2.40	1.78	1.72	(3.20)	0.77
	Financial leverage	0.56	1.21	1.10	1.16	0.50	0.95

The reasons for the changes in financial ratios, which increased or decreased by 20% and above during the most recent two fiscal years, are analyzed as follows:

1. Decrease in times interest earned Mainly due to the decline of operating conditions in the current year, resulting in a net operating loss of the Company.
2. The decrease in receivables turnover, inventory turnover, property, plant and equipment turnover and total assets turnover: Due to the decline in operations, resulting in a decrease in revenue, cost and net profit.
3. Accounts payable turnover rate increased: This is mainly due to the decrease in market demand in the fourth quarter and the Company's decrease in purchases, resulting in a decrease in accounts payable at the end of the period.
4. Return on assets, return on equity, earnings before tax to paid-in capital ratio, net profit margin and earnings per share decreased: Mainly due to the decline of operating conditions in the current year.
5. Lower cash flow adequacy ratio: Mainly due to net operating cash outflow in the current period.
6. Decrease in operating leverage and financial leverage: Mainly due to the decline in operating conditions during the year.

Note 1: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested by CPAs.

Note 2: Not applicable. The Company's operating cash flows in current year or during the most recent five years are net cash outflow.
Note 3: Formula:

1. Financial structure
   (1) Debt 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. Solvency
   (3) Current Ratio = Current Assets / Current Liabilities
   (4) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (5) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating ability
   (1) Average Collection Turnover = Net Sales / Average Trade Receivables (including Accounts Receivable and Notes Receivable originated from operation)
   (2) Days Sales Outstanding = 365 / Average Collection Turnover
   (3) Average Inventory Turnover = Cost of Sales / Average Inventory
   (4) Average Payment Turnover = Cost of Sales / Average Trade Payables (including Accounts Payable and Notes Payable originated 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 - Effective Tax Rate)) / Average Total Assets
   (2) Return on Equity = Net Income / Average Equity
   (3) Net Profit Margin = Net Income / Net Sales
   (4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding
5. Cash flows
   (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 Dividends
   (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Non-current Assets + Working Capital)
6. Leverage:
   (1) Operating Leverage = (Net Sales - Variable Cost and Expenses) / Operating Income
   (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

Note 4: Earnings per share are calculated based on the weighted-average number of shares outstanding for each year.

Financial analysis - IFRS (parent company only financial report)

Item	Year	2019	2020	2021	2022	2023
		Financial analyses for the most recent 5 fiscal years (Note 1)				
Financial structure (%)	Debt asset ratio (%)	44.04	49.98	51.93	56.61	58.81
	Ratio of long-term fund to property, plant & equipment	225.96	249.62	259.79	224.62	240.96
Solvency (%)	Current ratio	369.00	321.29	223.17	319.20	311.97
	Quick ratio	204.04	207.58	125.63	212.47	247.67
	Times interest earned	(1.34)	5.02	10.63	8.44	(1.39)
Operating ability	Average collection turnover (times)	2.43	2.86	3.99	1.85	1.09
	Days sales outstanding	150	128	91.58	197.30	334.86
	Average inventory turnover (times)	1.39	1.81	1.84	1.93	2.10
	Average Payment Turnover (times)	3.85	5.31	4.34	4.53	6.78
	Days sales in inventory	262	202	198.57	189.12	173.81
	Property, plant and equipment turnover (times)	0.97	1.32	1.60	1.47	1.03
	Total assets turnover (times)	0.37	0.47	0.50	0.50	0.37
Profitability	Return on assets (%)	(0.70)	2.01	4.07	4.39	(0.59)
	Return on equity (%)	(1.86)	2.97	7.52	8.44	(3.08)
	Pre-tax net profit to paid-in capital ratio (%)	(6.65)	13.85	32.16	39.72	10.39
	Net profit margin (%)	(2.92)	3.31	7.30	7.70	(3.50)
	Basic earnings per share (NT$)	(0.64)	0.96	2.52	3.02	(1.09)
	Diluted earnings per share (NT$) (Note 4)	(0.64)	0.96	2.51	2.94	(1.09)
Cash flows	Cash flow ratio (%)	(Note 2)	20.49	6.97	(Note 2)	(Note 2)
	Cash flow adequacy ratio (%)	41.70	77.07	59.62	12.56	(Note 2)
	Cash flow reinvestment ratio (%)	(Note 2)	3.25	0.49	(Note 2)	(Note 2)
Leverage	Operating leverage	(6.88)	2.32	2.06	1.95	3.77
	Financial leverage	0.56	1.20	1.15	1.19	3.50

The reasons for the changes in financial ratios, which increased or decreased by 20% and above during the most recent two fiscal years, are analyzed as follows:

1. Decrease in times interest earned Mainly due to the decline of operating conditions in the current year, resulting in a net operating loss of the Company.
2. Receivables turnover rate, property, plant and equipment turnover rate and total assets turnover rate decreased: Due to the decline in operations, resulting in a decrease in revenue.
3. Accounts payable turnover rate increased: This is mainly due to the decrease in market demand in the fourth quarter and the Company's decrease in purchases, resulting in a decrease in accounts payable at the end of the period.
4. Return on assets, return on equity, earnings before tax to paid-in capital ratio, net profit margin and earnings per share decreased: Mainly due to the decline of operating conditions in the current year.
5. The increase in operating leverage and financial leverage is mainly due to the decline in operating conditions during the year, resulting in a decrease in operating income and an increase in interest expenses.

Note 1: The Company has adopted IFRS since January 1, 2014. The above financial information has been audited and attested to by CPAs.

Note 2: Not applicable. The Company’s operating cash flows in current year or during the most recent five years are net cash outflow.

Note 3: Formula:

1. Financial structure
   (1) Debt 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. Solvency
   (1) Current Ratio = Current Assets / Current Liabilities
   (2) Quick Ratio = (Current Assets - Inventories - Prepaid Expenses) / Current Liabilities
   (3) Times Interest Earned = Earnings before Interest and Taxes / Interest Expenses
3. Operating ability
   (1) Average Collection Turnover = Net Sales / Average Trade Receivables (including Accounts Receivable and Notes Receivable originated from operation)
   (2) Days Sales Outstanding = 365 / Average Collection Turnover
   (3) Average Inventory Turnover = Cost of Sales / Average Inventory
   (4) Average Payment Turnover = Cost of Sales / Average Trade Payables (including Accounts Payable and Notes Payable originated 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 - Effective Tax Rate)) / Average Total Assets
   (2) Return on Equity = Net Income / Average Equity
   (3) Net Profit Margin = Net Income / Net Sales
   (4) Earnings Per Share = (Net Income Attributable to Shareholders of the Parent - Preferred Stock Dividends) / Weighted Average Number of Shares Outstanding
5. Cash flows
   (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 Dividends
   (3) Cash Flow Reinvestment Ratio = (Cash Provided by Operating Activities - Cash Dividends) / (Gross Property, Plant and Equipment + Long-term Investments + Other Non-current Assets + Working Capital)
6. Leverage:
   (1) Operating Leverage = (Net Sales - Variable Cost and Expenses) / Operating Income
   (2) Financial Leverage = Income from Operations / (Income from Operations - Interest Expenses)

Note 4: Earnings per share are calculated based on the weighted-average number of shares outstanding for each year.

III. Audit committee's report for the most recent year's financial statement:

TBI Motion Technology Co., Ltd.

Audit Committee's Review Report

We have reviewed the Company's 2023 business report, financial statements (including consolidated financial statements) and loss off-setting proposals, prepared by the Board of Directors. The financial statements (including consolidated financial statements) have been audited by PwC Taiwan, to which it issued an independent auditor's report. Based on the reviews that we have conducted in accordance with the laws, the Audit Committee found no misstatements in the above business report, financial statements (including consolidated financial statements) or loss off-setting proposals and hereby issues its report as presented above in accordance with Article 14-4 of the Securities and Exchange Act and Article 219 of The Company Act.

For

2024 Annual General Meeting of TBI Motion Technology Co., Ltd.

TBI Motion Technology Co., Ltd. Audit Committee

Audit Committee convener: Liu, I-Lin

March 12, 2024

IV. Financial statements and notes or schedules of the most recent fiscal year: Please refer to p. 91-147.

V. Consolidated financial statement for the most recent fiscal year, attested by CPAs: Please refer to p. 148-206

VI. If the Company or its affiliates have experienced financial difficulties in the most recent fiscal year or during the current fiscal year up to the date of publication of the annual report, the annual report shall explain how said difficulties will affect the Company's financial situation: none.

Independent Auditors' Report

(113) Cai-Shen-Bao-Zi No. 23005065

To: TBI MOTION TECHNOLOGY CO., LTD.

Audit Opinions

We have reviewed the accompanying Parent Company Only Statement of Financial Position of TBI MOTION TECHNOLOGY CO., LTD. as of December 31, 2023 and 2022, and the related Parent Company Only Statement of Comprehensive Income, of Parent Company Only Statement of Changes in Equity and of Parent Company Only Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Based on our opinion, we have found no circumstances causing the fair presentation of the parent company only financial position of TBI MOTION TECHNOLOGY CO., LTD. as of December 31, 2023 and 2022, and the parent company only financial performance and parent company only cash flows for the years ended based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers in all material perspectives.

Basis for the audit opinion

We conducted our audits in accordance with the Regulations Governing Auditing and Attestation of Financial Statements by Certified Public Accountant and the Auditing Standards in the Republic of China. Our responsibility under those standards is further described in the section of "Auditor's Responsibilities for the Audit of the parent company only financial statements." We comply with the Norm of Professional Ethics for Certified Public Accountants of the Republic of China and independent of TBI MOTION TECHNOLOGY CO., LTD.. We have also fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the parent company only financial statements for the year ended December 31, 2023. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Company's parent company only financial statements for the year ended December 31, 2023 are as follows:

Assessment of impairment of accounts receivable

Item description

For the accounting policies of accounts receivable, please refer to Note 4(9) of the parent company only financial statements; for the accounting estimates and assumptions of the impairment assessment of accounts receivable, please refer to Note 5(2) of the parent company only financial statements; Please refer to Note 6(5) to the parent company only financial statements.

The Company manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 "Financial Instruments" for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Parent Company Only Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

Inventory impairment assessment

Item description

For the accounting policy of inventory, please refer to Note 4(12) of the parent company only financial statements; for the accounting estimates and uncertainties of the valuation of inventories, please refer to Note 5(2) of the parent company only financial statements; for the description of the accounting titles of inventories, please refer to the parent company only financial statements Note 6(6).

The assessment of the net realizable value of TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries' inventories involves the subjective judgments and estimates of the management. Therefore, we believe that the inventory impairment assessment is one of the most important matters in the current year's audit.

Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

1. Based on our understanding of the operation and industry nature of the TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.
2. Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.
3. Obtain the data on the net realizable value, select a sample to check the selling price and re-calculate it.
4. We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.

5. The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

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

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

In preparing the parent company only financial statements, the management's responsibilities also include assessing the Company's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Company or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Company (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Parent Company Only Financial Statement

Our objectives are to obtain reasonable assurance about whether the parent company only financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the parent company only financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the parent company only financial statements, the misstatement is considered material.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement, whether due to fraud or error, in the parent company only financial statements; design and execute countermeasures in response to the risks assessed; and obtain sufficient and appropriate audit evidence 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 to express an opinion on the effectiveness of the TBI MOTION TECHNOLOGY CO., LTD.'s internal control.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 parent company only financial statements (including the disclosures), and whether the parent company only financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the parent company only financial statements. We are responsible for the direction, supervision and performance of the Company's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the parent company only financial statements for the year ended December 31, 2023 and are therefore the key audit matters. 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.

PricewaterhouseCoopers Taiwan

Chih, Ping-Chun
Certified Public Accountant
Chiu, Chao-Hsien

Former Securities and Futures Commission, Ministry of Finance
Approval No.: (88) Tai-Cai - Cheng (VI) No. 16120
Financial Supervisory Commission
Approval No.: Jin-Guan-Zheng-Shen - Zi No. 1020049451

March 12 , 2024

TBI MOTION TECHNOLOGY CO., LTD.

Parent company only balance sheet

December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current asset					
1100	Cash and cash equivalents	6(1)	$ 220,866	3	$ 268,736	4
1110	Financial assets at fair value through profit or loss - current	6(2)	-	-	220	-
1136	Financial assets at amortized cost - current	6(4)	-	-	1,000	-
1170	Net accounts receivable	6(5)	15,959	-	13,436	-
1180	Accounts receivable - related parties, net	7	2,848,511	36	2,314,678	29
1200	Other receivables		205	-	13,194	-
1210	Other receivables - Related parties	7	742	-	374	-
130X	Inventory	6(6)	843,438	11	1,300,041	16
1410	Prepayments		17,701	-	11,790	-
1460	Non-current assets held for sale, net	6(12) and 8	230,564	3	-	-
1470	Other current assets		189	-	-	-
11XX	**Total current assets**		4,178,175	53	3,923,469	49
	Non-current assets					
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(3)	94,594	1	96,305	1
1535	Financial assets measured at amortized cost - non-current	6(4) and 8	30,000	-	30,000	1
1550	Investments accounted for using the equity method	6(7)	116,664	2	225,799	3
1600	Property, Plant and Equipment	6(8) and 8	2,728,434	35	3,015,816	38
1755	right-of-use asset	6(9)	634,115	8	639,860	8
1780	Intangible Assets	6(10)	26,930	-	24,039	-
1840	Deferred income tax assets	6(28)	87,838	1	24,245	-
1900	Other non-current assets	6(11)	17,072	-	23,807	-
15XX	**Total non-current assets**		3,735,647	47	4,079,871	51
1XXX	**Total assets**		$ 7,913,822	100	$ 8,003,340	100

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD.
Parent company only balance sheet
December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(13) and 7	$ 670,000	9	$ 10,000	-
2130	Contract liabilities - current	6(21)	691	-	1,497	-
2150	Notes payable		4,078	-	3,327	-
2170	Accounts payable		139,539	2	610,122	8
2200	Other payables	6(14)	229,989	3	364,032	5
2220	Other payables - related parties	7	-	-	168	-
2230	Current income tax liabilities	6(28)	34,174	-	68,727	1
2280	Lease liabilities - current	6(9)	24,667	-	18,256	-
2320	Long-term liabilities due within one year or one operating cycle	6(15), 7 and 8	236,058	3	151,816	2
2399	Other current liabilities - Other		80	-	1,216	-
21XX	**Total of current liabilities**		1,339,276	17	1,229,161	16
	Non-current liabilities					
2530	Corporate bonds payable	6(16)	737,855	9	758,628	9
2540	Long-term borrowing	6(15), 7 and 8	1,746,565	22	1,886,496	24
2570	Deferred income tax liabilities	6(28)	712	-	19,594	-
2580	Lease liabilities - non-current	6(9)	628,510	8	636,580	8
2600	Other non-current liabilities	6(7)	201,467	3	331	-
25XX	**Total non-current liabilities**		3,315,109	42	3,301,629	41
2XXX	**Total liabilities**		4,654,385	59	4,530,790	57
	Equity					
	Share capital	6(18)				
3110	Common stock capital		951,588	12	941,780	12
	Additional paid-in capital	6(19)				
3200	Additional paid-in capital		1,724,900	22	1,700,331	21
	Retained earnings	6(20)				
3310	Legal reserve		177,140	2	148,739	2
3350	Undistributed earnings		360,885	5	634,165	8
	Other equity	6(3)				
3400	Other equity		44,924	-	47,535	-
3XXX	**Total equity**		3,259,437	41	3,472,550	43
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	**Total liabilities and equity**		$ 7,913,822	100	$ 8,003,340	100

The attached notes to the parent company only financial statements are an integral part of the parent company only financial statements.

Chairman: Li, Ching-Kung Manager: Li, Jin-Sheng Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD.
Parent company only statement of comprehensive income
January 1 to December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings (losses) per share in NT$)

	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating Revenue	6(21) and 7	$ 2,958,659	100	$ 3,689,632	100
5000	Operating costs	6(6)(8)(9) (10) (26) (27)	(2,441,570)	(83)	(2,886,249)	(78)
5900	Gross profit		517,089	17	803,383	22
5910	Unrealized gain on sales	6(7) and 7	(123,412)	(4)	(47,137)	(1)
5950	Gross operating profit, net		393,677	13	756,246	21
	Operating expenses	6(8)(9)(10) (17) (26) (27)				
6100	Sales promotion expenses		(41,947)	(1)	(36,088)	(1)
6200	Administrative expenses		(239,921)	(8)	(280,345)	(8)
6300	R&D expenses		(83,811)	(3)	(86,749)	(2)
6450	Expected credit impairment gain (loss)	12(2)	70,852	2	(33,438)	(1)
6000	Total operating expenses		(294,827)	(10)	(436,620)	(12)
6900	Operating Income		98,850	3	319,626	9
	Non-operating revenue and expenses					
7100	Interest income	6(4)(22) and 7	1,820	-	1,422	-
7010	Other income	6(3)(23) and 7	28,367	1	14,394	-
7020	Other gains and losses	6(24)	(41,258)	(2)	42,715	1
7050	Financial cost	6(9)(13) (15)(25)	(70,620)	(2)	(50,260)	(1)
7070	Share of profit or loss of subsidiaries, affiliates and joint ventures accounted for using equity method	6(7)	(185,734)	(6)	46,131	1
7000	Total non-operating income and expenses		(267,425)	(9)	54,402	1
7900	**Net income before tax (net loss)**		(168,575)	(6)	374,028	10
7950	Income tax benefit (expense)	6(28)	64,963	2	(90,017)	(2)
8200	**Net income (loss) in the current period**		($ 103,612)	(4)	$ 284,011	8
	Other comprehensive income (net amount)					
	Items not reclassified into profit or loss					
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 1,711)	-	$ 901	-
8310	Total of items not reclassified to profit or loss		(1,711)	-	901	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations	6(7)	(1,125)	-	6,125	-
8399	Income tax related to items that may be reclassified	6(28)	225	-	(1,225)	-
8360	Total of items that may be reclassified subsequently to profit or loss		(900)	-	4,900	-
8300	**Other comprehensive income (net amount)**		($ 2,611)	-	$ 5,801	-
8500	**Total comprehensive income**		($ 106,223)	(4)	$ 289,812	8
	Basic earnings (losses) per share	6(29)				
9750	Basic earnings (losses) per share		($ 1.09)		$ 3.02	
	Diluted earnings (losses) per share	6(29)				
9850	Diluted earnings (losses) per share		($ 1.09)		$ 2.94	

The attached notes to the parent company only financial statements are an integral part of the parent company only financial statements.

Chairman: Li, Ching-Kung   Manager: Li, Jin-Sheng   Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD.

Parent company only statement of changes in equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	Common stock capital	Additional paid-in capital	Retained earnings: Legal reserve	Retained earnings: Undistributed earnings	Other equity: Exchange differences on translation of financial statements of foreign operations	Other equity: Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
2022								
Balance as of January 1, 2022		$ 941,780	$ 1,650,733	$ 125,009	$ 496,316	($ 1,155)	$ 42,889	$ 3,255,572
Net profit		-	-	-	284,011	-	-	284,011
Other comprehensive income in the current period		-	-	-	-	4,900	901	5,801
Total comprehensive income		-	-	-	284,011	4,900	901	289,812
Earnings distribution and appropriation for 2021	6(20)							
Provision of legal reserve		-	-	23,730	(23,730)	-	-	-
Distribution of cash dividends		-	-	-	(122,432)	-	-	(122,432)
Generated from the recognition of equity component due to the issuance of convertible corporate bonds - share subscription	6(16)	-	49,598	-	-	-	-	49,598
Balance as of December 31, 2022		$ 941,780	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
2023								
Balance as of January 1, 2023		$ 941,780	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
Net loss for the period		-	-	-	(103,612)	-	-	(103,612)
Other comprehensive income in the current period		-	-	-	-	(900)	(1,711)	(2,611)
Total comprehensive income		-	-	-	(103,612)	(900)	(1,711)	(106,223)
Earnings distribution and appropriation for 2022	6(20)							
Provision of legal reserve		-	-	28,401	(28,401)	-	-	-
Distribution of cash dividends		-	-	-	(141,267)	-	-	(141,267)
Convertible corporate bond conversion	6(16)	9,808	24,569	-	-	-	-	34,377
Balance as of December 31, 2023		$ 951,588	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437

The attached notes to the parent company only financial statements are an integral part of the parent company only financial statements.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD.

Parent company only statement of cash flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	From January 1 to December 31, 2023	From January 1 to December 31, 2022
Cash flow from operating activities			
Net income before tax (net loss) in the current period		($ 168,575)	$ 374,028
Adjusted items			
Income and expenses			
Depreciation expense	6(26)	248,273	233,227
Amortization expense	6(26)	25,169	23,665
Expected credit impairment (gain) loss	6(26) and 12(2)	(70,852)	33,438
Net loss (gain) of financial assets measured at fair value through profit or loss	6(24)	220	(20)
Gains from the disposal of property, plant and equipment	6(8)(24)	(291)	(131)
Gain on lease modification	6(24)	-	(1)
Interest Expenses	6(25)	70,620	50,260
Interest income	6(22)	(1,820)	(1,422)
Dividend income	6(3)(23)	(4,632)	(3,860)
Share of losses on subsidiaries, associates and joint ventures accounted for using the equity method	6(7)	185,734	(46,131)
Unrealized gain on sales		123,412	47,137
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		-	14,349
Accounts receivable		68,329	259,172
Accounts receivable - related parties		(533,833)	(1,245,234)
Other receivables		12,989	6,521
Other receivables - related parties		(368)	(44)
Inventory		456,603	195,660
Prepayments		(5,911)	3,418
Other current assets		(189)	119
Net changes in liabilities related to operating activities			
Contract liabilities		(806)	(3,566)
Notes payable		751	270
Accounts payable		(470,583)	(48,046)
Other payables		(121,411)	90,329
Other payable expenses - related parties		(168)	168
Other current liabilities		(1,136)	679
Cash outflow from operations		(188,475)	(16,015)
Interest received		1,820	1,422
Interest paid		(57,016)	(48,368)
Dividends received		4,632	3,860
Income tax paid		(51,840)	(74,660)

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD.

Parent company only statement of cash flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	From January 1 to December 31, 2023	From January 1 to December 31, 2022
Net cash outflow from operating activities		(290,879)	(133,761)
Cash flow from investing activities			
Disposal (acquisition) of financial assets at amortized cost		$ 1,000	($ 1,000)
Acquisition of property, plant and equipment	6(30)	(174,439)	(923,452)
Proceeds from the disposal of property, plant and equipment		576	526
Acquisition of intangible assets	6(10)	(26,730)	(54)
Decrease (increase) in refundable deposits		3,589	(2,132)
Increase in prepayment for equipment		(1,796)	(17,579)
Decrease in other receivable accounts-related parties	7	-	50,008
Net cash outflow from investing activities		(197,800)	(893,683)
Cash flow from financing activities			
Increase (decrease) of short-term borrowings	6(31)	660,000	(380,000)
Borrowing of long-term loans	6(31)	108,150	720,590
Repayment of long-term borrowings	6(31)	(163,839)	(193,776)
Increase in guarantee deposits received		-	131
Distribution of cash dividends	6(20)	(141,267)	(122,432)
Lease principal repayment	6(31)	(22,235)	(20,582)
Issuance of convertible bonds	6(16)	-	806,134
Net cash inflow from financing activities		440,809	810,065
Decrease in cash and cash equivalents in current period		(47,870)	(217,379)
Opening balance of cash and cash equivalents	6(1)	268,736	486,115
Closing balance of cash and cash equivalents	6(1)	$ 220,866	$ 268,736

TBI Motion Technology Co., Ltd.
Notes to parent company only financial statements
2023 and 2022

Unit: NT$ thousand
(unless otherwise specified)

I. Company history

TBI MOTION TECHNOLOGY CO., LTD. (hereinafter referred to as the “Company”) was incorporated in the Republic of China. The Company's main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Company's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

II. Date and procedure for adopting financial statements

The parent company only financial statements were approved by the Board of Directors for release on March 12, 2024.

III. Application of new and amended standards and interpretations

(I) The impact of the adoption of the new and amended IFRSs approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2023 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amended “Disclosure of Accounting Policies” of IAS 1	January 1, 2023
Amended “Definition of Accounting Estimates” of IAS 8	January 1, 2023
Amendments to IAS 12 regarding “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023
Amendments to IAS 12, “International Tax Reform — Pillar Two Model Rules”	May 23, 2023

The Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2024 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 16 "Lease Liability in a Sale and Leaseback"	January 1, 2024
Amendments to IAS 1 "Classification of Liabilities as Current or Non-current"	January 1, 2024
Amendments to IAS 1 "Non-Current Liabilities with Covenants"	January 1, 2024
Amendments to IAS 7 and IFRS 7, "Supplier Finance Arrangements"	January 1, 2024

The Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRSs issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance contracts"	January 1, 2023
Amendment to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Company has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Company.

IV. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the parent company only financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

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

(II) Basis of preparation

1. Except for the following significant items, the parent company only financial statements are prepared at historical cost:
   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
   (2) Financial assets measured at fair value through other comprehensive income.
2. The preparation of financial statements in conformity with the IFRSs requires the use of important accounting estimates. The Company's accounting policies also require the management to exercise their judgments. These policies involve highly judgmental or complex items, or significant assumptions and estimates in the parent company only financial statement. Please refer to Note 5 for details.

(III) Foreign currency translation

The items listed in the financial statements of the Company are measured using the currency of the primary economic environment (i.e. the functional currency) in which the Company operates. The parent company only financial statements were presented in the Company's functional currency, “NTD.”

1. Transactions and balances in foreign currency
   (1) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date, and the translation differences arising from such transactions are recognized in profit or loss for the current period.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized in the current profit or loss.
   (3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, they are adjusted using the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.
   (4) All foreign exchange gains and losses are reported in the “other gains and losses” of the income statement.
2. Translation of foreign operations

   For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:
   (1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;
   (2) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;
   (3) All exchange differences arising from translation are recognized in other comprehensive income.

(IV) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:
   (1) The asset is expected to be realized, or intended to be sold or consumed in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) Expected to be realized within 12 months after the balance sheet date.
   (4) Cash or cash equivalents, except for those to be exchanged or used to settle liabilities in at least 12 months after the balance sheet date.

   The Company classifies all assets that do not meet the above conditions as non-current.
2. Liabilities that meet one of the following conditions are classified as current liabilities:
   (1) Expected to be settled in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) Expected to be settled within 12 months after the balance sheet date.
   (4) The settlement period cannot be unconditionally deferred to at least 12 months after the balance sheet date. The terms of liabilities that may, at the option of the counterparty, result in settlement by issue of equity instruments does not affect its classification.

   The Company classifies all liabilities that do not meet the above conditions as non-current.

(V) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VI) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Company adopts trade date accounting for financial assets measured at fair value through profit or loss that are customary transactions.
3. The Company measures their fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss; subsequently, they are measured at fair value, and the profit or loss is recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss.

(VII) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of equity instrument investments that are not held for trading in other comprehensive income; or debt instrument investments that meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow and selling.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Company adopts trade date accounting for financial assets measured at fair value through other comprehensive income in line with transaction practices.
3. The Company measures at fair value plus transaction cost at the time of initial recognition, and subsequently measures at fair value:

   Changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Company recognizes dividend income in profit or loss.

(VIII) Financial assets measured at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Company adopts trade date accounting for financial assets measured at amortized cost in accordance with trading practices.
3. The Company holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(IX) Accounts receivable

1. Refer to accounts that, according to the contract, have the unconditional right to receive the amount of consideration exchanged for the transferred goods or services.
2. For short-term accounts receivable with unpaid interest, as the discounting effect is insignificant, the Company measures them based on the original invoice amount.

(X) Financial assets impairment

On each balance sheet date, the Company, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable or contract assets that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(XI) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(XII) Inventory

Inventories are measured at the lower of cost or net realizable value, and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(XIII) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(XIV) Investments/Subsidiaries accounted for using the equity method

1. Subsidiaries refer to individual entities (including structured individual entities) that the Company has the right to control. When the Company is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Company controls the entity.
2. The unrealized gains and losses arising from the transactions between the Company and the subsidiaries have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Company.
3. The share of profit or loss after the acquisition of the subsidiary by the Company is recognized as the current profit or loss, and the share of other comprehensive income after the acquisition of the subsidiary is recognized as other comprehensive income. If the share of loss recognized by the Company in a subsidiary equals or exceeds the equity in the subsidiary, the Company continues to recognize losses in proportion to its shareholding.
4. If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.
5. In accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers, 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.

(XV) Property, Plant and Equipment

1. Property, plant, and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Company and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.
3. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated useful years. Significant components of property, plant, and equipment are depreciated separately.
4. The Company reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset shows a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors” for changes in accounting estimates. The useful lives of each asset are as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation Equipment	5 - 6 years
Other equipment	2 to 20 years

(XVI) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Company. When the lease contract is in the form of a short-term lease or a lease of a low-value target asset, the lease payments are recognized as expenses using the straight-line method over the lease period.
2. Lease liabilities are recognized at the present value of the lease payments that have not yet been paid on the lease starting date, discounted at the Company's incremental borrowing rate. Lease payments include:
   (1) Fixed payment, less any lease incentives receivable;
   (2) Variable lease payments depending on a certain index or rate;
   The interest expense is subsequently measured using the interest method and the amortized cost method, and the interest expense is provided during the lease term. When the lease period or lease payment changes other than contract modification, the lease liabilities will be reassessed and the right-of-use assets will be remeasured.
3. The right-of-use asset is recognized at cost on the lease start date. Cost includes:
   (1) The initially measured amount of the lease liability;
   (2) Any lease payments made on or before the commencement date;
   (3) any initial direct costs incurred; and
   the subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

(XVII) Intangible Assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(XVIII) Non-financial assets impairment

On the balance sheet date, the recoverable amount of assets with signs of impairment is estimated. When the recoverable amount is lower than the book value, the impairment loss is recognized. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When the impairment loss of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the increase in book value of the asset due to the impairment loss due to the reversal shall not exceed the amount of the depreciation or amortization if the impairment loss was not recognized for the asset and subsequent book value.

(XIX) Borrowings

Refers to long-term and short-term borrowings from banks. The Company measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(XX) Accounts and notes payable

1. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.
2. For short-term accounts and notes payable with unpaid interest, as the discounting effect is insignificant, the Company measures them based on the original invoice amount.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Company are embedded with conversion rights (i.e. holders can choose the right to convert into the Company's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded repurchase rights: The net fair value is stated as “financial assets or liabilities measured at fair value through profit or loss” at the time of initial recognition; subsequently, on the balance sheet date, it is evaluated at the then fair value; differences are recognized as “Gains or losses on financial assets (liabilities) measured at fair value through profit or loss.”
2. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in “Finance cost.”
3. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned “financial assets or liabilities at fair value through profit or loss” and “corporate bonds payable” is accounted for under “capital equity - stock options” and no subsequent remeasurement is required.
4. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.
5. When the holders are changed, the liability components (including “corporate bonds payable” and “financial assets or liabilities at fair value through profit or loss”) are accounted for according to their classification, and then plus the book value of “capital reserve - share options” as the issuance cost of the common shares.

(XXII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

2. Pension

   Defined contribution plan

   For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

3. Remuneration of employees and directors,

   Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(XXIII) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except for items that are recognized in other comprehensive income or directly in equity, respectively.
2. The Company calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. Undistributed earnings are subject to additional income tax in accordance with the income tax law. The undistributed earnings income tax expense is recognized based on the actual distribution of earnings once the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business combination) on the initial recognition of assets or liabilities, and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized.
4. Deferred income tax assets are recognized within the scope of temporary differences that are likely to be used to offset future taxable income, and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity, or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.

(XXIV) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(XXV) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(XXVI) Revenue recognition

Sale of goods

1. The Company manufactures and sells precision transmission components for industrial automation, ball screws, and linear slides. Revenues from sales are recognized when the control of the product is transferred to the customer, i.e. when the product is delivered to the customer. The customer has discretion over the sales channel and price of the product, and the Company has no outstanding performance obligation that may affect the customer's acceptance of the product. When the product is transported to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.
2. Accounts receivable are recognized when the goods are delivered to the customer, as the Company has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(XXVII) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Company, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred.

(XXVIII) Operating department

The information of the Company's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When the Company prepared these parent company only financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

None.

(II) Important accounting estimates and assumptions

1. Impairment assessment of accounts receivable

   In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The allowance is based on reasonable expectations of future events as of the balance sheet date. However, the actual results may differ materially.

2. Valuation of inventories

Since inventories must be valued at the lower of cost or net realizable value, the Company must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Company assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The valuation of the inventory is mainly based on the demand for products in a specific period of time in the future, so there may be significant changes.

VI. Description of major accounting titles

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 1,006	$ 1,308
Checking deposit and demand deposit	219,860	267,428
Total	$ 220,866	$ 268,736

1. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
2. On December 31, 2023 and 2022, the Company's bank deposits of NT$30,000 were classified as “financial assets at amortized cost - non-current” due to the restricted use of performance bonds.

(II) Financial assets measured at fair value through profit or loss

Item	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ -	$ 220

1. The breakdown of financial assets measured at fair value through profit or loss recognized in profit or loss is as follows:

	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	($ 220)	$ 20

2. The Company does not provide financial assets measured at fair value through profit or loss as collateral.
3. Please refer to Note 12(3) for the fair value of financial assets measured at fair value through profit or loss.

(III) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity instrument		
Non-listed, OTC, and emerging stocks	$ 52,515	$ 52,515
Valuation adjustment	42,079	43,790
Total	$ 94,594	$ 96,305

1. The Company chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2023 and 2022 were NT$94,594 and NT$96,305, respectively.
2. The breakdown of financial assets measured at fair value through other comprehensive income and comprehensive income recognized in profit or loss is as follows:

	2023	2022
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 1,711)	$ 901
Dividend income recognized in profit or loss		
Still held at the end of the current period	$ 4,632	$ 3,860

3. Without considering the collateral or other credit enhancements held, the financial assets that are measured at fair value through other comprehensive gain or loss that can best represent the Company and have the highest credit risk on December 31, 2023 and 2022 and the risk exposure amounted to NT$94,594 and NT$96,305, respectively.
4. For the information on the fair value of financial assets measured at fair value through other comprehensive income, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time deposit	$ -	$ 1,000
Non-current items:		
Pledged time deposit	30,000	30,000
Total	$ 30,000	$ 31,000

1. Without considering the collateral or other credit enhancements held, the financial assets measured at amortized cost that are most representative of the Company held in the period of December 31, 2023 and 2022, the maximum exposure amounts of credit risk are NT$30,000 and NT$31,000, respectively.
2. The credit quality of the financial institutions with which the Company interacts is good, and the Company interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
3. The interest income recognized in profit or loss of financial assets measured at amortized cost in 2023 and 2022 were NT$203 and NT$84 in 2023 and 2022 respectively.
4. Please refer to Note 8 for the Company's financial assets measured at amortized cost as collaterals.
5. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Company's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(V) Accounts receivable

	December 31, 2023	December 31, 2022
Accounts receivable	$ 27,959	$ 170,798
Less: Loss allowance	(12,000)	(157,362)
	$ 15,959	$ 13,436
Non-performing loans (stated as other non-current assets)	$ 74,510	$ -

Less: Loss allowance	(74,510)	-
	$ -	$ -

Non-performing loans refer to the balance of accounts that have been collected through outsourcing or litigation.

1. The aging analysis of accounts receivable is as follows:

	December 31, 2023	December 31, 2022
	Accounts receivable	Accounts receivable
Not past due	$ 14,903	$ 12,874
Overdue		
Within 30 days	238	562
31 to 90 days	818	-
91 to 180 days	-	-
181 and above	-	-
	$ 15,959	$ 13,436

The above is an aging analysis based on the number of overdue days.

2. The balance of accounts receivable on December 31, 2023 and 2022 were all arising from contracts with customers, and the balance of accounts receivable on contracts with customers on January 1, 2022 was NT$320,395.
3. Without considering the collateral or other credit enhancements held, the maximum exposure amount that best represents the credit risk of the accounts receivable of the Company as of December 31, 2023 and 2022 was NT$15,959 and NT$13,436, respectively.
4. Please refer to Note 12(2) for details on the credit risk of accounts receivable.

(VI) Inventory

	December 31, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 295,323	($ 55,806)	$ 239,517
Work in process	479,814	(53,350)	426,464
Finished goods	249,816	(72,359)	177,457
Total	$ 1,024,953	($ 181,515)	$ 843,438

	December 31, 2022		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 340,226	($ 24,131)	$ 316,095
Work in process	579,308	(26,855)	552,453
Finished goods	496,504	(65,011)	431,493
Total	$ 1,416,038	($ 115,997)	$ 1,300,041

Expenses and losses related to inventory recognized in the current period:

	2023	2022
Cost of sold inventories	$ 2,377,590	$ 2,854,278
Inventory valuation losses	65,518	34,981
Loss on inventory	1,330	1,034
Revenue from sale of scraps	(2,868)	(4,044)
	$ 2,441,570	$ 2,886,249

(VII) Investments accounted for using the equity method

	2023	2022
January 1	$ 225,799	$ 220,680
Share of investment income accounted for using equity method	(185,734)	46,131
Downstream unrealized gain on sales	(123,412)	(47,137)
Other changes in equity	(1,125)	6,125
Add: Loan balance of investments accounted for using the equity method (under “2600 - Other non-current liabilities”)	201,136	-
December 31	$ 116,664	$ 225,799

1. The investment under equity method is as follows:

	December 31, 2023	December 31, 2022
Subsidiary:		
TBI MOTION TECHNOLOGY (USA) LLC.	$ 6,575	$ 11,091
TBI MOTION TECHNOLOGY (HK) LTD.	-	171,707
TBI Motion Intelligence Co., Ltd.	110,089	43,001
	116,664	225,799
Less: TBI MOTION TECHNOLOGY (HK) LTD. Loan balance of investments accounted for using the equity method (under “2600 - Other non-current liabilities”)	(201,136)	-
	($ 84,472)	$ 225,799

2. The share of profit or loss of the subsidiaries accounted for using the equity method in 2023 and 2022 is as follows:

	2023	2022
Subsidiary:		
TBI MOTION TECHNOLOGY (USA) LLC.	($ 4,848)	($ 9,413)
TBI MOTION TECHNOLOGY (HK) LTD.	(247,554)	13,878
TBI Motion Intelligence Co., Ltd.	66,668	41,666
	($ 185,734)	$ 46,131

3. For information on the Company's subsidiaries, please refer to Note IV (III) to the Company's 2023 consolidated financial statements.

(VIII) Property, Plant and Equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2023							
Cost	$ 1,006,321	$ 1,820,521	$ 1,421,554	$ 3,142	$ 345,265	$ 76,944	$ 4,673,747
Accumulated depreciation	-	(436,807)	(970,641)	(2,779)	(247,704)	-	(1,657,931)
	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816
2023							
January 1	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816
Addition	-	1,409	40,824	342	20,393	98,839	161,807
Disposal - cost	-	(302)	(251)	-	(4,693)	-	(5,246)
Disposal - Accumulated depreciation	-	302	56	-	4,603	-	4,961
Reclassified to non-current assets held for sale	(111,327)	(118,350)	-	-	(887)	-	(230,564)
Reclassification	-	6,074	43,360	-	5,886	(51,708)	3,612
Depreciation expense	-	(68,378)	(116,703)	(386)	(36,485)	-	(221,952)
December 31	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434
December 31, 2023							
Cost	$ 894,994	$ 1,624,004	$ 1,505,487	$ 3,484	$ 365,964	$ 124,075	$ 4,518,008
Accumulated depreciation	-	(419,535)	(1,087,288)	(3,165)	(279,586)	-	(1,789,574)
	$ 894,994	$ 1,204,469	$ 418,199	$ 319	$ 86,378	$ 124,075	$ 2,728,434

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2022							
Cost	$ 111,327	$ 1,708,294	$ 1,300,725	$ 3,142	$ 324,855	$ 42,748	$ 3,491,091
Accumulated depreciation	-	(372,230)	(869,179)	(2,342)	(236,805)	-	(1,480,556)
	$ 111,327	$ 1,336,064	$ 431,546	$ 800	$ 88,050	$ 42,748	$ 2,010,535
2022							
January 1	$ 111,327	$ 1,336,064	$ 431,546	$ 800	$ 88,050	$ 42,748	$ 2,010,535
Addition	713,524	77,597	60,836	-	36,190	50,182	938,329
Disposal - cost	-	1	(3,910)	-	(27,453)	-	(31,362)
Disposal - Accumulated depreciation	-	(1)	3,910	-	27,058	-	30,967
Prepaid land transfer	181,470	-	-	-	-	-	181,470
Transfer of prepaid equipment payment	-	34,629	63,903	-	11,674	(15,986)	94,220
Depreciation expense	-	(64,576)	(105,372)	(437)	(37,958)	-	(208,343)
December 31	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816
December 31, 2022							
Cost	$ 1,006,321	$ 1,820,521	$ 1,421,554	$ 3,142	$ 345,265	$ 76,944	$ 4,673,747
Accumulated depreciation	-	(436,807)	(970,641)	(2,779)	(247,704)	-	(1,657,931)
	$ 1,006,321	$ 1,383,714	$ 450,913	$ 363	$ 97,561	$ 76,944	$ 3,015,816

For information on property, plant and equipment as collateral, please refer to the descriptions in Note VIII.

(IX) Lease transaction - Lessee

1. The underlying assets leased by the Company include land, buildings and buildings, official vehicles and telephone systems. The lease contract period usually ranges from 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.
2. The book value of the right-of-use assets and the information of depreciation expense recognized are as follows:

	December 31, 2023		December 31, 2022	
	Carrying amount		Carrying amount	
Land	$	616,909	$	630,208
Buildings		5,100		4,569
Transportation equipment (office vehicles)		5,168		4,030
Other equipment		6,938		1,053
	$	634,115	$	639,860

	2023		2022	
	Depreciation expense		Depreciation expense	
Land	$	16,056	$	16,056
Buildings		3,860		3,860
Transportation equipment (office vehicles)		3,430		3,975
Other equipment		2,975		993
	$	26,321	$	24,884

3. The increase in the Company's right-of-use assets in 2023 and 2022 were NT$20,576 and NT$46,285, respectively.
4. The information of loss (gain) related to lease contract is as follows:

	2023		2022	
Items affecting current profit or loss				
Interest expense of lease liabilities	$	10,563	$	10,708
Expenses of short-term lease contracts		260		67
Gain (loss) on lease modification		-	(	1)

5. The total cash outflow for the lease of the Company amounted to NT$33,058 and NT$31,357 in 2023 and 2022, respectively.

(X) Intangible Assets

	Patent right		Computer software		Total	
January 1, 2023						
Cost	$	12,000	$	80,556	$	92,556
Accumulated amortization	(	11,848)	(	56,669)	(	68,517)
	$	152	$	23,887	$	24,039
2023						
January 1	$	152	$	23,887	$	24,039
Addition		-		26,730		26,730
Transfer of prepaid equipment payment		-		1,330		1,330
Amortization expense	(	25)	(	25,144)	(	25,169)
December 31	$	127	$	26,803	$	26,930

	Patent right		Computer software		Total	
December 31, 2023						
Cost	$	12,000	$	108,616	$	120,616
Accumulated amortization	(	11,873)	(	81,813)	(	93,686)
	$	127	$	26,803	$	26,930

	Patent right		Computer software		Total	
January 1, 2022						
Cost	$	12,000	$	111,996	$	123,996
Accumulated amortization	(	11,823)	(	86,954)	(	98,777)
	$	177	$	25,042	$	25,219
2022						
January 1	$	177	$	25,042	$	25,219
Addition		-		54		54
Transfer of prepaid equipment payment		-		22,431		22,431
Amortization expense	(	25)	(	23,640)	(	23,665)
December 31	$	152	$	23,887	$	24,039
December 31, 2022						
Cost	$	12,000	$	80,556	$	92,556
Accumulated amortization	(	11,848)	(	56,669)	(	68,517)
	$	152	$	23,887	$	24,039

The details of amortization of intangible assets are as follows:

	2023		2022	
Operating costs	$	3,058	$	573
Sales promotion expenses		117		239
Administrative expenses		20,986		20,604
R&D expenses		1,008		2,249
	$	25,169	$	23,665

(XI) Other non-current assets

	December 31, 2023		December 31, 2022	
Prepayment for equipment	$	8,347	$	11,493
Refundable deposits		8,725		12,314
	$	17,072	$	23,807

(XII) Non-current assets held for sale

The Company resolved to dispose of the real estate in Yingge District on November 8, 2023 and the related assets were classified as non-current assets held for sale, which is expected to be completed before the end of 2024.

	December 31, 2023		December 31, 2022	
Property, Plant and Equipment	$	230,564	$	-

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note VIII for the guarantee information.

(XIII) Short-term borrowings

Nature of loan	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 670,000	1.65-1.85%	No

Nature of loan	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 10,000	1.515%	No

Please refer to 6(25) for the interest expense recognized in profit and loss in 2023 and 2022.

(XIV) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 125,727	$ 166,248
Labor health insurance premium payable	14,823	39,524
Repairs payable	9,756	12,788
Payables for equipment	4,013	16,645
Utilities expenses payable	3,180	4,688
Research and experimentation expenses payable	2,681	3,287
Other payable expenses	69,809	120,852
	$ 229,989	$ 364,032

(XV) Long-term borrowing

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$ 1,362,867
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	619,756
				1,982,623
Less: Long-term borrowings due within one year or one operating cycle				(236,058)
				$ 1,746,565

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	1.73%-2.08%	Land and buildings	$ 1,448,322
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.18%-1.78%	No	589,990
				2,038,312
Less: Long-term borrowings due within one year or one operating cycle				(151,816)
				$ 1,886,496

1. Please refer to 6(25) for the interest expense recognized in profit and loss in 2023 and 2022.
2. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(XVI) Corporate bonds payable

		December 31, 2023		December 31, 2022
Corporate bonds payable	$	763,700	$	800,000
Less: Discount of corporate bond payable	(	25,845)	(	41,372)
		737,855		758,628
Less: Corporate bonds maturing within one year or one operating cycle or repurchase rights exercised		-		-
	$	737,855	$	758,628

1. Domestic convertible bonds issued by the Company
   (1) The conditions for the Company's issuance of the 1st secured convertible bonds in Taiwan are as follows:
      A. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is NT$500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 1st batch of convertible bonds was listed for trading on the Taipei Exchange on October 24, 2022.
      B. From the day following the expiration of three months after the date of issue (January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.
      C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds is NT$40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$40.5 per share to NT$38.9 per share.
      D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the forty days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2023, the bonds with a face value of NT$100 had been converted into 2,469 ordinary shares.

(2) The conditions for the Company's issuance of the 2nd unsecured convertible bonds in Taiwan are as follows:

A. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is NT$300,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 2nd batch of convertible bonds was listed for trading on the Taipei Exchange on December 12, 2022.

B. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds is NT$37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$37 per share to NT$35.5 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the forty days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2023, the bonds with a face value of NT$36,200 had been converted into 978,359 ordinary shares.

2. When the Company issued the first and second convertible corporate bonds, in accordance with IAS 32 “Financial Instruments: Presentation,” the conversion option that was of the nature of conversion was separated from each component of liabilities, and accounted for in “Capital reserve - share options” was totaled NT$49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 “Financial Instruments,” so they are

separated and accounted for in the net amount of "Financial assets or liabilities measured at fair value through profit or loss." After the separation, the effective interest rates of the main contract liabilities are 1.8053% and 1.9797%, respectively.

(XVII) Pension

1. In accordance with the "Labor Pension Act," the Company has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Company contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum.
2. In 2023 and 2022, the Company's pension cost recognized in accordance with the above regulations was NT$26,389 and NT$28,107, respectively.

(XVIII) Share capital

1. On December 31, 2023, the Company's authorized capital was NT$3,000,000 divided into 300,000 thousand shares; the paid-in capital was NT$951,588 with a face value of NT$10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: shares)

	2023	2022
January 1	94,178,000	94,178,000
Corporate bond conversion	980,828	-
December 31	95,158,828	94,178,000

2. Corporate bond conversion

   As of December 31, 2023, the Company had 980,828 ordinary shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022, and registration of all changes has been completed.

(XIX) Additional paid-in capital

1. In accordance with the provisions of the Company Act, the premium from the issuance of shares in excess of the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the Company has no accumulated losses, new shares or cash are issued or paid in proportion to the original shares of the shareholders. In addition, according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital above is appropriated to capital, its total amount each year shall not exceed 10% of the paid-in capital. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.
2. The changes in the additional paid-in capital of the Company in 2023 and 2022 are as follows:

	2023			
	Issuance premium	Employee share warrants	Stock options	Total
January 1	$ 1,625,489	$ 25,244	$ 49,598	$ 1,700,331
Exercise of the right to convert convertible corporate bonds into stock	26,455	-	(1,886)	24,569
December 31	$ 1,651,944	$ 25,244	$ 47,712	$ 1,724,900

	2022			
	Issuance premium	Employee share warrants	Stock options	Total
January 1	$ 1,625,489	$ 25,244	$ -	$ 1,650,733
Stock options at the time of issuance of corporate bonds	-	-	49,598	49,598
December 31	$ 1,625,489	$ 25,244	$ 49,598	$ 1,700,331

(XX) Retained earnings

1. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.
2. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 20% of the total dividends distributed in the current year.
3. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders. However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.
4. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity items is subsequently reversed, the amount of reversal may be included in the distribution available In earnings.
5. The 2022 earnings distribution proposal of the Company was approved by the shareholders' meeting on June 27, 2023 as follows:

	2022	
	Amount	Dividends per share (NTD)
Legal reserve	$ 28,401	
Cash dividends	141,267	$ 1.5
Total	$ 169,668	

(XXI) Operating Revenue

	2023	2022
Revenue from contracts with customers	$ 2,958,659	$ 3,689,632

1. Breakdown of revenue from customer contracts

   The Company's revenue is derived from the goods transferred at a certain point in time, and the revenue can be divided into the following main products:

2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 2,040,267	$ 557,879	$ 234,096	$ 126,417	$ 2,958,659

2022	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 2,304,008	$ 1,112,227	$ 216,937	$ 56,460	$ 3,689,632

2. Contract liabilities

The contractual liabilities related to the Company's recognition of contractual revenue from customers are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - collections in advance	$ 691	$ 1,497	$ 5,063

Revenue recognized in current period of contract liabilities at the beginning of the period

	2023	2022
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ 912	$ 3,660

(XXII) Interest income

	2023	2022
Interest on bank deposits	$ 1,517	$ 794
Interest income from financial assets measured at amortized cost	203	84
Other interest income	100	544
	$ 1,820	$ 1,422

(XXIII) Other income

	2023	2022
Rental income	$ 2,486	$ 4,864
Dividend income	4,632	3,860
Grant income	16,942	238
Other income - others	4,307	5,432
	$ 28,367	$ 14,394

(XXIV) Other gains and losses

	2023	2022
Foreign exchange gain (loss)	($ 41,248)	$ 42,580
Gains from the disposal of property, plant and equipment	291	131
Gain on lease modification	-	1
Net (loss) gain on financial assets measured at fair value through profit or loss	(220)	20
Other income	(81)	(17)
	($ 41,258)	$ 42,715

(XXV) Financial cost

	2023	2022
Bank borrowing interest expense	$ 46,452	$ 37,660
Interest expense on lease liabilities	10,563	10,708
Corporate bond interest expense	13,604	1,892
Others	1	-
	$ 70,620	$ 50,260

(XXVI) Additional information on the nature of the expense

	2023	2022
Employee benefit expense	$ 758,032	$ 840,405
Depreciation expenses of property, plant and equipment	221,952	208,343
Right-of-use assets depreciation expense	26,321	24,884
Amortization expense of intangible assets	25,169	23,665
Operating lease rental expense	260	67
Expected credit impairment (gain) loss	(70,852)	33,438
	$ 960,882	$ 1,130,802

(XXVII) Employee benefit expense

	2023	2022
Salary expenses	$ 628,587	$ 709,057
Labor and national health insurance expenses	75,056	71,209
Pension expense	26,389	28,107
Other personnel expenses	28,000	32,032
	$ 758,032	$ 840,405

1. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries The remuneration to directors and supervisors, not more than 5% of the amount of the above-mentioned profit, shall be set aside by resolution of the board of directors. The proposal for the distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.
2. The Company has estimated the remuneration to employees for 2023 and 2022 as NT$0 and NT$14,000, respectively; the remuneration to directors is NT$0 and NT$4,000, and the aforementioned amounts are accounted for as salary expenses.
3. 2023 was a loss, so employees' remuneration and directors' remuneration were not estimated.
4. The amounts of remuneration to employees and directors for 2022 as resolved by the Board of Directors were consistent with the amounts recognized in the 2022 financial statements, and both were paid in cash.

   Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(XXVIII) Income tax

1. Income tax expense (benefit)

(1) Components of income tax expense (benefit):

	2023	2022
Current income tax:		
Income tax arising from current income	$ 33,764	$ 94,342
Imposition on undistributed earnings	536	4,557
Overestimated income tax in previous years	(17,013)	(643)
Total income tax for the current period	17,287	98,256
Deferred income tax:		
The origin and reversal of the temporary difference	(82,250)	(8,239)
Total deferred income tax	(82,250)	(8,239)
Income tax expense (benefit)	($ 64,963)	$ 90,017

(2) Amount of income tax related to other comprehensive income:

	2023	2022
Difference on translation of foreign operations	$ 225	($ 1,225)

2. Relationship between income tax (interest) expenses and accounting profit

	2023	2022
Income tax on net profit before tax calculated at statutory tax rate	($ 33,715)	$ 74,806
Temporary difference not recognized as deferred income tax assets	13,104	11,740
Reversal of unrecognized temporary differences on deferred income tax assets	(15,102)	-
Impacts of items that cannot be recognized as required by law	1,487	-
Income exempted from taxation under the Tax Act	(14,260)	(443)
Overestimated amount of income tax in previous years	(17,013)	(643)
Additional income tax on undistributed earnings	536	4,557
Income tax expense (benefit)	($ 64,963)	$ 90,017

3. The amount of each deferred income tax asset or liability arising from the temporary difference is as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,630	$ 376	$ -	$ 3,006
Unrealized gross profit from sales	18,179	24,682	-	42,861
Impacts of foreign investment losses	3,436	33,670	-	37,106

Unrealized exchange losses	-	4,865	-	4,865
Subtotal	24,245	63,593	-	87,838
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 16,811)	$ 16,811	$ -	$ -
Unrealized exchange gain	(1,846)	1,846	-	-
Exchange differences on foreign operations	(937)	-	225	(712)
Subtotal	(19,594)	18,657	225	(712)
Total	$ 4,651	$ 82,250	$ 225	$ 87,126

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,195	$ 435	$ -	$ 2,630
Unrealized gross profit from sales	8,752	9,427	-	18,179
Impacts of foreign investment losses	1,098	2,338	-	3,436
Exchange differences on foreign operations	288	-	(288)	-
Subtotal	12,333	12,200	(288)	24,245
	2022			
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 13,531)	($ 3,280)	$ -	($ 16,811)
Unrealized exchange gain	(1,165)	(681)	-	(1,846)
Exchange differences on foreign operations	-	-	(937)	(937)
Subtotal	(14,696)	(3,961)	(937)	(19,594)
Total	($ 2,363)	$ 8,239	($ 1,225)	$ 4,651

4. Deductible temporary differences of unrecognized deferred income tax assets:

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 238,516	$ 248,504

5. The Company's profit-seeking business income tax has been approved by the tax authorities up to 2021.

(XXIX) Earnings (losses) per share

	2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Loss per share (NTD)
Basic loss per share			

Net loss for the period attributable to common shareholders	($ 103,612)	94,946	($ 1.09)
Diluted loss per share			
Net loss for the period attributable to common shareholders	($ 103,612)	94,946	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	-	
Convertible corporate bonds	-	-	
Net loss for the period attributable to common shareholders plus the effect of potential common shares	($ 103,612)	94,946	($ 1.09)

	2022		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per Share (NTD)
Basic earnings per share			
Net income for the period attributable to common shareholders	$ 284,011	94,178	$ 3.02
Diluted earnings per share			
Net income for the period attributable to common shareholders	$ 284,011	94,178	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	446	
Convertible corporate bonds	1,872	2,778	
Net income attributable to common shareholders plus the effect of potential common shares	$ 285,883	97,402	$ 2.94

(XXX) Supplementary information on cash flow

1. Investment activities with only partial cash payment:

	2023	2022
Additions of property, plant and equipment	$ 161,807	$ 938,329
Add: Payables for equipment, beginning	16,645	1,768
Less: Payables for equipment, ending	(4,013)	(16,645)
Cash paid in current period	$ 174,439	$ 923,452

2. Financing activities that do not affect cash flow:

	2023	2022
Conversion of convertible bonds into share capital	$ 34,377	$ -

(XXXI) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flow	Non-cash changes	December 31, 2023
Short-term borrowings	$ 10,000	$ 660,000	$ -	$ 670,000
Long-term borrowing	2,038,312	(55,689)	-	1,982,623
Lease liabilities	654,836	(22,235)	20,576	653,177
Guarantee deposits received	331	-	-	331
Total liabilities from				

financing activities	$ 2,703,479	$ 582,076	$ 41,152	$ 3,326,707

	January 1, 2022	Changes in cash flow	Non-cash changes	December 31, 2022
Short-term borrowings	$ 390,000	($ 380,000)	$ -	$ 10,000
Long-term borrowing	1,511,498	526,814	-	2,038,312
Lease liabilities	629,416	(20,582)	46,002	654,836
Guarantee deposits received	200	131	-	331
Total liabilities from financing activities	$ 5,062,228	$ 252,726	$ 184,008	$ 5,406,958

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Company
TBI MOTION TECHNOLOGY (USA) LLC. (TBI USA)	Subsidiary
TBI MOTION TECHNOLOGY (HK) LTD. (TBI HK)	Subsidiary
TBI Motion Intelligence Co., Ltd. (TBI Motion)	Subsidiary
TBI Motion (Suzhou) Co., Ltd. (TBI Motion Suzhou)	Subsidiary
Li, Ching-Kung	Chairman of the Company
Li, Jin-Sheng	President of the Company

(II) Significant transactions with related parties

1. Sale of goods

	2023	2022
Sale of goods:		
Subsidiary		
TBI Motion Suzhou	$ 2,306,789	$ 2,690,038
TBI Motion	581,920	843,145
TBI USA	14,269	7,467
	$ 2,902,978	$ 3,540,650

	2023	2022
Technical service income (presented in "7010 Other income"):		
Subsidiary		
TBI Motion Suzhou	$ 2,106	$ 2,939

(1) There is no significant difference between the transaction price and payment terms of the sale of goods and the non-related parties.

(2) Technical service income is calculated based on the number of service hours agreed in the contract.

2. Rental income

	2023	2022
Rental income:		
Subsidiary		
TBI Motion	$ 1,575	$ 1,575

The Company leases the plant in Shulin to TBI Motion. The lease term is 1 year, and the payment is made on a monthly basis during the payment period.

3. Receivables from related parties

	December 31, 2023	December 31, 2022
Accounts receivable:		
TBI Motion Suzhou	$ 2,683,891	$ 1,952,245
TBI Motion	158,330	361,983
TBI USA	6,290	450
Subtotal	2,848,511	2,314,678
Other receivables:		
TBI Motion Suzhou	717	219
TBI Motion	25	155
Subtotal	742	374
Total	$ 2,849,253	$ 2,315,052

The receivables from related parties are mainly from sales transactions, and the receivables are not pledged with interest. No allowance for loss was provided for receivables from related parties. Other receivables are mainly receivables collected on behalf of others.

4. Payables to related parties

	December 31, 2023	December 31, 2022
Other payables:		
TBI Motion	$ -	$ 168

Other payables are mainly payments on behalf of others.

5. Property transactions

(1) Disposal of other assets

	2023	
	Disposal price	Disposal of gains (losses)
Other income:		
Subsidiary		
TBI Motion	$ 20	$ -

	2022	
	Disposal price	Disposal of gains (losses)
Other income:		
Subsidiary		
TBI Motion	$ 1,190	$ 1,190

6. Loaning of funds to related parties

(1) Interest income

	2023	2022
TBI Motion	$ -	$ 492

The loan of NT$50,000 to related parties on December 29, 2021 will be repaid monthly for one year, and the 2021 interest will be charged at the interest rate of 2% per annum. Repayment was made in June 2022.

(III) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 9,976	$ 13,629
Post-employment benefits	108	108
Total	$ 10,084	$ 13,737

(IV) Others

The Company borrowed from financial asset institutions on December 31, 2023 and 2022, with Li, Ching-Kung (the Company's Chairman) serving as the joint guarantor. The financing amount for the joint guarantees provided by the above-mentioned related parties was NT$2,652,623 and NT$2,048,312, respectively.

VIII. Pledged assets

The Company's assets are guaranteed as follows:

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose of guarantee
Financial assets measured at amortized cost			
Pledged time deposit	$ 30,000	$ 30,000	Note 1
Property, Plant and Equipment			
Land	894,994	1,006,321	Note 2
Buildings	942,595	969,534	Note 2
Non-current assets held for sale	230,564	-	Note 2
	$ 2,098,153	$ 2,005,855	

Note 1: The performance bond of the Company.

Note 2: Long-term borrowings.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Capital expenditures signed but not yet incurred

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 11,346	$ 40,629

(II) The Company has opened an unused letter of credit for the purchase of materials

	December 31, 2023	December 31, 2022
Letter of credit issued but not used	$ 24,434	$ 35,264

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

No such situation.

XII. Others

(I) Capital management

The Company's capital management objectives are to ensure the continued operation of the Company, maintain the optimal capital structure to reduce the cost of capital, and provide 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 liabilities. The Company uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" reported in the parent company only balance sheet) less cash and cash equivalents. The calculation of total capital is "equity" reported in the parent company only balance sheet plus net debt.

The Company's debt capital ratio as of December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 2,652,623	$ 2,048,312
Less: Cash and cash equivalent	(220,866)	(268,736)
Debt, net	2,431,757	1,779,576
Total equity	3,259,437	3,472,550
Total capital	$ 5,691,194	$ 5,252,126
Debt capital ratio	42.73%	33.88%

(II) Financial instruments

1. Type of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 220
Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 94,594	$ 96,305
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 220,866	$ 268,736
Financial assets measured at amortized cost	30,000	31,000
Accounts receivable (including related party)	2,864,470	2,328,114
Other receivables (including related parties)	947	13,568
Refundable deposits	8,725	12,314
	$ 3,219,602	$ 2,750,257
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 670,000	$ 10,000
Notes payable	4,078	3,327
Accounts payable	139,539	610,122
Other payables	229,989	364,200
Long-term borrowings (including those due within one year or one operating cycle)	1,982,623	2,038,312
Guarantee deposits received	331	331
	$ 3,026,560	$ 3,026,292
Lease liabilities	$ 653,177	$ 654,836

2. Risk management policy

Risk management is carried out by the Company's Finance Department in accordance with the policies approved by the Board of Directors. The Company's Finance Department works closely with various operating units within the Company to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

3. Nature and extent of significant financial risk

(1) Market risk

Exchange rate risk

A. The Company operates in a multinational company and is therefore exposed to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Company's business involves some non-functional currencies and therefore subject to exchange rate fluctuations, the assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

	December 31, 2023		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,874	30.7080	$ 118,963
Japanese Yen: NTD	13,390	0.2172	2,908
Euro: NTD	18	34.0070	612
RMB: NTD	626,255	4.3265	2,709,492
Financial liabilities			
Monetary items			
Japanese Yen: NTD	2,898	0.2172	629
USD: NTD	10	30.7080	307
Non-monetary items (Note)			
USD: NTD	6,336	30.7080	194,561

Note: Investment under equity method

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,182	30.7250	$ 97,767
Japanese Yen: NTD	183,632	0.2326	42,713
Euro: NTD	62	32.7530	2,031
RMB: NTD	461,564	4.4118	2,036,328
Non-monetary items (Note)			
USD: NTD	5,949	30.7250	182,798
Financial liabilities			
Monetary items			
Japanese Yen: NTD	171,041	0.2326	39,784
USD: NTD	2	30.7250	61

Note: Investment under equity method

C. Fluctuations in exchange rates have a significant impact on monetary items of the Company. The aggregate amounts of all exchange gains and losses (including realized and unrealized) recognized in 2023 and 2022 were NT$41,248 and NT$42,580, respectively.

D. The following is an analysis of the Company's risk in the foreign currency market due to significant exchange rate fluctuations:

	2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Affecting profit and loss	Affecting other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 952	$ -
Japanese Yen: NTD	1%	23	-
Euro: NTD	1%	5	-
RMB: NTD	1%	21,676	-
Financial liabilities			
Monetary items			
Japanese Yen: NTD	1%	(5)	-
USD: NTD	1%	(2)	-
Non-monetary items			
USD: NTD	1%	-	1,556

	2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Affecting profit and loss	Affecting other comprehensive income
Financial assets			
Monetary items			
USD: NTD	1%	$ 782	$ -
Japanese Yen: NTD	1%	342	-
Euro: NTD	1%	16	-
RMB: NTD	1%	16,291	-
Non-monetary items			
USD: NTD	1%	-	1,462
Financial liabilities			
Monetary items			
Japanese Yen: NTD	1%	(318)	-
USD: NTD	1%	(0.49)	-

Price risk

(1) The equity instrument exposed to the price risk of the Company is accounted for in the financial assets measured at fair value through profit or loss and financial assets measured at fair value through other comprehensive income. In order to manage the price risk of equity instrument investment, the Company diversifies its investment portfolio. The diversification method is based on the limit set by the Company.

(2) The Company mainly invests in equity instruments issued by domestic companies. The prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rises or falls by 1%, and all other factors remain unchanged, the net profit arising from the profit or loss of equity instruments measured at fair value through profit and loss increased or decreased by $0 and $2 in 2023 and 2022; other comprehensive income decreased or

increased by $756 and $770, respectively, due to the gain or loss of equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

A. The Company's interest rate risk mainly comes from the long-term and short-term loans with floating interest rates, which expose the Company to cash flow interest rate risk. In 2023 and 2022, the Company's borrowings at floating interest rates were mainly denominated in NTD.

B. When the borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net income after tax in 2023 and 2022 will increase or decrease by NT$21,221 and NT$16,386, respectively, due to changes.

(2) Credit risk

A. The Company's credit risk is the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations. It is mainly due to the inability of the counterparties to settle the accounts receivable, and its classification is the contractual cash flow at fair value through other comprehensive income.

B. The Company has established credit risk management from the corporate perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Company, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. According to the Company's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

D. The Company classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics, and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

E. The indicators used by the Company to determine that the debt instrument investment is subject to credit impairment are as follows:

(A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;

(B) The issuer disappears from the active market for the financial assets due to financial difficulties;

(C) The issuer delays or fails to repay the interest or principal;

(D) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

F. The Company takes into account the consideration of future forward-looking and adjusts the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable. The provision matrix for December 31, 2023 and 2022 and loss ratio method is as follows:

December 31, 2023	Expected loss rate	Total carrying amount	Non-performing loans	Loss allowance
Not past due	0.03%	$ 14,911	$ -	($ 8)
Within 30 days	0.03%	238	-	-
31 to 90 days	0.03%	818	-	-
91 to 180 days	14.16%~99.76%	-	-	-
More than 181 days	100% of face value	11,992	-	(11,992)
Individual assessment	100% of face value	-	74,510	(74,510)
Total		$ 27,959	$ 74,510	($ 86,510)

December 31, 2022	Expected loss rate	Total carrying amount	Non-performing loans	Loss allowance
Not past due	0.03%	$ 12,878	$ -	($ 4)
Within 30 days	0.04%~14.71%	562	-	-
31 to 90 days	0.06%~30.57%	-	-	-
91 to 180 days	0.12%~63.12%	-	-	-
Over 181 days (Note)	100% of face value	157,358	-	(157,358)
Total		$ 170,798	$ -	($ 157,362)

Note: Among them, 100% of the accounts receivable of $77,949 have been set aside as loss allowance. The Company is carrying out legal recourse procedures to preserve the rights of the creditors.

G. The Company's simplified statement of changes in the loss allowance on accounts receivable is as follows:

	2023		
	Accounts receivable	Non-performing loans	Total
January 1	$ 157,362	$ -	$ 157,362
Reversal of impairment loss	(70,852)	-	(70,852)
Reclassification	(74,510)	74,510	-
December 31	$ 12,000	$ 74,510	$ 86,510

	2022		
	Accounts receivable	Non-performing loans	Total
January 1	$ 123,924	$ -	$ 123,924
Provision of impairment loss	33,438	-	33,438
December 31	$ 157,362	$ -	$ 157,362

(3) Liquidity risk

A. The cash flow forecast is implemented by each operating entity of the Company and compiled by the Company's Finance Department. The Finance Department of the Company monitors the forecast of the Company's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Company from breaching the relevant borrowing limits or terms. The forecast considers the Company's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

B. The surplus cash held by each operating entity will be transferred back to the Company's Finance Department when it exceeds the management needs of working capital. The Company's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of December 31, 2023 and 2022, the Company's money market positions were NT$220,866 and NT$268,736, respectively, and the undrawn borrowing facilities were NT$1,436,957 and NT$1,901,685, respectively, which are expected to generate cash flows to manage liquidity risk.

C. The following table shows the Company's non-derivative financial liabilities grouped by relevant maturity dates and analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flow amount disclosed in the following table is the undiscounted amount.

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Within 1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 670,000	$ -	$ -	$ -	$ 670,000
Notes payable	4,078	-	-	-	4,078
Accounts payable	139,539	-	-	-	139,539
Other payables	229,989	-	-	-	229,989
Lease liabilities	35,031	25,520	68,477	741,389	870,417
Long-term borrowings (including those due within one year)	272,106	328,536	741,568	860,203	2,202,413

Non-derivative financial liabilities:

December 31, 2022	Within 1z	Within 1 to 2 years	2 to 5 years	Over 5 years	Total
Short-term borrowings	$ 10,000	$ -	$ -	$ -	$ 10,000
Notes payable	3,327	-	-	-	3,327
Accounts payable	610,122	-	-	-	610,122
Other payables	364,200	-	-	-	364,200
Lease liabilities	28,654	25,237	67,489	763,686	885,066
Long-term borrowings (including those due within one year)	185,116	241,688	819,762	1,009,430	2,255,996

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

   Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

   Level 2: Inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly. The fair value of forward foreign exchange contracts invested by the Company fall in this category.

   Level 3: Unobservable inputs for the asset or liability. Equity instruments for which there is no active market invested by the Company belong to this category.

2. The Company's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, accounts receivable, other receivables, refundable deposits, short-term and long-term borrowings, notes and accounts payable, other payables, and guarantee deposits received, for which their book values, are a reasonable approximation to the fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. Relevant information is as follows:

   (1) The Company's assets and liabilities are classified according to the nature. The relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets and equity securities measured at fair value through other comprehensive income	$ -	$ -	$ 94,594	$ 94,594

December 31, 2022	Level 1	Level 2	Level 3	Total

Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss - current	$ -	$ 220	$ -	$ 220
Financial assets and equity securities measured at fair value through other comprehensive income	-	-	96,305	96,305
Total	$ -	$ 220	$ 96,305	$ 96,525

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

When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Company uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

4. There was no transfer between Level 1 and Level 2 in 2023 and 2022.
5. The following table shows the changes in tier 3 in 2023 and 2022:

	2023	2022
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income
January 1	$ 96,305	$ 95,404
Profit or loss recognized in other comprehensive income		
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(1,711)	901
December 31	$ 94,594	$ 96,305

6. There was no transfer into or out of Level 3 in 2023 and 2022.
7. The valuation process of the Company's fair value classified as Level 3 is that the financial department entrusts an external professional appraisal institution to conduct independent fair value verification of financial instruments.
8. The quantitative information of the significant unobservable input value of the evaluation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	December 31, 2023 Fair value	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 94,594	Comparable Public Company Act	Discount for lack of market liquidity	19.54%	The higher the lack of market liquidity discount, the lower the fair value.

	December 31, 2022 Fair value	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 96,305	Comparable Public Company Act	Discount for lack of market liquidity	21.68%	The higher the lack of market liquidity discount, the lower the fair value.

9. The external professional appraisal agency commissioned by the Company's Finance Department carefully evaluates the valuation model and valuation parameters selected; however, the use of different valuation models or valuation parameters may result in different evaluation results. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 946	($ 946)

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 963	($ 963)

XIII. Disclosures in notes

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.
2. Endorsements/guarantees provided for others: none.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 1.
4. Accumulated purchase or sale of the same securities reaching NT$300 million or more than 20% of the paid-in capital: No such situation.
5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Attachment 2.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.
9. Engagement in derivative transactions: Please refer to Note 6(2).
10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 4.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 5.

(III) Mainland China Investment Information

4. Basic information: Please refer to Table 6.
5. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 7.

(IV) Information of major shareholders

Information on major shareholders: Please refer to Table 8.

XIV. Information about operating segments

Not applicable.

TBI MOTION TECHNOLOGY CO., LTD.
Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures)
December 31, 2023

Attachment 1

Unit: NT$ thousand
(unless otherwise specified)

Companies in possession	Type and name of marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Presentation Account	End of period				Note
				Number of shares	Carrying amount (Note 3)	Percentage of shareholdings (%)	Fair value	
TBI Motion Technology Co., Ltd.	CHUAN DA TECHNOLOGY CO., LTD.	No	Financial assets measured at fair value through other comprehensive income - non-current	3,860,000	$ 94,594	19.30	$ 94,594	Note 4

Note 1: Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments."
Note 2: If the securities issuer is not a related party, this column can be omitted.
Note 3: If the item is measured at fair value, please enter the book balance after adjustment for fair value valuation and deduction of accumulated impairment in the column of book value. For the item not measured at fair value, please specify the original acquisition cost or cost after amortization less carrying amount balance of accumulated impairment.
Note 4: The securities are not provided as collateral, pledged for loans, or other restricted uses as agreed.

TBI MOTION TECHNOLOGY CO., LTD.
Purchases or sales of goods from or to related parties reaching NT$100 million or 20 percent of paid-in capital or more.
January 1 to December 31, 2023

Table 2

Unit: NT$ thousand
(unless otherwise specified)

			Transaction status				Circumstances and reasons for the difference between the transaction conditions and general transactions		Notes/Accounts Receivable (Payable)		
Purchase (sale) company	Name of counterparty	Relationship	Purchase (sale) goods	Amount	Percentage to total purchase (sales)	Credit period	Unit price	Credit period	Balance	Percentage of total notes and accounts receivable (payable)	Note
TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	Subsidiary	Sale of goods	($ 2,306,789)	(77.97%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	$ 2,683,891	93.70%	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	Sale of goods	(581,920)	(19.67%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	158,330	5.53%	

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD.
Accounts receivable from related parties reaching NT$100 million or 20 percent of paid-in capital or more.
December 31, 2023

Table 3

Unit: NT$ thousand
(unless otherwise specified)

Company with receivables booked	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Period of receivables from related parties	Amount of loss allowance
					Amount	Processing method	Amount recovered	
TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	Subsidiary	$ 2,683,891	1.00	$ 2,299,508	Active collection	$ 356,727	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	158,330	2.24	-	-	69,320	

TBI MOTION TECHNOLOGY CO., LTD.
Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries, and the amounts
January 1 to December 31, 2023

Table 4

Unit: NT$ thousand
(unless otherwise specified)

Code (Note 1)	Trader's Name	Trading counterpart	Relationship with the counterparty (Note 2)	Transactions with each other: Account	Amount		Trading terms and conditions	As a percentage of consolidated total revenue or total assets (Note 3)
0	TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	1	Sales revenue	$	2,306,789	Based on general sales price and terms and conditions	89.72%
0	TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	1	Accounts receivable		2,683,891	“	34.58%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Sales revenue		581,920	“	22.63%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Accounts receivable		158,330	“	2.04%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:
(1). Fill in “0” for parent company.
(2). Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: There are three types of relationship with the transaction party, and the type is sufficient (if it is the same transaction between the parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, if a parent company's transaction with a subsidiary has been disclosed by the parent company, the subsidiary does not need to disclose the transaction again; if a subsidiary's transaction with another subsidiary has been disclosed by one of its subsidiaries, it is not necessary to repeat the disclosure of the other):
(1). Parent company to subsidiary
(2). Subsidiary to parent company
(3). Subsidiary to subsidiary

Note 3: The ratio of the transaction amount to the total consolidated revenue or total assets is calculated. In the case of assets and liabilities, the calculation is based on the closing balance of the consolidated total assets; in the case of profit or loss, the calculation is based on the accumulated amount in the period to the consolidated total revenue calculation.

TBI MOTION TECHNOLOGY CO., LTD.
The name and location of the investee company and other relevant information (excluding mainland China investee companies)
January 1 to December 31, 2023

Table 5

Unit: NT$ thousand
(unless otherwise specified)

Name of Investment Company	Name of investee (Note 1)	Location of the area	Main business items	Initial investment amount: End of current period	Initial investment amount: End of last year	Held at end of period: Shares	Held at end of period: Ratio	Held at end of period: Carrying amount	Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	U.S.	Sale of precision transmission components for the automated industry	$ 31,090	$ 31,090	10,000	100% of face value	$ 6,575	($ 4,848)	($ 4,848)	Note 2
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Hong Kong	Holding company for overseas enterprises	170,630	170,630	60,000	100% of face value	(201,136)	(247,554)	(247,554)	Note 3
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Taiwan	Sale of precision transmission components for the automated industry	2,000	2,000	3,927,865	100% of face value	110,089	66,668	66,668	Note 4
								$ (84,472)	$ (185,734)	$ (185,734)	

Note 1: Invested companies recognized under the equity method.
Note 2: The investment income recognized in the current period excludes the unrealized sales loss of downstream transactions of NT$265.
Note 3: The investment gains and losses recognized in the current period exclude the unrealized gain on sales of downstream transactions of NT$124,097.
Note 4: The investment gains and losses recognized in the current period exclude the unrealized sales loss of downstream transactions of NT$420.

TBI MOTION TECHNOLOGY CO., LTD.
Mainland China Investment Information - Basic Information
January 1 to December 31, 2023

Table 6

Unit: NT$ thousand
(unless otherwise specified)

Name of investee company in Mainland China	Main business items	Paid-up Capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of current period	Investment amount remitted or recovered in the current period		Accumulated investment amount remitted from Taiwan at the end of the period	Investee profit or loss for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains and losses recognized in the current period	Carrying amount of investment at the end of the period	Repatriated investment income up to the current period	Note
					Outward remittance	Recovered							
TBI Motion (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	$ 164,428	Note 1	$ 164,428	$ -	-	$ 164,428	($ 247,552)	100% of face value	($ 247,552)	($ 207,261)	$ -	Note 2, 6

Company Name	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs	Note
TBI Motion Technology Co., Ltd.	$ 164,428	$ 164,428	$ 1,955,662	Note 4

Note 1: Reinvest in China through reinvestment in TBI Motion Technology (HK) LTD.
Note 2: Gains and losses recognized in the financial statements audited by the parent company's CPAs.
Note 3: The book value of the investment at the end of the period is the investment income and the balance of the long-term equity investment stated in the account of the disclosed investment company.
Note 4: According to the amendments to the "Regulations Governing the Permit of Investment or Technical Cooperation in Mainland China" and the "Principle for Review of Investment or Technical Cooperation in Mainland China" announced by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, investors (not belonging to individual and small and medium enterprises) who invest in Mainland China, the cumulative investment amount is limited to 60% of the net amount or the consolidated net worth, whichever is greater.
Note 5: The figures in this table should be presented in NTD. The assets and liabilities accounts: RMB is calculated as NTD 1: NTD 4.3265; US dollars is calculated as NTD 1: NTD 30.708.
Profit and loss account: RMB is calculated as NTD 1: NTD 4.3941; USD is USD 1: NTD 30.1784.
Note 6: The investment gains and losses recognized in the current period exclude the unrealized gain on sales of downstream transactions of NT$124,097.

TBI Motion Technology Co., Ltd.
Information on investments in Mainland China - significant transactions with investees that invest directly in Mainland China or indirectly through businesses in a third region
January 1 to December 31, 2023

Table 7

Unit: NT$ thousand
(unless otherwise specified)

Name of investee company in Mainland China	Sales (purchase)		Property transactions		Accounts receivable (payable)		Guarantee or endorsement of bills		Capital financing				Technical service income
	Amount	%	Amount	%	Balance	%	Closing balance	Purpose	Maximum balance	Closing balance	Interest rate range	Current interest	
TBI Motion (Suzhou) Co., Ltd.	$ 2,306,789	77.97%	$ -	-	$ 2,683,891	93.70%	$ -	-	$ -	$ -	-	$ -	$ 2,106

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD.
Information of major shareholders
December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of Shares Held	Percentage of shareholdings
Ding Jie Investment Co., Ltd.	6,950,000	7.30%
Te Yi Investment Co., Ltd.	5,735,000	6.02%

Independent Auditors' Report

(113) Cai-Shen-Bao-Zi No. 23005070

To: TBI MOTION TECHNOLOGY CO., LTD.

Audit Opinions

We have reviewed the accompanying Consolidated Statement of Financial Position of TBI MOTION TECHNOLOGY CO., LTD. and subsidiaries as of December 31, 2023 and 2022, and the related Consolidated Statement of Comprehensive Income, of Consolidated Statement of Changes in Equity and of Consolidated Statement of Cash Flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

Based on our opinion, we have found no circumstances causing the fair presentation of the consolidated financial position of TBI MOTION TECHNOLOGY CO., LTD. and its subsidiaries as of December 31, 2023 and 2022, and the consolidated financial performance and consolidated cash flows for the years ended based on the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards, IFRIC Interpretations and SIC Interpretations that came into effect as endorsed by the Financial Supervisory Commission in all material perspectives.

Basis for the audit opinion

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

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audits of the standalone financial statements of TBI MOTION TECHNOLOGY CO., LTD. for the year ended December 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

The key audit matters of the Group's consolidated financial statements for the year ended December 31, 2023 are as follows:

Assessment of impairment of accounts receivable

Item description

For the accounting policies of accounts receivable, please refer to Note 4(10) of the consolidated financial statements; the accounting estimates and assumptions of the impairment assessment of accounts receivable are detailed in Note 5(2) of the consolidated financial statements; Please refer to Note 6(5) of the consolidated financial statements.

The Group manages the collection and collection of customers, and undertakes the related credit risk. The management regularly evaluates customers' credit quality and collection status, and adjusts the credit policy to customers in a timely manner. In addition, the impairment assessment of accounts receivable adopts a simplified assessment in accordance with the relevant provisions of IFRS 9 “Financial Instruments” for expected credit losses. The management determines the expected loss rate based on a number of factors that may affect a customer's ability to pay, such as the individual customer's past due period, the customer's financial status and economic condition, and forward-looking information at the balance sheet date and in the past. The policy of setting aside for expected credit losses and the recoverability of accounts receivable involve subjective judgments and estimates made by the management. Considering that accounts receivable and their expected credit impairment is of significant impact to the Consolidated Financial Statements, hence, we recognize the assessment of the impairment losses of the accounts receivable to be listed as one of the most important matters in this year's audit.

Corresponding audit procedures

We have implemented the corresponding procedures for the impairment assessment of accounts receivable as follows:

1. Evaluate and test the effectiveness of the internal controls related to accounts receivable in the sales cycle, including the approval of customer transaction credit limits and the management of overdue accounts receivable.
2. Obtain the aging report, and select samples for testing to confirm the accuracy and completeness of the content.
3. Evaluate whether the assumptions used by the management to calculate the loss allowance are reasonable, and confirm that the calculation can support the amount of the expected credit loss.
4. Compare the aging of accounts receivable in the current year and those in previous years, and examine the amount of expected credit losses that occurred in the current year and in the previous years to verify the reasonableness of the amount to be set aside.

Inventory impairment assessment

Item description

For the accounting policy of inventories, please refer to Note 4(13) of the consolidated financial statements; for accounting estimates and the uncertainty assumed in the valuation of inventories, please refer to Note 5(2) of the consolidated financial statements; for the description of the accounting titles of inventories, please refer to the consolidated financial statements Note 6(6).

As of December 31, 2023, the Group's total inventory was NT$2,642,251 thousand, and the allowance for valuation losses was NT$260,579 thousand. The assessment of the net realizable value of inventories involves the subjective judgment and estimation of the management. Therefore, we believe that the inventory impairment assessment is listed as one of the most important matters in the current year's audit.

Corresponding audit procedures

We have summarized the corresponding procedures that have been executed for the inventory impairment assessment as follows:

Based on our understanding of the operation and industry nature of the Group, we evaluate the policies and procedures for appropriating the inventory allowance of the Group, including determining the obsolete items of inventory and the accounting estimation method.

Review the inventory age and the disposal status of the current year to assess the amount to be provided for inventory devaluation and obsolescence losses.

Obtain the data on the net realizable value, select a sample to check the selling price and re-calculate it.

We sample and compare the actual selling price and book value of the inventories to confirm that the book value of the inventories does not exceed the net realizable value.

The Company observes the inventory and understands the inventory status in order to assess the loss of obsolete and damaged inventory, inventory devaluation and obsolescence loss.

Other Matters - Parent Company Only Financial Statements

TBI MOTION TECHNOLOGY CO., LTD. has prepared the parent company only financial statements for 2023 and 2022, and for which we have issued an unqualified opinion.

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

Management is responsible for the preparation and fair representation of the consolidated financial statements in accordance with IFRS, IAS, IFRICs and SICs endorsed and issued into effect by the Financial Supervisory Commission of the Republic of China, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the management's responsibilities also include assessing the Group's ability to continue as a going concern, disclosing relevant matters, and adopting the going concern basis of accounting. Unless the management intends to liquidate the Group or to cease operations, or the Company has no other viable alternative but to cease operations.

The governing body of the Group (including the Audit Committee) is responsible for supervising the financial reporting process.

Auditors' Responsibilities for Auditing the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance. However, the auditing conducted in accordance with the auditing standards of the Republic of China cannot guarantee that it will be able to detect material misstatements in the consolidated financial statements. Misstatements can arise from fraud or error. If the amount of misstatement, either individually or in the aggregate, can reasonably be expected to influence the economic decisions of the users of the consolidated financial statements, the misstatement is considered material.

We exercise professional judgment and skepticism during the audit in accordance with the Auditing Standards of the Republic of China. We also perform the following tasks:

1. Identify and assess the risks of material misstatement, whether due to fraud or error, in the consolidated financial statements; design and execute countermeasures in response to the risks assessed; and obtain sufficient and appropriate audit evidence 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 to express an opinion on the effectiveness of the TBI MOTION TECHNOLOGY CO., LTD.'s internal control.

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

4. Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 Group to cease to continue as a going concern.

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

6. Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group's audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the year ended December 31, 2023 and are therefore the key audit matters. 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.

PricewaterhouseCoopers Taiwan

Chih, Ping-Chun

Certified Public Accountant

Chiu, Chao-Hsien

Formerly approved by the Securities and Futures Commission, Ministry of Finance: (88) Tai-Cai -Zheng (VI) No. 16120

FSC Approved No .: Jin-Guan-Zheng-Shen-Zi No. 1020049451

March 12 , 2024

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NT$ thousand

	Assets	Notes	December 31, 2023			December 31, 2022		
				Amount	%		Amount	%
	Current asset							
1100	Cash and cash equivalents	6(1)	$	612,044	8	$	698,793	9
1110	Financial assets at fair value through profit or loss - current	6(2)		-	-		220	-
1136	Financial assets at amortized cost - current	6(4)		-	-		1,000	-
1150	Net notes receivable	6(5)		171,031	2		10,510	-
1170	Net accounts receivable	6(5)		644,091	8		867,614	11
1200	Other receivables			319	-		81	-
1220	Current income tax assets	6(27)		-	-		5,838	-
130X	Inventory	6(6)		2,381,672	31		2,468,216	30
1410	Prepayments			46,120	1		87,456	1
1460	Non-current assets held for sale, net	6(11) and 8		230,564	3		-	-
1470	Other current assets			189	-		2,724	-
11XX	**Total current assets**			4,086,030	53		4,142,452	51
1517	Financial assets measured at fair value through other comprehensive income - non-current	6(3)		94,594	1		96,305	1
1535	Financial assets measured at amortized cost - non-current	6(4) and 8		30,000	1		30,000	1
1600	Property, Plant and Equipment	6(7) and 8		2,770,488	36		3,036,028	38
1755	right-of-use asset	6(8)		637,948	8		650,589	8
1780	Intangible Assets	6(9)		27,813	-		25,403	-
1840	Deferred income tax assets	6(27)		88,831	1		24,389	-
1900	Other non-current assets	6(10)		25,317	-		50,174	1
15XX	**Total non-current assets**			3,674,991	47		3,912,888	49
1XXX	**Total assets**		$	7,761,021	100	$	8,055,340	100

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Balance Sheet

December 31, 2023 and 2022

Unit: NT$ thousand

	Liabilities and equity	Notes	December 31, 2023 Amount	%	December 31, 2022 Amount	%
	Current liabilities					
2100	Short-term borrowings	6(12) and 7	$ 670,000	9	$ 10,000	-
2130	Contract liabilities - current	6(20)	3,681	-	5,452	-
2150	Notes payable		4,078	-	3,327	-
2170	Accounts payable		142,395	2	615,104	8
2200	Other payables	6(13)	247,882	3	381,865	5
2230	Current income tax liabilities	6(27)	51,496	1	79,299	1
2280	Lease liabilities - current	6(8)	27,278	-	24,582	-
2320	Long-term liabilities due within one year or one operating cycle	6(14), 7 and 8	236,058	3	151,816	2
2399	Other current liabilities - Other		109	-	1,776	-
21XX	**Total of current liabilities**		1,382,977	18	1,273,221	16
	Non-current liabilities					
2530	Corporate bonds payable	6(15)	737,855	10	758,628	10
2540	Long-term borrowing	6(14), 7 and 8	1,746,565	22	1,886,496	23
2570	Deferred income tax liabilities	6(27)	712	-	19,730	-
2580	Lease liabilities - non-current	6(8)	628,949	8	639,972	8
2600	Other non-current liabilities		4,526	-	4,743	-
25XX	**Total non-current liabilities**		3,118,607	40	3,309,569	41
2XXX	**Total liabilities**		4,501,584	58	4,582,790	57
	Equity					
	Share capital	6(17)				
3110	Common stock capital		951,588	12	941,780	12
	Additional paid-in capital	6(18)				
3200	Additional paid-in capital		1,724,900	22	1,700,331	21
	Retained earnings	6(19)				
3310	Legal reserve		177,140	2	148,739	2
3350	Undistributed earnings		360,885	5	634,165	8
	Other equity					
3400	Other equity		44,924	1	47,535	-
31XX	**Total equity attributable to owners of the parent company**		3,259,437	42	3,472,550	43
3XXX	**Total equity**		3,259,437	42	3,472,550	43
	Significant contingent liabilities and unrecognized contractual commitments	IX				
	Material events after the reporting period	XI				
3X2X	**Total liabilities and equity**		$ 7,761,021	100	$ 8,055,340	100

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Consolidated Statement of Comprehensive Income
January 1 to December 31, 2023 and 2022

Unit: NT$ thousand
(Except earnings (losses) per share in NT$)

Code	Item	Notes	2023 Amount	2023 %	2022 Amount	2022 %
4000	Operating Revenue	6(20)	$ 2,571,194	100	$ 3,374,243	100
5000	Operating costs	6(6)(7)(8)(9)(16)(25)(26)	(2,153,100)	(84)	(2,436,720)	(72)
5900	Gross profit		418,094	16	937,523	28
	Operating expenses	6(7)(8)(9)(16)(25)(26) and 12 (II)				
6100	Sales promotion expenses		(97,214)	(4)	(94,177)	(3)
6200	Administrative expenses		(310,909)	(12)	(348,757)	(10)
6300	R&D expenses		(83,811)	(3)	(86,749)	(3)
6450	Expected credit impairment gain (loss)		2,948	-	(30,040)	(1)
6000	Total operating expenses		(488,986)	(19)	(559,723)	(17)
6900	Operating income (loss)		(70,892)	(3)	377,800	11
	Non-operating revenue and expenses					
7100	Interest income	6(4)(21)	5,872	-	3,033	-
7010	Other income	6(22)	25,026	1	9,097	-
7020	Other gains and losses	6(2)(23)	(36,786)	(1)	52,269	2
7050	Financial cost	6(8)(12)(14)(15)(24)	(71,015)	(3)	(50,981)	(1)
7000	Total non-operating income and expenses		(76,903)	(3)	13,418	1
7900	**Net income before tax (net loss)**		(147,795)	(6)	391,218	12
7950	Income tax benefit (expense)	6(27)	44,183	2	(107,207)	(3)
8200	**Net income (loss) in the current period**		($ 103,612)	(4)	$ 284,011	9
	Other comprehensive income (net amount)					
	Items not reclassified into profit or loss					
8316	Unrealized gains or losses on investments in equity instruments measured at fair value through other comprehensive income	6(3)	($ 1,711)	-	$ 901	-
8310	Total of items not reclassified to profit or loss		(1,711)	-	901	-
	Items that may be reclassified subsequently to profit or loss					
8361	Exchange differences on translation of financial statements of foreign operations		(1,125)	-	6,125	-
8399	Income tax related to items that may be reclassified	6(27)	225	-	(1,225)	-
8360	Total of items that may be reclassified subsequently to profit or loss		(900)	-	4,900	-
8300	**Other comprehensive income (net amount)**		($ 2,611)	-	$ 5,801	-
8500	**Total comprehensive income**		($ 106,223)	(4)	$ 289,812	9
	Net profit (loss) attributable to:					
8610	Owner of the parent company		($ 103,612)	(4)	$ 284,011	9
	Total comprehensive income attributable to:					
8710	Owner of the parent company		($ 106,223)	(4)	$ 289,812	9
	Basic earnings (losses) per share	6(28)				
9750	Basic earnings (losses) per share		($ 1.09)		$ 3.02	
	Diluted earnings (losses) per share	6(28)				
9850	Diluted earnings (losses) per share		($ 1.09)		$ 2.94	

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung   Manager: Li, Jin-Sheng   Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statement of Changes in Equity

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

		Equity attributable to owners of parent							
				Retained earnings		Other equity			
	Notes	Common stock capital	Additional paid-in capital	Legal reserve	Undistributed earnings	Exchange differences on translation of financial statements of foreign operations	Unrealized gains or losses on financial assets at fair value through other comprehensive income	Total equity
2022								
Balance as of January 1, 2022		$ 941,780	$ 1,650,733	$ 125,009	$ 496,316	($ 1,155)	$ 42,889	$ 3,255,572
Net profit		-	-	-	284,011	-	-	284,011
Other comprehensive income in the current period		-	-	-	-	4,900	901	5,801
Total comprehensive income		-	-	-	284,011	4,900	901	289,812
Earnings distribution and appropriation for 2021	6(19)							
Provision of legal reserve		-	-	23,730	(23,730)	-	-	-
Distribution of cash dividends		-	-	-	(122,432)	-	-	(122,432)
Generated from the recognition of equity component due to the issuance of convertible corporate bonds - share subscription	6(15)(18)	-	49,598	-	-	-	-	49,598
Balance as of December 31, 2022		$ 941,780	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
2023								
Balance as of January 1, 2023		$ 941,780	$ 1,700,331	$ 148,739	$ 634,165	$ 3,745	$ 43,790	$ 3,472,550
Net loss for the period		-	-	-	(103,612)	-	-	(103,612)
Other comprehensive income in the current period		-	-	-	-	(900)	(1,711)	(2,611)
Total comprehensive income		-	-	-	(103,612)	(900)	(1,711)	(106,223)
Earnings distribution and appropriation for 2022	6(19)							
Provision of legal reserve		-	-	28,401	(28,401)	-	-	-
Distribution of cash dividends		-	-	-	(141,267)	-	-	(141,267)
Convertible corporate bond conversion	6(15)(18)	9,808	24,569	-	-	-	-	34,377
Balance as of December 31, 2023		$ 951,588	$ 1,724,900	$ 177,140	$ 360,885	$ 2,845	$ 42,079	$ 3,259,437

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung　　Manager: Li, Jin-Sheng　　Accounting supervisor: Shen Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	From January 1 to December 31, 2023	From January 1 to December 31, 2022
Cash flow from operating activities			
Net income before tax (net loss) in the current period		($ 147,795)	$ 391,218
Adjusted items			
Income and expenses			
Depreciation expense	6(25)	272,320	246,648
Amortization expense	6(25)	25,646	23,929
Expected credit impairment (gain) loss	6(25)	(2,948)	30,040
Net loss (gain) of financial assets measured at fair value through profit or loss	6(23)	220	(20)
Interest Expenses	6(24)	71,015	50,981
Interest income	6(21)	(5,872)	(3,033)
Dividend income	6(3)(22)	(4,632)	(3,860)
Gains from the disposal of property, plant and equipment	6(23)	(291)	(131)
Gain on lease modification	6(23)	-	(1)
Changes in assets/liabilities related to operating activities			
Net changes in assets related to operating activities			
Notes receivable		(160,521)	22,752
Accounts receivable		227,566	(148,236)
Other receivables		(238)	19,634
Inventory		86,544	(512,460)
Prepayments		41,336	17,436
Other current assets		2,535	(2,605)
Net changes in liabilities related to operating activities			
Contract liabilities		(1,771)	389
Notes payable		751	(270)
Accounts payable		(472,709)	(64,774)
Other payables		(121,499)	103,179
Other current liabilities		(1,667)	(3,106)
Cash (outflow) from operations		(192,010)	167,710
Interest received		5,872	3,033
Interest paid		(57,410)	(49,089)
Dividends received		4,632	3,860
Income tax paid		(61,044)	(88,520)
Net cash (outflow) inflow from operating activities		(299,960)	36,994

(continued on next page)

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Consolidated Statements of Cash Flows

January 1 to December 31, 2023 and 2022

Unit: NT$ thousand

	Notes	From January 1 to December 31, 2023	From January 1 to December 31, 2022
Cash flow from investing activities			
Disposal (acquisition) of financial assets measured at amortized cost		$ 1,000	($ 1,000)
Proceeds from the disposal of property, plant and equipment		576	526
Acquisition of property, plant and equipment	6(29)	(186,943)	(939,217)
Acquisition of intangible assets	6(9)	(26,730)	(54)
Increase in prepayment for equipment		(606)	(17,764)
Decrease (increase) in refundable deposits		3,084	(2,595)
Net cash outflow from investing activities		(209,619)	(960,104)
Cash flow from financing activities			
Increase (decrease) of short-term borrowings	6(30)	660,000	(380,000)
Borrowing of long-term loans	6(30)	108,150	720,590
Repayment of long-term borrowings	6(30)	(163,839)	(193,776)
Lease principal repayment	6(30)	(38,439)	(32,856)
Increase (decrease) in guarantee deposits received		(217)	4,543
Distribution of cash dividends	6(19)	(141,267)	(122,432)
Issuance of convertible bonds	6(15)	-	806,134
Net cash inflow from financing activities		424,388	802,203
Effect of exchange rate changes on cash and cash equivalents		(1,558)	7,534
Decrease in cash and cash equivalents in current period		(86,749)	(113,373)
Opening balance of cash and cash equivalents	6(1)	698,793	812,166
Closing balance of cash and cash equivalents	6(1)	$ 612,044	$ 698,793

The attached notes to the consolidated financial statements are an integral part of this consolidated financial statement.

Chairman: Li, Ching-Kung Manager: Li, Jin-Sheng Accounting supervisor: Shen, Hsin-Kai

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries
Notes to the consolidated financial statements
2023 and 2022

Unit: NT$ thousand
(unless otherwise specified)

I. Company history

TBI MOTION TECHNOLOGY CO., LTD.(hereinafter referred to as the “Company”) was incorporated in the Republic of China. The Company and its subsidiaries’ (hereinafter referred to as “the Group”) main business scope is manufacturing and sales of precision transmission components for industrial automation, ball screws and linear slides. The Group's shares have been traded on the Taiwan Stock Exchange since August 15, 2018.

II. Date and procedure for adopting financial statements

This consolidated financial statement has been approved by the Board of Directors for announcement on March 12, 2024.

III. Application of new and amended standards and interpretations

(I) The impact of the adoption of the new and amended IFRSs approved and issued into effect by the Financial Supervisory Commission (hereinafter referred to as the “FSC”)

The following table sets forth the standards and interpretations of new releases, amendments, and revisions of the IFRSs applicable in 2023 that were approved and promulgated by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amended “Disclosure of Accounting Policies” of IAS 1	January 1, 2023
Amended “Definition of Accounting Estimates” of IAS 8	January 1, 2023
Amendments to IAS 12 regarding “Deferred Tax related to Assets and Liabilities arising from a Single Transaction”	January 1, 2023
Amendments to IAS 12, “International Tax Reform — Pillar Two Model Rules”	May 23, 2023

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(II) The impact of not yet adopting the new and revised IFRSs recognized by the FSC

The following table summarizes the standards and interpretations for the new releases, amendments, and revisions of the IFRSs applicable in 2024 as approved by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 16 “Lease Liability in a Sale and Leaseback”	January 1, 2024
Amendments to IAS 1 “Classification of Liabilities as Current or Non-current”	January 1, 2024
Amendments to IAS 1 “Non-Current Liabilities with Covenants”	January 1, 2024
Amendments to IAS 7 and IFRS 7, “Supplier Finance Arrangements”	January 1, 2024

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

(III) Impacts of IFRSs issued by the IASB but not yet endorsed by the FSC

The following table summarizes the standards and interpretations of new releases, amendments, and revisions to the IFRSs issued by the IASB but not yet recognized by the FSC:

New/amended/revised standards and interpretations	Effective date of IASB's announcement
Amendments to IFRS 10 and IAS 28 "The Sale or Investment of Assets between Investors and Their Affiliates or Joint Ventures"	To be decided by IASB
IFRS 17 "Insurance Contracts"	January 1, 2023
Amendments to IFRS 17 "Insurance contracts"	January 1, 2023
Amendment to IFRS 17 "Initial application of IFRS 17 and IFRS 9 – comparative information"	January 1, 2023
Amendments to IAS 21 "Lack of Exchangeability"	January 1, 2025

The Group has assessed that the standards and interpretations above have no significant impact on the financial position and financial performance of the Group.

IV. Summary of significant accounting policies

The significant accounting policies adopted in the preparation of the consolidated financial statements are described as follows. Unless otherwise stated, these policies apply consistently throughout the reporting period.

(I) Compliance Statement

The consolidated financial statements have been prepared in accordance with the Regulations Governing the Preparation of Financial Reports by Securities Issuers and the International Financial Reporting Standards, International Accounting Standards and Interpretations and Interpretations Announcements (IFRSs) endorsed and issued into effect by the FSC.

(II) Basis of preparation

1. Except for the following material items, this consolidated financial statement has been prepared at historical cost:
   (1) Financial assets and liabilities (including derivatives) measured at fair value through profit or loss.
   (2) Financial assets measured at fair value through other comprehensive income.
2. The preparation of financial statements in conformity with the IFRSs requires the use of some important accounting estimates. In the process of applying the Group's accounting policies, it also requires the management to exercise its judgment, and items that involve a high degree of judgment or complexity, or involve significant assumptions and estimates in the consolidated financial statements. Please refer to Note 5 for details.

(III) Basis of consolidation

1. Principles for the preparation of consolidated financial statements
   (1) The Group included all subsidiaries in the consolidated financial statements. Subsidiaries refer to individual entities (including structured individual entities) that the Group has the right to control. When the Group is exposed to or entitled to variable remuneration from participation in the entity and through the power over the entity having influence over the returns, the Group controls the entity. Subsidiaries are included in the consolidated

financial statements from the date the Group acquires the control, and the consolidation is terminated from the date of loss of control.

(2) Inter-company transactions, unrealized gains and losses have been eliminated. The accounting policies of the subsidiaries have been adjusted as necessary to be consistent with the policies adopted by the Group.

(3) The components of profit or loss and other comprehensive income are attributed to the owners and non-controlling interests of the parent company; the total amount of comprehensive income is also attributed to the owners and non-controlling interests of the parent company, even if the resulting non-controlling interests incur balance.

(4) If the change in the shareholding of the subsidiary does not result in the loss of control (transaction with non-controlling interests), it is treated as an equity transaction, that is, it is regarded as a transaction with the owner. The difference between the adjusted amount of the non-controlling interests and the fair value of the consideration paid or received is recognized directly in equity.

(5) When the Group loses control of a subsidiary, the remaining investment in the former subsidiary is re-measured at fair value, and treated as the fair value of the initially recognized financial assets or the cost of the investment in affiliates or joint ventures initially. The difference between the fair value and the carrying amount is recognized in current profit or loss. The accounting treatment of all amounts related to the subsidiary previously recognized in other comprehensive income shall be the same as the basis for the direct disposal of the relevant assets or liabilities by the Group. That is, if the profit or loss previously recognized as other comprehensive income will be reclassified as profit or loss when the relevant assets or liabilities are disposed, the profit or loss will be reclassified from equity to profit or loss when the significant control over the subsidiary is lost.

2. Subsidiaries included in the consolidated financial statements:

Investment company Name	Name of subsidiary	Nature of business	Percentage of equity held		Description
			December 31, 2023	December 31, 2022	
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	100% of face value	100% of face value	No
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	100% of face value	100% of face value	No
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	100% of face value	100% of face value	No
TBI Motion Technology (HK) LTD.	TBI Motion (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	100% of face value	100% of face value	No

3. Subsidiaries not included in the consolidated financial statements: No such situation.

4. Different adjustment and treatment methods of subsidiaries during the accounting period: No such situation.

5. Material Restriction: No such situation.

6. Subsidiaries with non-controlling interests that are material to the Group: No such situation.

(IV) Foreign currency translation

The items listed in the financial statements of each entity within the Group are measured using the currency of the primary economic environment in which the individual operates (i.e. the functional currency). The presentation currency of the consolidated financial statements is the functional currency of the Company, which is “NTD.”

1. Transactions and balances in foreign currency
   (1) Transactions denominated in foreign currencies are translated into the functional currency using the spot exchange rate on the transaction date or the measurement date, and the translation differences arising from such transactions are recognized in profit or loss for the current period.
   (2) The balance of monetary assets and liabilities denominated in foreign currencies is adjusted according to the spot exchange rate on the balance sheet date, and the translation difference arising from the adjustment is recognized in the current profit or loss.
   (3) For the balance of non-monetary assets and liabilities denominated in foreign currencies that are measured at FVTPL, they are adjusted using the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in the current profit or loss; if measured at fair value through other comprehensive income, the adjustment is valuated according to the spot exchange rate on the balance sheet date, and the exchange difference arising from the adjustment is recognized in other comprehensive income; if not measured at fair value, it is measured at the historical exchange rate on the initial transaction date.
   (4) All foreign exchange gains and losses are reported in the “other gains and losses” of the income statement.
2. Translation of foreign operations
   For all group individuals and affiliated enterprises whose functional currency is different from the presentation currency, the operating results and financial position shall be translated into the presentation currency in the following ways:
   (1) The assets and liabilities expressed in each balance sheet are translated at the closing exchange rate on the balance sheet date;
   (2) The income, expenses and losses expressed in each comprehensive income statement are translated at the average exchange rates of the current period;
   (3) All exchange differences arising from translation are recognized in other comprehensive income.

(V) Classification criteria for current and non-current assets and liabilities

1. Assets that meet one of the following conditions are classified as current assets:
   (1) The asset is expected to be realized, or intended to be sold or consumed in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) Expected to be realized within 12 months after the balance sheet date.
   (4) Cash or cash equivalents, except for those to be exchanged or used to settle liabilities in at least 12 months after the balance sheet date.
   The Group classifies all assets that do not meet the above conditions as non-current.
2. Liabilities that meet one of the following conditions are classified as current liabilities:
   (1) Expected to be settled in the normal business cycle.
   (2) Mainly held for the purpose of trading.
   (3) Expected to be settled within 12 months after the balance sheet date.
   (4) The settlement period cannot be unconditionally deferred to at least 12 months after the balance sheet date. The terms of liabilities that may, at the option of the counterparty, result in settlement by issue of equity instruments does not affect its classification.
   The Group classifies all liabilities that do not meet the above conditions as non-current.

(VI) Cash equivalents

Cash equivalent is a short-term investment with high liquidity that is readily convertible into known amounts of cash and is subject to an insignificant risk of changes in value. Time deposits that meet the definition above and are held to meet short-term cash commitments in operations are classified as cash equivalents.

(VII) Financial assets measured at fair value through profit or loss

1. Financial assets that are not measured at amortized cost or at fair value through other comprehensive income.
2. The Group adopts trade date accounting for financial assets measured at fair value through profit or loss that are customary transactions.
3. The Group measures their fair value at the time of initial recognition, and the relevant transaction costs are recognized in profit or loss; subsequently, they are measured at fair value, and the profit or loss is recognized in profit or loss.
4. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(VIII) Financial assets measured at fair value through other comprehensive income

1. Refers to an irrevocable choice at the time of initial recognition to report changes in the fair value of investments in equity instruments that are not held for trading in other comprehensive income.
2. The Group adopts trade date accounting for financial assets measured at fair value through other comprehensive income in accordance with transaction practices \.
3. The Group measures according to its fair value plus transaction cost at the time of initial recognition, and subsequently measured at fair value: changes in fair value of equity instruments are recognized in other comprehensive income, and at the time of derecognition, the accumulated profit or loss previously recognized in other comprehensive income shall not be reclassified as profit or loss, but transferred to retained earnings. When the right to receive dividends is established, the economic benefits related to the dividends are likely to inflow, and the amount of dividends can be reliably measured, the Group recognizes dividend income in profit or loss.

(IX) Financial assets measured at amortized cost

1. Refers to those who meet the following conditions at the same time:
   (1) The financial asset is held under the business model for the purpose of collecting contractual cash flow.
   (2) The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
2. The Group adopts trade date accounting for financial assets measured at amortized cost in accordance with trading practices.
3. The Group holds time deposits that do not qualify as cash equivalents. Due to the short holding period, the impact of discounting is not significant and is measured at the investment amount.

(X) Accounts and notes receivable

1. Refer to accounts and bills that, according to the contract, have the unconditional right to receive the amount of consideration exchanged for the transferred goods or services.
2. For short-term accounts and notes receivable with unpaid interest, as the discounting effect is insignificant, the Group measures them at the original invoice amount.

(XI) Financial assets impairment

On each balance sheet date, the Group, regarding debt instrument investments measured at fair value through other comprehensive income and financial assets measured at amortized cost, considering all reasonable and corroborating information (including forward looking ones), if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable or contract assets that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses.

(XII) Derecognition of financial assets

When the contractual right to receive the cash flow from the financial asset expires, the financial asset will be derecognized.

(XIII) Inventory

Inventories are measured at the lower of cost or net realizable value, and the cost is determined in accordance with the weighted average method. The cost of finished goods and work-in-progress includes raw materials, direct labor, other direct costs, and production-related manufacturing expenses (allocated according to normal production capacity), but does not include borrowing costs. When comparing whether the cost or the net realizable value is lower, the item-by-item comparison method is adopted. The net realizable value refers to the estimated selling price in the normal business process less the estimated cost of completion and the estimated cost of sales balance.

(XIV) Non-current assets held for sale

When the carrying amount of a non-current asset is mainly recovered through a sale transaction rather than continued use, and the sale is highly probable, it is classified as an asset held for sale and measured at the lower of its carrying amount or fair value less costs to sell.

(XV) Property, Plant and Equipment

1. Property, plant, and equipment are recorded at acquisition cost, and the relevant interest during the acquisition and construction period is capitalized.
2. The subsequent cost is included in the book value of the asset or recognized as an individual asset only when the future economic benefits related to the item are likely to flow into the Group and the cost of the item can be reliably measured. The book value of the replaced part shall be derecognized. All other maintenance expenses are recognized in profit or loss for the period when incurred.
3. Property, plant and equipment are subsequently measured at cost. Except for land, which is not depreciated, the depreciation is calculated using the straight-line method over the estimated useful years. Significant components of property, plant, and equipment are depreciated separately.
4. The Group reviews the residual value, years of useful life and depreciation method of each asset at the end of each fiscal year. If the residual value and the expected value of useful years are different from the previous estimates, or if the future economic benefits of the asset shows a significant change in the expected consumption pattern, from the date of the change, it is treated in accordance with the provisions of IAS No. 8 “Accounting Policies, Changes in Accounting Estimates and Errors” for changes in accounting estimates. The useful lives of each asset are as follows:

Buildings	2 to 45 years
Machinery and equipment	2 to 16 years
Transportation Equipment	4 to 6 years
Other equipment	2 to 20 years

(XVI) Lessee's lease transaction - right-of-use assets/lease liabilities

1. Lease assets are recognized as right-of-use assets and lease liabilities on the date they are available for use by the Group. When the lease contract is in the form of a short-term lease or a lease of a low-value target asset, the lease payments are recognized as expenses using the straight-line method over the lease period.
2. Lease liabilities are recognized at the present value of the lease payments that have not yet been paid on the lease starting date, discounted at the Group's incremental borrowing rate. Lease payments include:
   (1) Fixed payment, less any lease incentives receivable;
   (2) Variable lease payments depending on a certain index or rate;

   The interest expense is subsequently measured using the interest method and the amortized cost method, and the interest expense is provided during the lease term. When the lease period or lease payment changes other than contract modification, the lease liabilities will be reassessed and the right-of-use assets will be remeasured.
3. The right-of-use asset is recognized at cost on the lease start date. Cost includes:
   (1) The initially measured amount of the lease liability;
   (2) Any lease payments made on or before the commencement date;
   (3) any initial direct costs incurred; and

   the subsequent measurement is based on the cost model, and the depreciation expense is appropriated when the useful life of the right-of-use asset expires or the lease term expires, whichever is earlier. When the lease liability is reassessed, the right-of-use asset adjusts any remeasurement of the lease liability.

(XVII) Intangible Assets

Mainly computer software and patents, they are recognized at acquisition cost and amortized using the straight-line method over the estimated useful lives of 1 to 18 years.

(XVIII) Non-financial assets impairment

On the balance sheet date, the recoverable amount of assets with signs of impairment is estimated. When the recoverable amount is lower than the book value, the impairment loss is recognized. The recoverable amount is the fair value of an asset less the cost of disposal or its value in use, whichever is higher. When the impairment loss of assets recognized in prior years does not exist or decreases, the impairment loss is reversed. However, the increase in book value of the asset due to the impairment loss due to the reversal shall not exceed the amount of the depreciation or amortization if the impairment loss was not recognized for the asset and subsequent book value.

(XIX) Borrowings

Refers to long-term and short-term borrowings from banks. The Group measures their fair values less transaction costs at the time of initial recognition, and subsequently, for any difference between the price after deducting transaction costs and the redemption value, the effective interest method is used to recognize interest expenses in the outstanding period according to the amortization procedure in profit or loss.

(XX) Accounts and notes payable

1. Refers to debts incurred from the purchase of raw materials, commodities or labor services on credit, and notes payable due to business and non-business reasons.
2. For short-term accounts and notes payable with unpaid interest, as the discounting effect is insignificant, the Group measures them based on the original invoice amount.

(XXI) Convertible corporate bonds payable

The convertible bonds issued by the Group are embedded with conversion rights (i.e. holders can choose the right to convert into the Group's common shares with a fixed amount of shares converted into a fixed number of shares) and repurchase options. At the time of initial issuance, the issuance price is divided into financial assets, financial liabilities or equity according to the issuance conditions, and the treatment is as follows:

1. Embedded repurchase rights: The net fair value is stated as “financial assets or liabilities measured at fair value through profit or loss” at the time of initial recognition; subsequently, on the balance sheet date, it is evaluated at the then fair value; differences are recognized as “Gains or losses on financial assets (liabilities) measured at fair value through profit or loss.”
2. Corporate bond host contract: The difference between the fair value measurement at the time of initial recognition and the redemption value is recognized as the corporate bond premium or discount payable; subsequently, the effective interest method is used and recognized in the profit or loss during the outstanding period according to the amortization procedure. It is used as an adjustment item in “Finance cost.”
3. Embedded conversion right (complying with the definition of equity): At the time of initial recognition, the residual value of the issued amount after deducting the above-mentioned “financial assets or liabilities at fair value through profit or loss” and “corporate bonds payable” is accounted for under “capital equity - stock options” and no subsequent remeasurement is required.
4. Any directly attributable transaction costs of the issuance are allocated to each component of each liability and equity in accordance with the original book value of each component referred to above.
5. When the holders are changed, the liability components (including “corporate bonds payable” and “financial assets or liabilities at fair value through profit or loss”) are accounted for according to their classification, and then plus the book value of “capital reserve - share options” as the issuance cost of the common shares.

(XXII) Derecognition of financial liabilities

The Group derecognizes financial liabilities when the contractual obligations are fulfilled, cancelled or expired.

(XXIII) Employee benefits

1. Short-term employee benefits

   Short-term employee benefits are measured by the non-discounted amount expected to be paid, and are recognized as expenses when the related services are provided.

2. Pension

   Defined contribution plan

   For the defined contribution plan, the amount that should be contributed to the pension fund is recognized as the current pension cost on an accrual basis. Prepaid allocations are recognized as assets within the scope of refundable cash or reduction of future payments.

3. Remuneration of employees and directors,

   Employees' remuneration and directors' remuneration are recognized as expenses and liabilities when they have legal or constructive obligations and the amount can be reasonably estimated. If there is a discrepancy between the actual distributed amount and the estimated amount, it will be treated as a change in accounting estimate. If the employee's remuneration is paid in shares, the number of shares is calculated based on the closing price on the day before the date of the resolution of the board of directors.

(XXIV) Income tax

1. Income tax expense includes current and deferred income tax. Income tax is recognized in profit or loss, except for items that are recognized in other comprehensive income or directly in equity, respectively.

2. The Group calculates the income tax for the current period in accordance with the tax rate that has been enacted or substantially enacted in the countries where the Group is operating and generating taxable income on the balance sheet date. The management regularly evaluates the status of income tax filings in accordance with the applicable income tax related laws and regulations, and, if applicable, the estimated income tax liabilities based on the tax expected to be paid to the taxing authorities. Undistributed earnings are subject to additional income tax in accordance with the income tax law. The undistributed earnings income tax expense is recognized based on the actual distribution of earnings once the earnings distribution proposal is passed at the shareholders' meeting in the year following the year in which the earnings are generated.
3. Deferred income tax is recognized based on the temporary differences between the tax bases of assets and liabilities and their carrying amounts on the balance sheet using the balance sheet method. The deferred income tax liabilities arising from the initially recognized goodwill shall not be recognized. If the deferred income tax is derived from the initial recognition of assets or liabilities in the transaction (excluding business combination) on the initial recognition of assets or liabilities, and the transaction does not affect accounting profits or taxable income (taxable losses) at the time of the transaction and does not generate equivalent taxable and deductible temporary differences, they are not to be recognized. If the temporary difference generated by the investment in the subsidiaries can be controlled by the Group to control the time point for the temporary difference to reverse, and the temporary difference is very likely not to be reversed in the foreseeable future, it shall not be recognized. Deferred income tax is based on the tax rate (and tax law) that has been enacted or substantially enacted at the balance sheet date and that is expected to apply when the related deferred income tax assets are realized or deferred income tax liabilities are settled.
4. Deferred income tax assets are recognized within the scope of temporary differences that are likely to be used to offset future taxable income, and the unrecognized and recognized deferred income tax assets are reassessed at each balance sheet date.
5. When there is a legally enforceable right to offset the amount of current income tax assets and liabilities recognized, and there is an intention to settle on a net basis or realize the assets and settle the liabilities at the same time, offset the current income tax assets and liabilities; when there is a legally enforceable right to offset current income tax assets and current income tax liabilities, and the deferred income tax assets and liabilities are levied by the same taxation authority, the same taxable entity, or different taxable entities and each entity intends to repay on the basis of the net amount or to realize assets and repay liabilities at the same time, the deferred income tax assets and liabilities are offset.

(XXV) Share capital

Common shares are classified as equity. Incremental costs directly attributable to the issuance of new shares or share options, net of income tax, are recognized in equity as a deduction of the consideration.

(XXVI) Dividend distribution

Dividends distributed to the Company's shareholders are recognized in the financial statements when the shareholders' meeting resolves to distribute dividends. Cash dividends are recognized as liabilities, and stock dividends are recognized as stock dividends to be distributed and transferred to common shares on the record date of issuance of new shares.

(XXVII) Revenue recognition

Sale of goods

1. The Group manufactures and sells precision transmission components for industrial automation, ball screws, and linear guides. Revenue from sales is recognized when the control of the product is transferred to the customer. That is, when the product is delivered to the customer, the customer has discretion over the sales channel and price of product, and when there are no outstanding performance obligations by the Group that may affect the customer's

acceptance of the product. When the product is transported to the designated location, the risk of obsolescence and loss has been transferred to the customer, and the customer accepts the product in accordance with the sales contract, or there is objective evidence to prove that all acceptance criteria have been met.

2. Accounts receivable are recognized when the goods are delivered to the customer, as the Group has an unconditional right to the contract price from that point on, and it only takes time to collect the consideration from the customer.

(XXVIII) Government grants

Government subsidies are recognized at fair value when it is reasonably certain that the enterprise will comply with the conditions attached to the government subsidies and the subsidies will be received. If the nature of the government subsidies is to compensate the expenses incurred by the Group, the government subsidies shall be recognized as current profit or loss on a systematic basis in the period in which the relevant expenses are incurred.

(XXIX) Operating department

The information of the Group's operating segments is reported in a consistent manner with the internal management reports provided to major operational decision makers. The chief operational decision-makers are responsible for allocating resources to operating segments and evaluating their performance.

V. Major sources of uncertainty in major accounting judgments, estimates, and assumptions

When the Group prepared these consolidated financial statements, the management has exercised its judgment to determine the accounting policies adopted, and made accounting estimates and assumptions based on reasonable expectations of future events as of the balance sheet date. Significant accounting estimates and assumptions made may differ from the actual results. Historical experience and other factors will be considered for continuous evaluation and adjustment. Please refer to the following descriptions of significant accounting judgments, estimates and uncertainties of assumptions:

(I) Important judgment on the adoption of accounting policies

None.

(II) Important accounting estimates and assumptions

1. Impairment assessment of accounts receivable

In the process of impairment assessment of accounts receivable, after considering all reasonable and corroborating information (including forward-looking information) for accounts receivable with significant financing components, if the credit risk has not increased significantly since the initial recognition, the loss allowance is measured at the 12-month expected credit loss amount; if the credit risk has increased significantly since the original recognition, the loss allowance is measured at the lifetime expected credit loss amount. For accounts receivable that do not include a significant financial component, the loss allowance is measured at the amount of lifetime expected credit losses. The allowance is based on reasonable expectations of future events as of the balance sheet date. However, the actual results may differ materially.

2. Valuation of inventories

Since inventories must be valued at the lower of cost or net realizable value, the Group must use judgment and estimate to determine the net realizable value of inventories on the balance sheet date. Due to the rapid changes in market products, the Group assesses the amount of inventories due to normal wear and tear, obsolete or no market sales value on the balance sheet date, and writes off the inventory cost to the net realizable value. The valuation of the inventory is mainly based on the demand for products in a specific period of time in the future, so there may be significant changes.

VI. Description of major accounting titles

(I) Cash and cash equivalents

	December 31, 2023	December 31, 2022
Cash on hand and revolving funds	$ 1,193	$ 1,776
Checking deposit and demand deposit	10,851	97,017
Total	$ 12,044	$ 98,793

1. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
2. On December 31, 2023 and 2022, the Group's bank deposits of NT$30,000 were classified as "financial assets at amortized cost - non-current" due to the restricted use of performance bonds.

(II) Financial assets measured at fair value through profit or loss

Item	December 31, 2023	December 31, 2022
Current items:		
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	$ -	$ 220

1. The breakdown of financial assets measured at fair value through profit or loss recognized in profit or loss is as follows:

	2023	2022
Financial assets mandatorily measured at fair value through profit or loss		
Right to repurchase convertible bonds issued	($ 220)	$ 20

2. The Company does not provide financial assets measured at fair value through profit or loss as collateral.
3. For information on the fair value of financial assets measured at fair value through profit or loss, please refer to Note 12(3).

(III) Financial assets measured at fair value through other comprehensive income

Item	December 31, 2023	December 31, 2022
Non-current items:		
Equity instrument		
Non-listed, OTC, and emerging stocks	$ 52,515	$ 52,515
Valuation adjustment	42,079	43,790
Total	$ 94,594	$ 96,305

1. The Group chose to classify the equity investments that are strategic investments as financial assets measured at fair value through other comprehensive income. The fair values of these investments as of December 31, 2023 and 2022 were NT$94,594 and NT$96,305, respectively.
2. The breakdown of financial assets measured at fair value through other comprehensive income and comprehensive income recognized in profit or loss is as follows:

	2023	2022
Equity instruments at fair value through other comprehensive income		
Changes in fair value recognized in other comprehensive income	($ 1,711)	$ 901
Dividend income recognized in profit or loss and still held at the end of the current period	$ 4,632	$ 3,860

3. Without considering the collateral or other credit enhancements held, the financial assets measured at fair value through other comprehensive income that best represent the Group held on December 31, 2023 and 2022, the maximum exposure amounts of credit risk are NT$94,594 and NT$96,305 respectively.
4. For the information on the fair value of financial assets measured at fair value through other comprehensive income, please refer to Note 12(3).

(IV) Financial assets measured at amortized cost

Item	December 31, 2023	December 31, 2022
Current items:		
Time deposit	$ -	$ 1,000
Non-current items:		
Pledged time deposit	30,000	30,000
Total	$ 30,000	$ 31,000

1. Without considering the collateral or other credit enhancements held, the financial assets measured at amortized cost that are most representative of the Group held in the period of December 31, 2023 and 2022, the maximum exposure amounts of credit risk are NT$30,000 and NT$31,000, respectively.
2. The credit quality of the financial institutions with which the Group interacts is good, and the Group interacts with multiple financial institutions to diversify credit risks, and the possibility of default is expected to be very low.
3. The interest income recognized in profit or loss of financial assets measured at amortized cost in 2023 and 2022 were NT$203 and NT$84 in 2023 and 2022 respectively.
4. Please refer to Note 8 for the Group's financial assets measured at amortized cost as collaterals.
5. Please refer to Note 12(2) for the credit risk information of financial assets measured at amortized cost. The counterparties of the Group's investment in certificates of deposit are financial institutions with good credit quality, and the possibility of default is expected to be very low.

(V) Notes and accounts receivable

	December 31, 2023	December 31, 2022
Notes receivable	$ 171,031	$ 10,510
Accounts receivable	$ 727,172	$ 1,029,248
Less: Loss allowance	(83,081)	(161,634)
	$ 644,091	$ 867,614
Non-performing loans (stated as other non-current assets)	$ 74,510	$ -
Less: Loss allowance	(74,510)	-
	$ -	$ -

Non-performing loans refer to the balance of accounts that have been collected through outsourcing or litigation.

1. The aging analysis of accounts receivable and notes receivable is as follows:

	December 31, 2023		December 31, 2022	
	Accounts receivable	Notes receivable	Accounts receivable	Notes receivable
Not past due	$ 228,253	$ 171,031	$ 339,641	$ 10,510
Within 30 days of overdue	109,918	-	220,694	-
31 to 90 days	158,851	-	215,540	-
91 to 180 days	147,069	-	87,384	-
More than 181 days	-	-	4,355	-
	$ 644,091	$ 171,031	$ 867,614	$ 10,510

The above is an aging analysis based on the number of overdue days.

2. The balance of accounts receivable and notes receivable on December 31, 2023 and 2022 were all arising from contracts with customers, and the balance of accounts receivable on contracts with customers on January 1, 2022 was NT$785,522.
3. Without considering the collateral or other credit enhancements held, the maximum exposure amount that best represents the credit risk of the notes receivable of the Group as of December 31, 2023 and 2022 was NT$171,031 and NT$10,510, respectively; the maximum credit risk exposure amount on December 31, 2023 and 2022, representing the Group was NT$644,091 and NT$867,614, respectively.
4. Please refer to Note 12(2) for the credit risk information of accounts receivable and notes receivable in detail.

(VI) Inventory

	December 31, 2023		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 382,990	($ 55,962)	$ 327,028
Work in process	487,334	(53,359)	433,975
Finished goods	1,771,927	(151,258)	1,620,669

Total	$ 2,642,251	($ 260,579)	$ 2,381,672

	December 31, 2022		
	Cost	Allowance for devaluation losses	Carrying amount
Raw materials	$ 358,094	($ 24,132)	$ 333,962
Work in process	589,483	(26,857)	562,626
Finished goods	1,654,284	(82,656)	1,571,628
Total	$ 2,601,861	($ 133,645)	$ 2,468,216

Expenses and losses related to inventory recognized in the current period:

	2023	2022
Cost of sold inventories	$ 2,026,727	$ 2,388,264
Inventory valuation losses	127,886	52,677
Inventory loss (profit)	1,355	(177)
Revenue from sale of scraps	(2,868)	(4,044)
	$ 2,153,100	$ 2,436,720

(VII) Property, Plant and Equipment

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2023							
Cost	$ 1,006,321	$ 1,820,521	$ 1,431,128	$ 4,904	$ 356,576	$ 76,944	$ 4,696,394
Accumulated depreciation	-	(436,807)	(971,374)	(2,815)	(249,370)	-	(1,660,366)
	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
2023							
January 1	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
Addition	-	1,409	50,847	1,026	22,337	98,839	174,458
Disposal - cost	-	(302)	(251)	-	(5,573)	-	(6,126)
Disposal - Accumulated depreciation	-	302	56	-	5,483	-	5,841
Reclassified to held-for-sale - non-current assets	(111,327)	(118,350)	-	-	(887)	-	(230,564)
Reclassification	-	6,075	43,359	-	23,322	(51,707)	21,049
Depreciation expense	-	(68,379)	(118,432)	(963)	(41,565)	-	(229,339)
Exchange difference, net	-	-	(296)	(35)	(528)	-	(859)
December 31	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488
December 31, 2023							
Cost	$ 894,994	$ 1,624,004	$ 1,524,764	$ 5,886	$ 395,200	$ 124,076	$ 4,568,924
Accumulated depreciation	-	(419,535)	(1,089,727)	(3,769)	(285,405)	-	(1,798,436)
	$ 894,994	$ 1,204,469	$ 435,037	$ 2,117	$ 109,795	$ 124,076	$ 2,770,488

	Land	Buildings	Machinery and equipment	Transportation Equipment	Others	Construction in progress	
	Self-use	Self-use	Self-use	Self-use	Self-use	Self-use	Total
January 1, 2022							
Cost	$ 111,327	$ 1,708,294	$ 1,301,552	$ 3,142	$ 327,213	$ 42,748	$ 3,494,276
Accumulated depreciation	-	(372,230)	(869,260)	(2,342)	(237,291)	-	(1,481,123)
	$ 111,327	$ 1,336,064	$ 432,292	$ 800	$ 89,922	$ 42,748	$ 2,013,153
2022							
January 1	$ 111,327	$ 1,336,064	$ 432,292	$ 800	$ 89,922	$ 42,748	$ 2,013,153
Addition	713,524	77,597	69,583	1,762	41,486	50,182	954,134
Disposal - cost	-	1	(3,910)	-	(27,453)	-	(31,362)
Disposal - Accumulated depreciation	-	(1)	3,910	-	27,058	-	30,967
Prepaid land transfer	181,470	-	-	-	-	-	181,470
Transfer of prepaid equipment payment	-	34,629	63,903	-	15,330	(15,986)	97,876
Depreciation expense	-	(64,576)	(106,041)	(473)	(39,159)	-	(210,249)
Exchange difference, net	-	-	17	-	22	-	39
December 31	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028
December 31, 2022							
Cost	$ 1,006,321	$ 1,820,521	$ 1,431,128	$ 4,904	$ 356,576	$ 76,944	$ 4,696,394
Accumulated depreciation	-	(436,807)	(971,374)	(2,815)	(249,370)	-	(1,660,366)
	$ 1,006,321	$ 1,383,714	$ 459,754	$ 2,089	$ 107,206	$ 76,944	$ 3,036,028

For information on property, plant and equipment as collateral, please refer to the descriptions in Note VIII.

(VIII) Lease transaction - Lessee

1. The underlying assets leased by the Group include land, buildings and buildings, official vehicles and telephone systems. The lease contract period usually ranges from 2 to 50 years. Lease contracts are negotiated separately and include various terms and conditions. No other restrictions are imposed except that the leased assets may not be used as guarantees for loans.
2. The book value of the right-of-use assets and the information of depreciation expense recognized are as follows:

	December 31, 2023		December 31, 2022	
	Carrying amount		Carrying amount	
Land	$	616,909	$	630,208
Buildings		7,396		12,610
Transportation equipment (office vehicles)		6,704		6,718
Other equipment		6,939		1,053
	$	637,948	$	650,589

	2023		2022	
	Depreciation expense		Depreciation expense	
Land	$	16,056	$	16,056
Buildings		18,273		13,426
Transportation equipment (office vehicles)		5,678		5,924
Other equipment		2,974		993
	$	42,981	$	36,399

3. The increase in the Group's right-of-use assets in 2023 and 2022 were NT$30,296 and NT$46,285, respectively.
4. The information of loss (gain) related to lease contract is as follows:

	2023		2022	
Items affecting current profit or loss				
Interest expense of lease liabilities	$	10,958	$	11,429
Expenses of short-term lease contracts		4,967		6,254
Gain (loss) on lease modification		-	(	1)

5. The Group's total lease cash outflow amounted to NT$54,364 and NT$50,539 in 2023 and 2022, respectively.

(IX) Intangible Assets

	Patent right	Computer software	Total
January 1, 2023			
Cost	$ 12,000	$ 82,256	$ 94,256
Accumulated amortization	(11,848)	(57,005)	(68,853)
	$ 152	$ 25,251	$ 25,403
2023			
January 1	$ 152	$ 25,251	$ 25,403
Addition	-	26,730	26,730
Disposal - cost	-	(10)	(10)
Disposal - Amortization	-	10	10
Transfer of prepaid equipment payment	-	1,330	1,330
Amortization expense	(25)	(25,621)	(25,646)
Exchange difference, net	-	(4)	(4)
December 31	$ 127	$ 27,686	$ 27,813
December 31, 2023			
Cost	$ 12,000	$ 110,306	$ 122,306
Accumulated amortization	(11,873)	(82,620)	(94,493)
	$ 127	$ 27,686	$ 27,813

	Patent right	Computer software	Total
January 1, 2022			
Cost	$ 12,000	$ 111,996	$ 123,996
Accumulated amortization	(11,823)	(86,954)	(98,777)
	$ 177	$ 25,042	$ 25,219
2022			
January 1	$ 177	$ 25,042	$ 25,219
Addition	-	54	54
Disposal - cost	-	(53,853)	(53,853)
Disposal - Amortization	-	53,853	53,853
Transfer of prepaid equipment payment	-	24,059	24,059
Amortization expense	(25)	(23,904)	(23,929)
December 31	$ 152	$ 25,251	$ 25,403
December 31, 2022			
Cost	$ 12,000	$ 82,256	$ 94,256
Accumulated amortization	(11,848)	(57,005)	(68,853)
	$ 152	$ 25,251	$ 25,403

The details of amortization of intangible assets are as follows:

	2023	2022
Operating costs	$ 3,086	$ 575
Sales promotion expenses	117	239
Administrative expenses	21,435	20,866
R&D expenses	1,008	2,249
	$ 25,646	$ 23,929

(X) Other non-current assets

	December 31, 2023	December 31, 2022
Prepayment for equipment	$ 11,739	$ 33,512
Refundable deposits	13,578	16,662
	$ 25,317	$ 50,174

(XI) Non-current assets held for sale

The Group resolved to dispose of the real estate in Yingge District on November 8, 2023 and the related assets were classified as non-current assets held for sale, which is expected to be completed before the end of 2024.

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 230,564	$ -

The said non-current asset held for sale was re-measured at the lower of its book value or fair value less selling cost, and no impairment loss was incurred. Please refer to Note VIII for the guarantee information.

(XII) Short-term borrowings

Nature of loan	December 31, 2023	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 670,000	1.65-1.85%	No

Nature of loan	December 31, 2022	Interest rate range	Collateral
Bank borrowings			
Unsecured loan	$ 10,000	1.515%	No

Please refer to 6(24) for the interest expense recognized in profit and loss in 2023 and 2022.

(XIII) Other payables

	December 31, 2023	December 31, 2022
Salaries and bonuses payable	$ 139,486	$ 180,171
Labor health insurance premium payable	15,070	39,754
Payables for equipment	4,200	16,685
Research and experimentation expenses payable	2,681	3,287
Payables for packaging	1,781	13,633
Other payable expenses	84,664	128,335
	$ 247,882	$ 381,865

(XIV) Long-term borrowing

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2023
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	2.03%-2.2%	Land and buildings	$ 1,362,867
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.3%-2.23%	No	619,756
				1,982,623
Less: Long-term borrowings due within one year or one operating cycle				(236,058)
				$ 1,746,565

Nature of loan	Borrowing period and repayment method	Interest rate range	Collateral	December 31, 2022
Long-term bank borrowings				
Secured loan	Repayment will be made in accordance with the agreed terms from March 23, 2016 to January 26, 2042.	1.73%-2.08%	Land and buildings	$ 1,448,322
Unsecured loan	Repayment will be made in accordance with the agreed terms from December 1, 2016 to October 15, 2031.	1.18%-1.78%	No	589,990
				2,038,312
Less: Long-term borrowings due within one year or one operating cycle				(151,816)
				$ 1,886,496

1. Please refer to 6(24) for the interest expense recognized in profit and loss in 2023 and 2022.
2. For the above-mentioned loan from financial asset institutions, the related party serves as the joint guarantor. Please refer to the descriptions in Note 7.

(XV) Corporate bonds payable

	December 31, 2023	December 31, 2022
Corporate bonds payable	$ 763,700	$ 800,000
Less: Discount of corporate bond payable	(25,845)	(41,372)
	737,855	758,628
Less: Corporate bonds maturing within one year or one operating cycle or repurchase rights exercised	-	-
	$ 737,855	$ 758,628

1. Domestic convertible bonds issued by the Company
   (1) The conditions for the Company's issuance of the 1st secured convertible bonds in Taiwan

are as follows:

A. The first domestic secured convertible bonds are approved by the competent authority. The total amount to be issued is NT$500,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from October 24, 2022 to October 24, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 1st batch of convertible bonds was listed for trading on the Taipei Exchange on October 24, 2022.
B. From the day following the expiration of three months after the date of issue (January 25, 2023) to the maturity date (October 24, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.
C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$40.5 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the First Secured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$40.5 per share to NT$38.9 per share.
D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (January 25, 2023) to the forty days prior to the expiration of the issuance period (September 15, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (January 25, 2023) to the 40 days prior to the expiration of the issuance period (September 15, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.
E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.
F. As of December 31, 2023, the bonds with a face value of NT$100 had been converted into 2,469 ordinary shares.

(2) The conditions for the Company's issuance of the 2nd unsecured convertible bonds in Taiwan are as follows:

A. The second domestic unsecured convertible bonds are approved by the competent authority. The total amount to be issued is NT$300,000, the coupon rate of 0%, the issuance period is 3 years, and the circulation period is from December 12, 2022 to December 12, 2025. The convertible bonds are repaid in cash in one lump sum at the bond face value upon maturity. The 2nd batch of convertible bonds was listed for trading on the Taipei Exchange on December 12, 2022.
B. From the day following the expiration of three months after the date of issue (March 13, 2023) to the maturity date (December 12, 2025), outside of the transfer suspension period, the holders of these convertible corporate bonds may make a request for

conversion into the Company's ordinary shares at any time. The rights and obligations of the ordinary shares after conversion are the same as the ordinary shares originally issued.

C. The conversion price of these convertible corporate bonds was set in accordance with the pricing model stipulated in the Regulations for Conversion. Subsequently, the conversion price will be adjusted according to the pricing model stipulated in the Regulations for Conversion in case of the Company's anti-dilution clause. The conversion price shall be re-set according to the pricing model on the base date, both as stipulated in the Regulations for Conversion. If the conversion price is higher than the conversion price before the re-setting in the current year, no adjustment shall be made. The conversion price of these convertible corporate bonds at the time of issuance is NT$37 per share. Due to the distribution of cash dividends of the common shares, it has been adjusted in accordance with Article 11 of the Regulations for the Issuance and Conversion of the Second Unsecured Convertible Corporate Bonds in Taiwan. Since September 13, 2023, the conversion price was adjusted from NT$37 per share to NT$35.5 per share.

D. From the day following the expiration of three months from the issuance of the convertible corporate bonds (March 13, 2023) to the forty days prior to the expiration of the issuance period (November 2, 2025), when the closing price of the Company's common shares exceeds 30% of the conversion price at the time for thirty consecutive business days, or the day following three months after issuance of the convertible corporate bonds (March 13, 2023) to the 40 days prior to the expiration of the issuance period (November 2, 2025), if the outstanding balance of the convertible bonds is less than 10% of the initial issuance amount, the Company may recover all of the bonds in cash at the par value at any time thereafter.

E. In accordance with the Regulations Governing the Conversion, all the Corporate Bonds for which the Bonds are redeemed (including those bought back from Taipei Exchange), repaid or converted will be cancelled, and all the rights and obligations attached to the bonds shall be extinguished at the same time, and will not be issued again.

F. As of December 31, 2023, the bonds with a face value of NT$36,200 had been converted into 978,359 ordinary shares.

2. When the Group issued the first and second convertible corporate bonds, in accordance with IAS 32 "Financial Instruments: Presentation," the conversion option that was of the nature of conversion was separated from each component of liabilities, and accounted for in "Capital reserve - share options" was totaled NT$49,598. In addition, the embedded repurchase options are not closely related to the economic characteristics and risks of the debt instrument of the host contract in accordance with IFRS 9 "Financial Instruments," so they are separated and accounted for in the net amount of "Financial assets or liabilities measured at fair value through profit or loss." The effective interest rate of the host contract after the separation is 1.8053% to 1.9797%.

(XVI) Pension

1. In accordance with the "Labor Pension Act", the Group has established a defined contribution retirement method, which is applicable to domestic employees. In accordance with the labor pension system stipulated in the "Labor Pension Act" for employees choosing to apply for the labor pension, the Group contributes 6% of the monthly salary to the employee's individual account at the Bureau of Labor Insurance. The employee's pension is paid in accordance with the employee's individual pension. The amount of accumulated income and segregated account is withdrawn as monthly pension or lump sum.

2. In 2023 and 2022, the pension costs recognized by the Group in accordance with the above regulations were NT$27,408 and NT$29,022, respectively.

(XVII) Share capital

1. On December 31, 2023, the Company's authorized capital was NT$3,000,000 divided into 300,000 thousand shares; the paid-in capital was NT$951,588 with a face value of NT$10 per share. Payment for the issued shares of the Company has been received. The number of outstanding common shares at the beginning and the end of the period is adjusted as follows: (Unit: shares)

	2023	2022
January 1	94,178,000	94,178,000
Corporate bond conversion	980,828	-
December 31	95,158,828	94,178,000

2. Corporate bond conversion

   As of December 31, 2023, the Company had 980,828 ordinary shares issued due to the exercise of conversion rights with respect to the secured and unsecured convertible bonds issued by the Company in 2022, and registration of all changes has been completed.

(XVIII) Additional paid-in capital

1. In accordance with the provisions of the Company Act, the premium from the issuance of shares in excess of the par value and the capital reserve from the receipt of gifts may be used to make up for losses. When the Company has no accumulated losses, new shares or cash are issued or paid in proportion to the original shares of the shareholders. In addition, according to the relevant provisions of the Securities and Exchange Act, when the additional paid-in capital above is appropriated to capital, its total amount each year shall not exceed 10% of the paid-in capital. The Company shall not use the additional paid-in capital to make up for the capital loss unless the earnings reserve is still insufficient to make up for the capital loss.
2. The changes in the additional paid-in capital of the Company in 2023 and 2022 are as follows:

	2023			
	Issuance premium	Employee share warrants	Stock options	Total
January 1	$ 1,625,489	$ 25,244	$ 49,598	$ 1,700,331
Exercise of the right to convert convertible corporate bonds into stock	26,455	-	(1,886)	24,569
December 31	$ 1,651,944	$ 25,244	$ 47,712	$ 1,724,900

	2022			
	Issuance premium	Employee share warrants	Stock options	Total
January 1	$ 1,625,489	$ 25,244	$ -	$ 1,650,733
Stock options at the time of issuance of corporate bonds	-	-	49,598	49,598
December 31	$ 1,625,489	$ 25,244	$ 49,598	$ 1,700,331

(XIX) Retained earnings

1. In accordance with the Company's Articles of Incorporation, where the Company has earnings at the end of the fiscal year, the Company shall first pay all taxes, offset its losses in the precious years and set aside a legal capital reserve at 10% of the net profit, which may be exempted when the accumulated legal capital reserve is equal the paid-in capital of the Company. Then set aside or reverse special capital reserve in accordance with operational demand of the Company and relevant laws or regulations or the requirements of the competent authority. Where there are still remaining earnings, the Board of Directors may propose the

distribution of the remaining earnings plus the undistributed earnings of the previous years in the earnings distribution proposal for approval in the shareholders' meeting.

2. For the stability of the future business and long-term sound financial structure to generate the maximum profits for shareholders, the distribution of shareholders' bonus adopts cash and stock dividends balance policy. The dividends shall not be less than 10% of the distributable earnings in the current year. However, where the accumulated distributable earnings is less than 10% of the paid-in capital, the Company may transfer them into retained earnings and choose not to distribute dividends. During the earnings distribution, the dividends paid in cash shall not be less than 20% of the total dividends distributed in the current year.
3. The legal reserve may not be used except to make up for the Company's losses and issuing new shares or cash in proportion to the original number of shares held by shareholders. However, if new shares or cash are issued, it shall exceed 25% of the paid-up capital.
4. When the Company distributes earnings, the special reserve shall be set aside for the debit balance of other equity items on the balance sheet date of the current year according to laws and regulations before distribution. When the debit balance of other equity items is subsequently reversed, the amount of reversal may be included in the distribution available In earnings.
5. The 2022 earnings distribution proposal of the Company was approved by the shareholders' meeting on June 27, 2023 as follows:

	2022	
	Amount	Dividends per share (NTD)
Legal reserve	$ 28,401	
Cash dividends	141,267	$ 1.5
Total	$ 169,668	

(XX) Operating Revenue

	2023	2022
Revenue from contracts with customers	$ 2,571,194	$ 3,374,243

1. Breakdown of revenue from customer contracts

   The Group's income is derived from the goods transferred at a certain point in time, and the income can be divided into the following main products:

2023	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 1,664,486	$ 737,874	$ 138,212	$ 30,622	$ 2,571,194

2022	Ball Screw	Linear Guide	Ball Spline	Others	Total
Revenue from contracts with customers	$ 2,079,621	$ 1,032,875	$ 217,514	$ 44,233	$ 3,374,243

2. Contract liabilities

   The contractual liabilities related to the contractual revenue recognized by the Group are as follows:

	December 31, 2023	December 31, 2022	January 1, 2022
Contract liabilities - collections in advance	$ 3,681	$ 5,452	$ 5,063

Revenue recognized in current period of contract liabilities at the beginning of the period

	2023	2022
Opening balance of contract liabilities recognized as income in current period		
Collections in advance	$ 4,812	$ 3,660

(XXI) Interest income

	2023	2022
Interest on bank deposits	$ 5,400	$ 2,897
Interest income from financial assets measured at amortized cost	203	84
Other interest income	269	52
	$ 5,872	$ 3,033

(XXII) Other income

	2023	2022
Grant income	$ 16,942	$ 238
Dividend income	4,632	3,860
Rental income	963	3,329
Other income - others	2,489	1,670
	$ 25,026	$ 9,097

(XXIII) Other gains and losses

	2023	2022
Foreign exchange gain (loss)	($ 36,770)	$ 52,147
Gains from the disposal of property, plant and equipment	291	131
Gain on lease modification	-	1
Net (loss) gain on financial assets measured at fair value through profit or loss	(220)	20
Other losses	(87)	(30)
	($ 36,786)	$ 52,269

(XXIV) Financial cost

	2023	2022
Bank borrowing interest expense	$ 46,452	$ 37,660
Interest expense on lease liabilities	10,958	11,429
Corporate bond interest expense	13,604	1,892
Others	1	-
	$ 71,015	$ 50,981

(XXV) Additional information on the nature of the expense

	2023	2022
Employee benefit expense	$ 824,411	$ 909,883
Depreciation expenses of property, plant and equipment	229,339	210,249
Right-of-use assets depreciation expense	42,981	36,399
Amortization expense of intangible assets	25,646	23,929
Operating lease rental expense	4,967	6,254
Expected credit impairment (gain) loss	(2,948)	30,040

	$ 1,124,396	$ 1,216,754

(XXVI) Employee benefit expense

	2023	2022
Salary expenses	$ 680,736	$ 768,916
Labor and national health insurance expenses	84,195	77,256
Pension expense	27,408	29,022
Other personnel expenses	32,072	34,689
	$ 824,411	$ 909,883

1. If the Company makes a profit in the year, it shall allocate at least 1% as remuneration to employees, which shall be distributed in shares or cash by resolution of the board of directors. The recipients of the payment may include employees of the controlling or subsidiaries The remuneration to directors and supervisors, not more than 5% of the amount of the above-mentioned profit, shall be set aside by resolution of the board of directors. The proposal for the distribution of remuneration to employees, directors and supervisors shall be submitted to the shareholders' meeting for reporting. However, if the Company has accumulated losses, it shall first reserve a certain amount for offsetting losses, then allocate funds for the employee bonuses and director and supervisor remuneration proportionally from the remaining amount based on the ratio indicated in the preceding paragraph.
2. The Company has estimated the remuneration to employees for 2023 and 2022 as NT$0 and NT$14,000, respectively; the remuneration to directors is NT$0 and NT$4,000, and the aforementioned amounts are accounted for as salary expenses.
3. 2023 was a loss, so employees' remuneration and directors' remuneration were not estimated.
4. The amount of remuneration to employees and directors for 2022 as resolved by the Board of Directors was consistent with the recognized amount in the 2022 financial statements, and all was paid in cash.

   Information on employees' and directors' remuneration approved by the Company's board of directors is available on the MOPS.

(XXVII) Income tax

1. Components of income tax expense (benefit):
   (1) Components of income tax expense (benefit):

	2023	2022
Current income tax:		
Income tax arising from current income	$ 51,277	$ 109,772
Imposition on undistributed earnings	536	4,557
(Over) Underestimation of income tax in previous years	(12,761)	1,125
Total income tax for the current period	39,052	115,454
Deferred income tax:		
The origin and reversal of the temporary difference	(83,235)	(8,247)
Total deferred income tax	(83,235)	(8,247)
Income tax expense (benefit)	($ 44,183)	$ 107,207

(2) Amount of income tax related to other comprehensive income:

	2023	2022
Difference on translation of foreign operations	$ 225	($ 1,225)

2. Relationship between income tax (interest) expenses and accounting profit

	2023	2022
Income tax on net profit (loss) before tax calculated at statutory tax rate	($ 77,908)	$ 90,371
Impacts of items that cannot be recognized as required by law	4,090	30
Temporary difference not recognized as deferred income tax assets	27,836	11,872
Reversal of unrecognized temporary differences on deferred income tax assets	(15,233)	-
Income exempted from taxation under the Tax Act	(14,260)	(772)
(Over) Underestimation of Income Tax in Previous Years	(12,761)	1,125
Income tax impact of minimum tax system	25	24
Additional income tax on undistributed earnings	536	4,557
Taxable losses not recognized as deferred income tax assets	43,492	-
Income tax expense (benefit)	($ 44,183)	$ 107,207

3. The amount of each deferred income tax asset or liability arising from the temporary difference is as follows:

	2023			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,774	$ 372	$ -	$ 3,146
Unrealized gross profit from sales	18,179	24,682	-	42,861
Unrealized exchange losses	-	5,718	-	5,718
Impacts of foreign investment losses	3,436	33,670	-	37,106
Subtotal	$ 24,389	$ 64,442	$ -	$ 88,831
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 16,811)	$ 16,811	$ -	$ -
Unrealized exchange gain	(1,982)	1,982	-	-
Exchange differences on foreign operations	(937)	-	225	(712)
Subtotal	(19,730)	18,793	225	(712)
Total	$ 4,659	$ 83,235	$ 225	$ 88,119

	2022			
	January 1	Recognized in profit or loss	Recognized in other comprehensive net income	December 31
Temporary difference:				
- Deferred income tax assets:				
Unrealized expenses	$ 2,195	$ 579	$ -	$ 2,774
Unrealized gross profit from sales	8,752	9,427	-	18,179
Impacts of foreign investment losses	1,098	2,338	-	3,436
Exchange differences on foreign operations	288	-	(288)	-

Subtotal	$ 12,333	$ 12,344	($ 288)	$ 24,389
- Deferred income tax liabilities:				
Effect of foreign investment interests	($ 13,531)	($ 3,280)	$ -	($ 16,811)
Unrealized exchange gain	(1,165)	(817)	-	(1,982)
Exchange differences on foreign operations	-	-	(937)	(937)
Subtotal	(14,696)	(4,097)	(937)	(19,730)
Total	($ 2,363)	$ 8,247	($ 1,225)	$ 4,659

4. Deductible temporary differences of unrecognized deferred income tax assets:

	December 31, 2023	December 31, 2022
Deductible temporary difference	$ 317,244	$ 270,263

5. The profit-seeking enterprise income tax of the Company and of TBI Motion has been approved by the tax authorities up to the year 2021.

(XXVIII) Earnings (losses) per share

	2023		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Loss per share (NTD)
Basic loss per share			
Net loss for the period attributable to the common shareholders of the parent company	($ 103,612)	94,946	($ 1.09)
Diluted loss per share			
Net loss for the period attributable to the common shareholders of the parent company	($ 103,612)	94,946	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	-	
Convertible corporate bonds	-	-	
Net loss for the period attributable to the common shareholders of the parent company plus the effect of potential common shares	($ 103,612)	94,946	($ 1.09)

	2022		
	After-tax amount	Weighted average number of outstanding shares (thousand shares)	Earnings per Share (NTD)
Basic earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 284,011	94,178	$ 3.02
Diluted earnings per share			
Net income for the period attributable to the common shareholders of the parent company	$ 284,011	94,178	
Effect of potentially dilutive ordinary shares			
Remuneration to employees	-	446	
Convertible corporate bonds	1,872	2,778	
Net income attributable to the common shareholders of the parent company for the period plus the effect of potential common shares	$ 285,883	97,402	$ 2.94

(XXIX) Supplementary information on cash flow

1. Investment activities with only partial cash payment:

	2023	2022
Additions of property, plant and equipment	$ 174,458	$ 954,134
Add: Payables for equipment, beginning	16,685	1,768
Less: Payables for equipment, ending	(4,200)	(16,685)
Cash paid in current period	$ 186,943	$ 939,217

2. Financing activities that do not affect cash flow:

	2023	2022
Conversion of convertible bonds into share capital	$ 34,377	$ -

(XXX) Changes in liabilities from financing activities

	January 1, 2023	Changes in cash flow	Non-cash changes	December 31, 2023
Short-term borrowings	$ 10,000	$ 660,000	$ -	$ 670,000
Long-term borrowing	2,038,312	(55,689)	-	1,982,623
Lease liabilities	664,554	(38,439)	30,112	656,227
Guarantee deposits received	4,743	(217)	-	4,526
Total liabilities from financing activities	$ 2,717,609	$ 565,655	$ 30,112	$ 3,313,376

	January 1, 2022	Changes in cash flow	Non-cash changes	December 31, 2022
Short-term borrowings	$ 390,000	($ 380,000)	$ -	$ 10,000
Long-term borrowing	1,511,498	526,814	-	2,038,312
Lease liabilities	652,734	(32,856)	44,676	664,554
Guarantee deposits received	200	4,543	-	4,743
Total liabilities from financing activities	$ 2,554,432	$ 118,501	$ 44,676	$ 2,717,609

VII. Related party transactions

(I) Names of related parties and their relationship

Name of related party	Relationship with the Group
Li, Ching-Kung	Chairman of the Group
Li, Jin-Sheng	General manager of the Group

(II) Remuneration of key management personnel

	2023	2022
Short-term employee benefits	$ 9,976	$ 13,629
Post-employment benefits	108	108
Total	$ 10,084	$ 13,737

(III) Others

The Group borrowed from financial asset institutions on December 31, 2023 and 2022, with Li, Ching-Kung and Li, Jin-Sheng serving as the joint guarantors. The financing amount for the joint guarantees provided by the above-mentioned related parties was NT$2,652,623 and NT$2,048,312, respectively.

VIII. Pledged assets

The details of the guarantees provided for the Group's assets are as follows:

	Book value		
Assets	December 31, 2023	December 31, 2022	Purpose of guarantee
Financial assets measured at amortized cost			
Pledged time deposit	$ 30,000	$ 30,000	Note 1
Property, Plant and Equipment			
Land	894,994	1,006,321	Note 2
Buildings	942,595	969,534	Note 2
Non-current assets held for sale	230,564	-	Note 2
	$ 2,098,153	$ 2,005,855	

Note 1: The performance bond of the Company.
Note 2: Long-term borrowings.

IX. Significant contingent liabilities and unrecognized contractual commitments

(I) Capital expenditures signed but not yet incurred

	December 31, 2023	December 31, 2022
Property, Plant and Equipment	$ 11,346	$ 40,629

(II) The Group has opened an unused letter of credit for the purchase of materials

	December 31, 2023	December 31, 2022
Letter of credit issued but not used	$ 24,434	$ 35,264

X. Losses from major disasters

No such situation.

XI. Material events after the reporting period

No such situation.

XII. Others

(I) Capital management

The goal of the Group's capital management is to ensure the continued operation of the Group, maintain the optimal capital structure to reduce the cost of capital, and provide returns for shareholders. In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce liabilities. The Group uses the debt capital ratio to monitor its capital, which is calculated by dividing net debt by total capital. Net debt is calculated as total borrowings (including "current and non-current borrowings" reported in the consolidated balance sheet) less cash and cash equivalents. The calculation of total capital is "equity" reported in the consolidated balance sheet plus net debt.

The Group's debt capital ratio as of December 31, 2023 and 2022 was as follows:

	December 31, 2023	December 31, 2022
Total borrowings	$ 2,652,623	$ 2,048,312
Less: Cash and cash equivalent	(612,044)	(698,793)
Debt, net	2,040,579	1,349,519
Total equity	3,259,437	3,472,550
Total capital	$ 5,300,016	$ 4,822,069
Debt capital ratio	38.50%	27.99%

(II) Financial instruments

1. Type of financial instruments

	December 31, 2023	December 31, 2022
Financial assets		
Financial assets measured at fair value through profit or loss		
Financial assets mandatorily measured at fair value through profit or loss	$ -	$ 220

Financial assets measured at fair value through other comprehensive income		
Selecting designated investments in equity instruments	$ 94,594	$ 96,305
Financial assets measured at amortized cost		
Cash and cash equivalents	$ 612,044	$ 698,793
Financial assets measured at amortized cost	30,000	31,000
Notes receivable	171,031	10,510
Accounts receivable	644,091	867,614
Other receivables	319	81
Refundable deposits	13,578	16,662
	$ 1,565,657	$ 1,721,185
Financial liabilities		
Financial liabilities measured at amortized cost		
Short-term borrowings	$ 670,000	$ 10,000
Notes payable	4,078	3,327
Accounts payable	142,395	615,104
Other payables	247,882	381,865
Long-term borrowings (including those due within one year or one operating cycle)	1,982,623	2,038,312
Guarantee deposits received	4,526	4,743
	$ 3,051,504	$ 3,053,351
Lease liabilities	$ 656,227	$ 664,554

2. Risk management policy

Risk management is carried out by the Group's Finance Department in accordance with the policies approved by the Board of Directors. The Finance Department of the Group works closely with various operating units within the Group to identify, evaluate and avoid financial risks. The Board of Directors has written principles for overall risk management, and also provides written policies for specific areas and matters, such as exchange rate risk, interest rate risk, credit risk, use of derivative and non-derivative financial instruments, and investment of surplus working capital.

3. Nature and extent of significant financial risk

(1) Market risk

Exchange rate risk

A. The Group operates in a multinational company, so it is subject to the exchange rate risk arising from transactions with the functional currency of the Company and its subsidiaries, which are mainly USD and RMB. The relevant exchange rate risk comes from future commercial transactions and recognized assets and liabilities.

B. The Group's business involves some non-functional currencies, therefore it is subject to exchange rate fluctuations. The assets and liabilities denominated in foreign currencies with significant exchange rate fluctuations are as follows:

	December 31, 2023		
	Foreign currency (thousand)	Exchange rate	Carrying amount
(Foreign currency: functional currency)			
Financial assets			
Monetary items			
USD: NTD	$ 3,669	30.7080	$ 112,668
Japanese Yen: NTD	13,390	0.2172	2,908
Euro: NTD	18	34.0070	612
RMB: NTD	5,917	4.3265	25,600

Financial liabilities			
Monetary items			
Japanese Yen: NTD	2,898	0.217	629
USD: NTD	10	30.7080	307

	December 31, 2022		
(Foreign currency: functional currency)	Foreign currency (thousand)	Exchange rate	Carrying amount
Financial assets			
Monetary items			
USD: NTD	$ 3,182	30.7250	$ 97,767
Japanese Yen: NTD	183,632	0.2326	42,713
Euro: NTD	62	32.7530	2,031
RMB: NTD	461,564	4.4118	2,036,328
Financial liabilities			
Monetary items			
Japanese Yen: NTD	171,041	0.2326	39,784
USD: NTD	2	30.7250	61

C. Due to exchange rate fluctuations on monetary items of the Group, the aggregate amount of all exchange gains (losses) recognized in 2023 and 2022 (including realized and unrealized) were (NT$36,770) and NT$52,147, respectively.

D. The risk analysis of the Group's foreign currency market due to significant exchange rate fluctuations is as follows:

	2023		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 901	$ -
Japanese Yen: NTD	1%	23	-
Euro: NTD	1%	5	-
RMB: NTD	1%	205	-
Financial liabilities			
Monetary items			
Japanese Yen: NTD	1%	(5)	-
USD: NTD	1%	(2)	-

	2022		
	Sensitivity analysis		
(Foreign currency: functional currency)	Range of change	Effect on gains (losses)	Other comprehensive income (loss) affected
Financial assets			
Monetary items			
USD: NTD	1%	$ 782	$ -
Japanese Yen: NTD	1%	342	-
Euro: NTD	1%	16	-
RMB: NTD	1%	16,291	-
Financial liabilities			
Monetary items			
Japanese Yen: NTD	1%	(318)	-
USD: NTD	1%	(0.49)	-

Price risk

A. The Group's equity instruments exposed to price risk are financial assets held at fair value through other comprehensive income. To manage the price risk of equity instrument investment, the Group will diversify its investment portfolio, and the diversification method is based on the limit set by the Group.

B. The Group mainly invests in equity instruments issued by domestic companies, and the prices of these equity instruments will be affected by the uncertainty of the future value of the investment target. If the price of these equity instruments rises or falls by 1%, and all other factors remain unchanged, the net profit arising from the profit or loss of equity instruments measured at fair value through profit and loss increased or decreased by $0 and $2 in 2023 and 2022; other comprehensive income decreased or increased by $756 and $770, respectively, due to the gain or loss of equity investments classified as at fair value through other comprehensive income.

Cash flow and fair value interest rate risk

A. The Group's interest rate risk mainly comes from the long-term and short-term loans issued at floating interest rates, which expose the Group to cash flow interest rate risk. In 2023 and 2022, the Group's borrowings with floating interest rates were mainly denominated in NTD.

B. When the borrowing rate increases or decreases by 1%, and all other factors remain unchanged, the net income after tax in 2023 and 2022 will decrease or increase by NT$21,221 and NT$16,386, respectively, due to changes.

(2) Credit risk

A. The Group's credit risk refers to the risk of financial loss due to the failure of customers or counterparties of financial instrument transactions to fulfill contractual obligations, mainly from the inability of counterparties to settle accounts receivable in accordance with the collection terms.

B. The Group establishes credit risk management from the group perspective. For banks and financial institutions, only institutions with good reputation and no recent major default records can be accepted as trading counterparts. According to the internal credit policy, for each new customer within the Group, management and credit risk analysis must be conducted before the establishment of payment and delivery terms and conditions. The internal risk control evaluates customers' credit quality by considering their financial status, past experience and other factors. The limits of individual risks are determined by the Board of Directors based on internal or external ratings, and the use of credit lines is regularly monitored.

C. According to the Group's credit risk management procedures, a default is deemed to have occurred when the contract amount is overdue for more than 180 days according to the agreed payment terms.

D. The Group classifies customers' accounts receivable according to geographical area, customer rating and trade credit risk characteristics, and estimates expected credit losses based on the allowance matrix and loss rate method in a simplified manner.

E. The indicators used by the Group to determine that the debt instrument investment is subject to credit impairment are as follows:

(A) The issuer is in major financial difficulty, or the possibility of bankruptcy or other financial reorganization greatly increases;

(B) The issuer disappears from the active market for the financial assets due to financial difficulties;

(C) The issuer delays or fails to repay the interest or principal;

(D) Unfavorable changes in national or regional economic conditions that result in the issuer's default.

F. The Group will continue to pursue legal proceedings for the default of financial assets to preserve the rights of the creditor's right. After the recourse procedures, the amount of financial assets for which it is impossible to reasonably expect to be recoverable is written off.

G. The Group takes into account the consideration of future forward-looking and adjusts the loss rate based on historical and current information in a specific period to estimate the loss allowance for accounts receivable and non-performing loans. The provision matrix for December 31, 2023 and 2022 and loss ratio method is as follows:

December 31, 2023	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 228,321	$ -	$ 228,321	($ 68)
Within 30 days	0.03%	109,954	-	109,954	(36)
31 to 90 days	0.03%~1.3%	160,152	-	160,152	(1,301)
91 to 180 days	6.29%~99.76%	169,317	-	169,317	(22,248)
More than 181 days	100% of face value	59,428	-	59,428	(59,428)
Individual assessment	100% of face value	-	74,510	74,510	(74,510)
Total				$ 801,682	($ 157,591)

December 31, 2022	Expected loss rate	Accounts receivable	Non-performing loans	Total carrying amount	Loss allowance
Not past due	0.03%	$ 339,735	$ -	$ 339,735	($ 94)
Within 30 days	0.04%~14.71%	223,535	-	223,535	(2,841)
31 to 90 days	0.06%~30.57%	215,669	-	215,669	(129)
91 to 180 days	0.12%~63.12%	87,489	-	87,489	(105)
Over 181 days (Note)	100% of face value	162,820	-	162,820	(158,465)
Total				$ 1,029,248	($ 161,634)

Note: Among them, 100% of the accounts receivable of $77,949 have been set aside as loss allowance. The Group is carrying out legal recourse procedures to preserve the rights of the creditor's right.

H. The Group's simplified statement of changes in the loss allowance on accounts receivable is as follows:

	2023		
	Accounts receivable	Non-performing loans	Total
January 1	$ 161,634	$ -	$ 161,634
Reversal of impairment loss	(2,948)	-	(2,948)
Reclassification	(74,510)	74,510	-
Exchange rate effect	(1,095)	-	(1,095)
December 31	$ 83,081	$ 74,510	$ 157,591

	2022		
	Accounts receivable	Non-performing loans	Total
January 1	$ 128,752	$ -	$ 128,752
Provision for impairment loss	30,040	-	30,040
Exchange rate effect	2,842	-	2,842
December 31	$ 161,634	$ -	$ 161,634

(3) Liquidity risk

A. Cash flow forecasting is carried out by each operating entity within the Group and compiled by the Group's Finance Department. The Finance Department of the Group monitors the forecast of the Group's working capital needs to ensure that it has sufficient funds to meet operating needs, and maintains a sufficient undrawn commitment limit at all times to prevent the Group from breaching the relevant borrowing limits or terms. The forecast considers the Group's debt financing plan, debt terms compliance, financial ratio targets in line with the internal balance sheet, etc.

B. The surplus cash held by each operating entity will be transferred back to the Group's Finance Department when it exceeds the needs for working capital management. The Group's Finance Department, on the other hand, invests the remaining funds in interest-bearing demand deposits and time deposits with appropriate maturities or sufficient liquidity to provide sufficient levels in response to the above forecasts. As of December 31, 2023 and 2022, the Group held money market positions of $612,044 and $698,793, respectively, and undrawn borrowing facilities of $1,436,957 and $1,901,685, respectively, which are expected to generate cash flows to manage liquidity risk.

C. The following table shows the Group's non-derivative financial liabilities grouped by relevant maturity dates and analyzed based on the remaining period from the balance sheet date to the expected maturity date. The contractual cash flow amount disclosed in the following table is the undiscounted amount.

Non-derivative financial liabilities:

December 31, 2023	Within 1 year	Within 1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	$ 670,000	$ -	$ -	$ -	$ 670,000
Notes payable	4,078	-	-	-	4,078
Accounts payable	142,395	-	-	-	142,395
Other payables	247,882	-	-	-	247,882
Lease liabilities	37,855	25,901	68,540	741,389	873,685
Long-term borrowings (including those due within one year)	272,106	328,536	########	860,203	2,202,413

Non-derivative financial liabilities:

December 31, 2022	Within 1 year	Within 1 to 2 years	2 to 5 years	More than 5 years	Total
Short-term borrowings	$ 10,000	$ -	$ -	$ -	$ 10,000
Notes payable	3,327	-	-	-	3,327
Accounts payable	615,104	-	-	-	615,104
Other payables	381,865	-	-	-	381,865
Lease liabilities	30,826	25,905	67,511	763,686	887,928
Long-term borrowings (including those due within one year)	185,116	241,688	########	##########	2,255,996

(III) Fair value information

1. The levels of valuation techniques used to measure the fair value of financial and non-financial instruments are defined as follows:

Level 1: The quoted price (unadjusted) is available to the enterprise in an active market for the same assets or liabilities on the measurement date. An active market refers to a market with sufficient frequency and volume of transactions to provide pricing information on an ongoing basis.

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

Level 3: Unobservable inputs for the asset or liability. All the equity instruments invested by the Group for which there is no active market belong to this category.

2. The Group's financial instruments not measured at fair value include cash and cash equivalents, financial assets measured at amortized cost, notes receivable, accounts receivable, other receivables, short-term and long-term borrowings, notes and accounts payable and other payables, for which their book values, are a reasonable approximation to the fair value.

3. The financial and non-financial instruments measured at fair value are classified according to the nature, characteristics, risks and fair value levels of the assets and liabilities. Relevant information is as follows:

(1) The Group's assets and liabilities are classified according to the nature. The relevant information is as follows:

December 31, 2023	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets measured at fair value through other comprehensive income				
Equity securities	$ -	$ -	$ 94,594	$ 94,594

December 31, 2022	Level 1	Level 2	Level 3	Total
Assets				
Repetitive fair value				
Financial assets at fair value through profit or loss - current				
Derivatives	$ -	$ 220	$ -	$ 220
Financial assets measured at fair value through other comprehensive income				
Equity securities	-	-	96,305	96,305
Total	$ -	$ 220	$ 96,305	$ 96,525

(2) The methods and assumptions used by the Group to measure fair value are as follows: When evaluating non-standardized and less complex financial instruments, such as debt instruments without an active market, interest rate swap contracts, foreign exchange contracts and options, the Group uses the evaluation techniques widely used by market participants. The parameters used by the valuation model of such financial instruments are usually market observable information.

4. There was no transfer between Level 1 and Level 2 in 2023 and 2022.
5. The following table shows the changes in Level 3:

	2023	2022
	Financial assets measured at fair value through other comprehensive income	Financial assets measured at fair value through other comprehensive income
January 1	$ 96,305	$ 95,404
Profit or loss recognized in other comprehensive income		
Unrealized gains and losses on equity instrument investments measured at fair value through other comprehensive income	(1,711)	901
December 31	$ 94,594	$ 96,305

6. There was no transfer into or out of Level 3 in 2023 and 2022.
7. The valuation process of the Group's fair value classified as Level 3 is that the financial department entrusts an external professional appraisal institution to conduct independent fair value verification of financial instruments.
8. The quantitative information of the significant unobservable input value of the evaluation model used in the Level 3 fair value measurement and the sensitivity analysis of the significant unobservable input value changes are as follows:

	Fair value on December 31, 2023	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 94,594	Comparable Public Company Act	Discount for lack of market liquidity	19.54%	The higher the lack of market liquidity

					discount, the lower the fair value.

	Fair value on December 31, 2022	Valuation technique	Unobservable significant input	Range (weighted average)	Relationship between input value and fair value
Non-derivative equity instruments:					
Non-listed stocks	$ 96,305	Comparable Public Company Act	Discount for lack of market liquidity	21.68%	The higher the lack of market liquidity discount, the lower the fair value.

9. The external professional appraisal agency commissioned by the Group's Finance Department carefully evaluates the valuation model and valuation parameters selected; however, the use of different valuation models or valuation parameters may result in different evaluation results. For financial assets and financial liabilities classified as Level 3, if the valuation parameters change, the impact on the current profit and loss or other comprehensive income is as follows:

			December 31, 2023			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 946	($ 946)

			December 31, 2022			
			Recognized in profit or loss		Recognized in other comprehensive income	
	Input value	Travel Variations	Favorable change	Unfavorable change	Favorable change	Unfavorable change
Financial assets						
Equity instrument	Discount for lack of market liquidity	±1%	$ -	$ -	$ 963	($ 963)

XIII. Disclosures in notes

(I) Information on significant transactions

1. Loaning of funds to others: No such situation.
2. Endorsements/guarantees provided for others: none.
3. Marketable securities held at the end of the period (excluding investment in subsidiaries, affiliates and joint ventures): Please refer to Table 1.
4. Accumulated purchase or sale of the same securities reaching NT$300 million or more than 20% of the paid-in capital: No such situation.
5. Acquisition of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.
6. Disposal of real estate for an amount over NT$300 million or 20% of the paid-in capital: None.
7. Total purchases from or sales to related parties amounting to at least NT$100 million or 20% of the paid-in capital: Attachment 2.
8. Receivables from related parties amounting to at least NT$100 million or 20% of the paid-in capital: Please refer to Table 3.

9. Engagement in derivative transactions: Please refer to Note 6(2) .
10. Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries: Please refer to Table 4.

(II) Information on investees

The name and location of the investee company and other relevant information (excluding mainland China investee companies): Please refer to Table 5.

(III) Mainland China Investment Information

1. Basic information: Please refer to Table 6.
2. Significant transactions with investee companies in mainland China directly or indirectly through enterprises in a third region: Please refer to Table 7.

(IV) Information of major shareholders

Names of shareholders holding 5% or more of the Company's shares, number of shares held and percentage: Please refer to Table 8.

XIV. Information about operating segments

(I) General information

The Group only operates in a single industry, and the Group's operating decision-maker has identified the Group as a reportable department based on the overall performance evaluation and resource allocation.

(II) Measurement of segment information

The Group's operating decision-maker evaluates the performance of operating segments based on the after-tax net profit. The measurement indicators are based on the revenue achievement rate, gross profit achievement rate, and net operating profit achievement rate. The status of excessive and short expenses is reviewed on a monthly basis to assess the rationality of resource consumption.

(III) Information on segment profits and losses, assets and liabilities

The information of the segments to be provided to the chief operating decision-maker is as follows:

2023	Single operating department	Reconciliation and write-off	Total
External income	$ 2,571,194	$ -	$ 2,571,194
Internal department revenue	2,902,842	(2,902,842)	-
Segment revenue	$ 5,474,036	($ 2,902,842)	$ 2,571,194
Segment income	($ 103,612)	$ -	($ 103,612)
Segment income includes:			
Depreciation and amortization	$ 297,966	$ -	$ 297,966
Interest income	5,872	-	5,872
Interest Expenses	71,015	-	71,015
income tax expense	44,183	-	44,183
Segment assets	$ 10,941,392	($ 3,180,371)	$ 7,761,021
Departmental liabilities	$ 7,552,121	($ 3,050,537)	$ 4,501,584

2022	Single operating department	Reconciliation and write-off	Total
External income	$ 3,374,243	$ -	$ 3,374,243
Internal department revenue	3,540,650	(3,540,650)	-
Segment revenue	$ 6,914,893	($ 3,540,650)	$ 3,374,243

Segment income	$ 330,142	($ 46,131)	$ 284,011
Segment income includes:			
Depreciation and amortization	$ 270,577	$ -	$ 270,577
Interest income	3,525	(492)	3,033
Interest Expenses	51,473	(492)	50,981
income tax expense	107,207	-	107,207
Segment assets	$ 10,687,385	($ 2,632,045)	$ 8,055,340
Departmental liabilities	$ 6,898,141	($ 2,315,351)	$ 4,582,790

(IV) Reconciliation of segment profit and loss

1. The Group has only a single reportable segment that provides external revenue and profit information to the chief operating decision-maker. The amount in the consolidated statements of comprehensive income is measured in a consistent manner. The net profit of the Group's reportable segment is net profit after tax and does not need to be adjusted.
2. The Group has only a single reportable segment, the total assets and total liabilities provided to the chief operating decision-maker and the assets and liabilities of the consolidated balance sheet shall be measured in a consistent manner, and the assets and liabilities of the reportable segment are equal to the total assets and total liabilities, no adjustment is required.

(V) Information on product type and service type

Please refer to Note VI (20)

(VI) Information by Region

Information of the Group by region in 2023 and 2022 is as follows:

	2023		2022	
	Income	Non-current assets	Income	Non-current assets
Taiwan	$ 258,827	$ 3,401,615	$ 471,214	$ 3,692,502
Asia	2,104,721	46,373	2,720,229	53,030
Europe	115,191	-	138,909	-
Others	92,455	-	43,891	-
Total	$ 2,571,194	$ 3,447,988	$ 3,374,243	$ 3,745,532

(VII) Important customer information

Information on the Group's important customers in 2023 and 2022 is as follows:

	2023			2022	
	Income	Percentage (%)		Income	Percentage (%)
B	$ 506,669	20%	B	$ 485,874	14%
C	334,230	13%	C	426,726	13%
D	315,264	12%	D	412,512	12%
E	253,295	10%	A	384,282	11%

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Marketable securities held at the end of the period (excluding investments in subsidiaries, affiliates, and joint ventures)

December 31, 2023

Attachment 1

Unit: NT$ thousand

(unless otherwise specified)

Companies in possession	Type and name of marketable securities (Note 1)	Relationship with the securities issuer (Note 2)	Presentation Account	End of period				Note
				Shares	Carrying amount (Note 3)	Shareholding ratio (%)	Fair value	
TBI Motion Technology Co., Ltd.	CHUAN DA TECHNOLOGY CO., LTD.	No	Financial assets measured at fair value through other comprehensive income - non-current	3,860,000	$ 94,594	19.30	$ 94,594	Note 4

Note 1: Marketable securities referred to in this table are stocks, bonds, beneficiary certificates and marketable securities derived from the above items that fall within the scope of IFRS 9 "Financial Instruments."
Note 2: If the securities issuer is not a related party, this column can be omitted.
Note 3: If the item is measured at fair value, please enter the book balance after adjustment for fair value valuation and deduction of accumulated impairment in the column of book value. For the item not measured at fair value, please specify the original acquisition cost or cost after amortization less carrying amount balance of accumulated impairment.
Note 4: The securities are not provided as collateral, pledged for loans, or other restricted uses as agreed.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

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

January 1 to December 31, 2023

Table 2

Unit: NT$ thousand

(unless otherwise specified)

Purchase (sale) company	Name of counterparty	Relationship	Transaction status: Purchase (sale) goods	Transaction status: Amount	Transaction status: Percentage to total purchase (sales)	Transaction status: Credit period	Circumstances and reasons for the difference between the transaction conditions and general transactions: Unit price	Circumstances and reasons for the difference between the transaction conditions and general transactions: Credit period	Notes/Accounts Receivable (Payable): Balance	Notes/Accounts Receivable (Payable): Percentage of total notes and accounts receivable (payable)	Note
TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	Subsidiary	Sale of goods	($ 2,306,789)	(77.97%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	$ 2,683,891	93.70%	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	Sale of goods	(581,920)	(19.67%)	Within 120 days	Based on general sales and purchase prices and conditions	There is no significant difference in terms of payment from non-related parties	158,330	5.53%	

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

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

December 31, 2023

Table 3

Unit: NT$ thousand

(unless otherwise specified)

Company with receivables booked	Name of counterparty	Relationship	Balance of receivables from related parties	Turnover rate	Overdue receivables from related parties		Period of receivables from related parties	Amount of loss allowance
					Amount	Processing method	Amount recovered	
TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	Subsidiary	$ 2,683,891	1.00	$ 2,299,508	Active collection	$ 356,727	
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Subsidiary	158,330	2.24	-	-	69,320	

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Business relationships and important transactions between the parent company and its subsidiaries and among subsidiaries, and the amounts

January 1 to December 31, 2023

Table 4

Unit: NT$ thousand

(unless otherwise specified)

				Transactions with each other			
Code (Note 1)	Trader's Name	Trading counterpart	Relationship with the counterparty (Note 2)	Account	Amount	Trading terms and conditions	As a percentage of consolidated total revenue or total assets (Note 3)
0	TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	1	Sales revenue	$ 2,306,789	Based on general sales price and terms and conditions	89.72%
0	TBI Motion Technology Co., Ltd.	TBI Motion (Suzhou) Co., Ltd.	1	Accounts receivable	2,683,891	"	34.58%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Sales revenue	581,920	"	22.63%
0	TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	1	Accounts receivable	158,330	"	2.04%

Note 1: Information on business transactions between the parent company and its subsidiaries should be indicated in the numbered column. The number should be filled in as follows:

(1) Fill in "0" for parent company.

(2) Subsidiaries are numbered sequentially starting from 1 according to the company type.

Note 2: There are three types of relationship with the transaction party, and the type is sufficient (if it is the same transaction between the parent company and subsidiaries or between subsidiaries, it is not necessary to repeat the disclosure. For example, if a parent company's transaction with a subsidiary has been disclosed by the parent company, the subsidiary does not need to disclose the transaction again; if a subsidiary's transaction with another subsidiary has been disclosed by one of its subsidiaries, it is not necessary to repeat the disclosure of the other):

(1) Parent company to subsidiary

(2) Subsidiary to parent company

(3) Subsidiary to subsidiary

Note 3: The ratio of the transaction amount to the total consolidated revenue or total assets is calculated. In the case of assets and liabilities, the calculation is based on the closing balance of the consolidated total assets; in the case of profit or loss, the calculation is based on the accumulated amount in the period to the consolidated total revenue calculation.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

The name and location of the investee company and other relevant information (excluding mainland China investee companies)

January 1 to December 31, 2023

Table 5

Unit: NT$ thousand

(unless otherwise specified)

Name of Investment Company	Name of investee (Note 1)	Location of the area	Main business items	Initial investment amount		Held at end of period			Investee profit or loss for the period	Investment gains and losses recognized in the current period	Note
				End of current period	End of last year	Shares	Ratio	Carrying amount			
TBI Motion Technology Co., Ltd.	TBI Motion Technology (USA) LLC.	U.S.	Sale of precision transmission components for the automated industry	$ 31,090	$ 31,090	10,000	100% of face value	$ 6,575	($ 4,848)	($ 4,848)	Note 2
TBI Motion Technology Co., Ltd.	TBI Motion Technology (HK) LTD.	Hong Kong	Holding company for overseas enterprises	170,630	170,630	60,000	100% of face value	(201,136)	(247,554)	(247,554)	Note 3
TBI Motion Technology Co., Ltd.	TBI Motion Intelligence Co., Ltd.	Taiwan	Sale of precision transmission components for the automated industry	2,000	2,000	3,927,865	100% of face value	110,089	66,668	66,668	Note 4
								$ (84,472)	$ (185,734)	$ (185,734)	

Note 1: Invested companies recognized under the equity method.

Note 2: The investment income recognized in the current period excludes the unrealized sales loss of downstream transactions of NT$265.

Note 3: The investment gains and losses recognized in the current period exclude the unrealized gain on sales of downstream transactions of NT$124,097.

Note 4: The investment gains and losses recognized in the current period exclude the unrealized sales loss of downstream transactions of NT$420.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Mainland China Investment Information - Basic Information

January 1 to December 31, 2023

Table 6

Unit: NT$ thousand

(unless otherwise specified)

Name of investee company in Mainland China	Main business items	Paid-up Capital	Investment method	Accumulated investment amount remitted from Taiwan at the beginning of current period	Investment amount remitted or recovered in the current period: Outward remittance	Investment amount remitted or recovered in the current period: Recovered	Accumulated investment amount remitted from Taiwan at the end of the period	Investee profit or loss for the period	The Company's shareholding ratio in direct or indirect investments	Investment gains and losses recognized in the current period	Carrying amount of investment at the end of the period	Repatriated investment income up to the current period	Note
TBI Motion (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	$ 164,428	Note 1	$ 164,428	$ -	-	$ 164,428	($ 247,552)	100% of face value	($ 247,552)	($ 207,261)	$ -	Note 2, 6

Company Name	Accumulated amount of remittance from Taiwan to Mainland China at the end of the period	Amount of investment approved by the Investment Commission, Ministry of Economic Affairs	The limit on investment in Mainland China stipulated by the Investment Commission of the Ministry of Economic Affairs	Note
TBI Motion Technology Co., Ltd.	$ 164,428	$ 164,428	$ 1,955,662	Note 4

Note 1: Reinvest in China through reinvestment in TBI Motion Technology (HK) LTD.

Note 2: Gains and losses recognized in the financial statements audited by the parent company's CPAs.

Note 3: The book value of the investment at the end of the period is the investment income and the balance of the long-term equity investment stated in the account of the disclosed investment company.

Note 4: According to the amendments to the "Regulations Governing the Permit of Investment or Technical Cooperation in Mainland China" and the "Principle for Review of Investment or Technical Cooperation in Mainland China" announced by the Investment Commission of the Ministry of Economic Affairs on August 29, 2008, investors (not belonging to individual and small and medium enterprises) who invest in Mainland China, the cumulative investment amount is limited to 60% of the net amount or the consolidated net worth, whichever is greater.

Note 5: The figures in this table should be presented in NTD. The assets and liabilities accounts: RMB is calculated as NTD 1: NTD 4.3265; US dollars is calculated as NTD 1: NTD 30.708.
Profit and loss account: RMB is calculated as NTD 1: NTD 4.3941; USD is USD 1: NTD 30.1784.

Note 6: The investment gains and losses recognized in the current period exclude the unrealized gain on sales of downstream transactions of NT$124,097.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Information on investments in Mainland China - significant transactions with investees that invest directly in Mainland China or indirectly through businesses in a third region

January 1 to December 31, 2023

Table 7

Unit: NT$ thousand

(unless otherwise specified)

Name of investee company in Mainland China	Sales (purchase)		Property transactions		Accounts receivable (payable)		Guarantee or endorsement of bills		Capital financing				Technical service income
	Amount	%	Amount	%	Balance	%	Closing balance	Purpose	Maximum balance	Closing balance	Interest rate range	Current interest	
TBI Motion (Suzhou) Co., Ltd.	$ 2,306,789	77.97%	$ -	-	$ 2,683,891	93.70%	$ -	-	$ -	$ -	-	$ -	$ 2,106

Note: For the calculation of the transaction amount as a percentage of the parent company's revenue or asset ratio, if it is an asset or liability item, it is calculated as the ratio of the ending balance to the total individual It is calculated by the amount in the total purchase (sales) ratio.

TBI MOTION TECHNOLOGY CO., LTD. and Subsidiaries

Information of major shareholders

December 31, 2023

Table 8

Name of major shareholders	Shares	
	Number of Shares Held	Percentage of shareholdings
Ding Jie Investment Co., Ltd.	6,950,000	7.30%
Te Yi Investment Co., Ltd.	5,735,000	6.02%

Seven.Review and analysis of the financial position and financial performance and the risks thereof

I. Financial position

Unit: NT$ thousand

Item \ Year	2023	2022	Difference	
			Amount	%
Current asset	4,086,030	4,142,452	(56,422)	(1.36%)
Financial assets measured at fair value through other comprehensive income - non-current	94,594	96,305	(1,711)	(1.78%)
Property, Plant and Equipment	2,770,488	3,036,028	(265,540)	(8.75%)
right-of-use asset	637,948	650,589	(12,641)	(1.94%)
Intangible Assets	27,813	25,403	2,410	9.49%
Other assets	144,148	104,563	39,585	37.86%
Total Assets	7,761,021	8,055,340	(294,319)	(3.65%)
Current liabilities	1,382,977	1,273,221	109,756	8.62%
Non-current liabilities	3,118,607	3,309,569	(190,962)	(5.77%)
Total Liabilities	4,501,584	4,582,790	(81,206)	(1.77%)
Equity attributable to owners of parent	3,259,437	3,472,550	(213,113)	(6.14%)
Share capital	951,588	941,780	9,808	1.04%
Additional paid-in capital	1,724,900	1,700,331	24,569	1.44%
Retained earnings	538,025	782,904	(244,879)	(31.28%)
Other equity	44,924	47,535	(2,611)	(5.49%)
Treasury shares	-	-	-	-
Non-controlling interest	-	-	-	-
Total equity	3,259,437	3,472,550	(213,113)	(6.14%)

An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows:

1. Increase of other assets: Mainly due to the increase in investment losses, the Company recognized an increase in deferred income tax assets this year.
2. Retained earnings decreased: Mainly due to operating losses and the distribution of 2022 cash dividends this year.

II. financial performance

(I) Operating performance analysis

Unit: NT$ thousand

Item \ Year	2023	2022	Increase (decrease) amount	Change Percentage
Operating Revenue	2,571,194	3,374,243	(803,049)	(23.80%)
Operating costs	2,153,100	2,436,720	(283,620)	(11.64%)
Gross profit	418,094	937,523	(519,429)	(55.40%)
Operating expenses	488,986	559,723	(70,737)	(12.64%)
Operating profit (loss)	(70,892)	377,800	(448,692)	(118.76%)
Non-operating revenue and expenses	(76,903)	13,418	(90,321)	(673.13%)
Profit before tax	(147,795)	391,218	(539,013)	(137.78%)
Income tax benefit (expense)	44,183	(107,207)	151,390	(141.21%)
Net profit (loss)	(103,612)	284,011	(387,623)	(73.27%)
Other comprehensive income (after tax)	(2,611)	5,801	(8,412)	(145.01%)
Total comprehensive income	(106,223)	289,812	(396,035)	(136.65%)

An analysis of the changes with the percentage change of 20% or more and the amount change of NT$10,000 thousand or more is as follows:

1. Decrease in operating revenue: The decline in market demand resulted in a significant decrease in shipments in 2023.
2. Decrease in gross profit: Due to the decline in the market economy, resulting in the decrease in shipments this year.
3. The increase in net operating loss is mainly due to the significant decrease in operating revenue.
4. Net non-operating income and expenses decreased: Mainly due to the impact of exchange rate fluctuations, this year was exchange loss, and it was exchange gain in the previous year.
5. Increase in income tax profits: Mainly due to pre-tax losses in the current period.
6. Decrease in other comprehensive income (after tax): This is mainly due to the impact of exchange rate fluctuations, the exchange differences on the translation of the financial statements of foreign operations in this year are losses, while the gains in last year.

(II) Expected sales volume in the coming year and its basis, the possible impact on the Company's future financial operations, and the countermeasures to be taken:

Based on customer orders, industry overview, and market size growth, we expect to see a certain amount of growth in sales volume in the coming year compared to the previous year, which will have a positive impact on the Company's future finances.

III. Cash flow analysis and review

(I) Cash flow change analysis for the most recent year

Unit: NT$ thousand

Item \ Year	2023	2022	Changes	Increase (decrease) percentage (%)
Operating activities	(299,960)	36,994	(336,954)	(910.83%)
Investing activities	(209,619)	(960,104)	750,485	78.17%
Financing activities	424,388	802,203	(377,815)	(47.10%)

Cash flow change analysis:

1. Operating activities: The increase in net cash outflow is mainly due to a shrinking market economy and a net loss in the current period.

2. Investing activities: The decrease in net cash outflow is mainly due to the decrease in the Company's purchase of property, plant and equipment.

3. Financing activities: The decrease in net cash inflow was mainly due to the increase in long-term borrowings for the issuance of corporate bonds and purchase of real estate in the previous period, but not in this period.

(II) Improvement plan for insufficient liquidity: the Company was not in insufficient liquidity.

(III) Cash flow analysis for the next year (2024)

Unit: NT$ thousand

Cash balance at the beginning of period	Expected Cash Flow from Operating Activities for the Year	Expected Cash Flow from Investing and Financing Activities for the Year	Cash Surplus (deficits)	Remedies for Cash Deficiency	
				Investment Plan	Financing Plan
612,044	484,112	12,946	1,109,102	-	-

Cash flow change analysis for the coming year:

1. Operating activities: mainly due to the Company's expectation that the market economy will recover in 2024 and that the inventory will be increased, so the operating activities are net cash inflows .
2. Investment and financing activities: Mainly due to the net cash inflow from investment and financing activities due to the Company's expected sale of real estate and repayment of long-term borrowings .
3. We expect that there will not be a cash deficit in the coming year.

IV. Effect upon financial operations of any major capital expenditures during the most recent fiscal year

(I) Sources of funds for and the usage of significant capital expenditures: none.

(II) Impact on financial operations: none.

V. Reinvestment policy for the most recent fiscal year, the main reasons for the profits/losses generated thereby, the plan for improvement and investment plans for the coming year

(I) Re-investment policy for the most recent fiscal year: the Company's reinvestment policy is implemented by the relevant executive departments in accordance with the "Investment Cycle" and "Management Procedures for the Acquisition and Disposal of Assets" of the internal control system. Such rules and procedures have been discussed and approved by the board of directors or the shareholders' meeting.

(II) Profit or loss of reinvestment and improvement plan

Unit: NT$ thousand

Investee	Main business items	2023 Profit (loss) amount	Main reason for profit or loss	Improvement plan
TBI Motion Technology (USA) LLC.	Sale of precision transmission components for the automated industry	(4,848)	Decline in demand in Europe and the US market	(Note 1)
TBI Motion Technology (HK) LTD.	Holding company for overseas enterprises	(247,554)	Investment loss arising from the loss of the investee company	(Note 2)
TBI Motion Intelligence Co., Ltd.	Sale of precision transmission components for the automated industry	66,668	Stable demand in the Asia Pacific market	No
TBI Motion (Suzhou) Co., Ltd.	Sale of precision transmission components for the automated industry	(247,552)	Decline in demand in China market	(Note 2)

Note 1: Through diversified marketing models, we actively explore business cooperation in the automotive, laser, medical, and pharmaceutical industries, combining the complementary advantages of industries,
Seize market opportunities.

Note 2: To meet the needs of emerging markets, integrate sales channels, develop cross-industry cooperation and product integration projects to facilitate patent technology advantages,
creating long-term brand value and increase market share.

VI. Investment plans for the coming year: None.

VII. Risk Analysis and Assessment

(I) Impact of interest/exchange rate changes and inflation on the Company's profit (loss) and future countermeasures:

Unit: NT$ thousand

Risk Item	Impact on Profit (Loss)			Future Countermeasures
	Account	2023	2022	
Interest rate	Interest Expenses	71,015	50,981	The Company's interest rate risks mainly come from liabilities arising from operations. To reduce the interest risks, we monitor the trend of interest rate changes from time to time and maintain close contact with banks to obtain the best interest rate in a timely manner. We also reduce the debt ratio to reduce the impact of interest rate changes on the Company.
	Interest income	5,872	3,033	
Exchange rate	Exchange (loss) gain - net	(36,770)	52,147	The Company's export sales accounted for 89.93% in 2023. The Company's major foreign currency assets are denominated in U.S. dollars and changes in the exchange rates will have certain impact on our profit (loss). The Company takes countermeasures to not only monitor the exchange rate of the Taiwan dollar against the U.S. dollar and adjust the quoted export prices but also adjust our U.S. dollar-denominated liabilities in a timely manner to hedge our foreign currency positions naturally. In addition, the Company has also engaged in forward exchange transactions since 2017 to reduce the impact of exchange rate fluctuations on the Company's profit or loss.
Inflation	—	—	—	As of now, there is no significant impact on the Company's profit or loss due to inflation. We will pay attention to future inflation and adjust inventory and product prices in a timely manner.

(II) Policies regarding high-risk investments, highly leveraged investments, loans to other parties, endorsements, guarantees and derivatives transactions, reasons for gains or losses generated thereby, and future countermeasures:

1. To control financial risk, the Company does not engage in high-risk, highly leveraged investments. We engage in derivative transactions to reduce the impact of exchange rate fluctuations on the Company's profitability. They are considered hedging trades with limited risk.

2. To control the related transactions, the Company has, by laws and regulations, established internal management rules and operating procedures, including the "Operational Procedures for Acquisition and Disposal of Assets," "Rules for Loans to Others," and "Rules for Making of Endorsements/Guarantees," as the basis for conducting the related transactions.

(III) Research and development work to be carried out in the future, and further expenditures expected for research and development work:

The total budget for R&D in FY2024 is estimated to be 1.87% of operating revenue and the new products expected to be developed in the coming year are as follows:

1. Miniature type screws
2. Chain linear guide
3. Low noise products
4. Miniature type screws

(IV) Effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad and countermeasures

The Company’s businesses are conducted in compliance with laws and regulations of the competent authorities. We pay attention to important policies adopted and changes in the legal environment at home and abroad from time to time and evaluate their effect on the Company. There was not any effect on the Company's financial operations of important policies adopted and changes in the legal environment at home and abroad in the most recent fiscal year and up to the printing date of the annual report.

(V) Effect on the Company's financial operations of developments in science and technology as well as industrial change, and countermeasures:

In response to technological changes, our information security defense system will be deployed to enhance endpoint detection response, network anomaly traffic monitoring, intrusion detection protection, complete system backup and the cyber security monitoring platform. We have increased our defensive depth from both the management and technical perspectives to reduce cyber security risks. The Company always keeps abreast of technological changes and developments related to its own industry in order to introduce products that meet market trends. Therefore, there are currently no technological changes that have a significant impact on the Company's financial operations.

(VI) Effect on the Company's crisis management of changes in the Company's corporate image and measures:

Since our incorporation, the Company has been following relevant laws and regulations, actively enhancing internal management, building the strength of our management team and fulfilling our corporate social responsibilities. We have a dedicated spokesperson who is responsible to maintain our relationships with the public and the investors and maintain our corporate image. Therefore, there is no incident that damaged our corporate image that has occurred. For the most recent year and up to the printing date of the annual report, there were no relevant reports about the Company's poor corporate image.

(VII) Expected benefits and possible risks associated with any merger and acquisitions, and countermeasures: not applicable. There was no such circumstances in the most recent fiscal year and up to the printing date of the annual report.

(VIII) Expected benefits and possible risks associated with any plant expansion, and countermeasures: Not applicable. There was not such circumstance in the most recent fiscal year and up to the printing date of the annual report.

(IX) Risks associated with any sales or purchase concentration, and countermeasures:

1. Risks of the purchase concentration: The main raw material of the Company is steel. Most of our suppliers are domestic manufacturers and their delivery methods are quite flexible. We have a deep partnership with them for a long time. In addition, we have a number of homogeneous suppliers at the same time to achieve a higher flexibility of raw material supply. The supplier also needs to have the ability to flexibly deploy special specification raw materials and sourcing from the spot market to ensure the stability of our steel sources. We maintain good relationships with our supplier partners so there is no risk of material shortage or disruption due to concentration of supply.
2. Risks of sales concentration: our end-customers covering various industries. The wide range of customers can reduce the risk of concentration of sales caused by the economic cycle. Besides, we have been working closely with our major customers for many years and we are still actively expanding into new markets in Europe, the US and emerging countries to diversify our operational risks. Overall speaking, the Company does not have any risk of sales concentration.

(X) Effect upon and risk to the Company in the event a major quantity of shares held by a director, supervisor, or shareholder holding greater than a 10 percent stake in the Company has been transferred or has otherwise changed hands and countermeasures: not applicable. There is not such circumstance.

(XI) Effect upon and risk to Company associated with any change in governance personnel or top management, and countermeasures: not applicable.

(XII) Major litigious, non-litigious or administrative disputes that involve the Company and/or any director, any supervisor, the president, actual responsible person, any major shareholder holding a stake greater than 10 percent, and/or any company or companies controlled by the Company; and have been concluded by means of a final and unappealable judgment or are still under litigation. Where such a dispute could materially affect shareholders' equity or the prices of the company's securities, the annual report shall disclose the facts of the dispute, amount of money at stake in the dispute, the date of litigation commencement, the main parties to the dispute, and the status of the dispute as of the date of publication of the annual report: none.

(XIII) Other important risks and countermeasures:

1. Risk of information system damage: Information systems may be damaged due to natural disasters, human negligence or vandalism. In response to these risks, the Company has established the cyber security management rules and information system disaster recovery drill plans, in order to effectively reduce the risk of information system damage beforehand and respond quickly afterwards to protect the resources and performance of the Company's operations and to shorten the window of time for full system recovery.
2. Countermeasures: When the information system is damaged, we would activate the damage isolation and damage recovery system and immediately activate the backup database in accordance with the relevant management regulations.

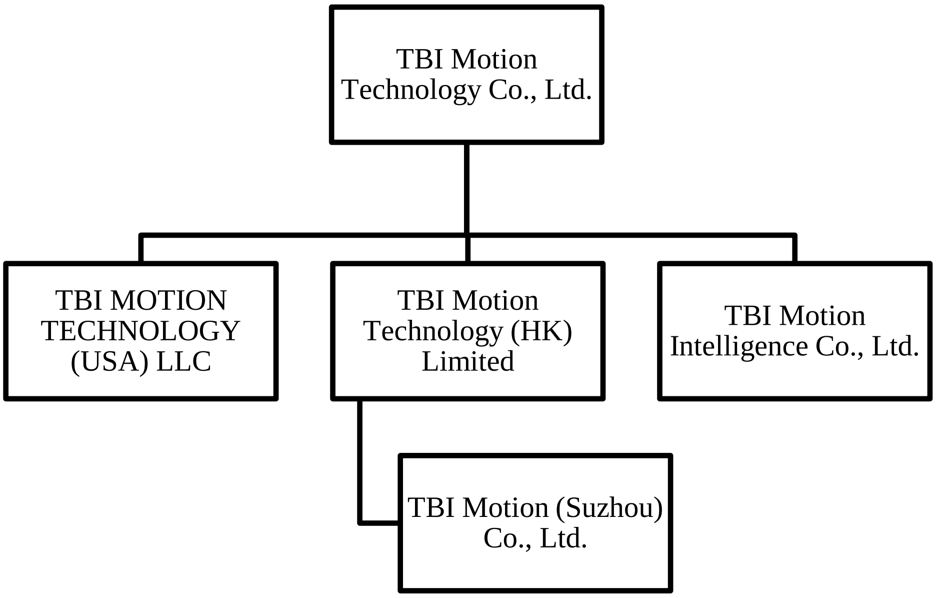
VIII. Other important matters: none.

Eight.Special items to be included

I. Information on the affiliates:

(I) Consolidated business reports of affiliated enterprises

1. Organization Chart of Affiliated Enterprises



2. Affiliated enterprise profile

Record date 2023.12.31

Affiliated Enterprise name	Date of Incorporation	Main Business or Products	Location	Paid-up Capital	Percentage of equity held
TBI MOTION TECHNOLOGY(USA) LLC	2019.09.25	Sales of precision transmission components for the automation industry	U.S.	US$1 million	100% of face value
TBI Motion Technology(HK) Limited	2020.04.10	Holding company for overseas enterprises	Hong Kong	US$6 million	100% of face value
TBI Motion (Suzhou) Co., Ltd.	2020.05.21	Sales of precision transmission components for the automation industry	China	US$5.8 million	100% of face value
TBI Motion Intelligence Co., Ltd.	2020.02.18	Sales of precision transmission components for automation industry	Taiwan	NT$39.27million	100% of face value

3. Information on the same shareholders of enterprises that are presumed to be in a controlling and subordinate relationship: None.

4. Industries covered by the business operated by the affiliates as a whole: distribution and service of transmission components, such as linear guides and ball screws.

5. Names of the directors, supervisors and presidents of each affiliate

Record date 2023.12.31

Affiliated Enterprise	Position	Name or Representative	Number of Shares Held	Percentage of shareholdings
TBI MOTION TECHNOLOGY(USA) LLC	Director	TBI Motion Technology Co., Ltd.	US$1 million	100%

TBI Motion Technology(HK) Limited	Director	TBI Motion Technology Co., Ltd.	US$6 million	100%
TBI Motion (Suzhou) Co., Ltd.	Director	TBI Motion Technology(HK) Limited	US$5.8 million	100%
TBI Motion Intelligence Co., Ltd.	Director	TBI Motion Technology Co., Ltd.	3,927,865 shares	100%

6. Business overview of each affiliate

Record date 2023.12.31 Unit: NT$ thousand/ US$

Affiliated Enterprise	Capital Amount	Total Assets	Total Liabilities	Net Worth	Operating Revenue	Operating Income	Net Profit or Loss (After Tax)	Earnings per Share (NT$) (After Tax)
TBI MOTION TECHNOLOGY(USA) LLC	US$1 million	14,194	6,343	7,851	22,375	(4,814)	(4,848)	
TBI Motion Technology(HK) Limited	US$6 million	11,894	-	11,894	-	(2)	(247,554)	
TBI Motion (Suzhou) Co., Ltd.	US$5.8 million	2,711,332	2,705,563	5,769	1,808,420	(244,707)	(247,552)	
TBI Motion Intelligence Co., Ltd.	NT$2 million	295,918	185,830	110,088	684,583	75,913	66,668	

(II) Consolidated statements of affiliates: Please refer to Page 148 to Page 206.

(III) Affiliation report: Not applicable.

II. Private placement of securities during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report: none.

III. Holding or disposal of shares in the Company by the its subsidiaries during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report: none.

IV. Other matters that require supplementary description: none.

Nine. Matters specified in Article 36, paragraph 3, subparagraph 2 of the Securities and Exchange Act, which might materially affect shareholders' equity or the price of the Company's securities, has occurred during the most recent fiscal year or during the current fiscal year up to the printing date of the annual report: none.